

Petrol prices

World oil prices have risen dramatically this year, leading to soaring petrol prices. What will happen in the future?

1 How much do you pay for petrol per litre? Is the price of petrol falling, rising or remaining stable?

2 Study the table. Complete the missing information by scanning the article below.

Petrol prices (unleaded per litre) – 2005							
	Jan	Feb	Mar	April	May – June	July	August
France		€1.08	€1.10	€1.16	€1.15	€1.20	
UK		£0.81	£0.82	£0.86	£0.86	£0.89	£0.91
USA	\$0.49	\$0.50	\$0.55	\$0.59	\$0.57	\$0.61	

Data source: AA

Price rise

Around the beginning of August, the UK average price for a litre of unleaded petrol passed the 90p mark for the first time ever. This month, it reached £1 a litre in parts of the country. This compares with an average price of 86p in January. Rising petrol prices continue as the price of crude oil increases – oil passed \$67 a barrel in early August. An increase of \$10 a barrel adds about 5p a litre to the price of petrol at the pumps, if it is passed on by petrol suppliers.

Why are prices soaring? The International Energy Agency says the world is seeing the biggest increase in oil demand for 24 years. Demand from China has increased by 20% over the past year. Last month, hurricane Katrina struck the US coast, causing disruption to oil refineries and fears of shortages. The US Energy Department forecast that petrol would cost 34% more than a year ago this winter. Nevertheless, petrol in the US remains lower than in Europe – the average price per litre last month was just \$0.67.

What can be done about these rising prices? In France, oil giants BP and Total have agreed to cut French fuel prices after government threats to introduce a new tax on oil firms. Customers are objecting after petrol prices in the country rose above €1.50 a litre, compared to €1.21 a litre last month and an average price of just €1.04 in January. Many customers are angry at what they see as huge profits made by the oil companies.

Should we now resign ourselves to the fact that, as a commodity, oil is going to get more and more expensive? Now is the time to reduce our global consumption. Environmentalists have long argued that we should be decreasing the amount of petrol we refine and investing in greener forms of fuel. They advocate banning large ‘gas guzzling’ cars. Will imposing taxes on oil companies help? A new energy era is upon us and the days of cheap petrol are well and truly over.

3 Read the whole article. Why is the price of petrol increasing?

4 Find words in the article from the following definitions.

- (a) Quickly increasing to a high level (paragraph 2)
- (b) A problem that interrupts something and prevents it from continuing (paragraph 2)
- (c) Make a statement about what is likely to happen, based on available information (paragraph 2)
- (d) Occasions where someone says they will cause harm or problems (paragraph 3)
- (e) The amount of something, such as fuel or energy, that people use (paragraph 4)
- (f) Saying officially that people must not use or do something (paragraph 4)

(Definitions from or based on *Macmillan English Dictionary* Text © Bloomsbury Publishing Plc 2002)

5 What can help reduce the amount of oil / petrol we consume? Evaluate these suggestions and add your own ideas.

“Encourage less use of cars (car-share scheme)” “Explore more sustainable sources of fuel”
 “Impose taxes on oil companies” “Encourage green motoring” “Refine less petrol”