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Cost of petrol and diesel creep up in July

July saw the return of rising petrol and diesel prices at the forecourt, with both petrol and diesel edging up by around 1p a litre, new RAC Fuel Watch data shows*.

Last month saw the continuation of recent 'see-saw' pump price changes – while drivers were stung with one of the worst petrol price rises through May 2018, the following month saw average prices fall by around 2p a litre. This began to be reversed in July meanwhile, with a litre of unleaded up by 1.08p (127.72p to 128.8p) in the month and diesel up by 1.03p (130.82p to 131.85p)

Data shows that it was supermarkets that increased their prices the most in July, largely cancelling out the price cuts that they introduced just a few weeks earlier in June. The price of an average litre of supermarket unleaded was up 1.64p to 125.34p, while diesel was up 1.62p to 128.88p. Motorway service areas, which tend to charge to the most for fuel, increased the price of a litre of petrol by 1.19p to 146.09p, but left diesel almost unchanged at 148.14p.

Across the UK, it now costs drivers on average £70.84 to fill up a 55-litre family-sized petrol car (up 59p on June), and £72.52 for a similar diesel model (up 57p on June).

There is a high degree of volatility in wholesale fuel prices at the moment, as a result of the sharply fluctuating oil price which, after starting the month at just under $77 a barrel, fell to $70 on 17 July before recovering again to $74 by the end. A number of factors have contributed to the price changes – while OPEC's announcement that its member countries will begin pumping more oil had the effect of pushing prices down, these are now being offset by both the ongoing tensions between the US and Iran over its nuclear deal, and with China over trade and the threat of tariffs which can force prices up.

RAC spokesperson Rod Dennis said: “July saw a return to rising prices at the UK’s forecourts, following some price cuts in the previous month – the rollercoaster effect of rising and falling prices that drivers will have witnessed in recent months is certainly in full swing.

“The volatility of the price of a barrel of oil, and in turn wholesale fuel prices, makes it difficult to determine where prices might go next. The announcement in June by the Organization of Petroleum Exporting Countries (OPEC) that its member countries would be increasing oil production could have been a trigger for further price falls, but the complicated disagreements between the United States – another big oil producer – and Iran and China are making prices go the other way. The result is a great deal of uncertainty on what might happen with UK fuel prices in the coming weeks.

“Fortunately for UK drivers, the pound remained stable against the US dollar – which is important as fuel, like oil, is traded in dollars. A weakening pound means it costs more for retailers to buy fuel in, which in turn tends to mean higher prices at the pumps.

“What is certain however is how much more expensive it is to fill up a car this summer compared to last year. At the end of July 2018 it cost £7.50 (12%) more to fill a 55-litre unleaded fuel tank compared to the same point in 2017, and £8.77 (14%) more to fill an equivalent diesel.”

‘See-saw’ pricing – what has happened to UK pump prices since the start of the year

	Petrol prices through month	**Diesel prices through month**
July	☒ Up	☒ Up
June	☒ Down	☒ Down
May	☒ Up	☒ Up
April	☒ Up	☒ Up
March	☒ Unchanged	☒ Unchanged
February	☒ Down	☒ Down
January	☒ Up	☒ Up

Regional fuel price variation

Regional average unleaded pump prices**

The largest increase in unleaded prices was in Scotland, although it is still on average more expensive to fill up in the South East of England compared to every other part of the UK. The North East remains the cheapest place to buy petrol, and was also the region with one of the smallest price increases through July.

Unleaded (ppl)	01/07/2018	31/07/2018	Change
UK average	*127.72*	*128.8*	*+1.08*
Scotland	126.85	128.67	+1.82
East Midlands	127.51	128.78	+1.27
South West	127.81	129.06	+1.25
East	128.07	129.22	+1.15
London	128.31	129.45	+1.14
Yorkshire And The Humber	127.15	128.26	+1.11
West Midlands	127.24	128.29	+1.05
Northern Ireland	126.91	127.93	+1.02
Wales	127.46	128.42	+0.96
South East	128.75	129.68	+0.93
North East	126.93	127.83	+0.9
North West	127.30	128.04	+0.74

Regional average diesel pump prices**

Scotland also saw the largest price increases when it came to diesel. The South East is the most expensive place to fill up with the fuel, while the North East ranks as the cheapest place to buy diesel compared to every other part of the UK.

Diesel (ppl)	01/07/2018	31/07/2018	Change
UK average	*130.82*	*131.85*	+1.03
Scotland	130.57	132.1	+1.53
East	131.15	132.48	+1.33
South West	131.00	132.02	+1.02
South East	131.57	132.56	+0.99
Wales	130.63	131.61	+0.98
West Midlands	130.39	131.34	+0.95
East Midlands	130.77	131.71	+0.94
London	131.33	132.26	+0.93
North West	130.76	131.68	0.92
Northern Ireland	129.72	130.63	+0.91
Yorkshire And The Humber	130.13	131.04	+0.91
North East	130.39	131.14	+0.75

Motorists can keep abreast of the latest fuel prices by visiting: rac.co.uk/fuelwatch or following #racfuelwatch on Twitter.

Notes to Editors

* UK average fuel prices quoted in theRAC Fuel Watch July 2018 report are based on Experian Catalist data from 1 to 31 July 2018 (pump prices) and 2 to 31 July 2018 (wholesale prices).

** Regional fuel price data was analysed from 1 to 31 July 2018.

About the RAC

First formed in 1897, the RAC has been looking after the needs of its members and championing the interests of motorists for more than 120 years.

Today it has more than eight million members and 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. This includes voicing concerns about the increasing cost of motoring, particularly the price of fuel and the high level of tax levied on it, advancing levels of road safety, and supporting the needs of all drivers, from young to old.

The RAC's annual Report on Motoring – first published in 1989 – is one of a kind and 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. It provides a comprehensive guide to the latest UK unleaded petrol and diesel prices – both at the wholesale level and at the pump - and tracks these prices daily to help drivers check if the price they pay to fill up is a fair one.

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