



# STC PRESS RELEASE

The Petroleum Pricing Committee (PPC) met on Friday 2 April 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 price of Mogas be increased and that of Gas Oil be maintained at its present level as shown below as per Regulation 5(3)(b) and 5(1)(d):

| Product        | Retail Price<br>Rs / Litre |
|----------------|----------------------------|
| <b>Mogas</b>   | 48.40                      |
| <b>Gas Oil</b> | 35.00                      |

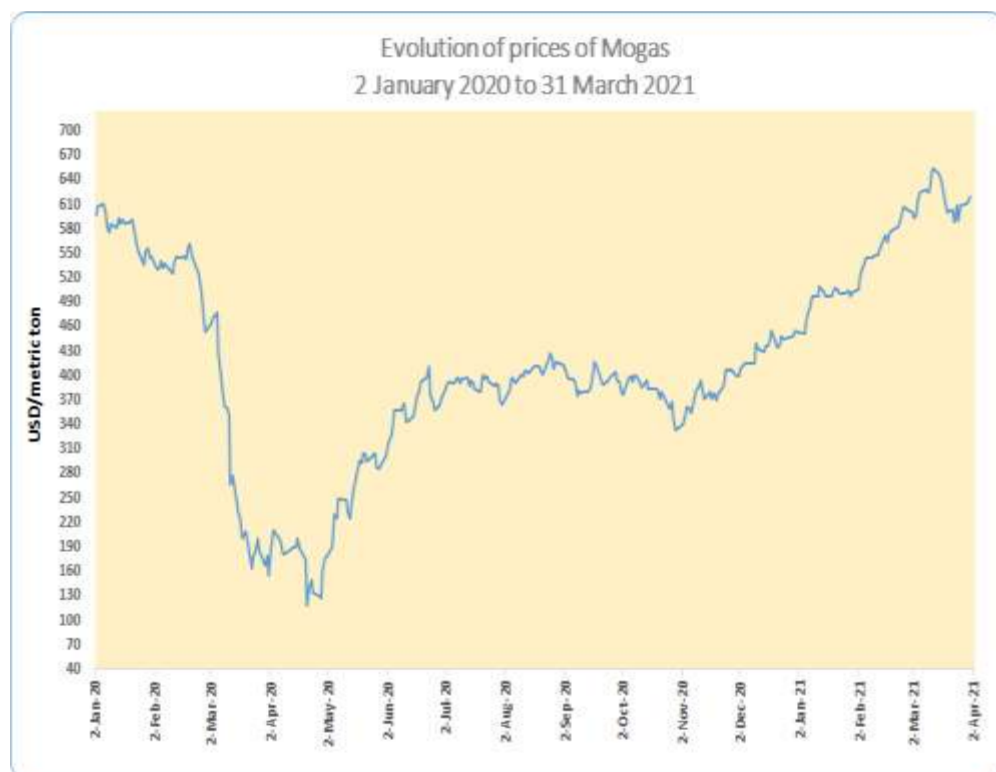
The Committee took note of the evolution of world prices of Mogas and Gas Oil, which have been on an upward trend since the past months as well as the status of the Price Stabilisation Account (PSA). It is also to be noted that the last revision in the retail prices of Mogas and Gas Oil was carried on 11 June 2019, whereby both prices were decreased to Rs44.00 per litre and Rs35.00 per litre respectively. At the PPC meeting of 4 December 2020, based on the Reference Price of US\$400.25/metric ton for Mogas and US\$48.30/barrel for Gas Oil and an exchange rate of Rs40.40/US\$, the retail price for both products were kept unchanged. According to Section 7(4)(a) of the Regulations, the Committee should meet at least once every 4 months.

**Mogas (L'Essence)** - For the present exercise, based on the new Reference Price of US\$616.76 per metric ton for Mogas, that is, the actual prices for January to March 2021 and the future prices for April to June 2021 at an exchange rate of Rs40.90/US\$, the retail price of Mogas should have been increased by Rs8.35 per litre or by 18.98%. However, as provided under Regulation 5(3)(b), the retail price of Mogas has been increased by a maximum of 10%. The new retail price is effective as from **00.00 hr on Saturday 3 April 2021**.

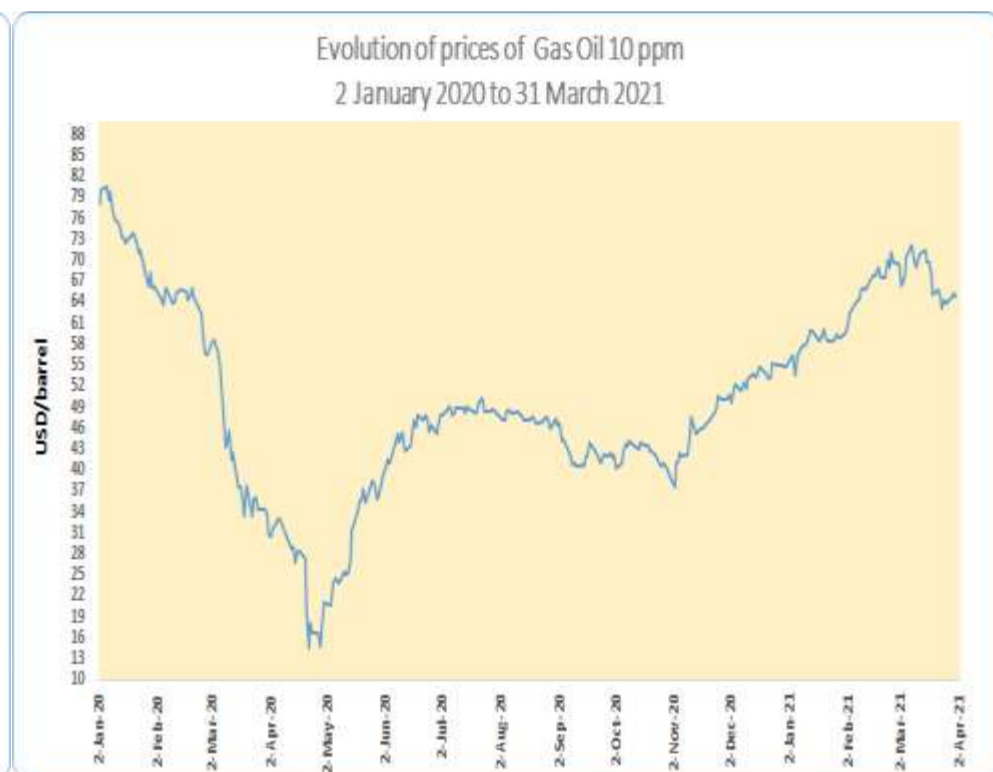
**Gas Oil (Diesel)** - With regard to Gas Oil, the new Reference Price of US\$67.57 per barrel, that is the actual prices for January to March 2021 and the future prices for April to June 2021 and an exchange rate of Rs40.90/US\$ shows an increase in the retail price by Rs5.85/litre or by 16.71%. However, as there is a positive balance in the PSA for Gas Oil, as provided under Regulation 5 (1)(d), its retail price has been maintained at its current level.

The evolution of the world prices of Mogas and Gas Oil since January 2020 to 31 March 2021 is 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 Rs48.40 per litre, effective as from 00.00 hr on Saturday 3 April 2021. The retail price of Gas Oil (Diesel) is maintained at Rs35.00 per litre. The new Price Structures are as follows:

|   | <b>Mogas</b>            | <b>Gas Oil</b> |
|---|-------------------------|----------------|
| Reference Price - US\$ per Metric Ton   | <b>616.7600</b>         | -              |
| Reference Price - US\$ per barrel   | -                       | <b>67.5700</b> |
| CIF - US\$/litre  | 0.4996                  | 0.4475         |
| Exchange rate – Rs/US\$   | 40.9000                 | 40.9000        |
|   | <b>Rupees per litre</b> |                |
| CIF   | 20.4336                 | 18.3028        |
| 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         |
| STC's Operational Expenses  | 0.3500                  | 0.4000         |
| Fund from Price Stabilisation Account   | -                       | (5.0780)       |
| Adjustment  | (3.4266)                | -              |
| <b>TRANSFER PRICE TO OIL COMPANIES</b>  | <b>37.6670</b>          | <b>26.1848</b> |
| Oil Companies' Operational Expenses and Wholesale Margin                      | 2.3500                  | 2.1800         |
| VAT (15%)   | 6.3130                  | 4.5652         |
| <b>WHOLESALE PRICE</b>  | <b>46.3300</b>          | <b>32.9300</b> |
| Retail Margin   | 2.0700                  | 2.0700         |
| <b>RETAIL PRICE (Price at Petrol Service Station)</b>                         | <b>48.4000</b>          | <b>35.0000</b> |