



National Gazette

PUBLISHED BY AUTHORITY

(Registered at the General Post Office, Port Moresby, for transmission by post as a Qualified Publication)

No. G1018] PORT MORESBY, MONDAY, 23rd DECEMBER [2019

Prices Regulation Act (Chapter 320)

PETROLEUM PRODUCTS PRICES ORDER 2020

MADE by the Independent Consumer and Competition Commission under Section 21 of the *Prices Regulation Act* (Chapter 320) to apply as of 1st January, 2020, in place of the previous prices order for these goods and services.

In this Order:

“Petrol” means motor spirit (or blend) identified as a Class A refined petroleum product with an octane rating of 97; and

“Distillate” means gas oil identified as a Class C refined product with a maximum sulphur content of 0.05% wt; and

“Kerosene” means a dual purpose Class B refined petroleum product used for lighting and cooking in home appliances.

PETROL, DISTILLATE AND KEROSENE - MAXIMUM WHOLESALE MARGIN

For the purposes of Section 21(2)(f) of the *Prices Regulation Act* (Chapter 320), the maximum prices at which petrol, distillate or kerosene may be sold by wholesale is, in respect of each calendar year specified in Column A of Schedule 1:

- (a) The cost into store, or landed cost, of petrol, distillate or kerosene, as the case may be; plus
- (b) The cost of freight from wholesaler’s store (depot gate) to the delivery point, if applicable; plus
- (c) The wholesale margin of 25.16 toea per litre or the wholesales margin as calculated in accordance with Column B of Schedule 1.

Petroleum Products Prices Order 2020—continued**SCHEDULE 1****Maximum Wholesale Margin for Petrol, Distillate and Kerosene**

Column A Year	Column B Wholesale margin per litre
2020, from 1st January	25.16 toea
2021, from 1st January	The wholesale margin for 2020 will be adjusted by $(CPI + 0.65)\%$ *
2022, from 1st January	The wholesale margin for 2021 will be adjusted by $(CPI + 0.65)\%$ *
2023, from 1st January	The wholesale margin for 2022 will be adjusted by $(CPI + 0.65)\%$ *
2024, from 1st January	The wholesale margin for 2023 will be adjusted by $(CPI + 0.65)\%$ *

PETROL, DISTILLATE AND KEROSENE - MAXIMUM DRUM FILLING MARGIN

The maximum wholesale margin referred to in this Prices Order may be increased by an amount up to 8.5 toea per litre for petrol, distillate and kerosene which is supplied in drums rather than in bulk. Such amount will be adjusted as provided in Column B of Schedule 2.

SCHEDULE 2**Maximum Drum-Filling Margin for Petrol, Distillate and Kerosene**

Column A Year	Column B Wholesale margin per litre
2020, from 1st January	8.5 toea
2021, from 1st January	The drum filling margin for 2020 will be adjusted by $CPI (\%)$ *
2022, from 1st January	The drum filling margin for 2021 will be adjusted by $CPI (\%)$ *
2023, from 1st January	The drum filling margin for 2022 will be adjusted by $CPI (\%)$ *
2024, from 1st January	The drum filling margin for 2023 will be adjusted by $CPI (\%)$ *

PETROL, DISTILLATE AND KEROSENE - MAXIMUM RETAIL MARGINS**PETROL, DISTILLATE AND KEROSENE - MAXIMUM RETAIL MARGINS**

For the purpose of Section 21(2)(f) of the *Prices Regulation Act* (Chapter 320), the maximum prices at which petrol, distillate or kerosene may be sold by retail sale in various centres from 1st January, 2020, is specified in Column B of Schedule 3; or in respect of each calendar year specified in Column A of Schedule 4:

- (a) The cost into store at delivery by wholesale; plus
- (b) The retail margins specified on Column B of Schedule 3 or as calculated in accordance with Column B of Schedule 4.

SCHEDULE 3**Retail Margins for 2020**

Column A	Column B
Alotau	24.9
Banz / Kindeng	32.1
Bialla	35.4
Buka	29.2
Bulolo	30.8
Goroka	29.2

Petroleum Products Prices Order 2020—continued

Petrol, Distillate and Kerosene - Maximum Retail Margins—continued

Schedule 3—continued

Column A	Column B
Kainantu	26.2
Kavieng	23.6
Kerema	32.1
Kerevat	34.7
Kimbe	31.4
Kokopo	27.5
Kundiawa	36.9
Lae	33.5
Madang	27.4
Manus	31.9
Mendi	33.4
Minj	23.3
Mt. Hagen	35.5
Namatanai	33.9
Oro Bay/ Popondetta	31.0
Pogera	28.4
Port Moresby	32.0
Rabaul	30.8
Tari	35.6
Vanimu	30.9
Wabag	33.4
Wewak	26.2

SCHEDULE 4

Maximum Retail Margin for Petrol, Distillate and Kerosene in Port Moresby

Column A Year	Column B Retail margin per litre
2020, from 1st January	The retail margins specified in Column B of Schedule 2
2021, from 1st January	The retail margins for 2020 will be adjusted by CPI (%)*
2022, from 1st January	The retail margins for 2021 will be adjusted by CPI (%)*
2023, from 1st January	The retail margins for 2022 will be adjusted by CPI (%)*
2024, from 1st January	The retail margins for 2023 will be adjusted by CPI (%)*

CONSUMER PRICE INDEX (CPI)

*CPI or CPI_t is the Consumer Price Index that is calculated by the Commission using the formula below.

$$CPI_t = \frac{CPI_{Mar(t-1)} + CPI_{Jun(t-1)} + CPI_{Sept(t-1)} + CPI_{Dec(t-2)}}{CPI_{Mar(t-2)} + CPI_{Jun(t-2)} + CPI_{Sept(t-2)} + CPI_{Dec(t-3)}} - 1$$

CPI_{Mar(t-1)}, CPI_{Jun(t-1)}, CPI_{Sept(t-1)}, CPI_{Dec(t-2)}, CPI_{Mar(t-2)}, CPI_{Jun(t-2)}, CPI_{Sept(t-2)}, and CPI_{Dec(t-3)} are the quarterly CPI indices published by the National Statistics Office (NSO), where t-1 is the year prior to year t, t-2 is two years prior to year t, and t-3 is three years prior to year t, and year t is the year in which the margin adjustment is to be performed.

The quarterly CPI indices represent the All Groups Weighting CPI for Urban Areas and adjusted by excluding alcoholic beverages, tobacco and betelnut, as published by the NSO for the 12 months ending 30th September in the year preceding the year in Column A, expressed as a number, minus 1. The resulting number (using the formula above) will be the percentage by which the margins can be adjusted annually.

The Commission will inform the industry by or before 15th December of each subsequent year, or such date otherwise notified by the Commission, of new wholesale and retail margins to take effect from 1st January of each year of the regulatory period.

Petroleum Products Prices Order 2020—*continued*

Where the CPI data for the September quarter of year t-1 is not available in time to allow the analysis to be performed and notified before 15th Decemeber in year t-1, the CPI data ending on the prior quarter shall be substituted. Thus the CPI will be developed from comparison of the four quarters ending June quarter of the t-1 year to the four quarters ending on June quarter of the t-2 year.

The prices referred to in this Prices Order are exclusive of the Goods and Services Tax.

Dated this 23rd day December, 2019.

P. AIN,
Commissioner and Chief Executive Officer,
On behalf of the Independent Consumer and Competition Commission.