



# Ministry of Energy

## Weekly Oil Price Report



March 26 – April 01, 2009

### INTRODUCTION

This report seeks to highlight the status of prices for crude oil internationally and petroleum products including LPG in the domestic energy market. The report allows the Ministry of Energy 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; however, the Crude Oil price for last week was US\$49.49/bbl representing an increase of eight percent (8%) over the previous week, when Crude Oil price stood at US\$45.66/bbl (see table 1).

Table 1 Crude Oil Spot Prices US\$/BBL

Region	Benchmark	12th March	19th March	% Difference 12th Mar vs 19th March
Americans	West Texas Intermediate	45.66	49.49	8.39
Europe	Europe Bent	43.98	46.43	5.57
Asia	Dubai Fateh	42.90	44.51	3.75
Nothern Africa	Egypt Suez Blend	40.11	41.68	3.91
Western Africa	Nigeria Bonny Light	46.57	47.94	2.94

Source: Energy Information Administration

### *Petrojam Billing Price*

#### **Unleaded Gasoline – 90 Octane**

For this week, the Gulf Reference price for Unleaded Gas (90 Octane) went up by seven percent (7%) over the previous week (see Table 2), as prices stood at J\$31.47/litre, while the Ex-Refinery prices went up by four percent (4%) over that of the previous week as price amounted to J\$45.37/litre. The Imposition of taxes amounting to J\$7.73/litre resulted in a Refinery Billing

**Weekly Oil Price Report**  
**March 26 - April 01, 2009**

price of J\$53.10/litre, which increased by three percent (3%) when compared to the previous week.

**Unleaded Gasoline – 87 Octane**

For this week, the Gulf Reference price for Unleaded Gas (87 Octane) was J\$31.47/litre similar to that of 90 octane, while the Ex-Refinery price was J\$44.30/litre, an increase of four percent (4%) when compared to the previous week. The imposition of taxes amounting to J\$7.36/litre, resulted in a Refinery billing price of \$51.66/litre, increased by three percent (3%) over that of the previous week.

**E10**

For the week under review, the Ex-Refinery price for E10 was J\$42.27 an increase of four percent (4%) when the price stood at J\$40.52/litre for the previous week. The addition of taxes amounting to J\$7.36/litre similar to that of 87 octane resulted in a Refinery Billing price of J\$49.63/litre for the E10 87 blend. This represented a three percent (3%) increase 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.

<u>Petroleum Products Price List for Selected Products J\$/Litre</u>							
Year:	2009						
Week 1:	26-Mar						
Benchmark:	United States Gulf Coast						
Exch.Rate: US\$=J\$	88.52						
	L.P.G	Unleaded 87	E 10	Unleaded 90	Kerosene	ADO	
Gulf Reference Price	18.59	31.47	n/a	31.47	32.33	31.00	
Ex-Refinery Price	24.41	44.30	42.27	45.37	43.99	44.73	
Refinery Billing Price	24.45	51.66	49.63	53.10	50.01	51.39	
Selling Price	41.61	60.33	57.46	64.40	53.83	61.82	

Note: n/a=not available

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

The Gulf Reference prices for the week under review went up by seventeen percent (17%) over that of the previous week as prices stood at J\$31.00/litre, while the Ex-Refinery prices went up by four percent (4%) over that of the previous week as prices amounted to J\$44.73/litre. The addition of taxes amounting to J\$6.66/litre, contributed to a Refinery Billing price of J\$51.39/litre. This resulted in a four percent (4%) 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 thirteen percent (13%) over that of the previous week as prices stood at J\$18.59/litre, while the

## Weekly Oil Price Report March 26 - April 01, 2009

Ex-Refinery prices went up by nine percent (9%) over that of the previous week as prices amounted to J\$24.41/litre. The addition of taxes amounting to J\$0.04/litre contributed to a Refinery Billing Price of J\$24.45/litre, which also resulted in a nine percent (9%) increase when compared with the previous week.

### Kerosene

The Gulf Reference price for the week under review went up by seventeen percent (17%) over that of the previous week when the price stood at J\$32.33/litre, while the Ex-Refinery price went up by five percent over the previous week when the price stood at J\$43.99/litre. The addition of taxes amounting to \$6.66/litre, contributes to a Refinery Billing price of J\$50.01/litre, which resulted in a four percent (4%) increase when compared with the previous week.

## Marketing/Retail Prices Motor Fuels

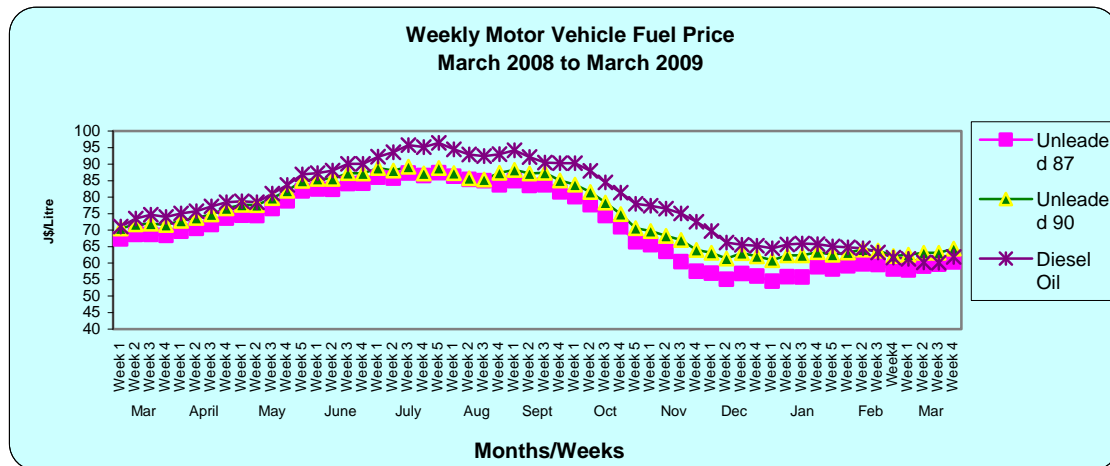
### Unleaded Gasoline – 90 Octane

The average retail price for this week went up by J\$1.25/litre, moving from J\$63.15/litre for the previous week to J\$64.40/litre. This represents an increase of approximately two percent (2%) over last week.

### Unleaded Gasoline – 87 Octane

The average retail price for this week went up by one percent (1%), moving from J\$59.30/litre for the previous week to J\$60.33/litre. This represents a J\$1.03/litre increase when compared to the previous week.

Figure 1



**Weekly Oil Price Report  
March 26 - April 01, 2009**

**Unleaded Gasoline – E10**

The average retail price for this week was increased by three percent (3%), moving from J\$56.70/litre for the previous week to currently amounting to J\$58.46/litre. This represents a J\$1.76/litre increase when compared to the previous week.

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

The average retail price for this week was increased by J\$1.69/litre moving from J\$60.13/litre for the previous week to J\$61.82/litre. This represents a two percent (2%) increase over that of the previous week.

**Cooking Fuels**

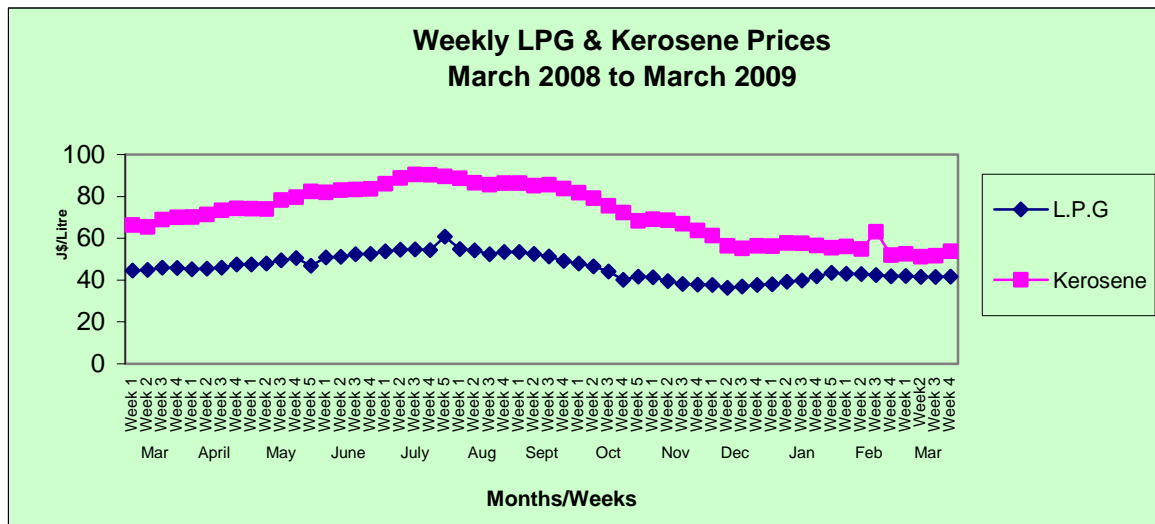
**Liquid Petroleum Gas (L.P.G.)**

The average retail price for this week was J\$41.61/litre showing an increase of two percent (2%) when compared with the previous week when the price was J\$40.51/litre.

**Kerosene**

The average retail price for this week was J\$53.83/litre showing an increase of four percent (4%) when compared with the previous week when the price was J\$51.57/litre.

Figure 2



**Urban vs. Rural Analysis**

**Weekly Oil Price Report**  
**March 26 - April 01, 2009**

For the week under review, Unleaded Gas (90 Octane) in the rural region was sold for an average of J\$65.91/litre. In the urban region, the price of Unleaded Gas (90 Octane) was lower, selling at an average price of J\$62.85/litre. The price difference between both regions was J\$3.06/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\$62.22 and J\$58.57 respectively. The price difference between both regions was J\$3.65/litre.

E10 was sold at an average price of J\$60.70/litre in the rural area while in the urban area it had a lower average price of J\$57.25/litre. The difference between both regions was J\$3.45/litre.

Automotive Diesel Oil was sold at an average price of J\$63.56/litre in the rural area while it was sold in the urban at a lower average price of J\$59.59/litre. The difference between both regions was J\$3.97/litre.

L.P.G was sold at an average price of J\$42.27/litre in the rural area while selling at a lower average price of J\$40.19/litre in the urban. The difference between both regions was J\$2.08/litre.

There was an overall increase in prices throughout the regions; St. Mary had the highest prices for two products, Unleaded Gas (87 Octane) which was J\$65.71/litre and E10 at J\$64.44/litre, while St. Thomas had the highest price for Unleaded Gas (90 Octane) at J\$70.70/litre and St. Ann the highest for ADO at J\$67.15/litre (see Table 3). Kingston and St. Andrew had the lowest prices for three products, E10 at J\$57.25/litre, Unleaded Gas (87 Octane) at J\$58.57/litre and ADO at J\$59.59/litre while St. Catherine had the lowest for Unleaded Gas (90 Octane) at J\$62.27/litre.

## Weekly Oil Price Report March 26 - April 01, 2009

**Table 3. Weekly Retail Prices for Selected Petroleum Products by Region**

Unleaded 87 Octane			E 10		Unleaded 90 Octane			Automotive Diesel Oil			
Region	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	58.57	57.04	66.52	57.25	55.44	62.85	61.22	70.59	59.59	57.89	72.34
Clarendon	59.55	57.76	68.41	57.33	55.79	64.25	62.32	71.85	62.41	61.21	75.76
Hanover	62.34	60.82	67.97	n/a	n/a	65.90	64.31	71.64	63.10	62.50	72.96
Manchester	61.33	59.02	66.99	59.91	57.87	65.81	63.84	70.89	63.22	61.16	72.52
Portland	63.38	61.42	69.63	62.66	59.74	66.21	63.59	71.76	64.93	63.10	75.66
St. Ann	63.91	62.32	71.78	63.61	61.92	69.08	67.11	74.82	67.15	64.72	77.72
St. Catherine	59.65	57.99	66.08	58.43	56.72	62.27	60.73	70.22	60.50	58.66	72.01
St. Elizabeth	61.09	59.88	70.09	n/a	n/a	64.42	62.88	73.22	63.23	61.68	75.93
St. James	60.01	58.92	66.37	59.45	57.70	63.39	62.44	69.87	60.23	59.06	72.13
St. Mary	65.71	63.89	71.32	64.44	62.67	68.64	66.78	74.00	65.70	63.71	77.78
St. Thomas	65.26	64.02	69.30	59.79	59.77	70.70	69.22	71.97	66.40	65.79	75.15
Trelawny	64.56	62.98	66.36	n/a	n/a	67.30	65.72	69.31	64.02	62.96	68.39
Westmoreland	59.85	58.05	68.50	n/a	n/a	62.99	61.21	70.77	60.60	58.12	74.23

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\$8.01/litre and J\$7.16/litre and J\$12.16/litre respectively.

### CONCLUDING REMARKS

Globally, Crude Oil prices went up for the week ending March 20, 2009 due to the falling of the United States dollar. While demand remains abysmal, production cuts from OPEC and scaled-back investments from oil companies are beginning to curtail supplies.

Production in non-OPEC countries has also tightened, as deteriorating economic conditions force companies to cut back their exploration and production efforts.

Locally, there was an increase in retail prices of Petroleum Products in the domestic market. A comparative examination of the same period last year indicates that retail prices for Unleaded 87, Unleaded 90 and ADO have decreased significantly, unleaded 87 decreased by thirteen percent (13%), Unleaded 90 decreased by eleven percent (11%) and ADO by nineteen percent (19%).

Another factor influencing prices is the value of the Jamaican dollar which incidentally increased by J\$0.12 as evidenced by the movement in the exchange rate from US\$1.00: J\$88.40 in the previous week to US\$1.00: J\$88.52 this week. For the same period last year the dollar stood at US1.00: J\$71.19, twenty-four percent (24%) less than current rate.