



Ministry of Energy & Mining

WEEKLY OIL PRICE REPORT



September 24 -30, 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\$71.32/bbl representing an increase of less than one percent (1%) over that of the previous week, when crude oil price stood at US\$70.91/bbl (see table 1).

Table 1 Crude Oil Spot Prices US\$/BL

Region	Benchmark	11th September	18th September	% Difference
				11th September vs 18th September
Americans	West Texas Intermediate	70.91	71.32	0.58
Europe	Europe Bent	69.17	68.85	-0.46
Asia	Dubai Fateh	68.07	68.60	0.78
Nothern Africa	Egypt Suez Blend	65.01	65.19	0.28
Western Africa	Nigeria Bonny Light	70.70	70.20	-0.71

Source: Energy Information Administration

Petrojam Billing Price

Unleaded Gasoline – 90 Octane

For this week, the Gulf Reference prices for Unleaded Gas (90 Octane) was J\$42.29/litre this represent a two percent (2%) increase over the previous week (see Table 2). While the Ex-Refinery price went up by approximately one percent (1%) as the price amounted to J\$51.96/litre. The imposition of

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taxes amounting to J\$16.48/litre resulted in a Refinery Billing price of J\$68.44/litre, which increases by less than 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\$42.29/litre similar to that of 90 octane, while the Ex-Refinery price was J\$50.89/litre, an increase of approximately 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 \$67.00/litre, which increased by less than 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, an increase of one percent (1%) when the price stood at J\$48.36/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\$64.97/litre for the E10 87 blend. This represented a less than one percent (1%) 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

Petroleum Products Price List for Selected Products J\$/Litre							
Year:	2009						
Week 4:	24-Sep						
Benchmark:	USGC						
Exch.Rate: US\$=J\$	89.05						
	Unleaded 90	Unleaded 87	E 10	ADO	L.P.G	Kerosene	
Gulf Reference Price	42.29	42.29	n/a	41.99	26.06	42.61	
Ex-Refinery Price	51.96	50.89	48.86	50.02	34.08	50.47	
Refinery Billing Price	68.44	67.00	64.97	65.43	34.12	56.49	
Avg. Selling/Retail Price	81.04	76.72	74.12	75.44	49.79	60.31	

Note: n/a = not available

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

The Gulf Reference price for the week under review went up by three percent (3%) over that of the previous week as price stood at J\$41.99/litre, while the Ex-Refinery price was J\$50.02/litre representing a one percent (1%) 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\$65.43/litre, which resulted in a less than one percent (1%) increase when compared to prices in the previous week.

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Liquid Petroleum Gas (L.P.G.)

The Gulf Reference price for the week under review went up by three percent (3%) over that of the previous week as the prices stood at J\$26.06/litre, while the Ex-Refinery price was J\$34.08 representing a two percent (2%) 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\$34.12/litre, which also resulted in a two percent (2%) increase when compared with the previous week.

Kerosene

The Gulf Reference price for the week under review went up by three percent (3%) over that of the previous week as prices stood at J\$42.61/litre, while the Ex-Refinery price was J\$50.47/litre representing a one percent (1%) increase over that of the previous week. The addition of taxes amounting to \$6.02/litre, contributed to a Refinery Billing price of J\$56.49/litre, which also increased by one percent (1%) when compared to the previous week.

Marketing/Retail Prices

Motor Fuels

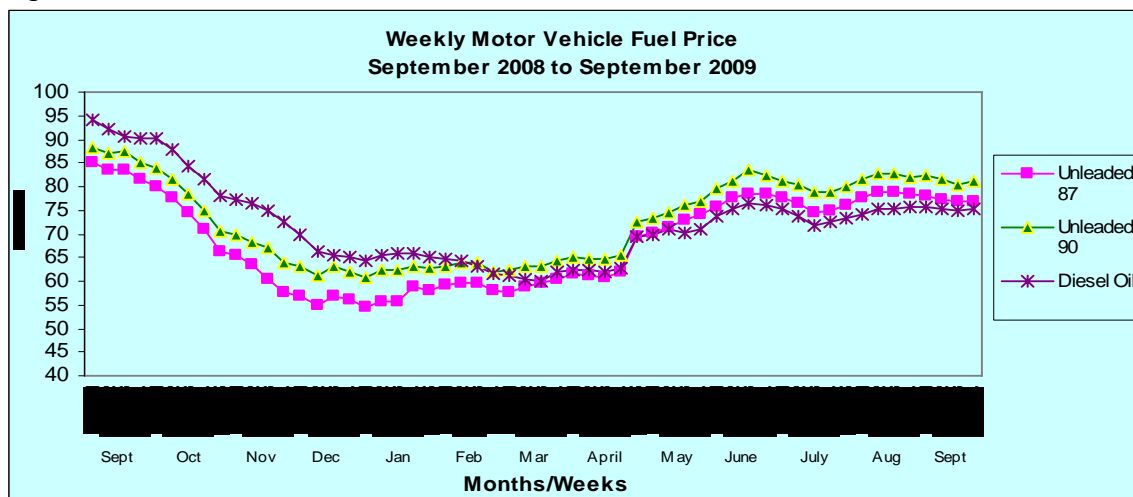
Unleaded Gasoline – 90 Octane

The average retail price for this week went up by J\$0.60/litre, moving from J\$80.44/litre for the previous week to currently amount to J\$81.04/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 decreased by less than one percent (1%), moving from J\$76.74/litre for the previous week to currently amount to J\$76.72/litre. This represented a J\$0.02/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 increased by J\$0.35/litre moving from J\$75.09/litre for the previous week to currently amount to J\$75.44/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 increased by less than one percent (1%) moving from J\$73.90/litre for the previous week to currently amount to J\$74.12/litre. This represents a J\$0.22/litre increase when compared to the previous week.

Cooking Fuels

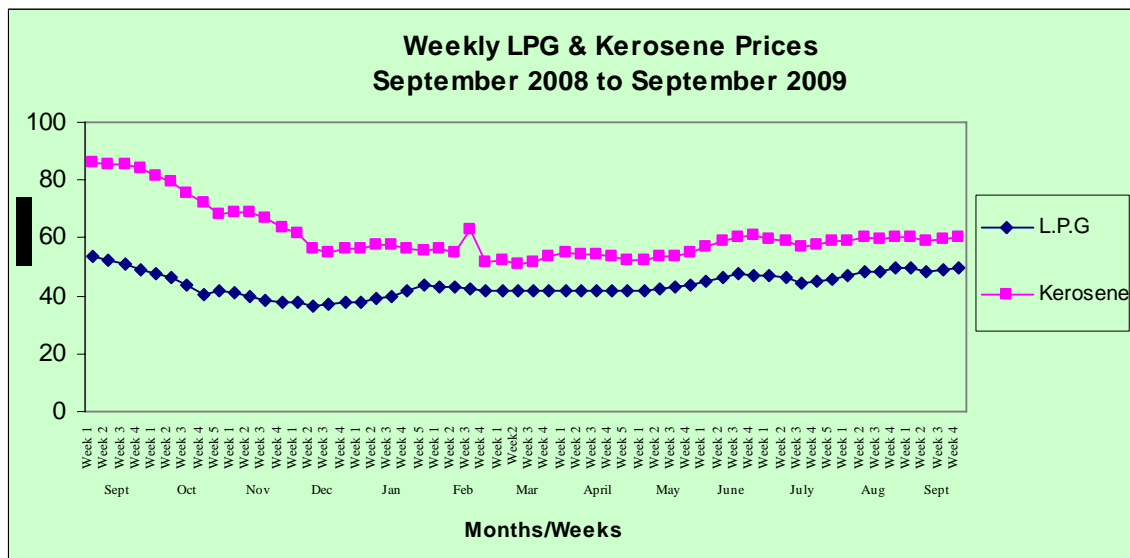
Liquid Petroleum Gas (L.P.G.)

The average retail price for this week increased by one percent (1%) moving from J\$49.25/litre for the previous week to currently amount to J\$49.79/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\$59.71/litre for the previous week to currently amount to J\$60.31/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\$82.19/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\$79.41/litre. The price difference between both regions was J\$2.78/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\$78.16/litre and J\$73.69/litre respectively. The price difference between both regions was J\$4.47/litre.

E10 was sold at an average price of J\$76.52/litre in the rural area while in the urban it had a lower average price of J\$73.67/litre. The difference between both regions was J\$2.85/litre.

Automotive Diesel Oil was sold at an average price of J\$76.99/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\$2.74/litre.

L.P.G was sold at an average price of J\$49.75/litre in the rural area while selling at a higher average price of J\$50.39/litre in the urban. The difference between both regions was J\$-0.64/litre.

There was an overall increase in prices throughout the regions. St. Ann had the highest prices for two products, E10 at J\$79.71/litre and ADO at J\$80.29/litre while St. Thomas had the highest price for Unleaded Gas (90 Octane) at J\$85.63/litre and Portland had highest price for Unleaded Gas (87 Octane) at J\$80.85/litre (see Table 3). Kingston & St. Andrew had the lowest prices for two products, Unleaded Gas (87 Octane) at J\$73.69/litre and Unleaded Gas (90 Octane) at J\$79.41/litre, Clarendon had the lowest price for E10 at J\$72.06/litre, and St. James had the lowest for ADO at J\$72.85/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	73.69	73.65	81.90	73.67	74.26	79.41	79.37	86.50	74.25	74.02	88.86
Clarendon	75.30	74.80	84.06	72.06	72.77	80.38	79.98	87.53	74.32	74.00	90.94
Hanover	77.19	77.71	84.02	n/a	n/a	80.77	81.13	87.18	76.40	76.13	90.77
Manchester	76.45	76.49	84.58	75.37	75.48	82.16	81.93	88.08	76.23	75.89	91.55
Portland	80.85	81.44	84.32	79.06	79.55	83.04	83.84	86.92	78.88	79.08	91.71
St. Ann	80.06	81.04	86.93	79.71	80.47	85.03	85.72	90.64	80.29	79.79	95.17
St. Catherine	76.43	75.33	82.56	74.19	73.36	80.65	79.85	86.17	74.74	73.90	88.73
St. Elizabeth	78.29	78.38	85.06	n/a	n/a	81.94	81.90	88.16	77.47	77.12	93.13
St. James	75.96	76.14	83.42	74.59	74.09	79.55	79.69	86.39	72.85	74.23	89.80
St. Mary	80.61	80.51	87.18	79.70	79.65	84.20	83.89	90.23	78.92	77.91	94.78
St. Thomas	80.59	80.42	90.72	77.49	76.99	85.63	85.38	92.97	80.08	79.86	95.27
Trelawny	79.11	78.65	83.31	n/a	n/a	82.38	81.88	86.44	78.18	77.70	89.55
Westmoreland	77.07	77.38	82.91	n/a	n/a	80.57	80.75	86.02	75.50	75.04	88.54

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\$4.83/litre, J\$3.96/litre and J\$14.61/litre respectively.

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CONCLUDING REMARKS

Globally, crude oil prices decreased by four percent (4%) to settle at \$68 per barrel during the week, after the US government reported an unexpectedly drop in home sales and an increase in crude inventory which resulted in the top energy consumer stirring doubts about a potential fuel demand recovery. The Energy Information Administration reported US commercial stockpiles of crude increased by 2.8 million barrels in the week ended September 18, while analysts were expecting a drop of 2.25 million barrels.

Locally, there was a week on week increase in retail prices for several petroleum products, with the exception of Unleaded 87. A comparative examination for the same period last year indicates that retail prices for Unleaded 87, Unleaded 90 and ADO have decreased by five percent (5%), four percent (4%) and sixteen percent (16%) respectively.

The primary factor influencing prices is the value of the Jamaican dollar, which increased by J\$0.01 as evidenced by the movement in the exchange rate from US\$1.00: J\$89.04 in the previous week to US\$1.00: J\$89.05 this week. For the same period last year the dollar stood at US\$1.00: J\$75.37, which was to eighteen percent (18%) less than the current rate.