

MEDIA RELEASE: REDUCTION IN FUEL AND LPG PRICES

The Minister for Industry, Trade and Tourism Hon. Faiyaz Siddiq Koya today announced major reductions in prices of Unleaded, Premix, and Diesel and LPG products, based on the latest review of prices by the Fiji Commerce Commission.

The review comes at the back of the Fijian Government's decision to reduce the VAT rate from 15% to 9%, effective from 1 January 2016. This has led to consumers benefiting across the board with lower prices, including fuel and LPG products

The international prices for Fuel, except for kerosene, have also fallen in the last three months contributing to the price reductions announced today.

The reduction in fuel prices, which will come into effect on 1 January 2015, are as follows:

-) Motor Spirit from \$2.11 to \$1.90 per litre, a decrease of 21 cents per litre or 9.95%;
-) Premix from \$1.99 to \$1.78 , a decrease of 21 cents per litre or 10.55 %;
-) Diesel from \$1.64 to \$1.50 per litre, a decrease of 14 cents per litre or 8.54%.

While reductions in the above products prices are noted, the price of Kerosene has increased by 8% from \$1.25 to \$1.35 per litre.

The Minister further highlighted that as part of the review, the retail mark-up for Unleaded Petrol and Diesel has been increased from 4% to 4.5%, which will provide our fuel retailers with additional cushion.

Furthermore, the Minister stated that the price for the LPG has also decreased, on average above 3% across the board and the new prices are as follows:

-) 4.5 KG cylinder from \$12.97 to \$12.52, a decrease of 45 cents or 3.47%;
-) 12 KG cylinder from \$34.58 to \$33.38, a decrease of \$1.20 or 3.47%; and
-) Auto Gas per litre from \$1.63 to \$1.58, a decrease of 5 cents or 3.07%;

The major reason for the price reduction is the benefit of the VAT reductions from 15% to 9%, without which Fiji would have experienced a price increase for all LPG products. This has helped cushion the effect of rising Butane prices.

While we enjoy the reductions in the prices of fuel, we as consumers need to be mindful of our responsibility and use fuel wisely. We all need to collectively contribute to the reduction of carbon emissions by 30 percent by 2030, as pledged by the Hon. Prime Minister. The consumption of fuel is a significant contributor to the carbon dioxide emission and climate change patterns.

The Fijian Government is committed to improving and maintaining our clean and pristine environment.

To this end, the Fijian Government is in the final stages of finalising the new fuel standards for Fiji to improve the quality of fuel. Cleaner fuel will lead to longer engine life of vehicles and a reduction in maintenance cost. It will also enable the importation of vehicles that are modelled on better technology, have improved fuel efficiency, higher engine power and less emissions..

The Hon. Minister stated that whilst Fiji is a price taker on commodities such as fuel and LPG products in the international market, progressive policies like the VAT reduction announced in the 2016 Budget, enables the Government to ease the burden on Fijian consumers, leaving them with more disposable income and savings.

The Fijian Government wishes every Fijian a blessed New Year.

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