

How Are the Retail Prices of Mogas and Gas Oil Calculated in Mauritius?

The calculation of the retail prices of Mogas and Gas Oil are regulated under the *Consumer Protection (Control of Price of Petroleum Products) Regulations 2011, as amended*. This step-by-step guide explains in simple terms how the retail prices of Mogas (L'Essence) and Gas Oil (Diesel) are calculated by the State Trading Corporation (STC).

◆ Step 1: International Market Price is Collected

- The supplier of the STC purchases petroleum products on the international market and each shipment is invoiced based on the current Platts price.
- The STC pays its supplier the invoice which comprises the Platts Price and the premium.
- The premium is a fixed cost the STC pays to its supplier as per the annual contract, to bring the product to Mauritius.
- The price is quoted in US\$/metric ton for Mogas and in US\$/barrel for Gas Oil.
- The calculated price uses an average of the latest 3 months' actual price plus the forecast prices of the next three months. ***For example, for an exercise on the 01st of August, the following Platts prices would be used: Average of Platts Price [May–July (actual) and August–October (forecast)].***

◆ Step 2: Convert to Mauritian Rupees (Rs)

- Prices in USD are converted to MUR using average exchange rate.

◆ Step 3: Add Shipping and Insurance (CIF)

- CIF = Cost, Insurance & Freight.
- Total landed cost per litre in Mauritius.

◆ **Step 4: Add Government Charges & Contributions**

Charge	Approx. Rs/Litre
Excise Duty	9.87 (Mogas), 4.22 (Gas Oil)
Road Development Authority	1.85 / 1.75
Rodrigues Transport Contribution	0.41
Storage Facilities Contribution	0.05
LPG, Rice & Flour Subsidy	7.20
VAT (15%)	Applied on subtotal

◆ **Step 5: Add STC Operational Costs**

- An operational charge (e.g. Rs 0.35–0.40/litre) is added to account for the STC’s logistics and admin costs.

◆ **Step 6: Transfer Price to Oil Companies**

- This is the price at which STC sells Mogas and Gas Oil to oil companies.

◆ **Step 7: Oil Companies Add Their Margins**

- Includes the operational and wholesale margin (for oil companies) of Rs 2.35 for Mogas and Rs 2.18 for Gas Oil, and the retail margin (for petrol stations) of Rs 3.00/litre for both Mogas and Gas Oil.

◆ **Step 8: Final Retail Price = What You Pay**

- Total price = international cost + shipping + taxes + margins.
- If difference between calculated retail price and current retail price is:
 - (a) less than 4% - no change is brought to the final retail price and the current retail price is maintained
 - (b) more than 4% - change is brought to the final retail price, however, change in prices are capped to a maximum limit of 10%
- However, no change (decrease) is applied to the retail price of a product when its PSA is in deficit, e.g., in the case of Gas Oil.
- STC uses surpluses realized on each product to offset their respective past deficits.