



All letters to be addressed to:
CEO, MINISTRY OF TRADE AND ECONOMIC
DEVELOPMENT

PRESS RELEASE
New LPG Prices for December 2019

The Ministry of Trade & Economic Development wishes to advise that the Tonga Competent Authority (TCA) has approved the new LPG prices for December 2019 to be effective from **Monday, 16th December 2019.**

Overall Saudi CP Butane prices increased in this quarter partially offsetting the last quarter's price drop. Butane prices were steady in September (from the low point reached last quarter) but rebounded in October and November by nearly USD85/tonne. The recovery of LPG market prices was largely attributed to the return of demand from China after the 'golden week' holidays and fresh demand from the petrochemical sector. Saudi CP Butane prices averaged USD 413/tonne in the fourth quarter of 2019, a USD 37/tonne (10%) increase compared to third quarter.

Spot demand from India was met quick from Middle Eastern producers providing LPG supply without any major delay, while Indonesian demand supported prices in the Southeast Asia market. In addition, LPG's discount to naphtha (as naphtha increased in price relative to crude) prompted fresh demand from the petrochemical sector supporting the firmness in the LPG prices.

LPG prices have increased in this quarter catching up with crude oil prices after a large price gap was created from plentiful LPG supply earlier this year pushing down. Crude oil prices have been variable in fourth quarter, trading between USD55-USD65/bbl following the Saudi Arabia drone attack and weakening economic outlook.

Therefore, overall this quarter LPG prices will increase by TOP 0.13/kg.

The table below shows the new LPG prices for Tongatapu, Vava'u, Pangai (Ha'apai), 'Ohonua ('Eua) and Niuatoputapu. All prices include consumption tax.

		Tongatapu	Vava'u	Ha'apai	Eua ('Ohonua)	Niuatoputapu (Hihifo)
LPG Retail Price	TOP/kg	\$3.91	\$3.99	\$5.81	\$5.12	\$6.25

For further information, please contact the Ministry of Trade & Economic Development on telephone 7400108 or 7400105 ext 131.

Ministry of Trade & Economic Development
13 December 2019

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