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FUEL PRICES SET TO RETURN TO SINGLE DIGITS IN 2023

REVIEW OF DECEMBER 2022 SECOND PRICING-WINDOW

Local Fuel Market Performance

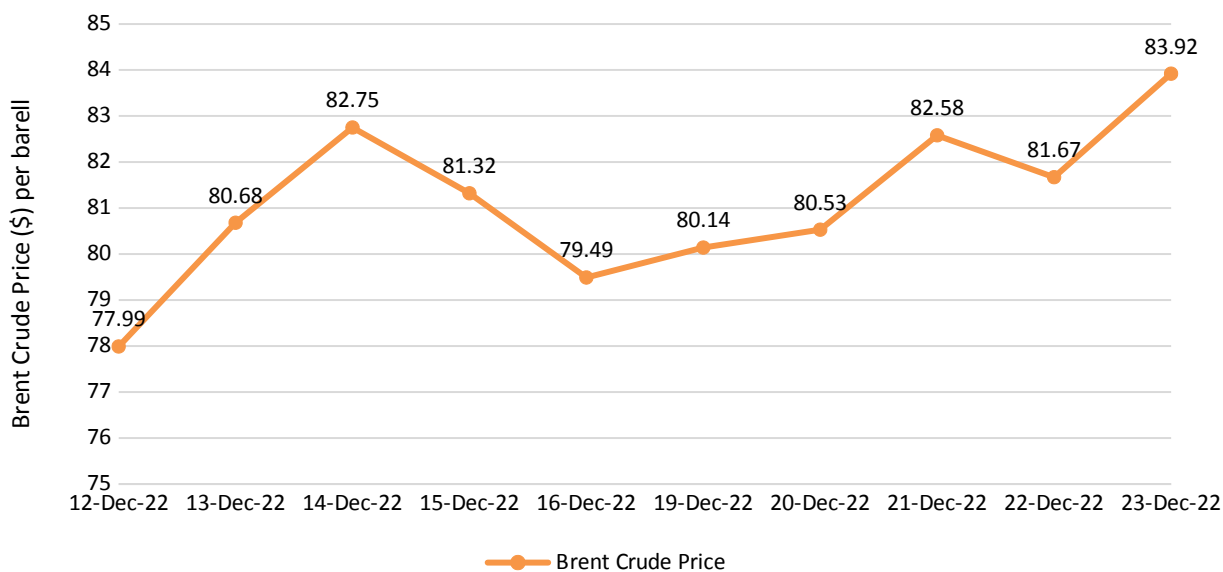
The second pricing window of December 2022 saw international market price falls and the Ghana Cedi's appreciation against the US Dollar reflecting on the domestic fuel market positively at all Oil Marketing Companies (OMC) outlets monitored by the Institute for Energy Security (IES). The price reductions seen over the pricing window peg the national average price per litre of Gasoline at Gh¢12.68 from Gh¢15.16, representing a 16.36% reduction over the period. Gasoil's national average price per litre moved from Gh¢18.78 to Gh¢15.55; falling by roughly 17.20%.

In the pricing window under review, the IES MarketScan picked Nasona, Shell/Vivo, TotalEnergies, Engen, Sel, and Goil as OMCs with the highest-priced fuel on the market. Star Oil, Frimps, Benab Oil, Zen Petroleum, and Goodness Oil were spotted as some of the OMCs with the least-priced fuel on the market.

World Oil Market

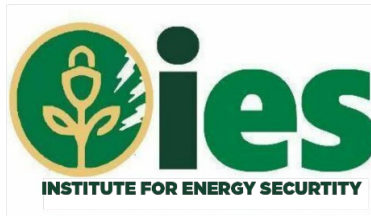
International Crude oil benchmark Brent fell by 0.51% in price over the previous window's average price of \$81.90 per barrel to the present average price of \$81.48 per barrel.

Brent Crude Price



Source: IES Construct with data from Oilprice

Last week, Beijing announced the most sweeping changes to its strict Covid-19 guidelines, including relaxing testing requirements and travel restrictions.



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A slowing worldwide economy, China's recent lockdowns, and a stronger dollar have brought the price of oil down more than 23% in the last six months.

Oil prices rose on Friday on expectations of lower Russian crude exports from the Baltic region in December, offsetting worries that a looming Arctic storm across the United States could snuff out transport fuel demand growth this holiday season.

Oil prices continued to pose gains slightly within the window on concerns that winter storms across the United States are affecting the logistics and production of petroleum products and shale oil.

World Fuel Market

The Global Standard & Poor's (S&P's) Platts averages monitored over the last pricing window indicates that the price of Gasoline continues to fall, with the price in the period under review dropping by 5.28% from \$763.10 per metric tonne to \$722.84 per metric tonne. Gasoil price increased marginally by 1.11% from \$891.30 per metric tonne to \$901.23 per metric tonne. LPG price also reduced by 5.09% from \$572.58 per metric tonne to \$544.23 per metric tonne.

Local Forex

The IES Economic Desk's analysis of the foreign exchange (Forex) market over the last two weeks, shows the local currency made significant gains, appreciating by 26.51% against the US Dollar. The rate at the close of the period under assessment was Gh¢10.31 to the US Dollar from the previous rate of Gh¢14.03, to the US Dollar.

IES PROJECTIONS FOR JANUARY 2023 FIRST PRICING-WINDOW

On the back of the 5.28% and 5.09% fall in the prices of Gasoline and LPG respectively and the 26.51% appreciation of the Cedi against the US Dollar in the second pricing window of December, Institute for Energy Security (IES) predicts the domestic OMCs outlets are set to reduce their prices significantly in the first week of 2023, with some selling at single digits.

Despite the marginal rise in the price of Gasoil on the international market, the Ghana Cedi's appreciation against the Dollar will force prices down locally.

Prices are set to reach Gh¢9.50p and Gh¢11.60p per litre for Gasoline and Gasoil respectively, and Gh¢9 per kilogram for LPG in the coming days.

Signed:

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