

Pricing page

Crude oil prices have declined by more than 10% in the past month. This news is welcome relief for the oil heating industry and its customers, coming as it does after a period of steep price rises. The positive impact has yet to feed into kerosene prices, which have increased by around 4% in the last quarter and between 30-50% in the last year. However, the crude oil price fall may help to bring down kerosene prices in the run up to Christmas, or at least mean we avoid the normal rises we expect when temperatures fall and demand spikes up.

While the increases in the kerosene

price have been very dramatic in the last year, it's worth remembering that they come after a period of extremely low prices that were completely unprecedented. In effect, we're back to where we were in 2014. It's also worth remembering that oil heating remains cheaper than its main off-grid rivals.

Increasingly pessimistic

So what's going on with the crude oil price? Three factors seem to be at work. The price rises over the summer were due mainly to fears that US sanctions against Iran would result in a supply shortage. However,

Saudi Arabia pledged to increase production to meet any shortfall and US production is also rising. There are also signs that world economic growth may not be as strong as first thought, reducing demand, while fears about the escalating trade war between the US and China have led to fears that the Chinese economy might falter. Faced with this evidence, investors are growing increasingly pessimistic about the direction of the oil market, and their negative outlook is helping to drag down crude oil prices. Given that, only recently, fuel price commentators were expecting the crude oil price to top \$100 a barrel, this is welcome news indeed.

Comparative space and water heating costs for a three bedroom house

GREAT BRITAIN

	4-yr avg: Oct14–Oct18	October-17	October-18	Price change
Anthracite Grains	1145	1114	1127	13
Electricity (Economy 7)	1730	1910	2069	159
Gas (British Gas – condensing)	1015	967	1036	69
LPG	1908	1855	2003	148
LPG (condensing)	1571	1529	1647	118
Oil	1139	1089	1439	350
Oil (condensing)	934	894	1178	284
Wood Pellets	1365	1280	1548	268
Air Source Heat Pump (radiators)	1556	1681	1805	124

NORTHERN IRELAND

	4-yr avg: Oct14–Oct18	October-17	October-18	Price change
Anthracite Grains	987	953	987	34
Electricity (Economy 7)	1556	1464	1650	186
Gas (Phoenix – condensing)	932	885	968	83
LPG	2334	2530	2629	99
LPG (condensing)	1916	2075	2155	80
Oil	1088	1053	1436	383
Oil (condensing)	893	865	1165	300
Wood Pellets	1117	1053	1144	91
Air Source Heat Pump (radiators)	1491	1409	1524	115

REPUBLIC OF IRELAND

	4-yr avg: Oct14–Oct18	October-17	October-18	Price change
Anthracite Peas	1516	1510	1628	118
Electricity (Urban Night Saver)	2036	1961	2153	192
Gas (Bord Gais condensing)	1334	1291	1399	108
LPG	2679	2620	2792	172
LPG (condensing)	2204	2157	2296	139
Oil	1575	1230	1951	721
Oil (condensing)	1289	1010	1594	584
Wood Pellets	1334	1302	1394	92
Air Source Heat Pump (radiators)	1788	1726	1890	164

Notes

The tables above are based on quarterly data published by the Sutherland Tables. They show the annual average cost of a range of heating options for a typical pre-1980 three bedroomed semi-detached home with a heat requirement of approximately 16,000 kWh.

Prices are shown in pounds sterling (£) for Great Britain and Northern Ireland, and euros (€) for the Republic of Ireland.