



19th September 2018 The Ministry of Commerce, Consumer, Trade, Innovation & Labour wishes to advise that the Tonga Competent Authority (TCA) has approved the new petroleum prices for September - October 2018 to be effective from Tuesday, 18th September 2018

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Crude price movements were mixed last month with downward pressure from rising production from non-OPEC countries (primarily from US Shale Oil) and upward pressure from reduced exports from Iran (US sanctions) and Venezuela (domestic disruption) contributing to lower supply. Overall, the monthly average crude oil price reduced to USD 72.62/bbl for Dated Brent (down by USD 1.73/bbl).

While crude prices were lower, petrol and diesel product prices rose, indicating strengthening refining margins compared to July. Refining margins were supported by good demand along with some refinery disruption reducing normal supply. Jet/kerosene prices were steady which means its refining margin increased a smaller amount. Comparing the August 2018 month average prices with July:

- Crude oil (Dated Brent) was down by USD 1.73/bbl (2.3%);
- Petrol was up by USD 1.32/bbl (1.6%);
- Jet was essentially steady, down by USD 0.09/bbl (0.1%); and
- Diesel was up by 2.09/bbl (2.4%).

The freight rate has reduced slightly while the Tongan Pa'anga has been steady resulting in a

small increase in prices locally, due to higher international prices.

If this was normal monthly review, we would expect an increase in petrol and diesel prices, while kerosene prices will be steady (increases due to rise in MOPS with steady Pa'anga). However, this month's price is also impacted by the change from the 2018 Annual Review (a price drop), resulting in a reduction of petrol and kerosene prices and a small increase in diesel prices.

Overall this month, movement of product prices are mixed. Wholesale petrol and kerosene will decrease by 0.16 seniti/litre, 1.96 seniti/litre respectively, while diesel is up by 3.05 seniti/litre. Retail prices for petrol, kerosene and diesel for Tongatapu ONLY are 284.82seniti/litre, 210.63seniti/litre and 292.25seniti/litre respectively. For prices to outer islands, please contact our offices for details. All price changes include consumption tax.

For further information please contact the Ministry of Commerce, Consumer, Trade, Innovation & Labour at telephone 7400105 or 7710092.

Ministry of Commerce, Consumer, Trade, Innovation & Labour 18th September 2018

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