



## PRESS RELEASE

### Large drop in Petroleum Prices for January 2023

The Ministry of Trade and Economic Development wishes to advise that the Tonga Competent Authority (TCA) has approved the new petroleum prices for January – February to be effective from **Wednesday, 18<sup>th</sup> January 2023**.

The petroleum product prices for January – February 2023 will decrease significantly. The mid-January 2023 price change is based on the December 2022 average of published daily Mean of Platts Singapore (MOPS) benchmark prices for product prices and freight cost, along with the month's exchange rate.

On a month average basis product prices generally fell more than crude except petrol prices. Diesel prices fell more than crude, with the refining margin (while still high historically) falling to its lowest level in the last few months. Chinese exports are expected to stay high, keeping the market well supplied. Similarly, jet/kerosene margins fell even more than crude. As with diesel, higher levels of Chinese jet fuel exports than earlier this year is keeping the jet/kerosene market well supplied. Regional petrol prices fell, but not to the extent of crude, as refinery issues impacted regional supply.

Maritime freight rates have increased (up by 14.4%) with on-going Russia-Ukraine conflict (companies avoiding using Russian owned tankers) supporting much higher maritime freight rates than typical. The Tongan Pa'anga has continued to strengthen and adding to the price drops. Despite the increase in freight rates, these factors combined resulted in a large drop in all product prices.

Therefore, the resulting wholesale petrol, kerosene and diesel prices compared to last month's petroleum price review will decrease by 17.41 seniti/litre, 20.79 seniti/litre and 26.64 seniti/litre, respectively. As a result, Tongatapu retail prices for Petrol will decrease to \$3.35 per litre from the current price of \$3.52 per litre, Kerosene will decrease to \$2.87 per litre and diesel to \$3.76 per litre.

For full details on prices including outer islands, please contact 'Ilaisaane Mila, Pricing Unit at (676) 7400118 or 7400604, via email [ilaisaanem@mted.gov.to](mailto:ilaisaanem@mted.gov.to) or visit our website: [www.mted.gov.to](http://www.mted.gov.to) or our facebook page: Consumer Affairs Tonga.

**Ministry of Trade and Economic Development**  
**16 January 2023**

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