



STC PRESS RELEASE

The Petroleum Pricing Committee (PPC) met on Wednesday 20 December 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 follows as per Regulation 5(3):

Product	Retail Price Rs / Litre
Mogas	47.30
Gasoil	38.10

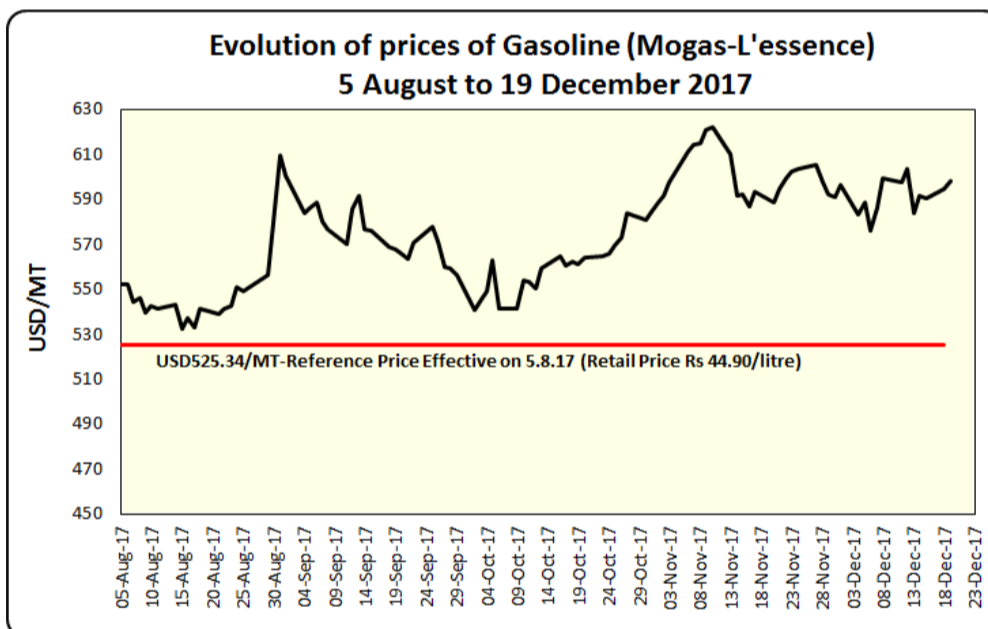
On 5 August 2017 the retail price of Mogas was fixed at Rs44.90 per litre and that of Gas Oil at Rs35.35 per litre. The Reference prices used at that time were US\$ 525.34 per M.Ton for Mogas and US\$61.85 per barrel for Gas Oil. The Price Stabilisation Account (PSA) had a negative balance of Rs 216.5 million as stated in the press release of 4 August 2017. Since then, there has been an upward trend in the FOB prices on the world market which has resulted in further deficit in the balance of the PSA to Rs 333 million.

The Reference prices used for the present exercise, that is the actual price for September to November 2017 and the future prices for December 2017 to February 2018 are US\$600.39 per M.Ton for Mogas representing an increase of US\$75.05 per M.Ton (14.29%) and US\$72.22 per barrel for Gas Oil representing an increase of US\$10.37 per barrel(16.77%) compared to August 2017 .

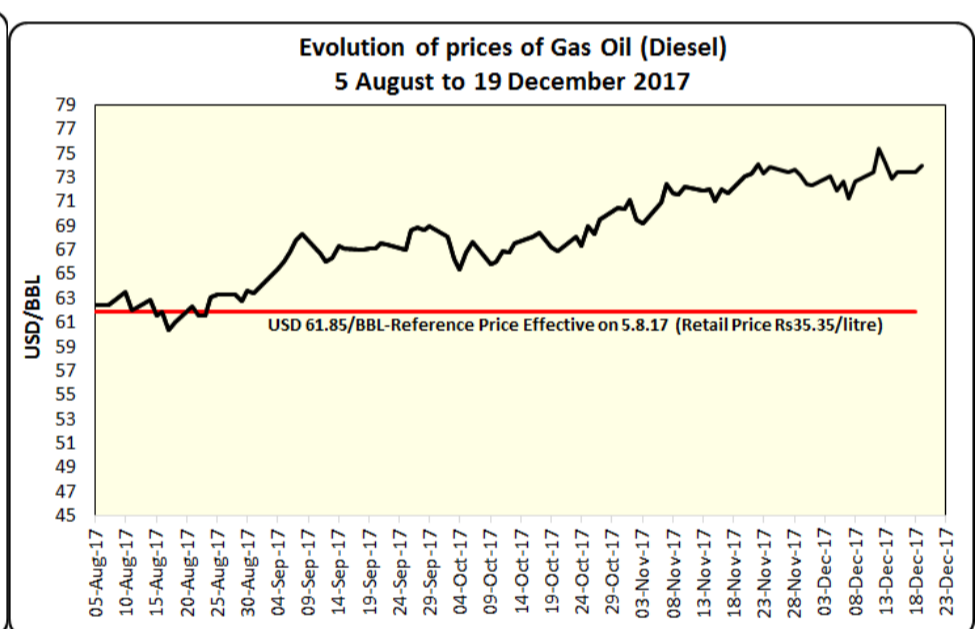
The retail price of Mogas has been increased by Rs 2.40 per litre or by 5.35% and that of Gas Oil has been increased by Rs 2.75 per litre or by 7.78% in accordance with the Regulations. The new retail prices are effective as from **00.00 hr on Thursday 21 December 2017**.

The evolution of the FOB prices of Mogas and Gas Oil since 5 August 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 2.40 per litre or by 5.35 % and Rs 2.75 per litre or by 7.78% respectively as shown below:

	Mogas	Gas Oil
Reference Price - US\$ per metric ton	600.39	-
Reference Price - US\$ per barrel	-	72.22
CIF - US\$/litre	0.4850	0.4773
Exchange rate – Rs/US\$	34.7500	34.7500
	Rupees per litre	
CIF	16.8538	16.5862
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	0.0026	0.0262
TRANSFER PRICE TO OIL COMPANIES	37.3664	29.5724
Oil Companies' operational expenses and wholesale margin	1.9300	1.7600
VAT (15%)	6.1696	4.9696
WHOLESALE PRICE	45.4660	36.3020
Retail margin	1.8340	1.7980
RETAIL PRICE (Price at Petrol Service Station)	47.3000	38.1000