



PRESS RELEASE

The Petroleum Pricing Committee (PPC) met on Wednesday 30 June 2021 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 of Mogas and Gas Oil be increased as per Regulation 5 (3), as shown below:

Product	Retail Price Rs / Litre
Mogas	50.70
Gas Oil	37.30

The Committee met to implement the budgetary measure to include an additional contribution of Rs2.00 per litre for Mogas and Gas Oil with effect from 1 July 2021 to finance the cost of COVID-19 vaccines as announced in the Budget Speech 2021-2022. The Committee also took note of the evolution of world prices of Mogas and Gas Oil, which have been on an upward trend since the past months as well as the status of the Price Stabilisation Account.

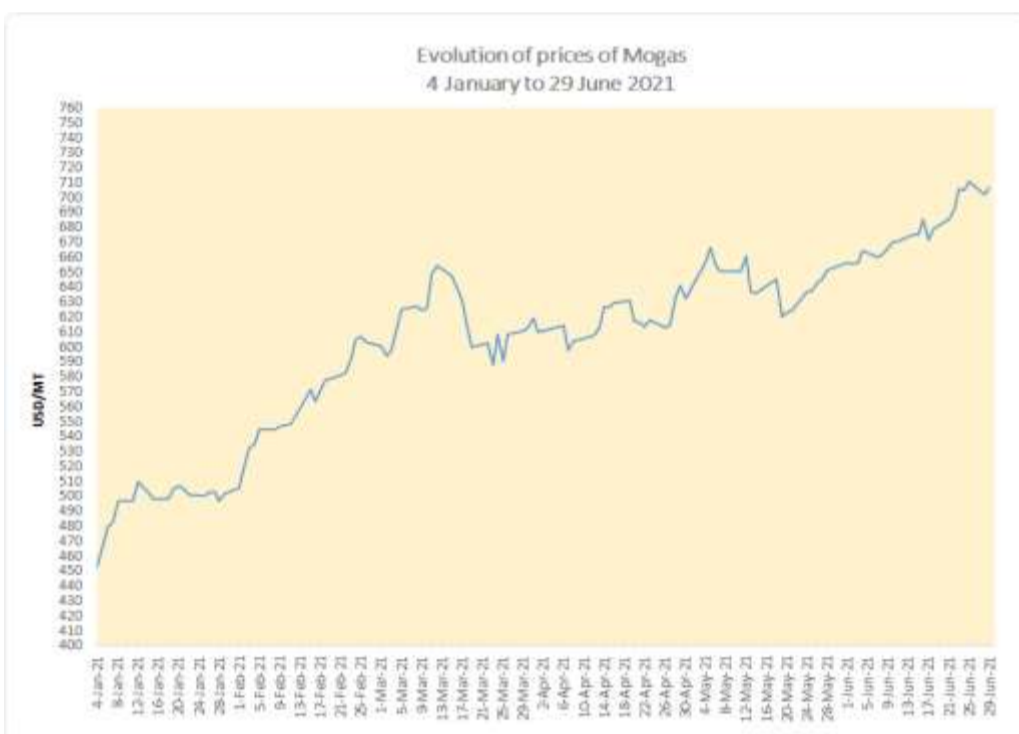
Mogas (L'Essence) – Taking into consideration the new contribution of Rs2.00 per litre and based on the new Reference Price of US\$678.96 per metric ton for Mogas, that is, the actual prices for April to June 2021 and the future prices for July to September 2021 at an exchange rate of Rs43.00/US\$, the retail price of Mogas should have been increased by Rs9.75 per litre or by 20.14%. However, following amendments made in the Regulations as decided by Government, the increase in the retail price of Mogas has been limited to Rs2.00 plus VAT and any shortfall will be funded from the Price Stabilisation Account.

Gas Oil (Diesel) - With the new contribution of Rs2.00 per litre for Gas Oil, the new Reference Price of US\$77.10 per barrel, that is the actual prices for April to June 2021 and the future prices for July to September 2021 and an exchange rate of Rs43.00/US\$, the retail price results in an increase of Rs12.20 per litre or 34.86%. However, following amendments made in the Regulations as decided by Government, the increase in the retail price of Gas Oil has been limited to Rs2.00 plus VAT. Any shortfall will be financed through the Price Stabilisation Account.

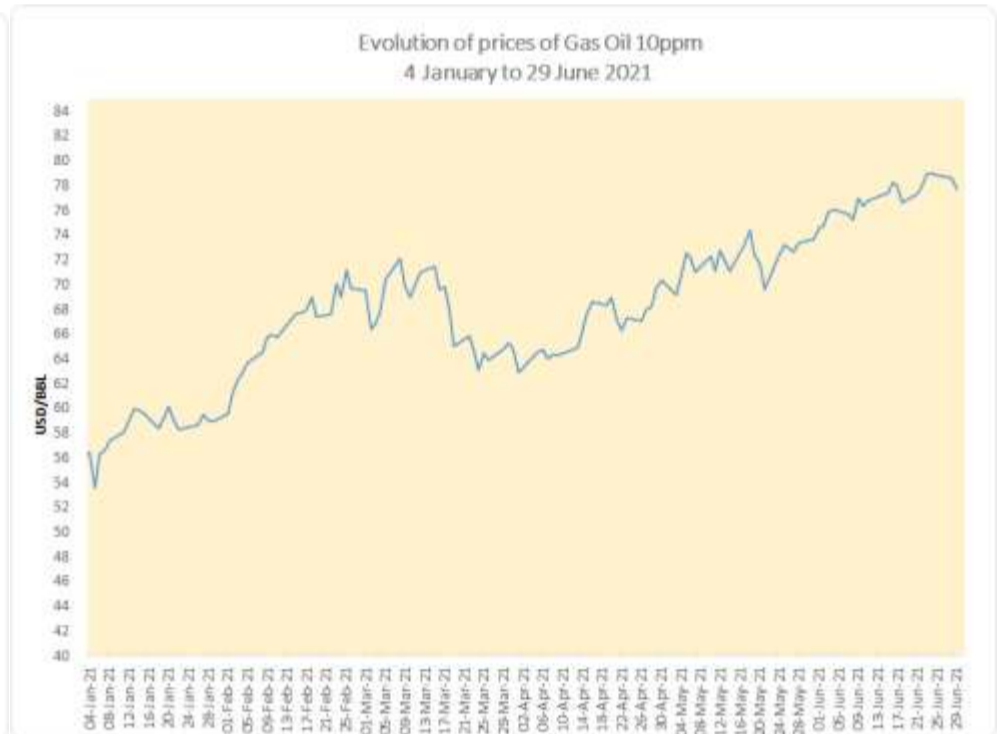
The new retail prices for both Mogas and Gas Oil are effective as from **00.00 hr. on Thursday 1 July 2021**.

The evolution of the world prices of Mogas and Gas Oil since January to 29 June 2021 are shown in the graphs below:

Graph 1 – Mogas



Graph 2 – Gas Oil



Based on the new Reference Prices, the retail price of Mogas (L'Essence) is increased to Rs50.70 per litre and that of Gas Oil (Diesel) is increased to Rs37.30 per litre. The new Price Structures are as follows:

	Mogas	Gas Oil
Reference Price - US\$ per Metric Ton	678.9600	-
Reference Price - US\$ per barrel	-	77.1000
CIF - US\$/litre	0.5461	0.5075
Exchange rate – Rs/US\$	43.0000	43.0000
	Rupees per litre	
CIF	23.4823	21.8225
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	4.2000	4.2000
Contribution to the COVID-19 Solidarity Fund	1.0000	1.0000
Contribution to finance the cost of COVID-19 vaccines	2.0000	2.0000
STC's Operational Expenses	0.3500	0.4000
Fund from Price Stabilisation Account	(6.4753)	(8.5977)
TRANSFER PRICE TO OIL COMPANIES	39.6670	28.1848
Oil Companies' Operational Expenses and Wholesale Margin	2.3500	2.1800
VAT (15%)	6.6130	4.8652
WHOLESALE PRICE	48.6300	35.2300
Retail Margin	2.0700	2.0700
RETAIL PRICE (Price at Petrol Service Station)	50.7000	37.3000