

# DOWNLOAD PDF PETROLEUM MARKETING: PUMPS, PRICES, AND COMPETITION

## Chapter 1 : Parker's Pumps Up Gas Discount

*Petroleum marketing: pumps, prices, and competition: joint hearing before the Subcommittee on Regulation, Business Opportunities, and Energy and the Subcommittee on Antitrust, Impact of Deregulation, and Ecology of the Committee on Small Business, House of Representatives, One Hundred Second Congress, first session, Washington, DC, September 23,*

With an extensive current and historical price database at our disposal, we have the resources, experience, and industry knowledge to deliver everything from ad hoc surveys to multifaceted industry research and consulting without the time and cost of climbing the learning curve. Our study included an in-depth view in the areas of upstream; petroleum refining; supply logistics; wholesale marketing; retail marketing; gasoline pricing; and price regulation. Our report provided our client a relatively concise overview of an industry composed of several layers of infrastructure, sometimes complex relationships among and within the stakeholder organizations, and in particular, characterized by limited public understanding of the infrastructure and competitive mechanisms that affect prices and profits. Canadian Petroleum Markets Study For a consortium of clients which included two federal government departments and the Canadian Petroleum Products Institute, we have released a major industry study of competitiveness in the Canadian Petroleum Retail industry. The study provided some unique insights into the state of competitiveness and price differentiation in the Canadian petroleum marketing industry, one of the most competitive markets in the industrialized world. This now annual report is the definitive source of information about the numbers of retail gasoline outlets in Canada. It also provides important insights into the trends in the industry with respect to brand diversity, types of marketers, types of dealers, corporate control of retail outlets and pricing, average throughputs, and the emergence of non-traditional petroleum marketers and outlets. We analysed and interpreted historical price data to provide a recommended formula to determine heating oil prices for each of six customer segments. Our analysis described and quantified the key constituent price components of diesel fuel and the factors that might affect these components in the future. Our study applied these factors to present a quantitative estimate of future diesel fuel taxes, refining and marketing margins in British Columbia for the years to Gasoline Market Economics in Nova Scotia For the Province of Nova Scotia, and in partnership with another consultant, we conducted a comprehensive review of the Nova Scotia retail fuel industry. We documented and analyzed the infrastructure trends in that province, and we identified and assessed the regulatory options for addressing the principal stakeholder issues. We participated in interviews with a variety of industry stakeholders, and we collected, presented, and analyzed a number of price and margin data related to pump prices. Our expert testimony at the Commons Standing Committee was able to provide some insights and an increased understanding of fuel prices in Canada. Retail Price Projections An automobile manufacturing company requested us to provide retail gasoline price projections to Our report also included detailed notes on our price projections broken down to each component: Our report provided a deeper understanding of the component prices of gasoline and the factors affecting each. Our report provided a deep understanding of the competition factors involved in the gas retailing business, types of ownership and operating structures, key components and drivers of profitability at retail fuel sites. Report on Understanding Retail Transportation Fuel Pricing in Ontario We were engaged by a provincial government branch to provide an in-depth analysis of the Ontario fuels pricing structure. Brand Value Analytics We were engaged by a Canadian fuels marketing company to evaluate through a detailed statistical analysis the brand value and performance of specific brands within specific markets and by fuel grade. Our analysis of the data and subsequent presentation to the company provided key insights into average site throughputs and brand performance illustrating the significance of branding, and perceived brand value, on site volume performance.

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## Chapter 2 : Top OPEC Competitors and How OPEC Controls Them | Investopedia

*The Petroleum industry encompasses a range of different activities and processes which jointly contribute to the transformation of underlying petroleum resources into useable end- products valued by industrial and private customers.*

It soon got its control of oil production from the member countries, and became economically and politically dominant in the global oil market. History indicates that OPEC has managed to end the dominance of private oil companies, and emerged as the key driver of the oil market. Taking cues from historical events, this article looks at the OPEC competitors and how OPEC deals with them to maintain its dominant position in the oil market. These have emerged as low cost, efficient substitutes for crude oil. With large reserves of shale oil and gas being identified in the U. Shale oil production has declined significantly in the last few months. The outcome of this current state of overproduction and price war is going in favor of OPEC. The fracking technology which enables shale oil and shale gas extraction is a relatively new technology and most of the shale drillers are operating as startups with heavy debt. Despite having significant oil producing capacities, these non-OPEC nations still remain non-influential in the oil market and in the price determination process. Their own consumption levels are high enough making the majority of them a net oil importer. OPEC still dominates the oil market compared to these top shots. Due to vested interests, there are occasional instances of differences between the OPEC group members. Saudi Arabia continues to dominate the group with significant influence on decision making, while other smaller nations having lesser bargaining power end up biting the bullet. Instances include the recent ongoing situation with Saudi Arabia continuing the oversupply of oil and pushing down the oil prices, while other OPEC countries like Algeria and Venezuela face economic challenges due to less income from oil exports. Disagreements among member nations, geopolitical developments, and dominance by a select few members often leads to differences, including member nations like Ecuador and Indonesia joining, leaving, and rejoining the group. The expected discovery estimated to be in the range of 15 to 40 billions barrels in the Caspian region can shift the balance in the oil market to some extent. OPEC, being a group of nations, often faces competition from other large-sized multinational companies. However, almost all of these companies are in huge debt, and their operations and supply sources are spread across the OPEC countries. OPEC maintains the upper hand in dealing with them, leaving little room for competition. Here are a few examples: The entire world, including the U. Who Controls Oil Prices? The Iranian Revolution, and the Iran-Iraq war led to disruptions in oil supplies. While consumers switched to alternative sources like coal and nuclear power, there were major initiatives in non-OPEC regions for oil exploration which led to a decline in OPEC dominance. To prevent a further decline in market share, Saudi Arabia cut down its own production to one-third, with an aim to create oil scarcity. This oversupply led to low oil prices, making the competitors and the OPEC member countries cut back production, thereby leading to a regaining of market share by OPEC. OPEC maintained its dominant position and ensure the smooth oil supply to the world, despite these events having large-scale impacts on the global economy. The Bottom Line Since its inception, OPEC has experienced challenges on the technology front like fracking , due to the discovery of oil in new non-OPEC regions, and on the geopolitical front war events. The group, led by Saudi Arabia which is the largest oil producer among the OPEC nations, has the capacity and financial reserves to keep pumping billions of barrels of oil and keep oil prices in control. Trading Center Want to learn how to invest? Get a free 10 week email series that will teach you how to start investing. Delivered twice a week, straight to your inbox.

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## Chapter 3 : OFT says UK petrol market is working well - BBC News

*The oil market. Crude oil has been refined to make fuels, like petrol and diesel, lubricants, and industrial chemicals since the s. Industrialisation owes its development to oil.*

West Virginia must fully utilize the rich natural gas fields that sit below it. Those changes are determined in the global crude oil market by the worldwide demand for and supply of crude oil. Per-barrel costs for crude oil are the No. 1 factor in the cost to make motor fuels. As they do every year around Memorial Day, the start of the summer driving season, Americans are traveling more, which could raise demand further. What Consumers are Paying at the Pump: Excise taxes add another 49 cents a gallon on average nationwide. Crude oil costs account for about 57 percent of what people are paying at the pump. Excise taxes average 18 percent. That leaves just 25 percent for the refiners, distributors, and retailers. Gasoline Taxes by State The federal gasoline tax is 18.4 cents per gallon. On average, taxes currently make up 18 percent of what consumer are paying at the pump. The remaining 25 percent of the price is the cost to refine, transport and sell gasoline. If that seems rich, consider that in Q1 the natural gas and oil industry as a whole earned net income of just 6 cents per barrel. For manufacturing industries in general, the average over the past decade was under 8 cents per dollar of sales, so natural gas and oil actually have lagged other industries despite recent price increases. Why are gas prices rising? The single greatest factor in the price of gasoline is the price of crude. And since oil is a globally traded commodity, understanding oil prices requires a look at global supply and demand. I thought the US was now producing all this oil? Why is that not helping prices? Oil prices are the 1 factor in the cost to make motor fuels. Although gasoline and diesel fuel prices have risen recently, they are still well below prices we saw just four years ago. Before the upswing in U.S. Over the past three years, though, prices still rose—but only by 13 cents per gallon. There have always been costs associated with making special clean fuels the government mandates for summer, but the growth of U.S. Tax reform has nothing to do with the price at the pump! Prices are influenced by world markets and not tax reform. However, savings associated with the lower corporate tax rate represents potential capital for new projects and wages for new employees. However, just months after being enacted, tax reform should not be expected to have had any substantive impact on world oil prices, which are established in a competitive global market. Some politicians have claimed these companies get taxpayer subsidies, is that true? The oil and natural gas industry did not receive any unique credit or subsidy in the tax legislation. They are generally treated the same as any other industry by the tax code—the same rate, able to recover their costs, etc. What are all these other costs I pay at the pump? According to EIA, federal, state, and local government taxes also contribute to the retail price of gasoline. Federal taxes and fees of 18.4 cents per gallon. Further, the current average of state and local motor fuel taxes and fees can add another 12.5 cents per gallon.

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## Chapter 4 : Petroleum Marketing & Price Analysis | Kent Group Ltd

*Petroleum Marketing & Price Analysis. Kent Group Ltd are petroleum market experts. With an extensive current and historical price database at our disposal, we have the resources, experience, and industry knowledge to deliver everything from ad hoc surveys to multifaceted industry research and consulting without the time and cost of climbing the learning curve.*

Read more The oil market Crude oil has been refined to make fuels, like petrol and diesel, lubricants, and industrial chemicals since the s. Industrialisation owes its development to oil. Oil is an essential scarce resource, and there are still no cost effective alternatives to oil for producing vehicle fuels like petrol and diesel. Current oil price The demand for oil The demand for oil has a number of important characteristics. The demand for oil is relatively inelastic with respect to price, given that oil has few direct substitutes. Similarly, demand for oil is relatively inelastic with respect to income in the advanced, OECD economies. However, income elasticity of demand YED in developing economies like China and India is likely to be higher, with estimates suggesting that YED is close to 1. It was established in as a response to the reduction in supplies from the Middle East going to the USA. The stockpile of crude oil, held in caves and surface facilities in the Gulf of Mexico, acts as an emergency stock that can be used in the event of disrupted global supplies. The current maximum capacity is assumed to be million barrels, and by early capacity was nearly reached as stocks rose to their highest recorded level, at Prices rose again from the 3rd quarter of - partly reflecting the weaker pound following the Brexit referendum result in June Rising fuel prices were largely responsible for upward pressure on the inflation rate in the second half of By the second quarter of pump prices had risen to just under p per litre, reflecting higher global oil prices. The strength of oil prices followed falling Venezuelan production, combined with strong global demand, and concerns over the impact of U. Rising petrol prices reflect increases in crude oil prices. The main factors contributing to the general rise in crude oil prices over recent years are: Rising world demand, especially from China Cost shocks, such as the War in Iraq and hurricane Katrina The effects of the global downturn However, during the price of a barrel of oil fell back from its record high. This was the result of the downturn in world demand for oil, especially from China, as the global recession began to spread. Oil prices and petrol pump prices An increase or decrease in crude oil prices may not affect prices at the petrol pumps. There are a few reasons for this: There may already be existing stocks of petrol at the old prices. UK Petrol Industry Association , In many countries, the retail market has become increasingly competitive in recent years. This is certainly true in the UK, with the entry of the large supermarket chains, such as Tesco and Sainsbury , into petrol retailing in the early s. Supermarkets may subsidise the cost of petrol from profits on their other products, hence reducing the retail price. Contracts between buyers such as British Petroleum , and sellers such as Venezuelan producers, are often agreed a minimum of three months in advance. These agreements are called futures contracts, or futures for short.

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## Chapter 5 : Gasoline and Diesel Fuel Update

*Crude Oil - the monthly average of the composite refiner acquisition cost, which is the average price of crude oil purchased by refiners. Refining Costs & Profits - the difference between the monthly average of the spot price of gasoline or diesel fuel (used as a proxy for the value of gasoline or diesel fuel as it exits the refinery) and the.*

The retail price of a gallon of diesel fuel reflects the costs and profits or losses of producing and delivering the product to customers. Four main components contribute to the retail price of a gallon of diesel fuel: The cost of crude oil purchased by refineries Refining costs and profits Distribution, marketing, and retail station costs and profits Taxes federal, state, county, and local government The relative share of these components in the retail price of a gallon of diesel fuel varies over time and by the region of the country where it is sold. Worldwide demand and supply determines crude oil prices. World economic conditions contribute to the demand for the petroleum products made from crude oil. Visit What drives crude oil prices to learn more about factors that influence crude oil prices. Because diesel fuel is a major transportation fuel, the demand for diesel fuel generally follows economic trends. International diesel fuel demand can affect U. Heating oil and diesel fuel are distillate fuels. Many countries rely more heavily on distillate fuels, especially diesel fuel, than the United States does. Diesel fuel use for transportation worldwide, especially in China, has increased world distillate demand as economies expand. Use of distillate fuel for electric power generation in many parts of the world also contributes to demand. If petroleum supply declines unexpectedly, as a result of refinery problems or lagging imports, diesel inventories stocks may decline rapidly. When stocks are low and falling, some wholesalers and marketers may bid higher for available supplies. If the diesel fuel transportation system cannot support the flow of supplies from one region to another quickly, prices will remain comparatively high. These fluctuations are normal price fluctuations experienced in all commodity markets. Seasonality in the demand for distillate fuels Although U. During the fall and winter, the demand for heating oil affects diesel fuel prices. Because heating oil and diesel fuel are produced at the same time, seasonal increases in heating oil demand can also put pressure on the diesel fuel market. Transportation costs affect prices Transportation costs generally increase based on the distance between the retail location and the sources of supply. Areas farthest from the Gulf Coast, the source of about half of U. Regional operating costs and local competition The retail price of diesel fuel also reflects local market conditions and factors such as the location and ownership of retail outlets. Refiners own and operate some retail outlets, while other retail outlets are independent businesses that purchase diesel fuel on the wholesale market. The cost of doing business can vary greatly depending on where a dealer is located. Even retail stations near each other can have different traffic patterns, costs, and sources of supply. The number and location of local competitors can also affect prices. High-volume truck stops that cater to large commercial vehicles tend to sell diesel fuel at lower prices than smaller-volume service stations. Why are West Coast diesel fuel prices higher and more variable? Diesel fuel prices on the West Coast, especially in California, are higher than in other regions of the country because of taxes and supply issues. At the beginning of , state taxes on retail, on-highway diesel fuel in California totaled California is especially sensitive to West Coast supply conditions. Because of this relative isolation, it can be costly to transport supply from outside the region when a refinery outage occurs. Learn more about transportation fuel markets in the West Coast region. Also on Energy Explained.

## Chapter 6 : India fuel price cuts send oil firm shares down on regulation concerns | Reuters

*Understanding Pump Prices , low margin business due to strong competition driving down prices. how the "spot" market prices of Brent crude oil, petrol and.*

## Chapter 7 : Understanding Fuel Pricing | Shell Canada

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*price movements consistent with effective competition on road fuel markets and those which should raise a competition authority's concern, the experts generally think that market monitoring, market studies and investigations deliver clear benefits even though these kinds of.*

### Chapter 8 : Global Pumps for Oil & Gas Market Research Report

*The National Petroleum Authority (NPA), which is the regulator of the downstream petroleum sector in Ghana, in announced that OMCs would now announce their own ex-pump prices for petroleum.*

### Chapter 9 : The market for oil

*According to (Oil:Crisis and Collusion, ), OPEC was organized with the purpose of manipulating the oil prices by controlling oil supplies to the market. It controls approximately 80% of the world's oil reserves and 40% of the world's production among their 12 member states.*