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## July brings an end to four months of rising fuel prices

After four consecutive months of pump price rises, the average cost of petrol on Britain's forecourts\* has started to fall again, data from the RAC's July Fuel Watch report shows.

While the reduction in the price of unleaded is only small – 0.41p from 112.20p to 111.79p – it reverses the rising price trend which began in March. The average price of diesel also fell, but even more slightly (0.06p) from 112.47p to 112.41p.

The fall in pump prices has been brought about by a reduction in the wholesale cost of both petrol and diesel. The price retailers pay for unleaded fell by 4.41p a litre and diesel by 4.67p in July, caused primarily by a \$6.44 – or 11% – fall in the price of a physical barrel of oil, down from \$48.07 on 1 July to \$41.63 on 29 July.

What's more, this reduction in the price of oil has meant the devaluation of sterling following the UK's Brexit vote, which some had feared would lead to a price hike as fuel is traded in dollars, did not impact wholesale fuel costs negatively. Throughout July the value of the pound maintained an average of \$1.31 against the dollar.

The dramatic drop in the cost of wholesale fuel led the RAC to make a public plea to retailers on Thursday 28 July to cut their prices. On Monday 1 August this was acted upon by the major supermarkets, which together are responsible for selling around 40% of the UK's fuel, with many knocking 2p a litre off both petrol and diesel prices.

RAC fuel spokesman Simon Williams said: "July's slight reduction in fuel prices is very welcome as it has ended four months of rising prices on the forecourt. We are hopeful that the early August supermarket cut will make a bigger difference to household budgets in the summer holiday period even though it came a more than a week later than it should have done.

"The falling price of fuel on the wholesale market is being driven by fears of slowing global economic growth adding to an existing oversupply of both crude oil and refined products such as petrol and diesel. Interestingly, this has happened at time when there are oil supply disruptions in Nigeria and Libya which had they not occurred would have meant there was even more oil on the world market.

"As it is motorists continue to benefit from the lower oil price which had led to petrol prices that are nearly 5p a litre cheaper than a year ago and diesel that's more than 3p a litre less expensive."

### **UK fuel price variation**

Across the UK, the East Midlands saw the biggest drop in average prices of both petrol and diesel; unleaded came down 1.53p a litre and diesel 0.95p.

Northern Ireland's petrol prices reduced the least, but its unleaded is still some of the cheapest in the UK, only more expensive than Yorkshire and Humber (110.54p v 110.37p).

Both Scotland and Northern Ireland unfortunately suffered very slight rises in the price of diesel (0.13p and 016p). Despite this Northern Ireland's diesel is still the cheapest in the UK; Scotland's however is among the most expensive. The South East remains the dearest place to buy fuel with average petrol prices in the region at 111.70p and diesel at 112.49p.

<b>Petrol - ppl</b>	<b>03/07/2016</b>	<b>27/07/2016</b>	<b>Change</b>
<b>UK average</b>	<b>112.20</b>	<b>111.79</b>	<b>-0.41</b>
East Midlands	112.08	110.55	-1.53
West Midlands	112.43	111.19	-1.24
South West	112.50	111.36	-1.14
South East	112.80	111.70	-1.10
Yorkshire And Humber	111.45	110.37	-1.08
North	112.10	111.09	-1.01
East Anglia	112.11	111.12	-0.99
North West	111.76	110.89	-0.87
Scotland	111.39	110.75	-0.64
Wales	111.58	111.01	-0.57
Northern Ireland	110.87	110.54	-0.33
<b>Diesel - ppl</b>	<b>03/07/2016</b>	<b>27/07/2016</b>	<b>Change</b>
<b>UK average</b>	<b>112.47</b>	<b>112.41</b>	<b>-0.06</b>
East Midlands	112.41	111.46	-0.95
Yorkshire And Humber	112.09	111.34	-0.75
South East	113.17	112.49	-0.68
West Midlands	112.51	111.85	-0.66
North West	112.07	111.45	-0.62
East Anglia	112.70	112.12	-0.58

South West	112.70	112.29	-0.41
North	112.04	111.69	-0.35
Wales	111.90	111.77	-0.13
Northern Ireland	110.82	110.95	0.13
Scotland	111.96	112.12	0.16

Motorists can keep abreast of the latest fuel prices by visiting: [rac.co.uk/fuelwatch](http://rac.co.uk/fuelwatch) or following [#racfuelwatch on Twitter](https://twitter.com/racfuelwatch).

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## **Notes to Editors**

\* The core data for the July RAC Fuel Watch report is based on an analysis of Experian Catalist average prices from Sunday 3 July to Wednesday 27 July 2016. No average prices were available from 28-31 July. Wholesale fuel and oil prices have been analysed from 1 July to 29 July.

## **About the RAC**

With more than eight million members, the RAC is one of the UK's most progressive motoring organisations, providing services for both private and business motorists. Whether it's roadside assistance, insurance, buying a used car, vehicle inspections and checks, legal services or up-to-the-minute traffic and travel information – the RAC offers a solution for all motoring needs. The RAC is committed to making motoring easier, safer, more affordable and more enjoyable for drivers and road users.

The RAC is the motorist's champion and campaigns to support the interests of its members and UK motorists at a national level, including advancing levels of road safety, supporting the needs of young drivers and voicing concerns about the increasing cost of motoring. The RAC's annual [Report on Motoring](#) – first published in 1989 – provides a clear insight into the concerns and issues facing today's motorists.

For the very latest news on UK fuel prices, check [RAC Fuel Watch](#) or follow [#racfuelwatch on Twitter](https://twitter.com/racfuelwatch). This is a comprehensive guide to the latest UK unleaded petrol and diesel prices – both at the wholesale level and at the pump. RAC Fuel Watch analyses how prices changed through the previous

month and compares the most recent prices with those from three, six and 12 months before.

#### Key facts:

- RAC patrols fix four out of five vehicles at the roadside and on average within 30 minutes
- RAC vans carry more than 500 parts and tools to get members' vehicles going again
- 92% of members would recommend RAC Rescue to their friends and family

#### Contacts



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