



# Ministry of Energy

## Weekly Oil Price Report



April 16 - 22, 2009

### INTRODUCTION

This report seeks to highlight crude oil prices internationally and the prices of petroleum products including LPG in the domestic energy market. The report allows the Ministry of Energy to assess the impact of liberalization on the petroleum market. In that regard, recommendations for policy adjustment may be made where necessary.

### *International Benchmarks*

#### **Crude Oil**

The benchmark used by the Petrojam Refinery is the 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\$50.46/bbl representing an increase of less than one percent (1%) over the previous week, when Crude Oil price stood at US\$50.34/bbl (see table 1).

Table 1 Crude Oil Spot Prices US\$/BBL

Region	Benchmark	3rd April	10th April	% Difference 3rd April vs 10th April
Americans	West Texas Intermediate	50.34	50.46	0.24
Europe	Europe Bent	48.49	51.48	6.17
Asia	Dubai Fateh	48.24	51.19	6.12
Nothern Africa	Egypt Suez Blend	45.02	47.22	4.89
Western Africa	Nigeria Bonny Light	50.16	52.25	4.17

Source: Energy Information Administration

### *Petrojam Billing Price*

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

For this week, the Gulf Reference price for Unleaded Gas (90 Octane) went up by one percent (1%) over the previous week (see Table 2), as price stood at J\$33.19/litre, while the Ex-Refinery prices went up by less than one percent (1%) over that of the previous week as the price amounted to J\$45.39/litre. The imposition of taxes amounting to J\$7.73/litre resulted in a

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Refinery Billing price of J\$53.12/litre, which also increased by less than one percent (1%) when compared to the previous week.

**Unleaded Gasoline – 87 Octane**

For this week, the Gulf Reference price for Unleaded Gas (87 Octane) was J\$33.19/litre similar to that of 90 octane, while the Ex-Refinery price was J\$44.32/litre, an increase of less than one percent (1%) when compared to the previous week. The imposition of taxes amounting to J\$7.36/litre, resulted in a Refinery billing price of \$51.68/litre, which also increased by less than one percent (1%) when compared to the previous week.

**E10**

For the week under review the Ex-Refinery price for E10 was J\$42.29, an increase of less than one percent (1%) when the price stood at J\$42.01/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\$49.65/litre for the E10 87 blend. This represented an increase of less than one percent (1%) 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:	16-Apr					
Benchmark:	United States Gulf Coast					
Exch.Rate: US\$=J\$	88.99					
	L.P.G	Unleaded 87	E 10	Unleaded 90	Kerosene	ADO
Gulf Reference Price	17.59	33.19	n/a	33.19	32.97	31.59
Ex-Refinery Price	23.73	44.32	42.29	45.39	44.28	44.82
Refinery Billing Price	23.77	51.68	49.65	53.12	50.30	51.49
Selling Price	41.65	60.71	59.94	64.71	n/a	62.14

Note: n/a=not available

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

The Gulf Reference and Ex-Refinery prices for the week under review went down by one percent (1%) over that of the previous week as prices stood at J\$31.59/litre and J\$44.82/litre respectively. The addition of taxes amounting to J\$6.66/litre, contributed to a Refinery Billing price of J\$51.49/litre, which resulted in a less than one percent (1%) decrease when compared to prices in the previous week.

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

The Gulf Reference and Ex-Refinery prices for the week under review went up by one percent (1%) over that of the previous week as prices stood at J\$17.59/litre

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and J\$23.73/litre respectively. The addition of taxes amounting to J\$0.04/litre contributed to a Refinery Billing Price of J\$23.77/litre, which also resulted in a one percent (1%) increase when compared with the previous week.

**Kerosene**

The Gulf Reference and Ex-Refinery prices for the week under review went down by less than one percent (1%) over that of the previous week as prices stood at J\$32.97/litre and J\$44.28/litre respectively. The addition of taxes amounting to \$6.66/litre, contributes to a Refinery Billing price of J\$50.30/litre, which also resulted in a less than one percent (1%) decrease when compared with the previous week.

**Marketing/Retail Prices**  
**Motor Fuels**

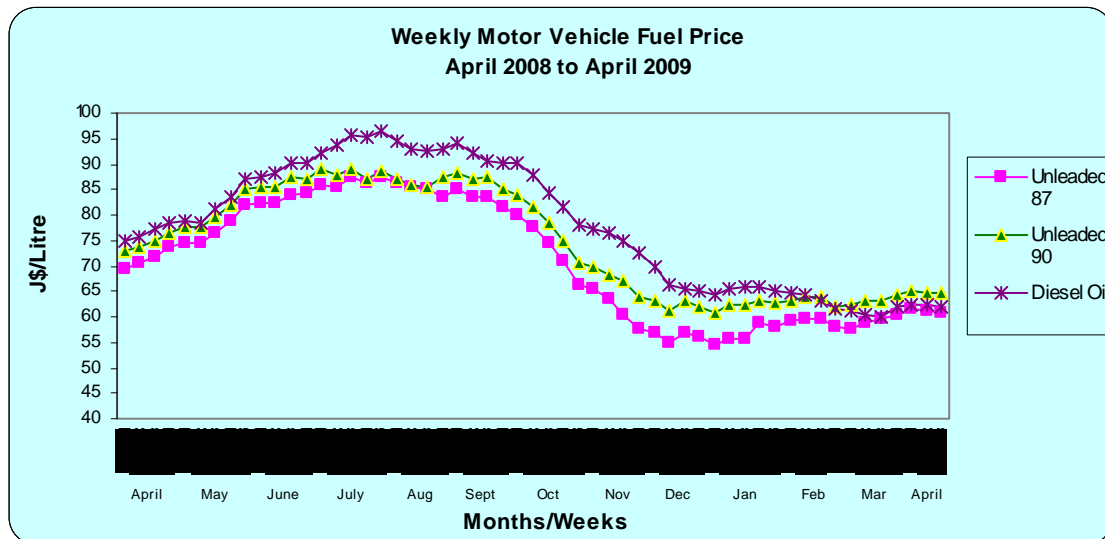
**Unleaded Gasoline – 90 Octane**

The average retail price for this week went up by J\$0.05/litre, moving from J\$64.66/litre for the previous week to J\$64.71/litre, representing an increase of less than one percent (1%) over last week.

**Unleaded Gasoline – 87 Octane**

The average retail price for this week went down by less than one percent (1%), moving from J\$61.12/litre for the previous week to J\$60.71/litre, this represents a J\$0.41/litre decrease when compared to the previous week.

Figure 1



**Unleaded Gasoline – E10**

The average retail price for this week was increased by two percent (2%), moving from J\$58.55/litre for the previous week to currently amount to

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J\$59.94/litre. This represents a J\$1.39/litre increase when compared to the previous week.

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

The average retail price for this week was decreased by J\$0.27/litre moving from J\$62.41/litre for the previous week to J\$62.14/litre. This represents a less than one percent (1%) decrease over that of previous week.

### **Cooking Fuels**

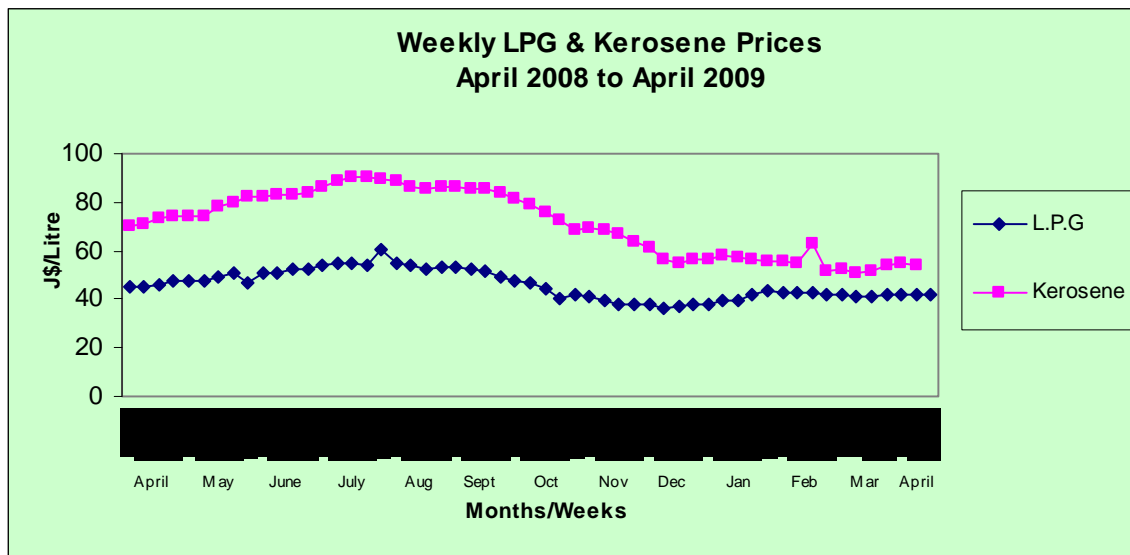
#### **Liquid Petroleum Gas (L.P.G.)**

The average retail price for this week was J\$41.65/litre showing a decrease of less than one percent (1%) when compared with the previous week when the price was J\$41.78/litre.

#### **Kerosene**

The average retail price for this week was not available; however, the Kerosene price for last week was J\$54.34/litre representing a decrease of less than one percent (1%) when compared with the previous week when price was J\$54.64/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\$66.35/litre. In the urban region the price of Unleaded Gas (90 Octane) was lower, selling at an average price of J\$62.92/litre. The price difference between both regions was J\$3.43/litre

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The price for Unleaded 87 Gasoline showed a similar trend with average price per litre in the rural and urban areas standing at J\$62.19/litre and J\$58.90/litre respectively. The price difference between both regions was J\$3.29/litre.

E10 was sold at an average price of J\$60.82/litre in the rural area while in the urban it had a lower average price of J\$57.28/litre. The difference between both regions was J\$3.54/litre.

Automotive Diesel Oil was sold at an average price of J\$63.85/litre in the rural area while it was sold in the urban at a lower average price of J\$59.92/litre. The difference between both regions was J\$3.93/litre.

L.P.G was sold at an average price of J\$42.29/litre in the rural area while selling at a lower average price of J\$40.25/litre in the urban. The difference between both regions was J\$2.04/litre.

There was an overall decrease in prices throughout the regions; however, St. Thomas had the highest prices for three products, Unleaded Gas (87 Octane) which was J\$66.00/litre, Unleaded Gas (90 Octane) at J\$71.29/litre and ADO at J\$67.04/litre, while St. Mary had the highest price for E10 at J\$64.28/litre (see Table 3). Kingston and St. Andrew had the lowest prices for three products, E10 at J\$57.28/litre, ADO at J\$59.92/litre and Unleaded Gas (90 Octane) at J\$62.92/litre, while St. Catherine had the lowest for Unleaded Gas (87 Octane) at J\$55.57/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	One Year Ago
Kgn. & St. Andrew	58.90	58.87	69.57	57.28	57.18	62.92	62.94	73.57	59.92	60.26	75.16
Clarendon	58.73	58.72	70.93	57.58	57.66	64.84	64.66	75.40	62.67	62.93	78.26
Hanover	62.63	62.48	72.72	n/a	n/a	66.18	66.03	73.87	63.56	63.78	76.58
Manchester	62.95	61.91	71.54	59.82	59.64	66.09	65.91	74.61	63.51	63.71	76.70
Portland	63.31	63.31	72.53	62.00	62.38	67.01	67.01	74.60	64.57	64.57	77.85
St. Ann	64.17	64.29	74.43	64.27	63.60	69.34	69.37	77.42	66.27	66.52	80.01
St. Catherine	55.57	59.61	69.22	58.96	59.00	62.68	62.63	73.29	61.08	61.23	74.91
St. Elizabeth	61.93	61.72	73.33	n/a	n/a	65.14	64.95	76.54	63.95	64.21	79.01
St. James	60.63	60.52	69.54	59.74	59.74	63.95	63.87	72.58	61.32	61.63	74.91
St. Mary	65.83	65.82	74.10	64.28	64.54	68.56	68.57	77.22	65.90	66.07	80.78
St. Thomas	66.00	65.82	74.35	59.89	59.59	71.29	71.08	76.84	67.04	67.47	79.47
Trelaw ny	64.78	64.30	69.82	n/a	n/a	67.52	67.04	72.95	65.22	65.49	74.41
Westmoreland	60.80	60.52	71.81	n/a	n/a	63.66	63.49	74.36	61.11	61.29	77.47

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\$10.97/litre, J\$10.06/litre and J\$15.05/litre respectively.

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**CONCLUDING REMARKS**

Globally, Crude Oil prices increased during the week as a result of higher equities in the crude oil futures market.

Despite the current search in oil prices and production cuts by OPEC, prices continue to trade between United States \$45 per barrel to \$55 per barrel. Prices have remained in this range because of weak demand, the United States recession and increases in United States crude inventory.

Locally, there was a slight decrease in retail prices of several Petroleum Products in the domestic market with the exception of Unleaded Gas (90 Octane) and the E10 Blend. 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 fifteen percent (15%), Unleaded 90 decreased by thirteen percent (13%) and ADO by fifteen percent (15%).

Another factor influencing prices is the value of the Jamaican dollar which incidentally increased by J\$0.13 as evidenced by the movement in the exchange rate from US\$1.00: J\$88.86 in the previous week to US\$1.00: J\$88.99 this week. For the same period last year the dollar stood at US\$1.00: J\$71.01 twenty-five percent (25%) less than current rate.