

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 March - April 2024

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

The March petroleum prices are mainly determined by the movement of FOB prices in the Singapore market based on February 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.

While crude oil prices rose, the hike in petrol and diesel prices outpaced that of crude. Petrol prices experienced a notable increase, buoyed by robust demand from Indonesia. Conversely, jet fuel prices witnessed a comparatively modest rise, primarily driven by heightened demand during the Chinese and Vietnamese New Year celebrations. Regional diesel prices mirrored the upward trajectory of crude oil, exacerbated by refinery shutdowns in Japan, which constricted supply and consequently elevated prices.

Freight cost surged significantly, escalating by 9-13 percent with strong demand for product deliveries during Chinese New Year celebrations and ongoing tensions in the Red Sea impacting product delivery cost. Concurrently, the Tongan Pa'anga depreciated against the US dollar, contributing to an increase in local retail prices across all products.

Therefore, the resulting *Wholesale petrol, kerosene, and diesel prices* will increase by 11.43 seniti/litre, 7.46 seniti/litre, and 11.09 seniti/litre, respectively.

The Tongatapu retail prices for Petrol will increase by 10 seniti/litre to \$3.60 (2.86% increase), Kerosene will increase by 5 seniti/litre to \$2.80 (1.82% increase) and Diesel will increase by 8 seniti/litre to \$3.65 (2.24% 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
15 March 2024

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