



CONVENIENCE TRANSLATION - ACCURACY NOT GUARANTEED

Control measures to prevent a shortage of fuel in the market and to stabilise prices

1st June 2022

1. Only 10% of the Myanmar's fuel demand can be produced locally. As the remaining 90% is imported, the price of fuel sold in the country varies depending on the international price. The government is controlling the market so that there are no losses for fuel importers, sellers and consumers and that fuel is sold at a reasonable price in comparison to other countries in the region.

According to the official exchange rate of MMK 1,850, the price of petrol in Myanmar was MMK 2,240 (USD 1.21 USD) per liter on 31st May 2022 and of diesel MMK 2,450 (USD 1.324) per litre. In South East Asia, the highest prices were found in Singapore with MMK 4,181 (USD 2.260) per litre of petrol and MMK 3,898 (USD 2,107) per litre of diesel, which is 79% more for petrol and 57% more for diesel than in Myanmar. Myanmar imports most of its fuel from Singapore. In neighbouring countries, the price was USD 1.506/litre (petrol) and USD 0.927/litre (diesel) in Thailand, USD 1.654/litre (petrol) and USD 1.329/litre (diesel) in Laos, USD 1.4/litre (petrol) and USD 1.258/litre (diesel) in China, and USD 1.344/litre (petrol) and USD 1.205/litre (diesel) in India. (www.globlepetrolprices.com [sic])

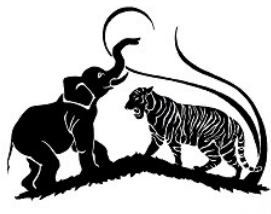
In some countries, prices are higher than in Myanmar due to higher taxes on fuel imports, whereas in Malaysia, fuel is about 60% cheaper because the government subsidises it. Each country sets its fuel prices according to its own policy, and Myanmar has a policy of low taxation for affordable prices benefitting many people.

2. In order to be able to control the import, storage and distribution of fuel in Myanmar more effectively, ensure the quality of imported fuel and enable the people to buy and use fuel at a stable price, a 10 member Supervisory Committee for the Import, Storage and Distribution of Fuel was established on 21st April 2021 to supervise the import, storage and distribution of fuel.
3. The government set the exchange rate at MMK 1,850 to stabilise foreign currency prices, and to ensure that imports and exports in foreign trade are balanced and foreign exchange is not wasted. The Committee is also supervising coordination in the petroleum sector so that fuel is imported in time as actually needed in the country.
4. The Committee systematically monitors the collection of taxes for the state; reviews relevant import licenses; submits applications to purchase foreign currency for review; supervises the



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- storage, distribution and sale of imported fuel; controls quality; takes action if there is market manipulation, hoarding, or a sale of blended fuel; monitors traceability records; etc.
5. In order to keep the prices of fuel in the market fair, the Petroleum Products Regulatory Department is issuing daily fuel reference prices under the direction of the Supervisory Committee for Petroleum Import, Storage and Distribution. The reference wholesale price in Yangon is based on Singapore's daily MOPS price, taking into account transport costs, insurance, operating costs and reasonable profit margins. The reference wholesale and retail prices for the capital of each region and state will be calculated by adding reasonable transportation costs and published daily from 4th May 2022 in state-owned newspapers, media and the Department's Facebook page and website.
 6. The Supervisory Committee for Petroleum Import, Storage and Distribution is coordinating the necessary verifications for the import of fuel into the country, as well as coordinating with companies to ensure that there is no shortage of fuel in retail outlets in each state and region and that they can replenish the fuel that they need more efficiently. The Myanmar Petroleum Trade Association (MPTA) has also formed a Small and Medium Petroleum Working Committee to coordinate the entitlement of retailers to purchase directly from importers. Small and medium-sized petrol companies will be able to buy and sell directly from importers at a lower price.
 7. The Supervisory Committee for Petroleum Import, Storage and Distribution is issuing reference retail prices by state, region, and their capitals, and is working with the relevant departments to ensure distribution and sale at those prices. Vendors that sell at a higher price than the reference price will be given a warning first and thereafter action will be taken in accordance with the relevant rules and regulations. Relevant departments are monitoring the prices in fuel distribution and taking necessary action. To address cost differences due to additional transport costs in rural areas, work is also underway to issue reference prices for relevant townships, taking into account the actual transport costs.
 8. The Committee has set up phone numbers for the public to report any dissatisfaction with the purchase of fuel (067-409881, 067-411129, 09-699611116, 09-4404333533), and in response to such complaints, the *[Petroleum Products Regulatory Department?]* may request explanations, study and analyse the matter, conduct field inspections, and take action; issues raised by companies allowed to import fuel will be clarified as needed.



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Lincoln Legal Services (Myanmar) Limited provides the full range of legal and tax advisory and compliance work required by investors. We pride ourselves in offering result-oriented work, high dependability and a fast response time at very competitive prices. Please do not hesitate to contact us:

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