



## Peru state oil company explains fuel price increase even amid demands for reductions

**Peruvian state oil refining company Petroperu explained in a March statement that it had to increase fuel costs even as the chamber of commerce and other groups had been demanding in recent weeks reductions because of rises in prices in the US Gulf Coast from where products can be sourced as well as due to unfavorable exchange rate changes.**

Purchasing costs related to crude oil and oil products must be made in US dollars and the domestic currency weakened against the dollar in past weeks. In addition, the company has seen higher priced oil products and the difference must be compensated, Petroperu said.

“Additionally, we must add to that purchase costs other logistics and operative costs, losses and a marketing margin,” the company added.

The statement was issued just after fuel prices rose in early March in Peru for gasohol mixes in addition to diesel.

Earlier this year local business representatives had said that delays in reducing prices locally to match plunges abroad were slowing economic growth. Peru is facing slower growth after a decade of expansion. The guild had demanded immediate fuel price reductions.