



# Ministry of Energy & Mining

## WEEKLY OIL PRICE REPORT



June 25 – July 01, 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\$70.62/bbl representing a decrease of four percent (4%) over the previous week, when Crude Oil price stood at US\$70.85/bbl (see table 1).

Table 1 Crude Oil Spot Prices US\$/BL

Region	Benchmark	12th June	19th June	% Difference
				12th June vs 19th June
Americans	West Texas Intermediate	70.85	70.62	-0.32
Europe	Europe Bent	69.88	69.68	-0.29
Asia	Dubai Fateh	69.55	70.79	1.78
Nothern Africa	Egypt Suez Blend	66.13	66.36	0.35
Western Africa	Nigeria Bonny Light	71.25	69.80	-2.04

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 seven percent (7%) over the previous week (see Table 2), as prices stood at J\$44.54/litre, while the Ex-Refinery price showed a decrease of two percent (2%) over that of the previous week when the price

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amounted to J\$53.64. The imposition of taxes amounting to J\$16.48/litre resulted in a Refinery Billing price of J\$70.12/litre, which decreased by approximately two percent (2%) when compared to the previous week.

**Unleaded Gasoline – 87 Octane**

For this week, the Gulf Reference price for Unleaded Gas (87 Octane) was J\$44.54/litre similar to that of 90 octane, while the Ex-Refinery price was J\$52.57/litre, a decrease 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 \$68.68/litre, which also decreased by two percent (2%) when compared to the previous week.

**E10**

For the week under review the Ex-Refinery price for E10 was J\$50.54, a decrease of two percent (2%) when the price stood at J\$51.96/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\$66.65/litre for the E10 87 blend. This represented a decrease 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 1:	25-Jun						
Benchmark:	USGC						
Exch.Rate: US\$=J\$	89.100						
	L.P.G	Unleaded	E 10	Premium	Kerosene	ADO	
Gulf Reference Price	22.86	44.54	n/a	44.54	43.45	41.52	
Ex-Refinery Price	31.04	52.57	50.54	53.64	50.82	50.27	
Refinery Billing Price	31.08	68.68	66.65	70.12	56.84	65.68	
Average Selling Price	46.97	78.55	75.73	82.29	60.66	76.07	

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 two percent (2%) over that of the previous week as prices stood at J\$41.52/litre and \$50.27/litre respectively. The addition of taxes amounting to J\$15.42/litre, contributed to a Refinery Billing price of J\$65.68/litre, which resulted in a one percent (2%) 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 four percent (4%) over that of the previous week as the price stood at J\$22.66/litre, while the Ex-Refinery price went down by three percent (3%) when compared to the previous week as the price amounted to J\$31.08/litre. The addition of taxes amounting to J\$0.04/litre contributed to a Refinery Billing Price of J\$31.08/litre, which resulted in a three percent (3%) decrease when compared with the previous week.

**Kerosene**

The Gulf Reference price for the week under review went up by one percent (1%) over that of the previous week as the prices stood at J\$43.45/litre, while the Ex-refinery price went up by one percent (1%) when compared to the previous week as the price amounted to J\$50.82. The addition of taxes amounting to \$6.02/litre, contributes to a Refinery Billing price of J\$56.84/litre, which also increased by one percent (1%) when compared to the previous week.

**Marketing/Retail Prices**

**Motor Fuels**

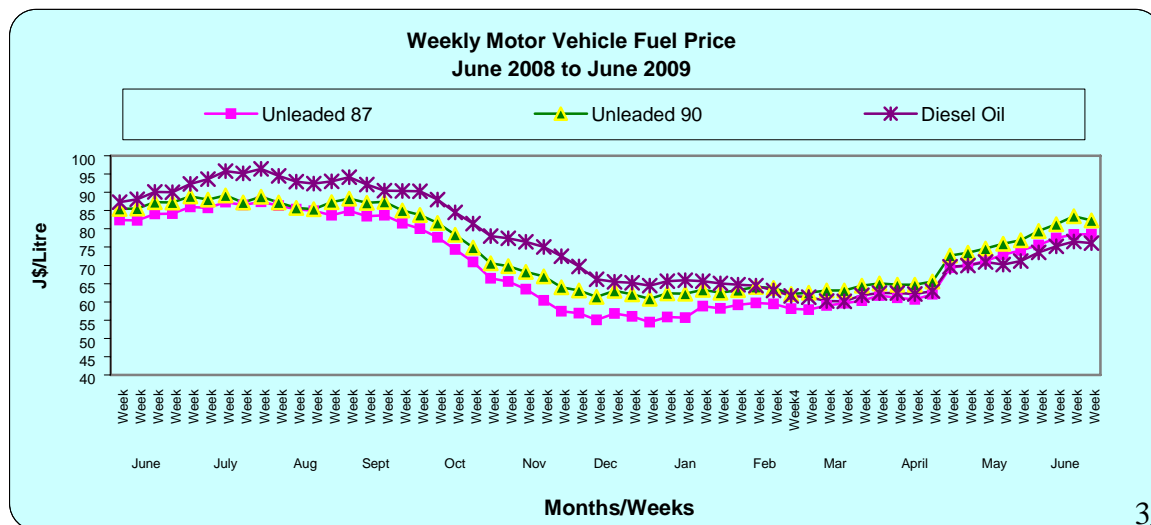
**Unleaded Gasoline – 90 Octane**

The average retail price for this week went down by J\$1.13/litre, moving from J\$83.42/litre for the previous week to J\$82.29/litre, representing a one percent (1%) decrease over last week.

**Unleaded Gasoline – 87 Octane**

The average retail price for this week went up by less than one percent (1%), moving from J\$78.48/litre for the previous week to J\$78.55/litre, this represents a J\$0.07/litre increase when compared to the previous week.

Figure 1



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### **Unleaded Gasoline – E10**

The average retail price for this week decreased by one percent (1%), moving from J\$76.60/litre for the previous week to J\$75.73/litre. This represents a J\$0.87/litre decrease when compared to the previous week.

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

The average retail price for this week was decreased by J\$0.46/litre moving from J\$76.53/litre for the previous week to J\$76.07/litre. This represents a less than one percent (1%) decrease over that of the previous week.

### **Cooking Fuels**

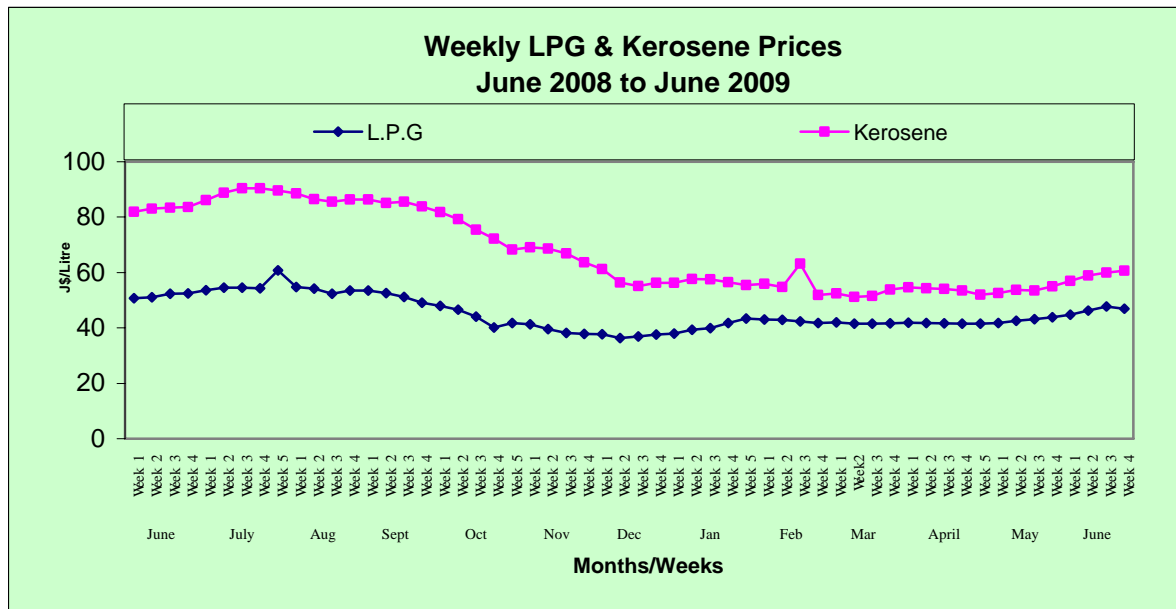
#### **Liquid Petroleum Gas (L.P.G.)**

The average retail price for this week decreased by one percent (1%) moving from J\$47.78/litre for the previous week to a current amount of J\$46.97/litre.

#### **Kerosene**

The average retail price for this week increased by one percent (1%) moving from J\$60.01/litre for the previous week to a current amount of J\$60.66/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\$83.75/litre. In the urban region the price of Unleaded

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Gas (90 Octane) was lower, selling at an average price of J\$79.78/litre. The price difference between both regions was J\$3.97/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\$79.73/litre and J\$75.67/litre respectively. The price difference between both regions was J\$4.06/litre.

E10 was sold at an average price of J\$77.93/litre in the rural area while in the urban it had a lower average price of J\$74.49/litre. The difference between both regions was J\$3.44/litre.

Automotive Diesel Oil was sold at an average price of J\$77.67/litre in the rural area while it was sold in the urban at a lower average price of J\$74.01/litre. The difference between both regions was J\$3.66/litre.

L.P.G was sold at an average price of J\$47.19/litre in the rural area while selling at a lower average price of J\$46.80/litre in the urban. The difference between both regions was J\$0.39/litre.

There was an overall decrease in prices throughout the regions; however St. Ann had the highest prices for three products, Unleaded Gas (90 Octane) which was J\$87.09/litre, ADO at J\$80.50/litre and E10 at J\$82.10/litre, while St. Mary had the highest for Unleaded Gas (87 Octane) at J\$82.34/litre. (see Table 3). Kingston & St. Andrew had the lowest prices for all four products, Unleaded Gas (87 Octane) at J\$75.67/litre, E10 at J\$74.49/litre, ADO at J\$74.01/litre and Unleaded Gas (90 Octane) at J\$79.78/litre.

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\$5.62/litre, J\$4.91/litre and J\$13.99/litre respectively.

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**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	75.67	76.56	81.70	74.49	75.52	79.78	82.03	85.76	74.01	74.57	87.67
Clarendon	77.69	77.86	84.11	74.99	76.07	81.95	83.03	87.47	75.16	76.01	91.11
Hanover	80.32	78.64	83.70		n/a	82.09	82.14	87.55	77.38	76.22	89.11
Manchester	78.98	78.90	84.70	78.20	78.26	84.38	84.54	88.44	77.72	77.82	90.49
Portland	81.13	79.84	85.64	78.74	77.58	84.48	82.88	87.29	78.88	77.48	91.72
St. Ann	82.24	77.75	87.60	82.10	82.47	87.09	87.50	90.68	80.50	80.75	93.80
St. Catherine	76.81	77.65	82.52	75.34	76.47	81.56	82.72	85.91	74.39	75.26	88.18
St. Elizabeth	80.03	81.03	85.71	n/a	n/a	83.62	84.35	88.72	78.45	79.09	92.69
St. James	78.16	78.31	83.51	75.67	74.95	81.64	81.82	86.70	75.54	75.62	89.39
St. Mary	82.34	83.44	86.64	80.30	81.23	85.97	86.81	89.54	79.44	80.09	93.35
St. Thomas	82.24	83.18	88.23	78.09	79.49	87.03	88.09	89.86	80.46	81.33	93.07
Trelawny	80.97	82.82	82.47	n/a	n/a	84.06	85.33	85.62	78.54	79.87	87.61
Westmoreland	78.26	79.51	83.84	n/a	n/a	81.12	82.37	86.03	75.56	76.46	90.00

Note: n/a = not available

Source: Weekly Price Survey - MCIS Website

### CONCLUDING REMARKS

Globally, Crude Oil prices decreased during the week, as the United States dollar continued to rise against the euro and yen.

OPEC and the European Union met in Vienna on Tuesday, June 23, 2009 to examine progress made on efforts to control oil prices. Oil passed \$147 per barrel in 2008 in the prelude to the global economic recession before settling at around \$50 in the early half of 2009.

Locally, there was a decrease in retail prices for several petroleum products with the exception of Kerosene. A comparative examination over the same period last year indicates that the average retail prices for Unleaded 87, Unleaded 90 and ADO have decreased, Unleaded 87 decreased; by six percent (6%), Unleaded 90 decreased by five percent (5%) and ADO by fifteen percent (15%).

Another factor influencing prices is the value of the Jamaican dollar, which increased by J\$0.02 as evidenced by the movement in the exchange rate from US\$1.00: J\$89.08 in the previous week to US\$1.00: J\$89.10 this week. For the same period last year the dollar stood at US\$1.00: J\$71.76, twenty-four percent (24%) less than the current rate.