

Frequently Asked Questions: Latin America IPPs

What is an Import Parity Price (IPP)?

An Import Parity Price shows the value of a product imported at a specific location on the day of publication. It takes into account the product's price, as well as the cost to transport it from the production location to the delivery hub. It also includes fees associated with moving the product into a terminal, like inspection and storage.

Are IPPs assessments?

IPPs are calculations that include many factors, including freight, demurrage, taxes and other fees, added to the product. These factors represent many of the costs borne by importers, most of which would not normally be included in an international cargo market transaction.

Why does Platts publish IPPs for Latin America?

Latin America is a growing hub for refined product

imports from around the world, especially from the US Gulf Coast. The region's energy sector is undergoing significant change, with private companies now importing a significant volume of refined products. Platts has launched these prices to offer better insight into these growing markets.

What is the specification for these products?

All the prices factor in an adjustment to meet each country's quality specification for ULSD, jet fuel and gasoline. The gasoline price represents fuel that meets the country's specifications before blending with an oxygenate or other additives. The LPG IPPs use 70% US Gulf Coast propane and 30% butane.

Where are the IPPs published?

The IPPs are published in Latin American Wire and on Platts Global Alert pages 166 and 169. The LPG IPPs can also be found in the LPGaswire.

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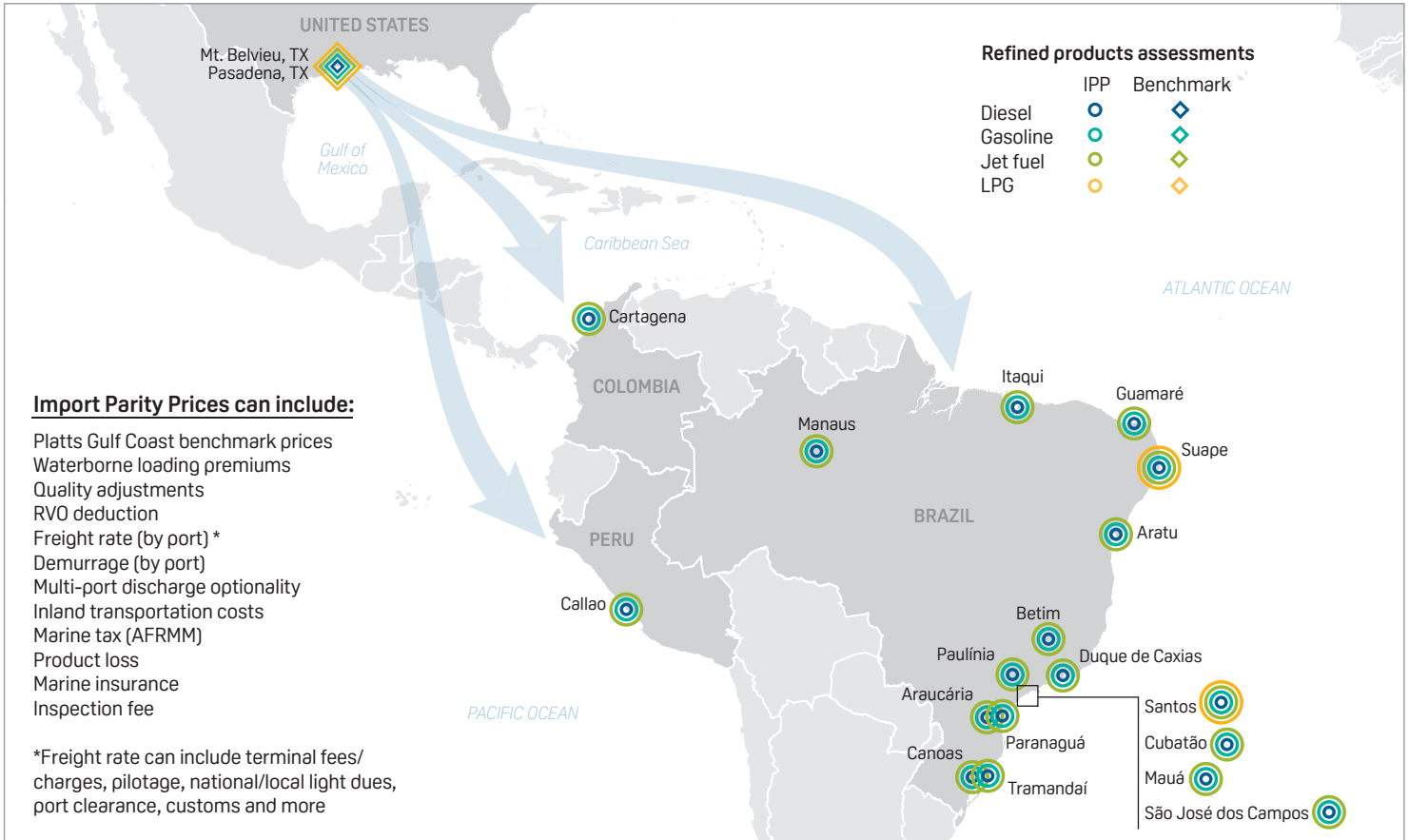
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LATIN AMERICA IPP ASSESSMENTS

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Source: S&P Global Commodity Insights

Where can I find more information?

All IPP codes and related methodology can be found in the Specifications Guide for Americas refined

oil products: <https://www.spglobal.com/platts/en/our-methodology/methodology-specifications/oil/americas-refined-oil-products>