



## Brazil: Petrobras cuts prices, starts new fuel policy

**Petrobras, Brazil's leading fuel retailer, announced last week a new diesel and gasoline price policy, including a drop in fuel prices.**

The new policy will be based on two factors: parity with the international market, including costs such as shipping, internal transport costs and port fees; plus a margin to compensate for inherent operational risks, such as exchange rate and price volatility, delays at ports, profit and taxes.

One of the major differences compared to the current pricing system will be shortening the timeframe for adjustments in relation to the international market. The new policy provides for evaluations to revise prices at least once a month.

Adjustments to fuel prices at refineries will be made by Petrobras' Markets and Prices Executive Group, composed of the CEO, the refining and natural gas director, and the finance and investor relations director.

The first evaluation made by the executive group indicated the need to cut diesel prices by 2.7% and gasoline prices by 3.2% at Petrobras' refineries. The new prices came into effect last Saturday, October 15.