



INDEPENDENT CONSUMER & COMPETITION COMMISSION

PRESS STATEMENT

ANNOUNCEMENT OF FUEL PRICES – MAY 2026

The Independent Consumer and Competition Commission (**ICCC**) informs all consumers, suppliers, and stakeholders in the petroleum industry that the Government's Fuel Relief Assistance will continue into its second month as per NEC Decision No. 71/2026. Hence, it will be reflected again in the Indicative Retail Fuel Prices (IRP) for this month on Friday, 08th May 2026, at 12:00AM. This will see the domestic pump prices maintained at March 2026 levels despite the prevailing increases in global oil prices.

The maximum indicative retail prices (**IRP**) for fuel are adjusted on a monthly basis to take effect on the 8th day of each month. In setting the domestic pump prices, the ICCC takes into considerations the Mean of Platts Singapore (**MOPS**), international sea freight rates, benchmarked from Singapore to Port Moresby, and the movements in the PNG Kina-US Dollar exchange rates, among other fixed parameters in the IPP formula. These components make up the landed cost of fuel into PNG, which is the Import Parity Prices (**IPP**). This month's IPP has considered a Physical Differential (Premium) which is the additional cost of securing fuel products to allow fuel importers to import at prevailing global market prices. In addition to the IPP, the ICCC considers other domestic cost factors such as wholesale margin, retail margin, domestic sea and road freight costs, excise duties and the Goods and Services Tax (**GST**).

The IPP makes up about 65% to 80% of the domestic pump prices, making our domestic prices very sensitive to movements in global oil prices. On the other hand, PNG is undeniably an import-dependent economy which makes it a price taker with no influence over global oil prices. Therefore, the external price spikes are not due to policy failure but due to external factors which PNG has no control over.

With the re-closure of the Strait of Hormuz in the Middle East and the US blockade right outside the Strait¹, the international crude oil prices have surged and is prevailing well above US\$100 per barrel² over the last two months. This has translated to higher prices for refined fuel products, given the tight supply. and Our fuel importers had to spent more to acquire the same amount of fuel they did about two months ago. This situation is worsened by the continuous depreciation of Kina against US Dollar which is the dominant oil-trading currency. This has significantly increased the IPP, which has consequently increased the

¹ <https://oilprice.com/Latest-Energy-News/World-News/Strait-of-Hormuz-Faces-Full-Shutdown-as-Iran-Escalates-Standoff.html>

² <https://oilprice.com/oil-price-charts/>

domestic pump prices for May 2026. However, the Fuel Relief Assistance has continued to maintain prices at March 2026 levels.

Under the Fuel Relief Assistance, fuel importers will be able to source fuel at prevailing higher international prices and sell domestically to the retail service stations and/or their contracted customers at March's prices while the Fuel Relief Assistance will cover the difference.

The table below shows how this difference, at a "per litre" basis, will offset the increase in May 2026, back to March's level at 0%.

Table 1. March and May 2026 Prices Increases, Kina per Litre (Port Moresby)

	Petrol	Diesel	Kerosene
May 2026 IRP (Without Subsidy)	<u>K6.24</u>	<u>K8.35</u>	<u>K8.48</u>
March 2026 IRP (With Taxes)	K4.39	K4.44	K4.09
Increase in Prices	+K1.85	+K3.91	+K4.39

As per Table 1 above, the Fuel Relief Assistance will subsidize the increase of K1.85, K3.91 and K4.39 per litre for petrol, diesel and kerosene, respectively. This will maintain the prices at March 2026 levels.

The ICCC urges fuel importers, distributors, wholesalers, and retailers to comply with the price reset, effective **08th May 2026 at 12:00AM**. The ICCC, together with Customs, IRC, BPNG, and Treasury will conduct ongoing compliance and monitoring to ensure that the Fuel Relief Assistance trickles down to the final consumers. The ICCC will then conduct inspections and take appropriate enforcement action against any individual or business found to be non-compliant which is in breach of the **Prices Regulation Act, Chapter 320 (PR Act)**.

The Fuel Relief Assistance is a decisive measure to protect PNG's economy and people from external shocks. With strong leadership, transparent administration, and upfront funding, the Government is stabilizing fuel prices, securing supply, and reinforcing public confidence in its economic stewardship.

All enquiries should be forwarded to the Prices Regulation Division on telephone 312 4600 or via email; prd@iccc.gov.pg or infor@iccc.gov.pg respectively.

Authorised by:



.....
MR. ROY DAGGY

Commissioner and Chief Executive Officer

07th May 2026