

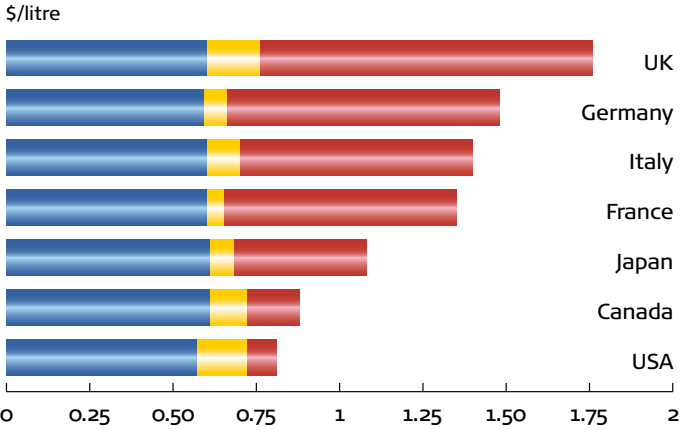
# Who Gets What



from  
**Imported Oil**

July 2009

# Graph 1: Who gets what from a litre of oil in 2008?



### Notes:

Figures are estimated prices in US dollars per litre for the year 2008. Industry margin includes transport, insurance and other costs. Crude fob oil price includes cost of production and other related expenses.

### Source:

Research Division, OPEC, Vienna, Austria, 2009.

Many misconceptions surround crude oil prices and the pricing of petroleum derivatives such as gasoline. This brochure illustrates and explains exactly who gets what from the price of oil.

*As every consumer knows, purchasing petroleum products can be expensive. But what is not generally known is where most of that money goes.*

**Graph 1** illustrates the wide variations in the price of a litre of oil in G-7 countries. Those variations are not due to differences in crude oil prices but to varying levels of taxation in those consuming nations (e.g., Canada, France, Germany, Italy, Japan, the UK and the USA). These taxes can range from relatively modest (although by no means insignificant) in Canada and the USA, to very high levels in many European countries.

In the UK, for example in 2008, the government received around 1.8 times more from taxation than what OPEC Member Countries obtained from the sale of their oil.

**Graph 2** shows that over the period 2004-08, the G-7 nations received a total of \$3,418 billion from oil taxation. OPEC Member Countries, on the other hand, received just \$3,346 billion in total revenues over the same period.

But while the \$3,418 billion generated by G-7 governments from oil taxation is pure profit, the same cannot be said of the revenues received by OPEC Member Countries, which must cover the high costs of exploration, production and transportation.

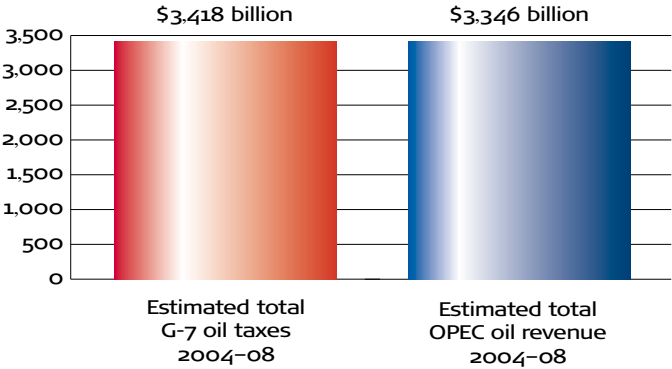
**Graph 3** shows the annual average revenues of G-7 and OPEC Member Countries over a five-year period. While OPEC Member Countries generated an average of \$669 billion per year from oil sales, the G-7 countries received an average of \$684 billion per year from oil taxation – about \$15 billion more per year than OPEC Member Countries.

Thus, it is clear that the real cost burden on end-users is from the oil taxes imposed by consuming countries.

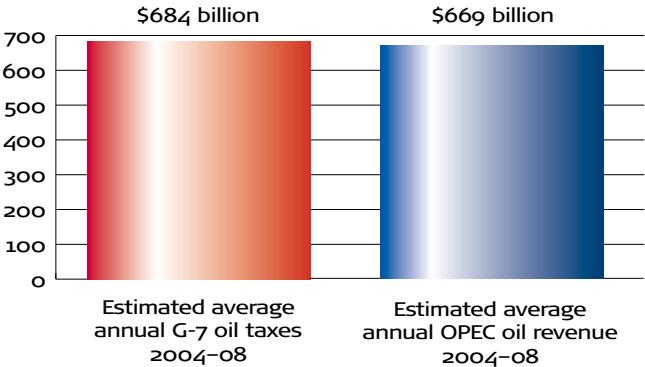
If oil were not so heavily taxed, then it would certainly cost only a fraction of its current price. **Graph 4** (on the reverse) gives a country-by-country break-down of the nominal costs of each barrel of oil in G-7 countries, relative to oil taxes and industry margins, for the 2004–08 period.

***Wherever you live, the role of government taxes on the price of oil and oil products is something to think about.***

**Graph 2:**  
**Taxes vs. revenue**

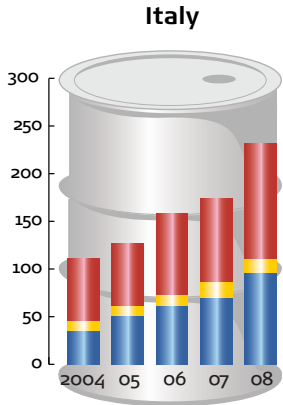
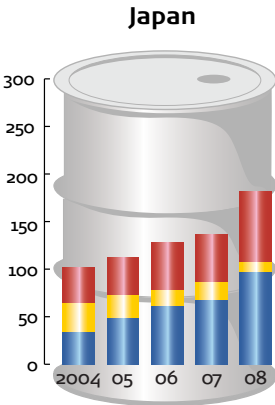
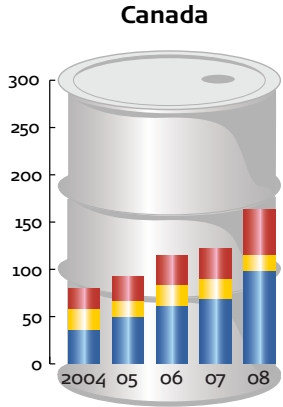
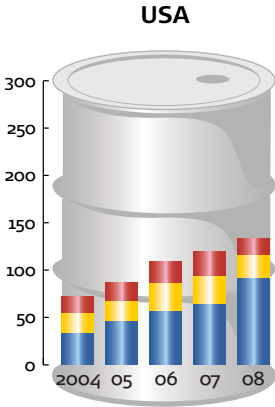


**Graph 3:**  
**Average taxes vs. revenue**



# Graph 4: Composite oil barrel analysis for G-7 countries

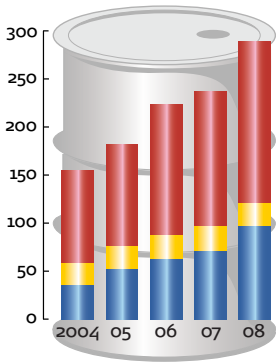
(in nominal dollars per barrel)



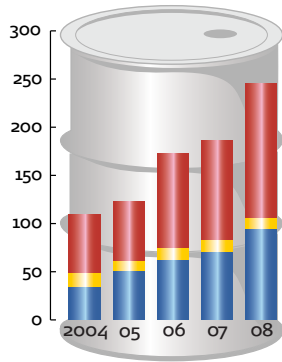
**Note:**

One barrel equals 42 US gallons, or 159 litres.

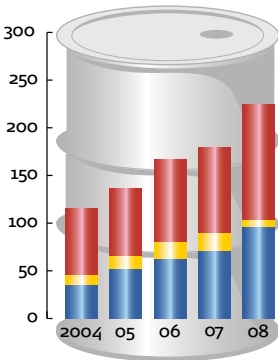
### UK



### Germany



### France



- Tax**
- Industry margin**  
Includes transport, insurance and other costs
- Crude fob price**  
Includes cost of production and other related expenses

#### Sources:

OPEC Research Division, 2009,, based on data from: OECD, Energy Prices and Taxes; Oil Bulletin Petrolier; Energy Detente.



[www.opec.org](http://www.opec.org)