

Press Release (PPS) - 04 August 2017

The Petroleum Pricing Committee (PPC) met on Friday 4 August 2017 and, after verification of the computation of the retail prices of Mogas and Gas Oil, as provided for under Regulation 8 of the Consumer Protection (Control of Price of Petroleum Products) Regulations 2011 (as amended), approved that the retail prices be increased as per Regulation 5(3):

Product	Retail Price (Rs/Litre)
Mogas	44.90
Gas Oil	35.35

On 15 February 2017 the retail price of Mogas was fixed at Rs42.70 per litre and that of Gas Oil at Rs32.45 per litre. The Reference prices used at that time were US\$ 553.42 per M.Ton for Mogas and US\$63.97 per barrel for Gas Oil. Based on these Reference Prices, the retail prices of Mogas and Gas Oil should have been increased by Rs 7.9471 per litre or 20.46% and Rs 7.3818 per litre or 25.02% respectively but had to be restricted to 10% in accordance with the Regulations. Hence, since that date, STC has incurred losses on each tanker of Mogas and Gas Oil resulting in a total deficit of Rs 216.5 million in the Price Stabilisation Account (PSA) as at 4 August 2017.

Mogas (Essence)

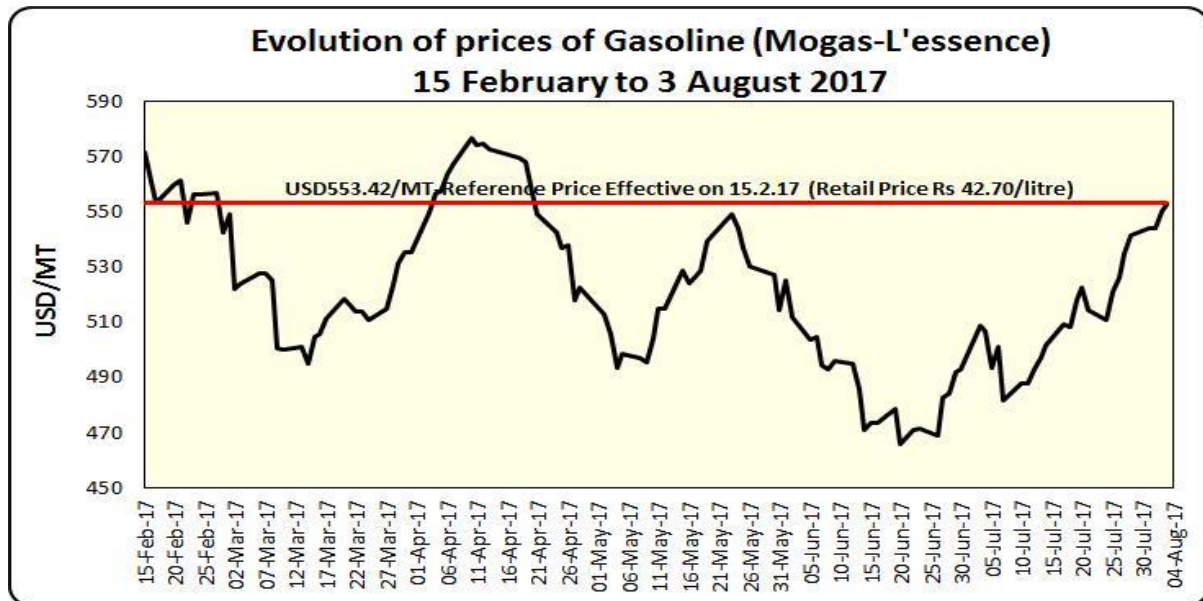
On 15 February 2017, the balance in the PSA in respect of Mogas was negative by Rs62.9 million. As the increase brought on that day was limited to 10% in accordance with the Regulations, a loss of Rs3.5627 per litre had to be borne by STC as indicated in our press release of that date. As such, as at 4 August 2017 the PSA has reached a negative balance of Rs193.3 million. Therefore, the retail price of Mogas has been increased by Rs 2.20 per litre or by 5.15%.

Gas Oil (Diesel)

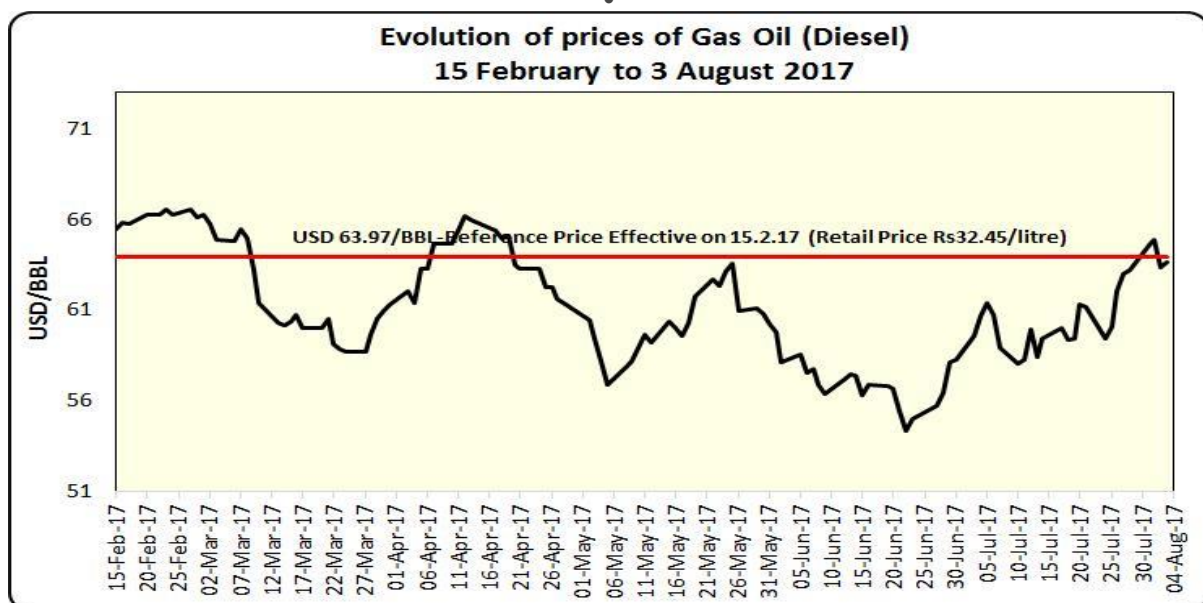
On 15 February 2017 the increase in retail price of Gas Oil had to be limited to 10% instead of 25.02% in accordance with the Regulations. Accordingly, a loss of Rs3.8537 per litre had to be borne by STC as stated in our press release of that date. As such, the balance in the PSA for Gas Oil has a negative balance of Rs 23.2 million as at 4 August 2017. Therefore, the retail price of Gas Oil has been increased by Rs 2.90 per litre or by 8.94%.

The new retail prices are effective as from **00.00 hr on Saturday 5 August 2017**. The evolution of the FOB prices of Mogas and Gas Oil since 15 February 2017 are shown below:

Graph 1 – Mogas



Graph 2 – Gas Oil



Based on the new Reference Prices, the retail prices of Mogas and Gas Oil have been increased by Rs 2.20 per litre or 5.15 % and Rs 2.90 per litre or 8.94% respectively as shown below:

	Mogas	Gas Oil
Reference Price - US\$ per metric ton	525.34	-
Reference Price - US\$ per barrel	-	61.85

CIF - US\$/litre	0.4326	0.4163
Exchange rate - Rs/ US\$	34.15	34.15
	Rupees per litre	
CIF	14.7733	14.2166
Excise duty	14.8000	7.3000
Maurice Ile Durable levy	0.3000	0.3000
Contribution to Road Development Authority	1.8500	1.7500
Contribution to Rodrigues transportation and storage	0.4100	0.4100
Contribution to the construction of Storage facilities for petroleum products	0.1000	0.1000
Contribution to subsidy on LPG, Flour and Rice	2.7000	2.7000
STC's operational expenses	0.3500	0.4000
Rounding of figures	(0.0038)	0.0045
TRANSFER PRICE TO OIL COMPANIES	35.2795	27.1811
Oil Companies' operational expenses and wholesale margin	1.9300	1.7600
VAT (15%)	5.8565	4.6109
WHOLESALE PRICE	43.0660	33.5520
Retail margin	1.8340	1.7980
RETAIL PRICE (Price at Petrol Service Station)	44.9000	35.3500

04 August 2017