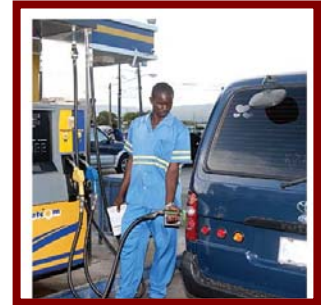




Ministry of Energy & Mining

WEEKLY OIL PRICE REPORT



September 09 - 15, 2010

INTRODUCTION

This report highlights the international prices of crude oil as well as 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 that regard, recommendations for policy adjustment can 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. However, the crude oil price for last week (August 30 – September 3, 2010) was US\$ 74.02/bbl. This represented an increase of 2% over that of the previous week when crude oil prices stood at US\$72.91/bbl (see Table 1).

Table 1 Spot Prices US\$/BL

Region	Benchmark	27 th August	3 rd September	% Difference
				27 th August vs 3 rd September
Americans	West Texas Intermediate	72.91	74.02	1.52
Europe	Europe Brent	72.82	75.41	3.56
Asia	Dubai Fateh	71.39	72.95	2.19
Nothern Africa	Egypt Suez Blend	69.47	72.50	4.36
Western Africa	Nigeria Bonny Light	74.62	76.81	2.93

Petrojam Billing Price

E10 - 90

For this week, the Gulf Reference and Ex-Refinery prices decreased by 1% when compared to the previous week; prices amounted to J\$44.05/litre and J\$50.81/litre

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respectively (See Table 2). The imposition of taxes amounting to J\$26.57/litre resulted in a Refinery Billing price of J\$77.38/litre with taxes accounting for 34% of the Refinery Billing price.

E10 – 87

This week, the Gulf Reference price for E10-87 was J\$44.05/litre similar to that of E10-90, while the Ex-Refinery price was J\$49.74/litre, which represented a 1% decrease when compared to the previous week. The imposition of taxes amounting to J\$25.98/litre resulted in a Refinery billing price of J\$75.72/litre with taxes accounting for 34% of the Refinery Billing price.

Table 2

Petroleum Products Price List for Selected Products J\$/Litre					
Year:	2010				
Week 2:	09-Sep				
Benchmark:	USGC				
Exch.Rate: US\$=J\$	85.71				
	E10 - 90	E10 - 87	ADO	L.P.G	Kerosene
Gulf Reference Price	44.05	44.05	45.82	27.92	46.75
Ex-Refinery Price	50.81	49.74	51.64	34.43	53.46
Refinery Billing Price	77.38	75.72	77.11	34.47	79.21
Average Selling Price	92.24	87.22	89.23	55.62	83.03

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

The Gulf Reference price increased by 1%, while the Ex-Refinery price increased by 0.2% over the previous week when prices amounted to J\$45.82/litre and J\$51.64/litre respectively. The addition of taxes amounting to J\$25.47/litre contributed to a Refinery Billing price of J\$77.11/litre with taxes accounting for 33% of the Refinery Billing price.

Liquid Petroleum Gas (L.P.G.)

The Gulf Reference and the Ex-Refinery prices increased by 2% when compared to the previous week; prices amounted to J\$27.92/litre and J\$34.43/litre respectively. The addition of taxes amounting to J\$0.04/litre contributed to a Refinery Billing Price of J\$34.47/litre, which represents a 2% increase when compared to the previous week.

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Kerosene

The Gulf Reference and Ex-Refinery prices increased by 1% and 0.2% respectively for the week under review when prices amounted to J\$46.75/litre and J\$53.46/litre when compared to the previous week. The addition of taxes amounting to \$25.75/litre, contributed to a Refinery Billing price of J\$79.21/litre with taxes accounting for 33% of the Refinery Billing price.

Average Marketing/Retail Prices Motor Fuels

E10 - 90

The average retail price for this week went down marginally, moving from J\$92.44/litre for the previous week to currently amount to J\$92.24/litre. Figure 1 shows year to year trend analysis of weekly motor vehicle fuel price.

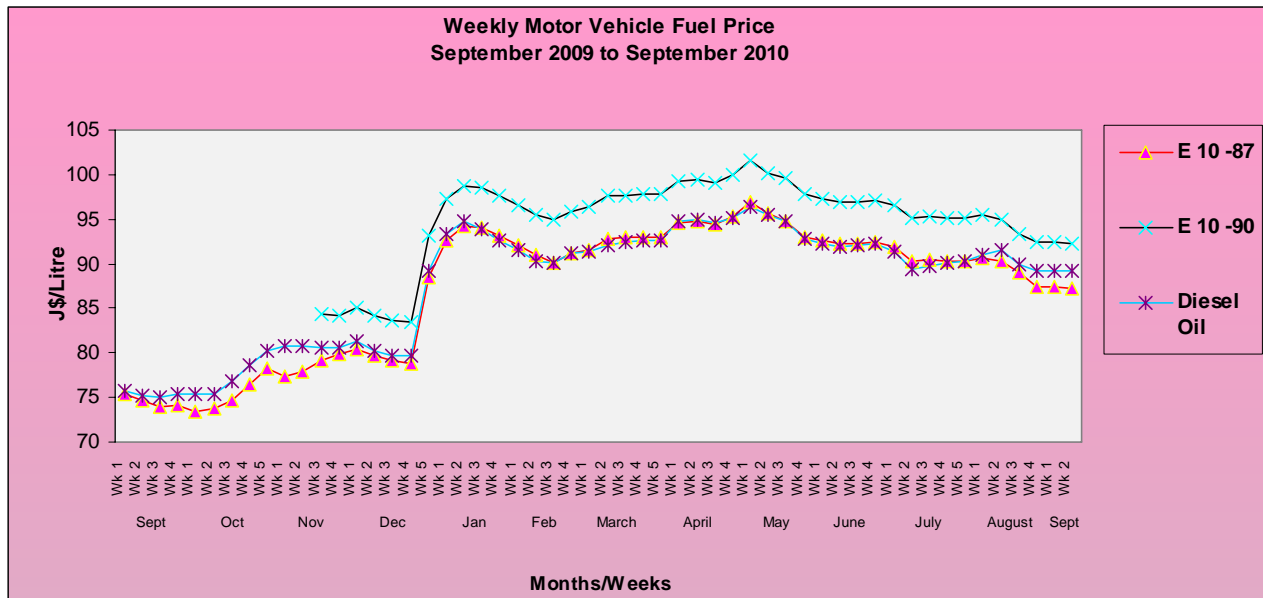
E10 - 87

The average retail price for this week declined by J\$0.20/litre, moving from J\$87.42/litre for the previous week to currently amount to J\$87.22/litre. This represented a marginal decrease when compared to the previous week.

Automotive Diesel Oil (A.D.O)

The average retail price for this week increased marginally moving from J\$89.22/litre for the previous week to currently amount to J\$89.23/litre. This represented a J\$0.01/litre increase when compared to the previous week.

Figure 1



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Cooking Fuels

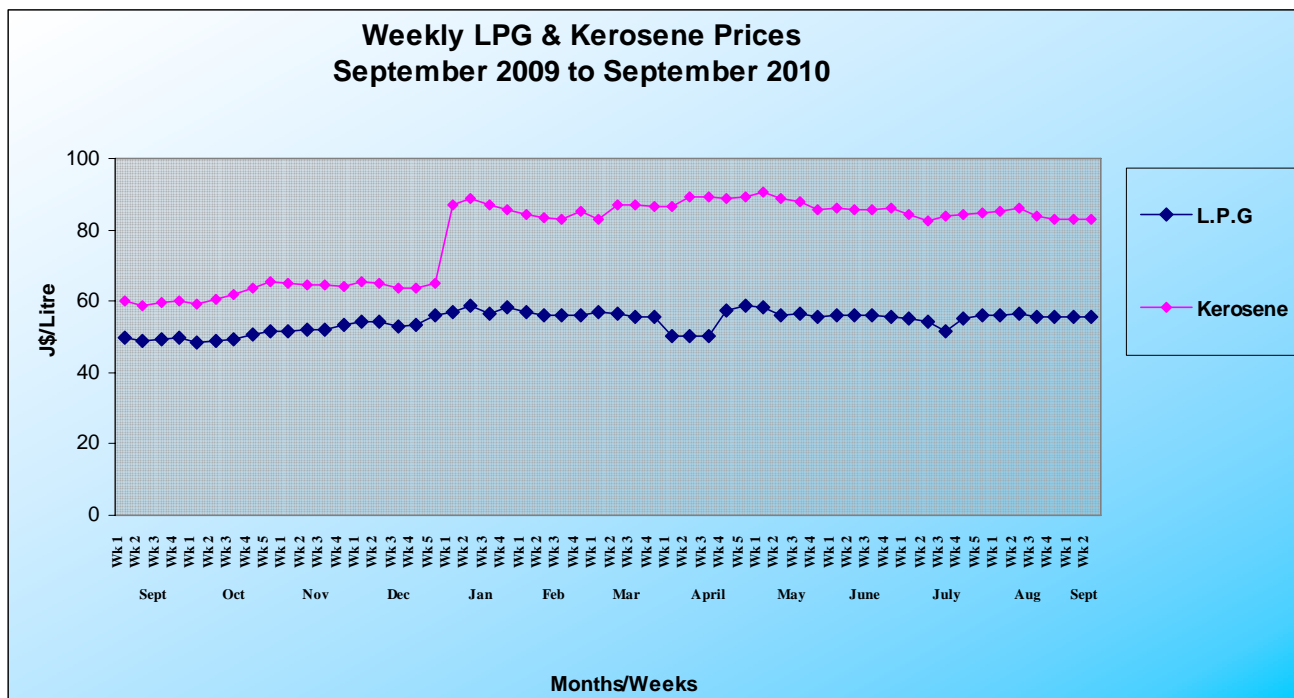
Liquid Petroleum Gas (L.P.G.)

The average retail price for this week declined marginally, moving from J\$55.78/litre for the previous week to currently amount to J\$55.62/litre. Figure 2 shows year to year trend analysis of cooking fuels' prices.

Kerosene

The average retail price for this week increased marginally, moving from J\$82.93//litre for the previous week to currently amount to J\$83.03/litre.

Figure 2



Urban vs. Rural Analysis

For the week under review E10-90 in the rural parishes was sold for an average of J\$93.55/litre. In the urban region the price of E10-90 was lower, selling at an average price of J\$89.80/litre. The price difference between both regions was J\$3.75/litre.

The price for E10-87 showed a similar trend as E10-90 with an average price per litre in the rural and urban regions standing at J\$89.34/litre and J\$84.11/litre respectively. The price difference between both regions was J\$5.23/litre.

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Automotive Diesel Oil was sold at an average price of J\$91.29/litre in the rural region while selling in the urban at a lower average price of J\$86.55/litre. The difference between both regions was J\$4.74/litre.

L.P.G was sold at an average price of J\$56.30/litre in the urban region while selling at a lower average price of J\$55.57/litre in the rural. The difference between both regions was J\$0.73/litre.

The prices fluctuated throughout the regions. St. Ann had the highest prices for all three products, E10-87 at J\$92.75/litre, E10-90 at J\$97.80/litre and ADO at J\$95.13/litre (see Table 3). Kingston & St. Andrew had the lowest price for E10-87 at J\$84.14/litre, while Westmoreland had the lowest price for E10-90 at J\$89.26/litre and St. James had the lowest price for ADO at J\$86.40/litre.

Table 3: Weekly Retail Prices for Selected Petroleum Products by Region

Gasolene E10 - 87				Gasolene E10 - 90			Automotive Diesel Oil		
Region	Prices This Week	Prices Last Week	Prices One Year Ago	Prices This Week	Prices Last Week	Prices One Year Ago (Regular 90)	Prices This Week	Prices Last Week	Prices One Year Ago
Kgn. & St. Andrew	84.14	84.37	74.66	89.81	90.08	80.39	86.62	86.53	73.89
Clarendon	85.36	85.59	73.23	91.63	91.87	80.71	88.86	88.81	73.69
Hanover	87.09	87.29	n/a	91.26	91.46	81.73	91.45	91.45	76.39
Manchester	89.29	89.47	76.37	94.16	94.28	82.89	91.62	91.85	76.07
Portland	91.50	91.40	79.72	94.50	94.37	84.59	92.47	92.42	79.46
St. Ann	92.75	93.04	81.09	97.80	97.78	86.57	95.13	95.09	80.32
St. Catherine	86.62	86.92	74.26	92.02	92.33	80.82	87.86	87.90	73.85
St. Elizabeth	89.86	89.99	n/a	92.95	92.86	82.34	91.73	91.73	77.15
St. James	85.76	85.82	73.25	89.35	90.09	80.34	86.40	86.23	74.53
St. Mary	90.80	91.20	80.20	96.44	96.61	84.51	93.79	93.71	77.95
St. Thomas	91.81	91.86	77.49	95.49	95.56	85.99	92.81	93.09	79.63
Trelawny	92.00	92.40	n/a	94.00	94.40	82.38	93.20	93.05	77.00
Westmoreland	89.26	89.60	n/a	89.26	93.29	81.42	90.20	90.15	75.46
Average Retail Prices for All Regions									
Product	2009		2010			2009 vs 2010			
Unleaded 90 / E10-90	81.6615		92.2384			10.58			
E10- 87	74.6280		87.2155			12.59			
Auto Diesel Oil	75.1293		89.2316			14.10			

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 E10-87 and ADO have increased by J\$12.59/litre and J\$14.10/litre respectively, while E10-90 increased by J\$10.58/litre when compared to Regular 90 (see Table 3).

CONCLUDING REMARKS

Globally, crude oil prices increased for the week ending September 3, 2010. The upward movement in prices was attributed to reports of an oil platform explosion in the Gulf of Mexico, which boosted investor confidence. Another contributing factor was the weakening of the United States dollar. A weakening dollar often strengthens oil prices since it makes crude less expensive in most regions.

Locally, there was a fluctuation in retail prices between the various petroleum products. A comparative examination over the same period last year indicates that retail prices for E10-87 and ADO increased by 17% and 19% respectively, while the E10-90 increased by 13% when compared to Regular 90.

The value of the Jamaican dollar increased marginally as evidenced by the movement in the exchange rate from US\$1.00: J\$85.62 in the previous week to US\$1.00: J\$85.71 for this week. For the same period last year the dollar stood at US1.00: J\$89.01 which is 4% more than the current rate.