

ANNUAL PETROL REPORT – FY 2004 /2005

The 2004 /2005 Financial Year was eventful with respect to petrol. On the world market, the price per barrel of oil increased by 33% above the April 2004 average of US\$33.00 to close the financial year at over US\$55.00 per barrel.

Three key factors provided the dynamics for these results. These are:

1. Tremendous demand and increased consumption within the Chinese Economy
2. An extensive Northern winter
3. Ongoing unrest and instability in the Middle East

The active Hurricane Season exasperated the situation as Hurricanes Charlie and Ivan caused damage and impeded activity in the Gulf of Mexico. All these factors combined to have a protracted inflationary impact on the price of oil globally.

Within the Jamaican economy, the local factors that influenced the price and availability of oil included:

1. The impact of the passage of Hurricane Ivan due to dislocation created in the road network
2. An explosion at the Petrojam oil refinery in October

In addition to these local and external factors, the Organization of Petroleum Exporting Countries (OPEC) created several artificial caps in supply by imposing a number of adjustments to production in order to maintain prices above US\$35.00 per barrel.

The year was also marked by the development of a Code of Conduct by the Fair Trading Commission; intended once implemented, to govern the activities of the local Petroleum Trade.

The Commission was proactive in responding to the nuances on both the local and international market by conducting a total of fourteen (14) petrol surveys to

accurately analyse the impact on local consumers. The price of 87 and 90 octane increased by over 20%, while the price of Auto Diesel increased by over 40%(an average of J\$10.00 each), each closing the financial year at over J\$40.00 per litre. See Table 1 below:

TABLE 1. CAC PETROL SURVEY – 2004/2005 AVERAGE

MONTH	CAC PETROL SURVEY RESULTS	CAC PETROL SURVEY RESULTS	CAC PETROL SURVEY RESULTS
DATE	AVERAGE SELLING PRICE 87 OCTANE <i>J\$ /Litre</i>	AVERAGE SELLING PRICE 90 OCTANE <i>J\$ /Litre</i>	AVERAGE SELLING PRICE DIESEL <i>J\$ /Litre</i>
Apr-04	33.31	35.39	28.71
May-04	37.34	39.51	30.37
Jun-04	35.92	38.20	29.78
Jul-04	36.24	39.02	31.23
Aug-04	36.15	38.90	33.17
Sep-04	35.43	38.18	33.16
Oct-04	38.51	41.36	37.16
Nov-04	38.93	41.88	39.11
Dec-04	35.52	38.64	34.83
Jan-05*			
Feb-05	38.04	41.19	36.73
Mar-05	41.73	44.83	41.61
2004 /2005 AVERAGE	37.01	39.74	34.17
2003 /2004 AVERAGE	28.70	30.77	25.95
MONETARY DIFFERENCE	8.31	8.97	8.22
PERCENTAGE DIFFERENCE	29%	29%	32%

** Average Prices from January 25, 2005 Petrol Survey Results omitted from tracking study due to skew caused from non survey of critical mass required for analysis.*

[SEE PETROL CHARTS FOR MORE DETAILS.](#)