

Fuel price commentary

The good news for oil heating users in Great Britain is that the cost of kerosene is again lower than a year ago. The average annual cost of heating a typical three bedroom semi has fallen by around 3% (about £35). Wood pellets have also seen a small price fall, while mains gas, LPG and electricity have increased slightly. The pattern is similar in Northern Ireland and in the Republic, but the oil price has been static rather than lower in the RoI.

The news is not quite so good when the current oil price is compared to the four-

year average. In all countries the price now is significantly higher, mainly due to the fluctuating price of crude oil on the global markets. However, the price of heating oil has been much higher than it is now. For example, between 2011 and 2014 the price was sometimes over 30% higher than now, so the current price remains very competitive against other off-gas fuels.

Fuel prices and Brexit

A decision over the UK's departure from the EU may well come to a head

in the early autumn, just as we enter the new heating season. Markets don't like uncertainty and, given the difficulty of making any firm predictions over what is likely to happen, we probably aren't straying too far from reality if we predict that any threat of interruptions to supplies could lead to significant price rises for imported goods, including fuel. Whether this would just be short term is impossible to predict, so the advice to your customers should probably be to buy early to avoid any potential problems over both availability and cost.

Comparative space and water heating costs for a three-bedroom home in Great Britain, Northern Ireland and the Republic of Ireland

GREAT BRITAIN

	Average: Jul 15-Jul19	July 18	July 19	Price change	% difference
Anthracite Grains	1141	1148	1154	6	0.52%
Electricity (Economy 7)	1813	1992	2131	139	6.98%
Gas (British Gas – condensing)	1000	1006	1049	43	4.27%
LPG	1857	1886	1944	58	3.08%
LPG (condensing)	1530	1551	1599	48	3.09%
Oil	1156	1384	1341	-43	-3.11%
Oil (condensing)	948	1133	1098	-35	-3.09%
Wood Pellets	1393	1533	1457	-76	-4.96%
Air source heat pump radiators	1619	1751	1888	137	7.82%
Air source heat pump underfloor			1443		

NORTHERN IRELAND

	Average: Jul 15-Jul19	July 18	July 19	Price change	% difference
Anthracite Grains	987	973	1027	54	5.55%
Electricity (Economy 7)	1579	1518	1870	352	23.19%
Gas (Phoenix – condensing)	926	951	1050	99	10.41%
LPG	2385	2589	2708	119	4.60%
LPG (condensing)	1957	2123	2219	96	4.52%
Oil	1113	1359	1287	-72	-5.30%
Oil (condensing)	913	1113	1054	-59	-5.30%
Wood Pellets	1116	1144	1118	-26	-2.27%
Air source heat pump radiators	1488	1459	1654	195	13.37%
Air source heat pump underfloor			1246		

REPUBLIC OF IRELAND

	Average: Jul 15-Jul19	July 18	July 19	Price change	% difference
Anthracite Peas	1543	1628	1628	0	0.00%
Electricity (Urban Night Saver)	2043	2052	2197	145	7.07%
Gas (Bord Gais condensing)	1340	1337	1431	94	7.03%
LPG	2676	2792	3021	229	8.20%
LPG (condensing)	2202	2296	2482	186	8.10%
Oil	1573	1858	1863	5	0.27%
Oil (condensing)	1288	1519	1523	4	0.26%
Wood Pellets	1347	1387	1398	11	0.79%
Air source heat pump radiators	1794	1806	1921	115	6.37%
Air source heat pump underfloor			1512		

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 bedroom 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.