



FUEL PRICE TRACKER

Objective of the Dashboard

Fuel Price Tracker is a dashboard under publicfinance.lk developed to create awareness on the discrepancy between global oil prices and local charged price. The dashboard also supports the public to understand how much of their funds are used for subsidies or the extra fee/tax collected by the Oil companies without passing on the benefits to the consumers.

Fuel Price Formular – Methodology

On 11th May 2018, the Pricing Formula was introduced by a Technical Committee for the implementation of a cost reflective formula-based pricing system of Auto Fuels.

Accordingly, the Maximum Retail Price (MRP) of the auto fuels was established as follows:

Table 01 – Fuel Pricing Formular

Description	Source/Assumption
Landed Cost (LKR/Litre)	
Weighted average premium per barrel and loss due to evaporation	Estimated to be
	- USD 3.00 for petrol
	- USD 2.30 for diesel
Singapore Price per Barrel in USD	Singapore Platts prices released by the CBSL on subscription basis
Exchange Rate (USD/LKR)	Indicative US Dollar SPOT Exchange Rate released by CBSL
No of Litres per barrel	158.9
Processing Cost (LKR/Litre)	Estimated to be
	- 6.6% of landed cost for petrol
	- 4.6% of landed cost for diesel*
Administrative Cost (LKR/Litre)	Estimated to be 4% of the landed cost*
Value Added Tax (18%)¹	(Landed cost per litre in LKR +10% OF landed cost per litre in LKR +Customs duty + Cess Levy under the Sri Lanka Export Development Act + Excise (Special provisions) Duty (ED)) x 18%
Taxation (LKR/Litre)	Includes Customs Import Duty, Excise Duty, Ports and Airports Development Levy ² .
	Appropriate tax rates in the current time period were taken after considering the tax waiver.

¹ As per the Ministry of finance, a 18% Value Added Tax on fuel will come into effect from 1st January 2024 onwards. http://documents.gov.lk/files/bill/2024/1/445-2024_E.pdf

² As per the Ministry of Finance, the Ports and Airports Development Levy is exempt from 1st January 2024 onwards. [b43b60ba-da9b-47a5-90ba-5e58bcbe89e9 \(treasury.gov.lk\)](https://www.treasury.gov.lk/b43b60ba-da9b-47a5-90ba-5e58bcbe89e9)

* This calculation is only an estimate based on the details released on the Fuel Price Formula by the Ministry of Finance to the public. The estimate was obtained by reverse engineering the aggregate details and is subject to a 3% margin of error.