

The Petroleum Pricing Committee (PPC) met on Tuesday 13 September 2022 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), recommended that the retail prices of Mogas be maintained at its current level as per Regulation 5 (1) and that of Gas Oil be increased by a maximum of 10% as per Regulation 5 (3), that is to Rs60.00 per litre.

Mogas (L'Essence) – Based on the new Reference Price of US\$980.32 per metric ton for Mogas, that is, the actual prices for June to August 2022 and the future prices for September to November 2022 at an exchange rate of Rs45.90/US\$, the retail price of Mogas is maintained at Rs74.10 per litre as the decrease in the calculated price is below 4%, as provided for under Regulation 5 (1)(a).

Gas Oil (Diesel) – Using the new Reference Price of US\$141.42 per barrel, that is, the actual prices for June to August 2022 and the future prices for September to November 2022 at an exchange rate of Rs45.90/US\$, the retail price of Gas Oil should increase to Rs70.50 per litre that is by Rs15.95 per litre or 29.24% but limited to a maximum of 10% at Rs60.00 per litre, as provided for under Regulation 5 (3).

Subsequently, acting under the provisions of Regulation 8A of the Consumer Protection (Control of Price of Petroleum Products) Regulations 2011 (as amended), the Minister has disapproved the recommendation of the Committee to increase the retail price of Gas Oil. The current retail price of Rs54.55 per litre for Gas Oil (Diesel) is therefore maintained. As such, loss of Rs13.8471 per litre of Gas Oil is carried forward.

The Committee also took note of the evolution of world prices of Mogas and Gas Oil and also considered the status of the Price Stabilisation Account which is in deficit. It is to be highlighted that despite substantial surge in world prices, at the four previous meetings of the PPC, the retail prices of Mogas and Gas Oil were increased by a maximum of 10% as allowed by the Regulations. As such, the Corporation has incurred huge losses on subsequent tankers as shown below.

Mogas

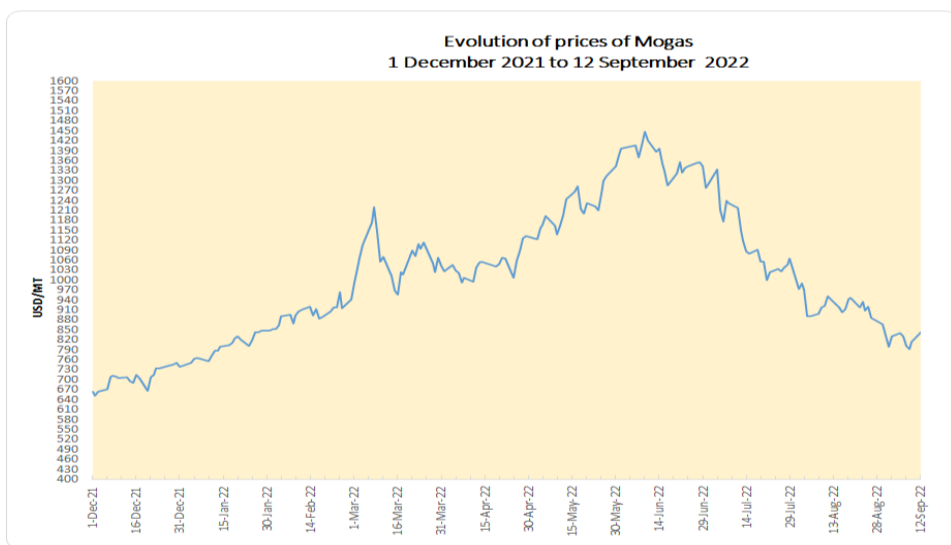
	Calculated Price (Rs/Litre)	Fixed Retail Price (Rs/Litre)	% Increase on Calculated price (Rs/Litre)	% Increase on Retail price (Rs/Litre)
PPC of 28 December 2021	60.65	55.75	19.63	9.96
PPC of 26 February 2022	68.20	61.30	22.33	9.96
PPC of 19 April 2022	73.95	67.40	20.64	9.95
PPC of 18 May 2022	76.50	74.10	13.50	9.94

Gas Oil

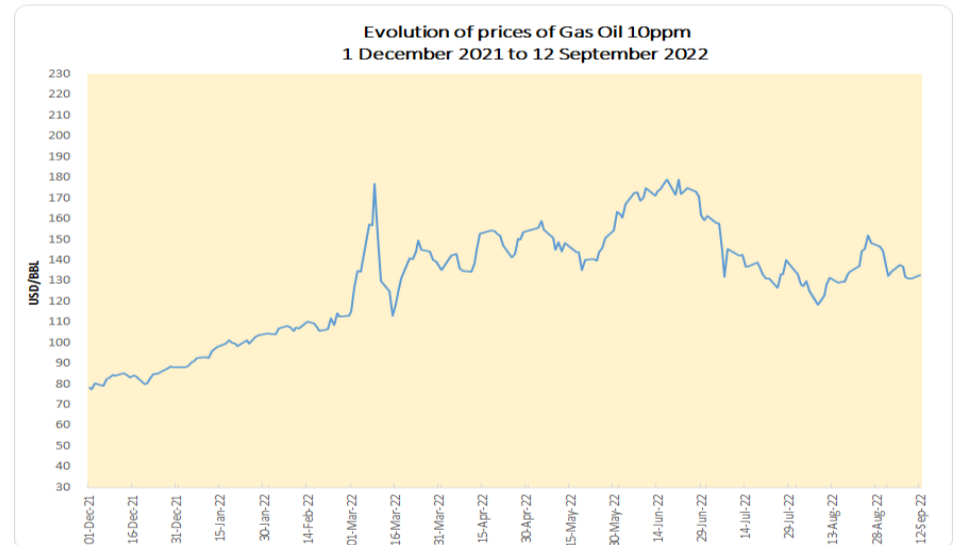
	Calculated Price (Rs/Litre)	Fixed Retail Price (Rs/Litre)	% Increase on Calculated price (Rs/Litre)	% Increase on Retail price (Rs/Litre)
PPC of 28 December 2021	50.83	41.00	36.27	9.92
PPC of 26 February 2022	58.06	45.10	41.61	10.00
PPC of 19 April 2022	66.90	49.60	48.34	9.98
PPC of 18 May 2022	69.11	54.55	39.33	9.98

The evolution of the world prices of Mogas and Gas Oil since 1st December 2021 to 12 September 2022 is shown in the graphs below:

Graph 1 – Mogas



Graph 2 – Gas Oil



The retail prices of Mogas (L'Essence) and that of Gas Oil (Diesel) are maintained at their current levels, that is, at Rs74.10 and Rs54.55 respectively. The new Price Structures as per Government Notice No.160 of 2022 are as follows:

	Mogas	Gas Oil
Reference Price - US\$ per Metric Ton	980.3200	-
Reference Price - US\$ per barrel	-	141.4200
CIF - US\$/litre	0.7915	0.9166
Exchange rate – Rs/US\$	45.9000	45.9000
	Rupees per litre	
CIF	36.3299	42.0719
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	7.2000	7.2000
STC's Operational Expenses	0.3500	0.4000
Adjustment	1.0249	(13.8471)
TRANSFER PRICE TO OIL COMPANIES	60.0148	43.1848
Oil Companies' Operational Expenses and Wholesale Margin	2.3500	2.1800
VAT (15%)	9.6652	7.1152
WHOLESALE PRICE	72.0300	52.4800
Retail Margin	2.0700	2.0700
RETAIL PRICE (Price at Petrol Service Station)	74.1000	54.5500