



Ministry of Energy & Mining

WEEKLY OIL PRICE REPORT



September 10 -16, 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\$68.39/bbl representing a decrease of five percent (5%) over that of the previous week, when crude oil prices stood at US\$72.37/bbl (see table 1).

Table 1 Crude Oil Spot Prices US\$/BL

Region	Benchmark	29th August	4th September	% Difference
				29th August vs 4th September
Americans	West Texas Intermediate	72.37	68.39	-5.50
Europe	Europe Bent	72.33	67.60	-6.54
Asia	Dubai Fateh	71.51	69.18	-3.26
Nothern Africa	Egypt Suez Blend	69.05	65.81	-4.69
Western Africa	Nigeria Bonny Light	74.13	70.70	-4.63

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\$41.93/litre this represent a four percent (4%) decrease over the previous week (see Table 2). While the Ex-Refinery price went down by one percent (1%) as the price amounted to J\$51.96/litre. The imposition of taxes amounting to J\$16.48/litre resulted in a Refinery Billing price of J\$68.44/litre,

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which decreased by 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\$41.93/litre similar to that of 90 octane, while the Ex-Refinery price was J\$50.89/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\$67.00/litre, which decreased by one percent (1%) when compared to the previous week.

E10

For the week under review the Ex-Refinery price for E10 was J\$48.86, a decrease of one percent (1%) when the price stood at J\$49.81/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\$64.97/litre for the E10 87 blend. This represented a one percent (1%) decrease 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:	10-Sep					
Benchmark:	USGC					
Exch.Rate: US\$=J\$	89.01					
	Unleaded 90	Unleaded 87	E 10	ADO	Kerosene	L.P.G
Gulf Reference Price	41.93	41.93	n/a	39.93	40.40	24.81
Ex-Refinery Price	51.96	50.89	48.86	48.77	49.02	32.97
Refinery Billing Price	68.44	67.00	64.97	64.18	55.04	33.01
Avg. Selling/Retail Price	81.66	77.44	74.63	75.13	58.86	48.67

Note: n/a = not available

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

The Gulf Reference price for the week under review went down by five percent (5%) over that of the previous week as the price stood at J\$39.93/litre, while the Ex-Refinery price was J\$48.77/litre representing a two percent (2%) 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\$64.18/litre, which resulted in a one percent (1%) decrease when compared to prices in the previous week.

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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\$24.81/litre, and J\$32.97/litre respectively. The addition of taxes amounting to J\$0.04/litre contributed to a Refinery Billing Price of J\$33.01/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 six percent (6%) over that of the previous week as the price stood at J\$40.40/litre, while the Ex-Refinery price showed a decline of two percent (2%) as the price amounted to J\$49.02/litre. The addition of taxes amounting to \$6.02/litre, contributed to a Refinery Billing price of J\$55.04/litre, which also declined by two percent (2%) when compared to the previous week.

Marketing/Retail Prices

Motor Fuels

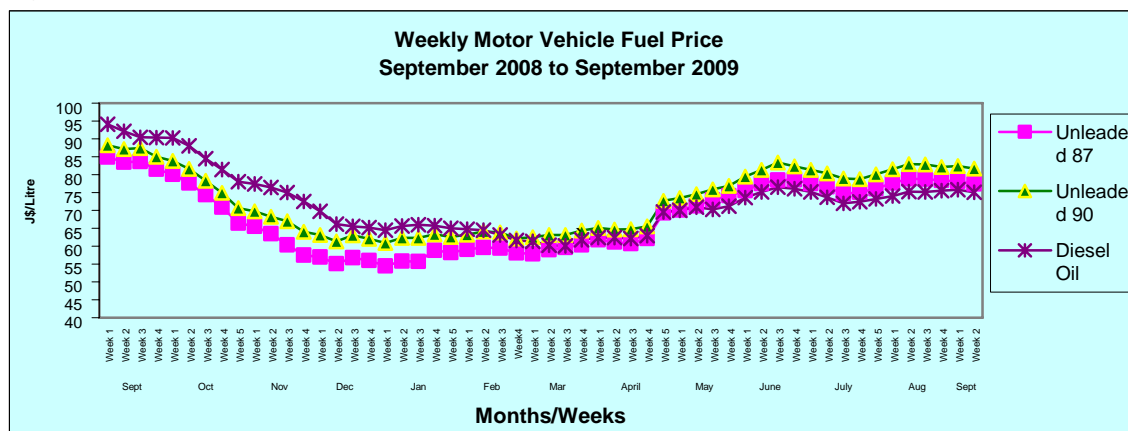
Unleaded Gasoline – 90 Octane

The average retail price for this week went down by J\$0.73/litre, moving from J\$82.39/litre for the previous week to currently amount to J\$81.66/litre, representing a marginal decrease 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 decreased by less than one percent (1%), moving from J\$78.15/litre for the previous week to currently amount to J\$77.44/litre. This represented a J\$0.71/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 decreased by J\$0.66/litre moving from J\$75.79/litre for the previous week to currently amount to J\$75.13/litre. This represents a marginal decrease of less than one percent (1%) over that of the previous week.

Unleaded Gasoline – E10

The average retail price for this week decreased by one percent (1%) moving from J\$75.43/litre for the previous week to currently amount to J\$74.63/litre. This represents a J\$0.80/litre decrease when compared to the previous week.

Cooking Fuels

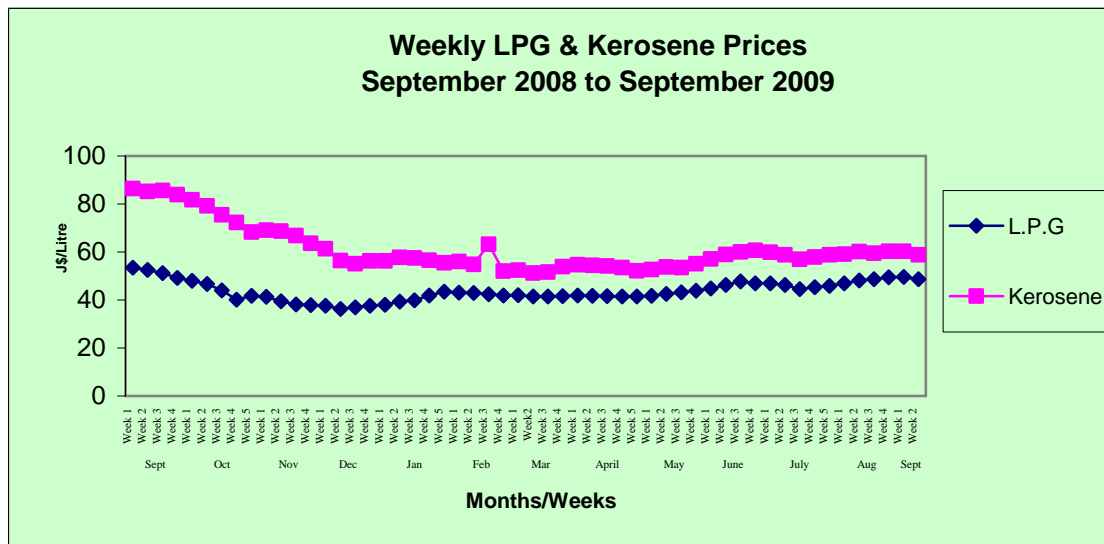
Liquid Petroleum Gas (L.P.G.)

The average retail price for this week increased by one percent (1%) moving from J\$49.56/litre for the previous week to currently amount to J\$48.67/litre. Figure 2 shows year to date trend analysis of cooking fuels' prices.

Kerosene

The average retail price for this week decreased by two percent (2%) moving from J\$60.26/litre for the previous week to currently amount to J\$58.86/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\$82.86/litre. In the urban region the price of Unleaded Gas (90 Octane) was lower, selling at an average price of J\$80.39/litre. The price difference between both regions was J\$2.47/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\$78.82/litre and J\$74.21/litre respectively. The price difference between both regions was J\$4.61/litre.

E10 was sold at an average price of J\$76.95/litre in the rural area while in the urban it had a lower average price of J\$74.66/litre. The difference between both regions was J\$2.29/litre.

Automotive Diesel Oil was sold at an average price of J\$76.79/litre in the rural area while it was sold in the urban at a lower average price of J\$73.89/litre. The difference between both regions was J\$2.90/litre.

L.P.G was sold at an average price of J\$48.83/litre in the rural area while selling at a lower average price of J\$48.76/litre in the urban. The difference between both regions was J\$0.07/litre.

There was a decrease in prices throughout the regions. St. Ann had the highest prices for three products, Unleaded Gas (90 Octane) at J\$86.57/litre, E10 at J\$81.09/litre and ADO at J\$80.32/litre, while Portland had highest price for Unleaded Gas (87 Octane) at J\$81.88/litre. (see Table 3). Clarendon had the lowest prices for two products, E10 at J\$73.23/litre and ADO at J\$73.69/litre, Kingston & St. Andrew had the lowest price for Unleaded Gas (87 Octane) at J\$74.21/litre, while St. James had the lowest for Unleaded Gas (90 Octane) at J\$80.34/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	74.21	74.99	81.66	74.66	75.46	80.39	80.75	86.19	73.89	74.25	90.38
Clarendon	75.57	76.44	83.59	73.23	74.00	80.71	81.64	87.08	73.69	74.66	92.53
Hanover	78.18	78.87	83.83	n/a	n/a	81.73	82.47	87.03	76.39	77.11	92.33
Manchester	77.38	77.94	84.56	76.37	77.16	82.89	83.46	88.11	76.07	76.47	93.36
Portland	81.88	82.70	85.04	79.72	80.62	84.59	85.33	87.41	79.46	79.93	93.47
St. Ann	81.59	82.02	87.01	81.09	81.32	86.57	87.06	90.52	80.32	80.58	96.30
St. Catherine	76.37	77.11	82.33	74.26	75.37	80.82	81.94	85.99	73.85	74.72	90.41
St. Elizabeth	78.93	79.76	84.85	n/a	n/a	82.34	82.90	88.09	77.15	77.89	94.76
St. James	76.75	77.35	83.13	73.25	75.54	80.34	80.87	86.25	74.53	74.94	92.14
St. Mary	80.97	82.28	86.92	80.20	80.75	84.51	85.49	89.81	77.95	78.65	95.95
St. Thomas	81.07	81.91	90.53	77.49	78.39	85.99	86.84	92.55	79.63	80.59	96.80
Trelawny	79.15	80.10	82.73	n/a	n/a	82.38	83.33	85.94	77.00	78.20	91.45
Westmoreland	78.04	78.53	82.96	n/a	n/a	81.42	81.92	85.72	75.46	75.87	90.79

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 Unleaded 87, Unleaded 90 and A.D.O. have decreased by J\$6.05/litre, J\$5.48/litre and J\$17.02/litre respectively.

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CONCLUDING REMARKS

Globally, crude oil prices increased during the week, while the US government reported that crude inventories fell by 5.9 million barrels in the week ended September 4, 2009, much steeper than the 1.8 million drop expected by analysts. The International Energy Agency estimates oil demand will rise almost 1.3 million barrels per say, or 1.5 percent for 2010. Analysts predict that global oil consumption in 2009 will average 84.4 million barrels per day, down two point two percent (2.2%) from 2008.

Locally, there was a week on week decrease in retail prices for petroleum products. 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 eighteen percent (18%) 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\$89.02 in the previous week to US\$1.00: J\$89.01 this week. For the same period last year the dollar stood at US1.00: J\$72.08, twenty-three percent (23%) less than the current rate.