

MEDIA RELEASE

New Fuel and LPG Prices for February 2025

Friday, 31 January 2025

The Fijian Competition and Consumer Commission (FCCC) has determined the new price for Unleaded Petrol (Motor Spirit), Premix, Kerosene, Diesel and LPG products for February 2025. The new prices come into effect from **Saturday, 1 February 2025** and are as follows:

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

Product	Current Price (Until 31 January 2025)	New Approved Price (Effective 1 February 2025)	Price Change (Increase)	
			(\$)	(%)
Motor Spirit	\$2.67 (VIP)	\$2.69 (VIP)	\$0.02	0.75%
Premix	\$2.51 (VIP)	\$2.53 (VIP)	\$0.02	0.80%
Kerosene*	\$1.78 (VAT exempt)	\$1.80 (VAT exempt)	\$0.02	1.12%
Diesel	\$2.31 (VIP)	\$2.33 (VIP)	\$0.02	0.87%
Note: <i>*Kerosene price is the VAT exempt and zero rated.</i>				

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

Product	Current Price (Until 31 January 2025)	New Approved Price (Effective 1 February 2025)	Price Change (Increase)	
			(\$)	(%)
4.5 Kg Cylinder*	\$15.53	\$15.78	\$0.25	1.61%
12 Kg Cylinder*	\$41.42	\$42.09	\$0.67	1.62%
Bulk** (Kg)	\$3.20	\$3.25	\$0.05	1.56%
Autogas*** (Litre)	\$2.25	\$2.28	\$0.03	1.33%
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 and LPG product price review in Fiji follows a one-month lag period indicating that the above price assessment is based on Refined Fuel and Butane imports for December 2024. Notably, the strengthening of the US dollar is contributing to recent price increases, making it necessary to factor currency fluctuations into pricing strategies. This is because exchange rate movements directly impact costs, supply chains, and overall market stability.

As global economic conditions shift, ongoing assessments are necessary to manage these effects and further updates will be provided to ensure transparency and informed decision-making.

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 increase is due to the unfavourable movement of the international refined fuel price of motor spirit and the international freight rate marker when compared to last the review. While there's favourable movements in the international refined fuel price of kerosene and diesel, this is offset by the continued strengthening of the USD currency against the Fijian dollar resulting to the overall increase in the domestic fuel product prices.

Crude Oil Market

The crude oil prices showed mixed movements in December 2024. This was despite signs of supportive physical crude market fundamentals, reflected in robust growth in the global refinery intake. The following factors contributed to crude oil price changes in December 2024:

- a) The crude oil market witnessed firm buying interest, boosted by demand from European and Asia-Pacific buyers, which helped to clear January 2025 loading programmes.
- b) The strength of the crude oil market was also reflected in the continued decline in OECD commercial stocks in December 2024, including in the US.
- c) The crude oil price rose due to demand for Middle East crude in the Asia-Pacific, a strong sour market and supportive refinery margins in Singapore. West Texas Intermediate (WTI) also rose due to a higher refinery intake and lower US crude oil stocks. The crude oil spot prices have remained above crude oil futures prices in December 2024.
- d) The crude oil futures prices witnessed downward pressure in December 2024 due to thin trading activity, primarily driven by US public holidays and end-of-year holiday periods that typically resulted in lower market liquidity.
- e) Broader macroeconomic factors, particularly strengthening of the US dollar, exerted some negative impact on crude oil prices in December 2024.
- f) Optimism about demand growth from China was strengthened by the government's plans for more initiative-taking monetary and fiscal policies aimed at stimulating economic growth. These measures were expected to have a positive impact on oil demand.

- g) Geopolitical developments remained a major driver of oil market uncertainty in December 2024. Events in the Middle East and Eastern Europe continued to pose potential supply risks, thereby sustaining risk premiums in oil prices.

The crude oil market sentiment was further supported by expectations of increased middle distillate consumption due to a drop in temperatures across the northern hemisphere. Colder weather typically drives higher demand for heating fuels, which provided support to crude oil prices in December 2024. These global economic factors in December 2024 contributed to the changes in the local prices for refined fuel products in Fiji for which the prices will be effective from 1 February 2025.

LPG Price Change Factors

The major reason(s) for the **increase** noted in the proposed prices for all LPG products in February 2025 based on December 2024 imports for the Fijian economy are due to following factors:

- a. Butane Contract Price (CP) remained constant when compared to the last review,
- b. The average international freight increased 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 kept its December 2024 Propane and Butane Contract Prices (CPs) unchanged at USD 635/tonne and USD 630/tonne, respectively, despite firmer crude values over the same period. Average premiums for spot cargoes loading in December 2024 from the region fell to USD 1- 2/tonne to the December CP, compared with USD 19 - 20/tonne in November 2024.

Weakness in spot propane prices relative to naphtha widened the front month propane naphtha spread to an average of (USD 18/tonne) in November 2024 from (USD 8/tonne) in October 2024, encouraging some petrochemical players to switch to propane. Butane-heavy cargoes commanded bigger discounts than propane-only shipments because of ample supply and limited demand from northeast Asia.

Weak winter demand from north Asian importers coupled with ample supplies weighed down prices. According to shipping data, Chinese imports in November fell 23 percent on the month to 2.3 million tonnes, as petrochemical demand remained quiet.

Production margins at Chinese Propane Dehydrogenation (PDH) plants rose due to weaker propane values. However, operating rates fell to 67 percent at the end of November 2024 from an average of 75 percent in October 2024. These international market forces impacted the price of Butane and Propane Contract Price in December 2024 for LPG products prices globally.

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 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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