

MEDIA RELEASE

New Fuel and LPG Prices for October 2024

Monday, 30 September 2024

The Fijian Competition and Consumer Commission (FCCC) has determined the new regulated price for Unleaded Petrol (Motor Spirit), Premix, Kerosene, Diesel and LPG products for October 2024. The new prices come into effect from **Tuesday, 1 October 2024** and are as follows:

Table 1: New Approved Retail Fuel Price for October 2024.

Product	Current Price (Until 30 September 2024)	New Approved Price (Effective from 1 October 2024)	Price Change (Decrease)	
			(\$)	(%)
Motor Spirit	\$2.90 (VIP)	\$2.73 (VIP)	(\$0.17)	(5.86) %
Premix	\$2.72 (VIP)	\$2.55 (VIP)	(\$0.17)	(6.25) %
Kerosene*	\$1.93 (VAT exempt)	\$1.79 (VAT exempt)	(\$0.14)	(7.25) %
Diesel	\$2.50 (VIP)	\$2.33 (VIP)	(\$0.17)	(6.80) %
Note: *Kerosene price is the VAT exempt price and zero rated.				

Table 2: New Approved Retail LPG Prices for October 2024.

Product	Current Price (Until 30 September 2024)	New Approved Price (Effective from 1 October 2024)	Price Change (Decrease)	
			(\$)	(%)
4.5 Kg Cylinder*	\$14.86 (VAT exempt)	\$14.80 (VAT exempt)	(\$0.06)	(0.40) %
12 Kg Cylinder*	\$39.63 (VAT exempt)	\$39.46 (VAT exempt)	(\$0.17)	(0.43) %
Bulk** (Kg)	\$3.06 (VEP)	\$3.04 (VEP)	(\$0.02)	(0.65) %
Autogas*** (Litre)	\$2.15 (VIP)	\$2.14 (VIP)	(\$0.01)	(0.47) %
Note: * Cylinder price is VAT exempt price. **Bulk price is Wholesale VAT exclusive price (VEP) . *** Autogas retail price is VAT inclusive price (VIP).				

The Fuel & LPG product price review in Fiji follows a one-month lag period. Therefore, the local Fuel and LPG prices for October 2024 are based on Refined Fuel and Butane imports made by Fuel and LPG companies in August 2024.

Fuel Price Change Factors

Fuel prices in Fiji are impacted by the movements in Means of Platts Singapore (MOPS), international freight rates and foreign exchange rates. The major reason(s) for the fluctuations noted in the prices of refined fuel products in the Fijian market in October 2024 based on August 2024 imports are due to the following reasons:

A. Motor Spirit and Premix

The price of motor spirit and premix is based on same international refined price and international freight benchmarks. FCCC's independent analysis revealed that ***price of motor spirit and premix will decrease in October 2024*** due to following factors:

- a. Favourable movement was noted in the international refined fuel price of motor spirit, that is the cost price of refined motor spirit decreased when compared to last month's review.
- b. Favourable movement was noted in the international freight rate marker for motor spirit, that is international freight rate marker decreased when compared to last month's review.
- c. The US dollar weakened against the Fijian dollar for motor spirit and premix.

B. Kerosene and Diesel

FCCC's independent analysis revealed that ***price of kerosene and diesel will also decrease in October 2024*** due to following factors:

- a. Favourable movement was noted in the international refined fuel price of kerosene and diesel, that is, the cost price of refined kerosene and diesel decreased when compared to last month's review.
- b. Favourable movement was noted in the international freight rate marker for kerosene and diesel, that is international freight rate marker decreased when compared to last month's review.
- c. The US dollar weakened against the Fijian dollar for kerosene and diesel.

Crude Oil Market

The global economic factors in August 2024 which contributed to changes in the local Fijian prices for refined fuel products in October 2024 are as follows:

- a. The crude oil prices averaged lower in August 2024, undermined by selling pressure in the crude oil futures market and changes in traders' perceptions regarding short-term oil market outlooks.
- b. The crude oil spot prices were also pressured by weaker refining margins in all major hubs. Gasoline, diesel and fuel oil weakened in almost all markets.
- c. However, spot prices of light sweet grades found some support as supply outages in North Africa triggered rising demand for alternative prompt loading cargoes, including in the

Mediterranean and North Sea, although ample availability of West Texas Intermediate (WTI) crude in the Atlantic Basin limited the support.

- d. The crude oil spot prices declined less than futures prices amid supportive supply/demand fundamentals in the physical market, specifically for prompt loading volumes. This was reflected in the further widening of the North Sea Dated-ICE Brent premium.
- e. The crude differentials of light and medium sweet crudes in the Atlantic Basin showed mixed movements, as concerns about tightening supply in the Mediterranean sea due to outages were counterbalanced by ample availability of similar crudes, including the United States (US) crude and West African crude, particularly for the September 2024 trading cycle.
- f. Softening buying interest from refiners in Europe and Asia, along with lower refining margins also weighed on the crude differentials in August 2024.

The crude oil futures prices experienced elevated volatility in August 2024, largely influenced by substantial selloffs from the non-commercial participants in the crude oil futures markets. The decline in the crude oil prices in August 2024 were further fuelled by market sentiment, reflecting a potential easing of geopolitical developments and the uncertain economic outlook in China. These global economic factors in July 2024 contributed to the changes in the local Fijian prices for refined fuel products for which the prices will be effective from 1 October 2024.

LPG Price Change Factors

The major reason for the *decrease* noted in the proposed prices for all LPG products in October 2024 based on August 2024 imports for the Fijian economy are due to following reasons:

- a. Butane Contract Price (CP) increased by USD 5.00/MT or 0.88% compared to the last review,
- b. The average international freight decreased when compared to the last review, and
- c. The exchange rate weakened against the USD dollar when compared to the last review.

Butane Contract Price Movement

Saudi Arabia's state-controlled, Saudi Aramco increased the August 2024 Propane Contract Price (CP) by USD 10/MT from July 2024 Propane CP to USD 590/MT, while August 2024 Butane Contract Price (CP) was increased by USD 5/MT from July 2024 Butane CP to USD 570/MT.

Strong demand for evenly split ratio cargoes from the Middle East Gulf region in the wake of falling freight costs in August 2024 increased the Propane and Butane CP in August 2024.

The international freight is expected to remain weak in August 2024 as the Asian market continues to look to the Middle East for incremental supplies.

The declining naphtha values in August 2024, alongside crude losses, in August 2024 dimmed LPG's attractiveness as an alternative feedstock to flexible crackers. The front-month Asian propane-naphtha swaps spread narrowed from (USD 70/tonne) in early July 2024 to (USD 21/tonne) by the end of the month, softening demand for September 2024 LPG deliveries.

The increase in the run rates at Chinese petrochemical units drove the country's imports to a record high of nearly 3.65 million tonnes. The run rates at Chinese Propane Dehydrogenation (PDH) plants averaged 73 percent amid firmer downstream yields.

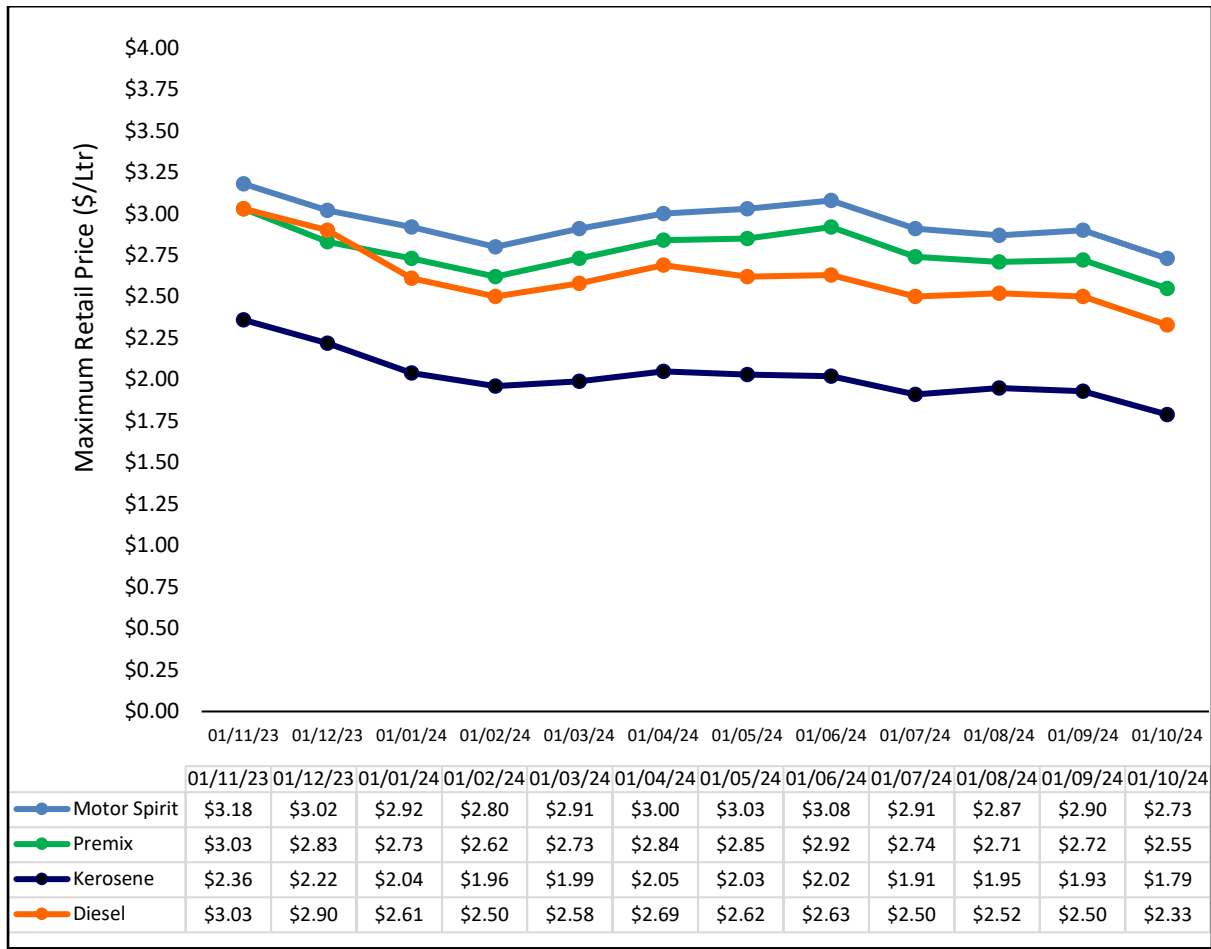
Asian delivered propane prices settled 0.8 percent lower from the previous month, shrugging off losses in the front-month Brent contract, which shed 7.8 percent over the same period. There was strong demand from China due to a reduction in US exports owing to weather-related supply disruption, reversing the prompt forward contango structure into backwardation. The United States exports to Asia were 2.95 million tonne in July 2024, down from 3.34 million tonne in June 2024.

These international market forces impacted the price of Butane and Propane Contract Price in August 2024, which will have an impact on the LPG products prices in the Fijian market in October 2024.

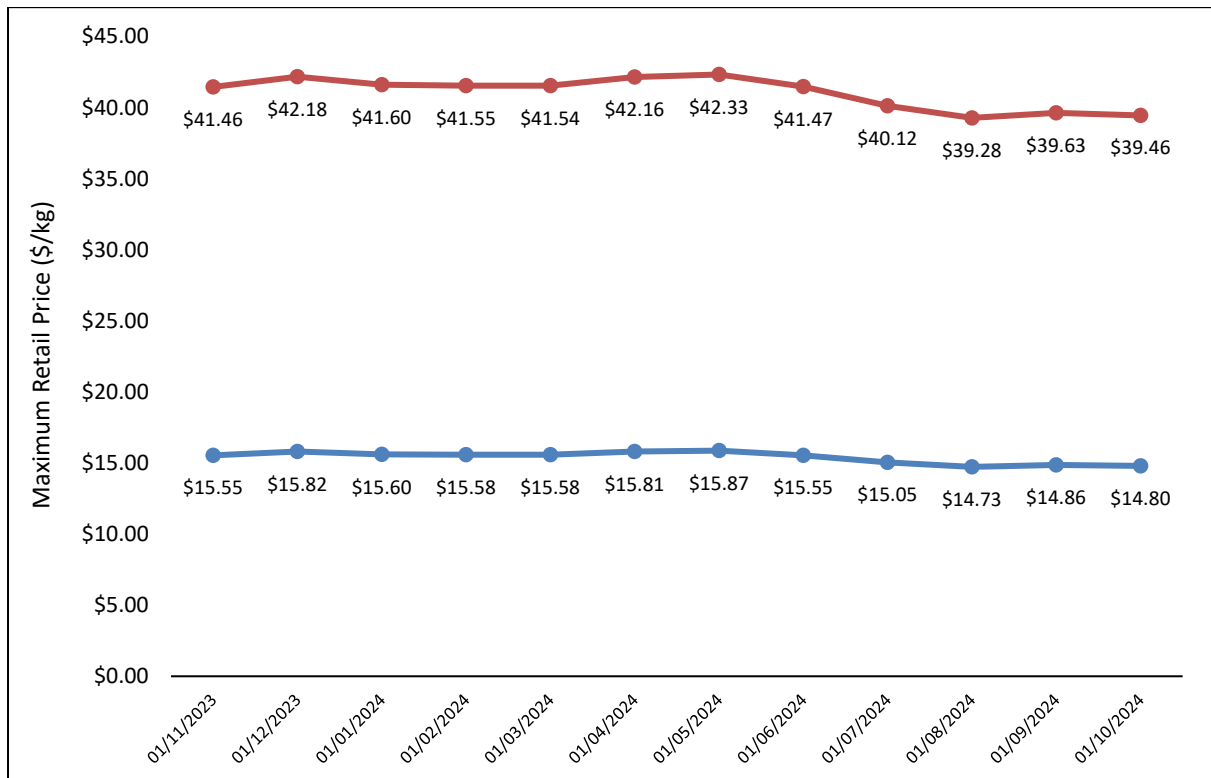
The Butane Contract Price has slightly increased in August 2024 however, the international freight had decreased in August 2024. The decline in the international freight rate was further supported by the weakening of the exchange rate in August 2024, which had positively impacted the price of LPG products in October 2024, as such the price of LPG products will slightly decrease in October 2024 in the Fijian market.

The graphs below illustrate fuel products and LPG 4.5kg & 12kg cylinder price movement from November 2023 to October 2024.

Graph 1: Maximum Retail Price for Refined Fuel Products from 1 Nov 2023 to 1 Oct 2024.



Graph 2: Maximum Retail Price of 12kg & 4.5kg Cylinder from 1 Nov 2023 to 1 Oct 2024.



Enforcement and Compliance

As part of the FCCC's enforcement and compliance of fuel prices, our Enforcement Team will conduct inspections at wholesale / retail outlets and service stations to ensure prices of authorised petroleum and LPG products comply with the allowable maximum prices. The following FCCC officers will conduct inspections in various divisions:

- The Central team** can be reached via mobile phone number 9984035.
- The Western Team** can be reached via mobile phone number 8911623 or 9982437 for **Sigatoka residents**.
- The Northern Team** can be reached via mobile phone number 9984983.

The prices issued by FCCC are maximum wholesale and retail prices, and the wholesalers and retailers can sell the refined fuel and LPG products on the maximum wholesale and retail prices or below the authorised prices. The inspectors will continue to conduct checks during the coming weeks to ensure ongoing compliance.

Consumers are advised to report any instances of unfair trading practice, such as hoarding and overcharging by traders to the FCCC enforcement teams via mobile phone 8921991 or via email at helpdesk@fcc.gov.fj. Our regional offices, located in the Western Division can be contacted on 8911623 (9982437 for Sigatoka residents) and Northern Division can be contacted via mobile on 8911624.

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