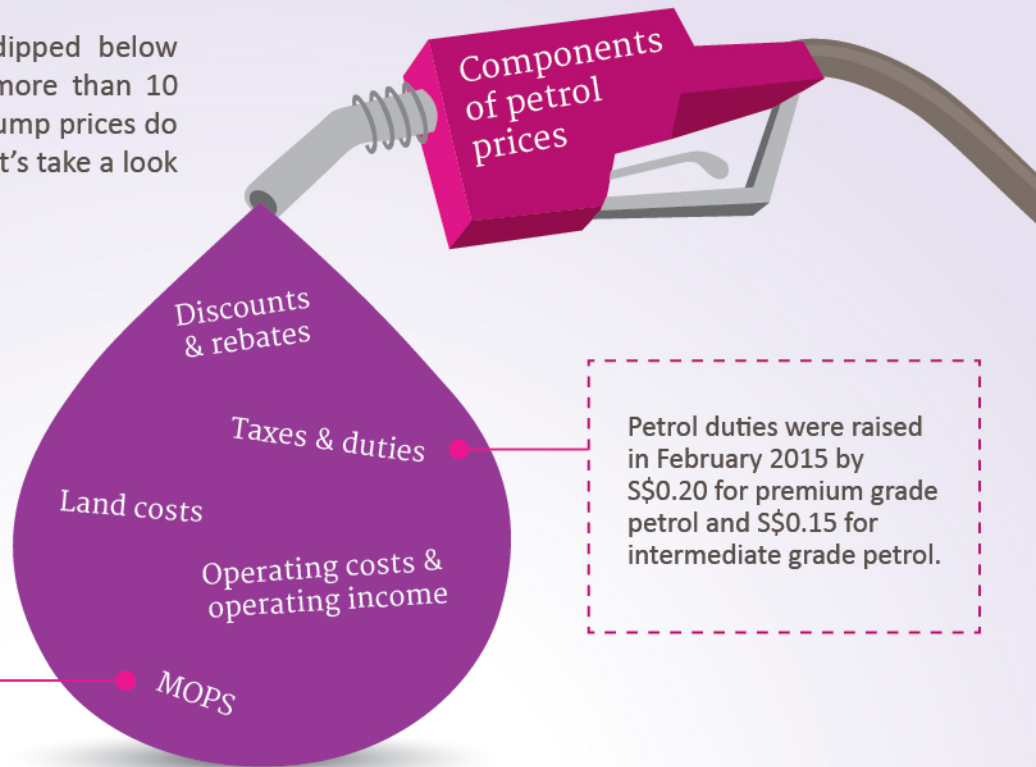


UNDERSTANDING PETROL PRICES IN SINGAPORE

In January 2016, crude oil prices dipped below US\$30 a barrel, its lowest level in more than 10 years. Many have asked why petrol pump prices do not seem to have fallen in tandem. Let's take a look at some of the reasons why.

WHAT MAKES UP PETROL PRICES?

Price of crude oil is only one component of the price of petrol. Petrol companies here use Mean of Platts Singapore (MOPS) prices which is the price of refined petrol, and is higher than crude price.



KEY FINDINGS FROM RETAIL PETROL MARKET STUDY

The Competition Commission of Singapore (CCS) conducted a study into the behaviour of petrol companies between 1 January 2010 and 31 January 2016. The study found that:

1. In 2015, MOPS made up **less than one-third** of listed retail petrol price. Petrol companies use MOPS prices, not crude oil prices to determine retail petrol price.

2. Retail petrol prices generally moved in the same direction as MOPS prices.

For every S\$0.10 change in MOPS price, listed petrol price changed by S\$0.07 in the same direction. The change took place over a **10** day period on average.

There was no significant difference in the speed at which prices were raised or lowered.

3. In 2014, consumers enjoyed an average of about **18%** in discounts & rebates such as credit card discounts and loyalty programmes.

4. The study found no evidence of any collusion by petrol companies on retail petrol prices.

For more details on the CCS retail petrol study, please refer to the CCS website www.ccs.gov.sg

All prices quoted are based on per litre
Information is correct as of February 2016