



The Petroleum Pricing Committee (PPC) met on Saturday 30 September 2023 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), recommended that the retail prices of Mogas and Gas Oil be increased as per Regulation 5 (3), as shown below:

Product	New Retail Price Rs / Litre
Mogas	72.10
Gas Oil	60.00

The Committee also took note of the evolution of world prices of Mogas and Gas Oil and considered the estimated **deficit of Rs5.2 billion in the Price Stabilisation Account (PSA)**.

Mogas (L'Essence) – Based on the new Reference Price of US\$ 961.35 per metric ton for Mogas (as compared to US\$ 801.13 per metric ton used on 2 June 2023), as defined in the Regulations, at an exchange rate of Rs44.90/US\$, the retail price of Mogas should increase to Rs72.10 per litre i.e by Rs3.10 per litre or by 4.49%.

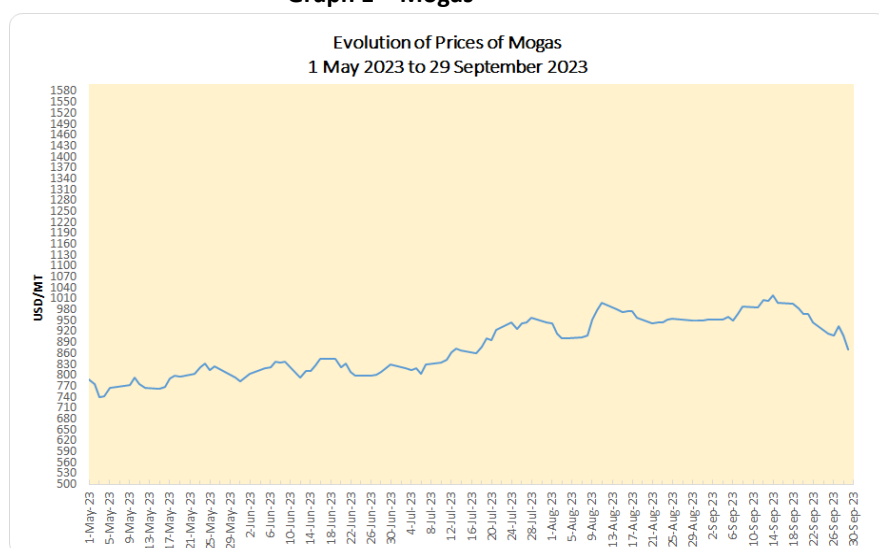
Gas Oil (Diesel) – Using the new Reference Price of US\$ 121.65 per barrel as compared to US\$ 89.37 per barrel used on 2 June 2023, as defined in the Regulations, at an exchange rate of Rs44.90/US\$, the retail price of Gas Oil should be increased to Rs64.15 per litre, that is, by Rs9.60 per litre or 17.60 %. However, as provided for under Regulation 5 (3)(b), the increase in the retail price of Gas Oil has been limited to a maximum of 10% (9.99%). Thus, a loss of Rs3.61 per litre is being carried forward.

The Committee took note that since December 2021, the maximum increases could not be passed on due to the limitations in the Regulations resulting in an increase in the deficit in the PSA as shown below. Moreover, it is to be highlighted that these losses pertain only to Mogas and Gas Oil and not to the other operations of STC. The deficit in the PSA has evolved as follows:

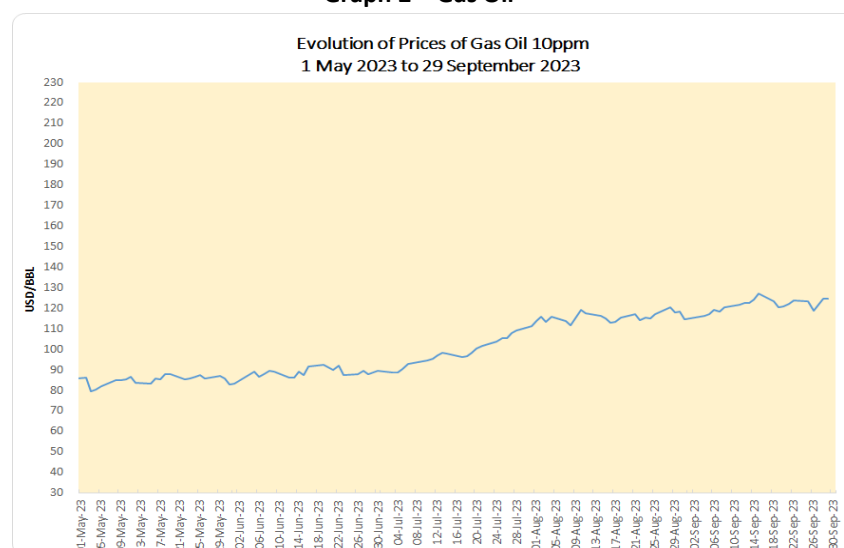
Deficit in PSA			
	Mogas (Rs Billion)	Gas Oil (Rs Billion)	Total Deficit in PSA (Rs Billion)
PPC meeting of 28 December 2021	(0.6)	(0.9)	(1.5)
PPC meeting of 26 February 2022	(0.8)	(1.3)	(2.1)
PPC meeting of 19 April 2022	(1.0)	(1.8)	(2.8)
PPC meeting of 18 May 2022	(1.1)	(2.2)	(3.3)
PPC meeting of 13 September 2022	(1.0)	(3.5)	(4.5)
PPC meeting of 12 January 2023	(0.6)	(3.8)	(4.4)
PPC meeting of 11 May 2023	(0.3)	(4.4)	(4.7)
PPC meeting of 2 June 2023	0.1	(4.4)	(4.3)
PPC meeting of 30 September 2023	(0.1)	(5.1)	(5.2)

The evolution of the world prices of Mogas and Gas Oil from 1 May to 29 September 2023 is shown in the graphs below:

Graph 1 – Mogas



Graph 2 – Gas Oil



Based on the new Reference Prices, the retail prices of Mogas (L'Essence) is increased to Rs72.10 per litre and that of Gas Oil (Diesel) is increased to Rs60.00 per litre. The new Price Structures are as follows:

	Mogas	Gas Oil
Reference Price - US\$ per Metric Ton	961.3500	-
Reference Price - US\$ per barrel	-	121.6500
CIF - US\$/litre	0.7923	0.8145
Exchange rate – Rs/US\$	44.9000	44.9000
Rupees per litre		
CIF	35.5743	36.5711
Excise duty	12.2000	4.7000
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	0.6500	0.5000
Contribution to Subsidy on LPG, Flour and Rice	7.2000	7.2000
STC's Operational Expenses	0.3500	0.4000
Rounding of Figures	0.0414	-
Fund (from) Price Stabilisation Account	-	(3.6072)
TRANSFER PRICE TO OIL COMPANIES	58.2757	47.9239
Oil Companies' Operational Expenses and Wholesale Margin	2.3500	2.1800
VAT (15%)	9.4043	7.8261
WHOLESALE PRICE	70.0300	57.9300
Retail Margin	2.0700	2.0700
RETAIL PRICE (Price at petrol service station)	72.1000	60.0000