

## Uncertainty as to whether Unipet can buy NP gas stations



*Unipet gas station at Lady Hailes Avenue, San Fernando.*

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No decision has been made as yet on whether or not NP's closest competitor, the United Independent Petroleum Marketing Company Limited (Unipet) will be able to purchase its gas stations when they eventually go up for sale, Energy Minister Franklin Khan has said.

On Monday Finance Minister Colm Imbert announced that all gas stations owned by NP will now be offered for sale to the private sector.

During the question and answer portion of the Energy Chamber's virtual post- annual general meeting forum yesterday, Khan was asked whether Unipet would be allowed to purchase the gas stations that are up for sale.

"There are several types of gas stations, there are gas station which are company owned and company operated, where they own the gas stations and they operate the gas stations through a franchise. Then there are NP owned and dealer operated, the dealer has the retail margin but it is NP owned. Then there are dealer owned and dealer operated which is still flying an NP flag, NP will have no say in that because the dealer owns it, the dealer operates it," Khan said.

"For the NP owned and dealer operated the dealer would have the first right of purchase, we will define the terms and hopefully a lot of them will be able to purchase, if not it goes into the open market," he said.

"And the company owned gas stations which are NP owned and NP operated, NP will be mandated to sell those stations to a commercial operator. Now whether Unipet will be allowed to purchase NP gas stations we have not really made a final decision on that," Khan said.

For 25 years the gas station business in T&T was conducted exclusively by the State.

In 1996 the Government of Trinidad and Tobago, appointed a Petroleum Retail Committee and it recommended a phased de-monopolisation of the industry.

A group of independent owner dealers formed themselves into Unipet and applied for a wholesale marketing license which was granted in July 1999.

Unipet now has a total of 24 service stations located throughout the country.

Khan was asked what the sale of gas stations would mean for the future of NP.

"NP will be a wholesaler so for the time being there will be two brands flying. So stations will still be under two names either Unipet or NP at least in the short term but the retail margin will now belong to the dealer," Khan said.

Khan said the decision to liberalise the fuel market was done at this time because of the current low energy price environment to minimise the impact of the removal of the subsidy.

"This move is also in keeping with the need to nudge our citizenry into more responsible and sustainable behaviour when it comes to the consumption of resources," he said.

Khan said he expects the de-regularisation of the fuel market and will encourage competition.

“For the record, based on current crude prices while we haven’t worked out the details of some of the formulae as yet I can assure you that the price of premium and super should fall and the price of diesel should remain about the same,” Khan said.

Dwight Mahabir was yesterday named the chairman of the Energy Chamber.

Mahabir replaces Eugene Tiah.