



Ministry of Energy & Mining

WEEKLY OIL PRICE REPORT



August 06 – 12, 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\$67.03/bbl representing a two percent (2%) increase over that of the previous week, when crude oil prices stood at US\$65.28/bbl (see table 1).

Table 1 Crude Oil Spot Prices US\$/BL

Region	Benchmark	24th July	31st July	% Difference
				24th July vs 31st July
Americans	West Texas Intermediate	65.28	67.03	2.68
Europe	Europe Bent	66.56	68.60	3.06
Asia	Dubai Fateh	64.30	67.20	4.51
Nothern Africa	Egypt Suez Blend	63.24	65.95	4.29
Western Africa	Nigeria Bonny Light	66.95	69.96	4.50

Source: Energy Information Administration

Petrojam Billing Price

Unleaded Gasoline – 90 Octane

For this week, the Gulf Reference price for Unleaded Gas (90 Octane) was J\$45.93/litre representing a three percent (3%) increase over the previous week (see Table 2), while the Ex-Refinery price went up by two percent (2%) as the price amounted to \$53.21/litre. The imposition of taxes

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amounting to J\$16.48/litre resulted in a Refinery Billing price of J\$68.19/litre, which also increased by 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\$45.93/litre similar to that of 90 octane, while the Ex-Refinery price was J\$52.14/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\$68.25/litre, which also increased by two percent (2%) when compared to the previous week.

E10

For the week under review the Ex-Refinery price for E10 was J\$50.11, an increase of three percent (3%) when the price stood at J\$48.61/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\$66.22/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:	6-Aug					
Benchmark:	USGC					
Exch.Rate: US\$=J\$	89.01					
	Unleaded 90	Unleaded 87	E 10	ADO	Kerosene	L.P.G
Gulf Reference Price	45.93	45.93	n/a	41.75	43.06	22.57
Ex-Refinery Price	53.21	52.14	50.11	48.47	49.17	31.25
Refinery Billing Price	69.69	68.25	66.22	63.88	55.19	31.29
Selling/Retail Price	81.48	77.71	74.87	74.02	59.01	46.91

Note: n/a = not available

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

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\$41.75/litre and J\$48.47/litre respectively. The addition of taxes amounting to J\$15.42/litre, contributed to a Refinery Billing price of J\$63.88/litre, which also resulted in a one percent (1%) increase when compared to prices in the previous week.

Liquid Petroleum Gas (L.P.G.)

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The Gulf Reference price for the week under review went up by five percent (5%) over that of the previous week as the price stood at J\$22.57/litre. While Ex-refinery price went up by six percent (6%) over that of the previous week as the price stood at J\$31.25/litre. The addition of taxes amounting to J\$0.04/litre contributed to a Refinery Billing Price of J\$31.29/litre, which also resulted in a six percent (6%) increase when compared with the previous week.

Kerosene

Increases in the Gulf Reference and the Ex-Refinery prices were negligible with increase of less than one percent (1%) when compared to previous period as the prices stood at J\$43.06/litre and J\$49.17/litre respectively. The addition of taxes amounting to \$6.02/litre, contributes to a Refinery Billing price of J\$55.19/litre, which also showed a marginal increased of less than one percent (1%) when compared to the previous week.

Marketing/Retail Prices

Motor Fuels

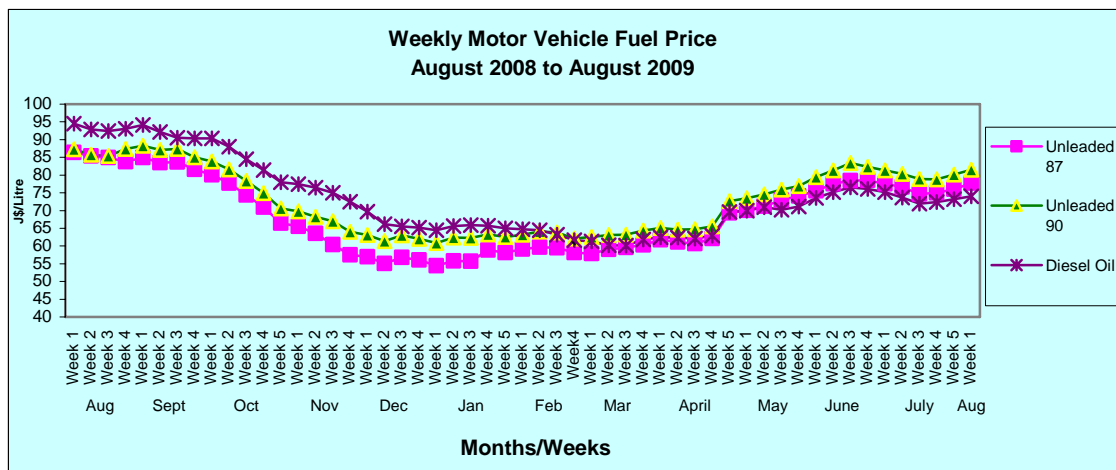
Unleaded Gasoline – 90 Octane

The average retail price for this week went up by J\$1.35/litre, moving from J\$80.13/litre for the previous week to J\$81.48/litre, representing a one percent (1%) increase over last week.

Unleaded Gasoline – 87 Octane

The average retail price for this week had a two percent (2%) increase, moving from J\$76.04/litre for the previous week to J\$77.71/litre, this represents a J\$1.68/litre increase when compared to the previous week.

Figure 1



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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\$79.10/litre and J\$74.99/litre respectively. The price difference between both regions was J\$4.11/litre.

E10 was sold at an average price of J\$77.45/litre in the rural area while in the urban it had a lower average price of J\$75.19/litre. The difference between both regions was J\$2.26/litre.

Automotive Diesel Oil was sold at an average price of J\$75.61/litre in the rural area while it was sold in the urban at a lower average price of J\$72.16/litre. The difference between both regions was J\$3.45/litre.

L.P.G was sold at an average price of J\$47.27/litre in the rural area while selling at a lower average price of J\$46.43/litre in the urban. The difference between both regions was J\$0.84/litre.

There was an overall increase in prices throughout the regions. St. Thomas had the highest prices for three products, Unleaded Gas (87 Octane) at J\$82.01/litre, Unleaded Gas (90 Octane) at J\$86.80/litre and ADO at J\$78.92/litre. St. Mary had the highest for E10 which was J\$80.30/litre (see Table 3). Kingston & St. Andrew had the lowest prices for two products, Unleaded Gas (87 Octane) at J\$74.99/litre and ADO at J\$72.16/litre. Trelawny had the lowest price for Unleaded Gas (90 Octane) at J\$73.63/litre while Clarendon had the lowest for E10 at J\$73.66/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	74.99	73.18	84.13	75.19	74.01	80.21	78.64	84.34	72.16	71.50	91.26
Clarendon	78.37	74.34	87.26	73.66	73.07	80.30	79.55	87.41	73.26	72.70	96.29
Hanover	78.11	76.96	86.04	n/a	n/a	81.59	80.46	86.04	74.40	74.86	94.70
Manchester	77.21	76.20	88.16	77.03	76.35	82.65	81.51	89.26	75.05	74.67	96.20
Portland	80.51	79.72	87.40	79.48	78.37	83.13	82.34	88.62	77.56	77.17	96.66
St. Ann	80.89	79.77	90.17	80.16	78.96	86.01	84.68	90.90	78.44	77.74	99.14
St. Catherine	75.96	74.23	84.20	74.76	73.28	80.91	79.41	86.11	72.63	71.91	92.74
St. Elizabeth	79.12	77.96	88.70	n/a	n/a	82.54	81.01	89.53	75.97	75.40	97.27
St. James	77.56	75.42	85.64	75.84	74.04	80.38	78.70	86.68	73.33	72.39	94.68
St. Mary	81.11	80.11	88.46	80.30	79.05	84.66	83.69	91.33	77.02	76.51	98.72
St. Thomas	82.01	80.43	88.91	78.39	76.89	86.80	85.23	91.06	78.92	78.17	98.36
Trelawny	80.42	78.92	84.47	n/a	n/a	73.63	82.13	87.61	76.74	76.01	94.35
Westmoreland	77.96	75.49	86.69	n/a	n/a	81.18	79.10	85.60	74.01	72.50	93.62

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\$8.63/litre, J\$5.76/litre and J\$20.48/litre respectively.

CONCLUDING REMARKS

Globally, crude oil prices went up during the week despite rising US crude inventories and weak US economic data which raised doubts about a demand rebound in the world's top energy consumer.

The Energy Information Administration reported that US crude inventories rose by 1.7 million barrels in the week ending July 31, against forecast for an 800,000 barrels build as refinery cut back on utilization rates.

Locally, there was an increase 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 nine percent (9%), six percent (6%) and twenty-one percent (21%) respectively.

Another factor influencing prices is the value of the Jamaican dollar, which decreased by J\$0.06 as evidenced by the movement in the exchange rate from US\$1.00: J\$89.07 in the previous week to US\$1.00: J\$89.01 this week. For the same period last year the dollar stood at US1.00: J\$72.04, twenty-three percent (23%) less than the current rate.