



Ministry of Energy & Mining

WEEKLY OIL PRICE REPORT



October 08 - 14, 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\$68.84/bbl representing an increase of one percent (1%) over that of the previous week, when crude oil price stood at US\$68.33/bbl (see table 1).

Table 1 Crude Oil Spot Prices US\$/BL

Region	Benchmark	24th September	1st October	% Difference
				24th September vs 1st October
Americans	West Texas Intermediate	68.33	68.84	0.75
Europe	Europe Bent	66.96	65.90	-1.58
Asia	Dubai Fateh	68.63	65.39	-4.72
Nothern Africa	Egypt Suez Blend	64.77	62.36	-3.72
Western Africa	Nigeria Bonny Light	69.69	67.12	-3.69

Source: Energy Information Administration

Note: n/a = not available

Petrojam Billing Price

Unleaded Gasoline – 90 Octane

For this week, the Gulf Reference prices for Unleaded Gas (90 Octane) was J\$41.27/litre this represents a six percent (6%) increase over the previous week (see Table 2). While the Ex-Refinery price went up by two percent (2%) as the price amounted to J\$51.86/litre. The imposition of taxes

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amounting to J\$16.48/litre resulted in a Refinery Billing price of J\$68.34/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\$41.27/litre similar to that of 90 octane, while the Ex-Refinery price was J\$50.79/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\$66.90/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\$48.76, an increase of two percent (2%) when the price stood at J\$47.36/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\$64.87/litre for the E10 87 blend. This represented a two percent (2%) increase when compared to 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 2:	8-Oct					
Benchmark:	USGC					
Exch.Rate: US\$=J\$	89.09					
	Unleaded 90	Unleaded 87	E 10	ADO	L.P.G	Kerosene
Gulf Reference Price	41.27	41.27	n/a	41.76	25.01	42.43
Ex-Refinery Price	51.86	50.79	48.76	50.17	32.87	50.62
Refinery Billing Price	68.34	66.90	64.87	65.58	32.91	56.64
Avg. Selling/Retail Price	80.80	76.60	73.80	75.41	48.69	60.46

Note: n/a = not available

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

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\$41.76/litre, while the Ex-Refinery price was J\$50.17/litre representing a two percent (2%) increase over that of the previous week. The addition of taxes amounting to J\$15.42/litre, contributed to a Refinery Billing price of J\$65.58/litre, which 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 one percent (1%) over that of the previous week as prices stood at J\$25.01/litre, while the Ex-Refinery price was J\$32.81 representing a less than one percent (1%) increase over that of the previous week. 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 less than one percent (1%) increase when compared with the previous week.

Kerosene

The Gulf Reference price for the week under review went up by five percent (5%) over that of the previous week as prices stood at J\$42.43/litre, while the Ex-Refinery price was J\$50.62/litre representing a two percent (2%) increase over that of the previous week. The addition of taxes amounting to \$6.02/litre, contributed to a Refinery Billing price of J\$55.54/litre, which also increased by approximately two percent (2%) when compared with the previous week.

Marketing/Retail Prices

Motor Fuels

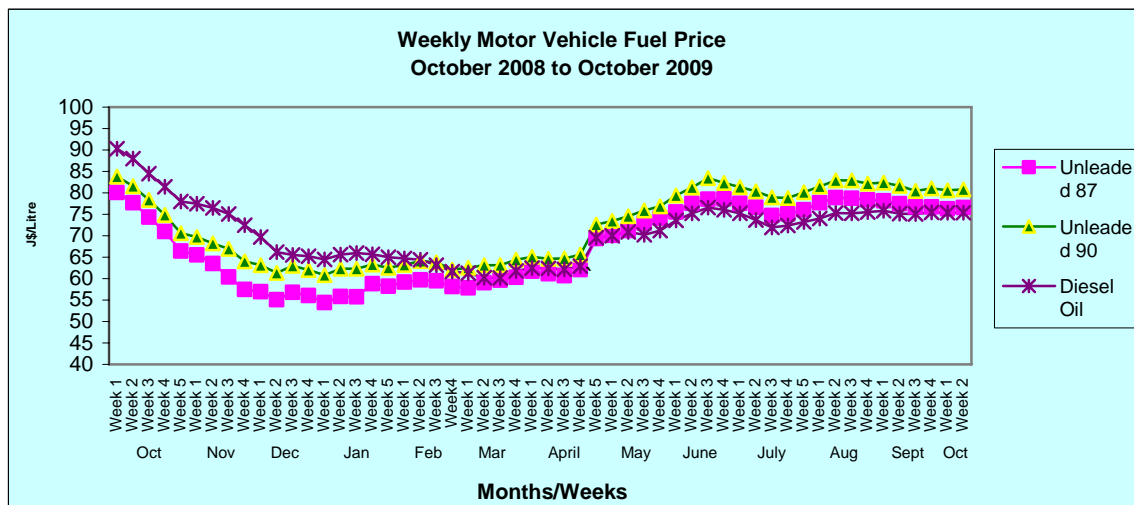
Unleaded Gasoline – 90 Octane

The average retail price for this week went up by J\$0.23/litre, moving from J\$80.57/litre for the previous week to amount to J\$80.80/litre, representing a marginal increase of less than one percent (1%) over last week. Figure 1 shows year to date trend analysis of weekly motor vehicle fuel price.

Unleaded Gasoline – 87 Octane

The average retail price for this week increased by less than one percent (1%), moving from J\$76.25/litre for the previous week to amount to J\$76.60/litre. This represented a J\$0.35/litre increase 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 was increased by J\$0.02/litre moving from J\$75.39/litre for the previous week to currently amount to J\$75.41/litre. This represents a marginal increase of less than one percent (1%) over that of the previous week.

Unleaded Gasoline – E10

The average retail price for this week showed a marginal increase of less than one percent (1%) moving from J\$73.48/litre for the previous week to currently amount to J\$73.80/litre. This represents a J\$0.32/litre increase when compared to the previous week.

Cooking Fuels

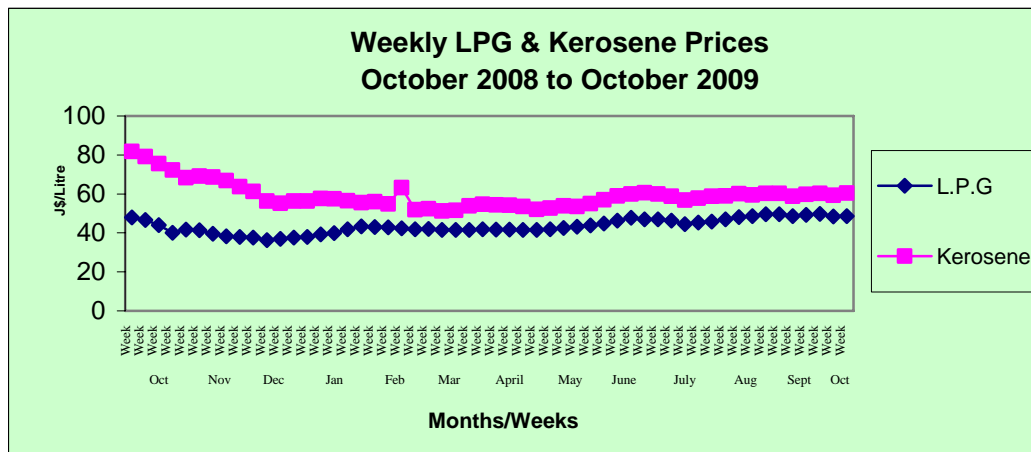
Liquid Petroleum Gas (L.P.G.)

The average retail price for this week increased by less than one percent (1%) moving from J\$48.51/litre for the previous week to currently amount to J\$48.69/litre. Figure 2 shows year to date trend analysis of cooking fuels' prices.

Kerosene

The average retail price for this week increased by one percent (1%) moving from J\$59.36/litre for the previous week to currently amount to J\$60.46/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\$81.94/litre. In the urban region the price of Unleaded Gas (90 Octane) was lower, selling at an average price of J\$79.51/litre. The price difference between both regions was J\$2.43/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\$77.89/litre and J\$73.75/litre respectively. The price difference between both regions was J\$4.14/litre.

E10 was sold at an average price of J\$75.81/litre in the rural area while in the urban it had a lower average price of J\$73.30/litre. The difference between both regions was J\$2.51/litre.

Automotive Diesel Oil was sold at an average price of J\$77.26/litre in the rural area while selling in the urban at a lower average price of J\$73.25/litre. The difference between both regions was J\$4.01/litre.

L.P.G was sold at an average price of J\$48.75/litre in the rural area while selling at a higher average price of J\$49.01/litre in the urban. The difference between both regions was J\$0.26/litre.

There was an increase in prices throughout the regions. St. Thomas had the highest prices for two products, Unleaded Gas (90 Octane) at J\$85.40/litre and ADO at J\$80.35/litre while St. Mary had the highest price for E10 at J\$79.48/litre and Unleaded Gas (87 Octane) at J\$80.47/litre (see Table 3). Kingston & St. Andrew had the lowest prices for two products, Unleaded Gas (87 Octane) at J\$73.75/litre and ADO at J\$73.35/litre, Clarendon had the lowest price for E10 at J\$72.77/litre and St. James had the lowest price for Unleaded Gas (90 Octane) at J\$78.89/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	73.75	72.88	75.76	73.30	73.34	79.51	79.11	80.56	73.25	74.10	86.40
Clarendon	74.91	74.42	77.22	72.77	72.18	80.11	79.68	80.51	74.56	74.11	88.87
Hanover	76.95	76.90	78.75	n/a	n/a	80.68	80.67	81.86	76.62	76.74	87.96
Manchester	75.88	75.86	78.94	74.94	75.77	81.78	81.92	82.75	76.41	76.05	89.22
Portland	80.26	80.72	81.96	78.23	79.06	82.55	83.04	84.17	78.59	78.87	91.08
St. Ann	79.56	80.22	81.56	78.54	79.54	84.16	85.03	84.87	80.02	80.38	91.84
St. Catherine	76.60	75.66	76.14	73.85	72.87	80.74	79.75	80.28	74.90	74.18	86.14
St. Elizabeth	78.13	77.68	78.93	n/a	n/a	81.69	81.53	82.60	77.72	77.31	91.28
St. James	75.36	75.59	77.66	73.09	73.09	78.89	79.16	80.65	74.74	74.49	87.78
St. Mary	80.47	80.32	80.76	79.48	79.58	84.15	83.94	83.73	78.98	78.67	91.07
St. Thomas	80.31	79.59	86.44	77.39	75.99	85.40	84.50	88.88	80.35	79.38	94.32
Trelawny	79.44	78.26	76.38	n/a	n/a	82.72	81.53	79.49	78.76	77.70	86.53
Westmoreland	76.73	76.54	77.89	n/a	n/a	80.43	80.11	80.56	75.52	75.41	86.75

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\$3.46/litre, J\$3.03/litre and J\$14.90/litre respectively.

CONCLUDING REMARKS

Globally, crude oil prices rose above \$71 per barrel during the week due to the falling of the US dollars and a sign of an economic recovery. The dollar fell broadly against a basket of currencies as firmer equity markets fueled demand for riskier assets at the expense of the US currency.

The Energy Information Administration reported that crude oil inventories fell by 1 million barrels in the week ending Oct. 2, 2009.

Locally, there was a week on week increase in retail prices for petroleum products. A comparative examination for the same period last year indicates that retail prices for Unleaded 87, Unleaded 90 and ADO have decreased by four percent (4%), three percent (3%) and sixteen percent (16%) respectively.

The primary factor influencing prices is the value of the Jamaican dollar as evidenced by the movement in the exchange rate from US\$1.00: J\$89.09 in the previous week to US\$1.00: J\$89.09 this week. For the same period last year the dollar stood at US1.00: J\$72.54, which was twenty-two percent (22%) less than the current rate.