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Petrol and diesel price cuts expected as oil hits \$40 a barrel

The price of a barrel of oil fell to \$40.40 – its lowest price since February 2009 – on Monday, paving the way for another round of pump cuts and making the sight of £1 a litre at the cheapest forecourts ever more likely.

RAC Fuel Watch data shows Brent crude dropped nearly \$2 a barrel from Friday and \$5 from a week ago, pushing down wholesale petrol and diesel prices and signalling expected pump reductions of around 2p a litre in the next fortnight.

The average price of petrol, which has fallen for the last four months, currently stands at 108.01p whereas diesel is at 110.24p, still close to the September price of 109.76p which was its lowest since December 2009.

RAC fuel spokesman Simon Williams said: “Events in Paris made oil traders react on Monday causing a sudden dip in the price of Brent crude to the \$40 mark which has not been seen for more than six years. With oil prices already consistently low as a result of too much supply, the dip – even though it will be temporary – should still be reflected in wholesale prices, making fuel cheaper for motorists.

“We hope retailers will be quick to pass on these new wholesale fuel savings at the pumps to make the cost of litre cheaper still. A barrel of oil has now not been above \$50 since mid-October and not consistently above that mark since the end of July.

“After a summer of lower forecourt prices, motorists are now looking forward to the prospect of yet lower petrol and diesel in the run-up to the expensive festive period. While we are a way off average petrol prices reaching £1 a litre, there is a good chance the most price-competitive fuel retailers will take the plunge.”

The price of a barrel of oil began to tumble a year ago having been as high as \$115 in mid-2014 and fell to \$45 in mid-January which led to the average petrol price reaching a six-year low of 106.09p in early February. While the barrel price rebounded to the \$60 level in late February/early March and in late June/early July, it dropped again and has subsequently stayed low. And, even after hitting \$40.40 on Monday (16 November), it only went back up slightly on Tuesday, finishing at \$41.56.

Simon Williams added: “Low oil and fuel prices appear to be here to stay as cutting supply to shore up prices is not an option for OPEC – the Organisation of the Petroleum Exporting Countries – as it is dead set on not letting its competitors take any of its share, something which would almost certainly happen with a higher barrel price. With yet more oil due to hit the market as Iran begins to produce again following its nuclear deal with the West, the long-term outlook has to be low oil prices for a further 12 months.

“Let’s just hope the Chancellor doesn’t spoil the party by using lower prices as an excuse to raise fuel duty in his Autumn Statement next week. The

Treasury's own research shows that lower fuel prices can boost economic GDP and at a time where some think tanks are predicting the economy will slow, surely the best way to keep the country moving and keep the economy going is to freeze fuel duty."

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).

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](#) – 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](https://twitter.com/racfuelwatch). 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.

The RAC supports and is a founding member of [FairFuelUK](#) which campaigns for fairer taxes on petrol and diesel.

Key facts:

- RAC patrols fix four out of five vehicles at the roadside and on average within 34 minutes
- RAC vans carry more than 500 parts and tools to get members' vehicles going again
- 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