



# PRESS RELEASE

The Petroleum Pricing Committee (PPC) met on Friday 2 June 2023 to implement the budgetary measure as announced in the Budget Speech 2023-2024. Government has made a transfer of fund to STC in order to absorb the existing deficit in the Price Stabilisation Account (PSA) of Mogas and to compensate for the effect of the decrease in its retail price.

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), the committee recommended that the retail price of Mogas be decreased by Rs 5.10 to Rs 69.00 per litre as per Regulation 5 (2) and that of Gas Oil be increased by 6.32%, as per Regulation 5 (3), that is to Rs 58.00 per litre.

The Committee also took note of the evolution of world prices of Mogas and Gas Oil and also considered the **deficit of Rs 4.3 billion in the PSA.**

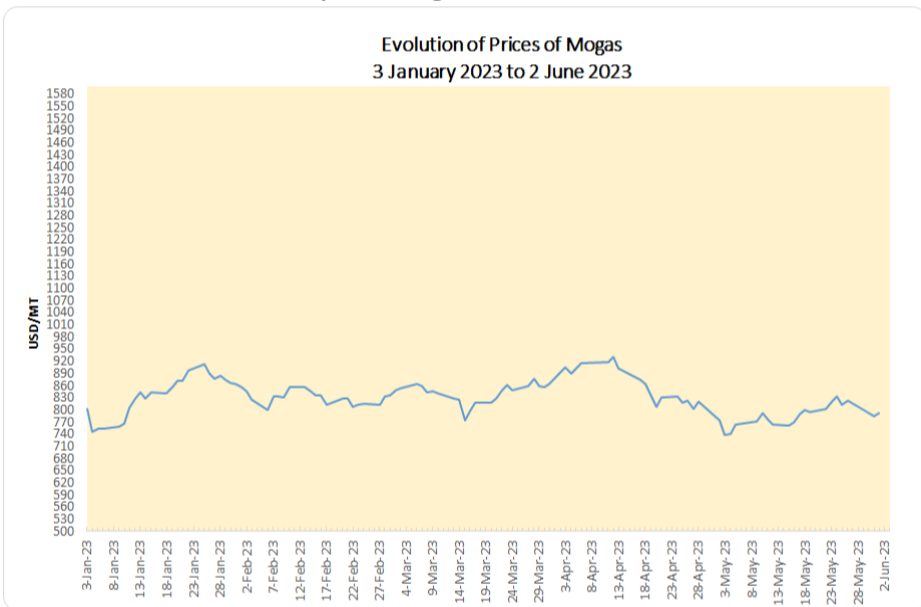
**Mogas (L'Essence)** – Based on the new Reference Price of US\$ 801.13 per metric ton for Mogas, that is, the actual prices for March to May 2023 and the future prices for June to August 2023 and as defined in the Regulations, at an exchange rate of Rs 46.08/US\$, together with the budgetary measure, the new retail price is fixed at Rs 69.00 per litre.

**Gas Oil (Diesel)** – Using the new Reference Price of US\$ 89.37 per barrel, that is, the actual prices for March to May 2023 and the future prices for June to August 2023 and as defined in the Regulations, at an exchange rate of Rs 46.08/US\$, the retail price of Gas Oil should be increased to Rs 58.00 per litre, or by 6.32 %, as provided for under Regulation 5 (3)(a).

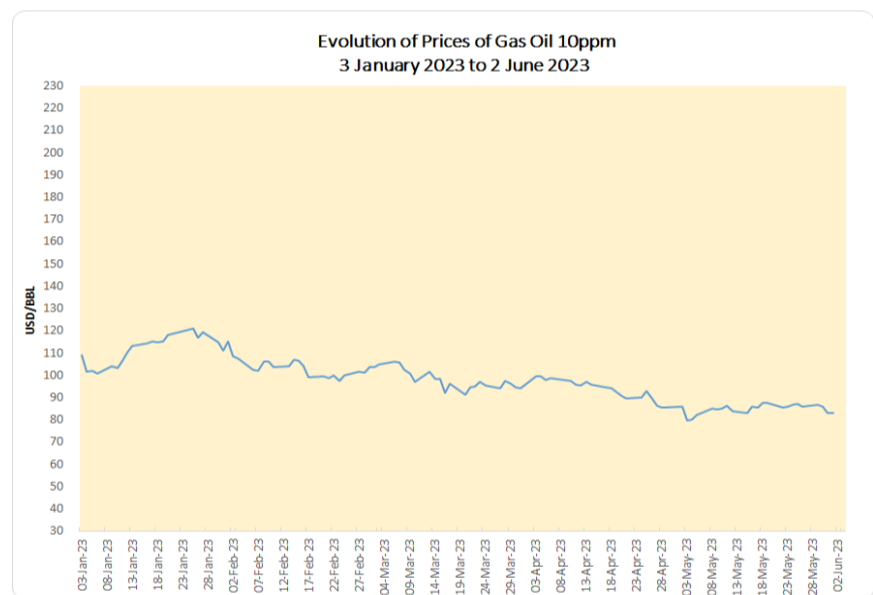
**Subsequently, acting under the provisions of Regulation 8A of the Consumer Protection (Control of Price of Petroleum Products) Regulations 2011 (as amended), the Minister has disapproved the recommendation of the Committee to increase the retail price of Gas Oil. The current retail price of Rs 54.55 per litre for Gas Oil (Diesel) is therefore maintained. As such, a loss of Rs 2.95 per litre of Gas Oil is carried forward.**

The evolution of the world prices of Mogas and Gas Oil from 3 January to 2 June 2023 is shown in the graphs below:

**Graph 1 – Mogas**



**Graph 2 – Gas Oil**



**The retail prices of Mogas (L'Essence) is decreased from Rs 74.10 to Rs 69.00 per litre and that of Gas Oil (Diesel) is maintained at Rs54.55 per litre.**

The new retail prices for both Mogas and Gas Oil are effective as from 00.00 hr. on Saturday 3 June 2023.

The new Price Structures are as follows:

	<b>Mogas</b>	<b>Gas Oil</b>
Reference Price - US\$ per Metric Ton	<b>801.13</b>	-
Reference Price - US\$ per barrel	-	<b>89.37</b>
CIF - US\$/litre	0.7230	0.6767
Exchange rate – Rs/US\$	46.0800	46.0800
	<b>Rupees per litre</b>	
CIF	33.3158	31.1823
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	-	(2.9575)
Fund to/(from) Price Stabilisation Account	(0.3958)	-
<b>TRANSFER PRICE TO OIL COMPANIES</b>	<b>55.5800</b>	<b>43.1848</b>
Oil Companies' Operational Expenses and Wholesale Margin	2.3500	2.1800
VAT (15%)	9.0000	7.1152
<b>WHOLESALE PRICE</b>	<b>66.9300</b>	<b>52.4800</b>
Retail Margin	2.0700	2.0700
<b>RETAIL PRICE (Price at Petrol Service Station)</b>	<b>69.0000</b>	<b>54.5500</b>