



Jun 05, 2017 00:01 BST

Price of fuel falls in May as retailers pass on wholesale savings

The average price of petrol fell by nearly 2p a litre in May while diesel tumbled by 2.5p after retailers finally passed on savings in the wholesale price of fuel, data from the latest RAC Fuel Watch* report shows.

Unleaded finished the month at 116.72p a litre, down 1.83p from 118.55p at the beginning of May. Diesel, however, dropped further from 120.25p to 117.75p.

RAC fuel spokesman Simon Williams said: “Having seen petrol and diesel

prices rise in April, May brought some lower prices at the pump just as motorists sought to make the most of the warmer weather by taking to the road.”

May's price reduction was led by the supermarkets with a series of cuts which came about after the RAC pointed out that the wholesale cost of fuel had fallen and that forecourt reductions should be passed on to motorists. This can quite clearly be seen in the average price of supermarket petrol which fell 2.18p a litre to 113.48p in May and similarly with diesel which went down by 3.26p to 114.19p.

The reductions mean a tank of unleaded for a typical 55-litre family car is now £1 cheaper at £64.20 than in April and the equivalent diesel fill-up is £1.40 less at £64.76.

Oil stayed broadly the same in May, averaging \$49.89 a barrel, but recording a low of \$46.93 early on and a high of \$53.54 on 24 May. Sterling was also stable at \$1.29, although at one point it topped \$1.30 – a figure not seen since September last year.

Simon Williams added: “It's good news to see prices reduce in May, but it's very difficult to know which way they will head next although current indications are for prices to come down, especially for diesel which is still overpriced on many forecourts.

“OPEC (the Organization of the Petroleum Exporting Countries) is trying to counter the oversupplied oil market with a view to making the barrel price rise. It agreed in May, together with a number of non-OPEC producers including Russia, to continue to cut daily production by 1.8m barrels as has been happening since the beginning of the year. However, this level of output restriction does not appear to have had the desired effect to date, partly due to the slightly higher oil price enabling the United States to increase its fracking activity and fill the gap.

“The fact OPEC didn't limit supply further could bode well for motorists. The other key factor that affects the price we pay for fuel at the pump is the strength of the pound as fuel, like oil, is traded in dollars. It remains to be seen what will happen to sterling after this week's General Election and in the ensuing Brexit negotiations with the EU, but a further reduction could lead to higher prices on the forecourt.”

Regional fuel price variation

Northern Ireland experienced the biggest fall in the price of petrol, down 2.5p from 117.98p a litre to 115.47p, making it the cheapest in the UK. The South East had the most expensive petrol in the land at 117.25p despite a 1.95p reduction on its forecourts.

The East of England enjoyed the greatest reduction in the diesel price with the average cost dropping 2.68p to 118.14p a litre despite recording the second most expensive price in the UK. Northern Ireland saw the cheapest diesel at 116.46p and the South East the most expensive at 118.43p.

Regional average unleaded pump prices

Unleaded	01/05/2017	31/05/2017	Change
UK Average	118.55	116.72	-1.83
Northern Ireland	117.98	115.47	-2.51
London	118.89	116.80	-2.09
Wales	117.75	115.66	-2.09
East Midlands	118.54	116.56	-1.98
South East	119.20	117.25	-1.95
West Midlands	118.78	116.89	-1.89
South West	118.61	116.82	-1.79
East	118.81	117.05	-1.76
North East	117.59	115.95	-1.64
North West	118.37	116.73	-1.64
Scotland	117.97	116.39	-1.58
Yorkshire and The Humber	118.04	116.64	-1.4

Regional average diesel pump prices

Diesel	01/05/2017	31/05/2017	Change
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UK Average	120.25	117.75	-2.50
East	120.82	118.14	-2.68
Northern Ireland	119.11	116.46	-2.65
East Midlands	120.13	117.50	-2.63
London	120.60	117.98	-2.62
South East	121.01	118.43	-2.58
West Midlands	120.36	117.79	-2.57
North West	120.15	117.66	-2.49
North East	119.25	116.79	-2.46
Yorkshire and The Humber	119.78	117.35	-2.43
Wales	119.59	117.20	-2.39
Scotland	120.10	117.80	-2.30
South West	120.22	117.93	-2.29

Notes to Editors

* Average fuel prices quoted in the RAC Fuel Watch April report are based on Experian Catalist data from 1 May to 31 May 2017.

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](#). 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.

Key facts:

- RAC patrols fix four out of five vehicles at the roadside and on average within 30 minutes
- RAC vans carry more than 500 parts and tools to get members' vehicles going again
- 92% of members would recommend RAC Rescue to their friends and family

Contacts



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