

The Retail Price Structure of Petroleum Products in Thailand

Recently, world oil prices have been fluctuating according to the day-today situations, affecting the domestic retail prices of oil products in the country. Some people might be wondering of how these retail prices are structured and what criteria should be considered in setting these prices.

In Thailand, the retail prices of refined products consist of 3 main parts which are refinery price, tax and oil fund, and market margin. Because Thai is the oil importing country, crude oil imported has to go through refining process to produce refined products. Therefore, refinery price is the price which is determined by the refineries by referring to the world market price. The world market price which many countries in Asia refer to is the Singapore Oil Market Price. This Singapore price is not determined by Singapore government. The reason for other countries to refer to the Singapore price is that Singapore is the regional trading center where buyers and sellers in Asia actually made their deals everyday. Therefore, Singapore market could reflect the real demand and supply of the region. Normally, refinery price takes 60-70% of the price structure. So, the change of domestic retail prices depends mostly on the change in the world market prices.

For the rest 2 parts shall be mentioned in the next episode.

Table: Retail Price structure of Refined Products as of March 1, 2007

Bath/liter
Gasoline 95
Gasohol 95
Gasoline 91
Hi-Speed Diesel

Refinery Price
Tax and Oil Fund
Market margin