INDEPENDENT CONSUMER & COMPETITION COMMISSION

PRESS STATEMENT

ANNOUNCEMENT OF FUEL PRICES – SEPTEMBER 2026

The Independent Consumer and Competition Commission (**ICCC**) informs all consumers, suppliers, and stakeholders in the petroleum industry that under the recent **NEC Decision No. 225/2026,** the Government has exempted Goods and Services Tax (GST) on fuel prices until 31 December 2026, while phasing out the direct subsidy over the next two months. This change will be reflected in the Indicative Retail Fuel Prices (IRP) for this month on Tuesday, 08th September 2026, at 12:00AM. While consumers will see the domestic retail pump prices increase above March 2026 levels, these increases are well below the actual prices if there was no fuel subsidy.

Table 1. Subsidized IRP for September as compared to the Subsidized IRP for August for Port Moresby (in toea per litre)

	Petrol	Diesel	Kerosene
August Subsidized Price	439.87	444.67	409.20
September Subsidized Price	490.00	490.00	490.00
Change	**+50.13**	**+45.33**	**+80.8**

Under the revised arrangement, the subsidized pump prices for Port Moresby in September as compared against the actual unsubsidized price for September will be as follows:

Table 2. Subsidized IRP as compared to the Unsubsidized IRP in September 2026 for Port Moresby (in toea per litre)

	Petrol	Diesel	Kerosene
Full Retail Price (Unsubsidized)	567.40	668.95	614.36
GST Exemption	-51.58	-60.81	-55.85
Direct Subsidy	-25.82	-118.14	-68.51
Combined Subsidy	-77.40	-178.95	-124.36
Approved Retail Price (Subsidized)	**490.00**	**490.00**	**490.00**

At the pumps, consumers will see increases of between 50 to 80 toea per litre since they have been paying at a much heavily subsidized price which kept prices very low at March's levels, when actual market prices remained elevated since the US-Iran conflict early this year. Indeed, the level of subsidy under these new arrangements are higher than the subsidy levels provided on 8 July for Diesel (a current subsidy of K1.78 versus a July subsidy of K1.24). The level of subsidy for Kerosene is slightly less (K1.24 per litre now versus K1.27 in July) and for petrol the subsidy has reduced more (K0.77 now vs K1.15 in July). Whereas, comparing against the recent month of August, the level of subsidy under these new arrangements are slightly less than the subsidy levels provided on 8 August for Diesel (a current subsidy of K1.78 vs August subsidy of K1.24). Similarly, the level of subsidy for Kerosene is slightly less (K1.24 per litre now vs K1.74 in August) and for petrol the subsidy has reduced more (K0.77 now vs K1.13 in August).These differences reflect the changes in international prices. PNG has dealt with monthly changes in fuel prices before, and it will be able to do so again, with the Government monitoring closely any future major spikes in fuel prices.

Despite the increase in the approved subsidized IRP for September 2026 as compared to the previous subsidized prices, the size of these increases is much lower than the size of the Government's ongoing GST exemption and subsidy support as shown in Table 2 if the full unsubsidized prices for September were to be applied.

Consumers in the other centres will see similar increases observed for Port Moresby.

Under the revised arrangement, fuel importers will continue to source fuel at prevailing international prices, exclusive of any premiums, and sell domestically to the retail service stations and/or their contracted customers at September's subsidized wholesale prices while the Government, through the subsidy programme, continues to cover the difference via GST exemption and a direct subsidy component. The direct subsidy component continues to only apply to retail customers, not the resource sector or commercial customers.

The ICCC urges fuel importers, distributors, wholesalers, and retailers to comply with the price reset as shown above. The ICCC with the support of other relevant State agencies will conduct ongoing compliance and monitoring checks to ensure that the Government's Fuel Relief Assistance trickles down to the end consumers.

The Fuel Relief Assistance is the Government's decisive measure to protect PNG's economy and people from external shocks. This ensures price stability and supply security during this time of global fuel crisis due to the ongoing conflict in the Middle East . The Government protected households from the immediate price shock, which would have seen retail prices on diesel increase to K7.69. Under this months change, the price will increase to K4.90, which is K2.79 lower than what would have been the price shock. The Middle East conflict has been going for 6 months, much longer than the 6 weeks initially expected. The Treasury has informed ICCC that the announced K1 billion in direct support has been fully utilised. The new arrangements are sustainable, with the savings of the reductions in the direct subsidy, estimated at K300 million, being re-directed, through the 2026 Supplementary Budget, to significantly cover the costs of the K500 million national program of El Nino disaster relief. GST relief of 10% on all fuel products will continue until at least 31 December, with decisions on future timing being considered as part of the 2027 Budget.

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

7th September 2026