



# STC PRESS RELEASE

The Petroleum Pricing Committee (PPC) met on Friday 15 March 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(3):

Product	Retail Price Rs / Litre
Mogas	47.00
Gas Oil	38.00

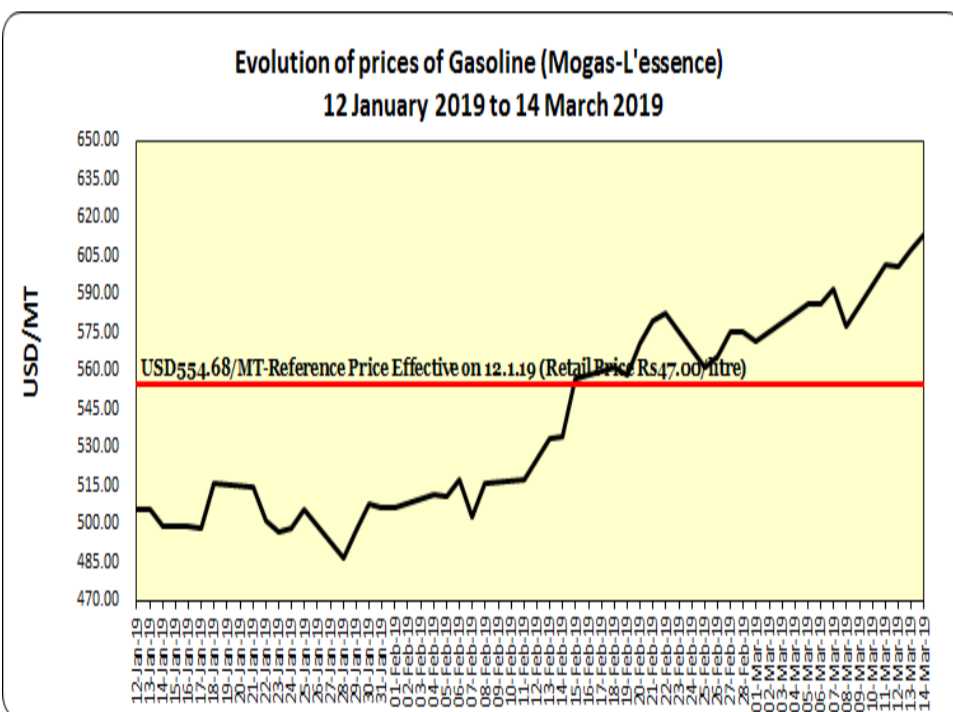
The Committee took note of the evolution of world prices of Mogas and Gas Oil which is showing an upward trend and the position of Price Stabilisation Account (PSA) having a positive balance of Rs716.8 million on 15 March 2019.

The Reference Prices used for the present exercise, that is the actual prices for December 2018 to February 2019 and the future prices for March to May 2019 are US\$565.14 per M.Ton for Mogas, representing an increase of US\$10.46 per M. Ton (1.89%), and US\$76.55 per barrel for Gas Oil, representing a decrease of US\$0.08 per barrel (0.1%) compared to January 2019.

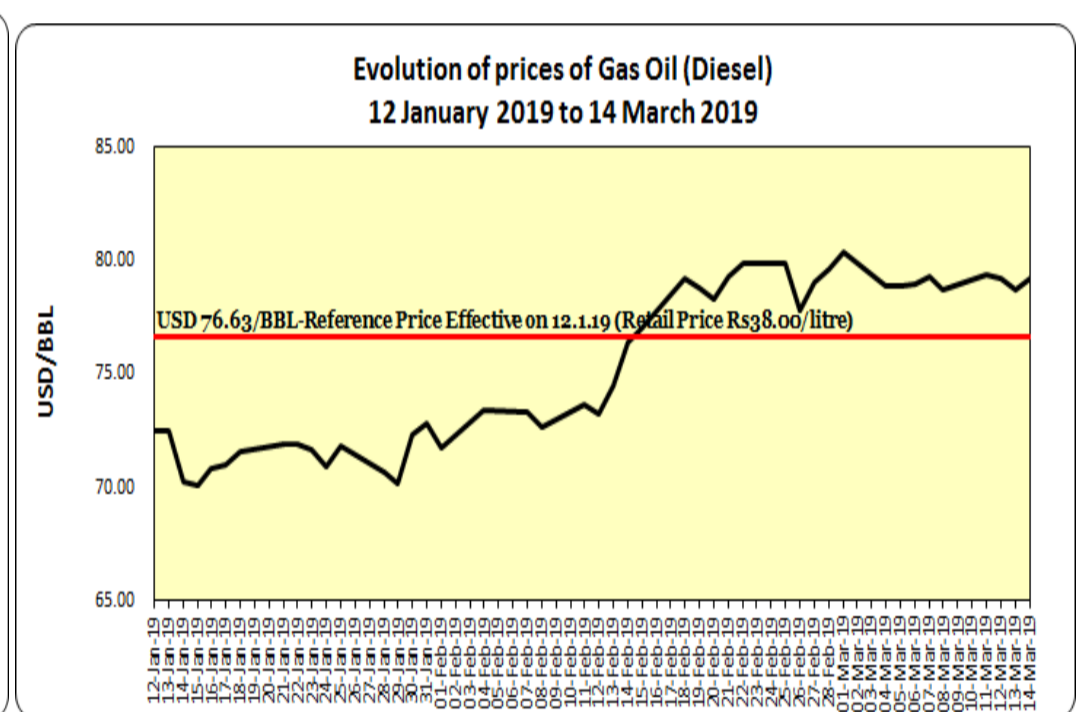
Based on the above Reference Prices and the exchange rate of Rs35.20/US\$, the retail price of Mogas should have been increased by Re0.51 per litre or by 1.09%. Since the percentage increase is below 4%, the retail price has been maintained as provided in the Regulations. The retail price of Gas Oil should have been increased by Re0.22 per litre or by 0.57%, but has been maintained at its present level as the percentage increase is below 4%.

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	565.14	-
Reference Price - US\$ per barrel	-	76.55
CIF - US\$/litre	0.4603	0.5064
Exchange rate – Rs/US\$	35.2000	35.2000
<b>Rupees per litre</b>		
CIF	16.2026	17.8253
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
Adjustment	(0.4470)	(0.1898)
<b>TRANSFER PRICE TO OIL COMPANIES</b>	<b>36.8156</b>	<b>29.1955</b>
Oil Companies' operational expenses and wholesale margin	2.1500	1.9800
VAT (15%)	6.1304	4.9565
<b>WHOLESALE PRICE</b>	<b>45.0960</b>	<b>36.1320</b>
Retail margin	1.9040	1.8680
<b>RETAIL PRICE (Price at Petrol Service Station)</b>	<b>47.0000</b>	<b>38.0000</b>

15 March 2019