



STC PRESS RELEASE

The Petroleum Pricing Committee (PPC) met on Friday 10 May 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 maintained at their present level as shown below as per Regulation 5(1) (c):

Product	Retail Price Rs / Litre
Mogas	47.00
Gas Oil	38.00

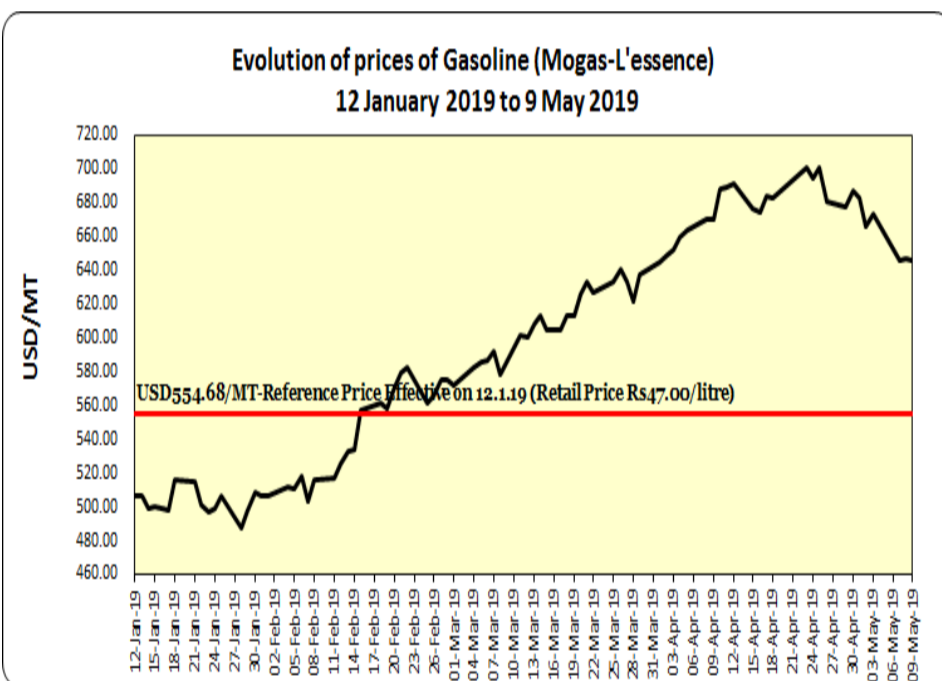
The Committee took note of the evolution of world prices of Mogas and Gas Oil and the status of the Price Stabilisation Account (PSA) which has a positive balance of Rs615.3 million on 10 May 2019 as compared to Rs716.8 million on 15 March 2019.

The Reference Prices used for the present exercise, that is the actual prices for February to April 2019 and the future prices for May to July 2019 are US\$676.83 per M.Ton for Mogas, representing an increase of US\$122.15 per M. Ton (22.02%), and US\$81.35 per barrel for Gas Oil, representing an increase of US\$4.72 per barrel (6.16%) compared to those used in January 2019 when the retail prices were last fixed.

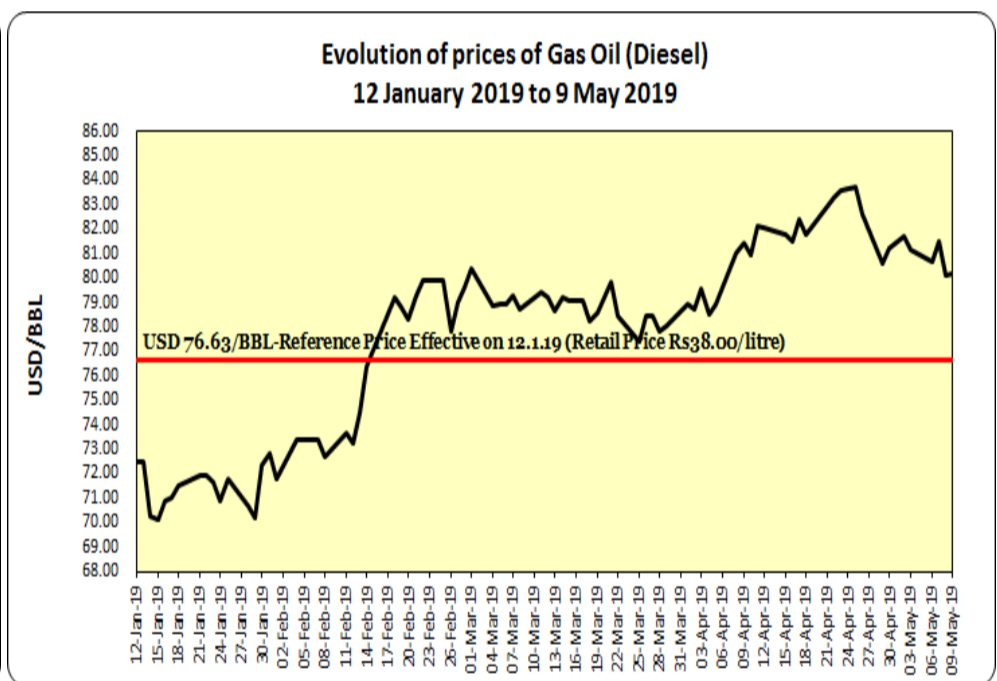
Based on the above Reference Prices and the exchange rate of Rs35.50/US\$, the retail price of Mogas should have been increased by Rs4.05 per litre or by 8.62% and that of Gas Oil, by Rs1.60 per litre or by 4.21%. However, as provided in the Regulations, the retail prices of both Mogas and Gas Oil have been maintained by using fund from the PSA.

The evolution of the world prices of Mogas and Gas Oil since 12 January 2019 is shown in the graphs below.

Graph 1 – Mogas



Graph 2 – Gas Oil



Based on the new Reference Prices, the retail prices of Mogas and Gas Oil are maintained at Rs47.00 per litre and Rs38.00 per litre respectively as shown below:

	Mogas	Gas Oil
Reference Price - US\$ per metric ton	676.83	-
Reference Price - US\$ per barrel	-	81.35
CIF - US\$/litre	0.5430	0.5356
Exchange rate – Rs/US\$	35.5000	35.5000
	Rupees per litre	
CIF	19.2765	19.0138
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	0.6500	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	(3.5209)	(1.3783)
TRANSFER PRICE TO OIL COMPANIES	36.8156	29.1955
Oil Companies' operational expenses and wholesale margin	2.1500	1.9800
VAT (15%)	6.1304	4.9565
WHOLESALE PRICE	45.0960	36.1320
Retail margin	1.9040	1.8680
RETAIL PRICE (Price at Petrol Service Station)	47.0000	38.0000