



# Ministry of Energy & Mining

## WEEKLY OIL PRICE REPORT



August 12- August 18, 2010

### INTRODUCTION

This report highlights the prices of international crude oil as well as other petroleum products 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 can be made where necessary.

### *International Benchmarks*

#### *Crude Oil*

The benchmark used by the Petrojam Refinery is West Texas Intermediate (WTI). The spot price for crude oil was not available for this week. However, the crude oil price for last week August 5- 11, 2010 was US\$ 81.79/bbl. This represented an increase of 4% over that of the previous week when crude oil price stood at US\$78.12/bbl (see table 1).

**Table 1 Spot Prices US\$/BL**

Region	Benchmark	30th July	6th August	% Difference
				30th July vs 6th August
Americans	West Texas Intermediate	<b>78.12</b>	<b>81.79</b>	<b>4.70</b>
Europe	Europe Brent	<b>77.24</b>	<b>82.69</b>	<b>7.06</b>
Asia	Dubai Fateh	<b>73.62</b>	<b>76.56</b>	<b>3.99</b>
Nothern Africa	Egypt Suez Blend	<b>72.05</b>	<b>76.12</b>	<b>5.65</b>
Western Africa	Nigeria Bonny Light	<b>78.20</b>	<b>82.73</b>	<b>5.79</b>

### *Petrojam Billing Price*

#### *E10 - 90*

For this week, the Gulf Reference price decreased by 2% while the Ex-Refinery price decreased by 1% when compared to the previous week; prices amounted to J\$47.08/litre and J\$53.49/litre respectively (See Table 2). The imposition of taxes amounting to J\$26.98/litre resulted in a Refinery Billing price of J\$80.47/litre, with taxes accounting for 34% of the Refinery Billing price.

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**E10 – 87**

This week, the Gulf Reference price for E10-87 was J\$47.08/litre similar to that of E10-90, while the Ex-Refinery price was J\$52.43/litre, which represented a 1% decrease when compared to the previous week. The imposition of taxes amounting to J\$26.39/litre resulted in a Refinery billing price of J\$78.81/litre, with taxes accounting for 33% of the Refinery Billing price.

Table 2

<b>Petroleum Products Price List for Selected Products J\$/Litre</b>					
<b>Year:</b>	<b>2010</b>				
<b>Week 5:</b>	<b>12-Aug</b>				
<b>Benchmark:</b>	<b>USGC</b>				
<b>Exch.Rate: US\$=J\$</b>	<b>86.02</b>				
	<b>E10 - 90</b>	<b>E10 - 87</b>	<b>ADO</b>	<b>L.P.G</b>	<b>Kerosene</b>
<b>Gulf Reference Price</b>	<b>47.08</b>	<b>47.08</b>	<b>48.07</b>	<b>28.97</b>	<b>49.66</b>
<b>Ex-Refinery Price</b>	<b>53.49</b>	<b>52.43</b>	<b>54.06</b>	<b>35.56</b>	<b>56.29</b>
<b>Refinery Billing Price</b>	<b>80.47</b>	<b>78.81</b>	<b>79.89</b>	<b>35.60</b>	<b>82.47</b>
<b>Average Selling Price</b>	<b>94.97</b>	<b>90.29</b>	<b>91.56</b>	<b>56.68</b>	<b>86.29</b>

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

The Gulf Reference and Ex-Refinery prices increased by 3% and 1% over the previous week; prices amounted to J\$48.07/litre and J\$54.06/litre respectively. The addition of taxes amounting to J\$25.83/litre contributed to a Refinery Billing price of J\$79.89/litre, with taxes accounting for 32% of the Refinery Billing price.

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

The Gulf Reference and the Ex-Refinery prices increased by 1% respectively for the week under review when compared to the previous week; prices amounted to J\$28.97/litre and J\$35.56/litre respectively. The addition of taxes amounting to J\$0.04/litre contributed to a Refinery Billing Price of J\$35.60/litre, which represents a 0.1% increase when compared to the previous week.

**Kerosene**

The Gulf Reference and Ex-Refinery prices increased by 3% and 1% respectively for the week under review; prices amounted to J\$49.66/litre and J\$56.29/litre respectively when compared to the previous week. The addition of taxes amounting to J\$26.17/litre, contributed to a Refinery Billing price of J\$82.47/litre, with taxes accounting for 32% of the Refinery Billing price.

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

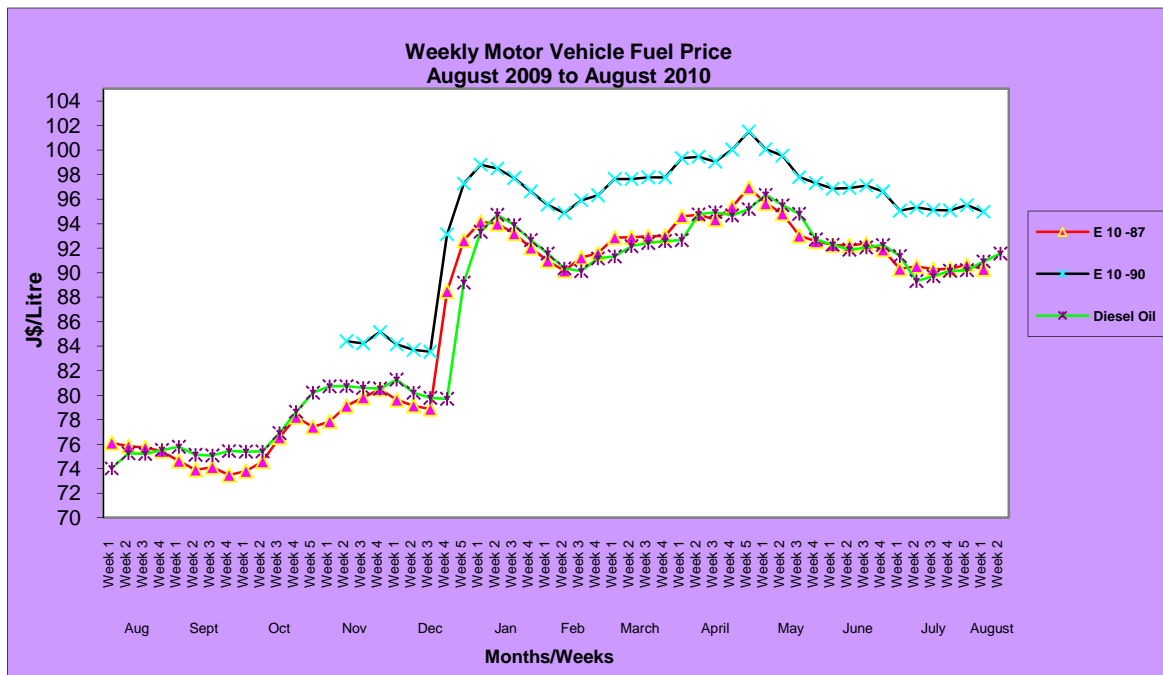
**E10 - 90**

The average retail price for this week decreased by J\$0.6/litre, moving from J\$95.51/litre for the previous week to J\$94.97/litre. Figure 1 shows year to year trend analysis of weekly motor vehicle fuel price.

**E10 - 87**

The average retail price for this week decreased marginally, moving from J\$90.63/litre for the previous week to J\$90.29/litre. This represented a decline of J\$0.4/litre when compared to the previous week.

Figure 1



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

The average retail price for this week increased by J\$0.7/litre, moving from J\$90.91/litre for the previous week to J\$91.56/litre.

**Cooking Fuels**

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

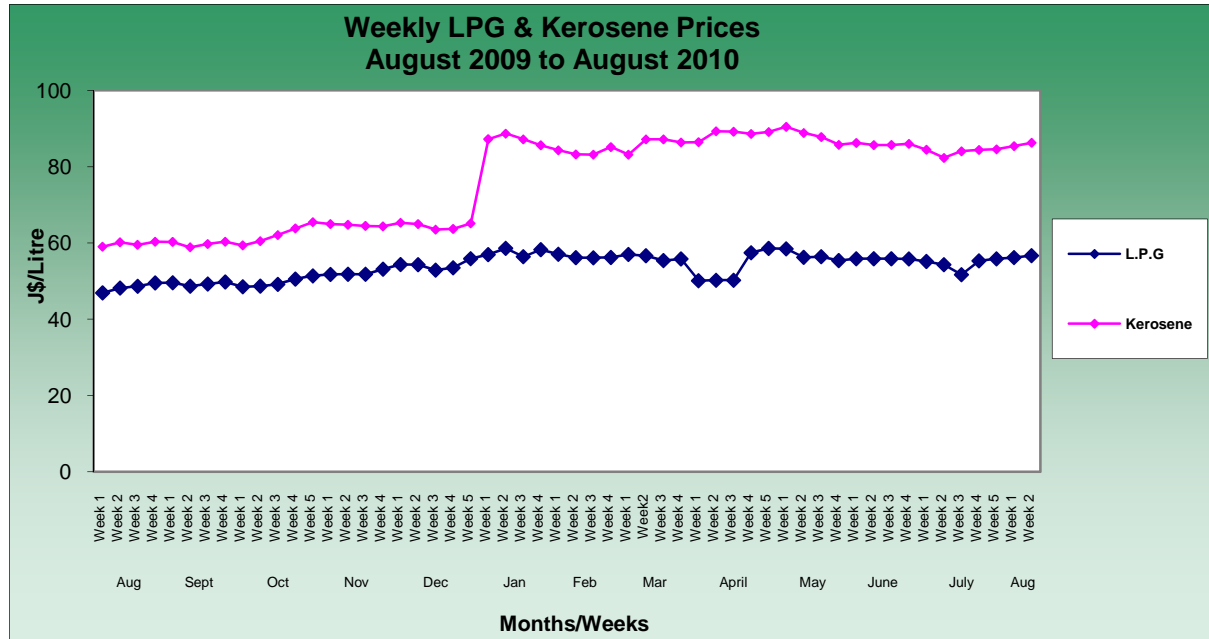
The average retail price for this week increased marginally moving from J\$56.17/litre for the previous week to a current amount of J\$56.68/litre. Figure 2 shows year to year trend analysis of cooking fuels' prices.

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### **Kerosene**

The average retail price for this week increased by less than 1%, moving from J\$85.39/litre for the previous week to a current amount of J\$86.29/litre.

Figure 2



### **Urban vs. Rural Analysis**

For the week under review E10-90 in the rural parishes was sold for an average of J\$96.12/litre. In the urban region, the price of E10-90 was lower, selling at an average price of J\$91.02/litre. The price difference between both regions was J\$5.11/litre.

The price for E10 87 showed a similar trend as E10-90 with average price per litre in the rural and urban areas standing at J\$92.61/litre and J\$85.96/litre respectively. The price difference between both regions was J\$6.65/litre.

Automotive Diesel Oil was sold at an average price of J\$93.49/litre in the rural area while selling in the urban at a lower average price of J\$88.19/litre. The difference between both regions was J\$5.30/litre.

L.P.G was sold at an average price of J\$56.64/litre in the urban area while selling at a higher average price of J\$56.88/litre in the rural. The difference between both regions was J\$0.24/litre.

The prices fluctuated throughout the regions. St. Ann had the highest prices for all three products: E10-87 at J\$95.84/litre, E10-90 at J\$100.45/litre and ADO at J\$97.31/litre (see

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Table 3). Kingston & St. Andrew had the lowest prices for all three products E10-87 at J\$85.96/litre, E10-90 at J\$91.02/litre and ADO at J\$86.19/litre.

**Table 3: Weekly Retail Prices for Selected Petroleum Products by Region**

Gasolene E10 - 87				Gasolene E10- 90			Automotive Diesel Oil		
Region	Prices This Week	Prices Last Week	Prices One Year Ago	Prices This Week	Prices Last Week	Prices One Year Ago (Regular 90)	Prices This Week	Prices Last Week	Prices One Year Ago
Kgn. & St. Andrew	85.96	86.29	75.19	91.02	91.54	80.21	88.19	87.59	72.16
Clarendon	88.18	88.38	73.66	94.43	94.64	80.30	91.61	90.69	73.26
Hanover	92.48	93.20	n/a	96.55	97.28	81.59	94.15	93.45	74.40
Manchester	92.43	92.72	77.03	97.21	97.48	82.65	93.70	93.25	75.05
Portland	95.04	95.04	79.48	97.76	97.76	83.13	94.00	93.83	77.56
St. Ann	95.84	96.25	80.16	100.45	100.76	86.01	97.31	96.49	78.44
St. Catherine	89.52	89.87	74.76	94.92	95.26	80.91	90.22	89.43	72.63
St. Elizabeth	93.22	93.83	n/a	96.17	96.76	82.54	94.68	94.14	75.97
St. James	88.92	89.50	75.84	92.55	93.24	80.38	88.82	88.61	73.33
St. Mary	94.61	95.04	80.30	99.64	100.13	84.66	96.04	95.53	77.02
St. Thomas	95.39	95.71	78.39	91.84	98.99	86.80	95.52	94.75	78.92
Trelawny	93.30	93.83	n/a	95.93	96.47	73.63	93.47	92.93	76.74
Westmoreland	92.39	92.53	n/a	96.03	96.26	81.18	92.34	91.57	74.01

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 E10-87 and ADO have increased by J\$17.02/litre and J\$18.34/litre respectively, while E10-90 increased by J\$14.84/litre when compared to Regular 90.

## CONCLUDING REMARKS

Globally after a brief upswing above \$80 last week, oil once again traded in the high \$70s for the week ending August 13, 2010. This is due to the expectation of a lower demand for oil caused by fears of a global economic slowdown. China reported its lowest industrial

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output numbers, its highest level of inflation in nearly a year and a monthly decline in retail sales. These factors were perceived as a sign of economic slowdown.

Locally, there was a decrease in retail prices for E10-87 and E10-90, with the exception of ADO and Kerosene. A comparative examination over the same period last year indicates that retail prices for E10-87 and ADO increased by 23% and 25% respectively, while the E10-90 increased by 19% when compared to Regular 90.

The value of the Jamaican dollar decreased marginally as evidenced by the movement in the exchange rate from US\$1.00: J\$86.07 in the previous week to US\$1.00: J\$86.02 for this week. For the same period last year the dollar stood at US1.00: J\$89.07 which is 3% more than the current rate.