



STC PRESS RELEASE

Following measures taken by Government as announced in the Budget speech 2018-2019, the Petroleum Pricing Committee (PPC) met on Thursday 14 June 2018 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 decreased as follows as per Regulation 5(3):

Product	Retail Price Rs / Litre
Mogas	49.65
Gas Oil	40.00

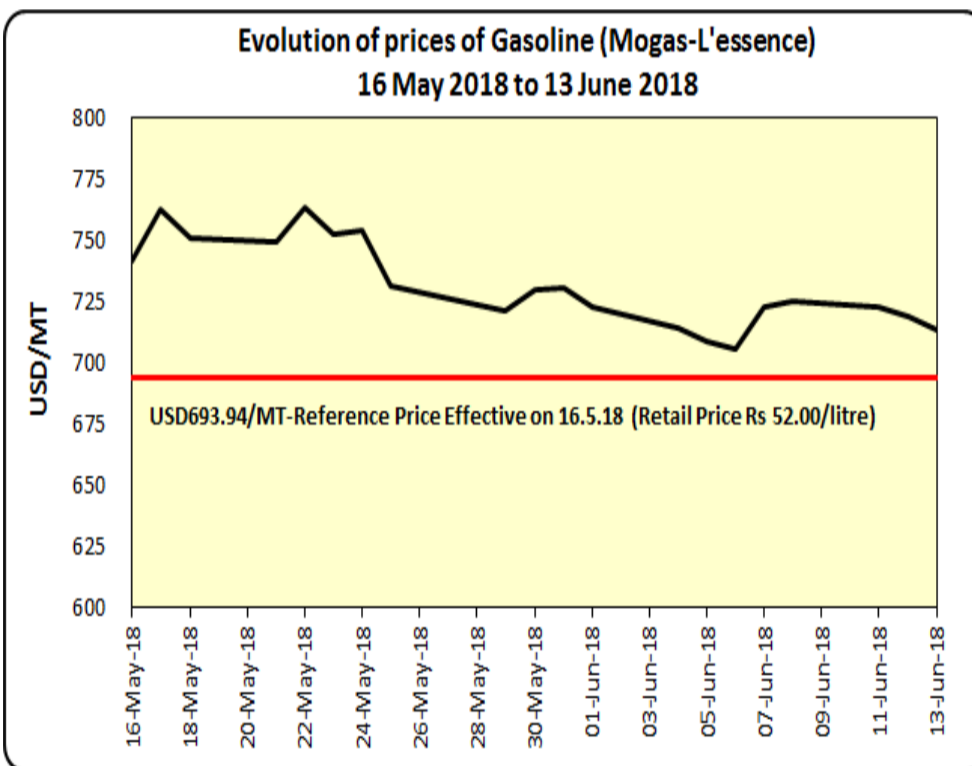
The retail prices of Mogas and Gas Oil effective as from 16 May 2018 were Rs52.00 and Rs41.90 per litre respectively. The Reference prices used at that time were US\$693.94 per M.Ton for Mogas and US\$83.94 per barrel for Gas Oil. Since then, the FOB prices on the world market have remained high as shown in the graphs below, which have added upward pressure on world prices of petroleum products.

The Price Stabilisation Account (PSA) which was negative by Rs230.4 million as stated in the press release of 15 May 2018 still shows a deficit of Rs165.7 million on 14 June 2018.

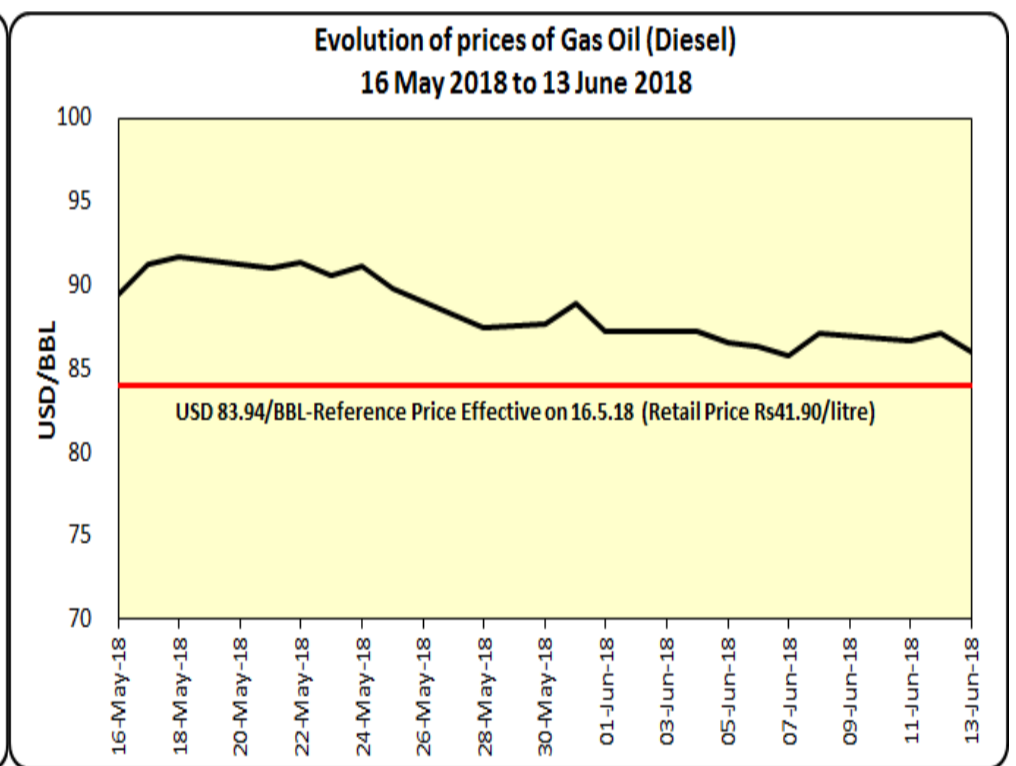
The Reference prices used for the present exercise, that is the actual prices for March to May 2018 and the future prices for June to August 2018 are US\$729.98 per M.Ton for Mogas representing an increase of US\$36.04 per M.Ton (5.19%) and US\$88.62 per barrel for Gas Oil representing an increase of US\$4.68 per barrel(5.58%) compared to May 2018.

However, the budgetary measures taken by Government have enabled to reduce the retail price of Mogas by Rs2.35 per litre (4.52%) and that of Gas Oil, by Rs1.90 per litre (4.53%) in accordance with the Regulations. The new retail prices are effective as from **00.00 hr on Friday 15 June 2018**. The evolution of the FOB prices of Mogas and Gas Oil since 16 May 2018 are shown below:

Graph 1 – Mogas



Graph 2 – Gas Oil



Based on the new Reference Prices and changes in the price structure, the retail prices of Mogas and Gas Oil are Rs49.65 per litre and Rs40.00 per litre respectively as shown below:

	Mogas	Gas Oil
Reference Price - US\$ per metric ton	729.9800	-
Reference Price - US\$ per barrel	-	88.6200
CIF - US\$/litre	0.5816	0.5798
Exchange rate – Rs/US\$	34.6000	34.6000
Rupees per litre		
CIF	20.1234	20.0611
Excise duty	14.8000	7.3000
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	1.7500	1.2000
STC's operational expenses	0.3500	0.4000
Rounding of Figures	0.0265	0.0035
TRANSFER PRICE TO OIL COMPANIES	39.4099	31.2246
Oil Companies' operational expenses and wholesale margin	1.9300	1.7600
VAT (15%)	6.4761	5.2174
WHOLESALE PRICE	47.8160	38.2020
Retail margin	1.8340	1.7980
RETAIL PRICE (Price at Petrol Service Station)	49.6500	40.0000