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CEO, MINISTRY OF TRADE AND ECONOMIC
DEVELOPMENT



PRESS RELEASE LPG Prices for March 2024

The Ministry of Trade and Economic Development wishes to advise that the Tonga Competent Authority (TCA) has approved the new LPG prices for March 2024 to be effective from **Monday, 18th March 2024**.

LPG prices experienced a low point in July 2023 and have since been on the rise, driven by increasing crude oil prices, strong demand from the Asia Pacific region, and geopolitical tensions in the Middle East, which have led to supply rerouting to Asia.

The first quarter of 2024 saw LPG prices continuing to increase which was largely attributed to following factors:

- Refinery maintenance in the first quarter limited regional supplies, supporting prices.
- Strong regional demand for butane for residential cooking contributed to price increases.
- Tight naphtha supply, used as a petrochemical feedstock, was sparked by tensions in the Red Sea, leading to supply rerouting to Asia and boosting both naphtha and LPG prices.
- Weak demand from China, the largest LPG importer, resulted in reduced US exports, driving up freight prices.
- A mild Northern Hemisphere winter kept LPG stocks high, exerting downward pressure on prices.

LPG has its own supply demand factors however the main driver of LPG prices is crude oil. While LPG prices recovered in July and continued to increase the underlying crude prices bounced back early this year and continue to increase which is supporting LPG prices. In-fact, the first average comparison revealed a 9.5% in crude oil prices compared to the fourth quarter.

Higher Saudi CP (contract price) and elevated freight costs contributed to an increase in the landed cost of LPG in Tonga. A weaker Tongan Pa'anga further increased the price of LPG in Tonga.

As a result, Tongatapu and Vava'u will expect an overall increase of TOP 0.15 /kg and TOP 0.20/kg respectively in the quarterly LPG prices.

The table below shows the new LPG prices for Tongatapu, Vava'u, Pangai (Ha'apai), 'Ohonua ('Eua) and Niuatoputapu. All prices include consumption tax.

		Tongatapu	Vava'u	Ha'apai	'Eua (Ohonua)	Niuatoputapu (Hihifo)
LPG Retail Price	TOP/kg	\$4.60	\$4.70	\$5.80	\$5.60	\$6.90
	TOP/13 kg	\$59.80	\$61.10	\$75.40	\$72.80	\$89.70

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
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