

Fuel Prices

September 2014

Release date: 9 October 2014

\$T	Sep 14	Aug 14	Jul 14	Jun 14
Petrol	2.74	2.86	2.92	2.89
Diesel	2.83	2.83	2.90	2.92
Kerosene	2.28	2.28	2.29	2.28

Petrol prices decline 4 per cent in September

In September, diesel and kerosene prices remained steady, while petrol prices fell to a 16-month low. This follows August's 2.2 per cent fall in the pa'anga price of crude oil, and is consistent with declines in the values of oil import payments in July and August. September's fuel prices was 2 percentage points higher than forecasted in August, as oil prices continued to decrease.

In year-ended terms, all retail fuel prices declined. This reflects a sharp fall in the world oil price in pa'anga terms over the year. This equates roughly to a 0.2 percentage point subtraction from inflation over the year.

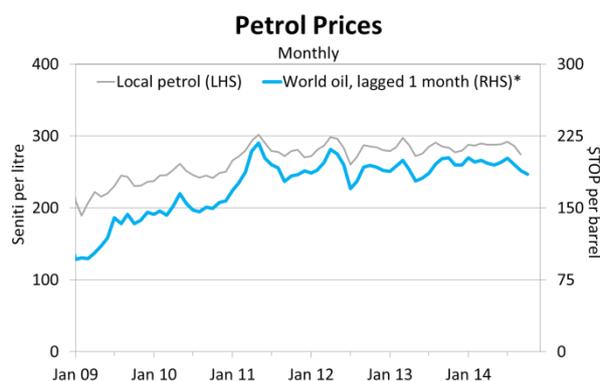
NRBT anticipates all local fuel price categories to fall between 2-3 per cent by mid-October, reflecting September's 2 per cent decline in world oil prices despite the onset of the northern hemisphere winter. Elevated political tensions in some oil-producing countries and Saudi Arabia's reduction in production may pose upside risk to October's estimate.

	Fuel Prices						
	\$TOP as at:*			Per cent change over the past:			
	Sep 14	Aug 14	Sep 13	1 month		3 months	1 year
	Actual	Actual	Actual	Actual	Last forecast	Actual	Actual
Petrol	2.74	2.86	2.86	-4.06	-2.44	-4.91	-4.03
Diesel	2.83	2.83	2.97	-0.01	-2.17	-2.94	-4.43
Kerosene	2.28	2.28	2.37	0.01	-2.92	0.09	-3.73
First round contribution to inflation (ppts)**	N/A	N/A	N/A	-0.14	-0.12	-0.22	-0.21
Oil lagged 1 month	186.77	190.52	211.24	-3.00	N/A	-4.08	-6.09

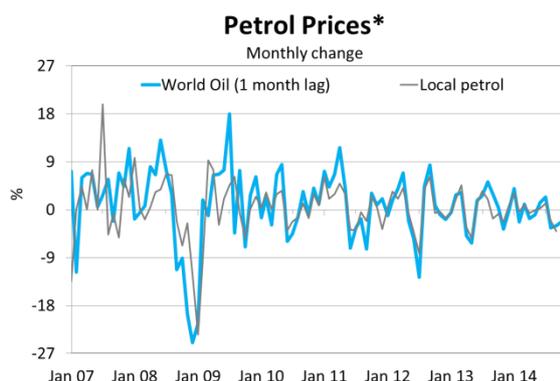
* Fuel prices are per litre and oil prices are per barrel.

** NRBT estimate.

Sources: Bank of England; Bloomberg; Ministry of Commerce, Tourism and Labour.



* Average price, month-ended
Sources: Bank of England; Bloomberg; Ministry of Commerce, Tourism and Labour



* Average monthly price
Sources: Bank of England; Bloomberg; Ministry of Commerce, Tourism and Labour