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Fuel rises 2p a litre in January to highest for more than two years

But wholesale cost of fuel stays stable and indicates price cuts are needed

Tank of petrol £9.53 more expensive than January 2016

The prices of petrol and diesel at the pumps increased by 2p a litre in January to their highest for more than two years* despite the wholesale cost of unleaded staying the same and diesel reducing, according to the first [RAC Fuel Watch](#) report of 2017**.

The pump price rise unfortunately comes hot on the heels of a 3p a litre increase in December, making for a 5p a litre increase since the beginning of December. Aside from a fall in the price of forecourt fuel in November and July last year, the cost of petrol and diesel has been going up steadily since March.

A litre of unleaded now stands at 120.01p and diesel at 122.30p – at the start of the year it was 117.90p and 120.35 respectively. At the beginning of August however, the average price paid by motorists for petrol was just 111.17p with diesel only slightly more expensive at 111.93p. And, compared to early January 2016 unleaded has gone up 17p a litre from 102.69p and diesel has increased 21p from its end of January 2016 low of 101.05p.

The January pump price increase has added another pound to a tank of petrol or diesel, but sadly filling up a 55-litre family car with unleaded is now £9.53 more expensive and diesel £11.69 dearer than a year ago.

However, the RAC believes motorists should be aggrieved by the 2p a litre

January jump in price as the wholesale price of unleaded has remained stable throughout the month and diesel has actually reduced slightly.

RAC fuel spokesman Simon Williams said: “In the last two months 5p a litre has been added to the pump price of both petrol and diesel which means the cost of filling up is really starting to hurt motorists again. But the January rise is harder to swallow as there is a saving from wholesale prices that retailers should be passing on a little faster than they are.

“It is particularly worrying that the supermarkets have increased their prices by an average of 3p a litre in January with one adding nearly 5p a litre.

“As the wholesale price stands currently we would be expecting to see average prices come down by over a penny a litre in the next fortnight.”

The higher pump prices have been driven by a rise in the cost of oil and the lower value of the pound against the dollar. In January the average price of a barrel of oil was just over \$54 and sterling exchange rate improved by 3%, helping to ease pump prices slightly as fuel is traded in dollars.

Simon Williams added: “The oil production cuts made by the Organization of the Petroleum Exporting Countries together with non-OPEC countries have definitely led to a higher barrel price which in turn has translated to motorists paying more on the forecourt. But we are hopeful that the oil price will remain around the mid-\$50 mark for some time meaning fuel prices should hover around the current level for some time, providing the exchange rate doesn't worsen.

“In the coming weeks we will be using RAC Fuel Watch to monitor prices very carefully with a view to ensuring prices do not rise quicker than they should, and we encourage retailers to pass on any savings should the wholesale price drop. We believe fuel pricing transparency is essential and are doing all we can to make sure that the retail price of petrol and diesel fairly reflect the wholesale cost.”

Regional fuel price variation

Northern Ireland once again has cheapest fuel in the UK despite suffering the biggest increases in both petrol and diesel in January with nearly 3p a litre

being added in the month. The North East saw the smallest increase in unleaded at just under 2p a litre whereas Wales had the lowest diesel rise at just over 1.5p a litre.

The South East is still the most expensive region to buy both petrol or diesel with a litre of unleaded costing an average of 120.94p and diesel 123.26p.

Regional average unleaded pump prices

Unleaded - ppl	02/01/2017	30/01/2017	Change
UK average	117.90	120.05	2.15
Northern Ireland	116.05	118.92	2.87
East	118.04	120.42	2.38
East Midlands	117.73	120.00	2.27
Yorkshire And The Humber	117.27	119.51	2.24
London	118.28	120.51	2.23
North West	117.67	119.83	2.16
South East	118.78	120.94	2.16
Scotland	117.48	119.62	2.14
Wales	117.23	119.30	2.07
West Midlands	118.00	120.06	2.06
South West	117.83	119.85	2.02
North East	117.22	119.15	1.93

Regional average diesel pump prices

Diesel - ppl	02/01/2017	30/01/2017	Change
UK average	120.35	122.34	1.99
Northern Ireland	118.42	121.08	2.66
Scotland	119.80	122.32	2.52
East	120.61	122.97	2.36
East Midlands	120.06	122.18	2.12

North East	119.39	121.37	1.98
North West	120.11	122.04	1.93
London	120.88	122.73	1.85
South East	121.42	123.26	1.84
West Midlands	120.42	122.26	1.84
Yorkshire And The Humber	119.99	121.83	1.84
South West	120.52	122.32	1.80
Wales	120.11	121.79	1.68

Notes to Editors

* The last time petrol was 120p a litre was on 8 December 2014 and the last time diesel was 122p was a week later on 16 December 2014.

** The core data for the January RAC Fuel Watch report is based on an analysis of Experian Catalist average prices from 2 to 31 January 2017.

Contacts



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