Pacific Fuel Price Monitor

Covering 1st Quarter 2019 (January - March)

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1. PACIFIC FUEL PRICES AT A GLANCE

Figure 1: Regional retail prices including duty and taxes

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1 Fuel price per litre are expressed in US currency throughout this article.
2. KEY OBSERVATIONS – Pacific fuel prices

Overview
Figure 1 highlights Pacific Island Countries and Territories (PICTs) quarterly average retail prices inclusive of VAT & Duty and the Pacific quarterly average of Mogas, Diesel and Kerosene for the first quarter of 2018 (Q1.2018) compared to first quarter of 2019 (Q1.2019). Noticeably the Pacific quarterly averages decreased in Q1.2019 compared to the same quarter last year. For Mogas it reduced by 6%, ADO decreased by 5% while Kerosene Pacific Average decreased by 8%.

Why the decrease in fuel prices for first quarter of 2019 compared to the same quarter in 2018? This is mainly due to the fall in international market price for the last quarter of 2018 as shown in Table 1 below.

Table 1 shows the diesel and gasolines prices per gallon from 2016 to second quarter of 2019 and forecast from Q3.2019 to 2020. By the second half of 2018, there is a drastic decrease in prices, crude oil is volatile any shocks triggers the prices of oil. Here are some factors for the change in fuel prices:

- The US reinstated all sanction on Iran; the decision was intended to bring Iran’s oil export to zero. Six months waivers from economic penalties was granted to the main buyers of Iranian Crude namely China, India, Japan, South Korea, Taiwan, Turkey and Greece- this will allow them time to find alternative sources and avoid causing a shock to global oil markets. This has led either a halt or decrease in Iranian oil imports by the main buyers.
- Iraq and Libya have continued to oversupply more oil than widely expected and US Sanctions against Venezuela’s State owned Energy Company has also impacted the supply of oil.
- OPEC Ministers announcement in June 2018 to increase oil supplies from its producer group. OPEC faced pressure to increase output after the declining output from Venezuela and renewed sanctions on Iran

Mogas
The fuel prices of PICTs Mogas decreased in Q1.2019 compared to the Q1.2018 except for Wallis and Futuna it increased by 1%.

ADO
Fuel prices for Diesel decreased for most PICs except for Fiji (↑6%), New Zealand (↑1%), Tokelau (↑3%) and Wallis and Futuna (↑11%) prices increased.

Kerosene
Kerosene Prices increased for Fiji by 5% and in Wallis and Futuna increased by 7% while the rest PICTs Kerosene prices were down whilst compared to the same period last year.
3. MOGAS (UNLEADED PETROL) PRICES

Figure 2: Retail tax inclusive Mogas prices

![Retail Prices - ULP](image)

Figure 3: Wholesale Tax Inclusive Mogas Prices

![Wholesale Prices - ULP](image)
Key observations – Mogas

- Figure 2 highlights the quarterly average price for retail inclusive of value added tax and duty (R/Tax) while Figure 3 highlights the quarterly average for wholesale inclusive of value added tax and duty (W/Tax) for the listed PICTs.
- The graph clearly shows in descending order from the lowest prices to the highest retail prices (Fig 2) and wholesale prices (Fig 3). The breakdown indicating VAT Exclusive Price (VEP) portion and the Tax and Duty portion (R/Tax and W/Tax)
- For retail, the lowest mogas price is Tokelau; $0.84/Litre whereas Wallis and Futuna considered the highest fuel price of $1.90/Litre.
- For wholesale, the lowest mogas price is American Samoa $0.71/Litre whereas Wallis and Futuna considered the highest fuel price of $1.80/Litre.
- In terms of Duty and Tax value, for retail, Solomon Islands considered the lowest while New Caledonia considered the highest
- For wholesale American Samoa considered the lowest for Tax and Duty charged while, New Caledonia is the highest.

4. AUTOMOTIVE DIESEL PRICES

![Retail Prices - Diesel](image-url)
Figure 5: Wholesale tax inclusive diesel prices

Key observations – Diesel fuel

- Figure 4 highlights the quarterly average price for retail inclusive of value added tax and duty (R/Tax) while Figure 5 highlights the quarterly average for wholesale inclusive of value added tax and duty (W/Tax) for PICTs listed.
- The average retail and wholesale are in descending order from the lowest prices to the highest retail prices (Fig 4) and wholesale prices (Fig 5).
- For retail, the lowest diesel price is Tokelau $0.83/Litre followed by Fiji $0.90 and Papua New Guinea (PNG) $0.94/Litre while Wallis and Futuna considered the highest fuel price of $1.81/Litre.
- For wholesale, the lowest mogas price is Fiji $0.78/Litre whereas Wallis and Futuna considered the highest fuel price of $1.71/Litre.
- For Retail, the highest borne tax and duty portion is Wallis and Futuna whereas Guam and FSM Pohnpei has the lowest tax and duty.
- For Wholesale, Wallis and Futuna charged the highest tax and duty while American Samoa charge the lowest.
5. KEROSENE PRICES

Figure 6: Retail tax-inclusive kerosene prices

Figure 7: Wholesale tax-inclusive kerosene prices

Key observations – Kerosene

- Figure 6 indicates the 2018 quarterly average retail prices inclusive of value added tax and duty whilst Figure 7 indicates the quarterly average wholesale kerosene prices inclusive of the value added tax and duty for PICTs listed.
- It also highlights in descending order, from lowest to the highest the kerosene prices in the listed Pacific Island countries and territories (PICTs).
- For Retail and Wholesale, the lowest kerosene prices is Kiribati whereas the highest retail and wholesale prices are Wallis and Futuna.
6. LIQUEFIED PETROLEUM GAS (LPG) PRICES

Figure 8: Retail Tax Inclusive – LPG prices

- Bar chart showing retail LPG prices for various Pacific Island countries and territories.
- Key observations:
  - Figure 8 indicates the first quarterly average retail LPG prices per kg inclusive of tax and duty.
  - It also illustrates in descending order; lowest to the highest LPG prices in the listed Pacific Island countries and territories (PICTs).
  - For Retail and Wholesale, the lowest LPG prices is Fiji whereas the highest retail and wholesale prices are Niue and Wallis & Futuna respectively.

Figure 9: Wholesale Tax Inclusive – LPG prices

- Bar chart showing wholesale LPG prices for various Pacific Island countries and territories.
- Key observations:
  - Figure 9 indicates the quarterly average wholesale LPG prices per kg inclusive of the tax and duty.
  - It also illustrates in descending order; lowest to the highest LPG prices in the listed Pacific Island countries and territories (PICTs).
  - For Retail and Wholesale, the lowest LPG prices is Fiji whereas the highest retail and wholesale prices are Niue and Wallis & Futuna respectively.
8. PICT FUEL PRICING METHODOLOGIES

- American Samoa, Papua New Guinea, New Caledonia, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu and Wallis & Futuna carry out price reviews on a monthly basis while Cook Islands carry out price reviews after every two months.
- Kiribati, Federated States of Micronesia, Guam, Marshall Islands and Niue price reviews are carried out on an ad hoc basis.
- Fiji, French Polynesia and Tokelau reviews petroleum product price on a quarterly basis.

Price data sources

- Table 1 sourced from: https://www.houstonchronicle.com/business/energy/article/Drivers-to-feel-the-squeeze-as-Houston-gasoline-13807158.php
- Australian data are sourced from http://www.aip.com.au/
- NZ data are sourced from http://www.med.govt.nz/
- New Caledonia data are sourced from: http://www.observatoire-energie.gouv.nc/public/home/

Historical reports

Historical fuel and LPG review reports can be downloaded from the SPC Pacific Regional Data Repository (PRDR) energy portal by typing ‘price monitor’ in the search box of the library: http://prdrse4all.spc.int/search/node?search_api_views_fulltext=price%20monitor

9. GLOSSARY

Abbreviations and definition of key terms

ADO    automotive diesel oil or diesel fuel
After–tax price  prices including tax and duty
bbl    barrel (of oil), approximately 159 litres
cpl    US cents per litre
DPK    dual purpose kerosene (i.e. jet fuel and domestic use)
FOB    free on board
Gasoil  refinery designation of diesel fuel
Mogas  motor gasoline – normally unleaded
MOPS  Mean of Platts Singapore
MR     Medium Range tankers, generally 20-30,000 metric tonnes
Pacific-wide All surveyed Pacific Island countries (excluding Australia and New Zealand)
PICTs  Pacific Island Countries and Territories
ppm    parts per million
Retail price  fuel price at retail/service stations, also called pump price
Pre-Tax price  price excluding tax and duty
RON    research octane number
ULP    unleaded petrol (refer mogas)
USD/bbl  US dollars per barrel
USD/L   US dollars per litre
OPEC   Organization of the Petroleum Exporting Countries
VAT    Value Added Tax
VEP    VAT Exclusive prices

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