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Apr 03, 2020 10:50 BST

## Low oil price leads to sharpest drop in petrol and diesel prices in 12 years

Amid exceptional circumstances, UK petrol prices fell by their largest margin in 12 years in March, triggered by a complete collapse in the world oil price, new [RAC Fuel Watch](#) data shows\*.

While the price of a barrel of crude oil began the month above \$50, by the end of March it had plummeted by 66% to under \$18, its lowest level in 18 years. This was due to a combination of plunging demand in the wake of the coronavirus outbreak and a huge glut in oil, the latter as a result of major oil

producing nations being unable to agree a deal on how to cut supply.

The impact on wholesale, and therefore retail forecourt prices was stark. More than 9p came off the average price of unleaded in the month, with prices falling from 122.72p to 113.54p per litre, while the price of diesel was down by nearly 8p, from 125.7p to 117.8p per litre. These are the largest single month price reductions since October 2008 and mean the price of filling up a 55-litre family car with petrol fell by £5.05 during March, and by £4.35 for an equivalent diesel car.

Unlike some months where steady price reductions or increases take place depending on the price of oil, it was the supermarkets announcing unprecedented single price cuts on 23 March that contributed to the overall monthly price drops. Morrisons was the first supermarket to announce a 12p per litre cut in petrol and an 8p per litre cut in diesel prices, with prices at the supermarket down to around 104p for petrol and just under 111p for diesel by the end of the month. Asda however retained its position as the supermarket selling the cheapest fuel, with petrol down a whopping 14p in the month to just 102.7p by the end, with diesel down to 108.7p.

There still remains the possibility of further price cuts in April however. Based on the reductions in the wholesale price of both unleaded and diesel – down 16p and 10.5p respectively last month – there is still scope for forecourts to come down even further, to 98p per litre for petrol and 108p, if retailers pass on the savings they are making to drivers.

RAC fuel spokesman Simon Williams said: “February was a pretty extraordinary month for fuel price reductions, but nothing prepared anyone for what would happen in March as the impact of the coronavirus began to be felt. An already-oversupplied oil market was suddenly faced with an enormous shortage in demand as worldwide travel ground to a halt.

“Wholesale fuel prices have slid so far that there remains scope for further price cuts, but we are very mindful at this time of the pressure this can place on smaller, independent forecourts that provide a vital service in areas where there is no supermarket footprint. While we all want reasonably priced fuel for our essential journeys, surely none of us want to see smaller enterprises going out of business trying to match the supermarkets’ big price cuts at a time when so few of us are driving compared to normal.

“While the impact of the coronavirus on travel and oil demand continues, there are early signs that the oil price won’t stay as low as it has been in recent days for very much longer. The price war that has been raging between two big oil producing nations, Saudi Arabia and Russia, may be reaching its end if recent statements from the United States are correct – but it is very early days and something we will keep a close eye on.”

### **Regional fuel price variation**

#### **Regional average unleaded pump prices**

<b>Unleaded</b>	<b>02/03/2020</b>	<b>31/03/2020</b>	<b>Change</b>
<i>UK average</i>	122.72	113.54	-9.18
Northern Ireland	121.01	107.30	-13.71
Scotland	122.45	111.42	-11.03
North East	121.76	110.76	-11
Wales	121.96	111.02	-10.94
Yorkshire And The Humber	122.80	111.95	-10.85
South West	123.52	113.03	-10.49
North West	123.00	112.83	-10.17
West Midlands	123.80	113.80	-10
East	123.92	114.09	-9.83
South East	124.64	115.39	-9.25
East Midlands	123.89	115.08	-8.81
London	124.17	115.87	-8.3

#### **Regional average diesel pump prices**

<b>Diesel</b>	<b>02/03/2020</b>	<b>31/03/2020</b>	<b>Change</b>
<i>UK average</i>	125.70	117.80	-7.90

Northern Ireland	123.92	113.44	-10.48
Wales	125.44	116.23	-9.21
Scotland	125.97	116.77	-9.2
South West	126.71	117.80	-8.91
North East	124.75	115.94	-8.81
North West	125.83	117.13	-8.7
East	127.06	118.39	-8.67
Yorkshire And The Humber	125.78	117.18	-8.6
South East	127.75	119.34	-8.41
East Midlands	126.76	118.39	-8.37
West Midlands	126.76	118.63	-8.13
London	127.28	119.34	-7.94

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## **Notes to Editors**

\* UK average fuel prices quoted in the RAC Fuel Watch March 2020 report are based on Experian Catalist data from 1 March to 31 March 2020 (pump prices). Regional prices are based on Experian Catalist data from 2 March to 31 March. Wholesale prices, oil price and the value of sterling are based on data from 2 to 31 March.

## **About the RAC**

The RAC provides complete peace of mind to 12m UK private and business drivers, whatever their motoring needs. Its services include:

- [Breakdown assistance](#). Its highly-skilled, 1,600-strong branded patrol workforce attends more than two million breakdowns every year, fixing on average four out of five vehicles at the roadside. The RAC's patrol fleet is one of the most advanced in the world, and was the first to roll out both an [All-Wheels-Up recovery system](#), allowing the vast majority of vehicles to be recovered from a single patrol van, and [EV Boost](#) mobile electric vehicle charging units
- [Insurance](#). The RAC is a top-five [car insurance](#) broker having

surpassed the 500,000 policies-in-force milestone in 2018. It also offers [‘black box’ telematics policies](#), as well as home and travel insurance

- **Other motoring services.** The RAC leads in the development of new solutions for business, fleets, electric vehicles and future car technology. Its additional products and services include a [personal loans offering](#), a [used car buying website](#), [vehicle inspections and checks](#), [legal services](#) or up-to-the-minute [traffic and travel information](#). It also has a network of [Approved Dealers](#) and [Approved Garages](#) which combine the trust of RAC brand with local service and convenience

The RAC also works to support the interests of its members and UK drivers on the most important motoring issues which it identifies via the annual [RAC Report on Motoring](#) and the [RAC Opinion Panel](#). The Report on Motoring is the longest running analysis of driver opinion in the UK having been published every year since 1989.

**For more information about the RAC, visit the [RAC website](#).**

## Contacts



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