

All letters to be addressed to:
CHIEF EXECUTIVE OFFICER,
MINISTRY OF TRADE AND
ECONOMIC DEVELOPMENT



Ministry of Trade and Economic Development
Latai Estate| Fasimoeafi| Nuku'alofa,
KINGDOM OF TONGA

PRESS RELEASE

New Petroleum Prices for February 2024

The Ministry of Trade and Economic Development wishes to advise that the Tonga Competent Authority (TCA) has approved the new petroleum prices for February - March 2024 to be effective from **Monday, 19th February 2024**.

The February petroleum prices are mainly determined by the movement of FOB prices in the Singapore market based on January 2024 average prices of the daily published Mean of Platts Singapore (MOPS) benchmark prices. The wholesale prices have been calculated using the Tonga Fuel price Template approved and issued during the 2023 Annual Price Review.

The International prices have increased and the key drivers contributing to the upward trajectory of crude oil prices include indications of a revitalising Chinese economy, stronger expectations for US economic growth, and escalating tensions in the Middle East. Prices of petrol and diesel experienced an upturn, supported by refinery maintenance, whereas jet margins faced downward pressure due to elevated freight costs impinging on export opportunities.

Freight cost surged by around 9 percent with strong demand for product deliveries ahead of the Chinese New Year celebrations (the reduction in WSFR has partially offset an increase in WS points which surged by 33%). Concurrently, the Tongan Pa'anga depreciated against the US dollar, contributing to an increase in local retail prices across all products.

In a normal review, the above factors combined would have resulted in a large increase in petrol and diesel prices, a small increase in kerosene prices. However, in this month's prices are also impacted by a reduction in product diesel and kerosene premiums while petrol premium remains unchanged. The impact of a drop in product diesel and kerosene premium will offset the prices by a 2.14 seniti/litre, 1.33 seniti/litre respectively excluding consumption tax.

Therefore, the resulting *Wholesale petrol, kerosene, and diesel prices* will increase by 12.12 seniti/litre, 3.24 seniti/litre, and 7.96 seniti/litre, respectively. The **Tongatapu retail prices for Petrol will increase by 12 seniti/litre to \$3.50 (3.55% increase), Kerosene will increase by 3 seniti/litre to \$2.75 (1.10% increase) and Diesel will increase by 8 seniti/litre to \$3.57 (2.29% increase)**. All changes include consumption tax.

For any further details and enquiries, please do not hesitate to contact: Ms Ilaisaane Mila, Price Control Unit, Consumer Protection and Fair-Trade Division at telephone 7400129/7400105 ext 131 or email ilaisaanem@mted.gov.to

Ministry of Trade and Economic Development
16th February 2024

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