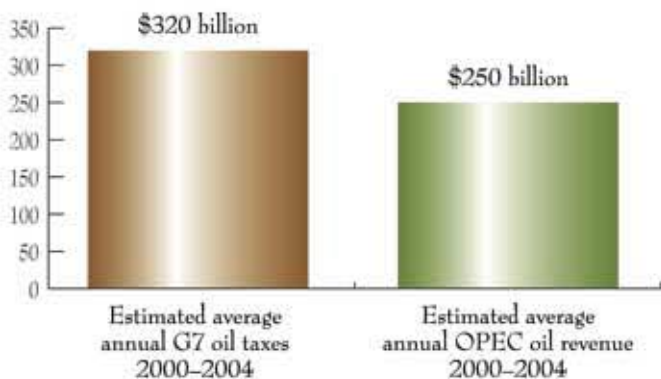
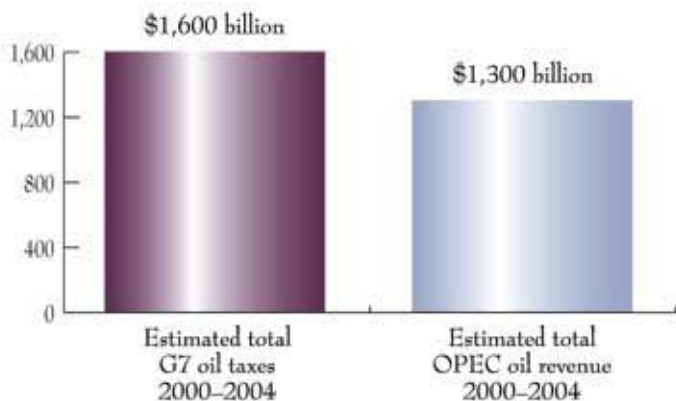


**Who Gets
What**



from
Imported Oil

Taxes versus Revenue



Source: Research Division, OPEC, Vienna, Austria, 2005





Introduction

There are still many misconceptions surrounding crude oil prices and the prices of products made from oil, such as gasoline.

The Consumer

As every driver knows, filling up your tank can be an expensive business. What is not generally known is just where most of that money goes. The graph on the right is intended to shed some light on this.

It can be seen that there are wide regional variations in product prices, and that these are not due to differences in crude prices, but to widely varying levels of taxation in the consuming nations of the G7. These can range from relatively modest taxes (although by no means insignificant) in the USA and Canada, to very high levels in many European countries. In the UK, for example, the government receives around four times more from taxation than what OPEC gets from the sale of its oil.

Let's take a closer look at the figures.

The first of the two graphs on the left shows that over the period 2000–2004, the G7 nations (the USA, Canada, Japan, France Germany, Italy

and the UK) made a total of \$1,600 billion from oil taxation. This compares with the revenue of just \$1,300 billion for the OPEC Members over the same period. In addition, while the \$1,600 billion in oil taxation by the G7 is pure profit, this is not the case for the OPEC nations, who must meet the cost of finding, producing and transporting that oil from their \$1,300 billion income.

The second graph on the left shows the annual averages over that five-year period. It can be seen that while the OPEC nations averaged \$250 billion per year in sales revenue, the G7 countries ranked in as tax income, \$320 billion per year — around \$70 billion per year more than OPEC. It can thus be clearly seen that the real burden on the consumer is taxation in the consuming countries.

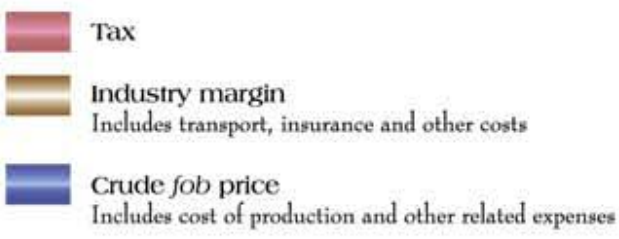
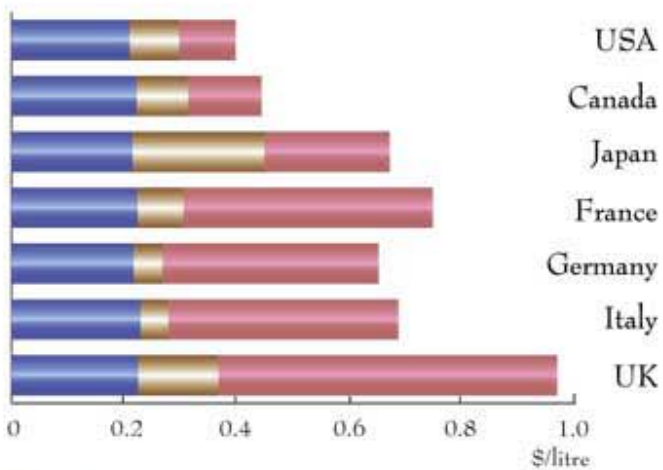
If gasoline were not so heavily taxed in countries such as the UK, Japan, France, Germany and Italy, it would be only a fraction of the current price. More details are shown in the country-by-country graphs over the page.

Wherever you live, that's something to think about next time you stop to fill up your tank.





Who gets what from a litre of oil in the G7?



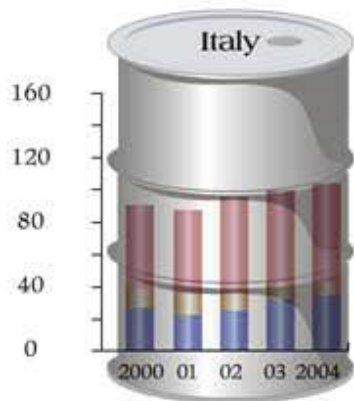
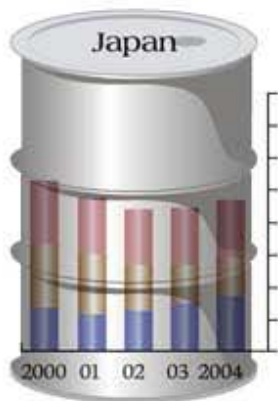
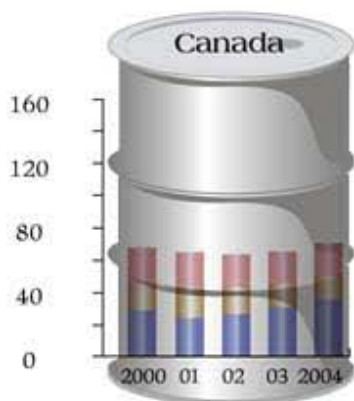
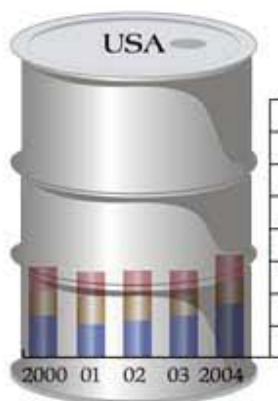
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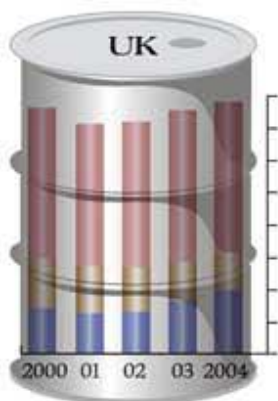
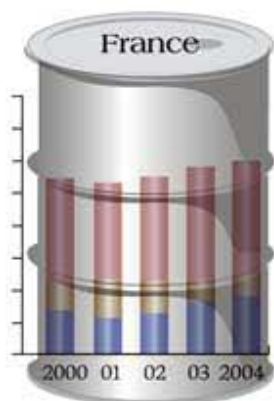
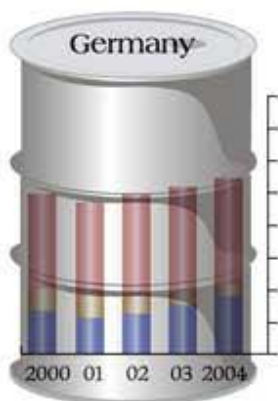
1. Figures are estimated prices in US dollars per litre for the year 2004
2. Unleaded premium (95 RON) gasoline for France, Germany, Italy, UK; regular unleaded gasoline for Canada, Japan and USA

Source: Research Division, OPEC, Vienna, Austria, 2005



Composite barrel analysis for major consuming countries in nominal dollars per barrel 2000-2004





Note:
One barrel equals 42 US gallons, or 159 litres

Source:
OPEC Research Division, 2005, based on data from:
1. OECD, Energy Prices and Taxes
2. Oil Bulletin Petrolier
3. Energy Detente





For more OPEC publications

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