



AFKONDIGINGSBLAD VAN SINT MAARTEN

Jaargang 2016

No. 40

Regulation of the Minister of Tourism, Economic Affairs, Traffic and Telecommunications from July 26 2016, to determine the maximum wholesale price and maximum retail prices for petroleum products (Regulation maximum prices petroleum products)

The Minister of Tourism, Economic Affairs, Traffic and
Telecommunications,

Having considered that it is desirable to determine the maximum
permissible wholesale and retail prices for petroleum products;

In view of Article 2 of the Pricing Regulation;

DECISION:

Article 1

This regulation understands under:

- a. Sales: selling or offering for sale;
- b. Retail Price: selling price to the consumer;
- c. Wholesale price: selling price to retailers.

Article 2

It is forbidden to sell petroleum products listed in the Annex, against a
higher wholesale price and retail price than the price indicated in the table
Appendix.

Article 3

This Ministerial Regulation, given the urgent importance under Article 127,
third and fourth paragraph, of the Constitution, shall go into effect on the
first day following the date of issue of the official public bulletin in which it
is placed.

Article 4

This regulation shall be cited as: Regulation maximum prices petroleum
products.

This regulation along with the elucidation will be placed on the official
public bulletin board.

The *twenty sixth* of July 2016
The Minister of Tourism, Economic Affairs,
Traffic and Telecommunications

Uitgegeven de *tweede* augustus 2016
De minister van Algemene Zaken
Namens deze,
Hoofd afdeling Juridische Zaken & Wetgeving

Appendix attached to the Ministerial Regulation from regarding the execution of Article 2 of the Prices Regulation (Ministerial Regulations prices of petroleum products).

| Types of petroleum products | Wholesale per liter (retailer price) |
|------------------------------------|---|
| Gasoline | NAf 1.520 |
| Diesel | NAf 1.087 |

| Types of petroleum products | Retail price per liter (consumer price) |
|------------------------------------|--|
| Gasoline | NAf 1.748 |
| Diesel | NAf 1.274 |

ELUCIDATION

In this Ministerial Regulation, the maximum wholesale and retail prices of petroleum products are established. The prices are listed in the Annex of this Regulation. Article 2 of the Pricing Regulation gives the Minister the authority to issue conditions pertaining to the prices of goods and services, when it is the opinion of the Minister that prices violate or threaten to violate the public interest.

Article specific

Article 1 governs the definitions. The wholesale price is the highest permissible price at which petroleum products can be sold from the wholesaler to the retailer. The retail price is the highest permissible price at which petroleum products can be sold from the retailer to the consumer. The effective date is the date in which the posted price was set by the international market.

Article 2 governs the most recent maximum price for petroleum products, as indicated in the table attached. Due to the fluctuations in international prices of petroleum products, the Ministry of Tourism, Economic Affairs, Traffic and Telecommunication moves to adjust petroleum prices on St. Maarten to follow international trends.

The maximum wholesale and retail process of gasoline and diesel are to be adjusted to the prices indicated in the table below:

Price buildup

| Effective date | 8-Jul-16 | 8-Jul-16 |
|--------------------------------|-----------------|-----------------|
| Petrotrin Posted Price US\$/AG | 165 | 140 |
| | ULG | Gasoil |
| Components | NA\$/ per liter | NA\$/ per liter |
| Petrotrin Posted Price | 0.785 | 0.662 |
| Freight | 0.063 | 0.063 |
| Insurance | 0.000 | 0.000 |
| Import Duty | 0.290 | |
| Liquid throughput fee (THRX) | 0.080 | 0.080 |
| Wholesaler margin | 0.230 | 0.230 |
| Max. wholesale price | 1.447 | 1.035 |
| Turnovertax (5%) | 0.072 | 0.052 |
| Max. wholesale price incl. tax | 1.520 | 1.087 |
| Retailer margin | 0.145 | 0.126 |
| Consumer price | 1.664 | 1.213 |
| Turnovertax (5%) | 0.083 | 0.061 |
| Max. Consumer price incl. tax | 1.748 | 1.274 |
| | ULG | Gasoil |

Article 3 governs the entry into force.

Meeting its responsibility to facilitate St. Maarten's sustainable socioeconomic development, the Ministry of Tourism, Economic Affairs, Traffic and Telecommunication monitors and adjusts the prices of petroleum products on St. Maarten as petroleum products are crucial to living and doing business in the country. Petroleum products such as gasoline, diesel, and liquid petroleum gas (LPG) are all used, either directly or indirectly, by all residents for transportation, electricity production and food preparation. These activities are dependent on petroleum products that St. Maarten does not produce itself. As a non-

petroleum producing country, St. Maarten is dependent upon petroleum imports from other countries, at prices dictated by market forces.

As end consumers have very little impact on the prices of petroleum products, the Ministry of Tourism, Economic Affairs, Traffic and Telecommunication adjusts the prices of the gasoline, diesel and LPG to protect residents from unfair prices that could adversely affect the cost of living on St. Maarten. To fairly and transparently set petroleum prices the Ministry uses a 'price build-up', beginning with the specific posted market price per product and incorporating all costs and taxes associated with getting the product to the consumer. In so doing, the Ministry eliminates all possibilities of price gouging by sellers. Taking into consideration that market prices may fluctuate at any moment in time, the Ministry monitors prices daily and adjusts local prices accordingly. Any delay in price adjustments could mean unfair prices to consumers and suppliers, a situation that the Ministry wishes to avoid as it is detrimental to the socioeconomic wellbeing of residents.

The adjusting of petroleum prices is being done via this decree as the ever volatile nature of petroleum prices makes it essential that the Ministry actively responds to changes in global prices by making local adjustments to follow market trends without excessive delay. The Minister executes the authority to adjust petroleum prices as dictated by the market in an expedient manner as it is not in the best interest of the general public to delay adjustments. For this reason the Minister has decided that the prices shall go into effect on the first day following the date of issue of the official public bulletin in which it is placed.

As the previously mentioned petroleum products are needed by all, making them vital social products that can be exploited through unfair prices, the Ministry wishes to protect residents by ensuring fair retail prices that follow the most recent adjustments in market prices. Thus, the Ministry of Tourism, Economic Affairs, Traffic and Telecommunication, via this decision sets the maximum price of gasoline at 1.748 and the maximum price of diesel at 1.273 effective 6:00am Thursday July 26 2016.