



International Fuel Prices Paris

Manfred Breithaupt / GIZ

www.gtz.de/fuelprices



→ Background

- Since 1991 GIZ/GTZ has carried out regular worldwide Fuel Price Surveys. One of its goals is to provide a worldwide comparison of retail prices as a vehicle for highlighting energy price policies in developing countries.
- Currently, data are available for 170 countries for Diesel and Gasoline based on survey in Mid-November 2010
- Part of World Bank Indicator Set (World Development Indicators, World Road Statistics, ...)
- 2010 Survey available on: www.gtz.de/fuelprices

US-¢
per
litre

Country Category 2

Gasoline Subsidies (52–76 US Cents)

The retail price of Gasoline is above the price for crude oil on the world market and up to the price level of the United States.

Note: The fuel prices of the United States are average cost-covering retail prices incl. industry margin, VAT and incl. approx. 10 US cents for the 2 road funds (federal and state). This fuel price may be considered as the international minimum benchmark for a non-subsidised road transport policy.

Country Category 3

Gasoline Taxation (77–146 US Cents)

The retail price of Gasoline is above the price level of the United States and up to the price level of Romania.

Note: In November 2010, Gasoline prices in Romania were the lowest in EU-27. Prices in EU countries are subject to VAT, fuel taxes as well as other country-specific duties and taxes.

Country Category 4

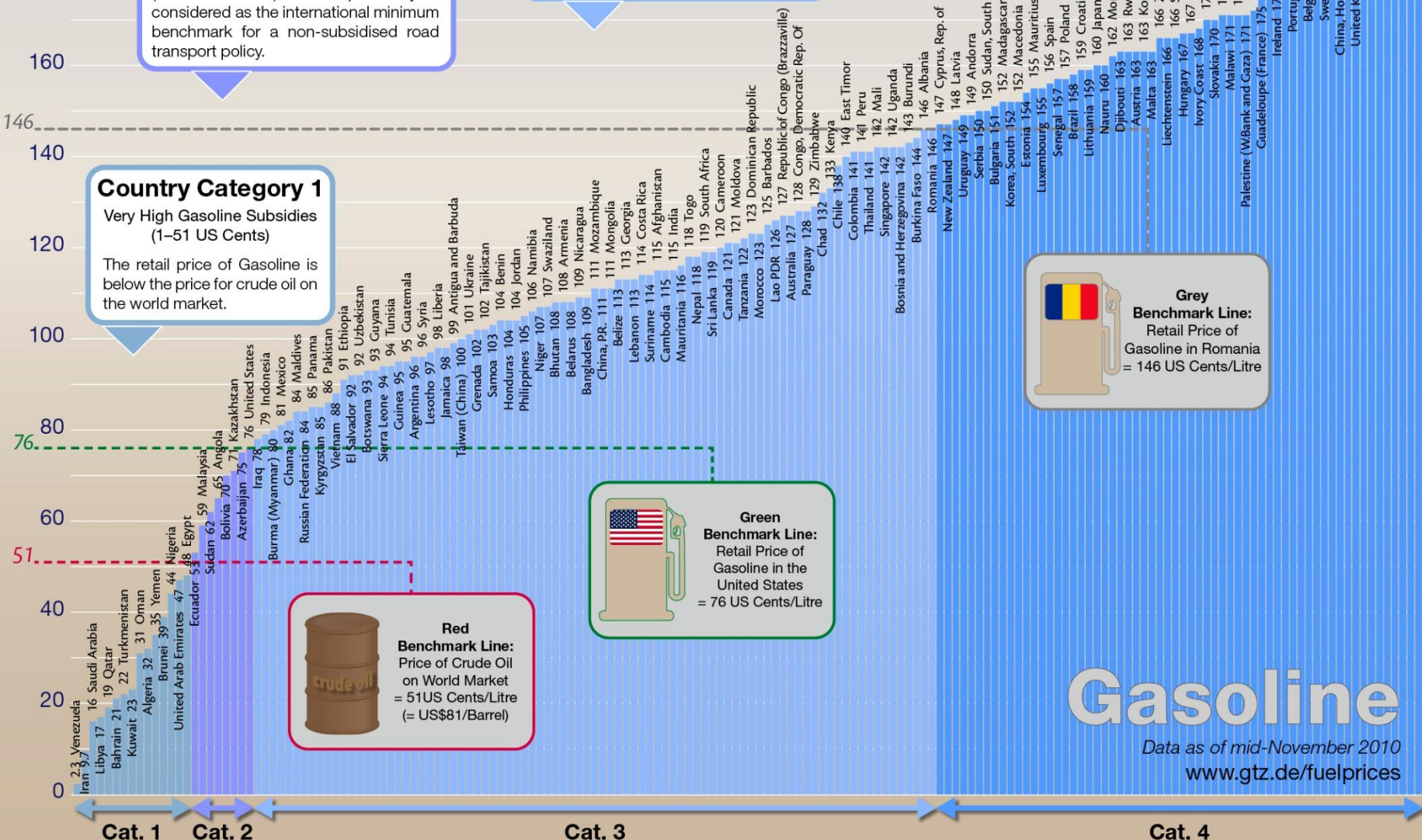
Very High Gasoline Taxation
(147–254 US Cents)

The retail price of Gasoline is above the price level of Romania.

Country Category 1

Very High Gasoline Subsidies
(1–51 US Cents)

The retail price of Gasoline is below the price for crude oil on the world market.



Gasoline

Data as of mid-November 2010

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Page 1

International Fuel Prices Observatory 2011

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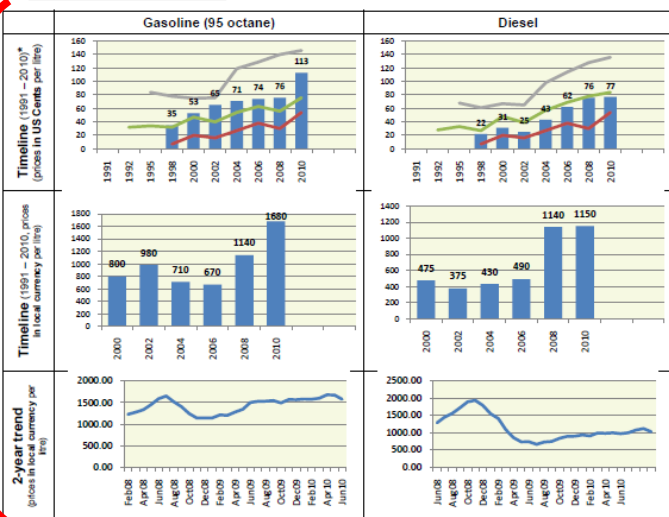
Country Fact Sheet



Lebanon

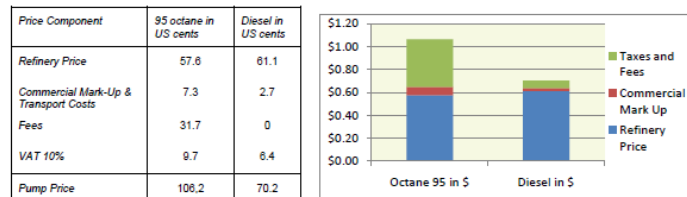
local currency: Lebanese Pound (LBP)
exchange rate: 1 US\$ = 1487.24 LBP (17/11/2010)

1. Fuel Prices and Trends



2. Fuel Price Composition

Price composition for one litre of Gasoline (95 octane), as of 17.08.2010:

Source: http://www.energyandwater.gov.lb/pages.asp?Page_ID=44

Our new "International Fuel Prices Observatory" factsheets offer a compact **two-page** information:

- Price in USD and local currency (some since 1991)
- Price composition (production costs, taxes, fees, margins, etc)
- Pricing policy
- Transparency-traffic-signal on price composition and pricing policy
- Related Links



Page 2

International Fuel Prices Observatory 2011

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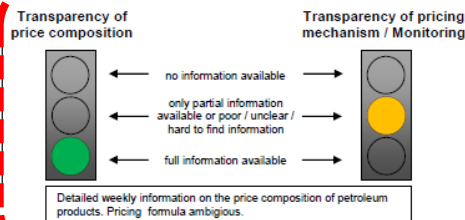
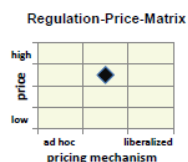
3. Fuel Pricing Policies

Prices and the price components are set weekly by the Minister of Energy and Water. Detailed information as well as historical data available on the ministry's website (only in Arabic).

No information available on the formula used to set prices.

Status as of 28.10.2010

4. At a Glance



5. Sources to the Public

Type of Information	Web-Link / Source
Pump prices and margins	http://www.energyandwater.gov.lb/pages.asp?Page_ID=44
Wholesale Prices	NA
Pricing Mechanism	NA
Price Composition	http://www.energyandwater.gov.lb/pages.asp?Page_ID=44
Other Information	NA

Please find more information on our webpage: www.gtz.de/fuelprices

This is a living document.

If you have any comments or suggestions, please feel free to contact us: Amin.Wagner@giz.de

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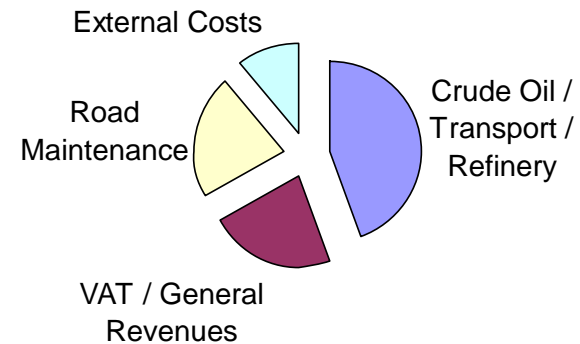
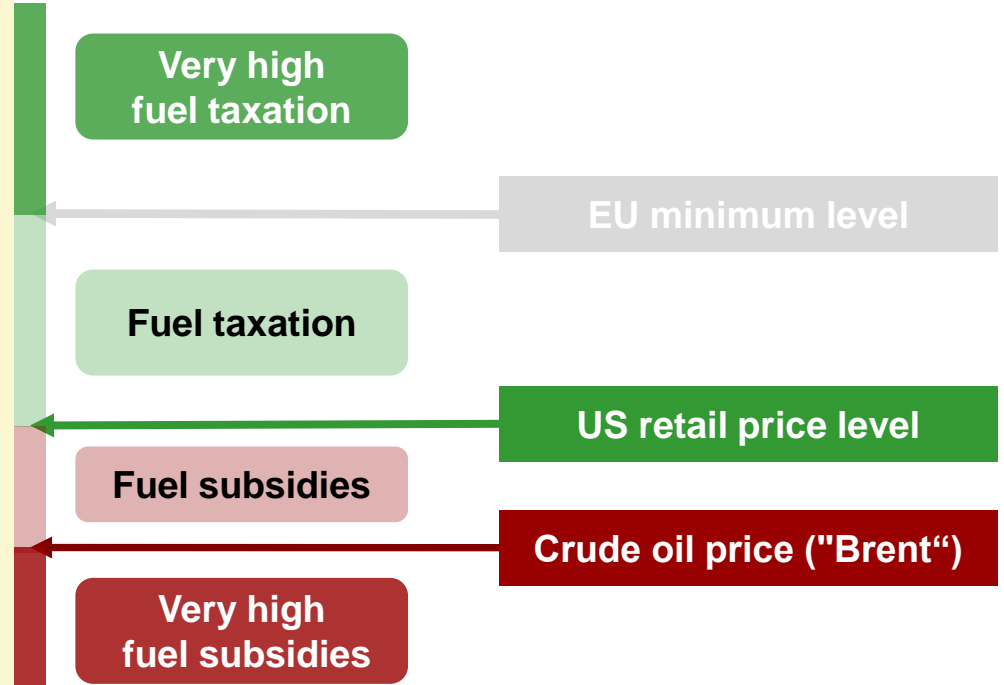
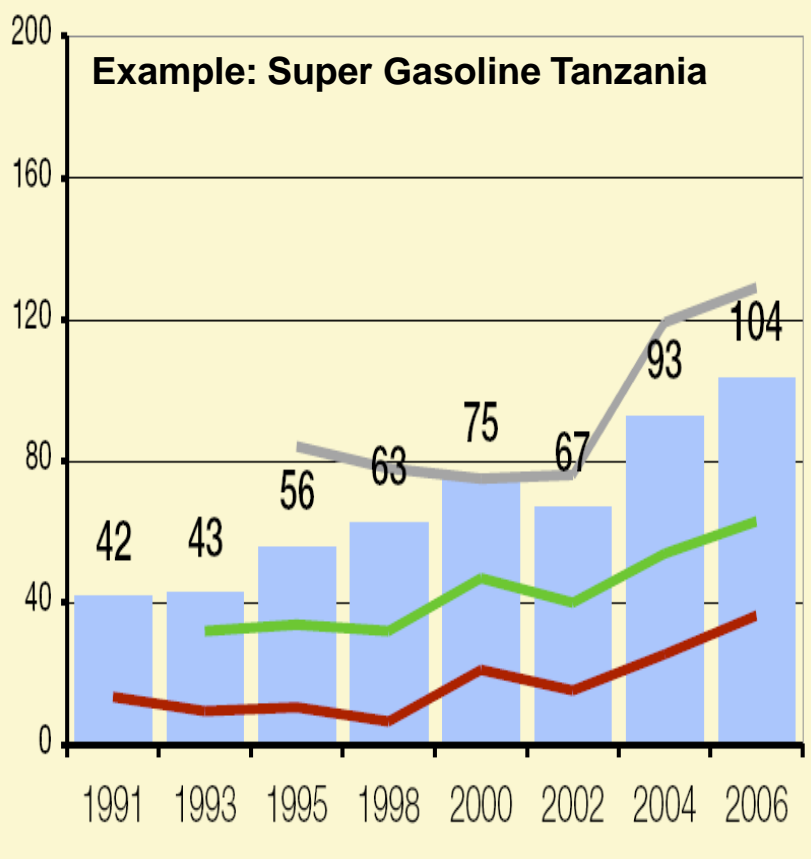
→ Allows for in-depth discussion of fuel pricing policies



3 Key Issues

- Price Level
- Price Composition
- Price Changes

95 EURO VÄÄVLIVABA	12.55
95 EURO ultima VÄÄVLIVABA	12.80
98 EURO ultima VÄÄVLIVABA	13.05
D* EURO fortis VÄÄVLIVABA	13.05





1. Principle 1: Cover Production/Transport/Refinery Costs.

Fuel prices shall cover the full costs of production/import, transport and refining including depreciation and external costs of production (e.g. environmental costs)

2. Principle 2: Fuel taxes help finance the transport sector.

Fuel taxes shall contribute to sustainable development of the transport sector

Road maintenance financing (rule of thumb: minimum of US 10 cents for road maintenance, including 20 % for rural roads).

3. Principle 3: Internalisation of external costs and incentives for of energy-efficient transport.

Directly related to fuel consumption and CO2 emissions.

Proxy for other social costs (like accidents (*cf. road safety cent, congestion, etc.*)). Eco-Tax.

4. Principle 4: Important contribution to general budget revenues.

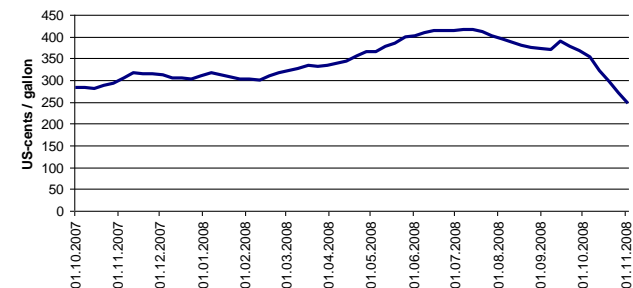
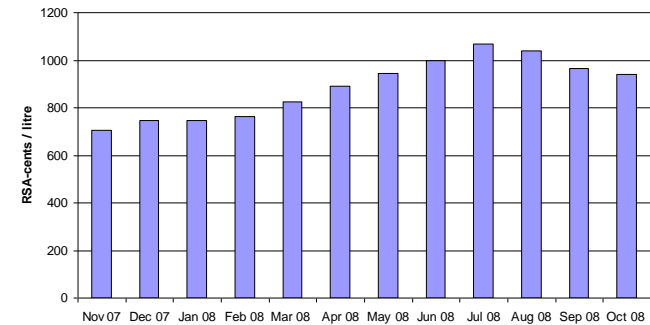
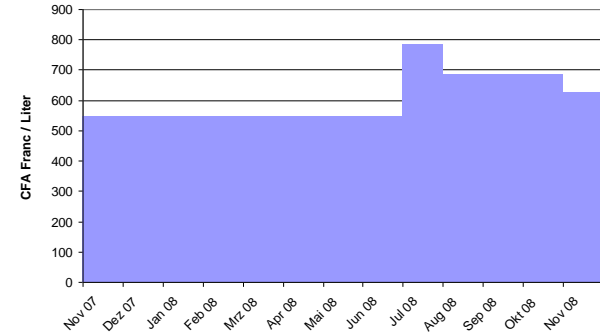
Major contribution towards financing core state functions such as the health services, education and security.

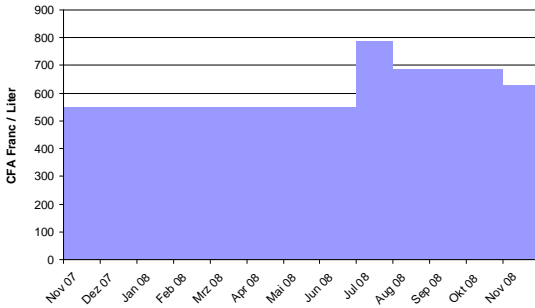
As fuel taxes are easy to collect they are a major source of revenue in many countries.

Subject to full VAT as any other good.



- Pricing concepts:
 - **Ad-hoc pricing** (incl countries with constant prices)
 - **Automatic adjustments / regular adjustments based on formulae**
 - **Liberalized markets**
- Objectives:
 - Increased acceptance
 - Lower fiscal implications
 - Lower political involvement and risks
 - Increased energy security by appropriate fuel pricing mechanisms





Ad-hoc pricing is usually associated with delayed and/or partial pass-through

Political vulnerability

Low

Temporary price shocks

Medium

High

Permanent price shocks

Low

Political interference

High

Low

Fiscal implications

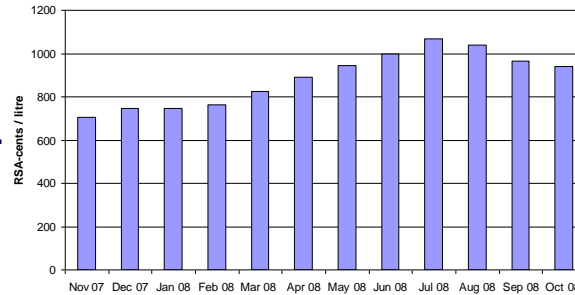
High

Permanent price shocks

Low

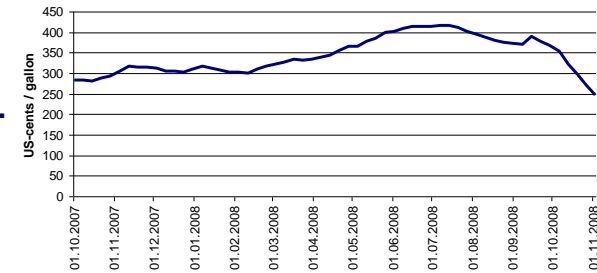
→ In face of a permanent price shock, the transition from ad-hoc pricing to automatic mechanisms is politically very costly as huge steps are needed to adjust to international price levels as well as previously accumulated fiscal burdens are substantial

vs.



Automatic formulae are usually associated with delayed but in long-term full pass-through

vs.



Liberalized concepts provide full pass through with minor delays



1. Principle 1: Reflect Changes of Production/Transport/Refinery Costs.

Fuel prices adjustments shall fully reflect changes of production/import, transport and refinery costs including depreciation and external costs of production (e.g. environmental costs)

2. Principle 2: Allow for inflationary adjustment

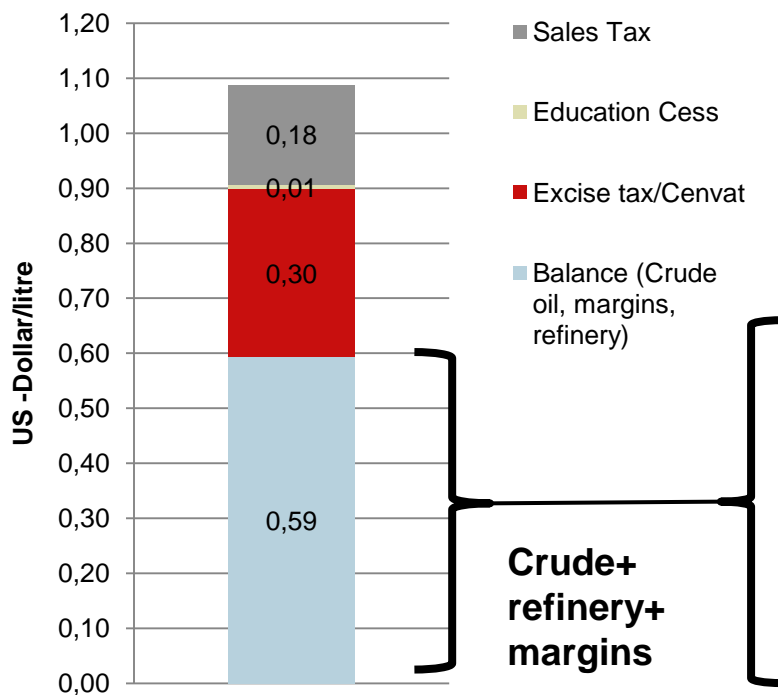
Fuel price adjustments shall allow for adjustment of inflationary tendencies

3. Principle 3: Limit budgetary consequences

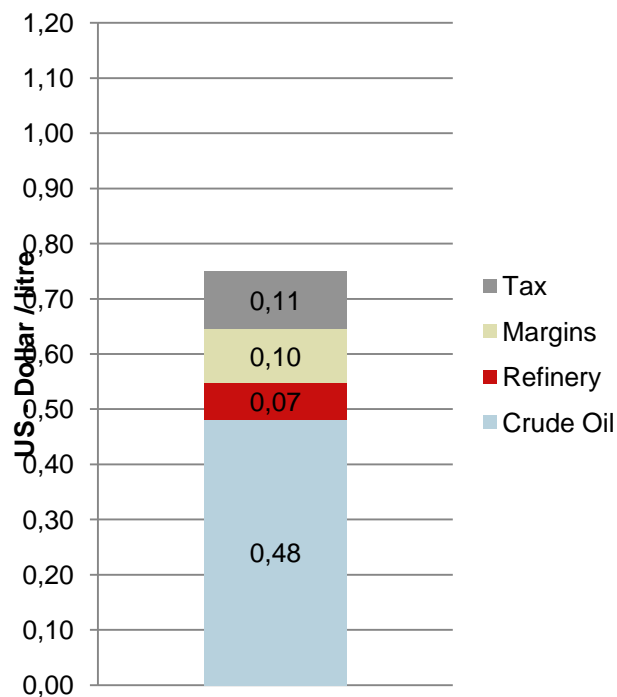
Fuel price adjustments shall limit budgetary impact and indicate clear



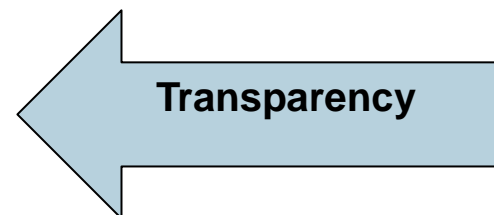
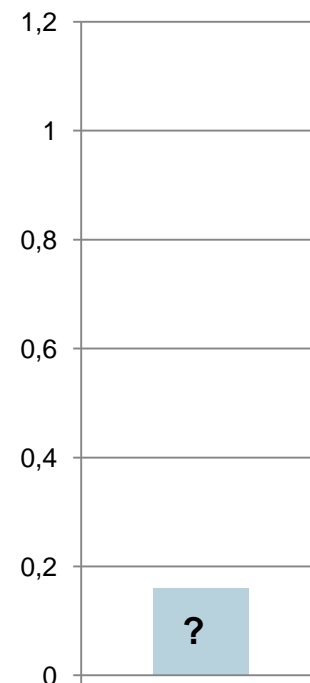
India/ New Delhi



US average May 2010



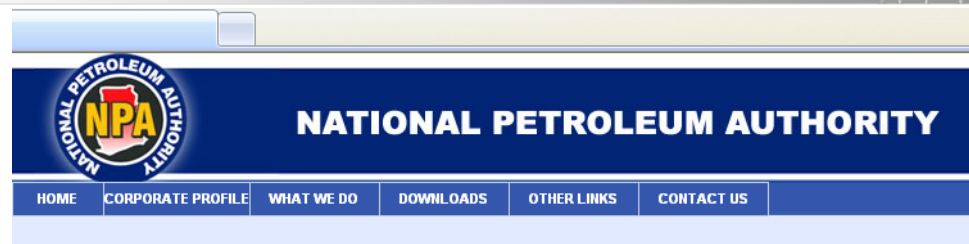
Saudi Arabia





**HARGA KOMERSIAL
(HARGA TANPA SUBSIDI)
PADA HARI TENAGA
24 MEI 2010**

GRED MINYAK KENDERAAN	HARGA PAM KOMERSIAL (Rp/LITER) (24 MEI 2010)	HARGA PAM BIASA (Rp/LITER)
Premium 97	0.98	0.53
Super 92	0.92	0.519
Regular 85	0.86	0.36
Diesel	0.91	0.31



October 10th, 2010

US	PRICES	STATISTICS	EFFICIENCY	ENVIRONMENT	DIRECTORY	COMPANY
LATEST NEWS	FUEL PRICES	RENEWABLES	SAVING ENERGY	CO₂ EMISSIONS	EU VIDEO	CONTACT
REFERENCES	FEED-IN TARIFFS	NON-RENEWABLES	ENERGY FOCUS	CO₂ FROM CARS	PUBLICATIONS	ABOUT US
ROUTES	DOMESTIC ENERGY	DEPENDENCY	GREEN INITIATIVE	NO_x EMISSIONS	ORGANISATIONS	LOGOS
GOV JOBS	INDUSTRIAL ENERGY	DEPLETION	EU DIRECTIVES	GLOBAL WARMING	GLOSSARY	TERMS OF USE



Price with Subsidies

Price without Subsidies

Accessible Information





1. Principle 1: Institutional stakeholders in price setting are disclosed

Provide information on institutional stakeholders involved in determination of prices levels and elaboration of price adjustments

2. Principle 2: Principles of price setting are disclosed

Provide information on determinants for pricing, on frequency of updates and the underlying formula if automatic mechanisms are applied.

3. Principle 3: Information on price composition are disclosed

Publish information on taxation levels and composition of fuel prices

4. Principle 4: Information on prices and price setting are made public in an easy-to-access, comprehensible and accountable manner

Information shall be displayed on the Web including: Actual price data for all fuel products; Timelines of prices; price components (production and/or import prices, taxation levels, and other charges); Explanation of structure and modus operandi of pricing mechanisms (if applied); Underlying legislation.



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