14th September 2022

**CEDI FALL MAY THWART EXPECTED FALL IN THE PRICES OF GASOIL AND LPG AT THE LOCAL PUMPS**

***REVIEW OF SEPTEMBER 2022 FRST PRICING-WINDOW***

**Local Fuel Market Performance**

In the just-ended pricing window, fuel sold at all Oil Marketing Companies (OMCs) monitored increased by roughly 3% for Gasoline and 7% for Gasoil on average terms. The national average price per litre of Gasoline stands at Gh¢11.30 up from Gh¢10.95 in the last window, representing a 3.19% increase. Gasoil’s national average price per litre stands at Gh¢14.45 from a previous average of Gh¢13.42, representing a 7.68% increase.

The IES Marketscan picked Total, GOIL, Shell/Vivo, and Sel as OMCs with the highest-priced fuel on the downstream petroleum market, while Zen Petroleum, Benab Oil, Allied Oil, Petrosol, and Goodness Oil were picked as the OMCs with the least-priced fuel on the market.

**World Oil Market**

The International Brent Benchmark saw a 2.77% price reduction over the previous pricing window’s average price of $96.72 per barrel, to the current average price of $94.04 per barrel.

**IES Construct**, with data from Oilprice.com

In the last pricing window, Brent Crude prices decreased due to economic data from the United States and China. Brent crude oil prices plummeted below $90 per barrel, falling below the prices that prevailed prior to Russia's invasion of Ukraine, as poor economic data from China fueled fears of weak commodity demand. Chinese economic data revealed that retail sales climbed 2.7% year-over-year in July, while industrial production increased 3.7%. The economists forecasted gains of 5% and 4.6%, respectively.

On Monday 5th September 2022, OPEC and allied oil-producing countries, including Russia, reduced their supplies to the global economy by a small amount, signaling their displeasure with the fact that recession fears have contributed to a decline in crude oil prices— as well as the price of gasoline, much to the delight of consumers. Oil prices have varied in recent months due to fears of a recession and the loss of Russian oil as a result of sanctions imposed on Russia for its invasion of Ukraine.

**World Fuel Market**

The world fuel market saw price changes as monitored on Standard & Poor's (S&P's) Platts platform within the just-ended pricing window. Gasoline price fell by 10.96%, from its initial price of $951.39 per metric tonne to the end date price of $847.11 per metric tonne. Gasoil price also saw a decrease although marginal (0.54%), from its earlier price of $1098.89 per metric tonne to a present price of $1092.92 per metric tonne. LPG’s price on the international market also continues to drop, shedding off 1.51% from $600.02 per metric tonne in the last pricing window to an end date price of $590.97 per metric tonne.

**Local Forex**

Data monitored by the IES Economic Desk from the foreign exchange (Forex) market points to a marginal depreciation of the Cedi against the US Dollar. The Ghana Cedi depreciated by a significant 3.58% from the previous rate of Gh¢9.75 to the current rate of Gh¢10.10 to the US Dollar.

**IES PROJECTIONS FOR SEPTEMBER 2022 SECOND PRICING-WINDOW**

With the fall in the international price of Gasoline and Gasoil by 10.96% and 0.54% respectively, the Institute for Energy Security (IES) projects a marginal reduction in the current price of Gasoline at the local pump, due to the significant decline in the value of the local currency against the US Dollar.

Even though the prices of Gasoil and LPG also dipped on the international market, the 3.58% depreciation of the Cedi may thwart any expected fall in the price of the two product at the local pumps. Consumers may rather be forced to buy Gasoil and LPG at a higher value over the current prices for the rest of September 2022, on account of the Cedi fall against the greenback.

**Signed:**

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