

Big differences in margins in European filling station business

eid Petrol and diesel are expensive in Germany at present, but are they too expensive, as the current heated debate would have us believe? At any rate the German petroleum industry is again saying that, despite the rise in prices, fuel sales at filling stations have certainly not become any more lucrative: Net margins after deduction of all taxes and costs remained unchanged at a maximum of 1 to 2 cents per litre, in other words there is no sign that motorists are being ripped off.

And a look at the average gross margins for Germany and Europe calculated for EID by consultants Wood Mackenzie confirms that this is the case. This is because the gross margins of 10.05 cents

per litre for petrol and 9.59 cents per litre for diesel in Germany have to be reduced by 2 to 3 cents per litre due to blending of bio components. Based on a break-even margin of a good 6 cents per litre, this means that while people are still earning money on fuel sales in Germany, they are not earning very much.

The Wood Mackenzie margins also indicate that gross retail margins showed an improvement in most countries last year – and that there are still huge differences within Europe. For example, they found that for “front runner” Norway gross retail margins were around 16.5 cents per litre for premium petrol and as much as 18 cents per litre for diesel. Even allowing for

much less favourable cost structures there and hence lower operator efficiency, this suggests that earnings are still good. According to these figures, it is still possible to earn good money by selling fuel in Switzerland, Italy and Portugal.

By contrast, the filling station business cannot have been very rewarding last year in countries like Sweden (bottom of the table for petrol) or the United Kingdom (tail-ender for diesel with a disastrous 5.67 cents per litre). The same applies to France and Austria. Together with Germany, these countries make up the bottom quarter of the retail margin rankings in Europe.

European gross retail margins for Eurosuper

in cents per litre	2003	2004	2005	2006	2007	2008	2009	2010
Austria	9.92	10.01	9.16	8.31	9.80	8.26	8.09	9.26
Belgium	12.55	13.80	13.75	13.67	14.55	15.30	12.65	12.36
Denmark	12.96	8.95	10.25	10.48	11.37	12.18	12.42	10.23
Finland	10.03	8.76	7.50	8.84	8.69	13.00	10.03	11.61
France	8.90	8.60	8.52	7.30	11.67	15.00	10.08	9.12
Germany	7.65	7.47	6.06	6.45	7.18	7.08	8.82	10.05
Ireland	11.18	9.41	8.22	8.66	9.42	11.60	10.65	11.14
Italy	14.50	14.09	13.70	13.66	13.89	17.01	13.95	14.28
Luxembourg	12.52	12.53	12.75	12.92	15.08	13.97	11.48	12.11
Netherlands	13.52	12.51	12.11	11.78	12.82	12.96	12.70	13.73
Norway	16.44	15.41	15.46	14.00	14.72	16.15	15.91	16.47
Portugal	10.67	10.13	10.06	11.94	11.69	14.28	13.06	13.58
Spain	10.79	10.56	10.23	9.95	10.18	12.81	12.65	12.31
Sweden	10.66	9.89	8.50	6.37	5.67	5.88	5.37	6.54
Switzerland	10.49	12.27	12.2	13.56	12.57	16.08	13.55	15.29
United Kingdom	7.69	7.84	7.81	7.85	8.64	10.57	5.57	7.49

European gross retail margins for diesel fuel

in cents per litre	2003	2004	2005	2006	2007	2008	2009	2010
Austria	8.32	8.89	8.38	7.56	8.34	7.79	7.70	8.84
Belgium	12.52	12.66	13.62	13.52	14.57	15.18	12.43	11.88
Denmark	10.35	7.33	8.07	9.77	10.00	10.59	11.34	8.84
Finland	10.26	8.48	9.55	10.95	9.91	14.63	11.93	10.82
France	10.18	9.31	9.81	8.04	11.52	13.53	9.89	7.33
Germany	7.42	7.29	6.66	6.45	7.99	8.16	9.16	9.59
Ireland	12.40	10.15	11.17	11.37	10.79	12.36	13.06	12.17
Italy	12.67	12.96	13.87	14.68	14.17	15.57	13.83	13.37
Luxembourg	9.87	9.43	10.31	11.28	12.42	11.94	10.60	10.62
Netherlands	11.66	10.96	10.98	11.06	11.44	11.82	11.73	11.96
Norway	22.15	18.60	19.90	16.40	16.04	17.22	16.66	18.29
Portugal	9.94	9.44	9.63	11.35	11.33	13.93	14.38	15.03
Spain	9.97	9.04	9.92	10.49	10.17	12.03	13.28	12.81
Sweden	13.12	10.27	10.02	10.19	7.63	7.75	8.97	9.97
Switzerland	10.69	11.55	12.71	13.93	10.97	13.93	15.09	16.42
United Kingdom	8.18	7.17	7.72	8.59	8.27	9.01	6.98	5.69

Source: Wood Mackenzie