



# Ministry of Energy & Mining

## WEEKLY OIL PRICE REPORT



July 16 - 22, 2009

### INTRODUCTION

This report seeks to highlight crude oil prices internationally and petroleum products prices including LPG in the domestic energy market. The report allows the Ministry of Energy and Mining 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\$61.48/bbl representing a decrease of eleven percent (11%) over the previous week, when Crude Oil price stood at US\$69.32/bbl (see table 1).

Table 1 Crude Oil Spot Prices US\$/BL

Region	Benchmark	3rd July	10th July	% Difference
				3rd July vs 10th July
Americans	West Texas Intermediate	69.32	61.48	-11.31
Europe	Europe Bent	68.03	60.39	-11.23
Asia	Dubai Fateh	70.42	64.56	-8.32
Nothern Africa	Egypt Suez Blend	65.81	60.12	-8.65
Western Africa	Nigeria Bonny Light	70.59	64.10	-9.19

Source: Energy Information Administration

### *Petrojam Billing Price*

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

For this week, the Gulf Reference price for Unleaded Gas (90 Octane) went down by eight percent (8%) over the previous week (see Table 2), while the Ex-Refinery price went down by four percent (4%) as the price amounted to \$49.55/litre. The imposition of taxes amounting to J\$16.48/litre resulted in a

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Refinery Billing price of J\$66.03/litre, which also decreased by three percent (3%) when compared to the previous week.

**Unleaded Gasoline – 87 Octane**

For this week, the Gulf Reference price for Unleaded Gas (87 Octane) was J\$38.21/litre similar to that of 90 octane, while the Ex-Refinery price was J\$48.48/litre, a decrease of four percent (4%) when compared to the previous week. The imposition of taxes amounting to J\$16.11/litre resulted in a Refinery billing price of \$64.59/litre, which also decreased by three percent (3%) when compared to the previous week.

**E10**

For the week under review the Ex-Refinery price for E10 was J\$46.45, a decrease of four percent (4%) when the price stood at J\$48.38/litre for the previous week. The addition of taxes amounting to J\$16.11/litre similar to that of 87 Octane resulted in a Refinery Billing price of J\$62.56/litre for the E10 87 blend. This represented a decrease of three percent (3%) 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 3:	16-Jul					
Benchmark:	USGC					
Exch.Rate: US\$=J\$	89.04					
	L.P.G	Unleaded	E 10	Premium	Kerosene	ADO
Gulf Reference Price	18.94	38.21	n/a	38.21	37.42	34.62
Ex-Refinery Price	27.34	48.48	46.45	49.55	47.03	45.46
Refinery Billing Price	27.38	64.59	62.56	66.03	53.05	60.87
Selling Price	44.58	74.67	71.91	78.92	56.87	71.95

Note: n/a = not available

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

The Gulf Reference price for the week under review went down by eight percent (8%) over that of the previous week as prices stood at J\$34.62/litre, while the Ex-Refinery price went down by four percent (4%). The addition of taxes amounting to J\$15.42/litre, contributed to a Refinery Billing price of J\$60.87/litre, which resulted in a three percent (3%) decrease when compared to prices in the previous week.

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

The Gulf Reference price for the week under review went down by nine percent (9%) over that of the previous week as price stood at J\$18.94/litre. While Ex-refinery price went down by seven percent (7%) over that of the previous week as price stood at J\$27.34/litre. The addition of taxes amounting to J\$0.04/litre contributed to a Refinery Billing Price of J\$27.38/litre, which also resulted in a seven percent (7%) decrease when compared with the previous week.

**Kerosene**

The Gulf Reference price for the week under review went down by eight percent (8%) over that of the previous week as the prices stood at J\$37.42/litre. While Ex-refinery price went down by four percent (4%) over that of the previous week as the prices stood at J\$47.03/litre. The addition of taxes amounting to \$6.02/litre, contributes to a Refinery Billing price of J\$53.05/litre, which decreased by three percent (3%) when compared to the previous week.

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

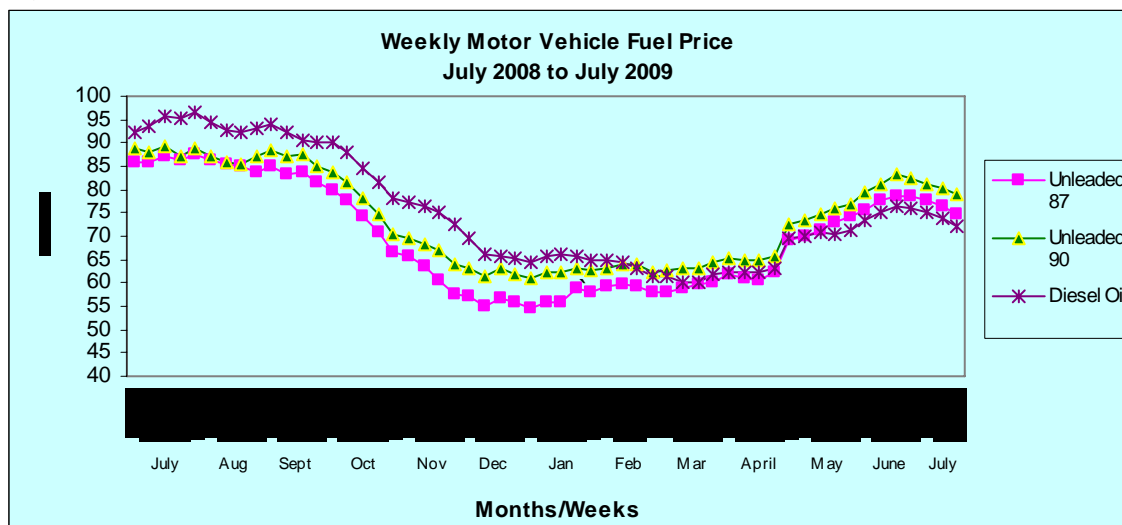
**Unleaded Gasoline – 90 Octane**

The average retail price for this week went down by J\$1.44/litre, moving from J\$80.34/litre for the previous week to J\$78.92/litre, representing approximately two percent (2%) decrease over last week.

**Unleaded Gasoline – 87 Octane**

The average retail price for this week went down by approximately three percent (3%), moving from J\$76.60/litre for the previous week to J\$74.67/litre, this represents a J\$1.93/litre decrease when compared to the previous week.

Figure 1



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

The average retail price for this week decreased by J\$2.29/litre moving from J\$73.64/litre for the previous week to J\$71.95/litre. This represents a two percent (2%) decrease over that of the previous week.

### **Unleaded Gasoline – E10**

The average retail price for this week decreased by two percent (2%), moving from J\$73.64/litre for the previous week to J\$71.91/litre. This represents a J\$1.73/litre decrease when compared to the previous week.

### **Cooking Fuels**

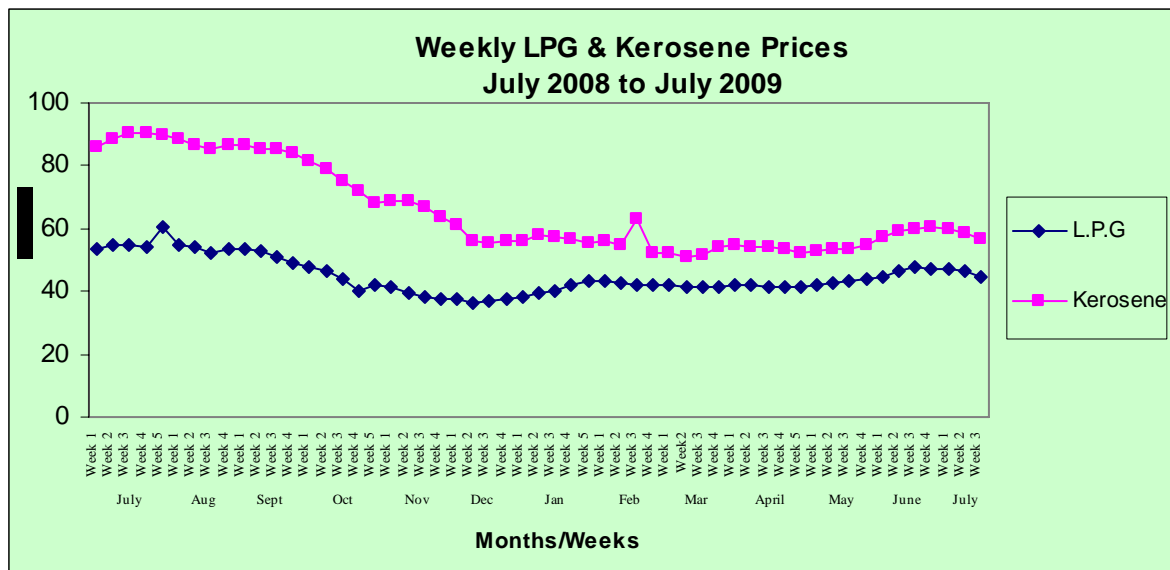
#### **Liquid Petroleum Gas (L.P.G.)**

The average retail price for this week decreased by approximately four percent (4%) moving from J\$46.25/litre for the previous week to a current amount of J\$44.58/litre.

#### **Kerosene**

The average retail price for this week decreased by three percent (3%) moving from J\$58.76/litre for the previous week to a current amount of J\$56.87/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\$81.27/litre. In the urban region the price of Unleaded Gas (90 Octane) was lower, selling at an average price of J\$76.84/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\$76.27/litre and J\$71.37/litre respectively. The price difference between both regions was J\$4.90/litre.

E10 was sold at an average price of J\$73.53/litre in the rural area while in the urban it had a lower average price of J\$70.44/litre. The difference between both regions was J\$3.09/litre.

Automotive Diesel Oil was sold at an average price of J\$73.67/litre in the rural area while it was sold in the urban at a lower average price of J\$69.57/litre. The difference between both regions was J\$4.10/litre.

L.P.G was sold at an average price of J\$45.04/litre in the rural area while selling at a lower average price of J\$43.73/litre in the urban. The difference between both regions was J\$1.31/litre.

There was an overall decrease in prices throughout the regions except for St. James where the price for E10 remains the same. St. Ann had the highest prices for two products, E10 which was J\$77.20/litre and ADO at J\$76.49/litre, while St. Thomas had the highest for the reminding products, namely; Unleaded Gas (87 Octane) at J\$79.02/litre and Unleaded Gas (90 Octane) at J\$83.69/litre (see Table 3). Kingston & St. Andrew had the lowest prices for all four products, Unleaded Gas (87 Octane) at J\$71.37/litre, ADO at J\$69.57/litre, Unleaded Gas (90 Octane) at J\$76.84/litre and E10 at J\$70.44/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	71.37	73.73	83.61	70.44	72.26	76.84	77.60	85.26	69.57	71.22	91.16
Clarendon	73.53	74.76	87.94	70.54	71.56	77.89	79.61	89.02	70.97	72.62	96.78
Hanover	75.78	78.78	87.70	n/a	n/a	79.05	81.49	89.37	73.47	75.30	96.22
Manchester	75.98	77.35	88.49	75.07	75.88	81.20	82.56	90.14	74.57	75.51	95.77
Portland	77.56	79.49	84.13	76.58	77.03	81.16	82.71	85.46	75.49	77.29	91.07
St. Ann	78.69	80.58	91.30	77.20	81.57	83.47	85.56	92.34	76.49	78.77	100.38
St. Catherine	73.16	75.65	85.32	71.65	73.70	77.93	80.21	87.56	70.46	72.22	93.77
St. Elizabeth	76.92	77.87	88.95	n/a	n/a	80.50	81.42	92.17	75.22	75.94	98.39
St. James	74.53	76.08	87.27	73.81	73.81	78.20	79.33	88.82	71.49	73.06	96.17
St. Mary	78.90	80.28	89.93	77.10	78.78	82.45	83.83	92.90	75.09	76.69	99.68
St. Thomas	79.02	80.65	91.26	74.29	76.09	83.69	85.36	92.33	76.24	77.28	99.37
Trelawny	76.88	78.81	86.17	n/a	n/a	79.97	81.90	89.24	73.73	75.52	95.92
Westmoreland	74.26	76.09	86.12	n/a	n/a	77.75	78.93	88.59	70.84	73.34	94.83

Note: n/a = not available

Source: Weekly Price Survey - MCIS Website

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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\$12.60/litre, J\$10.26/litre and J\$23.81/litre respectively.

## **CONCLUDING REMARKS**

Globally, crude oil prices increased during the week, as reports showing strong economic growth in China, the world's second biggest consumer of energy and an increase in building permits and construction of new homes in the United States helped to push prices up.

In addition, oil prices rose in spite of a marginal strengthening of the United States dollar against several foreign currencies. A strengthening dollar often weakens oil prices, which had fallen in earlier trade, since it makes crude more expensive in most regions.

Violent protests over contested presidential elections in crude supplier Iran, and a tropical wave in the Central Atlantic that posed a small threat of becoming a hurricane were also contributing factors that push prices up during the week.

Locally, there was a decrease in retail prices for petroleum products. A comparative examination over the same period last year indicates that retail prices for Unleaded 87, Unleaded 90 and ADO have decreased by fourteen percent (14%), twelve percent (12%) and twenty five percent (25%) respectively.

Another factor influencing prices is the value of the Jamaican dollar, which increased marginally as evidenced by the movement in the exchange rate from US\$1.00: J\$89.03 in the previous week to US\$1.00: J\$89.04 this week. For the same period last year the dollar stood at US\$1.00: J\$72.22, twenty-three percent (23%) less than the current rate.