

UKIFDA databank: industry data update

UKIFDA'S DATABANK CONSOLIDATES RECENTLY PUBLISHED GOVERNMENT AND THIRD-PARTY DATA REGARDING THE DISTRIBUTION OF LIQUID FUELS IN THE UK.

IN RECENT MONTHS, THERE HAS BEEN A SIGNIFICANT SHIFT IN THE WAY GOVERNMENT DATA IS COLLECTED, ANALYSED AND PUBLISHED.

THIS EDITION OF THE DATABANK INCORPORATES THIS NEW ANALYSIS WITH A PARTICULAR CONCENTRATION ON 2024 AND Q1 2025, WHILE ALSO PROVIDING ADDITIONAL INFORMATION ON SEASONAL SPLITS.

2019 REMAINS THE BENCHMARK YEAR, PRECEDING THE PANDEMIC AND THE INVASION OF UKRAINE.

WHERE COMMENTS ARE MADE ABOUT COMPARATIVE DIFFERENCES, THESE ARE UKIFDA OBSERVATIONS DERIVED FROM DISCUSSIONS WITH THIRD PARTIES. PRIOR YEAR DATA HAS BEEN UPDATED BY THE GOVERNMENT AND MAY, THEREFORE, DIFFER FROM PREVIOUS UKIFDA REPORTS

1. Factors influencing sales

1.1 Temperature and heating days

The daily average temperature in 2024 was 10.9 degrees Celsius, which is 0.1 degrees Celsius lower than in 2023 but 0.6 degrees Celsius higher than the long-term mean. The average number of heating degree days (HDD) was 4.9, broadly similar to 2023 but 0.8 lower than the long-term mean.

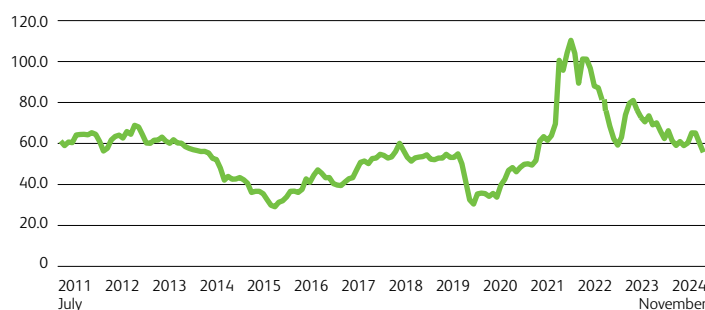
Between December 2024 and February 2024, the average temperature was 5.5 degrees Celsius, 1.0 degrees Celsius lower than the same period a year earlier and significantly below the long-term average. The average number of HDD was 10.0, 1.0 higher than the same period the year before.

	Average temperatures			Average heating degree days		
	30-year mean	2024 average	2025 average	30-year mean	2024 average	2025 average
January	4.9	5.0	3.7	10.6	10.5	11.8
February	5.2	7.6	5.4	10.3	7.9	10.1
March	6.8	7.9	7.8	8.7	7.6	7.7
September	14.2	13.8		1.9	2.1	
October	10.9	11.5		4.6	4.0	
November	7.6	7.6		7.9	7.9	
December	5.2	7.3		10.3	8.2	

1.2 Heating oil energy prices

Heating oil prices have continued to fall following both the trends in crude oil and dollar exchange rates. The current price is within the historic band of 40-60ppl.

ONS Heating oil (ppl)



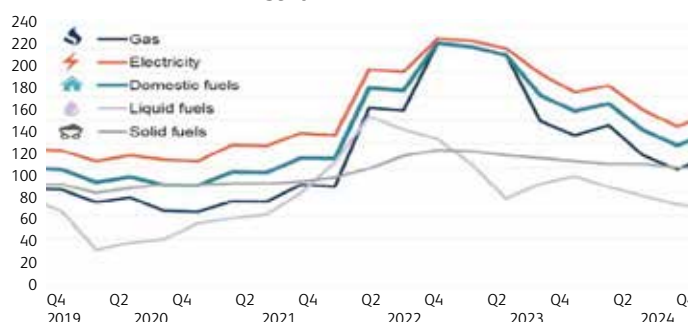
2022 Sep	101.7	2022 Dec	88.3
2023 Sep	79.8	2023 Dec	72.8
2024 Sep	58.9	2024 Dec	60.1

1.3 All energy prices

The price paid for electricity in Q4 2024 (in real terms and including VAT) increased by 7 per cent compared to the previous quarter, while the price for gas (in real terms) increased by 11 per cent. Between Q4 2024 and the same quarter in 2023, the price of electricity fell by 10 per cent, and the price of gas declined by 11 per cent.

The price of liquid fuels decreased by 4 per cent between Q3 2024 and Q4 2024. In Q4 2024, it was 24 per cent lower than the price in Q3 2023, in real terms:

All energy prices index 2010 = 100



Source: Office of National Statistics, Consumer Prices Index
Data in real terms adjusted for inflation using the GDP (market prices) deflator



2. Heating oil sales

2.1 Full year 2024

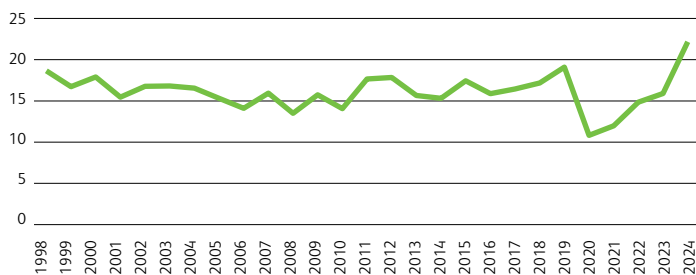
Total heating oil sales (Domestic and non-domestic) thousand tonnes							
	2019	2020	2021	2022	2023	2024	2024 vs 2023
Total year	3,336	3,469	3,246	2,774	2,979	3,060	3 %
% Change vs 2019		4 %	-3 %	-17 %	-11 %	-8 %	

Total kerosene sales (domestic and non-domestic) in 2024 were the strongest since 2021 and 3 per cent ahead of 2023, but 8 per cent below 2019.

This can be partially attributed to a strong summer (July to September):

Total heating oil sales (Domestic and non-domestic) thousand tonnes							
	2019	2020	2021	2022	2023	2024	
July - September	637	376	389	412	474	678	
Summer % of sales (July-Sept)	19 %	11 %	12 %	15 %	16 %	22 %	

Summer sales (%)



The increase in summer sales during 2024 may be a result of advice being given by third parties that purchasing in the summer/early autumn could be cheaper than in winter. However, looking at the data, this is not always the case:

	September price (ppl)	December price (ppl)	Cheaper?
2013	63.0	61.7	N
2014	55.2	47.7	N
2015	36.3	32.2	N
2016	37.2	44.2	Y
2017	42.5	50.5	Y
2018	55.9	53.0	N
2019	52.7	53.0	N
2020	33.7	39.2	Y
2021	51.4	61.4	Y
2022	101.7	88.3	N
2023	79.8	72.8	N
2024	58.9	60.1	Y



It should also be noted that the Chancellor removed the winter fuel allowance for pensioners on 29 July 2024.

During 2024, the Government launched a new process for gathering data, which included polling more distributors for information regarding the split between domestic and non-domestic heating oil consumption, as well as creating stronger ties to HMRC data. This resulted in a change in the previously published figures, dating back to 2009.

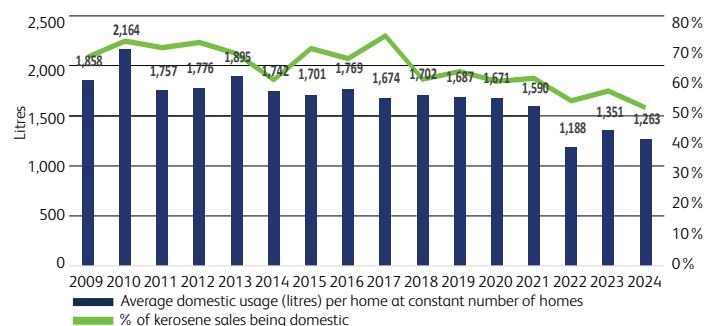
The published data for 2024, compared to the previous years, now appears:

Kerosene consumption (thousand tonnes)						
	2019	2020	2021	2022	2023	2024
Domestic	2,066	2,046	1,947	1,455	1,655	1,547
Non-domestic	1,257	1,420	1,299	1,300	1,302	1,513
Total	3,323	3,467	3,246	2,754	2,957	3,060
% Domestic	62 %	59 %	60 %	53 %	56 %	51 %

Interpreting this data can be challenging; however, it is notable that there has been a significant increase in non-domestic sales following the changes to red diesel regulations. This increase is likely due to industrial customers transitioning from red diesel to industrial heating oil, which is classified as kerosene by HMRC.

When examining domestic consumption more closely, it is possible to forecast the average consumption per household using census data. The Government currently estimates that approximately 1.5 million homes in the UK use kerosene for domestic purposes.

Domestic kerosene consumption



There has clearly been a sharp decline in domestic consumption per home since 2009, according to the revamped figures. In the later years, this is likely explained by price. However, it should be noted that condensing boilers were made mandatory for new oil boiler installations in the UK in April 2007. It is estimated that there are 60,000 oil boiler sales in the UK each year, which would imply an increase in efficiency of these boilers from c60 per cent to 90 per cent.

2.2 Quarter 1 2025

Total kerosene sales thousand tonnes									
	2019	2020	2021	2022	2023	2024	2025	2025 vs 2024	2025 vs 2019
January	403	445	424	375	339	333	367	10%	-9%
February	333	396	424	390	329	288	362	25%	9%
March	247	538	360	217	361	300	326	9%	32%
Total for quarter	983	1,379	1,208	983	1,030	921	1,054	14%	7%

Sales of all kerosene for Q1 2025 were 14 per cent higher than the previous year and 7 per cent more than in 2019. This increase is likely attributed to significantly colder winter weather compared to what had been experienced over the past six years, coinciding with price reductions.

A deeper analysis of the winter figures reveals that the 2024/2025 winter season had the highest sales since the 2020/2021 winter.

The split between domestic and non-domestic is yet to be published.

Total heating oil sales (domestic and non-domestic) thousand tonnes						
	19/20	20/21	21/22	22/23	23/24	24/25
Winter (Oct to Mar)	2,442	2,184	1,907	1,915	1,820	1,982
Year on year change		-11%	-13%	0%	-5%	9%
Change compared to 19/20		-11%	-22%	-22%	-25%	-19%

3. Gas oil sales

Gas oil sales in 2024 stabilised following the changes in 2022.

Gas oil sales (thousand tonnes)						
	2019	2020	2021	2022	2023	2024
Domestic	17	17	16	48	24	39
Industry	3,689	3,434	3,649	1,670	902	810
Transport	1,443	998	1,140	1,257	1,260	1,273
Total	5,148	4,449	4,805	2,975	2,185	2,121
% Change vs 2019		-14%	-7%	-42%	-58%	-59%
Year on year change (%)		-14%	8%	-38%	-27%	-3%
% Industry	72%	77%	76%	56%	41%	38%

This trend continued into quarter 1 2025:

Gas oil sales (thousand tonnes)								
	2019	2020	2021	2022	2023	2024	2025	2025 vs 2024
Jan-Mar	1,052	780	982	932	495	532	511	-4%

4. Road diesel sales

In 2024 diesel demand decreased by 4.9 per cent compared to 2023 and by 7 per cent compared to 2019, as fewer miles were driven in diesel vehicles for work purposes. Total petrol demand grew by 4.7 per cent compared to 2023, and rose by 6.2 per cent compared to the pre-pandemic levels of 2019.

Road diesel sales (thousand tonnes)						
	2019	2020	2021	2022	2023	2024
Total Year	23,490	20,283	21,728	22,949	22,938	21,763
% Change vs 2019		-14%	-8%	-2%	-2%	-7%
Year on year change (%)		-14%	7%	6%	0%	-5%

Road diesel demand in 2025 Q1 was 6 per cent higher than in 2024, primarily due to the colder weather.

Road diesel sales (thousand tonnes)								
	2019	2020	2021	2022	2023	2024	2025	2025 vs 2024
Jan-Mar	5,733	5,987	4,566	5,393	5,636	5,334	5,638	6%

5. Biofuels

Biofuel data for 2025 is not yet available, and data for 2024 is in the process of being finalised. However, preliminary data suggests there was a significant shift in the biofuel mix in 2024:

Million litres	2023	2024	
Avtur (renewable)	97	313	223%
Biodiesel ME	1,414	830	-41%
Bioethanol	1,408	1,487	6%
Biomethane	126	201	60%
Biopropane	13	18	33%
Diesel (origin Bio)	7		-100%
HVO	506	788	56%
Methanol (bio)	40	68	72%
Off road biodiesel	39	13	-68%
Pure bio oil	4	1	-85%
Total regular renewable fuel	3,647	3,727	2%
Total development renewable fuel	53	71	35%
Total renewable fuel	3,700	3,798	3%

Bioethanol forecasts indicate a 6 per cent increase in sales, reflecting the shift towards petrol cars and the E10 mandate. HVO sales have also risen, potentially accounting for some of the decline in gas oil sales to industry and transport.