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# Supermarkets should lead the way by selling diesel for under £1 a litre

- *RAC urges retailers not to take advantage of motorists by charging more for diesel than they should*
- *Festive diesel price cut to under £1 a litre would be the first time since spring 2009*
- *Average diesel price should reach £1 if retailers pass on wholesale cost-savings*

With petrol being sold all over the country for under £1 a litre as a result of retailers passing on wholesale cost-savings, the RAC is now urging the supermarkets to, as a minimum, drop the price of diesel to match the price of petrol.

As the wholesale price of diesel is now 3p a litre cheaper than unleaded, the RAC believes the major supermarkets – which lead the market on forecourt fuel prices – are in danger of being seen to take the country's 11m diesel car drivers and Britain's 3m-plus 'white van' men for a ride as there is no reason diesel should be priced higher than petrol.

RAC Fuel Watch spokesman Simon Williams said: "We hope the initial tight margins involved in selling petrol for under £1 haven't led retailers to try to make up their lost profit by pricing diesel higher than it should be.

"Even though we saw the price of diesel drop below that of petrol on many forecourts a few months ago, there must be a temptation for retailers to maintain the differential and take advantage of motorists who have – over a

period of years – become used to paying more for diesel than unleaded at the pump.

“As a result of two new refineries in Saudi Arabia coming on-stream, wholesale diesel is more widely available than ever before which means the price should be far cheaper going forward than in previous years. This, coupled with an oil price that has been below $40 a barrel for the last week, and still appears to be falling, should make it possible for diesel to be sold for under £1 a litre by the vast majority of retailers.”

RAC Fuel Watch, which monitors the same data as retailers use to inform their buying decisions, reports that the wholesale price of diesel was below that of petrol all last week and was at a similar level to petrol the week before. While the wholesale price of diesel is currently 3p lower per litre than petrol, the average price at the pump was 3p more expensive at 107.72p on Monday 14th December compared to petrol at 104.37 which dropped almost 2p since Friday as a result of the sub-£1 litre.

Simon Williams added: “After breaking through the $40 mark, the price of a barrel of Brent Crude has continued to drop and stood at $36.81 when the markets closed on Monday, a price last seen in December 2008. Similarly, the pound has made up some of the ground it lost on the dollar in the last fortnight so wholesale prices are continuing to stay low, and in the case of diesel has fallen. This means we should see petrol stay around £1 a litre for a while, with diesel joining it if retailers are fair to motorists and pass on the savings.

“Our Fuel Watch data shows the average price of diesel should come down by about 6p to around £1 from its current average price which indicates that the wholesale cost-savings haven’t been passed on quickly enough.”

While traditionally the focus of attention is on the headline price of unleaded due to the country having around 19m petrol cars, in reality total diesel sales are over 60% greater than petrol. Every day in the UK on average 74m litres of diesel are sold compared to 46m litres of petrol*.

The RAC says the long-term outlook is for the oil price to stay low. OPEC is not due to meet again until June 2016 so unless an extraordinary meeting is called, there is good reason to believe production will continue to outpace demand and in turn keep wholesale fuel prices low.

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

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**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. 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 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

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