



GOVERNMENT OF NIUE

MEDIA RELEASE

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GON CONTINUES TO SUBSIDISE FUEL TO OFFSET INCREASES

Increase in Niue's Fuel Subsidies Necessary As Global Supplies Affected By Geopolitical Tensions

Alofi, Niue, 8 September 2022 – The Government of Niue (GON) today announced that there has been an increase in costs of fuel products predicted in April of this year due to the continuing global geopolitical tensions.

The impact of the increasing geopolitical tensions in Eastern Europe has increased concerns regarding the continuity of supply which is reflected in the increased wholesale prices of fuel.

Premier of Niue, Hon. Dalton Tagelagi says “that to mitigate the sharp rise in the wholesale prices of fuel products and to make it easier for motorists and end-users, the Government, on average, is subsidising 0.03 cents per litre (cpl) on petrol, 0.07cpl on diesel and 0.27cpl on jet fuel. However, this has incurred an approximate cost to the Government of Niue of \$2.6 million in the last four months. It will not be sustainable for the Government of Niue to continue to incur costs at this level. Another fuel price increase is envisaged in the next few months for petrol, diesel and jet fuel if the current wholesale prices remain high.”

“Until there is an increase in fuel supply to meet the demand, we are unlikely to see a reprieve in global oil prices. A decrease in international pricing will not immediately be reflected in our fuel costs at the pump. Still, this may translate locally in coming months if prices remain low,” says Premier Tagelagi.

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