

## Slovenia will fully regulate its fuel prices

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Prices of fuel sold along motorways and expressways have been deregulated since 2016, as has the price of heating oil and premium petrol regardless of point of sale. Regular petrol and diesel sold at all other service stations have been subject to price caps determined every two weeks. Fuel suppliers, especially Slovenia's largest energy company Petrol, have long complained that the state-imposed margins are too thin.

Slovenian Government said that fuel prices will be fully deregulated, as administered prices are no longer necessary. It has not been announced when the decision will take effect, but the current decree on administered prices expires at the end of September.

Successive Governments have argued that price caps are necessary due to insufficient competition, as the market is controlled by three major players: Petrol, Austrian OMV and Hungarian MOL. However, the Government now claims that given suitable measures and activities to increase competitiveness on the oil derivatives market, new discount providers may enter the market, in particular in the parking lots of shopping centers.

Under that assumption, margins and hence prices would not rise. Within five years after deregulation they are expected reach the level of margins comparable to margins in other EU member states.