

PETROLEUM PRODUCTS PRICING GUIDELINES

In exercise of the power conferred on the National Petroleum Authority (NPA) by the NPA Act 2005 (Act 691) to regulate, oversee and monitor activities in the petroleum downstream industry in Ghana, these guidelines have been developed for Petroleum Service Providers (PSPs) operating in the industry.

These guidelines may be cited as the *“Petroleum Products Pricing Guidelines 2024”*. The purpose of these guidelines is to ensure transparency and order in the pricing of petroleum products and to promote fair competition amongst PSPs.

Pricing Windows and Applicable Periods for FOB Averages:

There shall be two pricing windows (i.e., 1st – 15th and 16th – end-of-month) within which PSPs shall make price reviews in line with changes in the components of the Price Build-Up (PBU) of petroleum products.

The average Free-On-Board (FOB) prices applicable for each Pricing Window shall be as follows:

- First Window of the month: 12th – 26th of the month prior.
- Second Window of the Month: 27th of the previous month – 11th of the prevailing month.

Pricing Formula:

PSPs shall compute their prices (ex-refinery and ex-pump) in accordance with the Prescribed Petroleum Pricing Formula provided by the NPA. The formula for ex-refinery and ex-pump prices are stated as stated below:

- Ex-Refinery Price = FOB Price + Suppliers' Premium
- Ex-Pump Price = Ex-Refinery Price + Taxes + Levies + Margins

The NPA shall periodically furnish PSPs with the full pricing formula stating the specific taxes, levies, and margins applicable for each pricing window in excel format.

The pricing of the following petroleum products is deregulated, and shall be determined independently by PSPs using the Prescribed Petroleum Pricing Formula approved and circulated by the NPA:

- i) Gasoline (Petrol)
- ii) Gasoil (Diesel)
- iii) Liquefied Petroleum Gas (LPG)
- iv) Kerosene
- v) Marine Gasoil (MGO) Local

Thus, Bulk Import, Distribution and Exports Companies (BIDECs) will independently determine the Suppliers' Premiums and Exchange Rates used in setting their ex-refinery prices while Oil/LPG Marketing Companies (OMCs/LPGMCs) will independently determine the Marketers' and Dealers' Margins used in setting their ex-pump prices.

The Authority shall set and communicate price floors for the deregulated products for each pricing window.

The pricing of the following products is regulated and shall be determined by the NPA and communicated to stakeholders prior to the start of every pricing window:

- i) Premix Fuel
- ii) Residual Fuel Oil (RFO)
- iii) Aviation Turbine Kerosene (ATK)
- iv) Gasoil Mines
- v) Gasoil Rig
- vi) Marine Gasoil (MGO) Foreign

The applicable pricing benchmarks to be used as the reference for the FOB prices as well as the Conversion Factors for each product are as shown in Appendix 1.

PSPs shall further comply with the following guidelines which relate to the pricing of petroleum products in Ghana:

1. OMCs and LPGMCs shall notify the NPA of their actual ex-pump prices via e-mail to pricing@npa.gov.gh. NPA must be notified of the revised ex-pump prices by 12 noon of the working day before the effective date of the new ex-pump price.

2. The revised ex-pump prices must be submitted using the ex-pump price template issued by the NPA for each pricing window, indicating the components of the PBU that has changed resulting in the ex-pump price change. OMCs and LPGMCs who fail to notify the NPA of their new prices shall maintain the existing prices (if they are lower than the new price) until they have submitted the new prices to NPA as required.
3. PSPs shall no longer submit indicative ex-refinery and ex-pump prices to the NPA. Ex-Refinery prices of BIDECS are accessible to the NPA via the Enterprise Relational Database Management System (ERDMS) while the ex-pump prices of OMCs can be accessed through the Fuel Monitoring System. The NPA will also conduct regular price monitoring exercises at retail outlets to confirm the ex-pump prices of OMCs/LPGMCs.
4. BIDECS shall ensure that the ex-refinery prices reported in the ERDMS are the exact prices at which products were sold to OMCs and LPGMCs for all finalised transactions in the system. BIDECS shall be held responsible for any price misreporting in the ERDMS.
5. PSPs shall comply with the price floors set for the deregulated petroleum products for each window by not selling products below those prices.
6. OMCs and LPGMCs shall visibly display the ex-pump prices for all types of petroleum products sold at a retail outlet on their price billboards. The prices displayed must always be the same as the prices on the dispensing pumps at the retail outlet.
7. The NPA shall compile and publish the actual ex-pump prices of OMCs and LPGMCs for the information of the public. This will be regularly updated with the revised ex-pump prices of OMCs and LPGMCs as and when the NPA is notified of the revised ex-pump prices.
8. LPGMCs shall sell LPG for domestic use (filled into cylinders) by weight (kilograms) and not by volumes (litres) in line with the unit of pricing as per the Prescribed Petroleum Pricing Formula. Retail outlets that convert the prices into litres (for the purpose of the dispensing pumps) shall display the equivalent price in kilograms at all times. Where applicable, empty cylinders shall be weighed with the weighing scales available at the retail outlets before and after filling to

confirm the exact weight the consumer must pay for. Cylinders filled from Bottling Plants and distributed at Exchange Points under the Cylinder Recirculation Model (CRM) shall also be weighed to confirm the weight of LPG in the cylinders.

9. BIDECS shall not sell petroleum products to a particular OMC/LPGMC at a differentiated ex-refinery price solely based on geographical location. The cost of transportation of petroleum products from one depot to another across zones shall be borne by the Primary Distribution Margin (PDM), hence there shall be no justification to differentiate prices based on location.
10. OMCs and LPGMCs shall ensure that all retail outlets operating under their sponsorship always have a uniform ex-pump price, and that these prices are the same as those that have been communicated to the NPA.
11. Point 10 above notwithstanding, a retail outlet may offer discounts to consumers. However, this discount shall not exceed 2% of the prevailing ex-pump price its sponsoring OMC or LPGMC.
12. OMCs shall not sell products that are regulated above the prices communicated by the NPA.

Sanctions for Non-Compliance

The NPA shall sanction PSPs that fail to comply with the guidelines stipulated above. Appendix 2 shows the sanctions that shall apply for the violation of these guidelines.

Dated: 25th March 2024

APPENDICES

Appendix 1: Pricing Benchmarks and Conversion Factors

PRODUCT	PRICING BENCHMARK	PRICING AGENCY	REFERENCE CODE	CONVERSION FACTORS
Gasoil	ULSD 10ppmS FOB Rdam Barge	Platts	AAJUS00	1183.43
Gasoline	Gasoline Prem Unleaded 10ppmS FOB Rotterdam Barges	Platts	PGABM00	1324.50
Jet/Kerosene	Jet CIF NWE Cargo	Platts	PJAAU00	1240.60
RFO	FO 1%S CIF NWE Cargo	Platts	PUAAL00	1009.08
LPG	CIF ARA Large Cargoes	Argus	BUTCIFALCG=ARG	1000.00

Appendix 2: Sanctions for Violation of Pricing Guidelines

NO.	OFFENCE	PENALTY
1	Failure of BIDECS to input accurate ex-refinery prices in the Enterprise Relational Database Management System (ERDMS).	First Offence: A caution. Second Offence: GHS5,000. Thrid Offence: GHS10,000.
2	BIDECS varying ex-refinery prices to OMCs/LPGMCs based on geographical location of depots, after complaint by OMC/LPGMC.	A fine not exceeding GHS20,000.
3	Failure to notify the NPA of revised ex-pump prices.	A fine not exceeding GHS5,000.
4	Selling products at ex-pump prices that are above the price submitted to NPA by the sponsoring OMC/LPGMC.	A fine up to the estimated value of the gain made by the retail outlet.
5	Retail Outlets discounting ex-pump prices by more than 2% of the ex-pump price that the sponsoring OMC/LPGMC has notified the NPA of.	A fine of GHS5,000.
6	Failure to visibly display the accurate ex-pump prices of an OMC/LPGMC on bill boards.	A fine not exceeding GHS10,000.
7	Selling regulated products above the prices that have been communicated by the NPA.	A fine up to the estimated value of the gain made by the retail outlet.
8	Selling deregulated products below the price floor that has been set by the NPA.	A fine not exceeding GHS5,000.