

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 June – July 2024

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

The mid-June 2024 price change is based on the May 2024 average of published daily Mean of Platts Singapore (MOPS) benchmark prices for product prices and freight, along with that month's exchange rate. The recommended wholesale prices have been calculated using the 2023 Annual Review decisions approved by the TCA on 10 August 2023.

Crude oil prices dropped to a near two-month low due to easing tensions in the Middle East, a weaker economic outlook, and higher inventories in the US, EU, and Japan. The average price for Brent crude in May stood at USD 83/bbl, reflecting a 6.7% reduction compared to April.

While crude prices eased, product prices fell even more sharply. Petrol prices recorded the highest reduction in May, largely due to increased petrol production from new or expanded refineries in the Mideast Gulf and Asia, which are putting downward pressure on prices. Additionally, petrol demand is under pressure from the growing adoption of electric and hybrid vehicles. Diesel prices were impacted by China's fresh export quota, which is reducing refining margins. Kerosene prices also declined, with the market well supplied in part due to additional exports from China.

Shipping costs have increased with rising Medium Range Tanker (MRT) 1 volumes, possibly shifted from Long Range (LR) vessels. The Tongan Pa'anga has strengthened against the US and Fijian dollars, further reducing the landed cost of fuel in Tonga.

Therefore, the resulting wholesale petrol will decrease by 19.89 seniti/litre, while kerosene and diesel prices will decrease by 13.21 seniti/litre and 13.22 seniti/litre, respectively. All price 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
14 June 2024

-End-