



19 February 2014 : The Ministry of Commerce, Tourism & Labour wishes to advise that the Tonga Competent Authority (TCA) has approved the new petroleum prices for February - March 2014 to be effective from Sunday 16th of February 2014

All petroleum consumers are notified that the wholesale and retail prices for Kerosene, Diesel and Petrol will decrease in February – March 2014. The retail price for Kerosene has decreased by 6.72 seniti per liter to a new price of \$2.33 per liter. The retail price for Diesel has decreased by 6.18 seniti per liter to a new price of \$2.94 per liter. The retail price for Petrol has decreased by 1.19 seniti per liter to a new price of \$2.86 per liter. All changes include Consumption Tax.

Petroleum prices for February - March 2014 is mainly determined by the movement of FOB prices in the Singapore market based on January 2014 average prices of the daily published Means of Platt's Singapore (MOPS) benchmark prices. The decrease in prices of Kerosene, Diesel and Petrol for February - March 2014 is due to reducing regional demand and refinery maintenance. Comparing January 2014 month average prices with December 2013, the benchmark crude price (Dated Brent) dropped by USD 2.56/bbl, while diesel and kerosene were drop by USD 4.79/bbl and USD 5.06/bbl respectively. The drop in crude prices has been partially offset by strong demand for petrol due to refinery disruptions. As a result petrol prices fell less than crude by USD 1.31/bbl and the Tongan Pa'anga was relatively stable.

On the outlook, crude prices are expected to continue the downward trend in February and March with falling product demand (particularly in Asia Pacific and Europe) and refinery maintenance further suppressing crude demand. However prices will remain above USD100/bbl as Saudi Arabia will likely intervene by reducing output and put upward pressure on prices.

For further information please contact the Ministry of Commerce, Tourism & Labour at telephone 23688.

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