



STC PRESS RELEASE



The Petroleum Pricing Committee (PPC) met on Tuesday 28 December 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	New Retail Price Rs / litre
Mogas	55.75
Gas Oil	41.00

The Committee 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 (PSA). It is also to be noted that the last revision in the retail prices of Mogas and Gas Oil was carried on 30 June 2021 only to include the contribution to finance the cost of COVID-19 vaccines. As a result, the retail prices of Mogas and Gas Oil were increased to Rs50.70/litre and Rs37.30/litre respectively as stated in the press release of 30 June 2021. At the PPC meeting of 14 September 2021, based on the Reference Price of US\$697.36/metric ton for Mogas and US\$78.57/barrel for Gas Oil and an exchange rate of Rs42.90/US\$, the retail prices for both products were kept unchanged by using funds from the PSA. However, the world prices of both products continued to increase reaching a peak of US\$822.25/metric ton for Mogas and US\$96.44/barrel for Gas Oil in October 2021.

Mogas (L'Essence) – Based on the new Reference Price of US\$732.10/metric ton for Mogas, that is, the actual prices for October to December 2021 and the future prices for January to March 2022 at an exchange rate of Rs43.80/US\$, the retail price of Mogas should have been increased by Rs10.00/litre or by 19.72%. However, as provided under Regulation 5(3)(b), the retail price of Mogas has been increased from Rs50.70/litre to Rs55.75/litre, i.e., by a maximum of 10% (9.96%).

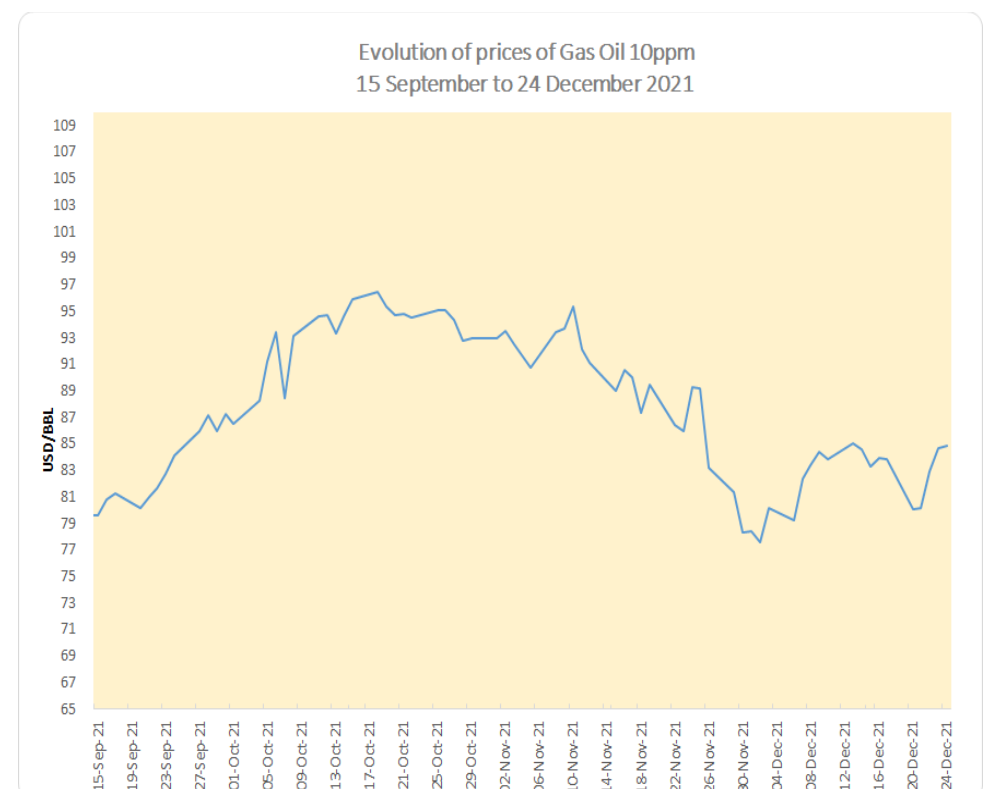
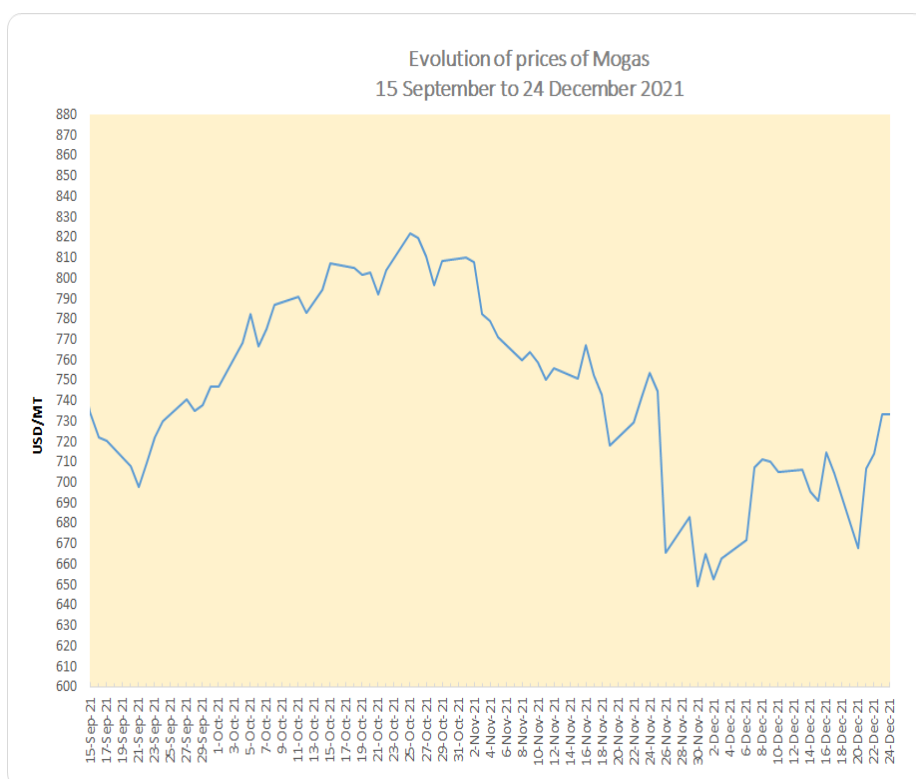
Gas Oil (Diesel) – Using the new Reference Price of US\$87.13/barrel, that is the actual prices for October to December 2021 and the future prices for January to March 2022 at an exchange rate of Rs43.80/US\$, the retail price results in an increase of Rs13.55/litre or 36.33%. However, as provided under Regulation 5(3)(b), the retail price of Gas Oil has been increased from Rs37.30/litre to Rs41.00/litre, i.e., by a maximum of 10% (9.92%).

The new retail price for both Mogas and Gas Oil is effective as from **00.00 hr. on Wednesday 29 December 2021**.

The evolution of the world prices of Mogas and Gas Oil since 15 September to 24 December 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 Rs55.75/litre and that of Gas Oil (Diesel) is increased to Rs41.00/litre. The new Price Structures are as follows:

	Mogas	Gas Oil
Reference Price - US\$ per Metric Ton	732.1000	-
Reference Price - US\$ per barrel	-	87.1300
CIF - US\$/litre	0.5859	0.5706
Exchange rate – Rs/US\$	43.8000	43.8000
	Rupees per litre	
CIF	25.6624	24.9923
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
Adjustment	(4.2641)	(8.5501)
TRANSFER PRICE TO OIL COMPANIES	44.0583	31.4022
Oil Companies' Operational Expenses and Wholesale Margin	2.3500	2.1800
VAT (15%)	7.2717	5.3478
WHOLESALE PRICE	53.6800	38.9300
Retail Margin	2.0700	2.0700
RETAIL PRICE (Price at Petrol Service Station)	55.7500	41.0000