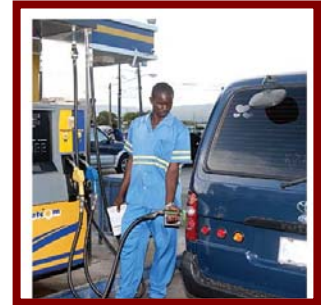




Ministry of Energy & Mining

WEEKLY OIL PRICE REPORT



October 07 - 13, 2010

INTRODUCTION

This report highlights the international prices of crude oil as well as 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 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 (September 27 - October 1, 2010) was US\$ 78.41/bbl. This represented an increase of 6% over that of the previous week when crude oil price stood at US\$73.76/bbl (see Table 1).

Table 1 Spot Prices US\$/BL

Region	Benchmark	24th September	1st October	% Difference
				24 th September 1st October
America	West Texas Intermediate	73.76	78.41	6.30
Europe	Europe Brent	78.38	79.82	1.84
Asia	Dubai Fateh	75.58	75.65	0.09
Nothern Africa	Egypt Suez Blend	74.65	75.31	0.88
Western Africa	Nigeria Bonny Light	79.28	80.51	1.55

Petrojam Billing Price

E10 - 90

For this week, the Gulf Reference and Ex-Refinery prices increased by 7% and 4% when compared to the previous week; prices amounted to J\$47.41/litre and J\$52.98/litre respectively (See Table 2). The imposition of taxes amounting to

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J\$26.90/litre resulted in a Refinery Billing price of J\$79.88/litre with taxes accounting for 33% of the Refinery Billing price.

E10 – 87

This week, the Gulf Reference price for E10-87 was J\$47.41/litre similar to that of E10-90, while the Ex-Refinery price was J\$51.91/litre, which represented a 4% increase when compared to the previous week. The imposition of taxes amounting to J\$26.31/litre resulted in a Refinery billing price of J\$78.22/litre with taxes accounting for 33% of the Refinery Billing price.

Table 2

Petroleum Products Price List for Selected Products J\$/Litre					
Year:	2010				
Week 1:	7-Oct				
Benchmark:	USGC				
Exch.Rate: US\$=J\$	86.19				
	E10 - 90	E10 - 87	ADO	L.P.G	Kerosene
Gulf Reference Price	47.41	47.41	50.64	31.42	51.29
Ex-Refinery Price	52.98	51.91	54.86	38.15	56.14
Refinery Billing Price	79.88	78.22	80.82	38.19	82.29
Average Selling Price	94.03	89.05	92.10	57.45	86.11

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

For this week, the Gulf Reference and Ex-Refinery prices increased by 7% and 4% over the previous week; prices amounted to J\$50.64/litre and J\$54.86/litre respectively. The addition of taxes amounting to J\$25.96/litre contributed to a Refinery Billing price of J\$80.82/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 6% and 5% when compared to the previous week; prices amounted to J\$31.42/litre and J\$38.15/litre respectively. The addition of taxes amounting to J\$0.04/litre contributed to a Refinery Billing Price of J\$38.19/litre, which represents a 5% increase when compared to the previous week.

Kerosene

The Gulf Reference and Ex-Refinery prices increased by 6% and 4% for the week under review; prices amounted to J\$51.29/litre and J\$56.14/litre when compared to the previous

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week. The addition of taxes amounting to \$26.15/litre, contributed to a Refinery Billing price of J\$82.29/litre with taxes accounting for 31% of the Refinery Billing price.

Average Marketing/Retail Prices Motor Fuels

E10 - 90

The average retail price for this week was increased by approximately 2%, moving from J\$92.25/litre for the previous week to a current amount of J\$94.03/litre. Figure 1 shows year to year trend analysis of weekly motor vehicle fuel price.

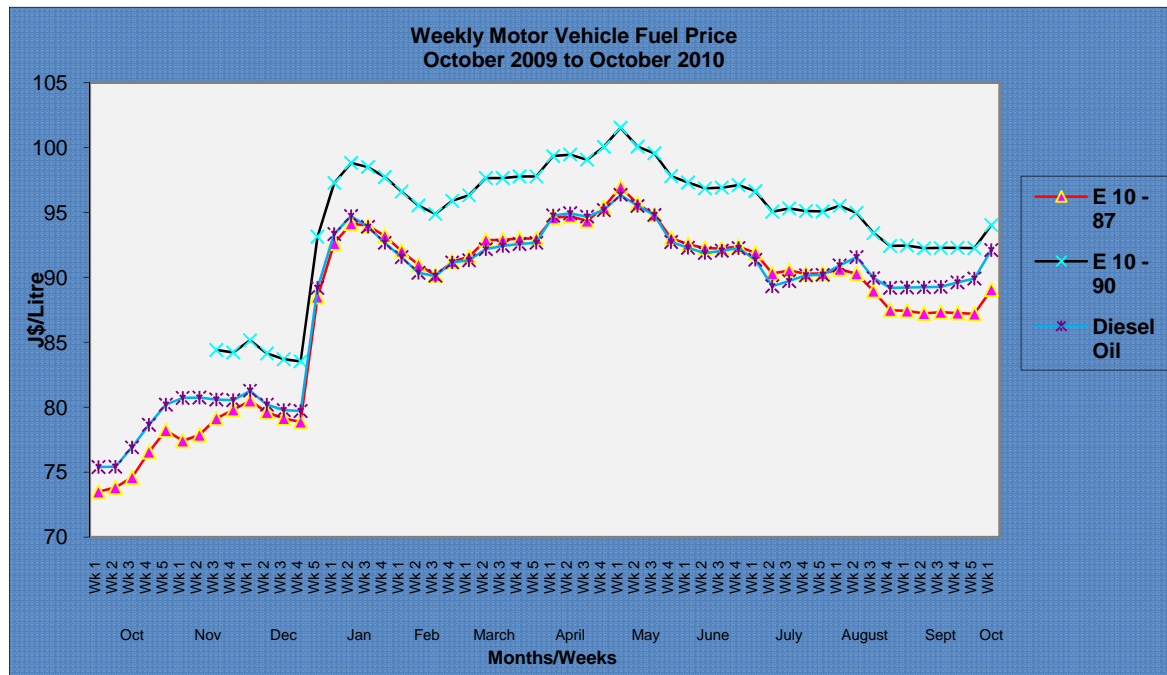
E10 - 87

The average retail price for this week was increased by J\$1.78/litre; moving from J\$87.18/litre for the previous week to a current amount of J\$89.05/litre. This represented a 2% increase when compared to the previous week.

Automotive Diesel Oil (A.D.O)

The average retail price for this week was increased by 2% moving from J\$89.90/litre for the previous week to a current amount to J\$92.10/litre. This represented a J\$2.20/litre increase when compared to the previous week.

Figure 1



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Cooking Fuels

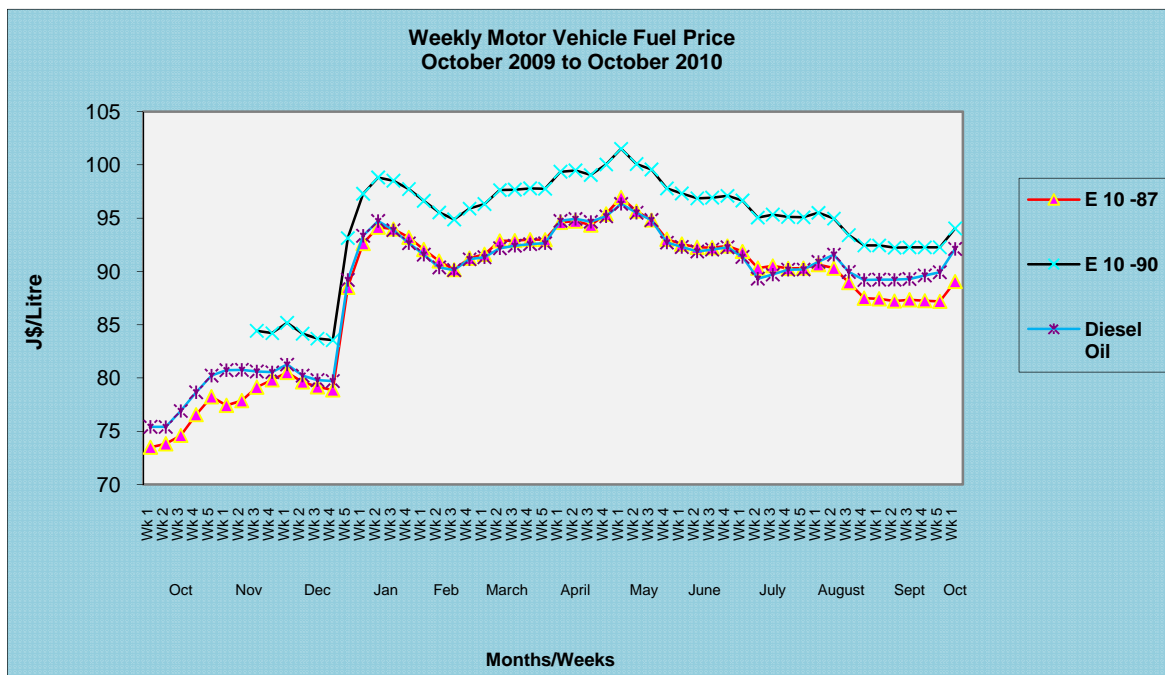
Liquid Petroleum Gas (L.P.G.)

The average retail price for this week increased marginally, moving from J\$57.44/litre for the previous week to a current amount of J\$57.45/litre. Figure 2 shows year to year trend analysis of cooking fuels' prices.

Kerosene

The average retail price for this week was increased by approximately 3% moving from J\$83.62/litre for the previous week to a current amount of J\$86.11/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\$95.47/litre. In the urban region the price of E10-90 was lower, selling at an average price of J\$91.14/litre. The price difference between both regions was J\$4.33/litre.

The price for E10-87 showed a similar trend as E10-90 with average price per litre in the rural and urban regions standing at J\$91.43/litre and J\$84.90/litre respectively. The price difference between both regions was J\$6.53/litre.

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Automotive Diesel Oil was sold at an average price of J\$94.04/litre in the rural region while selling in the urban at a lower average price of J\$89.71/litre. The difference between both regions was J\$4.84/litre.

L.P.G was sold at an average price of J\$57.38/litre in the urban region while selling at a higher average price of J\$58.22/litre in the rural. The difference between both regions was J\$0.84/litre.

The prices fluctuated throughout the regions. St. Ann had the highest prices for all three products: E10-87 at J\$94.62/litre, E10-90 at J\$99.40/litre and ADO at J\$97.62/litre (see Table 3). Kingston & St. Andrew had the lowest prices for two products: E10-87 at J\$84.90/litre, E10-90 at J\$91.14/litre, while St. James had the lowest for and ADO at J\$89.60/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	Prices This Week	Prices Last Week	Prices one Year ago
Kgn. & St. Andrew	84.90	83.80	73.30	91.14	89.87	79.51	89.71	87.08	73.25
Clarendon	86.08	85.32	72.77	91.99	91.34	80.11	90.80	88.95	74.56
Hanover	92.33	87.17	n/a	96.33	91.34	80.68	94.90	92.20	76.62
Manchester	90.44	88.90	74.94	95.01	93.78	81.78	93.13	91.42	76.41
Portland	93.62	91.48	78.23	96.06	94.42	82.55	94.68	93.34	78.59
St. Ann	94.62	92.39	78.54	99.40	97.17	84.16	97.62	95.68	80.02
St. Catherine	88.90	86.40	73.85	93.85	91.93	80.74	90.93	88.53	74.90
St. Elizabeth	91.29	89.62	n/a	94.20	93.07	81.69	93.45	92.02	77.72
St. James	87.76	86.64	73.09	91.45	90.33	78.89	89.60	87.15	74.74
St. Mary	92.94	88.73	79.48	98.73	93.96	84.15	97.34	94.73	78.98
St. Thomas	93.68	92.34	77.39	97.10	96.51	85.40	95.97	93.76	80.35
Trelawny	94.60	90.63	n/a	96.60	93.20	82.72	97.00	94.30	78.76
Westmoreland	90.85	89.34	n/a	94.96	93.24	80.43	93.13	90.89	75.52
Average Retail Prices for All Regions									
Product	2009			2010			Diff 2009 vs 2010		
Unleaded 90 / E10-90	80.80			94.03			13.23		
E10- 87	76.60			89.05			12.45		
Auto Diesel Oil	73.80			92.10			18.30		

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\$12.45/litre and J\$18.30/litre respectively, while E10-90 increased by J\$13.23/litre when compared to Regular 90 (see Table 3).

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CONCLUDING REMARKS

Globally, crude oil prices increased for the week ending September 30, 2010, to settle at \$77.86. The upward movement in prices was due to the decline in new unemployment claims and the increase in the gross domestic products which improved demand. The weakening of the US dollar which falls against the euro, yen and pound also contributed to the increase. A weakened dollar heightened the appeal of commodities as an alternative investment.

Locally, there was a decrease in several petroleum products, with the exception of LPG and Kerosene. A comparative examination over the same period last year indicates that retail prices for E10-87 and ADO increased by 16% and 24% respectively, while the E10-90 increased by 16% when compared to Regular 90.

The value of the Jamaican dollar increased marginally as evidenced by the movement in the exchange rate from US\$1.00: J\$86.05 in the previous week to US\$1.00: J\$86.19 for this week. For the same period last year the dollar stood at US1.00: J\$89.09 which is 3% more than the current rate.

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