

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

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

- STC buys petroleum products on the international market.
- Price is in US\$/metric ton for Mogas and in US\$/barrel for Gas Oil.
- Uses 3 months' actual + 3 months' forecast prices.

📖 Example: March 2026 pricing exercise = Average of Platts Price [December 2025 – February 2026 (actual) and March 2026 – May 2026 (forecast)]. Section 3.2A of the Regulations provides that “*Where the reference price is lower than the last month average Platts price, the Corporation shall, in determining the retail price of a petroleum product, use the last month Platts price.*”

◆ 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**

- A charge (e.g. Rs 0.35–0.40/litre) is added for STC’s logistics and admin.

◆ **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 wholesale margin of Rs2.59 for Mogas and Rs2.18 for Gas Oil and Retail margin of Rs 3.00/litre (for petrol stations) for both Mogas and Gas Oil.

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

- Total price = international cost + shipping + taxes + margins.

💡 Example for Mogas (March 2026 – Will be adjusted for the next PPC Meeting):

Component	Approx. Rs/Litre
CIF	26.07
Excise Duty	9.87
Other Contributions	9.30
VAT + Wholesale/Retail Margin	13.21
Total Retail Price	58.45

◇ **Why Prices Don’t Always Drop**

- If price drop is less than 4%, it is not applied (per law).

- If PSA (Price Stabilisation Account) is in deficit, no decrease is allowed.

-STC uses surpluses realized on each product to offset their respective past deficits.