

EU price comparisons*	Excl duty/VAT	Excl duty/VAT	Duty/VAT	Duty/VAT	Incl duty/VAT	Incl duty/VAT
Year 2005	UL 95	Diesel	UL95	Diesel	UL95	Diesel
UK	27.22	30.57	60.10	60.69	87.32	91.26
Netherlands	30.26	32.48	60.55	36.31	90.81	68.79
Denmark	29.34	30.98	53.57	39.05	82.91	70.03
Italy	30.97	34.98	52.41	40.77	83.38	75.75
France	27.93	32.18	53.72	40.45	81.65	72.63
Germany	27.25	30.61	56.28	42.21	83.53	72.82
Belgium	31.38	34.29	55.08	36.15	86.46	70.44
Luxembourg	30.69	32.02	39.37	31.22	70.06	63.24
Spain	29.48	32.48	36.48	28.80	65.96	61.28
Ireland	32.84	32.84	37.86	37.35	70.70	70.19
Sweden	32.31	32.40	48.57	41.55	80.88	73.95

* Average major brand prices
pence per litre

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Market background & commentary

The average price of major brand unleaded petrol in the UK was 87.3 pence per litre in 2005, compared with 80.9 p per litre in 2004. Diesel averaged 91.26 p compared with 82.2p in 2004 (Wood Mackenzie OPAL data). Their survey data of 11 EU countries also shows that the UK continued to have the cheapest pre-tax pump prices for major brand petrol and diesel. In 2005, high prices and volatility in crude oil and refined product markets were a continuing feature that started in 2004. Growth in demand for oil products remained strong, particularly in China, India and the United States. In contrast, 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 2005 were 18% lower in volume terms than in 1990. Demand for diesel continued to increase and in 2005 represented just over 50% of the market, reflecting the growing trend towards diesel powered passenger cars.

The price of Brent North Sea crude oil averaged \$55.49 in 2005 compared with \$39 in 2004. The wholesale price of petrol in NW Europe averaged US\$536 (\$403 2004) per tonne or 21.8p per litre, hitting a high of over \$700 in September in the immediate aftermath of hurricane Katrina in the USA, which damaged Gulf oil production and refining capacity. The wholesale price of diesel averaged \$543 (\$390 2004) per tonne or 25.29p per litre.

UK unleaded 95 petrol pump price composition 2005 (average major brand price)

Pump price	87.33ppl	
Duty & VAT	60.1ppl	(69%)
Petrol cost (spot price)	21.88ppl	(25%)
Gross retail margin ⁺	5.34ppl	(6%)

⁺ Gross retail margin is the difference between the buying and selling price of petrol. The amount available has to cover all the costs of storage & transportation from a refinery, the running of a filling station and profit of the retailer.