



STC PRESS RELEASE

Following measures taken by Government to reduce Excise Duty on Mogas and Gas Oil, as announced in the Budget speech 2019-2020, the Petroleum Pricing Committee (PPC) met on Monday 10 June 2019 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(2):

Product	Retail Price Rs / Litre
Mogas	44.00
Gas Oil	35.00

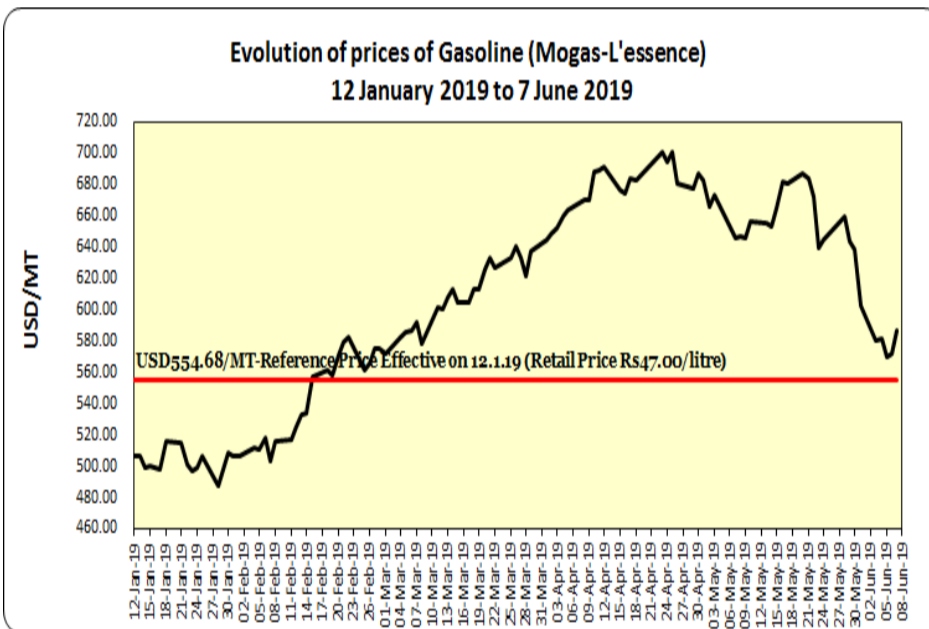
The retail prices of Mogas and Gas Oil effective as from 12 January 2019 were Rs47.00 and Rs38.00 per litre respectively. The Reference prices used at that time were US\$554.68 per M.Ton for Mogas and US\$76.63 per barrel for Gas Oil.

The committee took note of the status of the Price Stabilisation Account (PSA) which has a positive balance of Rs574.9 million as at 10 June 2019.

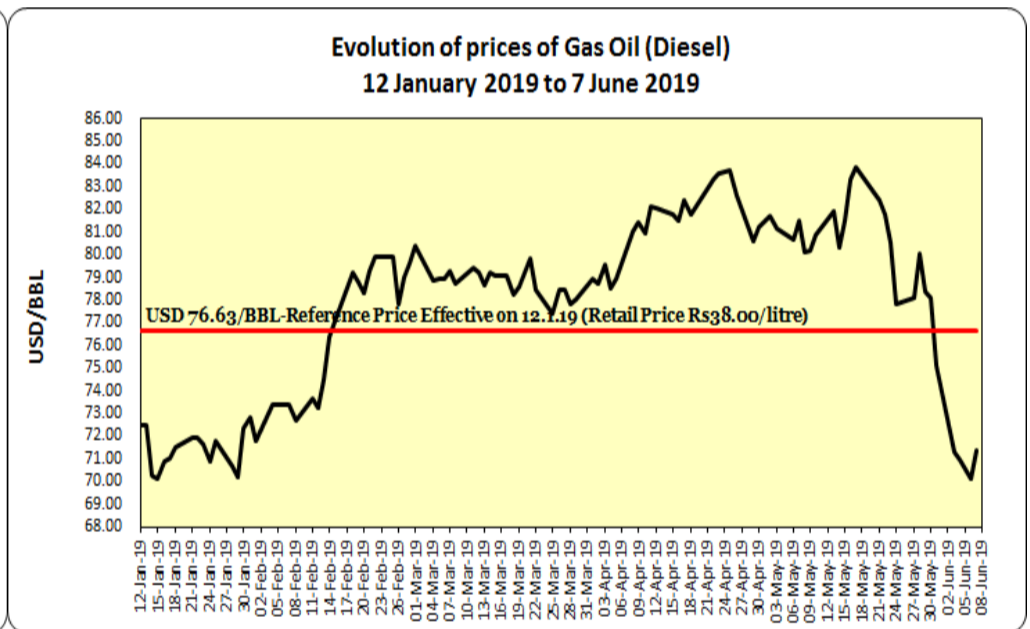
The Reference prices used for the present exercise, that is the actual prices for March to May 2019 and the future prices for June to August 2019 are US\$658.31 per M.Ton for Mogas representing an increase of US\$103.63 per M.Ton (18.68%) and US\$80.45 per barrel for Gas Oil representing an increase of US\$3.82 per barrel(4.98%) compared to January 2019.

However, the budgetary measures taken by Government to reduce excise duty on Mogas and Gas Oil have enabled to reduce the retail prices of both Mogas and Gas Oil by Rs3.00 per litre. The retail price of Mogas has been reduced by 6.38% and that of Gas Oil, by 7.89% in accordance with the Regulations. The new retail prices are effective as from **00.00 hr on Tuesday 11 June 2019**. The evolution of the FOB prices of Mogas and Gas Oil since January 2019 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 Rs44.00 per litre and Rs35.00 per litre respectively as shown below:

	Mogas	Gas Oil
Reference Price - US\$ per metric ton	658.3100	-
Reference Price - US\$ per barrel	-	80.4500
CIF - US\$/litre	0.5291	0.5299
Exchange rate – Rs/US\$	36.0000	36.0000
Rupees per litre		
CIF	19.0476	19.0764
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	3.0000	1.2000
STC's operational expenses	0.3500	0.4000
Fund from Price Stabilisation Account	(3.3007)	(1.4496)
TRANSFER PRICE TO OIL COMPANIES	34.2069	26.5868
Oil Companies' operational expenses and wholesale margin	2.1500	1.9800
VAT (15%)	5.7391	4.5652
WHOLESALE PRICE	42.0960	33.1320
Retail margin	1.9040	1.8680
RETAIL PRICE (Price at Petrol Service Station)	44.0000	35.0000