

**UK major brand petrol & diesel average prices  
 2007 and market commentary**

<b>Unleaded 95</b>	<b>pence per litre</b>
Ex refinery price	26.2
Pump price excl duty & VAT	32.0
Retail/Ex-refinery price spread	5.8
Duty & VAT	63.0
Pump price incl duty & VAT	95.0

<b>Diesel</b>	<b>pence per litre</b>
Ex refinery price	28.5
Pump price excl duty & VAT	35.0
Retail/Ex-refinery price spread	5.6
Duty & VAT	65.0
Pump price incl duty & VAT	97

**Market background**

**Crude oil price (Brent dated per barrel)**

	\$54.9 (17.63 ppl)
Low January (average )	ppl)
High November (average )	\$93.6 (28.4 ppl)
Year average	\$73.5 (23.0 ppl)

**Unleaded 95 (NW Europe wholesale \$ per tonne)**

Low January (average )	\$499 (18.8 ppl)
High November (average)	\$840 (30.0 ppl)
Year average	\$708 (26.2 ppl)

**Diesel 50ppm (NW Europe wholesale price \$ per tonne)**

Low January (average)	\$512 (22.1 ppl)
High November (average)	\$887 (36.2ppl)
Year average	\$672 (28.5 ppl)

## Commentary

The average price of major brand unleaded petrol in the UK was 95 pence per litre in 2007, compared with 92.1 p per litre in 2006. Diesel averaged 97 p compared with 95.6 p in 2006 (Wood Mackenzie OPAL data). Their survey data of 11 major EU countries also shows that the UK continued to have amongst the cheapest pre-tax pump prices for major brand petrol and diesel. Prices rose in line with crude oil prices from the low point in January, reaching a peak in November before falling back slightly in December

In 2007, high prices and volatility in crude oil and refined product markets were a continuing feature that started in 2004. This was partially driven by a combination of strong growth in demand for oil products, particularly in China and India, geopolitical uncertainties, perceived supply restrictions, a weaker US dollar and possibly financial speculation.

The price of dated Brent North Sea crude oil rose by nearly 80% during the year, averaging \$73.5 in 2007, peaking at over \$93 average in November with a nominal high of \$98, compared with \$66 in 2006. The wholesale price of petrol in NW Europe averaged US\$708 (\$632 2006) per tonne or 26.2p per litre, hitting a high of over \$840 average in November. The wholesale price of diesel averaged \$672 (\$606 2006) per tonne or 28.5 per litre.

UK demand for road fuels has grown only modestly since 1990, overall volumes being up 8%. Product demand continues to change. Petrol sales peaked in 1990 and in 2007 were 25% lower in volume terms than in 1990. Demand for diesel continued to increase and in 2007 represented just over 50% of the market, reflecting the growing trend towards diesel powered passenger cars.