



COOK ISLANDS PRICE TRIBUNAL

C/o P.O. Box 98, Rarotonga, Cook Islands, Telephone: (682) 29-370, Email: pricetribunal@cookislands.gov.ck

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MEDIA RELEASE JANUARY PRICE ORDER

The Price Tribunal has today issued the January Price Order 01/2017 for Rarotonga and all islands (excluding Aitutaki) reflecting a small reduction in price for petrol and increases in the price of diesel and LPG for Rarotonga consumers. The Price Order also implements changes to the Pa Enea price margins for petrol and diesel.

There is a 3 cent per litre decrease in the maximum wholesale and retail prices for petrol on Rarotonga, and a 7 cent per litre increase for diesel and an 18 cents per kg increase in LPG. The maximum retail price that petrol can be sold to the public on Rarotonga is \$2.05 cents per litre, \$1.98 per litre for diesel and \$3.97 per kg for LPG.

“The price increases for diesel and LPG were expected and reflect what we have seen with global price movements over November and December,” stated Price Tribunal President, Tatiana Burn. “Further price increases are to be expected as new arrangements between oil producing countries to cut production levels will result in higher prices at the global level.

“The Price Tribunal has for the past several months been reviewing the Pa Enea margins recognising that the pricing margins used in the Price Order were outdated and not reflective of the actual costs to supply fuel in the Pa Enea,” stated Burn. “This has led to widespread non-compliance by retailers in the outer islands who have consistently ignored the prices set.

“The Price Tribunal has spent a great deal of effort working with Island Governments, retailers in the Pa Enea and domestic shipping companies in reviewing pricing practices, council charges and freight costs.

While the LPG margins to the Pa Enea are still under review, the Price Tribunal has now implemented increases to the Pa Enea margins for petrol and diesel. This has resulted in increases in the maximum retail prices to the southern group of \$2.87 for petrol and \$2.80 for diesel. The maximum retail prices that can be charged in the northern group are \$3.02 for petrol and \$2.95 for diesel.”

The new prices will take effect from 16 January 2017 and will remain in force for the next two months until the next price order is issued in March 2017. Price inspections will be carried out and breach orders will be issued where there is non-compliance.

Consumers should expect to see the new prices clearly displayed at service stations for these price controlled products. Service stations are obligated to ensure that the new prices come into immediate effect.

Full details of the new prices are contained in the new published price order and can also be accessed by contacting the Consumer Division of the Ministry of Internal Affairs.

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Contact:

pricetribunal@cookislands.gov.ck

Ministry of Internal Affairs

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