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Petrol and diesel prices down in November but rises on the cards

- *OPEC production cut likely to cause a rise in pump prices*
- *Pump price outlook unclear amid political uncertainty and how non-OPEC nations react*

Petrol and diesel prices fell for the first time in four months in November, the latest data from RAC Fuel Watch shows*, as retailers finally passed on wholesale savings thanks to a lower oil price – but the RAC is warning drivers to expect increases at the pumps before Christmas.

The falls were as a result of a mid-month supermarket cut in prices which led to around 2p being taken off the price of both petrol and diesel nationally, and other retailers cut their prices too. By 30 November the average price of unleaded was down 2.89p to 113.96p per litre and diesel was down 2.4p to 116.37p per litre.

Unfortunately, these lower pump prices are likely to be short-lived. Motorists should expect price rises through December as a result of the [cut in oil production announced on the last day of November by OPEC, the Organization of the Petroleum Exporting Countries](#). The market reacted instantly with the price of a physical barrel of Brent crude closing trading up 7% at \$49.09 on 30 November and up a further \$3.40 on the first day of December to \$52.49. And, sadly for motorists, this will almost certainly lead to further increases in the coming days and weeks.

As things stand, the price of filling up a 55-litre family petrol car is currently at £62.68 (down from £64.27 at the start of November), while a similarly-

sized diesel car costs £64 (down from £65.32 on 1 November).

RAC fuel spokesman Simon Williams said: “While November was a good month for fuel prices with the first reduction for four months, it looks as though motorists are about to have an unwelcome early Christmas present in the form of higher prices at the pump. This is a big change from the last two Decembers when drivers benefited from falling fuel prices.

“Given retailers were relatively slow to pass on wholesale price savings to motorists last month, despite the RAC’s calls for a cut, we will be monitoring closely to see if forecourt prices now rocket as a result of the recent leap in the price of oil.

“The medium-term outlook for prices is, however, much harder to predict. OPEC has not cut supply for eight years and since mid-2014 has been actively operating an oversupply strategy to keep the barrel price low, to make it unviable for the United States to produce oil from fracking. This week’s production cut appears to be a move away from that and unusually is supported by Russia, which is not a member of OPEC.

“What happens to the oil price in the next few weeks as the markets react will be crucial and could set the tone for what happens to prices early into 2017. If the US now responds by increasing its output, prices may not rise as sharply as some are predicting. It is also important to remember that the OPEC cut is currently only in force for six months.

“Drivers should remember that while the oil price is the biggest variable affecting fuel prices, it is not the only one. With fuel traded in dollars, the dollar/sterling exchange rate also has a bearing on what retailers pay, and in turn what we pay when we fill up. A weaker pound, as we have seen since the EU vote, can see forecourt prices rise but a stronger pound can do the reverse. The unprecedented political situation on both sides of the Atlantic has the potential to buffet the exchange rate significantly through next year.

“With the Chancellor rightly choosing to extend the freeze on fuel duty in last month’s Autumn Statement, with the rate remaining at 57.95p per litre, at least motorists won’t be hit with extra tax on fuel next year.”

Regional fuel price variation

Wales was not only the cheapest place to buy petrol at the end of November, with the average price of a litre of unleaded selling for 113.12p, but it also enjoyed the biggest fall in price through the month (down 3.58p).

The South East remained the most expensive region for both petrol and diesel, with the average litre of unleaded costing 114.56p, and diesel 116.88p. Northern Ireland was selling the cheapest diesel at 115.3p per litre, but it was East Anglia that recorded the sharpest drop in diesel prices, down 2.7p to 116.61p per litre.

Regional average unleaded pump prices

Price per litre	01/11/2016	30/11/2016	Change
Wales	116.70	113.12	-3.58
Scotland	116.75	113.44	-3.31
East Anglia	117.24	113.98	-3.26
West Midlands	117.13	114.05	-3.08
South West	116.86	113.86	-3.00
North	116.39	113.42	-2.97
Yorkshire And Humber	116.31	113.52	-2.79
East Midlands	116.59	113.85	-2.74
South East	117.23	114.56	-2.67
North West	116.42	113.88	-2.54
Northern Ireland	115.69	113.52	-2.17

Regional average diesel pump prices

P rice per litre	01/11/2016	30/11/2016	Change
East Anglia	119.31	116.61	-2.70
Wales	118.50	115.83	-2.67

South West	119.00	116.42	-2.58
East Midlands	118.66	116.11	-2.55
Scotland	118.94	116.47	-2.47
West Midlands	118.85	116.45	-2.40
Yorkshire And Humber	118.40	116.02	-2.38
North	118.42	116.04	-2.38
South East	119.19	116.88	-2.31
North West	118.30	116.02	-2.28
Northern Ireland	117.25	115.30	-1.95

Notes to Editors

* The core data for the November RAC Fuel Watch report is based on an analysis of Experian Catalist average prices from 1 to 30 November 2016.

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](#). 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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