



# Ministry of Energy & Mining

## WEEKLY OIL PRICE REPORT



October 22 - 28, 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\$75.73/bbl representing an increase of approximately six percent (6%) over that of the previous week, when crude oil prices stood at US\$70.80/bbl (see table 1).

Table 1 Crude Oil Spot Prices US\$/BL

Region	Benchmark	8th October	15th October	% Difference
				8th October vs 15th October
Americans	West Texas Intermediate	70.80	75.73	6.96
Europe	Europe Bent	67.87	72.29	6.51
Asia	Dubai Fateh	68.12	71.35	4.74
Nothern Africa	Egypt Suez Blend	64.40	68.31	6.07
Western Africa	Nigeria Bonny Light	69.20	72.87	5.30

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\$45.77/litre this represents an increase of eight percent (8%) over the previous week (see Table 2). The Ex-Refinery price went up by three percent (3%) as the price amounted to J\$54.66/litre. The imposition of taxes

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amounting to J\$16.48/litre resulted in a Refinery Billing price of J\$71.14/litre, which 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\$45.77/litre similar to that of 90 octane, while the Ex-Refinery price was J\$53.59/litre, an increase of three percent (3%) when compared to the previous week. The imposition of taxes amounting to J\$16.11/litre resulted in a Refinery billing price of J\$69.70/litre, which 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\$51.56, an increase of three percent (3%) when the price stood at J\$49.61/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\$67.67/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 4:	22-Oct					
Benchmark:	USGC					
Exch.Rate: US\$=J\$	89.16					
	Unleaded 90	Unleaded 87	E 10	ADO	L.P.G	Kerosene
Gulf Reference Price	45.77	45.77	n/a	46.58	26.99	47.17
Ex-Refinery Price	54.66	53.59	51.56	53.42	34.65	53.97
Refinery Billing Price	71.14	69.70	67.67	68.83	34.69	59.99
Avg. Selling/Retail Price	83.29	79.09	76.55	78.64	50.53	63.81

Note: n/a = not available

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

The Gulf Reference price for the week under review went up by eight percent (8%) over that of the previous week as the price stood at J\$46.58/litre, while the Ex-Refinery price was J\$53.42/litre representing a three percent (3%) 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\$68.83/litre, which resulted in a two percent (2%) increase when compared to prices in the previous week.

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

The Gulf Reference price for the week under review went up by seven percent (7%) over that of the previous week as the price stood at J\$26.99/litre, while the

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Ex-Refinery price went up by five percent (5%) over that of the previous week, when the price stood at J\$34.65. The addition of taxes amounting to J\$0.04/litre contributed to a Refinery Billing Price of J\$34.69/litre, which also resulted in a five percent (5%) increase when compared with the previous week.

### Kerosene

The Gulf Reference price for the week under review went up by seven percent (7%) over that of the previous week as the price stood at J\$47.17/litre, while the Ex-Refinery price went up by three percent (3%) over that of the previous week as the price amounted to J\$53.97/litre. The addition of taxes amounting to \$6.02/litre, contributed to a Refinery Billing price of J\$59.99/litre, which also increased by three percent (3%) when compared to the previous week.

## Marketing/Retail Prices Motor Fuels

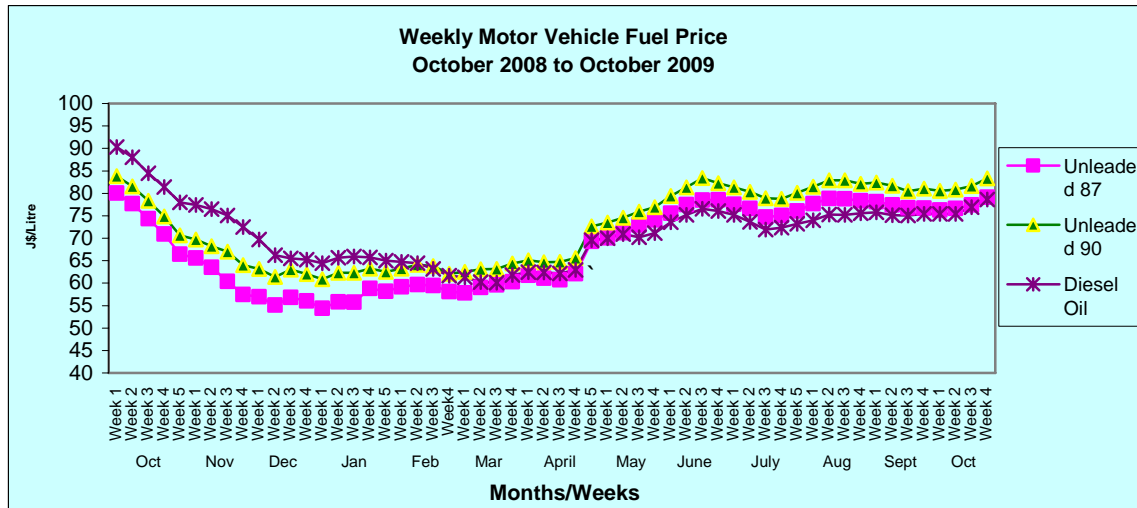
### Unleaded Gasoline – 90 Octane

The average retail price for this week went up by J\$1.65/litre, moving from J\$81.64/litre for the previous week to currently amount to J\$83.29/litre, representing an increase of two percent (2%) 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 two percent (2%), moving from J\$77.40/litre for the previous week to currently amount to J\$79.09/litre. This represented a J\$1.96/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 increased by J\$1.74/litre moving from J\$76.90/litre for the previous week to currently amount to J\$78.64/litre. This represents an increase of two percent (2%) over that of the previous week.

### **Unleaded Gasoline – E10**

The average retail price for this week showed an increase of two percent (2%) moving from J\$74.59/litre for the previous week to currently amount to J\$76.55/litre. This represents a J\$1.96/litre increase when compared to the previous week.

### **Cooking Fuels**

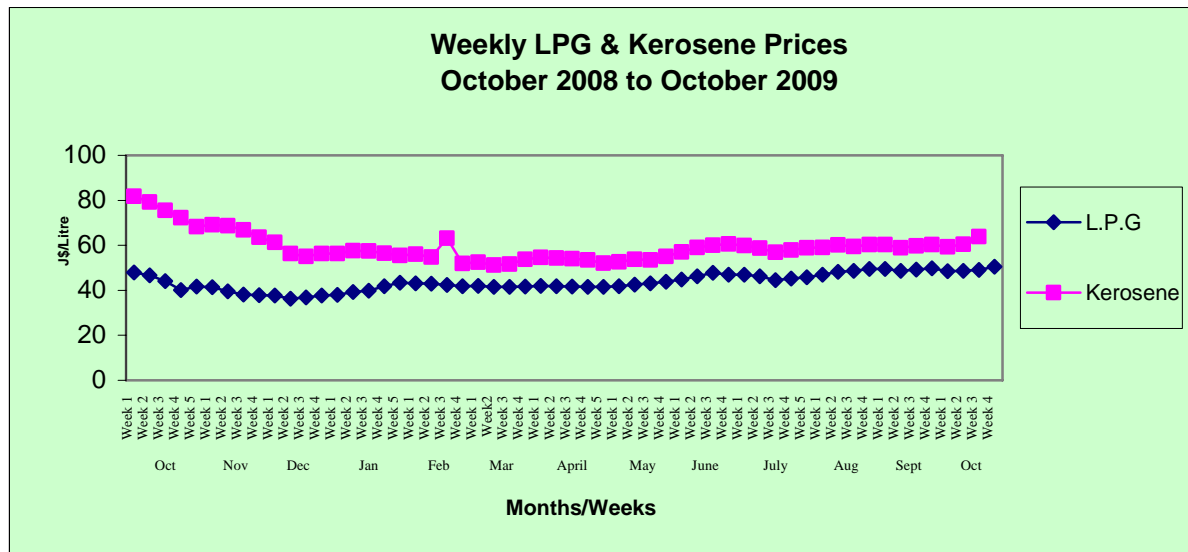
#### **Liquid Petroleum Gas (L.P.G.)**

The average retail price for this week increased by two percent (2%) moving from J\$49.14/litre for the previous week to currently amount to J\$50.53/litre. Figure 2 shows year to date trend analysis of cooking fuels' prices.

#### **Kerosene**

The average retail price for this week increased by two percent (2%) moving from J\$62.06/litre for the previous week to currently amount to J\$63.81/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\$82.75/litre. In the urban region, the price of Unleaded

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Gas (90 Octane) was lower, selling at an average price of J\$80.50/litre. The price difference between both regions was J\$2.36/litre.

The price for Unleaded 87 Gasoline showed a similar trend with average price per litre in the rural and urban areas standing at J\$80.34/litre and J\$76.44/litre respectively. The price difference between both regions was J\$3.90/litre.

E10 was sold at an average price of J\$78.74/litre in the rural area while in the urban it had a lower average price of J\$75.87/litre. The difference between both regions was J\$2.84/litre.

Automotive Diesel Oil was sold at an average price of J\$80.20/litre in the rural area while selling in the urban at a lower average price of J\$76.47/litre. The difference between both regions was J\$3.73/litre.

L.P.G was sold at an average price of J\$50.58/litre in the rural area while selling at a higher average price of J\$50.84/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 three products, Unleaded Gas (90 Octane) at J\$88.32/litre, Unleaded Gas (87 Octane) at J\$83.58/litre and ADO at J\$83.88/litre while St. Mary had the highest price for E10 at J\$82.33/litre (see Table 3). Kingston & St. Andrew had the lowest prices for two products, Unleaded Gas (87 Octane) at J\$76.44/litre and ADO at J\$76.47/litre, St. James had the lowest price for E10 at J\$81.33/litre and Unleaded Gas (90 Octane) at J\$81.33/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	76.44	74.92	68.94	75.87	74.19	82.06	80.50	73.64	76.47	74.94	79.90
Clarendon	77.60	75.59	69.93	75.73	73.64	83.08	80.95	74.68	77.32	75.68	83.20
Hanover	79.56	77.59	71.01	n/a	n/a	83.19	81.36	74.20	79.86	77.42	80.52
Manchester	77.84	76.48	70.78	77.64	75.64	84.13	82.56	74.22	79.05	77.44	80.70
Portland	81.57	80.65	77.35	79.86	78.93	83.86	83.02	79.63	80.69	78.91	86.32
St. Ann	81.98	80.65	74.83	82.07	80.02	86.48	85.24	78.84	82.65	81.24	85.65
St. Catherine	79.16	77.63	69.97	76.65	74.35	83.36	81.48	74.58	77.98	76.23	80.14
St. Elizabeth	80.32	78.58	72.56	n/a	n/a	83.92	82.40	75.07	80.85	78.61	83.69
St. James	77.78	76.27	70.87	75.34	75.34	81.33	79.82	73.48	77.37	75.81	81.40
St. Mary	83.00	81.32	74.84	82.33	80.43	86.78	85.06	77.72	81.92	80.37	85.05
St. Thomas	83.58	81.34	79.80	80.29	78.29	88.32	86.40	82.33	83.88	81.67	86.97
Trelawny	82.24	80.29	69.52	n/a	n/a	85.52	83.57	72.54	82.01	80.16	79.92
Westmoreland	79.48	77.43	70.77	n/a	n/a	83.02	81.11	73.48	78.85	76.48	79.84

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 and Unleaded 90 have increased by J\$8.16/litre, J\$8.42/litre, while ADO decreased by J\$2.77/litre.

**CONCLUDING REMARKS**

Globally, crude oil prices went up by three percent (3%) to settle above \$81 per barrel during the week, the highest close in over a year. This is due to the rise in the US equities that showed optimism about the economy and US government reported lower-than- expected rise in crude inventories. The Energy Information Administration (EIA) reported a larger-than-expected 2.3 million-barrel draw in gasoline stocks in the week ending October 16, 2009, while crude inventories rose 1.3 million barrels, less than the expected 1.8 million-barrel rise.

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 and Unleaded 90 have increased by eleven percent (11%) while ADO decreased by three percent (3%).

The primary factor influencing prices locally is the value of the Jamaican dollar which increased by \$0.04 as evidenced by the movement in the exchange rate from US\$1.00: J\$89.12 in the previous week to US\$1.00: J\$89.16 this week. For the same period last year the dollar stood at US1.00: J\$74.22, which was twenty percent (20%) less than the current rate.