

1<sup>ST</sup> March 2024.

## FUEL PRICES WILL CONTINUE TO RISE

### REVIEW OF FEBRUARY 2024 SECOND PRICING WINDOW

#### Local Fuel Market Performance

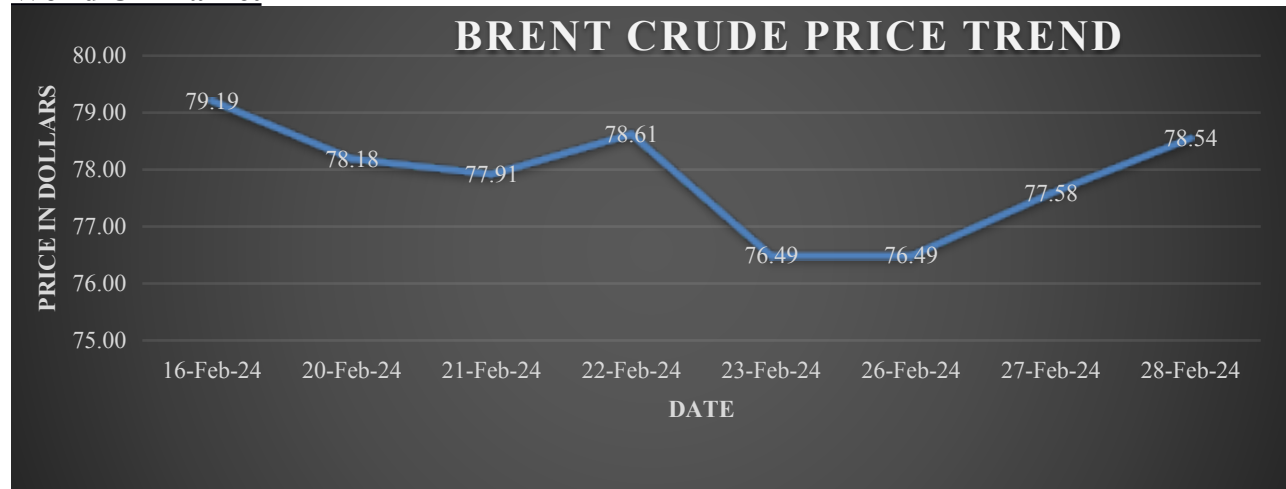
The second pricing-window of February saw the price of petroleum products surge at the pumps in line with projections on the local fuels market in Ghana.

Institute for Energy Security (IES) tracking of Oil Marketing Companies (OMC's) activities revealed liquid fuels price went up at an average of GHC0.45 for Gasoil and GHC0.30 for Gasoline per litre. Liquefied Petroleum Gas increased by GHC0.65 per kilogram.

IES analysis of fuels price data gathered in the last two weeks pegged the national average price for Gasoline at GHC13.32 for Gasoil, and Gasoline GHC12.24 per litre respectively. Liquefied Petroleum Gas (LPG) sells at GHC13.65 per kilogram (kg).

The IES Marketscan positions So, Virgo, Benab Oil, Zen Petroleum, and Star as OMCs selling at least priced over the last two weeks.

#### World Oil Market



**Source: Oilprice.com**

Crude oil prices went lower today, after the U.S. Energy Information Administration reported an estimated inventory increase of 4.2 million barrels for the week to February 23. This compared with a build of 3.5 million barrels for the previous week, which was accompanied by inventory declines in gasoline and middle distillates.

In gasoline, the EIA estimated an inventory draw of 2.8 million barrels for the week to February 23. Production averaged 9.4 million bpd during the week. This compared with an inventory decline of 300,000 barrels for the previous week, when production stood at an average of 9 million barrels daily.

Brent crude's performance has been slow over the past two weeks recording minimal gains, the biweekly average price per barrel stood at \$75.32.

#### World Fuel Market

The Global Standard & Poor (S&P) Platts platform tracking of refined petroleum price data published price per metric tonne performance as follows at the close of trade on 26<sup>th</sup> February 2024: \$871.75, \$840.43, and \$599.48 for Gasoil, Gasoline, and LPG.



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Analysing the published price data over the period indicates an increment for refined petroleum products under consideration. Specifically, the net price effects realized because of the change indicate 1.56%, 3.24%, and 2.92% increase for Gasoil, Gasoline, and Liquefied Petroleum Gas respectively.

### **Local Forex**

IES Economic Desk monitoring of Ghana Cedi performance on the foreign exchange (Forex) market indicate the local currency depreciation has continued decreasing in value by about 1.44% to a U.S. Dollar. As at the close of trade on 26<sup>th</sup> February 2024 the Ghana Cedi was exchanged at GHC12.60 to a dollar.

### **IES ESTIMATIONS FOR FEBRUARY 2024 SECOND PRICING-WINDOW**

Following the continuous price hikes recorded by all refined petroleum products under consideration on the world fuels market in the past 2 weeks, the local market is likely to reflect these changes. Given the Ghana Cedi's poor performance, coupled with the rising prices of petroleum products on world fuels market, IES expects prices to increase marginally in the early days in the month of March.

Barring any intervention, in the coming days, consumers should expect further marginal increases in the price of Gasoil, Gasoline and LPG, this is largely due to the worsened Ghana Cedi.

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