



13 October 2023

Mr Joel Abraham  
Chief Executive Officer  
Fijian Competition and Consumer Commission  
42 Gorrie Street  
SUVA.

Dear Mr Abraham,

**RE: Submission on the FCCC (Control of Prices for Marina Management Services for Passengers on Commercial Ships and Cargo Transportation) Order 2021**

*Bula Vinaka and Warm Greetings from the Consumer Council of Fiji!!*

The Consumer Council of Fiji (hereafter referred to as the 'Council') welcomes the Fijian Competition and Consumer Commission (FCCC) request for our submission on the FCCC (Control of Prices for Marina Management Services for Passengers on Commercial Ships and Cargo Transportation) Order 2021. It is for this purpose that we wish to make our submission with the following recommendations and we sincerely hope that the issues/recommendations raised are given due consideration which are in the interest of consumer justice and fairness.

**1. Fuel Price of Diesoline**

Diesel is one of the major inputs that often dictates the varying price or cost of providing transport services. Whilst we understand that the global fuel prices continue to dictate the domestic diesel prices, our investigations reveals that the price has declined 7 times in the last 10 months of 2023 when compared to the increase with lowest price registered at \$2.22.

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The same is illustrated in Table 1 and Graph 1 below.

**Table 1 Fuel Prices (Diesel) from April 2019 to October 2023**

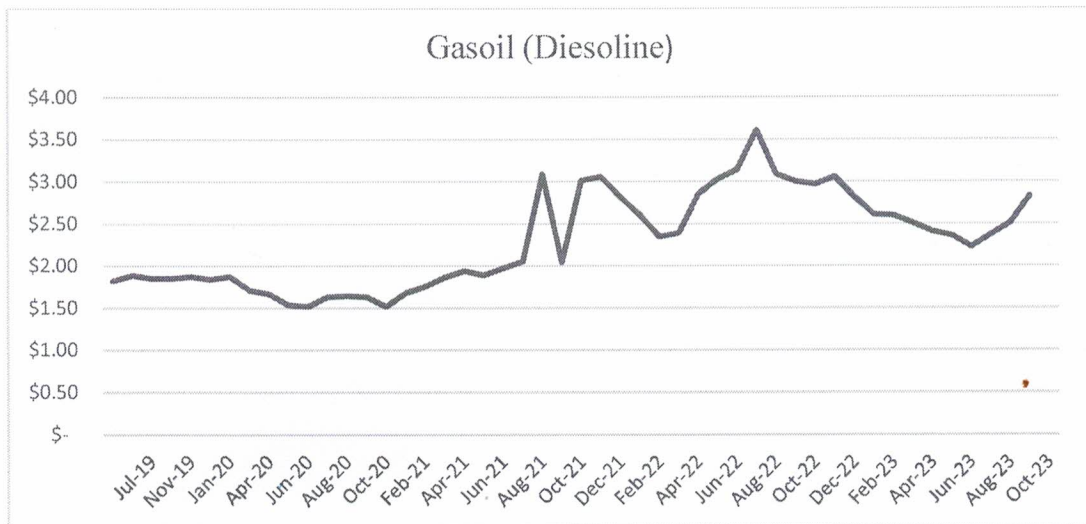
Year	Start Price	End Price	Lowest Within the Period	Comments
2019*	\$1.82	\$1.87	\$1.82	Changed 4 times
2020	\$1.84	\$1.52	\$1.52	Changed 10 times
2021	\$1.68	\$3.09	\$1.68	Changed 11 times
2022	\$2.82	\$3.06	\$2.35	Changed 12 times
2023**	\$2.82	\$2.83	\$2.22	Changed 10 times

\* Starts from April 2019 – As per FCCC Petroleum Records

(Source - <https://fcc.gov.fj/petroleum/> and <https://fcc.gov.fj/wp-content/uploads/2019/04/LN-22-FCCC-Price-Control-Petroleum-Prices-No.-2-Order-2019.pdf>)

\*\* till October 2023

**Graph 1 illustrates the Fuel Prices of Diesoline from April 2019 to October 2023**



## 2. Shipping capacity and competition

Competition remains quite restricted despite cargo and passenger shipping capacity increasing locally with the importation of new vessels. Often evident, the market conditions for inter-island routes are that the uneconomical routes are franchised to small operators. Some of these small operators rely on grocery retailing as a subsidiary business to sustain their services. For instance, Victoria Marine Limited operates the *MV Brianna* and services the Southern Lau group (including Vanuavatu, Nayau, Laekba, Oneata, Moce, Komo, Namuka and Kabara). The Valesasa Transport Company operates the *MV Uluinabukelevu* that services the franchise schemes outer reaches of Kadavu Islands. The South Island Shipping Services operates *MV Liahona* that services the franchise schemes of Southern Lau. The Tokalau Shipping operates the *MV Princess Fever* that services the franchise schemes for Northern Lau. All these operators have to compete against a giant in Goundar Shipping almost along the same route.

These inter-island services are operating in a monopolistic market situation, and may not be ready for deregulation as it could open up the market to exploitation. Further to this, the geographical makeup of the Fiji Islands may not allow for the viability of open competition.

Initially, the Order 2015 (now Order 2021) was instituted based on the abovementioned reasonings. The Council perceives that the situation has not changed presently to demand for an alternate action.

Therefore, the Council recommends that the Order 2021 be extended.

**Yours Sincerely,**



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**Ms Seema Shandil**  
**Chief Executive Officer**  
**Consumer Council of Fiji**