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*Office of the Commissioner & CEO*

PRESS STATEMENT

**ICCC's concerns regarding the Proposed National Energy Authority (Refined Petroleum Products Supply) Bill**

The Independent Consumer and Competition Commission (ICCC) wishes to express its concerns on the recently proposed *National Energy Authority (Refined Petroleum Product Supply) Bill*. The ICCC believes that the proposed legislation, in its current form, could have **serious implications for businesses, consumers, and the broader economy**.

In its official submission to the National Energy Authority (NEA), the ICCC has raised serious concerns regarding the **proposed National Energy Authority (Refined Petroleum Products Supply) Bill**. While the draft Bill appears to aim at centralizing control over the **importation, storage, distribution, and pricing of refined petroleum products**, the ICCC cautions that such centralization may inadvertently **reduce market competition, increase the cost of doing business, inflate retail fuel prices, and undermine investor confidence** in the sector.

The ICCC further notes that these potential outcomes are contrary to the objectives of the National Energy Policy, which seeks to promote **energy security, affordability, and a competitive market environment** to benefit both consumers and the economy at large.

At the crux of its submission, the ICCC **strongly opposes Section 5** of the Proposed Bill which states that *"Part VI of the ICCC Act does not apply to and in relation to the refined petroleum products retail market"*.

The ICCC considers this provision to be **deeply problematic**, as it seeks to **exclude the retail petroleum market from the application of the ICCC Act**, effectively removing vital **competition oversight and price regulation mechanisms** that currently serve to protect consumers and promote fair market conduct.

Part VI of the ICCC Act outlines the Competitive Market Conduct Rules, and it broadly applies across all markets and industries including the retail market for refined petroleum products. Exempting this part of the ICCC Act will hinder the ICCC's ability to intervene on any matters regarding anti-competitive business behaviors in the industry, which will be at the detriment of both the suppliers and the consumers.

The ICCC is of the view that **exempting Part VI of the ICCC Act** from applying to the defined retail petroleum market will likely result in **significant adverse consequences**. Part VI is a critical component of the ICCC Act, as it provides the legal framework for promoting and safeguarding **competition** in regulated markets.

Some of the key implications of such an exemption include:

- The absence of regulatory oversight on **anti-competitive mergers and acquisitions**, which could lead to a **highly concentrated or monopolistic market structure**;
- The inability to **prevent or penalize the abuse of substantial market power** by dominant players, thereby undermining competitive dynamics; and,

- A higher risk of **excessive fuel prices, reduced innovation, and declining service quality** to the detriment of consumers and downstream industries.

The ICCC maintains that **removing competition oversight** in a critical market such as refined petroleum products poses a **serious threat to consumer welfare and national energy security**, and is inconsistent with the principles outlined in the **National Energy Policy**.

ICCC Commissioner and Chief Executive Officer, Mr. Paulus Ain, reiterated that the proposed Bill also includes unjustified fees, charges, and levies, which, if implemented, would ultimately be passed through higher retail fuel prices.

Mr. Ain further said that *“During these tough economic times, what our people need is relief and reliable, uninterrupted fuel supply, and not additional costs, that may discourage fuel supply or burden consumers further”*.

The ICCC has been carefully vested with the responsibility for economic regulation for the declared petroleum products which includes setting the maximum wholesale, retail and drum-filling margins, as well as the monthly retail fuel prices under the *Prices Regulation Act, Chapter 320 (PR Act)*.

“The NEA has not provided any justification as to why the current system is not working, nor demonstrated why an alternate regulatory system is warranted,” Mr. Ain said.

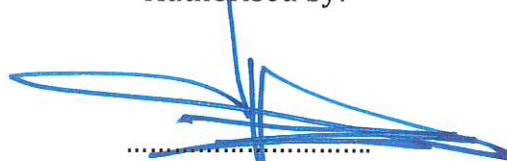
“These economic regulatory functions have been operating well and any sudden changes in the administration of these roles may cause “regulatory fragmentation”, which may lead to inefficiencies, increased costs for businesses and consumers, complicated compliance processes, and inconsistencies in regulatory enforcement.

“Removing this critical responsibility from the ICCC would not only undermine an independent, well-established and functioning regulated pricing system, but would create uncertainty in the market and potentially erode investor and consumer confidence in the management of this regulatory function.

“The ICCC acknowledges the NEA’s ongoing efforts to modernize the national energy regulatory framework however, these concerns should be carefully thought through before passing this proposed Bill.”

Therefore, given the need for consumer protection, market efficiency, independency, impartiality, and the need to take a pure pro-market view in economic regulation, the ICCC strongly recommends that the current fuel price regulation arrangements **MUST** remain.

Authorised by:



**MR. PAULUS AIN**

*Commissioner and Chief Executive Officer*

24<sup>th</sup> July 2025