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Gasoline Prices Could Increase by 12%

By The Moscow Times

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The retail price of gasoline in the European part of Russia grew faster than the inflation rate last week, with analysts predicting an annual increase of from 10 to 12 percent by the end of the year, Vedomosti reported Wednesday.

The average price of a liter of AI-92 gas went up by 10 kopeks to 30.22 rubles (84 cents) per liter, and by 9 kopecks for AI-95 gas, to 33.29 rubles per liter, according to the Moscow Fuel Association. The price increase is linked to higher wholesale prices and the increasing export of gasoline, said Vitaly Kryukov, an analyst at IFD Kapital.

Aleksey Kokin, a analyst at Uralsib Capital, says gasoline prices could increase 10 to 12 percent over the course of the year.

In January, Deputy Energy Minister Kirill Molodtsov said that gasoline costs in 2014 would not exceed inflation, estimated at between 4.5 and 5.5 percent. In some regions the price has exceeded inflation, particularly in the Privolzhsky region, where wholesale prices jumped up to 15 percent.

Gasoline prices in Tartarstan saw A-92 increasing in price by 4.8 percent and A-95 up 3.5 percent. This was in part due to a fire that caused a temporary production halt by oil refiner TAIF-NK, which controls 47 percent of the Tartarstan market. Gasoline production may not resume until late May, a source close to the Energy Ministry said.

A Federal Anti-Monopoly Service spokesman said his agency sees no objective reasons for a dramatic increase of gasoline prices, and should that happen, it could be considered a violation of the law.

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