



Aug 04, 2015 00:01 BST

Diesel falls 5p a litre in July as retailers pass on wholesale price savings

Average diesel car fill-up costs £3 less than a month ago

Drivers benefit as supermarkets engage in 'diesel price war'

RAC Fuel Watch data for July shows the average price of diesel at the pumps fell 5p a litre as retailers finally began passing on the savings in the cost of wholesale diesel, which has been below that of petrol since the end of May.

At the start of the month diesel was 120.63p, but by the end it had dropped

almost 5p to 115.74p. And, on Wednesday 29 July the country saw the first forecourt price flip between diesel and petrol since summer 2001 with diesel at 116.28p, just below the average petrol price of 116.64p.

Half a penny a litre also came off the petrol price in the month, which reduced from 117.05p to 116.51p. Both petrol and diesel wholesale prices remain low as a result of the price of oil falling below the \$60 a barrel mark on 3 July and remaining there ever since. In the course of the month the oil price fell 9% from \$61 to \$52 a barrel. This combined with the pound staying strong against the dollar at \$1.56 is keeping petrol and diesel cheaper.

RAC fuel spokesman Simon Williams said: “July was a month of good news for motorists with diesel vehicles. The 5p a litre diesel saving recorded in July means the cost of filling up an average 55-litre diesel family car, such as a Ford Focus, has dropped by £3 in a month. This is particularly welcome for motorists setting out on their annual holidays who are driving long distances to destinations in the UK.

“And, if the supermarkets continue to battle over prices as they pass on further wholesale cost savings, pump prices should reduce to around an average of 111p a litre – a price last seen in January 2010. This would shave another £2 off a tank of diesel. To put this in perspective, this is even lower than the 113p average price reached in January after oil hit a near six-year low of \$45 a barrel.

“The cheaper wholesale price of diesel – now almost 6p a litre cheaper than petrol – has been brought about by the fact two new refineries in Saudi Arabia are now producing diesel to meet the large European demand. We expect this to be good long-term news for the nation’s 10.7m diesel car drivers as well as for businesses operating commercial vehicles. Everyone should benefit from a better, fairer deal at the pumps going forwards.”

[HMRC fuel usage statistics for June](#) show 2.5bn litres of diesel were sold – a 4% increase on May. Petrol sales remained static at 1.5bn litres. Compared to June 2014; however, petrol was down 4% and diesel was up 5%.

Combined fuel sales generated £2.3bn revenue for the Government in fuel duty. This was 2.5% up on May and 1.4% up on June 2014.

Notes to Editors

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](#) provides a clear insight into the concerns and issues facing today's motorists.

For the very latest news on UK fuel prices visit our [Fuel Prices Explained pages](#), or check [#racfuelwatch on Twitter](#). We detail the average UK price of petrol and diesel and give an indication of which way prices are likely to go – up or down – over the next couple of weeks based on the wholesale price. You can also discover more about the fuel industry, what affects UK fuel prices, how they compare to those in Europe, how motorists are taxed and top tips for better fuel economy.

The RAC supports FairFuelUK which campaigns for fairer taxes on petrol and diesel. Show support and find out more at www.fairfueluk.com.

Key facts:

- RAC patrols fix four out of five vehicles at the roadside and on average within 34 minutes
- 98% of members would recommend RAC Rescue to their friends and family

Contacts



RAC Press Office

Press Contact

press.office@rac.co.uk

Emails monitored during normal office hours. For breakdown queries, call 0330 159 0740

ISDN number on request