AUSTRALIAN PETROLEUM MARKETER NEWS

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SYDNEY UNDER A PETROL PREDATORY PRICE ATTACK

Sydney has been under a consistent profit destroying predatory petrol price attack since around the 5th of April 2010..
The price cycles have been abandoned with ULP board prices tracking the average terminal gate price (TGP).
While at first glance this would seem to be just competitive forces at work and of great benefit to consumers, the ULP price tracking the average Sydney TGP does not take into account the 4cpl + discounts.
When taking into account the 4cpl discounts provided by the supermarket majors - Coles and Woolworths, this represents a price that is around 5 -6 cents per litre below the Import Parity Indicator Price (IPIP). (Refer APMN Price Graphs)
Such a price is not sustainable for independents and would certainly be damaging, even with their cross subsidisation on grocery sales, the profits of the major super markets.
To add to the current pricing madness scene, Coles commenced over the Anzac weekend, a limited term price discount offer of 10cpl, with that offer being quickly matched by Woolworths.
While this price war between the two major food stores is a bonanza for consumers, it will undoubtedly damage the true essence of competition in Australia – the independent operators.
It is timely to remind our regulators that if our independent networks are knocked out of the market by predatory pricing activities, consumers will be left to the mercy of the two major supermarkets and the (2) remaining major oil companies.
We have not yet heard from the ACCC on their view of this latest activity other than their recent comments about how they propose to block the independent price monitors from selling comparative retail price data to major oil. A tactic allegedly designed to stop the market manipulative price cycles.
To prevent independent price monitors from collating and supplying comparative price data to the industry, government and analysts, will destroy the ability to ….

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