



# Ministry of Energy

## Weekly Oil Price Report



March 05 - 11, 2009

### INTRODUCTION

This report seeks to highlight the status of prices for petroleum products including LPG in the international and local energy markets. The report allows us 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 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\$41.10/bbl representing an increase of ten percent over the previous week, when Crude Oil price stood at US\$37.15/bbl (see table 1).

Table 1 Crude Oil Spot Prices US\$/BL

Region	Benchmark	19th Feb	26th Feb	% Difference 19th Feb vs 26th Feb
Americans	West Texas Intermediate	37.15	41.10	10.63
Europe	Europe Bent	40.91	42.68	4.33
Asia	Dubai Fateh	42.21	41.47	-1.75
Nothern Africa	Egypt Suez Blend	37.78	38.21	1.14
Western Africa	Nigeria Bonny Light	44.96	45.41	1.00

Source: Energy Information Administration

### *Petrojam Billing Price*

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

For this week, the Gulf Reference price for Unleaded Gas (90 Octane) increased significantly by fourteen percent (14%) when the price stood at J\$28.68/litre over that of the previous week (see Table 2), while the Ex-Refinery price increase by four percent (4%) over that of the previous week when the price stood at J\$42.86. The imposition of taxes amounting to J\$7.73/litre resulted in a Refinery Billing price of J\$50.59/litre, a three percent (3%) increase when compared to the previous week.

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**Unleaded Gasoline – 87 Octane**

For this week, the Gulf Reference price for Unleaded Gas (87 Octane) was J\$28.68/litre similar to that of 90 octane, while the Ex-Refinery price was J\$41.79/litre, an increase of four percent (4%) when compared to the previous week. The imposition of taxes amounting to J\$7.36/litre for Refinery billing price which increased by three percent (3%) over that of the previous week, when the price stood at J\$49.15/litre

**E10**

For the week under review the Ex-Refinery price for E10 was J\$39.76 an increase of four percent when the price stood at J\$38.01/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\$47.12/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.

<b>Petroleum Products Price List for Selected Products J\$/Litre</b>						
<b>Year:</b>	<b>2009</b>					
<b>Week 1:</b>	<b>5-Mar</b>					
<b>Benchmark:</b>	<b>United States Gulf Coast</b>					
<b>Exch.Rate: US\$=J\$</b>	<b>88.27</b>					
	<b>L.P.G</b>	<b>Unleaded 87</b>	<b>E 10</b>	<b>Unleaded 90</b>	<b>Kerosene</b>	<b>ADO</b>
<b>Gulf Reference Price</b>	16.93	28.68	n/a	28.68	28.44	27.65
<b>Ex-Refinery Price</b>	23.33	41.79	39.76	42.86	42.62	43.76
<b>Refinery Billing Price</b>	23.37	49.15	47.12	50.59	48.64	50.42
<b>Selling Price</b>	42.00	57.83	55.81	62.52	52.46	61.31

Note: n/a=not available

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

The Gulf Reference price for the week under review went up by three percent over that of the previous week when the price stood at J\$27.65/litre, while the Ex-Refinery stood at J\$43.76/litre showing a one percent increase over the previous week. The addition of taxes amounting J\$6.66/litre, contributed to a Refinery Billing price of J\$50.42/litre. This resulted in a one percent increase (1%) when compared to the previous week.

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

The Gulf Reference and Ex-Refinery prices for the week under review went up by two percent (2%) over that of the previous week when the prices stood J\$16.93/litre and J\$23.33/litre respectively. The addition of taxes amounting to

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J\$0.04/litre contributed to a Refinery Billing Price of J\$23.37/litre. This resulted in an increase of two percent when compared with the previous week.

### Kerosene

The Gulf Reference and Ex-Refinery prices for the week under review went up by one percent (1%) over that of the previous week when the prices stood at J\$28.44/litre and J\$42.62/litre respectively. The addition of taxes amounting to J\$6.66/litre, contributes to a Refinery Billing price of J\$48.64/litre, which also resulted in a one percent (1%) increase when compared with the previous week.

## Marketing/Retail Prices Motor Fuels

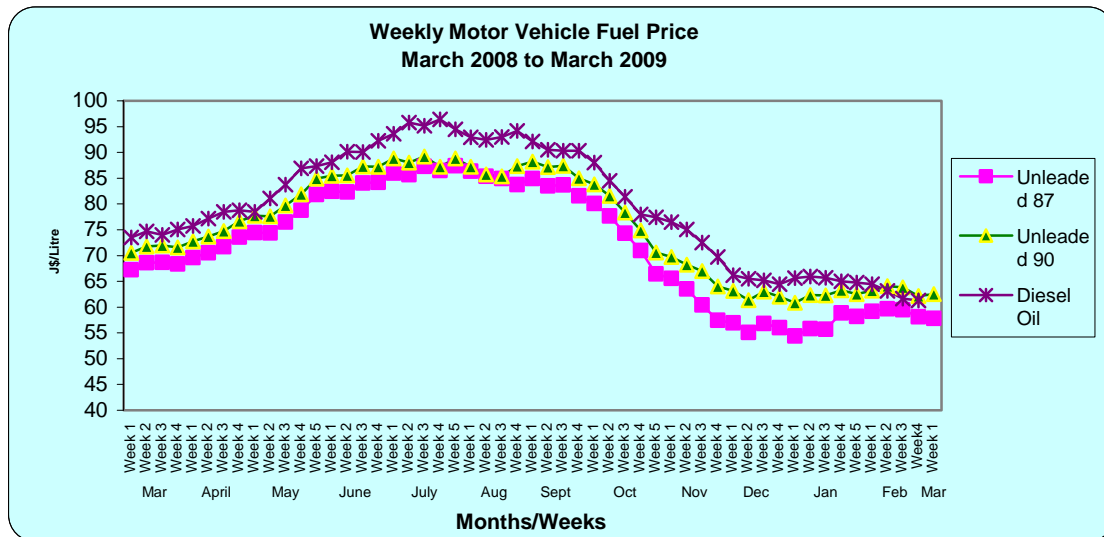
### Unleaded Gasoline – 90 Octane

The average retail price for this week went up by J\$0.40/litre, moving from J\$62.12/litre for the previous week to J\$62.52/litre for this week. This represents an increase of less than one percent over last week.

### Unleaded Gasoline – 87 Octane

The average retail price for this week fell by less than one percent, moving from J\$58.11/litre for the previous week to J\$57.83/litre for this week. This represents a J\$0.28/litre decrease when compared to the previous week.

Figure 1



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### **Unleaded Gasoline – E10**

The average retail price for this week was increased by one percent, moving from J\$55.24/litre for the previous week to J\$55.81/litre for this week, this represents a J\$0.57/litre increase when compared to the previous week.

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

The average retail price for this week went down by J\$0.33/litre moving from J\$61.84/litre for the previous week to J\$61.31/litre. This represents a less than one percent (1%) decrease over that of previous week.

### **Cooking Fuels**

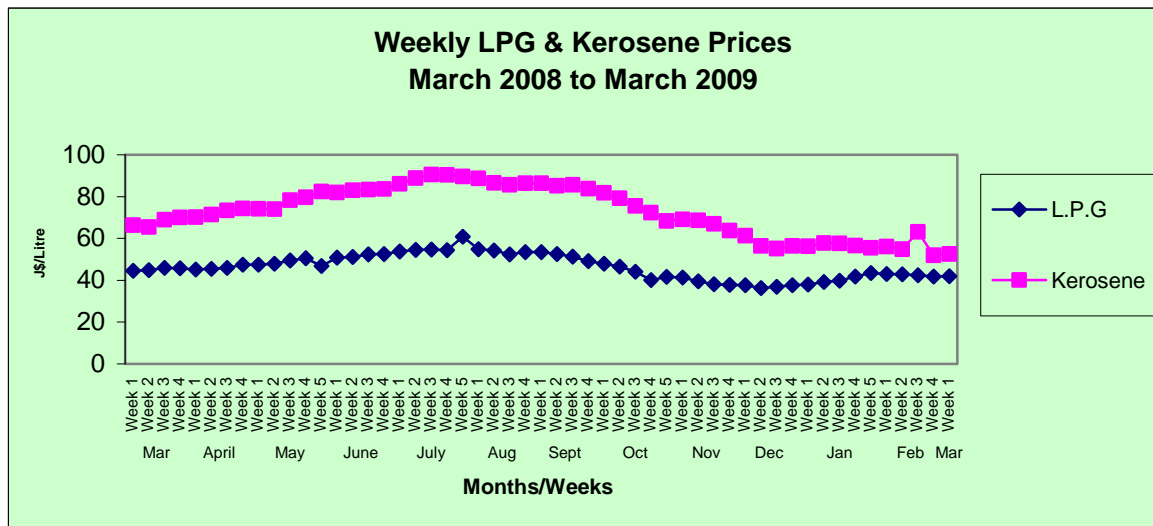
#### **Liquid Petroleum Gas (L.P.G.)**

The average retail price for this week was J\$42.00/litre showing an increase of less than one percent (1%) when compared with the previous week when the price was J\$41.81/litre.

#### **Kerosene**

The average Retail Price for this week was J\$52.46/litre showing an increase of less than one percent when compared with the previous week when the price was \$51.95/litre.

Figure 2



### **Urban vs. Rural Analysis**

For the week under review Unleaded 90 Octane in the rural region was sold for an average of J\$63.60/litre. In the urban region the price of Unleaded 90

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Gasoline was lower, selling at an average price of J\$60.93/litre. The price difference between both regions was J\$2.67/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\$59.22 and J\$56.12 respectively. The price difference between both regions was J\$3.10/litre.

E10 was sold at an average price of J\$58.38/litre in the rural area while selling in the urban at a lower average price of J\$54.49/litre. The difference between both regions was J\$3.89/litre.

Automotive Diesel Oil was sold at an average price of J\$62.86/litre in the rural area while selling in the urban at a lower average price of J\$59.20/litre. The difference between both regions was J\$3.66/litre.

L.P.G was sold at an average price of J\$43.13/litre in the rural area while selling in the urban at a lower average price of J\$39.22/litre. The difference between both regions was J\$3.91/litre.

There was an overall increase in prices throughout the regions; however, St. Thomas had the highest prices for two products, Unleaded Gas (90 Octane) which was J\$68.28/litre and ADO at J\$66.50/litre (see Table 3), while St. Mary had the highest prices for E10 at J\$62.00/litre and Unleaded Gas (87 Octane) at J\$63.32/litre. Kingston and St. Andrew had the lowest prices for three products, E10 at J\$54.49/litre, ADO at J\$59.20/litre and Unleaded Gas (87 Octane) at J\$56.12/litre, while Westmoreland had the lowest for and Unleaded Gas (90 Octane) at J\$60.36/litre.

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**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	56.12	55.49	65.53	54.49	53.68	60.93	60.22	69.33	59.20	59.65	69.50
Clarendon	56.73	55.75	66.80	55.31	54.08	61.27	60.78	70.91	61.70	61.47	72.69
Hanover	59.64	61.35	67.16	n/a	n/a	63.15	62.28	70.70	62.60	62.32	70.60
Manchester	58.29	57.48	67.05	56.91	56.79	63.02	62.32	70.60	62.10	61.71	70.95
Portland	61.04	62.00	67.96	60.04	60.99	63.45	65.63	70.33	64.56	65.86	71.14
St. Ann	60.07	61.41	70.29	61.75	61.58	66.57	66.31	73.38	66.12	66.74	73.97
St. Catherine	52.93	56.81	64.67	55.55	55.51	62.17	62.17	69.15	59.77	60.20	68.90
St. Elizabeth	58.89	58.87	69.00	n/a	n/a	62.1	61.76	72.24	62.26	62.73	72.65
St. James	57.93	57.71	64.39	58.31	56.31	61.53	61.41	67.08	60.31	60.98	68.03
St. Mary	63.32	61.89	70.13	62.00	60.48	66.28	65.06	72.92	64.86	64.42	74.68
St. Thomas	63.04	62.79	68.64	57.19	55.39	68.28	67.72	71.00	66.50	66.44	71.96
Trelawny	61.73	59.98	67.20	n/a	n/a	64.99	63.24	69.81	63.74	62.99	70.15
Westmoreland	57.04	57.64	67.02	n/a	n/a	60.36	60.85	69.31	59.75	60.79	70.94

Note: n/a = not available

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\$9.41/litre and J\$7.98/litre and J\$9.82/litre respectively.

### CONCLUDING REMARKS

Globally, Crude Oil prices went up for the week ending February 27, 2009 after the United Arab Emirates announced deeper cuts in crude supply to Asia for April in a possible signal that OPEC will cut output further at its next meeting in March.

United States data showed a larger-than-expected drop in gasoline stocks as demand rose on cheaper prices.

Locally, there was a slight increase in retail oil prices of several Petroleum Products in the domestic market, with the exception of Unleaded 87 and ADO. A comparative examination of the same period last year indicates that retail prices for Unleaded 87, Unleaded 90 and ADO have decrease significantly , unleaded 87 decreased by fourteen percent (14%), Unleaded 90 decreased by eleven percent (11%) and ADO by nine percent.

Another factor influencing prices is the value of the Jamaican dollar which incidentally increased by J\$0.03 as evidenced by the movement in the exchange rate from US\$1.00: J\$88.24 in the previous week to US\$1.00: J\$88.27 this week. For the same period last year the dollar stood at US1.00: J\$71.40 twenty-three percent (23%) less than current rate.