



FIJI COMMERCE COMMISSION

HEAD OFFICE & CENTRAL EASTERN

DIVISION

Level 1 Garden City Complex,
Raiwai, Suva.

P O Box 5031, Raiwaqa, Suva.

Phone: (679) 337 2178

Fax: (679) 337 2389

Email: helpdesk@commcomm.gov.fj

Website: www.commcomm.gov.fj

WESTERN DIVISION

1st Floor, Downtown Holdings Bldgs,
155 Vitogo Parade,

P O Box 594, Lautoka

Telephone/Fax: (679) 666 1853

NORTHERN DIVISION

Corner of Nanuku/Jaduram St,
P O Box 262, Labasa

Telephone/Fax: (679) 881 1155

9th October, 2012.

Press Statement

Flour, Petroleum, LPG and Steel Price Changes

As will be announced by the Minister via the written press statement later today, there are price changes to the following four commodities:

- (i) Flour
- (ii) Petroleum
- (iii) LPG; and,
- (iv) Steel

All these commodities play a critical role in the consumption and supply chain of Fiji's economic system.

Flour: It is part of the consumption basket of every household in Fiji. Hence any increase in price can affect food security of the lower income households.

Petroleum: This product is critical for Fiji's economic production system...it can have a major impact on prices of products out of the manufacturing and industrial sector if prices increase without control. Given the volume of imports into Fiji, any increase in price can imply severe impact on our foreign reserve position.

LPG: The government is doing all it can to promote LPG use in the transportation sector. There are other industries which also use LPG in the production process. The households use LPG for cooking purposes. Reduction in prices will imply reduction in fuel imports, a cleaner environment, and savings on household expenditure as well.

Steel: This commodity is critical for the construction industry. Given that it consist of a major cost of the construction sector, any reduction in prices will imply major savings and also provide impetus to those who are on the margins in terms of raising funds for construction of dwellings as well as the other growth related infrastructure.

In this regard, taking into account changes in the world market, we announce the following prices changes in Fiji's market:

a) Flour: The prices of various product lines within this product are increasing due to supply side constraints. The main supply side issue is the prolonged drought in USA and Australia which has restricted production and supply of wheat and thus created avenue for increase in price. The price began rising since June this year. The price changes at the wholesale level are as follows:

- (i) Bakers Flour: Prices have increased by up to 7%;
- (ii) Normal Flour: Prices have increased by up to 3%;
- (iii) Sharps: Prices have increased by up to 5%;
- (iv) Normal Whole Meal Flour: Prices have increased by up to 5%.

b) Petroleum Products: There is no change in Motor Spirit price; there is a reduction in the price of Premix while Kerosene and Diesel prices have increased.

Motor Spirit: The latest increases have been offset by the earlier decreases.

Premix: Price have fallen due to sluggish demand as well as new refinery into the market in Taiwan thus increasing supply.

The crude oil prices in general started to decline most of the quarter but increased in the last part of the quarter. The weakening of the Fijian dollar has not helped us either and thus the prices changes are as follows:

- Motor Spirit: No change
- Premix: A reduction by 1.75% (4 cents)
- Kerosene: An increase by 1.9% (3 cents)
- Diesel: An increase by 3.3% (7 cents).

c) Steel: Due to a reduction in steel billet prices, we are happy to announce that for both, the grade 300 and 500 steel, prices have decreased by 4.82%.

d) LPG: Due to a decrease in the Saudi Arabia wholesale price, there is a further significant reduction in LPG prices in all markets. The price changes are as follows:

- (i) 4.5 kg Cylinder: Reduction from \$16.99 to \$15.12 (11% reduction);
- (ii) 12 kg Cylinder: Reduction from \$45.31 to \$40.32 (11% reduction);
- (iii) Bulk Gas (Kg) Reduction from \$3.03 to \$2.69 (11% reduction); and,
- (iv) Autogas (litre): Reduction from \$1.98 to \$1.85 (7% reduction).

The prices will be effective from Friday, 12th October, 2012.



Dr Mahendra Reddy, Chair, Fiji Commerce Commission