



# Ministry of Energy

## Weekly Oil Price Report



January 29 – February 04, 2009

### INTRODUCTION

This report seeks to highlight the status of petroleum products prices including LPG in the international and local energy markets. The report allows us to assess the impact of liberalization on the petroleum market. In that regard recommendations for policy adjustment can be made where necessary.

### *International Benchmarks*

#### **Crude Oil**

The benchmark used by the Petrojam Refinery is West Texas Intermediate (WTI). The spot price for Crude Oil was not available for this week; however, the crude oil price for last week was US\$42.15/bbl representing a fourteen percent increase over the previous week, when the price of crude oil stood at US\$36.73/bbl.

Table 1 Crude Oil Spot Prices US\$/Bbl

Region	Benchmark	15th Jan	22nd Jan	% Difference 15th Jan vs 22-Jan
United States	West Texas Intermediate	36.73	42.15	14.76
Europe	Europe Bent	42.38	41.67	-1.68
Asia	Dubai Fateh	44.34	42.43	-4.31
Nothern Africa	Egypt Suez Blend	39.68	39.51	-0.43
Western Africa	Nigeria Bonny Light	46.24	46.35	0.24

Source: Energy Information Administration

### *Petrojam Billing Price*

#### **Unleaded Gasoline – 90 Octane**

For this week, the Gulf Reference for Unleaded Gas (90 Octane) stood at J\$25.85/litre a decrease of one percent over the previous week, while the Ex-Refinery price decreased by two percent when the price stood at J\$42.00/litre. The imposition of taxes amounting to J\$7.73/litre resulted in a Refinery Billing price of J\$49.73/litre, which resulted in a one percent decrease when compared to the previous week.

**Weekly Oil Price Report**  
**January 29 – February 04, 2009**

**Unleaded Gasoline – 87 Octane**

For this week, the Gulf Reference price for Unleaded Gas (87 Octane) was J\$25.85/litre similar to that of 90 octane, while the Ex-Refinery price was J\$40.93/litre, a decrease of two percent when compared to the previous week. The imposition of taxes amounting to J\$7.36/litre for Refinery billing price representing a decrease of one percent over that of the previous week, when the price stood at J\$48.29/litre (see Table 2).

**Table 2**

<u>Petroleum Products Price List for Selected Products J\$/Litre</u>							
Year:	2009						
Week 1:	29-Jan						
Benchmark:	USGC						
Exch.Rate: US\$=J\$	84.85						
	L.P.G	Unleaded	E 10	Premium	Kerosene	ADO	
Gulf Reference Price	19.62	25.85	0.00	25.85	31.12	29.76	
Ex-Refinery Price	25.72	40.93	38.90	42.00	45.67	47.30	
Refinery Billing Price	25.76	48.29	46.26	49.73	51.69	53.96	
Selling Price	43.42	58.18	55.41	62.55	55.51	65.03	

**E10**

For the week under review the Ex-Refinery price for E10 was J\$38.90 a decrease of two percent when compared to the previous week when price stood at J\$39.81/litre. The addition of taxes amounting to J\$7.36/litre similar to that of 87 octane resulted in a Refinery Billing price of J\$46.26/litre for the E10 87 blend. This represented a one percent decrease over the previous week. The Refinery Billing price for the E10 87 blend was J\$2.03 less than that of the 87 Octane blend.

**Automotive Diesel Oil (A.D.O.)**

The Gulf Reference price for the week under review stood at \$29.76/litre showing a one percent decrease when compared to the previous week, while the Ex-Refinery price went down by two percent over that of the previous week, when the prices stood at and \$47.30/litre. The addition of taxes amounting J\$6.66/litre, contributed to a Refinery Billing price of J\$53.96/litre, which resulted in a one percent decrease when compared to the previous week.

**Liquid Petroleum Gas (L.P.G.)**

The Gulf Reference and Ex-Refinery prices for the week under review increase by ten percent, over that of the previous week when the prices stood at \$19.62/litre and J\$25.72/litre respectively. The addition of taxes amounting to J\$0.04/litre contributed to a Refinery Billing Price of J\$25.76/litre, which also resulted in a ten percent increase when compared with the previous week.

## Weekly Oil Price Report January 29 – February 04, 2009

### Kerosene

The Gulf Reference price for the week under review went down by approximately three percent over that of the previous when the prices stood at J\$31.12/litre, while the Ex-Refinery went down by two percent over the previous week when the price stood at J\$45.67/litre. The addition of taxes amounting to J\$6.66/litre, contributes to a Refinery Billing price of J\$51.69/litre, resulting in a one percent decrease when compared with the previous week. (See table 2)

## Marketing/Retail Prices

### Motor Fuels

#### Unleaded Gasoline – 90 Octane

The average retail price for this week went down by J\$0.96/litre, moving from J\$63.26/litre for the previous week to J\$62.55/litre for this week, representing a one percent decrease over that of last week (see Figure 1 for trends in average retail prices for motor fuels).

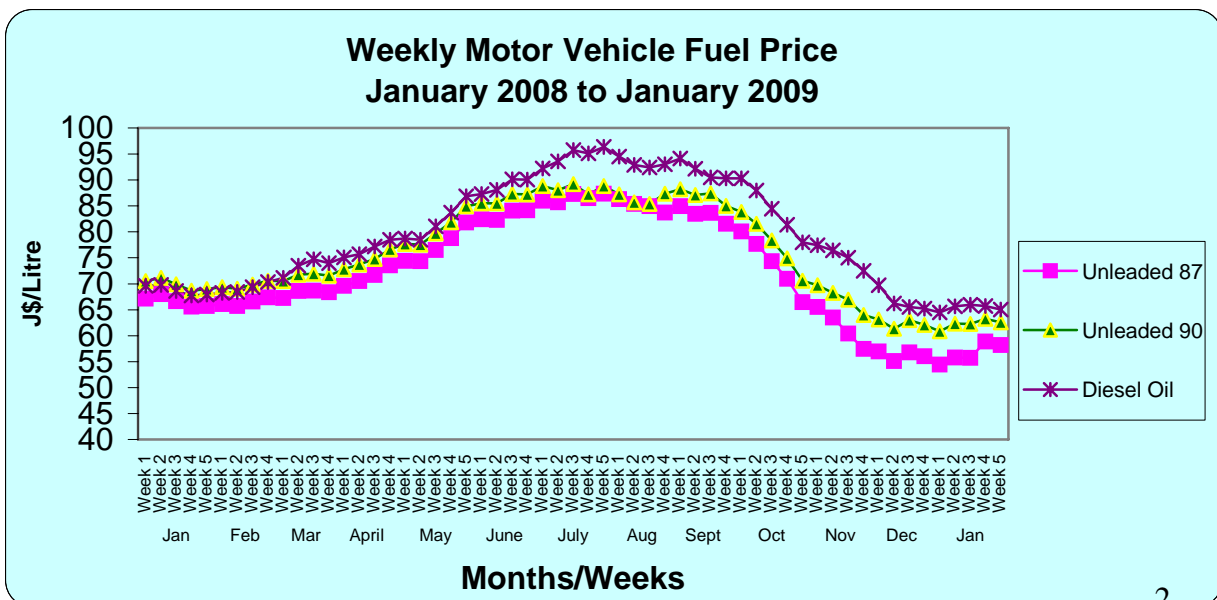
#### Unleaded Gasoline – 87 Octane

The average retail price for this week was decreased by one percent, moving from J\$58.84/litre for the previous week to J\$58.18/litre for this week, this represents a J\$0.87/litre decrease when compared to the previous week.

#### Unleaded Gasoline – E10

The average retail price for this week was decreased by less than one percent, moving from J\$55.74/litre for the previous week to J\$55.14/litre for this week, this represents a J\$0.33/litre decrease when compared to the previous week.

Figure 1



**Weekly Oil Price Report**  
**January 29 – February 04, 2009**

**Automotive Diesel Oil (A.D.O.)**

The average retail price for this week went down by J\$0.67/litre moving from J\$65.70/litre for the previous week to J\$65.03/litre. This represents a one percent decrease over that of previous week.

**Cooking Fuels**

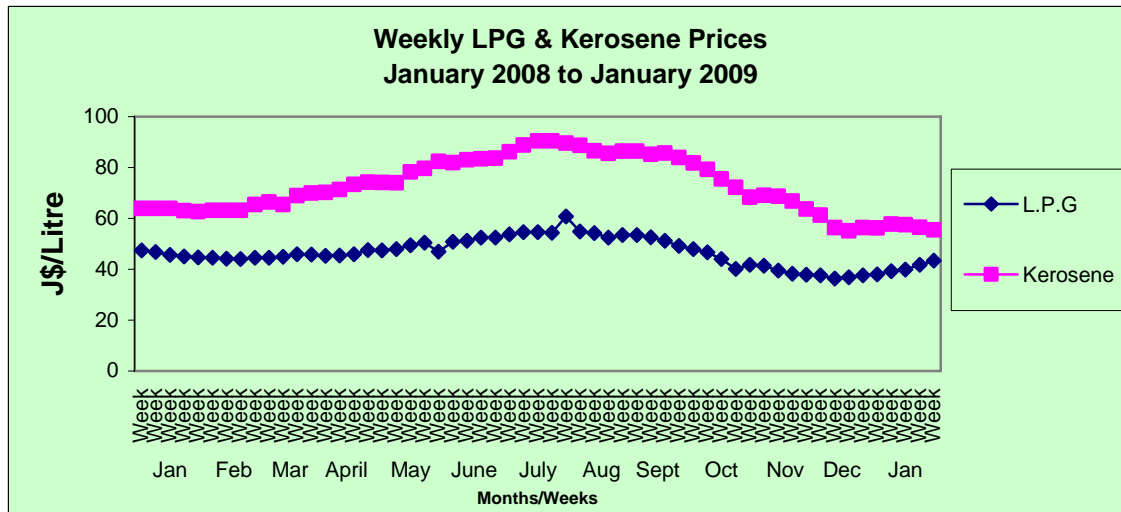
**Liquid Petroleum Gas (L.P.G.)**

The average retail price for this week was J\$43.42/litre showing an increase of three percent when compared with the previous week when the price was J\$41.80/litre (see Figure 2 for trends in average retail prices for cooking fuels).

**Kerosene**

The average Retail Price for this week was J\$55.51/litre, showing a decrease of one percent when compared with the previous week when the price was \$56.54/litre.

Figure 2



**Urban vs. Rural Analysis**

For the week under review Unleaded 90 Octane in the rural region was sold for an average of J\$63.35/litre. In the urban region the price of Unleaded 90 Gasoline was lower, selling at an average price of J\$61.37/litre. The price difference between both regions was J\$1.98/litre

The price for Unleaded 87 Gasoline showed a similar trend with average price per litre in the rural and urban areas standing at J\$59.43 and J\$55.67 respectively. The price difference between both regions was J\$3.76/litre.

## Weekly Oil Price Report January 29 – February 04, 2009

E10 was sold at an average price of J\$58.01/litre in the rural area while selling in the urban at a lower average price of J\$54.10/litre. The difference between both regions was J\$3.91

Automotive Diesel Oil was sold at an average price of J\$65.73/litre in the rural area while selling in the urban at a lower average price of J\$63.09/litre. The difference between both regions was J\$2.64/litre.

L.P.G was sold at an average price of J\$44.75/litre in the rural area while selling in the urban at a lower average price of J\$40.13/litre. The difference between both regions was J\$4.62/litre.

There was an overall decrease in prices throughout the regions; however, St. Ann had the highest prices for two products, E10 which was J\$61.28/litre, and ADO at J\$69.93/litre (see Table 3). While St. Mary had the highest for Unleaded Gas (87 Octane) at J\$62.00/litre and St. Thomas had the highest for Unleaded Gas (90 Octane) at J\$67.72/litre. Kingston and St. Andrew has the lowest for three products E10, Unleaded Gas (87 Octane) and ADO at J\$54.10/litre, J\$55.67/litre and at J\$63.09/litre respectively, while Westmoreland had the lowest for Unleaded Gas (90 Octane) at J\$59.89/litre.

**Table 3 Weekly Average Retail Prices for Selected Petroleum Products by Region**

Region	Unleaded 87 Octane			E 10		Unleaded 90 Octane			Automotive Diesel Oil		
	Prices This Week	Prices Last Week	Prices One Year Ago	Prices This Week	Prices Last Week	Prices This Week	Prices Last Week	Prices One Year Ago	Prices This Week	Prices Last Week	Prices One Year Ago
Kgn. & St. Andrew	55.67	56.24	64.33	54.10	55.07	61.37	61.95	68.32	63.09	63.75	66.96
Clarendon	57.15	60.35	65.43	55.85	56.40	62.89	64.87	69.38	64.93	68.50	68.92
Hanover	60.84	60.27	65.85	n/a	n/a	62.31	63.64	69.18	65.77	66.44	67.33
Manchester	57.71	58.45	65.77	55.77	n/a	62.53	62.70	69.09	65.52	66.09	67.92
Portland	60.27	60.45	65.78	59.48	58.76	64.39	64.57	68.34	68.40	68.60	68.03
St. Ann	61.38	61.50	68.73	61.28	n/a	66.20	66.34	71.76	69.93	70.41	70.90
St. Catherine	56.95	58.02	63.98	55.29	54.78	62.09	62.40	67.49	63.56	64.34	65.88
St. Elizabeth	58.68	59.00	67.79	n/a	n/a	61.63	61.95	70.63	66.37	66.67	70.08
St. James	58.33	58.73	62.35	57.40	n/a	61.72	64.29	66.48	64.99	65.74	64.49
St. Mary	62.00	62.70	68.59	60.98	61.40	65.16	65.80	71.49	67.55	68.28	71.61
St. Thomas	61.74	63.69	65.98	56.91	56.92	67.72	68.07	68.78	69.13	69.81	67.72
Trelawny	60.85	61.61	66.06	n/a	n/a	63.66	64.42	68.58	66.75	67.58	66.82
Westmoreland	57.34	57.23	64.99	n/a	n/a	59.89	60.14	67.75	63.73	64.23	67.14

Source: Weekly Price Survey and MCIS Website

Combined average prices for urban and rural regions indicate that the year to year average price of Unleaded 87 ,Unleaded 90 and A.D.O have decreased by J\$7.53/litre and J\$6.42/litre and J\$2.88/litre respectively.

### CONCLUDING REMARKS

Globally, stock market performed poorly and as such investors and traders decided to invest in commodities, one of which is crude oil; and given that crude prices are at a five year low, investment in crude seems a viable option at this moment. As a result the price of crude oil increased.

**Weekly Oil Price Report**  
**January 29 – February 04, 2009**

There was a decrease in retail prices, with the exception of LPG. However, a comparative look at the same period last year indicates that unleaded 87 decreased by eleven percent, Unleaded 90 decreased by nine percent and ADO by four percent.

Another factor influencing prices is the devaluation of the Jamaican dollar which increased by J\$1.69 as evidenced by the movement in the exchange rate from US\$1.00: J\$82.76 in the previous week to US\$1.00: J\$84.85 this week. For the same period last year the dollar stood at US\$1.00: J\$71.39 eighteen percent less than current rate.