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Headline: In wake of bad weather, local oil firms vow to hold off on price hikes

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Several local oil companies are freezing their fuel prices at current levels next week, specifically in the areas affected by the torrential downpour and massive flooding caused by the monsoon over the past three days.

Despite rising oil prices in the global market, Pilipinas Shell Petroleum Corp., Petron Corp., Phoenix Petroleum Philippines Inc. and Seaoil Philippines said they will not increase their fuel prices in selected areas badly hit by the monsoon, namely, the National Capital Region (Metro Manila); Rizal; Bulacan; Tarlac; Pampanga; Bataan; Zambales; Sta. Cruz and Pagsanjan in Laguna; and Bacoor, Kawit and Rosario in Cavite.

"The move will hopefully help alleviate the current predicament many of our countrymen find themselves in where they have to manage the impact of the floods and rains," Roberto S. Kanapi, vice president for communications of Pilipinas Shell, said in a briefing Thursday.

P1.50 increase

A source told reporters that the global oil price movements from Monday to Wednesday alone would already merit an increase of P1.50 per liter in the price of gasoline sold locally and P1.25 per liter for diesel.

Eastern Petroleum chairman Fernando Martinez said, however, that they will have to wait and see if they will freeze prices as well next week, since the prices of gasoline and diesel based on the Mean of Platts Singapore are on the upswing.

"Any artificial price freeze may only result in hoarding and speculation," he said.

Although the supply of fuel products remained normal and stable, there is a potential threat of dwindling supplies unless oil companies are able to rush their fuel deliveries to affected gas stations.

According to Kanapi, Shell is now focusing its efforts on ensuring a reliable and steady supply of fuel products, particularly in the areas devastated by the monsoon.

Outlets closed

He said that 33 of Shell's gas stations in Central Luzon have been closed down due to the floods, while the fuel inventory of the stations located in the Eastern side of Metro Manila have yet to be replenished.

Kanapi admitted that supplies are “dwindling” in these areas. He pointed out that a station normally holds only five to eight days worth of fuel and the heavy rains over the past three days have hindered the deliveries to these affected outlets.

This is also why Shell, currently the second biggest player in the downstream oil industry, with roughly 1,000 stations nationwide, has sought the approval from the Metropolitan Manila Development Authority in lifting the truck ban in the meantime to ensure the fast delivery of fuel products across Luzon.

Meanwhile, Phoenix Petroleum AVP for external affairs Raymond T. Zorrilla said the company only has eight stations in Pampanga, Bulacan and Metro Manila that were closed due to the floods. These stations, however, were expected to have resumed operations Thursday.

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Total Philippines, for its part, has also assured the public of ample fuel supply.