



## ST. MAARTEN

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### Public Announcement

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Due to the unplanned shutdown of the Petroleum Company of Trinidad and Tobago Limited (Petrotrin) in Trinidad, which is our main supplier for St Maarten, Petrotrin is unable to supply the overall Caribbean region since October 2012 until end of February 2013. In order to supply our local market, which is fully import dependent, the petroleum products have and will be purchased extra regionally during this period, which means higher transportation costs due to the change in supply logistics.

On an international level, the increase of gas prices are caused by high crude oil prices. These prices fluctuate daily, and account for 72% of the price of gasoline. The remaining 28% comes from distribution and taxes, which are more stable. When oil prices rise, on an international level the prices at the gas pump are expected to rise six weeks later.

Like most of the things which are purchased, oil prices are affected by supply and demand. However, oil prices are primarily controlled by oil futures contracts, which are traded on the commodities futures exchanges. The price depends on what investors think the price of oil will be in the future. When traders think oil will be high, they bid it up even higher. In this way, commodities traders create a self-fulfilling prophecy by bidding up oil futures prices. This leads to an asset bubble.

Rising gas and oil prices over the long-term are caused by a decline in the value of the dollar. Since oil is denominated in dollars, the 40% decline in the dollar in the last six years puts upward pressure on oil prices.

The reason why the prices on international level going up right now, is because they are expected to rise every spring. It seems to get earlier and earlier each year. That's because oil futures traders know demand for gas rises in the summer. They therefore start buying oil futures contracts in the spring in anticipation of that price rise.

In the winter of 2012, Iran started war games near the Straits of Hormuz. Nearly 20% of the world's oil flows through this narrow checkpoint bordering Iran and Oman. If Iran threatens to close the Straits, it raises the fear of a dramatic decline in oil supply. Oil traders bid up the price in anticipation of such a crisis.

These abovementioned developments on international and regional level, have caused our local prices for ULG and Diesel to experience a next increase.



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Given the aforementioned, the general public is hereby informed that as of Thursday February 14, 2013, the prices of the following petroleum products have been adjusted as follows:

	<b>Current Price</b>	<b>New Price</b>
<b>Unleaded Gasoline (ULG)</b>	256.00 Antillean cents/liter	<b>267.00 Antillean cents/liter</b>
<b>Diesel</b>	224.00 Antillean cents/liter	<b>229.00 Antillean cents/liter</b>

*O.P.O.*  
**Minister of Tourism, Economic Affairs, Traffic  
and Telecommunication**

12/2/13