

The Virgin Islands Consortium

DLCA Taking Steps To Set Profit Margins On Gas Prices, Grocery Goods

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ST. CROIX -- The Department of Licensing and Consumer Affairs (DLCA) through a press release issued on Friday, says it continues to monitor the prices being charged to consumers by gas and essential commodity retail businesses such as grocery stores, supermarkets and others. According to the release, this concern is intensified because in the past these retailers have justified high prices as being due to the cost of oil, transportation and the cost of electricity.

DLCA says it has been monitoring the price of oil on world markets, which are trading at historic lows, and also noted that the costs of transportation and electricity are also decreasing. DLCA Commissioner Devin Carrington cited a report made by the U.S.

Department of Labor that states: "Falling oil prices has resulted in a decline in the Consumer Price Index. The Consumer Price Index (CPI) measures changes in the price level of a market basket sample of consumer goods and services purchased by households across the United States."

The Department of Labor report indicates that the drop was a result of a 2.4 percent decline in energy prices, including a 3.9 percent fall in gasoline costs which affect the costs of transportation and energy generated by oil. The report goes on to say it was the fourth time in five months that gas prices fell as the cost of crude oil hovers near the \$30 mark. Additionally, the report states that food prices also dropped for the second straight month. In fact, since March of last year, the cost of food has been trending downward, DLCA says.

In the Virgin Islands, despite the national trends, retailers of food and gasoline have kept their prices virtually unchanged from what they charged before the decline in the cost of energy, the release goes on. Contrary to the trend, in the food sector, there has been a noticeable price increase in some items on grocery store shelves in the territory. By all measures, these prices are far above and beyond national prices and therefore can be seen as unjustifiably excessive. This is a clear indicator that profit is the only basis by which these retailers operate, disregarding fair trade practices that protect the welfare of the consumers who faithfully patronize them, according to the release.

As a result, DLCA says it's taking measures to bring relief to the consumers of the Virgin Islands. Statutory provisions that allow the department to set reasonable profit margins on certain consumer commodities shall be utilized. The department says the initiative cannot be accomplished without proper data. Therefore, collaboration with members of the legislature to strengthen laws that prevent and penalize excessive pricing is in the works. DLCA says it continues to publish market prices for local retailers and respond to consumer concerns regarding the retail practices and quality of retail goods.

The department added that consumers have a right to expect fairly priced items, and urged shoppers to shop smart; organize, strategize and seriously consider taking measures that send an emphatic message to such retailers. The best way to gain relief in the meantime is by empowering consumers to patronize only consumer-friendly establishments, according to the release.

The government agency encouraged consumers to use all legal means publicity available to report instances of excessively priced goods and services and urged that they send pictures and make reports directly to its offices.

Furthermore, Mr. Carrington said the department will utilize what is called "DLCA-Careful Consumer" via a Facebook page to review reports and photos that can be posted for direct access by the department's inspectors and enforcement officers.

For more information or to make a report, consumers may also call 714.3522 on St. Thomas or 713.3522 on St. Croix.

Survey sheets are [here](#), [here](#) and [here](#).