

The Virgin Islands Consortium

DLCA Urging St. Croix Consumers To Boycott Gas Station Mini-Marts As Gas Prices Appear Fixed

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ST. CROIX -- The Department of Licensing and Consumer Affairs, through a press release issued this evening, is urging consumers on this island to boycott the mini-marts of gas stations because they have failed to adjust the price of gas in tandem with world markets. These markets have seen precipitous declines from a year ago, with oil falling by over 50 percent to under \$40 a barrel on Monday for the first time since the days of the global economic crisis on fears of a slowdown in the world economy, according to the New York Times.

Already trading at six-year lows on a prolonged slump, U.S. crude fell \$2.21 to finish at \$38.24 per barrel. Oil hadn't closed below \$40 since February 2009, although it briefly

traded below that level on Friday. Monday's closing price was the lowest since Feb. 18, 2009.

But local gas stations on the island have kept the price of gas steady at \$3.39 per gallon, more expensive than some St. Thomas gas stations that have historically sold gas at higher prices compared to their counterparts here.

According to DLCA, the average price of a gallon of regular gas was \$3.65 per gallon in January of 2015. Today, that price remains constant at \$3.39 for the past three months, a mere 26 cent decrease. This has been the case since March of 2015, DLCA says, despite the aforementioned downward trend. And while there seems to be a greater disparity in prices at the pump in St. Thomas, and thus more choices for the consumer, the situation in St. Croix is that every station across the island is priced the same at \$3.39.

While the consumer may not have much choice where to buy their gas, they certainly can choose to not patronize other aspects of a gas station's business. - DLCA.

This is a free market economy, but essential to the free market system is competition which provides choices to the consumer. With no competition, the consumer is left with no choice as where to purchase, the release stated.

"On the national level, gasoline prices have dropped more than a dollar a gallon at the pump over the last year because of the oil prices," the United States Energy Information Administration said in January. Europeans and consumers around the world are enjoying similar benefits. The latest drop in energy prices—regular gas nationally now averages around \$2.65 a gallon, compared with \$3.45 a year ago—is also disproportionately helping lower-income groups because fuel costs eat up a larger share of their more limited earnings.

In April of 2015, DLCA [released an analysis of gas prices on this island](#). The study revealed the extent to which retailers of gas were realizing healthy profits while paying less for their gas purchases from the wholesaler. It was clear that corresponding savings were not being passed on to the Virgin Islands consumer. This practice continues to the detriment of the consumer who should benefit from the savings the retailer realizes as the price of gas decreases. A decrease in gas prices also translates to a decrease in shipping costs that retailers pay to import the fuel. It also decreases the electrical power costs of the retailer. Thus the retailers benefit from additional savings that should be passed on to the consumer in the price at the pump. This is not taking place, according to the release.

The Virgin Islands Code provides DLCA with the statutory duty to educate and guide consumers in the best use of their income and to promote on behalf of consumers, fair and honest practices of commerce and industry in business' transactions with consumers. This information is provided to do just that, the release further made known.

Rest assured that the Department of Licensing and Consumer Affairs is poised to take further action authorized by statute to bring relief to the consumer of the Virgin Islands.

Armed with such information, consumers must make wise informed decisions on spending their money. As an example, many, if not all gas stations in the Virgin Islands have mini-marts as an added amenity. While the consumer may not have much choice where to buy their gas, they certainly can choose to not patronize other aspects of a gas station's business.

Consumers must exercise the power they have to make choices as to where and how they spend their hard-earned money. In the absence of ethical business practices by some, consumer action can help ensure the consumer gets treated fairly in the marketplace.

DLCA says it's "poised to take further action authorized by statute to bring relief to the consumer of the Virgin Islands."

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