

# Retail Fuel Market Study Findings

## Our observations

Fuel companies have been making **persistently higher profits** over the past decade than we would expect in a competitive market.



**Regional differences** in retail fuel prices reflect variations in local competition.



Discounts and loyalty schemes **avoid direct competition** on fuel prices.

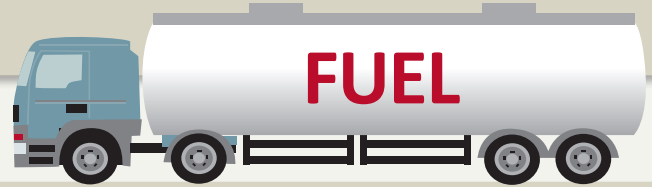
**Premium petrol margins** have grown faster than regular petrol and do not reflect actual cost differences.



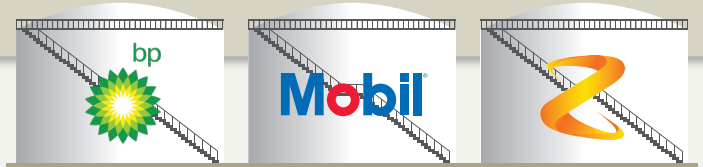
Competition largely occurs in retail markets and is **less intense** than could be expected.

## Core problem is at wholesale level

An active wholesale market for fuel does not exist in New Zealand.



The major fuel companies' joint infrastructure network and supply relationships **give them an advantage** over other fuel importers.



Wholesale supply relationships, including **restrictive contract terms** between the majors and resellers, limit resellers' ability to switch supplier.



**Wholesale prices are higher** than we would expect in a competitive market. This flows through to consumers paying higher pump prices.

