



# Ministry of Energy & Mining

## WEEKLY OIL PRICE REPORT



July 23 - 29, 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\$61.29/bbl representing a marginal decrease over the previous week, when crude oil price stood at US\$61.48/bbl (see table 1).

Table 1 Crude Oil Spot Prices US\$/BL

Region	Benchmark	10th July	17th July	% Difference
				10th July vs 17th July
Americans	West Texas Intermediate	61.48	61.29	-0.31
Europe	Europe Bent	60.39	61.11	1.19
Asia	Dubai Fateh	64.56	61.69	-4.45
Nothern Africa	Egypt Suez Blend	60.12	57.98	-3.56
Western Africa	Nigeria Bonny Light	64.10	61.54	-3.99

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 seven percent (7%) over the previous week (see Table 2), while the Ex-Refinery price went up by two percent (2%) as the price amounted to \$50.51/litre. The imposition of taxes amounting to J\$16.48/litre resulted in a

**Weekly Oil Price Report**  
**July 23 – July 29, 2009**

Refinery Billing price of J\$66.99/litre, which also increased by 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\$40.89/litre similar to that of 90 octane, while the Ex-Refinery price was J\$49.44/litre, an increase of two percent (2%) when compared to the previous week. The imposition of taxes amounting to J\$16.11/litre resulted in a Refinery billing price of J\$65.55/litre, which also increased by one percent (1%) when compared to the previous week.

**E10**

For the week under review the Ex-Refinery price for E10 was J\$47.41, an increase of two percent (2%) when the price stood at J\$46.45/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\$63.52/litre for the E10 87 blend. This represented an increase of two percent (2%) 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 4:	23-Jul						
Benchmark:	USGC						
Exch.Rate: US\$=J\$	89.07						
	L.P.G	Unleaded	E 10	Premium	Kerosene	ADO	
Gulf Reference Price	20.41	40.89	n/a	40.89	40.18	37.93	
Ex-Refinery Price	28.58	49.44	47.41	50.51	48.02	46.62	
Refinery Billing Price	28.62	65.55	63.52	66.99	54.04	62.03	
Average Selling Price	45.30	75.05	72.28	79.20	57.86	72.38	

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

The Gulf Reference price for the week under review went up by ten percent (10%) over that of the previous week as prices stood at J\$37.93/litre, while the Ex-Refinery price went up by three percent (3%). The addition of taxes amounting to J\$15.42/litre, contributed to a Refinery Billing price of J\$62.03/litre, which resulted in a two percent (2%) increase when compared to prices in the previous week.

## Weekly Oil Price Report July 23 – July 29, 2009

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

The Gulf Reference price for the week under review went up by eight percent (8%) over that of the previous week as price stood at J\$20.41/litre. While Ex-refinery price went up by five percent (5%) over that of the previous week as the prices stood at J\$28.58/litre. The addition of taxes amounting to J\$0.04/litre contributed to a Refinery Billing Price of J\$28.62/litre, which also resulted in a five percent (5%) increase when compared with the previous week.

### **Kerosene**

The Gulf Reference price for the week under review went up by seven percent (7%) over that of the previous week as the prices stood at J\$40.18/litre. While Ex-refinery price went up by two percent (2%) over that of the previous week as the prices stood at J\$48.02/litre. The addition of taxes amounting to \$6.02/litre, contributes to a Refinery Billing price of J\$54.04/litre, which increased by two percent (2%) when compared to the previous week.

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

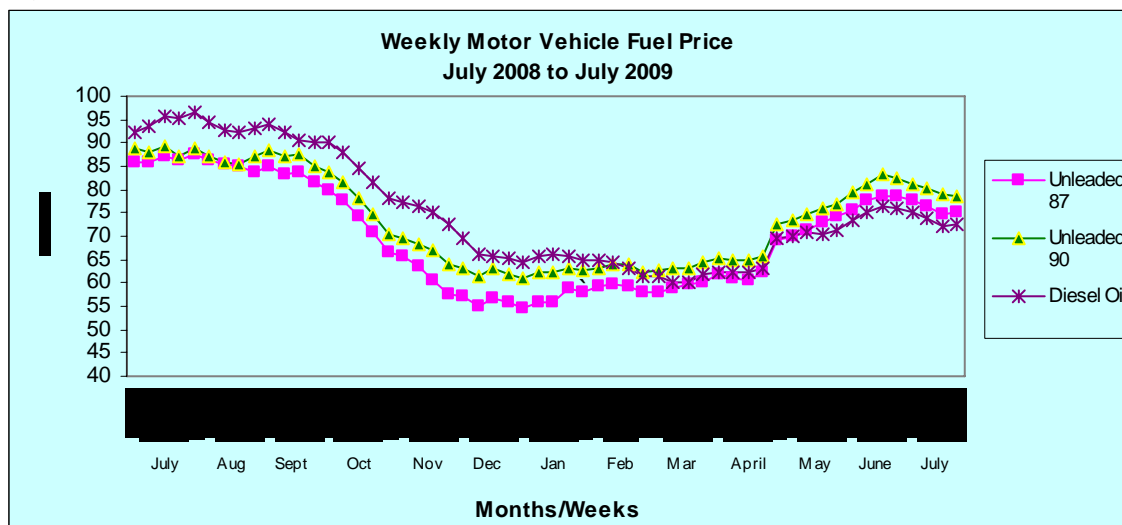
### **Unleaded Gasoline – 90 Octane**

The average retail price for this week went up by J\$0.28/litre, moving from J\$78.92/litre for the previous week to J\$79.20/litre, representing a marginal increase over last week.

### **Unleaded Gasoline – 87 Octane**

The average retail price for this week had a marginal increase, moving from J\$74.67/litre for the previous week to J\$75.05/litre, this represents a J\$0.38/litre increase when compared to the previous week.

Figure 1



## Weekly Oil Price Report July 23 – July 29, 2009

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

The average retail price for this week increased by J\$0.43/litre moving from J\$71.95/litre for the previous week to J\$72.38/litre. This represents a marginal increase over that of the previous week.

### **Unleaded Gasoline – E10**

The average retail price for this week increased marginally, moving from J\$71.91/litre for the previous week to J\$72.28/litre. This represents a J\$0.37/litre increase when compared to the previous week.

### **Cooking Fuels**

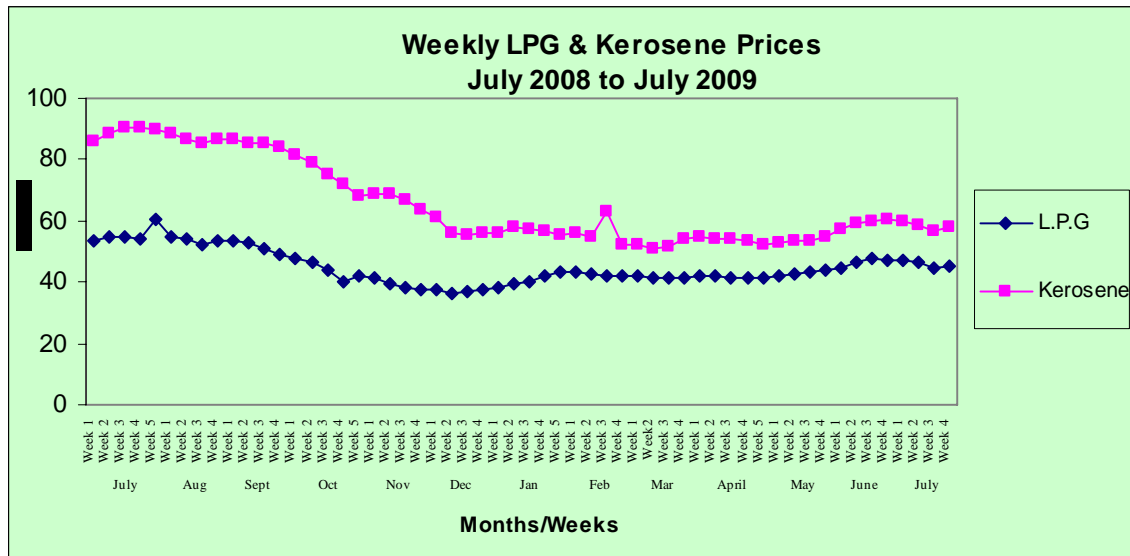
#### **Liquid Petroleum Gas (L.P.G.)**

The average retail price for this week increased by approximately two percent (2%) moving from J\$44.58/litre for the previous week to a current amount of J\$45.30/litre.

#### **Kerosene**

The average retail price for this week increased by approximately two percent (2%) moving from J\$56.87/litre for the previous week to a current amount of J\$57.86/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\$80.53/litre. In the urban region the price of Unleaded Gas (90 Octane) was lower, selling at an average price of J\$77.34litre. The price difference between both regions was J\$3.19/litre

## Weekly Oil Price Report July 23 – July 29, 2009

The price for Unleaded 87 Gasoline showed a similar trend with average price per litre in the rural and urban areas standing at J\$76.53/litre and J\$72.16/litre respectively. The price difference between both regions was J\$4.37/litre.

E10 was sold at an average price of J\$74.87/litre in the rural area while in the urban it had a lower average price of J\$70.92/litre. The difference between both regions was J\$3.95/litre.

Automotive Diesel Oil was sold at an average price of J\$74.11/litre in the rural area while it was sold in the urban at a lower average price of J\$70.21/litre. The difference between both regions was J\$3.90/litre.

L.P.G was sold at an average price of J\$45.74/litre in the rural area while selling at a lower average price of J\$44.52/litre in the urban. The difference between both regions was J\$1.22/litre.

There was an overall increase in prices throughout the regions except for Portland, where the price for E10 remains the same. St. Ann had the highest prices for three products, E10 which was J\$78.19/litre, Unleaded Gas (90 Octane) at J\$83.86/litre and ADO at J\$77.00/litre, while St. Thomas had the highest for Unleaded Gas (87 Octane) at J\$78.99/litre (see Table 3). Kingston & St. Andrew had the lowest prices for three products, Unleaded Gas (87 Octane) at J\$72.16/litre, ADO at J\$70.21/litre and Unleaded Gas (90 Octane) at J\$77.34/litre, while Clarendon had the lowest for E10 at J\$70.77/litre.

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	72.16	71.37	83.78	70.92	70.44	77.34	76.84	85.46	70.21	69.57	91.78
Clarendon	73.78	73.53	87.67	70.77	70.54	78.52	77.89	88.55	71.78	70.97	97.44
Hanover	76.51	75.78	86.70	n/a	n/a	79.77	79.05	88.39	74.32	73.47	95.59
Manchester	75.49	75.98	88.32	75.04	75.07	80.98	81.20	90.37	74.21	74.57	96.80
Portland	78.39	77.56	88.21	76.58	76.58	81.24	81.16	90.40	75.92	75.49	97.57
St. Ann	78.99	78.69	90.64	78.19	77.20	83.86	83.47	91.73	77.00	76.49	99.96
St. Catherine	73.43	73.16	84.74	72.10	71.65	78.33	77.93	86.63	70.87	70.46	93.46
St. Elizabeth	76.96	76.92	88.94	n/a	n/a	80.47	80.50	90.73	75.27	75.22	98.22
St. James	74.38	74.53	86.36	72.84	73.81	77.73	78.20	87.92	71.42	71.49	95.83
St. Mary	79.19	78.90	88.85	77.95	77.10	82.69	82.45	91.73	75.54	75.09	99.42
St. Thomas	78.99	79.02	90.61	75.49	74.29	83.80	83.69	91.68	76.71	76.24	98.92
Trelawny	77.72	76.88	85.44	n/a	n/a	80.93	79.97	88.44	74.89	73.73	95.81
Westmoreland	74.53	74.26	86.47	n/a	n/a	77.97	77.75	87.21	71.38	70.84	95.15

Note: n/a = not available

Source: Weekly Price Survey - MCIS Website

**Weekly Oil Price Report**  
**July 23 – July 29, 2009**

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\$11.42/litre, J\$8.01/litre and J\$22.77/litre respectively.

**CONCLUDING REMARKS**

Globally, crude oil prices decreased by six percent (6%) this week, moving from US\$67.10 to US\$63.35 a barrel. The decline was due to reports showing that both the United States and Asian stock market indices fell, as persons lost confidence in the strengthening of the economy.

In addition, a decline in consumer confidence in the United States due to a difficult job market and a weekly supply report showing an increase in oil stockpiles helped to push prices down 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 thirteen percent (13%), nine (9%) and twenty four per cent (24%) 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\$89.04 in the previous week to US\$1.00: J\$89.07 this week. For the same period last year the dollar stood at US1.00: J\$72.22, twenty-three percent (23%) less than the current rate.