



Ministry of Energy & Mining

WEEKLY OIL PRICE REPORT



August 20 – 26, 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. The crude oil price for last week was US\$69.64/bbl representing a decline of approximately three percent (3%) over that of the previous week, when crude oil price stood at US\$71.58/bbl (see table 1).

Table 1 Crude Oil Spot Prices US\$/BL

Region	Benchmark	7th August	14th August	% Difference
				7th August vs 14th August
Americans	West Texas Intermediate	71.58	69.64	-2.71
Europe	Europe Bent	73.99	72.90	-1.47
Asia	Dubai Fateh	71.06	71.67	0.86
Nothern Africa	Egypt Suez Blend	70.08	70.23	0.21
Western Africa	Nigeria Bonny Light	74.45	74.83	0.51

Source: Energy Information Administration

Petrojam Billing Price

Unleaded Gasoline – 90 Octane

For this week, the Gulf Reference prices for Unleaded Gas (90 Octane) was J\$45.56/litre this represents a three percent (3%) decrease over the previous week (see Table 2). While the Ex-Refinery price went down by one percent (1%) as the price amounted to J\$53.66/litre. The imposition of taxes

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amounting to J\$16.48/litre resulted in a Refinery Billing price of J\$70.14/litre, which also decreased 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\$45.56/litre similar to that of 90 octane, while the Ex-Refinery price was J\$52.59/litre, a decrease of one percent (1%) when compared to the previous week. The imposition of taxes amounting to J\$16.11/litre resulted in a Refinery billing price of J\$68.70/litre, which also decreased by one percent (1%) when compared to the previous week.

E10

For the week under review the Ex-Refinery price for E10 was J\$50.56, a decrease of one percent (1%) when the price stood at J\$51.41/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\$66.67/litre for the E10 87 blend. This represented a decrease of 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 4:	20-Aug					
Benchmark:	USGC					
Exch.Rate: US\$=J\$	88.97					
	Unleaded 90	Unleaded 87	E 10	ADO	Kerosene	L.P.G
Gulf Reference Price	45.56	45.56	n/a	43.23	43.99	24.11
Ex-Refinery Price	53.66	52.59	50.56	49.27	49.67	32.87
Refinery Billing Price	70.14	68.70	66.67	64.67	55.69	32.91
Avg. Selling/Retail Price	82.88	78.74	75.84	75.20	59.51	48.65

Note: n/a = not available

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

The Gulf Reference price for the week under review went down by two percent (2%) over that of the previous week as the price stood at J\$43.23/litre, while the Ex-Refinery price was J\$49.27/litre representing a one percent (1%) decrease over that of the previous week. The addition of taxes amounting to J\$15.42/litre, contributed to a Refinery Billing price of J\$64.67/litre, which also resulted in a one percent (1%) decrease when compared to prices in the previous week.

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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 the price stood at J\$24.11/litre and J\$32.87/litre respectively. The addition of taxes amounting to J\$0.04/litre contributed to a Refinery Billing Price of J\$32.91/litre, which also resulted in a one percent (1%) increase when compared with the previous week.

Kerosene

The Gulf Reference price for the week under review went down by two percent (2%) over that of the previous week as the price stood at J\$43.99/litre. The Ex-Refinery price went down by one percent (1%) over that of the previous week as prices amounted to J\$49.67/litre. The addition of taxes amounting to \$6.02/litre, contributed to a Refinery Billing price of J\$55.69/litre, which also decreased by one percent (1%) when compared to the previous week.

Marketing/Retail Prices

Motor Fuels

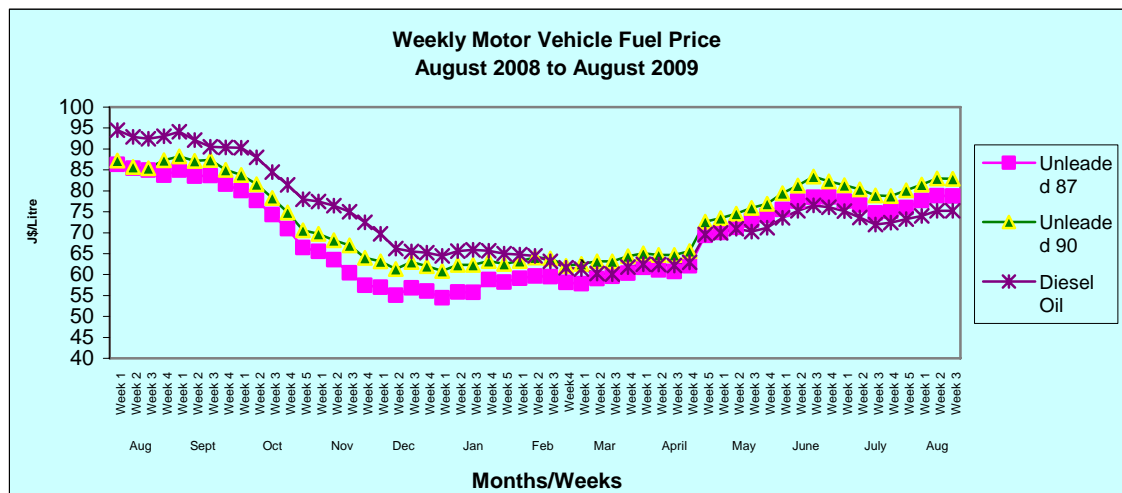
Unleaded Gasoline – 90 Octane

The average retail price for this week went down by J\$0.04/litre, moving from J\$82.92/litre for the previous week to currently amount to J\$82.88/litre, representing a marginal decrease of less than one percent (1%) over last week.

Unleaded Gasoline – 87 Octane

The average retail price for this week decreased by less than one percent (1%), moving from J\$78.85/litre for the previous week to currently amount to J\$78.74/litre. This represented a J\$0.11/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\$0.06/litre moving from J\$75.26/litre for the previous week to currently amount to J\$75.20/litre. This represents a marginal decrease of less than one percent (1%) over that of the previous week.

Unleaded Gasoline – E10

The average retail price for this week decreased by less than one percent (1%) moving from J\$76.10/litre for the previous week to currently amount to J\$75.84/litre. This represents a J\$0.26/litre decrease when compared to the previous week.

Cooking Fuels

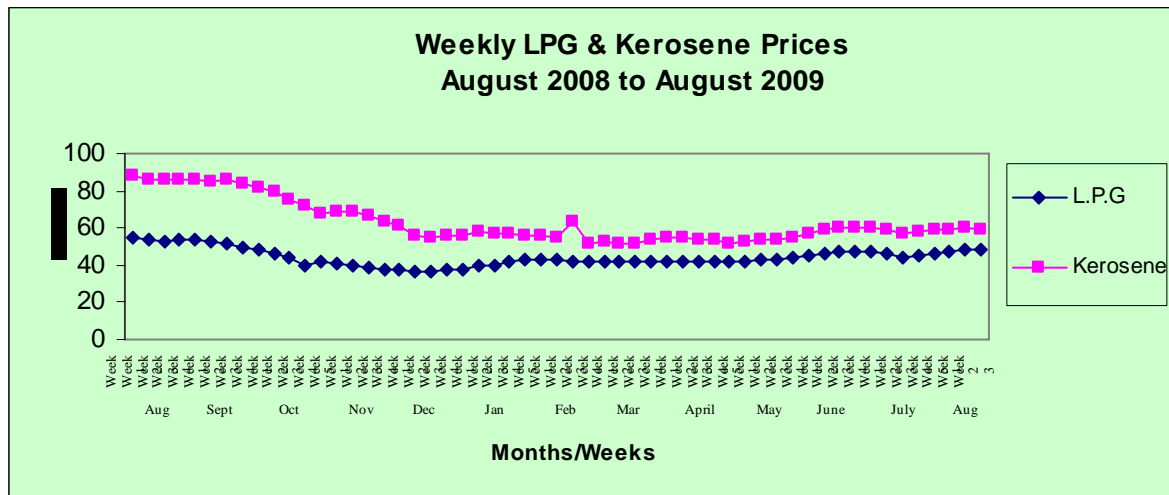
Liquid Petroleum Gas (L.P.G.)

The average retail price for this week increased by less than one percent (1%) moving from J\$48.19/litre for the previous week to currently amount to J\$48.65/litre.

Kerosene

The average retail price for this week decreased by one percent (1%) moving from J\$60.16/litre for the previous week to currently amount to J\$59.51/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\$84.15/litre. In the urban region the price of Unleaded Gas (90 Octane) was lower, selling at an average price of J\$81.51/litre. The price difference between both regions was J\$2.64/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\$80.16/litre and J\$72.85/litre respectively. The price difference between both regions was J\$7.31/litre.

E10 was sold at an average price of J\$78.02/litre in the rural area while in the urban it had a lower average price of J\$76.19/litre. The difference between both regions was J\$1.83/litre.

Automotive Diesel Oil was sold at an average price of J\$76.97/litre in the rural area while it was sold in the urban at a lower average price of J\$73.92/litre. The difference between both regions was J\$3.05/litre.

L.P.G was sold at an average price of J\$48.93/litre in the rural area while selling at a lower average price of J\$48.37/litre in the urban. The difference between both regions was J\$0.56/litre.

There was an overall decrease in prices throughout the regions. St. Ann had the highest prices for three products, Unleaded Gas (90 Octane) at J\$87.69/litre, at E10 J\$82.14/litre and ADO at J\$80.10/litre. St. Thomas had the highest for Unleaded Gas (87 Octane) which was J\$82.74/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\$74.40/litre and ADO at J\$72.86/litre and Unleaded Gas (90 Octane) at J\$81.03/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	80.16	76.32	83.45	76.19	75.55	84.15	81.82	83.23	76.98	73.68	90.16
Clarendon	76.80	77.06	86.20	75.22	75.78	81.88	82.33	85.39	73.98	74.30	94.39
Hanover	79.61	79.81	84.78	n/a	n/a	83.08	83.28	86.82	76.59	76.75	93.23
Manchester	78.91	79.15	86.16	77.83	77.83	84.29	83.53	87.07	76.30	76.31	93.90
Portland	82.59	82.59	87.59	80.49	80.49	85.14	85.14	86.04	79.48	79.48	94.84
St. Ann	82.65	82.03	89.17	82.14	81.56	87.74	87.17	89.33	80.19	79.75	97.00
St. Catherine	77.64	76.90	83.11	75.43	75.83	82.29	81.87	84.49	74.19	73.75	91.30
St. Elizabeth	80.36	80.52	88.07	n/a	n/a	83.70	83.62	86.26	77.48	77.50	95.85
St. James	77.90	78.21	84.10	76.29	75.84	81.42	81.74	85.56	74.48	74.61	92.71
St. Mary	82.65	82.54	87.00	81.48	81.48	86.28	86.08	89.97	78.34	78.14	96.63
St. Thomas	82.74	82.87	89.24	79.09	79.89	87.55	87.85	87.06	79.98	80.15	95.88
Trelaw ny	80.87	81.29	83.84	n/a	n/a	84.08	84.93	84.96	77.48	78.21	92.37
Westmoreland	79.21	78.91	85.35	n/a	n/a	82.38	82.18	84.19	75.27	75.11	91.75

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\$6.21/litre, J\$2.48/litre and J\$17.21/litre respectively.

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CONCLUDING REMARKS

Globally, crude oil prices went up during the week as an unexpected rise in new jobless claims cast a shadow over a recovery for the U.S. economy and oil demand. However, despite an increase in prices analysis indicates that the rate of increase in prices this week were less when compared to price increases over the last seven weeks. Oil market pundits have also been watching broader economic indicators for signs that the recession may soon end, which could foreshadow a rebound in slumping fuel demand.

Locally, there was a decrease in retail prices for petroleum products, with the exception of LPG. A comparative examination over the same period last year indicates that retail prices for Unleaded 87, Unleaded 90 and ADO have decreased by seven percent (7%), two percent (2%) and eighteen percent (18%) respectively.

Another factor influencing prices is the value of the Jamaican dollar, which increased by J\$0.04 as evidenced by the movement in the exchange rate from US\$1.00: J\$88.93 in the previous week to US\$1.00: J\$88.97 this week. For the same period last year the dollar stood at US\$1.00: J\$72.05, twenty-three percent (23%) less than the current rate.