Who gets what from imported oil?

It’s time to rethink the price at the pump ...

So the next time you hear that the price of a barrel of oil is having an impact on the price you pay at the pump, remember that oil-related taxes are imposed by many governments that are often the biggest beneficiaries.

Numbers are estimated in $/litre for the year 2019.

More facts and figures available in the online Annual Statistical Bulletin.

asb.opec.org
Here are the facts

Oil is always big news. Every increase in its price is thought to raise fuel costs to the detriment of consumers while generating huge income for foreign oil producers — such as OPEC Member Countries (MCs). But this is a misconception.

While huge revenues are indeed generated, they are earned primarily by major oil-consuming countries. OECD economies, for example, earn far more revenue from the retail sale of petroleum products than OPEC countries make from the original sale of their oil.

From 2015 to 2019, OECD economies earned on average about $1,771 billion/year more from retail sales of petroleum products than OPEC Countries made from oil revenues. A significant amount of the final retail prices of petroleum products is attributed to high taxation rates.

In fact, during 2019, the share of total tax on the final retail price amounted to nearly 50%. Therefore, the real burden on consumers comes from taxes, not from the original price paid for crude oil. Moreover, while the billions of dollars earned from oil taxes are pure income for OECD MCs, oil export revenues of OPEC MCs must also cover the high costs of exploration, production and transportation.

Taxes on oil

Comparison of composite barrel

2015 vs 2019

<table>
<thead>
<tr>
<th>OECD average 2015</th>
<th>OECD average 2019</th>
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<tbody>
<tr>
<td>Crude price</td>
<td>Tax</td>
</tr>
<tr>
<td>26.6</td>
<td>30.1</td>
</tr>
<tr>
<td>50.4</td>
<td>49.1</td>
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</tbody>
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* A composition of weighted average of retail prices (including prices) of the main groups of refined petroleum products.

* * Presented figures are based on demand-weighted average prices.