



Ministry of Energy

Weekly Oil Price Report



March 19 - 25, 2009

INTRODUCTION

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

International Benchmarks

Crude Oil

The benchmark used by the Petrojam Refinery is based on the West Texas Intermediate (WTI). The spot price for Crude Oil was not available for this week but last week's Crude Oil price was US\$45.66/bbl representing an increase of five percent over the previous week, when Crude Oil price stood at US\$43.18/bbl (see table 1).

Table 1 Crude Oil Spot Prices US\$/BL

Region	Benchmark	5th March	12th March	% Difference 5th Mar vs 12th March
Americans	West Texas Intermediate	43.18	45.66	5.74
Europe	Europe Bent	43.86	43.98	0.27
Asia	Dubai Fateh	43.13	42.90	-0.53
Nothern Africa	Egypt Suez Blend	40.91	40.11	-1.96
Western Africa	Nigeria Bonny Light	47.37	46.57	-1.69

Source: Energy Information Administration

Petrojam Billing Price

Unleaded Gasoline – 90 Octane

For this week, the Gulf Reference and Ex-refinery prices for Unleaded Gas (90 Octane) went up by less than one percent over the previous week (see Table 2), as prices stood at J\$29.37 per litre and J\$43.62 respectively. The Imposition of taxes amounting to J\$7.73 per litre resulted in a Refinery Billing price of J\$51.35 per litre, which also increased by less than one percent when compared to the previous week.

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Unleaded Gasoline – 87 Octane

For this week, the Gulf Reference price for Unleaded Gas (87 Octane) was J\$29.37 per litre similar to that of 90 octane, while the Ex-Refinery price was J\$42.55 per litre, an increase of less than one percent when compared to the previous week. The imposition of taxes amounting to J\$7.36 per litre, resulted in a Refinery billing price of \$49.91 per litre, an increased of less than one percent over that of the previous week.

E10

For the week under review the Ex-Refinery price for E10 was J\$40.52 an increase of less than one percent when the price stood at J\$40.39 per litre for the previous week. The addition of taxes amounting to J\$7.36/litre similar to that of 87 octane resulted in a Refinery Billing price of J\$47.88/litre for the E10 87 blend. This represented a less than one percent increase 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.

Table 2.

<u>Petroleum Products Price List for Selected Products J\$/Litre</u>						
Year:	2009					
Week 1:	19-Mar					
Benchmark:	United States Gulf Coast					
Exch.Rate: US\$=J\$	88.40					
	L.P.G	Unleaded 87	E 10	Unleaded 90	Kerosene	ADO
Gulf Reference Price	16.40	29.37	n/a	29.37	27.59	26.41
Ex-Refinery Price	22.25	42.55	40.52	43.62	41.73	42.70
Refinery Billing Price	22.29	49.91	47.88	51.35	47.75	49.36
Selling Price	40.51	59.30	56.70	63.15	n/a	60.13

Note: n/a=not available

Automotive Diesel Oil (A.D.O.)

The Gulf Reference and Ex-Refinery prices for the week under review went up by less than one percent over that of the previous week as prices stood at J\$26.41/litre and J\$42.70/litre respectively. The addition of taxes amounting to J\$6.66/litre, contributed to a Refinery Billing price of J\$49.36/litre, which also resulted in a less than one percent increase when compared to prices in the previous week.

Liquid Petroleum Gas (L.P.G.)

The Gulf Reference price for the week under review went up by one percent over that of the previous week as prices stood at J\$16.40/litre, while the Ex-Refinery prices went up by less than one percent over that of the previous week as prices amounted to J\$22.25/litre. The addition of taxes amounting to J\$0.04/litre

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contributed to a Refinery Billing Price of J\$22.29/litre, which also resulted in a less than one percent increase when compared with the previous week.

Kerosene

The Gulf Reference price for the week under review went up by one percent over that of the previous week as prices stood at J\$27.59/litre, while the Ex-Refinery price went up by less than one percent over the previous week when the price stood at J\$41.73/litre. The addition of taxes amounting to \$6.66/litre, contributes to a Refinery Billing price of J\$47.75/litre, which also resulted in a less than one percent increase when compared with the previous week.

Marketing/Retail Prices

Motor Fuels

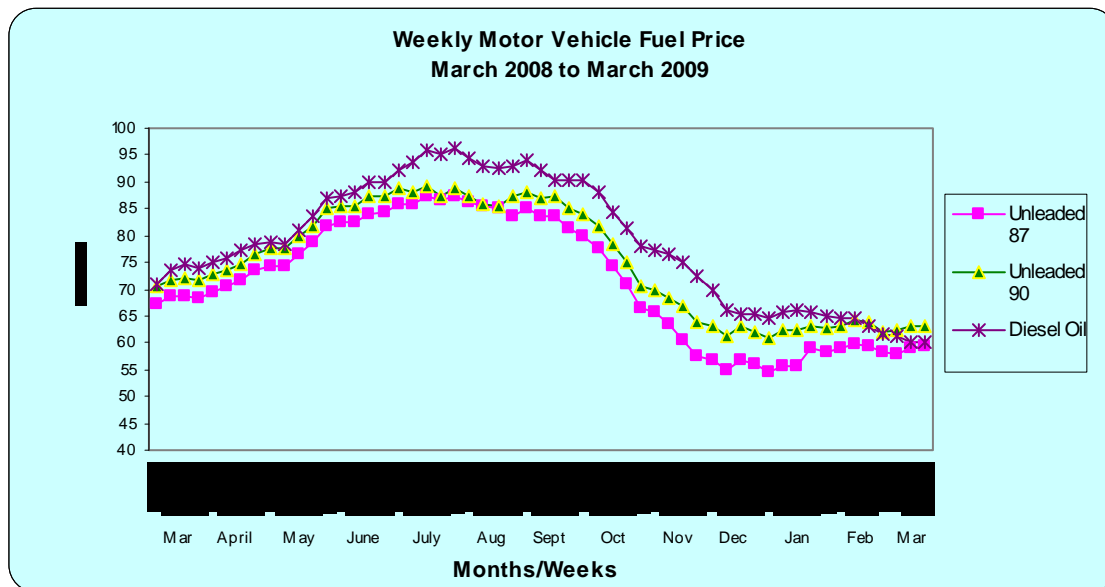
Unleaded Gasoline – 90 Octane

The average retail price for this week increased by J\$0.03/litre, moving from J\$63.12/litre for the previous week to J\$63.15/litre, representing an increase of less than one percent over last week.

Unleaded Gasoline – 87 Octane

The average retail price for this week went up by less than one percent, moving from J\$59.01/litre for the previous week to J\$59.30/litre, this represents a J\$0.29/litre increase when compared to the previous week.

Figure 1



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Unleaded Gasoline – E10

The average retail price for this week was increased by less than one percent, moving from J\$56.44/litre for the previous week to currently amount to J\$56.70/litre. This represents a J\$0.63/litre increase when compared to the previous week.

Automotive Diesel Oil (A.D.O.)

The average retail price for this week went down by J\$0.11/litre moving from J\$60.24/litre for the previous week to J\$60.13/litre. This represents a less than one percent decrease over that of the previous week.

Cooking Fuels

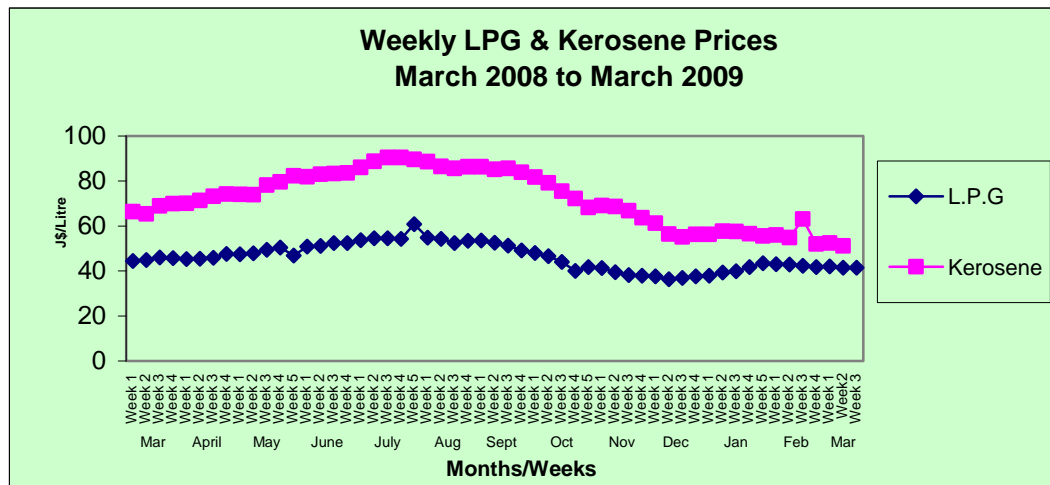
Liquid Petroleum Gas (L.P.G.)

The average retail price for this week was J\$40.51/litre showing a two percent decrease when compared with the previous week when the price was J\$41.51/litre.

Kerosene

The average retail price for this week was not available. The price for last week however, was J\$51.19/litre, representing a two percent decrease when compared with the previous week when the price was \$52.46/litre.

Figure 2



Urban vs. Rural Analysis

For the week under review Unleaded Gas (90 Octane) in the rural region was sold for an average of J\$64.39/litre. In the urban region the price of Unleaded Gas (90 Octane) was lower, selling at an average price of J\$61.22/litre. The price difference between both regions was J\$3.17/litre

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The price for Unleaded 87 Gasoline showed a similar trend with the average price per litre in the rural and urban areas standing at J\$60.59 and J\$57.04 respectively. The price difference between both regions was J\$3.55/litre.

E10 was sold at an average price of J\$58.80/litre in the rural area while in the urban it had a lower average price of J\$55.44/litre. The difference between both regions was J\$3.36/litre.

Automotive Diesel Oil (ADO) was sold at an average price of J\$61.89/litre in the rural area while it was sold in the urban at a lower average price of J\$57.89/litre. The difference between both regions was J\$4.00/litre.

L.P.G was sold at an average price of J\$41.33/litre in the rural area while selling at a lower average price of J\$38.55/litre in the urban. The difference between both regions was J\$2.78/litre.

There was a slight increase in prices throughout the regions; St. Thomas had the highest prices for three products, Unleaded Gas (90 Octane) which was J\$69.22/litre, Unleaded Gas (87 Octane) at J\$64.02/litre and ADO at J\$65.79/litre (see Table 3), while St. Mary had the highest prices for E10 at J\$62.67/litre. Kingston and St. Andrew had the lowest prices for three products, E10 at J\$55.44/litre, Unleaded Gas (87 Octane) at J\$57.04/litre and ADO at J\$57.89/litre while Westmoreland had the lowest for and Unleaded Gas (90 Octane) at J\$61.21/litre.

Table 3. Weekly 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	57.04	60.35	66.88	55.44	58.80	61.22	64.25	70.81	57.89	61.97	72.97
Clarendon	57.76	57.35	68.32	55.79	55.58	62.32	62.03	72.51	61.21	60.90	76.29
Hanover	60.82	60.62	68.76	n/a	n/a	64.31	64.07	72.29	62.50	62.08	74.27
Manchester	59.02	58.95	68.69	57.87	57.61	63.84	63.7	72.52	61.16	61.22	74.68
Portland	61.42	61.39	69.74	59.74	59.74	63.59	63.67	71.87	63.10	63.34	75.45
St. Ann	62.32	62.23	71.51	61.92	61.97	67.11	67.46	74.40	64.72	65.12	77.28
St. Catherine	57.99	57.66	66.21	56.72	56.53	60.73	63.02	70.43	58.66	58.78	72.45
St. Elizabeth	59.88	58.58	70.08	n/a	n/a	62.88	62.50	73.07	61.68	61.77	75.78
St. James	58.92	58.58	66.06	57.70	58.37	62.44	62.18	70.32	59.06	59.61	71.85
St. Mary	63.89	63.85	71.35	62.67	62.67	66.78	66.74	74.05	63.71	63.82	77.86
St. Thomas	64.02	63.80	70.13	59.77	57.89	69.22	69.02	72.53	65.79	65.88	75.95
Trelawny	62.98	62.85	68.47	n/a	n/a	65.72	65.59	71.26	62.96	62.67	73.78
Westmoreland	58.05	57.78	68.29	n/a	n/a	61.21	61.01	70.59	58.12	58.46	74.21

Note: n/a = not available

Source: Weekly Price Survey - 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\$9.37/litre and J\$8.81/litre and J\$14.57/litre respectively.

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CONCLUDING REMARKS

Globally, Crude Oil prices went up for the week ending March 13, 2009 because of a perceived strengthen of the United States economy and the slight recovery of it's equities markets. Prices also increased on news that Russia is expected to join OPEC in cutting production levels for crude oil.

Heightened by stronger United States stock markets and weaker dollar, oil prices went up during the week. This occurred in the midst of a plan by the United States government to buy bad assets from banks in an effort to contain the financial crisis.

Locally, there was a slight increase in retail prices of several Petroleum Products on the domestic market, with the exception of LPG, Kerosene and ADO marking its eighth consecutive week of falling. A comparative examination of the same period last year indicates that retail prices for Unleaded 87, Unleaded 90 and ADO have decreased significantly, Unleaded 87 decreased by 13%, Unleaded 90 decreased by 12% and ADO by 19%.

Another factor influencing prices is the value of the Jamaican dollar which incidentally increased by J\$0.12 as evidenced by the movement in the exchange rate from US\$1.00: J\$88.28 in the previous week to US\$1.00: J\$88.40 this week. For the same period last year the dollar stood at US1.00: J\$71.17 twenty-four percent less than its current rate.