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Low petrol and diesel prices throughout 2016

The announcement by Saudi Arabia that they have no intention of cutting production will ensure the market remains awash with low price oil.

RAC Fuel Watch spokesman Simon Williams said: “The declaration by Saudi Arabia that they have no intention of slowing down oil production in the foreseeable future suggests that motorists are in store for cheap petrol and diesel throughout 2016 with pump prices continuing to fall and likely to remain well below £1 a litre at the cheapest retailers.

“The world is awash with oil at present and the decision by the OPEC oil producing countries and particularly their biggest producer, Saudi Arabia, to continue pumping oil will ensure that this oversupply continues. Combined with significantly lower demand from China and the developing nations together with the prospect of additional supplies from Iran means that there will be no let up in cheap oil.

“While the cost of producing fuel is reducing there is, however, a limit to how far the price will drop at the pump as the lion’s share of the what we pay on the forecourt is tax. For every litre 57.95 pence goes to the Treasury in fuel duty together with VAT at 20 percent charged at the end of each transaction. As regardless of how low the cost of fuel goes those taxes still have to be paid.

“The RAC anticipates diesel will join petrol at below £1 a litre at supermarket forecourts and cheapest fuel retailers early in the new year as a cut is overdue with the wholesale price of diesel remaining 2 pence a litre cheaper than petrol.”

The press office email address is press.office@rac.co.uk and media centre is at media.rac.co.uk. **Please note:** the press office is unable to help with individual customer enquiries - please visit the [RAC contacts page](#) to find the right contact.

About the RAC

The RAC, an iconic UK brand, provides complete peace of mind to nearly 14 million UK private and business drivers, whatever their motoring needs. As well as its premium nationwide breakdown assistance service – with an expert branded patrol workforce attending more than two million breakdowns every year – it offers a wide range of market-leading products across insurance, legal services, vehicle inspections and service, maintenance and repair. Included in this is the first-of-its-kind nationwide Mobile Mechanics service which brings the garage to homes and workplaces.

At the forefront of new solutions for business fleets and consumers, the RAC’s

breakdown service is electric-ready with mobile EV charging technology and can be called on using [myRAC](#) – the all-in-one route planner, fuel finder and breakdown reporting app.

Visit the [RAC website](#).

Contacts



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