



CONSUMERS ASSOCIATION OF SINGAPORE

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CASE calls upon petrol companies to make appropriate adjustments to pump prices

We refer to 洪建中先生's letter "本地油价为何高企不下" (Lianhe Zaobao Forum, 3 February 2016)

On 30 December 2015, the Consumers Association of Singapore (CASE) wrote to the four petrol companies (Chevron International Private Limited, ExxonMobil Asia Pacific Private Limited, Shell Eastern Petroleum Private Limited and Singapore Petroleum Company Limited) to query about why fuel pump prices have been slow to drop despite the large fall in crude oil prices. CASE pointed out to the petrol companies that oil prices have fallen 24.17% for WTI Crude Oil and 36.75% for Brent Crude Oil for the period between 24 Feb to 24 Dec 2015. However, pump prices have only fallen by about 4% for the corresponding period. In fact for premium grade 98 petrol, prices have increased by more than 1%.

All four petrol companies responded in January 2016 that there were a variety of factors that affected pump prices other than the prices of crude oil, mainly the foreign exchange rate, government taxes, excise duties, land prices, demand and supply factors, competitive market forces and more.

CASE understands that there will not be a corresponding percentage decrease in pump prices as crude oil prices is only one factor out of the many that impacts pump prices. We also note that petrol companies have made price cuts for all petrol grades recently. However, we feel that petrol companies should still consider a further reduction of current pump prices due to the large fall in crude oil price below US\$30 per barrel.

We strongly urge all four petrol companies to consider the interest of consumers and pass some of their cost savings to them. Petrol companies should continue to keep making appropriate adjustments to their pump prices if the cost of crude oil continues to remain low.

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President
Consumers Association of Singapore (CASE)