



News Release

World Oil Prices Force Fuel Price Increase in Nunavut

IQALUIT, Nunavut (August 29, 2005) - Community and Government Services Minister Levinia Brown announced today that a general price increase of 9.6 cents per litre (including GST) on all fuel products across Nunavut comes into effect September 1, 2005.

“Unfortunately world oil prices have continued to increase over the past year and that has an impact on us”, said Brown. “In Nunavut, we have made every effort to keep the retail price as low as possible for as long as possible.”

Increased demand and low fuel inventories across Asia and the United States have caused the price of crude oil to jump from \$40 to more than \$65 a barrel this year. As a result, the Petroleum Products Division (PPD) of Community and Government Services faces substantial cost increases for the 2005 fuel re-supply.

Nunavummiut have benefited for a number of months from lower prices than many parts of Canada. Now that the purchase of fuels for the 2005 re-supply is well under way, the retail price must go up so that PPD can start recovering the higher costs of this year's supply.

The new price of gasoline in Nunavut remains lower than gas prices in many parts of Canada.

The Government of Nunavut will continue to support Nunavummiut by keeping the price increase as low as possible. When the Government of Canada and Nunavut engage in discussions about the economic condition of the territory the issue of fuel prices, transportation costs and the social and economic impacts on Nunavut communities will be brought forward.

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