



Ministry of Energy

WEEKLY OIL



February 26 – March 04, 2009

INTRODUCTION

This report seeks to highlight the status of petroleum products prices 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 can 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\$37.15/bbl representing an increase of less than one percent over the previous week, when Crude Oil price stood at US\$36.94/bbl.

Table 1 Crude Oil Spot Prices US\$/BL

Region	Benchmark	12th Feb	19th Feb	% Difference 12th Feb vs 19th Feb
Americans	West Texas Intermediate	36.94	37.15	0.57
Europe	Europe Bent	45.59	40.91	-10.27
Asia	Dubai Fateh	45.07	42.21	-6.35
Nothern Africa	Egypt Suez Blend	41.7	37.78	-9.40
Western Africa	Nigeria Bonny Light	48.79	44.96	-7.85

Source: Energy Information Administration

Petrojam Billing Price

Unleaded Gasoline – 90 Octane

For this week, the Gulf Reference price for Unleaded Gas (90 Octane) was J\$25.15/litre a significant decreased of fifteen percent when compared with the previous week (see Table 2), while the Ex-Refinery price decrease by five percent over that of the previous week when the price stood at J\$41.11. The Imposition of taxes amounting to J\$7.73/litre resulted in a Refinery Billing price of J\$48.84/litre, a four percent decrease 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\$25.15/litre similar to that of 90 octane, while the Ex-Refinery price was J\$40.04/litre, a decrease of five percent when compared to the previous week. The imposition of taxes amounting to J\$7.36/litre for Refinery billing price which also decreased by five percent over that of the previous week, when the price stood at J\$47.40/litre

E10

For the week under review the Ex-Refinery price for E10 was J\$38.01 a decrease of six percent when the price stood at J\$40.51/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\$45.37/litre for the E10 87 blend. This represented a five percent decrease 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

Petroleum Products Price List for Selected Products J\$/Litre							
Year:	2009						
Week 1:	26-Feb						
Benchmark:	United States Gulf Coast						
Exch.Rate: US\$=J\$	88.24						
	L.P.G	Unleaded 87	E 10	Unleaded 90	Kerosene	ADO	
Gulf Reference Price	16.57	25.15	n/a	25.15	27.96	26.64	
Ex-Refinery Price	22.79	40.04	38.01	41.11	42.11	43.00	
Refinery Billing Price	22.83	47.40	45.37	48.84	48.13	49.67	
Selling Price	41.81	58.11	55.24	62.12	51.95	61.64	

Automotive Diesel Oil (A.D.O.)

The Gulf Reference price for the week under review went down by six percent over that of the previous week when the price stood at J\$26.64/litre, while the Ex-Refinery stood at J\$43.00/litre showing a four percent decrease over the previous week. The addition of taxes amounting J\$6.66/litre, contributed to a Refinery Billing price of J\$49.67/litre, which resulted in a decrease of three percent when compared to the previous week.

Liquid Petroleum Gas (L.P.G.)

The Gulf Reference price for the week under review went down by five percent over that of the previous week when the price stood J\$16.57/litre, while the Ex-Refinery prices went down by six percent over that of the previous week, when the price stood at J\$22.79/litre. The addition of taxes amounting to J\$0.04/litre

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contributed to a Refinery Billing Price of J\$22.83/litre, which also resulted in a decrease of six percent when compared with the previous week.

Kerosene

The Gulf Reference price for the week under review went down by five percent over that of the previous week when the prices stood at J\$27.96/litre, while the Ex-Refinery price went down by four percent over that of the previous week when the price stood at J\$43.00/litre. The addition of taxes amounting to J\$6.66/litre, contributes to a Refinery Billing price of J\$49.67/litre, which resulted in a three percent decrease when compared with the previous week.

Marketing/Retail Prices

Motor Fuels

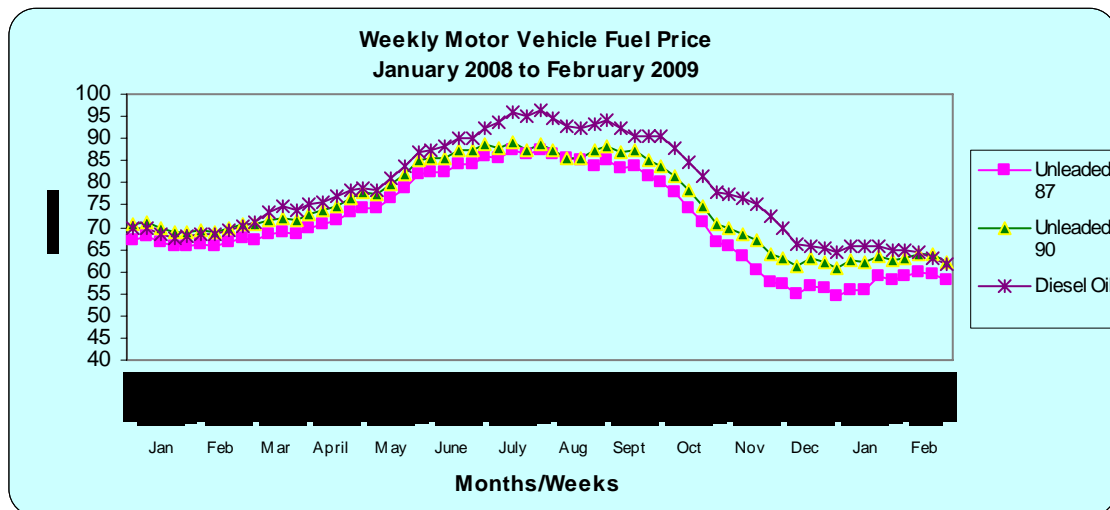
Unleaded Gasoline – 90 Octane

The average retail price for this week went down by J\$1.71/litre, moving from J\$63.83/litre for the previous week to J\$62.12/litre for this week, representing a two percent decrease over that of last week.

Unleaded Gasoline – 87 Octane

The average retail price for this week was decreased by two percent, moving from J\$59.49/litre for the previous week to J\$58.11/litre for this week, this represents a J\$1.38/litre decrease when compared to the previous week.

Figure 1



Unleaded Gasoline – E10

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The average retail price for this week was decreased by three percent, moving from J\$57.16/litre for the previous week to J\$55.24/litre for this week, this represents a J\$1.91/litre decrease when compared to the previous week.

Automotive Diesel Oil (A.D.O.)

The average retail price for this week went down by J\$1.52/litre moving from J\$63.16/litre for the previous week to J\$61.84/litre. This represents a two percent decrease over that of previous week.

Cooking Fuels

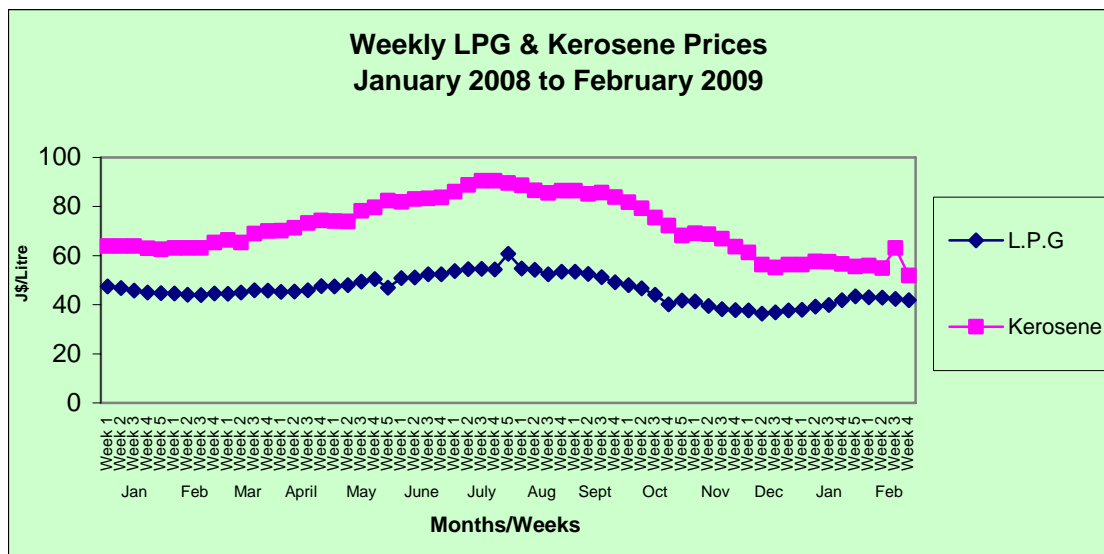
Liquid Petroleum Gas (L.P.G.)

The average retail price for this week was J\$41.81/litre showing a decrease of less than one percent when compared with the previous week when the price was J\$42.35/litre.

Kerosene

The average Retail Price for this week was J\$51.95/litre showing a decrease of seventeen percent when compared with the previous week when the price was \$63.16/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\$63.29/litre. In the urban region the price of Unleaded 90 Gasoline was lower, selling at an average price of J\$60.22/litre. The price difference between both regions was J\$3.07/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\$59.47 and J\$55.49 respectively. The price difference between both regions was J\$3.08/litre.

E10 was sold at an average price of J\$57.84/litre in the rural area while selling in the urban at a lower average price of J\$53.68/litre. The difference between both regions was J\$3.96/litre.

Automotive Diesel Oil was sold at an average price of J\$63.05/litre in the rural area while selling in the urban at a lower average price of J\$59.65/litre. The difference between both regions was J\$3.40/litre.

L.P.G was sold at an average price of J\$43.10/litre in the rural area while selling in the urban at a lower average price of J\$38.51/litre. The difference between both regions was J\$4.59/litre.

There was an overall decrease in prices throughout the regions; however, St. Thomas had the highest prices for two products, Unleaded Gas (90 Octane) which was J\$67.72/litre, and Unleaded Gas (87 Octane) at J\$62.79/litre (see Table 3), while St. Ann had the highest prices for ADO at J\$66.74/litre and E10 at J\$61.58/litre. Kingston and St. Andrew have the lowest prices for all products Unleaded Gas (87 Octane) at J\$55.49/litre, E10 at J\$53.68/litre, Unleaded Gas (90 Octane) at J\$60.22/litre and ADO at J\$59.65/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	55.49	57.13	65.61	53.68	56.33	60.22	62.86	69.55	59.65	61.28	68.78
Clarendon	55.75	58.20	66.78	54.08	55.83	60.78	62.59	71.01	61.47	62.83	71.29
Hanover	61.35	60.68	67.68	n/a	n/a	62.28	64.11	71.19	62.32	63.74	69.98
Manchester	57.48	59.32	67.64	56.79	57.89	62.32	63.91	70.44	61.71	63.89	69.89
Portland	62.00	62.00	67.49	60.99	61.93	65.63	65.63	69.96	65.86	66.49	70.42
St. Ann	61.41	62.39	70.54	61.58	62.12	66.31	66.74	73.35	66.74	67.70	72.95
St. Catherine	56.81	58.28	64.94	55.51	56.82	62.17	63.44	68.92	60.20	61.41	68.12
St. Elizabeth	58.87	60.15	68.97	n/a	n/a	61.76	63.03	71.95	62.73	64.42	72.38
St. James	57.71	59.45	64.29	56.31	58.31	61.41	63.04	68.12	60.98	62.96	67.11
St. Mary	61.89	63.61	70.51	60.48	62.13	65.06	66.80	73.12	64.42	66.23	73.99
St. Thomas	62.79	62.91	68.57	55.39	n/a	67.72	69.20	70.98	66.44	68.34	71.36
Trelawny	59.98	62.48	67.61	n/a	n/a	63.24	65.74	70.22	62.99	64.99	69.41
Westmoreland	57.64	58.07	67.22	n/a	n/a	60.85	61.27	69.57	60.79	61.56	69.98

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 Unleaded 87 ,Unleaded 90 and A.D.O have decreased by J\$9.28/litre and J\$8.45/litre and J\$8.68/litre respectively.

CONCLUDING REMARKS

Globally, Crude Oil prices went up for the week ending February 19, 2009 after the government reported that the nation's supplies of crude oil fell the previous week for the first time in two months. The decline in crude stocks comes amid an uptick in refinery utilization and a drop in oil imports

OPEC, which pumps more than a third of the world's oil, has been drastically scaling back production in an effort to combat rapidly falling prices.

Locally, there was a decrease in retail oil prices 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 decrease significantly , unleaded 87 decreased by thirteen percent, Unleaded 90 decreased by eleven percent and ADO by twelve percent.

Another factor influencing prices is the value of the Jamaican dollar which incidentally decreased by J\$0.14 as evidenced by the movement in the exchange rate from US\$1.00: J\$88.38 in the previous week to US\$1.00: J\$88.24 this week. For the same period last year the dollar stood at US1.00: J\$71.48 twenty-three percent less than current rate.