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CEO, MINISTRY OF TRADE AND ECONOMIC
DEVELOPMENT

PRESS RELEASE

New LPG Prices for March 2023

The Ministry of Trade & Economic Development wishes to advise that the Tonga Competent Authority (TCA) has approved the new LPG prices for March 2023 to be effective from **Monday, 20th March 2023.**

LPG prices have been mixed with downward pressure late in 2022 from plentiful supply, followed by an increase amid strong demand for winter heating needs combined with petrochemical feedstock. Butane prices averaged USD 682/tonne in the first quarter or about USD 82/tonne higher than the fourth quarter last year.

While LPG prices have generally strengthened in the first quarter, crude oil prices initially dropped in December before stabilising in January and February. A year on from the Russia invasion of the Ukraine, oil prices are at the pre-invasion level and markets have adjusted to the various embargos by redirecting oil flows. Russia has been forced to find new customers, with India and China taking advantage of the opportunity to buy discounted crude oil. Europe had to find new suppliers and the other oil market participants had to weigh between risk and opportunity.

The LPG freight rates have decreased in response to the fourth quarter drop in bunker prices. Tongan Pa'anga strengthened in the first quarter, partially offsetting some the increase in landed cost.

Therefore, Overall, higher Saudi CP price flowed through the market increasing the retail prices by TOP0.03/kg for Tongatapu and TOP 0.02/kg for Vava'u.

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)
Current retail price	TOP/kg	\$4.51	\$4.58	\$5.69	\$5.55	\$6.85
Proposed new price		\$4.54	\$4.60	\$5.72	\$5.58	\$6.88
Current retail price	TOP/13kg	\$58.63	\$59.54	\$73.97	\$72.15	\$89.05
Proposed new price		\$59.02	\$59.80	\$74.36	\$72.54	\$89.44

For further information, please contact Ilaisaane Mila, Consumer Protection and Fair Trade Division, Ministry of Trade & Economic Development on telephone 7400118 or 7400105 ext 130.

Ministry of Trade & Economic Development
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