

MEDIA RELEASE

New Fuel and LPG Prices for January 2025

Monday, 30 December 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 January 2025. The new prices come into effect from **Wednesday, 1 January 2025** and are as follows:

Table 1: New Approved Retail Fuel Price for January 2025.

Product	Current Price (Until 31 December 2024)	New Approved Price (Effective 1 January 2025)	Price Change	
			(\$)	(%)
Motor Spirit	\$2.67 (VIP)	\$2.67 (VIP)	\$0.00	0.00%
Premix	\$2.51 (VIP)	\$2.51 (VIP)	\$0.00	0.00%
Kerosene*	\$1.74 (VAT exempt)	\$1.78 (VAT exempt)	\$0.04	2.30%
Diesel	\$2.27 (VIP)	\$2.31 (VIP)	\$0.04	1.76%
Note: <i>*Kerosene price is the VAT exempt and zero rated.</i>				

Table 2: New Approved Retail LPG Prices for January 2025.

Product	Current Price (Until 31 December 2024)	New Approved Price (Effective 1 January 2025)	Price Change (Increase)	
			(\$)	(%)
4.5 Kg Cylinder*	\$15.35 (VAT exempt)	\$15.53 (VAT exempt)	\$0.18	1.17%
12 Kg Cylinder*	\$40.92 (VAT exempt)	\$41.42 (VAT exempt)	\$0.50	1.22%
Bulk** (Kg)	\$3.16 (VEP)	\$3.20 (VEP)	\$0.04	1.27%
Autogas*** (Litre)	\$2.22 (VIP)	\$2.25 (VIP)	\$0.03	1.35%
Note: <i>* Cylinder price is VAT exempt price. **Bulk price is Wholesale VAT exclusive price (VEP). *** Autogas retail price is VAT inclusive price (VIP).</i>				

The Fuel & LPG product price review in Fiji follows a one-month lag period. Therefore, the local Fuel and LPG prices for January 2025 are based on Refined Fuel and Butane imports made by Fuel and LPG companies in November 2024.

Fuel Price Change Factors

Fuel prices in Fiji are impacted by movements in the 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 January 2025 based on November 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 not change in January 2025** 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 strengthened 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 increase in January 2025** due to following factors:

- a. Unfavourable movement was noted in the international refined fuel price of kerosene and diesel, that is, the cost price of refined kerosene and diesel increased 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 strengthened against the Fijian dollar for kerosene and diesel.

Crude Oil Market

The crude oil prices averaged lower in November 2024, reversing part of the previous month's gains, mainly driven by selling in the oil futures market and changes in the market's perception of short-term oil market outlooks. The following factors contributed to crude oil price changes in November 2024:

- a. The crude oil spot prices were under pressure due to a well-supplied spot market amid slow crude demand for December 2024 loading cargoes, particularly in the Atlantic Basin, as refiners tend to reduce their crude stocks toward the end of the year due to tax considerations.

- b. However, the decline in the crude oil spot prices were limited by physical market fundamentals, which were reflected in higher global refinery intake as the refinery maintenance season peaked and refining margins strengthened in all major refining hubs.
- c. The crude differentials were mixed in November 2024, whereby sour crude strengthened in November 2024 based on stronger fuel oil and diesel margins, while light sweet crude weakened amid high supply availability and lower gasoline margins.
- d. The crude oil prices experienced a notable rebound at the beginning of November 2024, driven by sentiments around short term global market fundamentals. Geopolitical risks in the Middle East raised fears of potential supply disruptions, injecting bullish momentum into the market.
- e. This sentiment was further sustained by improving market confidence following approval of a large fiscal stimulus package in China, which spurred optimism for increased demand from the world's largest oil importer.
- f. Additionally, a weak US dollar made crude oil more affordable for holders of other currencies, providing additional support to prices. Traders also weighed concerns about supply disruptions that were developed by a tropical storm threatening production in the US Gulf of Mexico (GoM), which temporarily heightened supply risks. However, the bullish momentum was partially offset by an unexpected rise in US crude stocks, signaling a well-supplied US market.
- g. In the mid-month, the bullish sentiment faded, and crude oil prices shifted downward during November's second and third weeks. Renewed concerns about China's economic outlook emerged as a key negative factor, with weak macroeconomic indicators dampening sentiment. Notably, a decline in October 2024 crude imports, subdued consumer inflation and a sharper contraction in the producer price index highlighted the uncertainties regarding China's economic recovery.
- h. Furthermore, a stronger US dollar reversed earlier currency advantages, increasing the cost of crude for non-dollar buyers, and weighing further on prices. The resolution of weather-related production risks in the Gulf of Mexico as the impact of the hurricane receded, also eased supply concerns, contributing to the downtrend.
- i. Nonetheless, prices displayed some resilience later in the month, amid heightened geopolitical risks in Eastern Europe and temporary supply disruptions in the North Sea.

However, demand-side concerns linked to China and the persistent strength of the US dollar remained dominant drivers, limiting the recovery.

In the final week of November 2024, crude oil prices staged a modest rebound, underpinned by renewed geopolitical tensions in Eastern Europe, which heightened supply risk premiums. However, easing geopolitical tensions in the Middle East narrowed the risk premium and disappointing economic data from Germany weighed on sentiment, reflecting broader concerns about the global economy. These global economic factors in November 2024 contributed to the changes in the local prices for refined fuel products in Fiji for which the prices will be effective from 1 January 2025.

LPG Price Change Factors

FCCC used **straight average price** methodology to determine the LPG price for January 2025. The major reason(s) for the **increase** noted in the proposed prices for all LPG products in January 2025 based on November 2024 imports for the Fijian economy are due to following reasons:

- a. Butane Contract Price (CP) increased when compared to the last review,
- b. The average international freight decreased when compared to the last review, and
- c. The exchange rate strengthened against the USD dollar when compared to the last review.

Butane Contract Price Movement

Saudi Arabia's state controlled Saudi Aramco raised the November 2024 Propane Contract Price (CP) to USD 635/tonne, increasing by USD 10/tonne from October 2024 Propane CP. The Butane CP for November 2024 was set at USD 630/tonne, increasing by USD 10/tonne from October 2024 Butane CP.

The increase in Butane and Propane CP in November 2024 reflected strong demand for evenly split ratio cargoes from India and Southeast Asia. Spot cargo loading in November 2024 from the region were sold at USD 19 – USD 21/tonne premiums to the November CP.

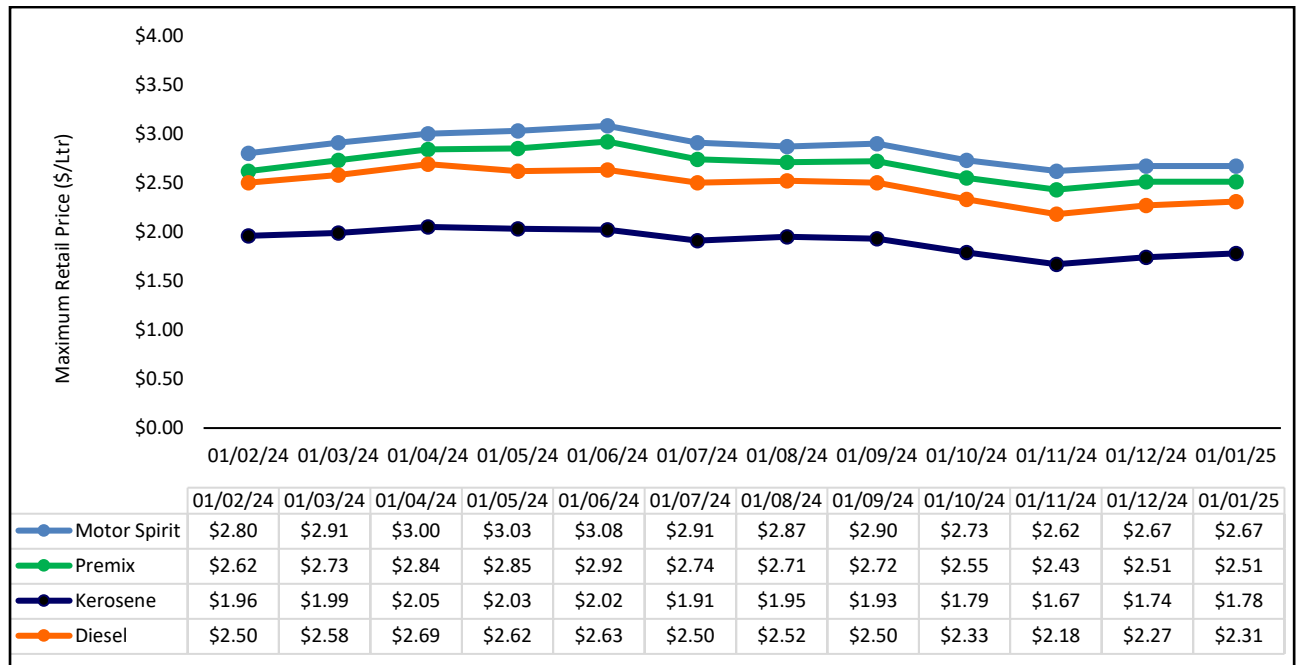
In November 2024, the Butane heavy cargoes commanded higher premiums than Propane only cargos because of limited supply and irregular demand from Northeast Asia. China imports in October fell below 3 million tonnes, according to shipping data, as petrochemical makers wrestled with negative production margins as demand entered a seasonal lull period in the fourth quarter.

The production margins at Chinese Propane Dehydrogenation (PDH) improved towards the end of October 2024 following losses in propane values. Operating rates averaged 75 percent

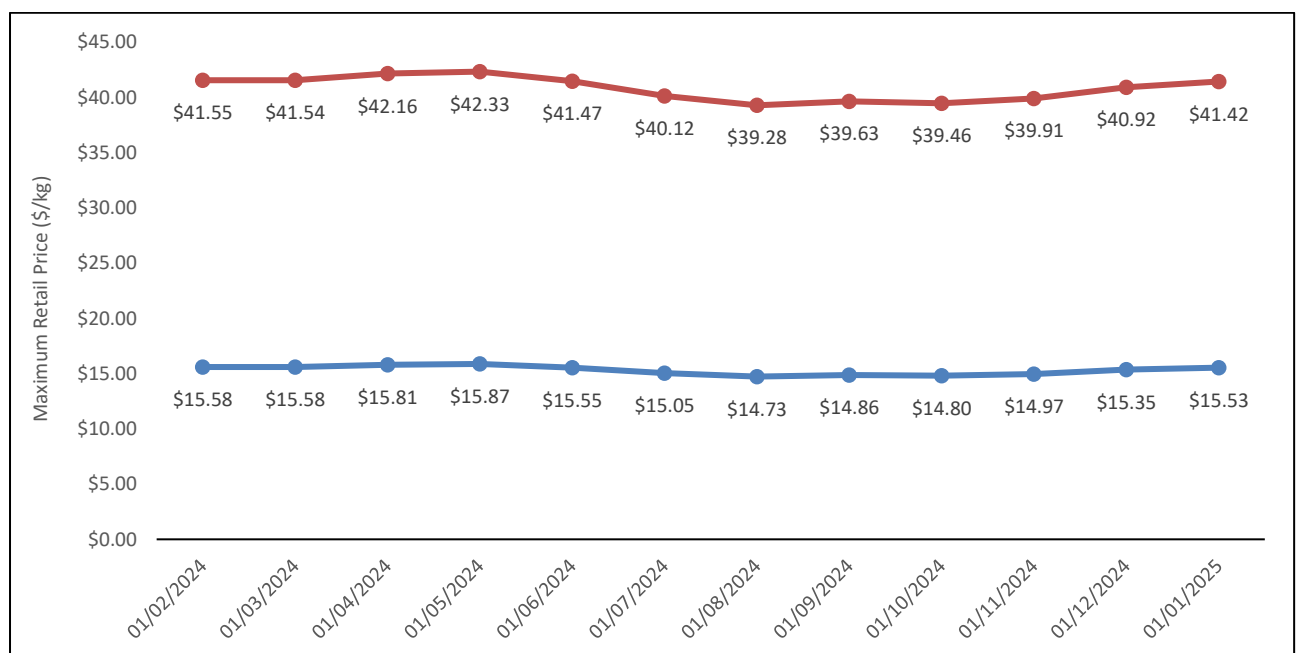
in October, up from 72 percent last month. These international market forces impacted the price of Butane and Propane Contract Price in December 2024 and LPG products prices in the Fijian market in January 2025.

The graphs below illustrate fuel products and LPG 4.5kg & 12kg cylinder price movement from February 2024 to January 2025.

Graph 1: Maximum Retail Price for Refined Fuel Products from 1 Feb 2024 to 1 Jan 2025.



Graph 2: Maximum Retail Price of 12kg and 4.5kg Cylinder in Fiji from 1 Feb 2024 to 1 Jan 2025.



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 authorised prices of 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 FCCC 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.

Follow FCCC on Facebook at www.facebook.com/FijianCCC/ for the latest update.

- Ends -