



Ministry of Energy & Mining

WEEKLY OIL PRICE REPORT



September 03 -09, 2009

INTRODUCTION

This report seeks to highlight crude oil prices internationally and the prices of 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 this regard, recommendations for policy adjustments 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\$72.37/bbl representing an increase of two percent (2%) over that of the previous week, when crude oil prices stood at US\$70.80/bbl (see table 1). The information for the following benchmarks was not available: Dubai Fateh, Egypt Suez Blend and Nigeria Bonny Light.

Table 1 Crude Oil Spot Prices US\$/BL

Region	Benchmark	21st August	28th August	% Difference
				21st August vs 28th August
Americans	West Texas Intermediate	70.80	72.37	2.22
Europe	Europe Bent	71.19	72.33	1.60
Asia	Dubai Fateh	70.60	n/a	n/a
Nothern Africa	Egypt Suez Blend	68.17	n/a	n/a
Western Africa	Nigeria Bonny Light	73.24	n/a	n/a

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\$43.78/litre, this represents a two percent (2%) decrease over the previous week (see Table 2). While the Ex-Refinery price declined by one percent

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(1%) as the price amounted to J\$52.91/litre. The imposition of taxes amounting to J\$16.48/litre resulted in a Refinery Billing price of J\$69.39/litre, which decreased by approximately 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\$43.78/litre similar to that of 90 octane, while the Ex-Refinery price was J\$52.44/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\$67.95/litre, which decreased by approximately one percent (1%) when compared to the previous week.

E10

For the week under review the Ex-Refinery price for E10 was J\$49.81, a decrease of one percent (1%) when the price stood at J\$50.41/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\$65.92/litre for the E10 87 blend. This represented a decrease of less than 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

Petroleum Products Price List for Selected Products J\$/Litre							
Year:	2009						
Week 4:	3-Sep						
Benchmark:	USGC						
Exch.Rate: US\$=J\$	89.02						
	Unleaded 90	Unleaded 87	E 10	ADO	Kerosene	L.P.G	
Gulf Reference Price	43.78	43.78	n/a	42.34	42.99	25.07	
Ex-Refinery Price	52.91	51.84	49.81	49.97	50.42	33.33	
Refinery Billing Price	69.39	67.95	65.92	65.38	56.44	33.37	
Avg. Selling/Retail Price	82.39	78.15	75.43	75.79	60.26		

Note: n/a = not available

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

The Gulf Reference price for the week under review went down by four percent (4%) over that of the previous week as the price stood at J\$42.34/litre, while the Ex-Refinery price was J\$49.97/litre representing a less than 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\$65.38/litre, which also

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resulted in a less than one percent (1%) decrease when compared to prices in the previous week.

Liquid Petroleum Gas (L.P.G.)

The Gulf Reference and Ex-Refinery prices for the week under review went down by one percent (1%) over that of the previous week as prices stood at J\$25.07/litre, and J\$33.33/litre respectively. The addition of taxes amounting to J\$0.04/litre contributed to a Refinery Billing Price of J\$33.37/litre, which also resulted in a one percent (1%) decrease when compared with the previous week.

Kerosene

The Gulf Reference price for the week under review went down by three percent (3%) over that of the previous week as the price stood at J\$42.99/litre, while the Ex-Refinery price showed a decline of less than one percent (1%) as the price amounted to J\$50.42/litre. The addition of taxes amounting to \$6.02/litre, contributed to a Refinery Billing price of J\$56.44/litre, which also declined by less than one percent (1%) when compared to the previous week.

Marketing/Retail Prices

Motor Fuels

Unleaded Gasoline – 90 Octane

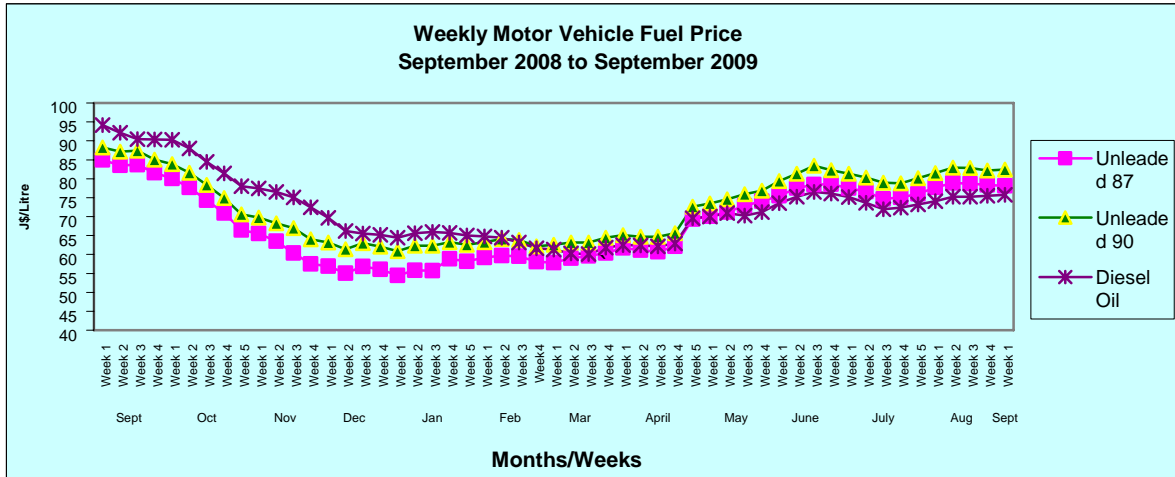
The average retail price for this week went up by J\$0.25/litre, moving from J\$82.14/litre for the previous week to J\$82.39/litre, representing a marginal increase of less than one percent (1%) over last week.

Unleaded Gasoline – 87 Octane

The average retail price for this week decreased by less than one percent (1%), moving from J\$78.37/litre for the previous week to J\$78.15/litre. This represented a J\$0.22/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 was increased by J\$0.25/litre moving from J\$75.54/litre for the previous week to J\$75.79/litre. This represents a marginal increase of less than one percent (1%) over the previous week.

Unleaded Gasoline – E10

The average retail price for this week decreased by less than one percent (1%), moving from J\$75.74/litre for the previous week to J\$75.43/litre. This represents a J\$0.31/litre decrease when compared to the previous week.

Cooking Fuels

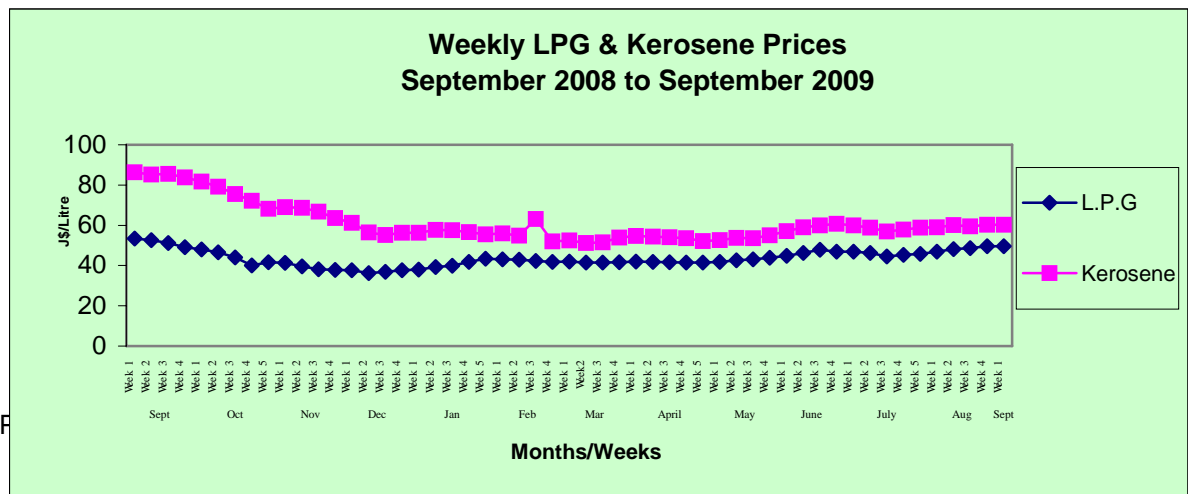
Liquid Petroleum Gas (L.P.G.)

The average retail price for this week increased by less than one percent (1%), moving from J\$49.52/litre for the previous week to J\$49.56/litre.

Kerosene

The average retail price for this week decreased by less than one percent (1%), moving from J\$60.31/litre for the previous week to J\$60.26/litre.

Figure 2



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Urban vs. Rural Analysis

For the week under review Unleaded Gas (90 Octane) in the rural region was sold for an average of J\$83.60/litre. In the urban region, the price of Unleaded Gas (90 Octane) was lower, selling at an average price of J\$80.75/litre. The price difference between both regions was J\$2.85/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\$79.58/litre and J\$74.99/litre respectively. The price difference between both regions was J\$4.59/litre.

E10 was sold at an average price of J\$77.89/litre in the rural area while in the urban it had a lower average price of J\$75.46/litre. The difference between both regions was J\$2.43/litre.

Automotive Diesel Oil was sold at an average price of J\$77.47/litre in the rural area while it was sold in the urban at a lower average price of J\$74.25/litre. The difference between both regions was J\$3.22/litre.

L.P.G was sold at an average price of J\$49.77/litre in the rural area while selling at a lower average price of J\$49.50/litre in the urban. The difference between both regions was J\$0.27/litre.

There was a decrease in prices throughout the regions, with the exception of ADO and Unleaded Gas (90 Octane). St. Ann had the highest prices for three products, Unleaded Gas (90 Octane) at J\$87.06/litre, Unleaded Gas (87 Octane) at J\$82.70/litre and E10 at J\$81.87/litre, while St. Ann had highest price for ADO at J\$80.59/litre. (see Table 3). Kingston & St. Andrew had the lowest prices for three products, Unleaded Gas (87 Octane) at J\$74.99/litre, ADO at J\$74.25/litre and Unleaded Gas (90 Octane) at J\$80.75/litre, while Clarendon had the lowest for E10 at J\$74.00/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	74.99	75.46	82.38	75.46	76.16	80.75	80.72	86.66	74.25	74.20	91.63
Clarendon	76.44	76.74	84.39	74.00	74.62	81.64	81.87	88.55	74.66	74.41	94.94
Hanover	78.87	79.06	84.40	n/a	n/a	82.47	82.66	88.03	77.11	76.69	93.47
Manchester	77.94	78.34	85.18	77.16	77.59	83.46	84.08	88.78	76.47	76.57	94.22
Portland	82.70	82.93	85.75	80.62	80.33	85.33	84.98	87.76	79.93	79.59	94.45
St. Ann	82.02	82.13	87.90	81.32	81.87	87.06	87.03	90.66	80.58	80.15	97.26
St. Catherine	77.11	76.63	82.85	75.37	75.27	81.94	81.48	86.42	74.72	74.28	91.42
St. Elizabeth	79.76	80.07	85.39	n/a	n/a	82.90	83.46	88.64	77.89	78.13	95.73
St. James	77.35	77.84	83.39	75.54	76.29	80.87	81.40	86.56	74.94	74.60	93.00
St. Mary	82.28	82.15	87.43	80.75	80.95	85.49	85.76	90.48	78.65	78.32	97.05
St. Thomas	81.91	82.36	90.98	78.39	78.99	86.84	87.30	93.03	80.59	80.54	98.44
Trelawny	80.10	80.72	83.38	n/a	n/a	83.33	83.93	86.58	78.20	78.43	92.90
Westmoreland	78.53	78.83	83.47	n/a	n/a	81.92	82.26	86.35	75.87	75.40	91.95

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\$6.80/litre, J\$5.84/litre and J\$18.36/litre respectively.

CONCLUDING REMARKS

Globally, crude oil prices increased by six cents during the week, as stronger equities boosted hopes of an economic recovery. Crude futures increased modestly after US job data showed that unemployment rose less than expected and stock markets posted gains. High oil inventory levels in many consuming countries have been a concern for OPEC members. Most analysts expect that OPEC, which is the source of more than a third of the world's oil supply, will agree to maintain its official output target to keep prices stable around \$70.

Locally, there was a week decline in retail prices for several petroleum products, with the exception of ADO, and Unleaded 90. 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%), six percent (6%) and nineteen percent (19%) respectively.

Another factor influencing prices is the value of the Jamaican dollar, which decreased by J\$0.01 as evidenced by the movement in the exchange rate from US\$1.00: J\$89.03 in the previous week to US\$1.00: J\$89.02 this week. For the same period last year the dollar stood at US\$1.00: J\$72.08, twenty-three percent (23%) less than the current rate.