**Section 3 – UK Oil and Oil Products**  
**2019 and October to December 2019**

**Key results show:**

**Provisional 2019**

UK production of crude and Natural Gas Liquids (NGLs) was up 1.8 per cent in 2019 compared with 2018. Production has remained robust following the increase seen in 2018 as well as the new production from the Clair Ridge project, which opened towards the end of that year. Net imports of crude oil and NGLs was up marginally as imports increased more than exports but remained low at 3.5 million tonnes. *(Chart 3.1)*

Production of petroleum products was stable on 2018. Refinery production has been fairly robust although production remains at one-third of the peak at the turn of the century. *(Chart 3.2)*

In 2019 final consumption of petroleum products was down by 2.1 per cent, the second consecutive annual fall in demand. The reduction was mainly driven by a 1.5 per cent decrease in demand for transport fuel. *(Chart 3.5)*

Net imports of primary oils (crude, NGLs and process oils) made up 12 per cent of UK supply in 2019 and the UK was a net importer of petroleum products by 12.7 million tonnes. The UK is a net importer of road diesel and aviation turbine fuel but a net exporter of motor spirit. *(Chart 3.3)*

Domestic demand over the year decreased by 1.9 per cent due to warmer average temperatures compared to 2019. *(Chart 3.4)*

**Quarter 4 2019**

In Q4 2019, UK production of crude oil and NGLs was down by 4.1 per cent, with NGLs down by nearly one-fifth following the closure of the Mossmorran processing plant at Fife. *(Chart 3.1)*

Refinery production was stable in the latest quarter of 2019 compared with the same quarter in 2019. *(Chart 3.2)*

Exports of petroleum products were up by 6.5 per cent while imports remained stable, up just 1.7 per cent. Over the last three months, the UK was a net importer of petroleum products by 2.5 million tonnes. *(Chart 3.2)*

Total deliveries of key transport fuels were lower in Q4 2019 by 2.2 per cent. This was driven by a decrease in demand for road diesel of 4.6 per cent. Bucking the trend of decline, demand for motor spirit increased by 0.5 per cent as motorists switch to petrol-engine cars. Aviation turbine fuel was stable on the same period in 2018. *(Chart 3.5)*

Total stocks for the UK at the end of quarter 4 2019 increased 5.5 per cent. A 1.6 per cent fall in primary oil stocks was more than offset by a 12 per cent increase in product stocks. *(Chart 3.6)*
Oil and Oil Products

Relevant tables

3.1: Supply and use of crude oil, natural gas liquids and feedstocks
3.2: Supply and use of petroleum products
3.4: Supply and use of petroleum products: latest quarter
3.5: Biofuels sales and sales through supermarkets
3.6: Stocks of petroleum at end of period

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Provisional figures for 2019 show that UK crude oil and NGL production was 1.8 per cent higher than 2018. Production levels were robust following the increase seen in 2018 after new projects opened, with Clair Ridge also announcing first oil in late 2018.

Much of this new production was exported, contributing to the highest annual exports since 2008, up again on 2018 by 1.8 per cent. Strong exports were also partially driven by the favourable price spread for Brent crude although 2019 did see a recovery in refinery receipts of oil from the UK Continental Shelf after the record low in 2018. Use of indigenous crude was up 10 per cent to 6.3 million tonnes in 2019, comprising 11 per cent of total refinery intake (see Table 3.10). Imports of crude oil and NGLs were up 2.1 per cent.

After increases in the first three quarters in 2019, production in Q4 was down by 4.1 per cent compared to the same period in 2018. In the last quarter of 2019, there was a sharp fall of nearly one-fifth in production of NGLs following the closure of the Mossmorran processing plant at Fife and the temporary suspension of flows through the SAGE pipeline as a result.

In the broader historical context, production now is around a third of the 1999 peak.

Imports of crude oil and NGLs were up by 3.8 per cent in Q4 2019 while exports fell by 4.8 per cent on the same period in 2018.
UK refinery production in 2019 was stable on 2018 and was equivalent to around 90 per cent of UK demand. However, UK production does not meet demand on a product mix basis, meaning the UK trades extensively to meet demand for diesel and jet fuel, and exports excess volumes of petrol.

Following reduced demand in 2019, imports were down by 5.1 per cent because of reductions in transport and non-energy demand (see Charts 3.4 and 3.5). Exports were down by 7.2 per cent, resulting in a small reduction of net imports by 1.7 per cent.

In Q4 2019 production of petroleum products was broadly stable, down just 0.9 per cent. Notably, demand was down by 2.9 per cent with a fall in demand for transport and non-energy use (see Charts 3.4 and 3.5).
Whilst net imports of primary oils had stood at roughly 15 million tonnes in 2015 and 2016, this halved in 2018 and stood at 7.9 million tonnes in 2019. The reduction has been caused a large increase in exports of crude oil as production from new projects on the UK Continental Shelf is predominantly sent abroad. In 2019 there was small decrease in net imports of 8.7 per cent as exports increased more than imports.

In 2019 the UK was a net importer of petroleum products by 12.7 million tonnes, down from 12.9 million tonnes in 2018.

In Q4 2019 net imports of crude oil and NGLs increased by nearly half to 2.6 million tonnes, up from 1.8 million tonnes in 2018 because of a reduction in exports and increase in imports in Q4 2019. Higher volumes of indigenous crude were delivered to UK refineries in late 2019 compared to 2018, resulting in the lower exports. Conversely, net imports of petroleum products decreased by 8.1 per cent to 2.5 million tonnes, down from 2.7 million tonnes in Q4 2018.
Provisional annual data shows that final consumption of petroleum products was down by 2.1 per cent in 2019 compared with 2018, the second consecutive annual decrease. Within this:

- Transport use, which accounts for more than three-quarters of UK final consumption, was lower by 1.5 per cent. Sales of road diesel were down by 3.4 per cent, with petrol up by 1.1 per cent (see Chart 3.5). Trends in sales of petrol and diesel have been changing as motorists switch from diesel- to petrol-fuelled cars, reflecting factors such as changes to diesel car taxation.

- Non-energy use of oil products was down by 7.3 per cent in the UK despite global trends of rapid increase.

- Demand by other users, including the domestic and industrial sectors was also down following slightly warmer average temperatures over the year compared to 2018.

In Q4 2019 final consumption of petroleum products was down by 3.3 per cent on the same period in 2018, again with reductions in transport and non-energy being the principal reasons. Transport fell by 2.2 per cent, although the direction of this downward trend was due to the contraction in diesel sales, down by 4.6 per cent. Sales of petrol and demand for jet fuel were stable on the same period in 2018. Demand for non-energy use saw a sharp decrease of nearly one-fifth as deliveries of gases used as feedstocks were reduced because of the closure of the Mossmorran processing plant at Fife.

Domestic demand in Q4 2019 was up by 4.1% on 2018 due to the cooler temperatures and higher number of heating degree days in that period compared to 2018.
Annual demand for transport fuels has decreased for the second consecutive year, bucking the persistent upward trend that had been seen since 2013. Demand for road diesel decreased for the second consecutive year in 2019; previously the last fall was in 2009 following the economic crisis of 2008 when significantly fewer miles were driven by commercial vehicles. Demand for aviation turbine fuel was up by just 0.9 per cent compared to 2018 as the trend of year-on-year growth has slowed.

Including biofuels, annual diesel sales in 2019 were lower by 1.6 per cent. The bio-component of diesel increased from 3.9 per cent in 2018 to 5.6 per cent in 2019; total sales of biodiesel were up by 40 per cent. The proportion of petrol that is derived from renewable sources remained stable at roughly 5 per cent. The increase seen in biodiesel is the result of the Renewable Transport Fuel Obligation\(^1\), which requires larger suppliers of road fuels to demonstrate that a pre-determined proportion of the fuels they supply is derived from renewable and sustainable sources.

In Q4 2019 quarterly petrol sales including biofuels was broadly stable, up by 0.5 per cent, but diesel sales were lower by 1.8 per cent.

\(^1\) [www.gov.uk/guidance/renewable-transport-fuels-obligation](http://www.gov.uk/guidance/renewable-transport-fuels-obligation)
The UK holds oil stocks both for operational and commercial purposes and to meet obligations set out by the European Union (EU) and the International Energy Agency (IEA) to ensure the continuity of oil supply in times of significant disruption. The UK meets these obligations by directing companies to hold stocks of oil over and above those required for operational purposes. The UK is required to hold stock equivalent to 61 days of consumption to meet EU requirements and stock equivalent to 90 days of net imports to meet IEA requirements.

At the end of Q4 2019 the UK held 15.2 million tonnes, equivalent to 64.5 days of consumption, with an additional 10 days of commercial stocks available on top of volumes held towards the obligation. The same volume is equivalent to around 180 days of net imports. UK total oil stocks were up 5.5 per cent on the same period last year, with primary oil stocks down 1.6 per cent and petroleum product stocks up 12 per cent to a 10 year high of 8.5 million tonnes.

Further information on how the UK meets its oil stocking obligations are set out at: www.gov.uk/government/publications/uk-emergency-oil-stocking-international-obligations