



AFKONDIGINGSBLAD VAN SINT MAARTEN

Jaargang 2022

No. 55

Regulation of the Minister of Tourism, Economic Affairs, Traffic and Telecommunication of November 15, 2022 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
TELECOMMUNICATION,

Having considered that it is desirable to determine the maximum permissible wholesale and retail prices for petroleum products, which is desirable at this time, given the price adjustments of imported fuel to St. Maarten. St. Maarten is a small non-oil producing economy, and is directly influenced by the global price of crude oil or its derivatives. Furthermore, international oil prices can be highly volatile and uncertain due to various factors. As such the consequences would be that consumers (private and commercial) would be at risk of volatile and uncertain adjustments for petroleum products. Therefore, in order to keep the market stable and ensure price stability to a certain extent, in particular to protect lower income households, the prices of petroleum products are controlled and maximum prices calculated. The government of St. Maarten regulates the prices of petroleum products such as gasoline (ULG), diesel (Gasoil) and cooking gas (LPG), with aim of price stability. Price adjustments are done in consultation with the wholesalers. In addition, the Department of Economy, Transportation and Telecommunication regularly monitors the global oil prices.

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 regulation repeals the Regulation maximum prices petroleum products of October 31st, 2022, nr. 53/2022.

Article 4

This Ministerial Regulation, given the urgent importance under Article 127, third and fourth paragraph, of the Constitution, shall go into effect at 6.00 am on the first day following the date of issue of the Official Publication in which it is placed.

Article 5

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

This regulation along with the elucidation will be placed in the Official Publication.

The *fifteenth* of November 2022
The Minister of Tourism, Economic Affairs,
Traffic and Telecommunication, a.i.

Uitgegeven de *zestiende* november 2022
De Minister van Algemene Zaken
Namens deze,
Hoofd afdeling Juridische Zaken & Wetgeving

Appendix attached to the Ministerial Regulation of November 15, 2022 (Ministerial Regulation prices of petroleum products).

Types of petroleum products	Wholesale per liter (retailer price)
Gasoline	NAf 2.113
Diesel	NAf 2.324

Types of petroleum products	Retail price per liter (consumer price)
Gasoline	NAf 2.370
Diesel	NAf 2.573

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. This will be elaborated further below.

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 below. Due to the low volumes of ULG in stock at the importer/ main wholesaler (SOL) and the need to import ULG, which has decreased from an MCP price of 320 to 305, and Diesel, which has increased from an MCP price of 360 to 380, the maximum prices must be amended. Based on the Platts posting, these prices are consistent with the ongoing international developments and as such 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

	31-Oct-22	2-Nov-22
Effective Posting date	31-Oct-22	2-Nov-22
Petrotrin Posted Price US\$/AG	305	380
	ULG	Gasoil
Components	Naf per liter	Naf per liter
Petrotrin Posted Price	1.450	1.807
Freight	0.097	0.097
Import Duty	0.155	
Liquid throughput fee (THR)	0.080	0.080
Wholesaler margin	0.230	0.230
Max. wholesale price	2.012	2.214
Turnovertax (5%)	0.101	0.111
Max. wholesale price incl. tax	2.113	2.324
Retailer margin	0.145	0.126
Consumer price	2.257	2.450
Turnovertax (5%)	0.113	0.123
Max. Consumer price incl. tax	2.370	2.573
	ULG	Gasoil

Article 4 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 at 6.00 am on the first day following the date of issue of the Official Publication 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 2.370 and Diesel at 2.573 effective 6.00 am on the first day following the date of issue of the Official Publication in which it is placed.

The Minister of Tourism, Economic Affairs,
Traffic and Telecommunication, a.i