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Petrol to fall to £1 a litre for Christmas as oil goes below \$40

Motorists will be treated to petrol at £1 a litre or under in time for Christmas if retailers 'do the right thing' and pass on savings in the wholesale price brought about by oil falling below \$40 a barrel for the first time since February 2009.

Britain's supermarkets and cheapest fuel retailers will give motorists an early Christmas present in the next week, making it cheaper to visit family and friends at the most expensive time of year. And, the even better news is the sight of £1 a litre should become commonplace.

RAC Fuel Watch data shows oil slipped even further following OPEC's meeting in Vienna on Friday where delegates dismissed cutting production to stabilise the price. The end of day price for a barrel of Brent crude fell from \$41.80 last Friday to \$39.77 on Monday.

This led to significant reductions in the wholesale price of both unleaded and diesel which the RAC believes will lead to a cut of 3p a litre in the average price of petrol and 5p a litre off diesel, taking average prices to around 103p for petrol and 104p for diesel. Diesel is already at a six-year low, with the average price reaching 109.18p on Friday.

At these prices motorists would be saving around £9 on tank of petrol for an average 55-litre family car compared to this time last year, and more than £11 for a tank of diesel.

RAC Fuel Watch spokesman Simon Williams said: "With the price of wholesale unleaded dropping due to oil falling below \$40 the climate is right for £1 a litre petrol, all we need is for the supermarkets to do the right thing and embrace the season of goodwill by passing on those savings at the pump to make Christmas that bit cheaper for everyone.

"Motorists have already enjoyed petrol at under £1 as one supermarket cut prices at its 277 nationwide forecourts as part of a three-day promotion at the end of November, but this should now become a common sight across the country. If retailers don't pass on the savings quickly, they will be giving themselves an unpopular Christmas boost to profits by pocketing the extra margin when they should really be passing this on to their customers instead.

"The long-term outlook is for the oil price to stay low. OPEC is not due to meet again until June 2016 so unless an extraordinary meeting is called, it is anticipated production will continue to outpace demand and in turn keep wholesale fuel prices low."

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

Note: Twelve months ago a barrel cost \$65 and in June 2014 it was \$115.

Contacts



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