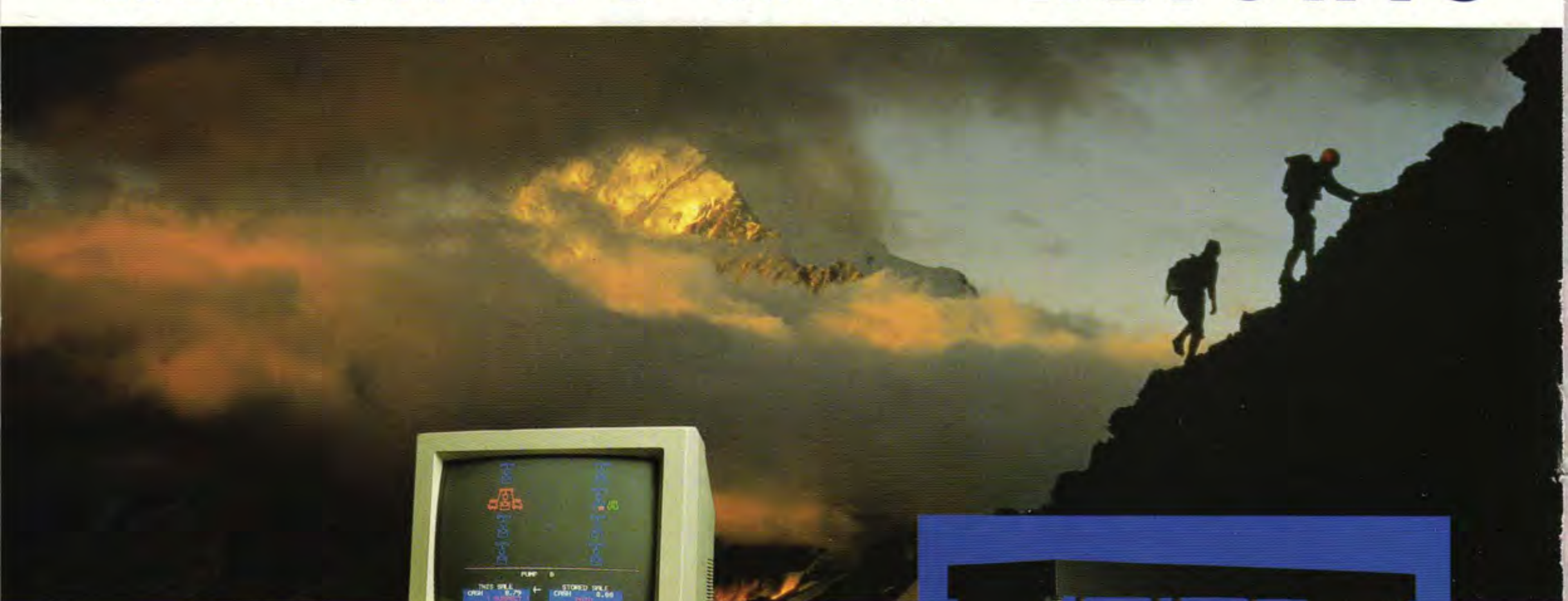
The Institute of Petroleum

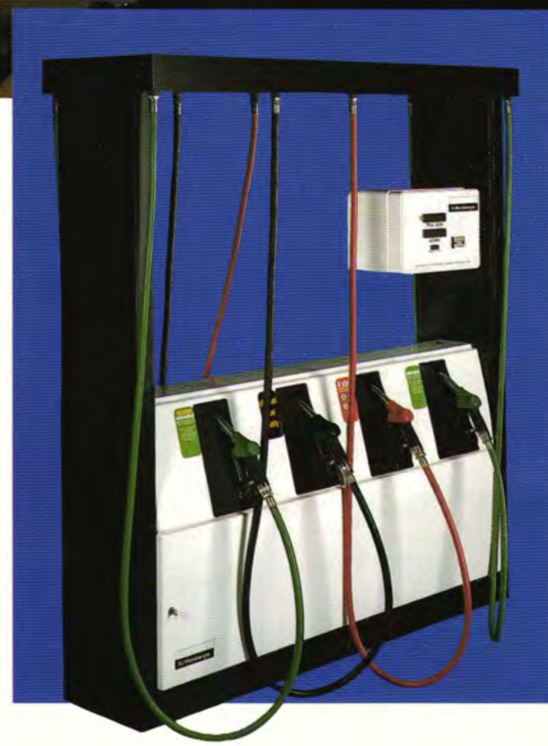
CONJUNCTIONE POTIORES

Retail Marketing Survey 1992

A supplement to Petroleum Review

REACHING NEW HEIGHTS





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Supplement to Petroleum Review

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Editorial

As expected, the publication of this UK Retail Marketing Survey as a separate publication has proved to be popular with its many users for whom it is a definitive source of information throughout the year. We propose to continue this format and to expand it wherever possible.

This year one new feature has been added. In order to keep up with the latest developments, we have included a table giving numbers of those sites which have introduced vapour recovery systems, both Stage I and Stage II.

One table from past years has been dropped — statistics on sites selling unleaded petrol which by now have outlived their usefulness since unleaded is now for sale almost everywhere.

We are most grateful to the companies who replied to our questionnaires and supplied the necessary information to enable us to conduct this survey which continues to be the most comprehensive and up-to-date available anywhere. This explains why the survey is so widely used as a reference tool and why its publication is eagerly awaited every March.

However, we are aware that, despite all our efforts, there could be a small element of double-counting in the figures, relating perhaps to motorway and hypermarket outlets. Nevertheless, we are confident that the numbers are very small compared with the overall total of 19,247 sites.

Petroleum Review is very grateful to Mrs Julia Clark, IP Information Officer, for all the hard work she has put into this year's survey.

Additional copies of this supplement (price £40.00 each) can be obtained from the Library, The Institute of Petroleum, 61 New Cavendish Street, London W1M 8AR.

This UK Retail Marketing Survey forms a supplement to the March issue of *Petroleum Review*.

An annual subscription to *Petroleum Review* costs £60.00 (UK) or £75.00 (overseas).

Please contact Mrs Anne Poynter, Institute of Petroleum, 61 New Cavendish Street, London W1M 8AR. Tel: 071-636 1004. Fax: 071 255 1472.

Suppliers of petrol to the UK retail market — end 1991

Brand Name	*Total number of retail petrol outlets supplied*	*Total number of self-service sites incl.*	*Total number of company-owned sites incl.*	*Total number of outlets retailing Derv*	*Company*	*Area(s) of Operation*
SHELL	2,587	1,831	1,124	2,359	Shell UK Oil, Shell-Mex House, Strand, London WC2R 0DX Tel: 071-257 3000 Fax: 071-257 1353	UK
ESSO	2,470	1,480	1,060	2,190	Esso Petroleum Company Ltd, Esso House, Ermyn Way, Leatherhead, Surrey KT22 8UX Tel: 0372 222000 Fax: 0372 222556	UK
BP	1,922	1,612	841	1,660	BP Oil (UK) Ltd, Breakspear Way, Hemel Hempstead, Herts, HP2 4UL Tel: 0442 232323 Fax: 0442 225225	UK
BURMAH	1,290	496	210	1,041	Burmah Petroleum Fuels Ltd, Burmah Castrol House, Pipers Way, Swindon, Wilts SN3 1RE Tel: 0793 511521 Fax: 0793 486790	North East, North West, Central and Southern England, North Wales, Scotland and Northern Ireland
TEXACO	1,253	1,198	654	1,117	Texaco Ltd, 1 Knightsbridge Green, London SW1X 7QJ Tel: 071-584 5000 Fax: 071-584 6999 From 1.8.92 – 1 Westferry Circus, London E14 4HA	Great Britain and Northern Ireland, excluding Channel Islands and Isle of Man
JET	1,136	852	280	926	Conoco Limited, Conoco House, 230 Blackfriars Road, London SE1 8NR Tel: 071-408 6000 Fax: 071-408 6099	UK
MOBIL	876	791	541	720	Mobil Oil Company Ltd, Mobil House, 54/60 Victoria Street, London SW1E 6QB Tel: 071-828 9777	England and North Wales
Q8/PACE	854	252	88	634	Kuwait Petroleum (GB) Ltd, Burgan House, The Causeway, Staines, Middlesex TW18 3PA Tel: 0784 467788 Fax: 0784 467522	England, Scotland and Wales
FINA	719	648	249	667	Fina plc, Fina House, Ashley Avenue, Epsom, Surrey KT18 5AD Tel: 0372 726226 Fax: 0372 744520	England, Wales and Isle of Wight
ELF	701	618	374	642	Elf Oil Ltd, Olympic Office Centre, 8 Fulton Road, Wembley, Middlesex HA9 0ND Tel: 081-902 8820 Fax: 081-902 0448	England and Wales
UK	663	37	11	463	UK Petroleum Products Ltd, 61 Hartlebury Trading Estate, Hartlebury, Kidderminster, Worcs DY10 4JB Tel: 0299 251231 Fax: 0299 251423	England, Wales and Scotland
TOTAL	624	543	502	439	TOTAL Oil Great Britain Ltd, TOTAL House, 4 Lancer Square, London W8 4EW Tel: 071-937 7777 Fax: 071-937 8055	England and North Wales, Isle of Man and Guernsey
ANGLO/REPSOL	507	103	60	402	Repsol Petroleum Ltd, East Saxon House, Duke Street, Chelmsford, Essex CM1 1HT Tel: 0245 266977 Fax: 0245 261651	England, Scotland and Wales

GULF	405	353	146	350	Gulf Oil (GB) Ltd, The Quadrangle, Imperial Square, Cheltenham, Glos GL50 1TF Tel: 0242 225225 Fax: 0242 225457	England, Scotland and Wales
MURCO/ EP	370	182	126	308	Murco Petroleum Ltd, Winston House, Dollis Park, London N3 1HZ Tel: 081-349 9191 Fax: 081-349 4443	England and South Wales
BUTLER/ ARNDALE/ LITTLE DAVID	307	11		156	Butler (1843) Ltd, County House, Bayshill Road, Cheltenham, Glos GL50 3BA Tel: 0242 222999 Fax: 0242 234111	Midlands, East Anglia, South West England, South Wales, Southern and Eastern England
MAXOL	183	45	44	132	Maxol Oil Ltd, Maxol House, 261–263 Ormeau Road, Belfast, Northern Ireland BT7 3GG Tel: 0232 644611 Fax: 0232 648911	Northern Ireland
BFL	180	10	1	160	British Fuels Ltd, Cawood House, Otley Road, Harrogate, Yorks HG3 1RF Tel: 0423 568068 Fax: 0423 506123	Scotland, England and Wales
POWER	156	18	8	134	Power Petrol, 2/4 Market Street, Cleckheaton, W Yorks BD19 5AJ Tel: 0274 862200 Fax: 0274 851263	Scottish Borders, Northern England, Midlands, East Anglia, and North Wales
HERON	145	145		145	Heron Service Stations Ltd, 253/257 Farnham Road, Slough, Berks SL2 1HA Tel: 0753 534711 Fax: 0753 517905	England and Wales
PROTEUS	144	16	4	92	Proteus Petroleum Ltd, Eastgate House, East Street, Andover, Hampshire SP10 1EP Tel: 0264 334440 Fax: 0264 334442	Southern England
TESCO	136	136	134	45	Tesco Stores Ltd, Old Tesco House, PO Box 18, Delamare Rd, Cheshunt, Waltham Cross, Herts EN8 9SL Tel: 0992 32222 Fax: 0992 26311	UK
RIX	125	31	24	125	Rix Petroleum Ltd, Carmelite House, Posterngate, Hull HU1 2JS Tel: 0482 26345 Fax: 0482 227644	North and South Humberside, North and East Yorkshire, Lincolnshire
FLARE	112	7	2	73	Flare (1980) Ltd, Unit 9, Ely Distribution Centre, Argyle Way, Ely, Cardiff CF5 5NJ Tel: 0222 598767 Fax: 0222 598847	England and Wales
PHOENIX	107	7	12	74	Phoenix Petroleum Ltd, Phoenix House, Newmarket Road, Bury St Edmunds, Suffolk IP33 3TF Tel: 0284 756117 Fax: 0284 752623	East Anglia
THAMES	103	12	6	69	Thames Group of Companies, The Studio, Albany Crescent, Claygate, Esher, Surrey KT10 0PF Tel: 0372 463545 Fax: 0372 462191	Scotland, Northern and Southern England and Wales
BECA	87	4	2	63	O J Williams & Son Ltd, Station Road, St Clears, Dyfed, Wales SA33 4BN Tel: 0994 230355 Fax: 0994 230732	West Wales

SAVE	85	85	85	15	Save Service Stations Ltd, Walton Lodge, Walton Street, Aylesbury, Bucks HP21 7QY Tel: 0296 395951 Fax: 0296 394876	England and South Wales
HELTOR/GULF	82	9		44	Heltor Ltd, Old Newton Road, Heathfield, Newton Abbot, Devon TQ12 6RW Tel: 0626 832357 Fax: 0626 834373	Devon and Cornwall
THRUST	79	38	16	71	Thrust Petroleum Ltd, Bowcliffe Hall, Bramham, Wetherby LS23 6LP Tel: 0937 541111 Fax: 0937 845775	Northern England, North Wales
J SAINSBURY	77	77	77	47	J Sainsbury plc, Stamford House, Stamford Street, London SE1 9LL Tel: 071-921 6000 Fax: 071-921 6413	British Isles
WCF	61		3	55	WCF Ltd, Geltsdale, Wetheral, Carlisle CA4 8LF Tel: 0228 561444 Fax: 0228 561626	Central and Southern Scotland, Northern England, Humberside, Lincolnshire
AVIA	59	2		44	Avia Fuels (UK) Ltd, Watermead House, Sutton Court Road, Sutton SM1 4SR Tel: 0753 866959 Fax: 0753 866959	South West and Central Wales; Devon, Cornwall, Oxfordshire
TELEGRAPH	57	57	57	54	Telegraph Service Stations Ltd, 1 Union Court off Castle Street, Liverpool L2 4SJ Tel: 051-227 4551 Fax: 051-227 4524	Merseyside, North Wales, Greater Manchester, Lancashire, Cheshire, Derbyshire
3D	55	3		40	3D Petroleum Limited, Normanby Estate Offices, Normanby, Scunthorpe, South Humberside DN15 9HS Tel: 0724 721212 Fax: 0724 720878	Midlands and North England
CYMA	38	16	14	30	Cyma Petroleum Ltd, 87 Sunnyside Road, London N19 3SL Tel: 071-263 3141 Fax: 071-281 5408	London and Home Counties
NATIONAL	37		1	12	Ellis & McHardy Oils Ltd, Bannermill, Aberdeen AB9 2QT Tel: 0224 491601 Fax: 0224 647206	Scotland
ACTION	33	33	33	29	Action Service Stations Ltd, 211 Ninian Park Road, Cardiff CF1 8US Tel: 0222 640074 Fax: 0222 224341	South and West Wales
PEVA PETROLEUM	33	2		31	PEVA Petroleum, Peva House, Middlewich Road, Byley, Middlewich, Cheshire CW10 9NX Tel: 0606 845221 Fax: 0606 845048	Cheshire, Merseyside, North Wales, Lancashire and Manchester
M.O.C.O.	32	15	3	32	CRM Fuels Ltd, Oakwood Hill Industrial Estate, Oakwood Hill, Loughton, Essex IG10 3TZ Tel: 081-502 1423 Fax: 081-508 7824	Kent, Essex, Suffolk, and Cambridgeshire
ROWILCO	29	2	2	18	Rowland Williams & Co Ltd, 106 Cherry Lane, Liverpool L4 8SF Tel: 051 256 6565	North West England

OAK	28	2		27	Oakley Fuels Ltd, Halesfield 19, Telford, Shropshire TF7 4QT Tel: 0952 684600	Mid-Wales, Shropshire and the West Midlands
SAFEWAY	26	26	26	24	Safeway plc, Safeway House, 6 Millington Road, Hayes, Middlesex UB3 4AY Tel: 081-848 8744 Fax: 081-573 1865	UK
PP	25	2	8	25	Port Petroleum Ltd, PO Box 148, Woodhouse Lane, Wigan WN6 7NF Tel: 0942 31402 Fax: 0942 495542	Lancashire, Cheshire
MINSTER FUELS	22			22	Minster Fuels Ltd, Gundrymor Trading Estate, Three Cross Road, Westmoors, Wimborne, Dorset BH21 6QW Tel: 0202 897771 Fax: 0202 891155	Dorset, Hampshire, Wiltshire, Berkshire and Surrey
NWF	21	10		21	NWF Fuels Ltd, Wardle, Nantwich, Cheshire CW5 6AF Tel: 0829 260900 Fax: 0829 260604	North Wales, Staffordshire, Avon, Cheshire, Gloucestershire and Manchester
CUMBRIA	20			12	A F Fuels Ltd, Cumbria House, Gilwilly Trading Estate, Penrith, Cumbria CA11 9BW Tel: 0768 62666 Fax: 0768 65670	Cumbria and Lancashire
BRITISH BENZOL	19	15	2	19	British Benzol Ltd, Harefield Oil Terminal, Harvil Road, Uxbridge, Middlesex UB9 6JL Tel: 0895 56262 Fax: 0895 33316	South of England
BJ/TEXACO	18		1	8	Baxter Johnston Oils Ltd, Station Yard, Newtown St. Boswells TD6 0PN Tel: 0835 23396 Fax: 0835 23966	Edinburgh, Lothians, Borders and N Northumberland
CURRAN	16	6		14	Curran Fuels, Roath Dock Oil Terminal, Rover Way, Cardiff CF1 5US Tel: 0222 225225 Fax: 0222 488285	South Wales, Avon, Herefordshire and Powys
DRAGON	15			10	Dragon Petroleum Ltd, Pantybuarth, Gwernaffield, Mold, Clwyd CH7 5ER Tel: 0352 740416	North Wales
BDW/PARAMOUNT/GULF	13	4	5	9	BDW Fuel Oils, Loweseden Works, Lambourn Woodlands, Newbury, Berkshire RG16 7RY Tel: 0488 72802/3 Fax: 0488 72652	Berkshire, Wiltshire and Oxon
SWAN	13	11		13	Swan Petroleum, Wood Lane, Ellesmere, Shropshire SY12 0HY Tel: 0691 623141 Fax: 0691 623438	Shropshire, Cheshire, Staffordshire and North Wales
LION	12	1	1	11	Lion Petroleum Ltd, B W Estate, Oldmixon Crescent, Weston-super-Mare, Avon BS24 9BA Tel: 0934 419675 Fax: 0934 635264	South West England
GATEWAY	12	12		2	Gateway Foodmarkets Ltd, Gateway House, Hawkfield Business Park, Whitchurch Lane, Bristol BS14 0TJ Tel: 0272 357116 Fax: 0272 357096	

ECF	10	1	1	7	ECF Ltd, Helios House, Saxham Business Park, Saxham, Bury St Edmunds, Suffolk IP28 6RB	East Anglia
T.A.C.	10			10	Town & Country Fuels, Prince Regent Way, Victoria Road, Diss, Norfolk IP22 3YQ Tel: 0379 652235 Fax: 0379 643529	South Norfolk and Suffolk
SHOPPING GIANT/ NORMID	10	10	10	4	United Norwest Co-operatives Ltd, Wood House, Etruria Road, Hanley, Stoke-on-Trent, Staffs ST1 5NW Tel: 0782 279222 Fax: 0782 283231	North Midlands and North West England
HAVEN	8			5	Haven Fuels Ltd, Salutation Square, Haverfordwest, Dyfed SA61 2LG Tel: 0437 762467 Fax: 0437 760110	West Wales
BRETTS	6			6	Bretts Fuels, Pipewellgate, Gateshead, Tyne & Wear NE8 2BN Tel: 091 477 0854	North East England
SABRE	6	2		5	Sabre Energy Ltd, Lancaster Approach, North Killingholme, Grimsby, Humberside DN40 3JZ Tel: 0469 540188 Fax: 0469 541023	Humberside, Lincolnshire and North Yorkshire
PRINCE	6			6	Prince Petroleum Ltd, 139 Abbey Lane, Leicester LE4 5QZ Tel: 0533 661828 Fax: 0533 610727	Leicestershire and Nottinghamshire
SOUTHERN COUNTIES	6	5	1	7	Southern Counties Fuels Ltd, Colwood Lane, Warninglid, Near Haywards Heath, West Sussex RH17 5UE Tel: 044485 561 Fax: 044485 537	South East England
WHITE ROSE	3		1	2	White Rose Fuel Services Ltd, Yarn Street, off Goodman Street, Leeds LS10 1QA Tel: 0532 776882	West and North Yorkshire
BB FUELS	2	2	1	2	BB Fuels Ltd, London Road, Spellbrook, Bishop's Stortford, Herts CM23 5NE Tel: 0279 653218 Fax: 0279 501763	Hertfordshire, Cambridgeshire, Essex, East London
LITTLE DAVID	1			1	Hercock Simpson (Petroleum) Ltd, The Oil Depot, Syston Street East, Leicester, Leics LE1 2JW Tel: 0533 531500 Fax: 0533 532976	Leicestershire
TOTAL ABOVE	19,247	11,886	6,851	15,980		

ACTION
Action also have four sites displaying 'GULF' brand and one 'CURRAN' site

BJ/TEXACO
Five BJ outlets display TEXACO logos

BP
Excludes Scottish 'NATIONAL' sites

BUTLER/ARNDALE/LITTLE DAVID
See also site operated by Little David

GULF
Figures do not include those for Telegraph and Action service stations which are listed separately

NATIONAL
No longer trading under NEF brand — now supplies retail sites under 'NATIONAL' brand which is the property of BP Oil

THAMES
Plus 33 self service stations operated by Thames Rico Service Stations Ltd under major oil company brands

Conder's been going over your head for years . . . now we're getting under your feet . . .

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For further information, please contact Caroline Little, The Institute of Petroleum, 61 New Cavendish Street, London W1M 8AR, UK. Telephone: 071-636 1004. Telex: 264380. Fax: 071-255 1472.

RETAIL MARKETING

SURVEY • SURVEY • SURVEY • SURVEY • SURVEY • SURVEY • SURVEY

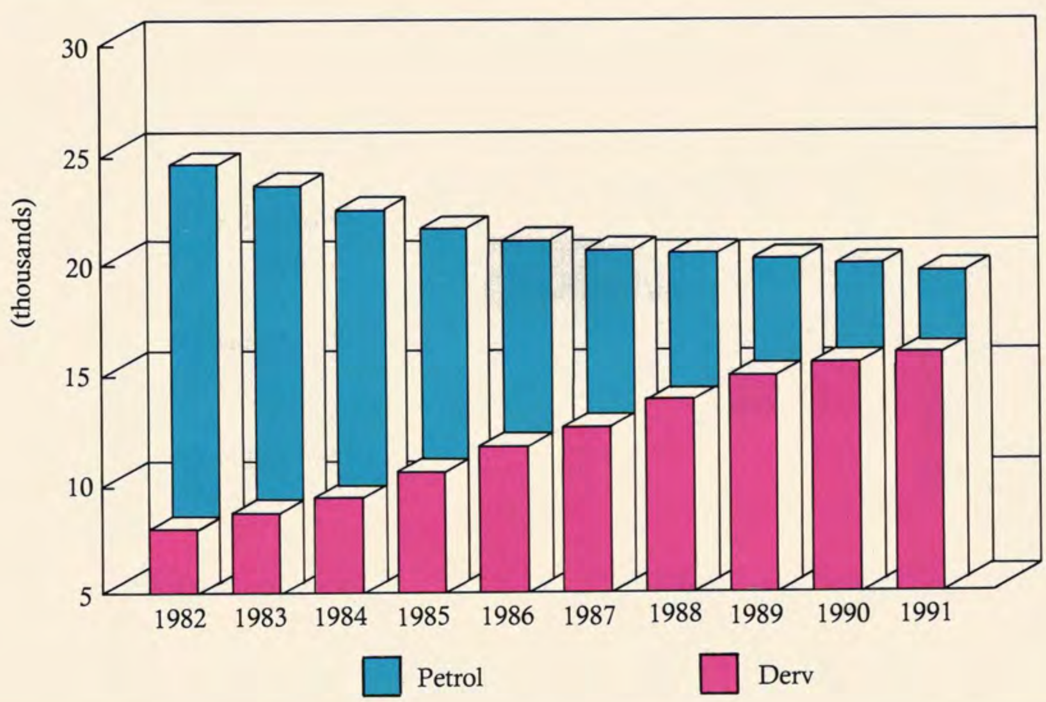
end — 1991

UK outlets retailing DERV

Brand	*Total*	*Self-service*	*Company-owned*
Shell	2,359	1,750	1,119
Esso	2,190	1,300	1,010
BP	1,660	1,365	727
Texaco	1,117	1,085	637
Burmah	1,041	443	189
Jet	926	693	220
Mobil	720	686	462
Fina	667	613	249
Elf	642	551	322
Q8/Pace	634	242	82
UK	463	37	11
Total	439	384	342
Anglo/Repsol	402	103	60
Gulf	350	332	135
Murco/EP	308	140	105
BFL	160	10	1
Butler/Arndale/Little David	156	11	—
Heron	145	145	—
Power	134	18	8
Maxol	132	45	44
Rix	125	31	24
Proteus	92	—	4
Phoenix	74	7	12
Flare	73	4	—
Thrust	71	37	16
Thames	69	12	6
Beca	63	4	2
WCF	55	—	3
Telegraph	54	54	54
J. Sainsbury	47	47	47
Tesco	45	45	44
Heltor/Gulf	44	9	—
Avia	44	2	—
3D	40	3	—
M.O.C.O.	32	15	3

Brand	*Total*	*Self-service*	*Company-owned*
Peva Petroleum	31	2	—
Cyma	30	16	14
Action	29	29	29
Oak	27	2	—
PP	25	2	8
Safeway	24	24	24
Minster Fuels	22	—	—
NWF	21	10	—
British Benzol	19	15	2
Rowilco	18	—	—
Save	15	15	15
Curran	14	6	—
Swan	13	11	—
Cumbria	12	—	—
National	12	—	—
Lion	11	1	1
Dragon	10	—	—
TAC	10	—	—
BDW/Paramount/Gulf	9	—	—
BJ/Texaco	8	—	1
ECF	7	1	1
Southern Counties	7	5	1
Bretts	6	—	—
Prince	6	—	—
Haven	5	—	—
Sabre	5	2	—
Shopping Giant/Normid	4	4	4
BB Fuels	2	2	1
White Rose	2	—	1
Gateway	2	2	—
Little David	1	—	—
Total	15,980	10,372	6,040

Stations selling petrol and derv



end — 1991

Number of company petrol sites as percentage of total

Brand	*Total*	*Self-service*	*Company-owned*	*Retailing derv*
Shell	13.4	15.4	16.4	14.8
Esso	12.8	12.5	15.5	13.7
BP	10.0	13.6	12.3	10.4
Burmah	6.7	4.2	3.1	6.5
Texaco	6.5	10.1	9.5	7.0
Jet	5.9	7.2	4.1	5.8
Mobil	4.6	6.7	7.9	4.5
Q8/Pace	4.4	2.1	1.3	4.0
Fina	3.7	5.5	3.6	4.2
Elf	3.6	5.2	5.5	4.0
UK	3.4	.3	.2	2.9
Total	3.2	4.6	7.3	2.7
Anglo/Repsol	2.6	.9	.9	2.5
Gulf	2.1	3.0	2.1	2.2
Murco/EP	1.9	1.5	1.8	1.9
Butler/Arndale/Little David	1.6	.1	—	1.0
Maxol	1.0	.4	.6	.8
BFL	.9	.1	—	1.0
Power	.8	.2	.1	.8
Heron	.8	1.2	—	.9
Proteus	.7	.1	.1	.6
Tesco	.7	1.1	2.0	.3
Rix	.6	.3	.4	.8
Flare	.6	.1	—	.5
Phoenix	.6	.1	.2	.5
Thames	.5	.1	.1	.4
Beca	.5	—	—	.4
Save	.4	.7	1.2	.1
Heltor/Gulf	.4	.1	—	.3
Thrust	.4	.3	.2	.4
J Sainsbury	.4	.6	1.1	.3
WCF	.3	—	—	.3
Avia	.3	—	—	.3
Telegraph	.3	.5	.8	.3
3D	.3	—	—	.3
Cyma	.2	.1	.2	.2
National	.2	—	—	.1
Action	.2	.3	.5	.2
Peva Petroleum	.2	—	—	.2
M.O.C.O.	.2	.1	—	.2
Rowilco	.2	—	—	.1
Oak	.1	—	—	.2
Safeway	.1	.2	.4	.2
PP	.1	—	.1	.2
Minster Fuels	.1	—	—	.1
NWF	.1	.1	—	.1
Cumbria	.1	—	—	.1
British Benzol	.1	.1	—	.1
BJ/Texaco	.1	—	—	.1
Curran	.1	.1	—	.1
Dragon	.1	—	—	.1
BDW/Paramount/Gulf	.1	—	.1	.1
Swan	.1	.1	—	.1
Lion	.1	—	—	.1
Gateway	.1	.1	—	—
ECF	.1	—	—	—
T.A.C.	.1	—	—	.1
Shopping Giant/Normid	.1	.1	.1	—
Haven	—	—	—	—
Bretts	—	—	—	—
Sabre	—	—	—	—
Prince	—	—	—	—
Southern Counties	—	—	—	—
White Rose	—	—	—	—
BB Fuels	—	—	—	—
Little David	—	—	—	—
Grand total	100.0	100.0	100.0	100.0

Average UK retail prices for motor spirit (petrol) — per litre

	4 Star pence*	4 Star duty	†Unleaded pence*	†Unleaded duty	Derv pence*	Derv duty
1990						
Jan	40.35	20.44	38.51	17.72	39.56	17.29
Feb	40.73	20.44	38.87	17.72	38.13	17.29
Mar	41.00	22.44	38.75	17.72	37.48	17.29
Apr	43.31	22.48	40.72	19.49	38.83	19.02
May	44.00	22.48	41.46	19.49	39.18	19.02
Jun	43.87	22.48	41.33	19.49	38.87	19.02
Jul	43.49	22.48	40.95	19.49	38.01	19.02
Aug	45.75	22.48	43.09	19.49	39.34	19.02
Sep	49.53	22.48	47.03	19.49	41.69	19.02
Oct	51.18	22.48	48.60	19.49	45.13	19.02
Nov	48.04	22.48	45.45	19.49	44.57	19.02
Dec	45.93	22.48	43.35	19.49	44.19	19.02
1991						
Jan	44.42	22.48	41.83	19.49	43.42	19.02
Feb	43.61	22.48	41.00	19.49	42.83	19.02
Mar	44.10	22.48	41.50	19.49	41.75	19.02
Apr	48.78	25.85	45.71	22.41	43.51	21.87
May	50.29	25.85	47.20	22.41	44.09	21.87
Jun	50.14	25.85	47.04	22.41	43.93	21.87
Jul	50.72	25.85	47.58	22.41	44.25	21.87
Aug	50.43	25.85	47.33	22.41	44.54	21.87
Sep	49.87	25.85	46.77	22.41	44.53	21.87
Oct	50.06	25.85	46.99	22.41	45.16	21.87
Nov	49.61	25.85	46.55	22.41	46.07	21.87
Dec	48.04	25.85	44.91	22.41	44.32	21.87
1992						
Jan	47.30	25.85	44.18	22.41	43.60	21.87

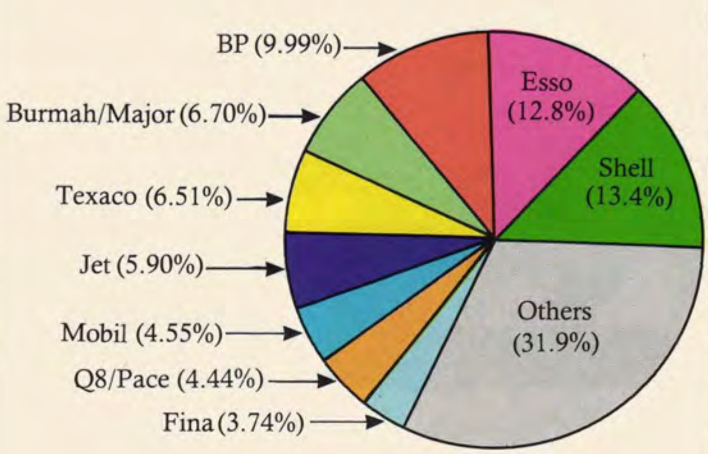
To convert the price per litre to price per gallon multiply by 4.54609
*Duty and VAT (15%) included in the price. Duty and VAT (17.5%) from April 1991.

Source: Petroleum Times Price Report

Vapour recovery

Total number of petrol sites:	19,247
Total number of sites fitted with Stage One Vapour Recovery equipment:	664
Percentage of sites fitted with Stage One Vapour Recovery equipment:	3.450%
Total number of sites fitted with Stage Two Vapour Recovery equipment:	40
Percentage of sites fitted with Stage Two Vapour Recovery equipment:	0.208%

PERCENTAGE OF PETROL SITES PER COMPANY 1991



RETAIL MARKETING

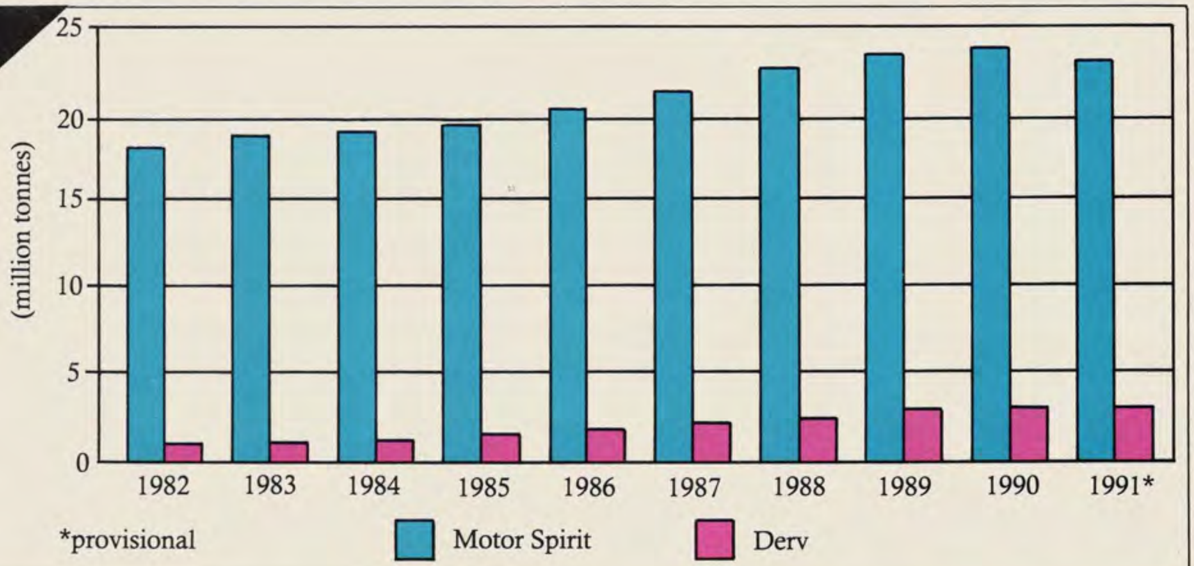
SURVEY • SURVEY • SURVEY • SURVEY • SURVEY • SURVEY • SURVEY

Motor spirit and derv deliveries (in tonnes)

BSI Rating		*1982*	*1983*	*1984*	*1985*	*1986*	*1987*	*1988*	*1989*	*1990*	*1991**
Retail	Unleaded — Super	—	—	—	—	—	—	—	—	915,052	1,157,291
	Unleaded — Premium	—	—	—	—	—	—	246,865	4,542,856	7,143,452	8,429,159
	4 Star	15,656,604	16,106,500	16,990,452	17,360,965	18,621,460	19,519,514	20,599,117	18,325,360	15,585,712	13,794,208
	3 Star	256,891	166,081	111,149	76,797	48,236	28,518	16,686	2,298	—	—
	2 Star	2,482,676	2,431,426	2,330,662	2,187,798	2,051,904	1,876,506	1,668,552	321,221	—	—
	Total Motor Spirit	18,396,171	18,704,007	19,432,263	19,625,560	20,721,600	21,424,538	22,531,220	23,191,735	23,644,216	23,380,658
	Derv Fuel	936,521	1,065,087	1,256,279	1,438,687	1,695,082	2,094,593	2,509,272	2,882,922	3,027,038	3,145,239
	Total Retail Motor Fuel	19,332,692	19,769,094	20,688,542	21,064,247	22,416,682	23,519,131	25,040,492	26,074,657	26,671,254	26,525,897
Commercial	Unleaded — Super	—	—	—	—	—	—	—	—	9,985	14,659
	Unleaded — Premium	—	—	—	—	—	—	10,728	105,005	186,656	267,351
Consumers	4 Star	615,665	620,869	560,830	552,239	534,853	582,160	547,532	581,751	471,504	358,716
	3 Star	102,859	99,068	89,774	85,930	77,070	62,347	50,914	13,919	—	—
	2 Star	132,096	141,682	142,835	139,057	136,169	114,803	108,788	31,148	—	—
	Total Motor Spirit	850,620	861,619	793,439	777,226	748,092	759,310	717,962	731,823	668,145	640,726
	Derv Fuel	4,794,588	5,117,638	5,498,572	5,666,975	6,170,462	6,374,188	6,860,565	7,235,016	7,625,122	6,913,850
	Total CC Motor Fuel	5,645,208	5,979,257	6,292,011	6,444,201	6,918,554	7,133,498	7,578,527	7,966,839	8,293,267	7,554,576
Total	Unleaded — Super	—	—	—	—	—	—	—	—	925,037	1,171,950
	Unleaded — Premium	—	—	—	—	—	—	257,593	4,647,861	7,330,108	8,696,510
	4 Star	16,272,269	16,727,369	17,551,282	17,913,204	19,156,313	20,101,674	21,146,649	18,907,111	16,057,216	14,152,924
	3 Star	359,750	265,149	200,923	162,727	125,306	90,865	67,600	16,217	—	—
	2 Star	2,614,772	2,573,108	2,473,497	2,326,855	2,188,073	1,991,309	1,777,340	352,369	—	—
	Total Motor Spirit	19,246,791	19,565,626	20,225,702	20,402,786	21,469,692	22,183,848	23,249,182	23,923,558	24,312,361	24,021,384
	Derv Fuel	5,731,109	6,182,725	6,754,851	7,105,662	7,865,544	8,468,781	9,369,837	10,117,938	10,652,160	10,059,089
	Total Motor Fuel	24,977,900	25,748,351	26,980,553	27,508,448	29,335,236	30,652,629	32,619,019	34,041,496	34,964,521	34,080,473

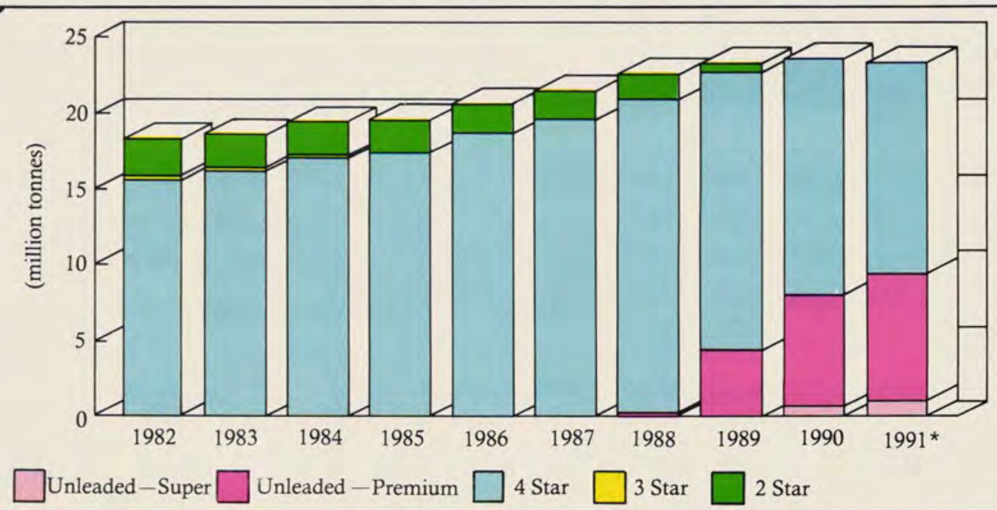
*provisional Source UKPIA

Retail deliveries of motor spirit and derv



*provisional

Retail motor spirit deliveries



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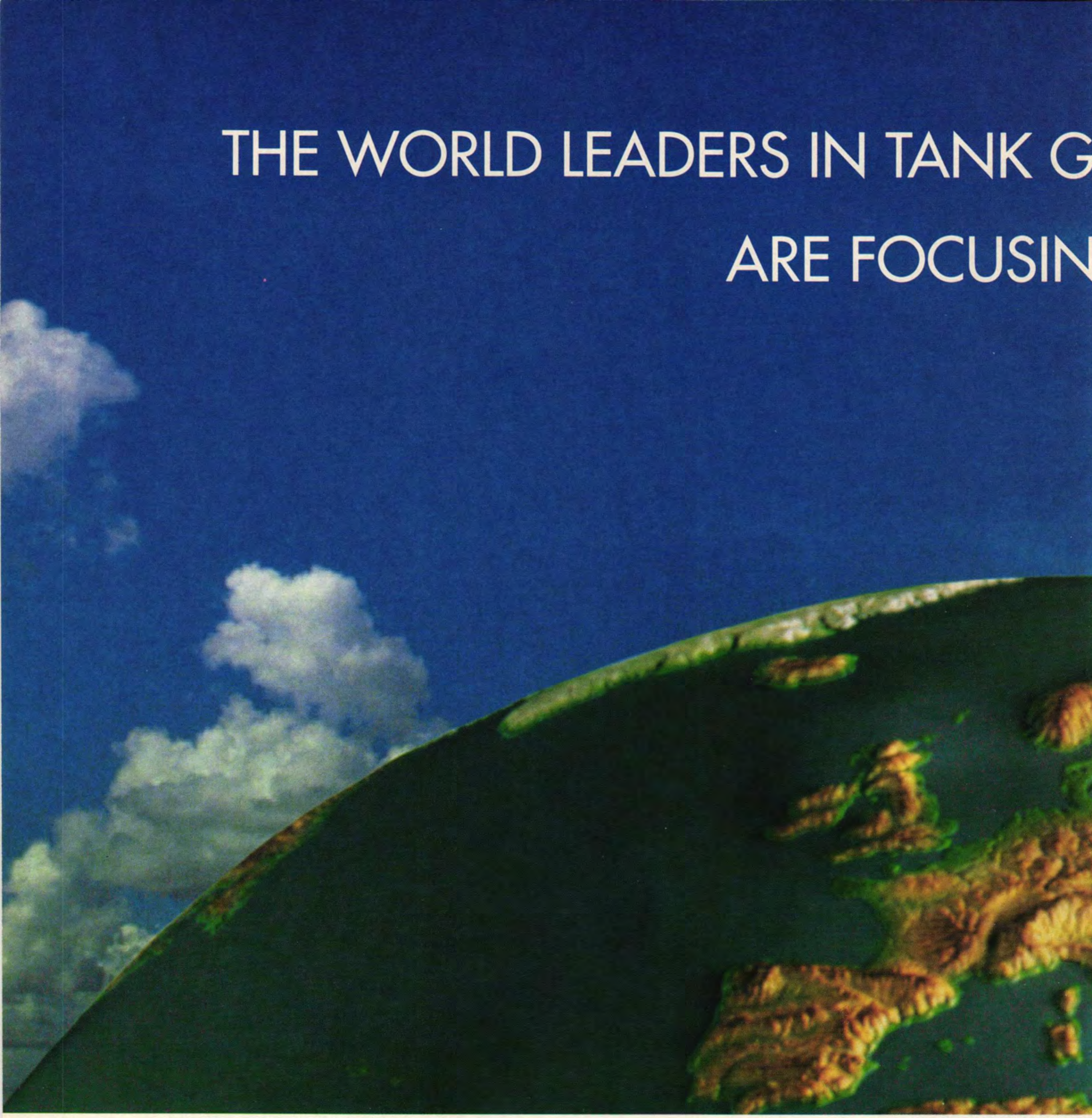
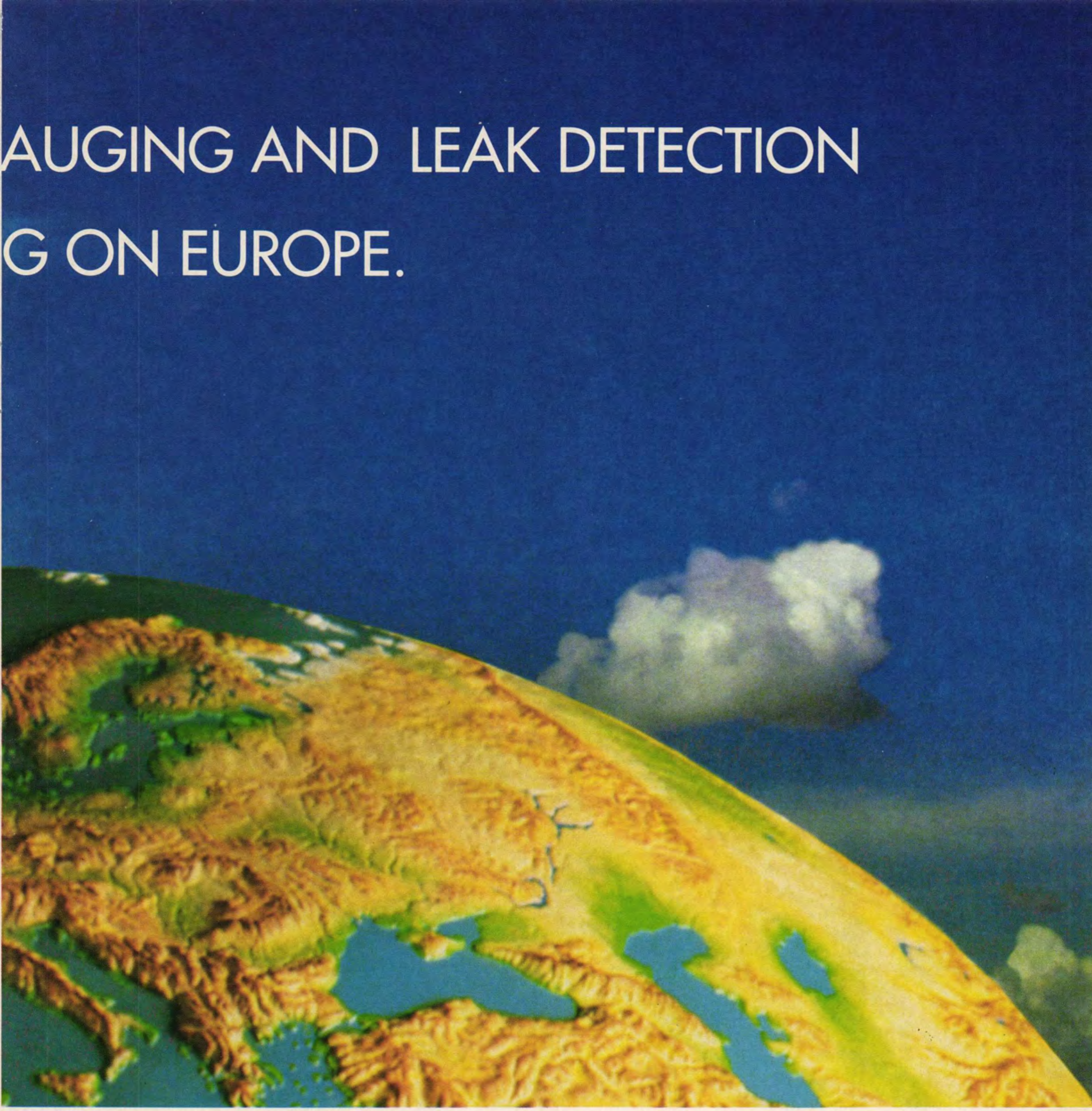

THE WORLD LEADERS IN TANK G
ARE FOCUSIN



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UK petrol sites

Year ending	Total	Self-service	% of Total	Company owned	% of Total	Average site through-put (IG)
1991	19,247	11,886	61.8	6,851	35.6	*360,266
1990	19,465	11,043	56.7	6,847	35.2	†360,286
1989	19,756	10,836	54.8	6,796	34.4	349,249
1988	20,016	8,841	44.2	6,704	33.5	335,513
1987	20,197	9,088	45.0	6,420	31.8	316.392
1986	20,641	8,742	42.4	6,463	31.3	299,762
1985	21,140	8,307	39.3	6,642	31.4	276,248
1984	22,032	7,946	36.1	6,925	31.4	261,612
1983	23,097	7,677	33.2	7,333	31.7	239,545
1982	24,108	7,145	29.6	7,563	31.4	225,868
1981	24,760	6,712	27.1	7,796	31.5	211,914

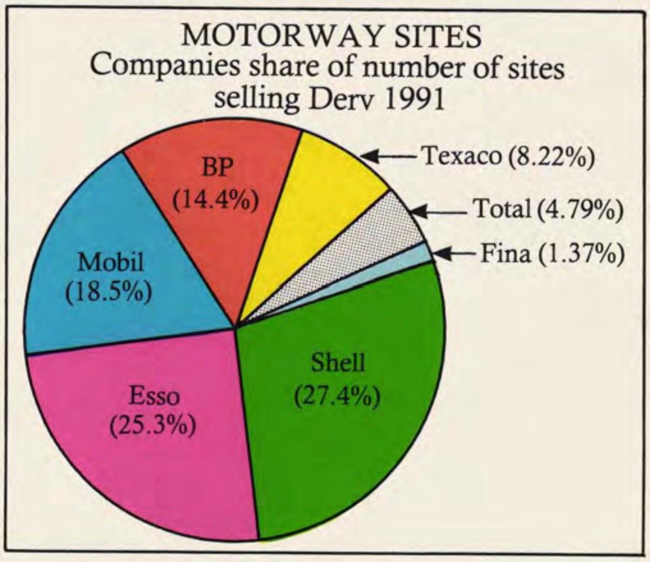
*Estimated, †revised. (IG) = Imperial gallons.

Further breakdown of sites included in survey

Motorway

Brand	Petrol	Derv
Esso	37	37
Shell	26	40
BP	21	21
Texaco	17	12
Mobil	16	27
Total	7	7
Fina	2	2
*TOTAL	126	146

*including share sites



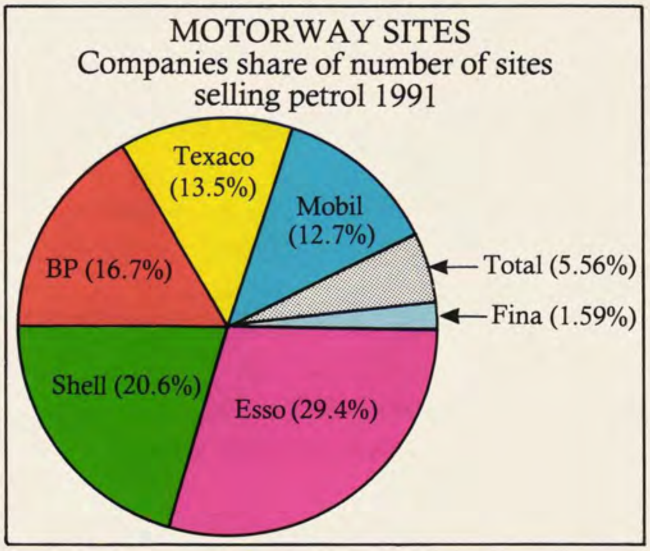
Hypermarkets/supermarkets

Brand	Petrol	Derv
Tesco	136	45
Texaco	88	39
J Sainsbury	77	47
Gulf	71	30
Shell	55	25
Esso	45	13
Jet	44	30
Mobil	44	3
BP	35	21
Safeway	26	24
Gateway	12	2
Fina	10	10
Shopping Giant/Normid	10	4
Elf	5	1
Burmah	3	1
Total	3	3
Rix	1	1
Southern Counties	1	1
Thrust	1	1
TOTAL	667	301

The brands listed are those displayed at service stations. More than one brand may be sold at one super/hypermarket.

Some supermarkets/hypermarkets

Hypermarket	Petrol	Derv
Tesco	136	45
Asda	96	11
J Sainsbury	77	47
Safeway	26	24
Gateway	12	2
Shopping Giant/Normid	10	4
TOTAL	357	133



Regional Breakdown of Petrol Outlets

Brand Name	England & Wales	% of area total	Scotland	% of area total	Northern Ireland	% of area total	Channel Islands	% of area total	Isle of Man	% of area total	Isle of Wight	% of area total	Total U.K.
Shell	2,038	12.3	374	22.7	110	13.1	34	29.1	20	52.6	11	21.2	2,587
Esso	1,943	11.7	320	19.4	130	15.5	56	47.9	10	26.3	11	21.2	2,470
BP	1,370	8.3	389	23.6	129	15.4	19	16.2	—	—	15	28.8	1,922
Burmah	993	6.0	136	8.2	161	19.2	—	—	—	—	—	—	1,290
Texaco	1,106	6.7	74	4.5	61	7.3	—	—	—	—	12	23.1	1,253
Jet	1,000	6.0	70	4.2	66	7.9	—	—	—	—	—	—	1,136
Mobil	876	5.3	—	—	—	—	—	—	—	—	—	—	876
Q8/Pace	833	5.0	21	1.3	—	—	—	—	—	—	—	—	854
Fina	718	4.3	—	—	—	—	—	—	—	—	1	1.9	719
Elf	701	4.2	—	—	—	—	—	—	—	—	—	—	701
UK	658	4.0	5	0.3	—	—	—	—	—	—	—	—	663
Total	608	3.7	—	—	—	—	8	6.8	8	21.1	—	—	624
Anglo/Repsol	506	3.1	1	0.1	—	—	—	—	—	—	—	—	507
Gulf	317	1.9	88	5.3	—	—	—	—	—	—	—	—	405
Murco/EP	370	2.2	—	—	—	—	—	—	—	—	—	—	370
Butler/Arndale/Little David	307	1.9	—	—	—	—	—	—	—	—	—	—	307
Maxol	—	—	—	—	183	21.8	—	—	—	—	—	—	183
BFL	174	1.1	6	0.4	—	—	—	—	—	—	—	—	180
Power	154	0.9	2	0.1	—	—	—	—	—	—	—	—	156
Heron	145	0.9	—	—	—	—	—	—	—	—	—	—	145
Proteus	144	0.9	—	—	—	—	—	—	—	—	—	—	144
Tesco	128	0.8	7	0.4	—	—	—	—	—	—	1	1.9	136
Rix	125	0.8	—	—	—	—	—	—	—	—	—	—	125
Flare	112	0.7	—	—	—	—	—	—	—	—	—	—	112
Phoenix	107	0.6	—	—	—	—	—	—	—	—	—	—	107
Thames	8	—	95	5.8	—	—	—	—	—	—	—	—	103
Beca	87	0.5	—	—	—	—	—	—	—	—	—	—	87
Save	85	0.5	—	—	—	—	—	—	—	—	—	—	85
Heltor/Gulf	82	0.5	—	—	—	—	—	—	—	—	—	—	82
Thrust	79	0.5	—	—	—	—	—	—	—	—	—	—	79
J. Sainsbury	77	0.5	—	—	—	—	—	—	—	—	—	—	77
WCF	56	0.3	5	0.3	—	—	—	—	—	—	—	—	61
Avia	59	0.4	—	—	—	—	—	—	—	—	—	—	59
Telegraph	57	0.3	—	—	—	—	—	—	—	—	—	—	57
3D	55	0.3	—	—	—	—	—	—	—	—	—	—	55
Others	471	2.8	58	3.5	—	—	—	—	—	—	1	1.9	530
Total	16,549	100.0	1,651	100.0	840	100.0	117	100.0	38	100.0	52	100.0	19,247

Regional Breakdown of Derv Outlets

Brand Name	England & Wales	% of area total	Scotland	% of area total	Northern Ireland	% of area total	Channel Islands	% of area total	Isle of Man	% of area total	Isle of Wight	% of area total	Total U.K.
Shell	1,906	13.8	321	23.2	98	14.3	12	17.9	13	46.4	9	23.1	2,359
Esso	1,755	12.7	290	20.9	100	14.6	31	46.3	8	28.6	6	15.4	2,190
BP	1,183	8.6	336	24.2	107	15.6	19	28.4	—	—	15	38.5	1,660
Texaco	989	7.2	72	5.2	48	7.0	—	—	—	—	8	20.5	1,117
Burmah	793	5.8	113	8.2	135	19.7	—	—	—	—	—	—	1,041
Jet	804	5.8	57	4.1	65	9.5	—	—	—	—	—	—	926
Mobil	720	5.2	—	—	—	—	—	—	—	—	—	—	720
Fina	667	4.8	—	—	—	—	—	—	—	—	—	—	667
Elf	642	4.7	—	—	—	—	—	—	—	—	—	—	642
Q8/Pace	616	4.5	18	1.3	—	—	—	—	—	—	—	—	634
UK	458	3.3	5	0.4	—	—	—	—	—	—	—	—	463
Total	427	3.1	—	—	—	—	5	7.5	7	25.0	—	—	439
Anglo/Repsol	402	2.9	—	—	—	—	—	—	—	—	—	—	402
Gulf	274	2.0	76	5.5	—	—	—	—	—	—	—	—	350
Murco/EP	308	2.2	—	—	—	—	—	—	—	—	—	—	308
BFL	155	1.1	5	0.4	—	—	—	—	—	—	—	—	160
Butler/Arndale/Little David	156	1.1	—	—	—	—	—	—	—	—	—	—	156
Heron	145	1.1	—	—	—	—	—	—	—	—	—	—	145
Power	132	1.0	2	0.1	—	—	—	—	—	—	—	—	134
Maxol	—	—	—	—	132	19.3	—	—	—	—	—	—	132
Rix	125	0.9	—	—	—	—	—	—	—	—	—	—	125
Proteus	92	0.7	—	—	—	—	—	—	—	—	—	—	92
Phoenix	74	0.5	—	—	—	—	—	—	—	—	—	—	74
Flare	73	0.5	—	—	—	—	—	—	—	—	—	—	73
Thrust	71	0.5	—	—	—	—	—	—	—	—	—	—	71
Thames	8	0.1	61	4.4	—	—	—	—	—	—	—	—	69
Beca	63	0.5	—	—	—	—	—	—	—	—	—	—	63
WCF	52	0.4	3	0.2	—	—	—	—	—	—	—	—	55
Telegraph	54	0.4	—	—	—	—	—	—	—	—	—	—	54
J. Sainsbury	47	0.3	—	—	—	—	—	—	—	—	—	—	47
Tesco	40	0.3	5	0.4	—	—	—	—	—	—	—	—	45
Heltor/Gulf	44	0.3	—	—	—	—	—	—	—	—	—	—	44
Avia	44	0.3	—	—	—	—	—	—	—	—	—	—	44
3D	40	0.3	—	—	—	—	—	—	—	—	—	—	40
Others	416	3.0	22	1.6	—	—	—	—	—	—	1	2.6	439
Total	13,775	100.0	1,386	100.0	685	100.0	67	100.0	28	100.0	39	100.0	15,980

The car is here to stay

The motor car continues to dominate the transport sector and will do so for the foreseeable future with more than 24 million regular drivers of 22.7 million motor cars in Britain in 1991.

For possibly the first time since World War II, the total number of vehicles on British roads actually decreased, albeit by two percent. Despite this and the fact new car registrations eased by 420,000 to 1.59 million in 1991, the long-term outlook for increased car ownership in the United Kingdom is still strong, according to the Lex Report on Motoring 1992.

The report, the fourth of its type produced by Lex Service, was based on the results of a survey conducted by MORI who interviewed a representative quota sample of 1,277 drivers throughout Great Britain.

The recession obviously affected car sales over the period with 16 percent of motorists delaying a new car purchase for this reason but consumer confidence in the motor car as a primary form of transport is still high. This confidence in the car is backed up by reliance on the vehicle as four out of five drivers claimed that they would 'find it very difficult' to adjust their lifestyles to being without a car.

The report, however, raises interesting differences in attitudes to motoring and public transport between drivers inside and outside of the Greater London area.

Public transport

Drivers in London were most inclined to agree with the statement that they would 'use their car less if public transport was better' (49 percent) compared with only 29 percent of drivers in the north of England. Raising taxes to finance improvements in public transport is supported by 33 percent of drivers (42 percent in London) and taxes on petrol were supported by 22 percent of drivers (26 percent in London).

Drivers in London also claim to suffer delays due to traffic congestion significantly higher than those in the rest of the country — losing an average one hour and 44 minutes per week compared to 56 minutes elsewhere and falling to 45 minutes in Wales and the South West. Some 90 percent of drivers in London described traffic congestion in the areas where they lived as either 'very' or 'fairly' bad, while in Scotland these ratings were supported by only 55 percent of drivers.

Unleaded petrol

The proportion of drivers whose vehicles can run on unleaded petrol has risen to 43 percent — a figure closely matched by the percentage of unleaded motor spirit delivered into consumption during the period — and any increase in this level is expected to come from new vehicles replacing older ones rather than from straight fuel switches, according to Lex.

Surprisingly, the report estimates that 1.5 million drivers can run their vehicles on unleaded petrol but do not use it despite the price differential. A further one million drivers cannot run their vehicles on unleaded petrol and would not even if they could. Seven percent of drivers have a catalytic converter fitted to their vehicle.

Almost 60 percent of drivers support the idea of the road tax being abolished and replaced by an extra 25 pence tax added to the cost of a gallon of petrol though this receives slightly less support from those driving over 20,000 miles per year when compared with those driving under 6,000.

The future

The motor car has become an integral feature of society but the report points out that this is a fairly recent phenomenon. In 1965, for instance, people travelled five miles to work each day compared with eight miles in 1991. Short break holidays have risen in volume by 220 percent since 1978 and the average frequency of grocery shopping has fallen from 2.6 times per week in 1980 to 1.5 times per week in 1990 with out-of-town shopping centres growing 650 percent compared with the retail sector as a whole growing 15 percent over a 10-year period to 1988.

The survey also questioned people on their expectations for the future of motoring, looking at the likelihood of a number of possibilities in the year 2001.

Over 50 percent believed that tax on petrol would be doubled to encourage greater fuel economy and that most private cars would be banned from city centres.

The Henley Centre for Forecasting points to the changes in the company car market as possibly the most influential feature of the UK car market in the coming years. A gradual shift away from the company car has been noticed in this survey with 40 percent of company car owners saying their companies had changed their policies in the last year for tax and recession reasons. As the market becomes tighter, buyers will make 'more stringent quality and value judgements'.

Both the European Commission and the Monopolies and Mergers Commission are both undertaking studies into car pricing in the United Kingdom and the Henley Centre assumes that it will mean a drop in real prices in the early part of the next decade.

Constraints

The constraints to growth in the sector are congestion and reaction to environmental concerns but these are more likely, the report states, to affect the type of car bought and the way they are used rather than the likelihood of having them.

In welcoming the report, the Secretary of State for Transport, Malcolm Rifkind, acknowledging the importance of the central role of the motor car but stressing the wider responsibilities on the car owner, said: 'The responsible motorist . . . will be considerate in the use of the car; will avoid inconsiderate parking and excessive speed; and will drive smoothly so as to reduce exhaust emissions and minimise vehicle noise.

'Road deaths in this country are now at their lowest level since 1948 despite an increase in the number of cars on the road from 3.7 million to 24.7 million . . . but we must not be complacent. More than 5,000 people are still killed on our roads every year.' ■

Companies must build for the future

By Robert McLeod

The 'Petrol Filling Stations: Construction and Operation Guidance Note' (HS (G) 41) was described by the principal petroleum inspector for the London Fire and Civil Defence Authority, Mr Jamie Thompson, as 'long overdue' when it was released less than two years ago. Technical change has been so rapid since then that, on the construction side at least, he considers it is now out of date. How has its implementation affected petrol station standards and what do the authorities use now as a guide when licensing new developments?

When HS (G) 41 was introduced, it placed stringent standards on the design, construction and operation of petrol stations though existing stations did not have to comply with all of its structural requirements unless they were undergoing redevelopment.

The London Fire and Civil Defence Authority (LFCDA) is the licensing authority in the London area for the operation of petrol stations and its principal petroleum inspector, Mr Jamie Thompson, plays a central role in ensuring the latest technical improvements are incorporated into the region's new facilities. The body also attends incidents at sites and has the power to shut them down if it feels that safety or environmental standards are not being maintained.

Mr Jamie Thompson, principal petroleum inspector with the London Fire and Civil Defence Authority.

In the ground

'HS (G) 41 is just starting to affect the number of tanks and pipes in the ground. There are around 2,000 filling stations in the region and possibly 99 percent have not been fitted with the sort of equipment that the new guidance requires,' maintains Mr Thompson. 'That is the area we are still concerned with. We have got to get the new sites built right and we have got to look at doing something about the older sites.

'It will take some while before we see a noticeable difference in the number of incidents we are called to. About two or three years ago we in London started a policy of having overfill prevention devices fitted on all new installations and any installation that has had alterations carried out. We have noticed a slight drop in the number of overfills that have occurred and attribute that to the fitting of these devices.'

The LFCDA attended around 100 incidents in 1991 concerning petrol spillage, leaks and overfills and Mr Thompson sees it as a problem for the operators as Europe continues to pass more environmental legislation.

Because of recent technical developments, the LFCDA is not following the construction elements of HS (G) 41 at the present time and the document is currently under review. Mr Thompson is part of the team, along with members of Panel A at the Institute of Petroleum, that is reviewing it at the moment.

'The oil companies have supported our moves in this area and we are now insisting that steel tanks must be double-skinned with secondary containment and leak detection devices and Glass Reinforced Plastic (GRP) tanks must also be monitored for leak detection. We have gone a little bit further in that we are not letting steel pipework be encased in concrete unless it has secondary containment.'

Mr Thompson believes there will be long-term benefits for owners and operators of sites in adopting the latest specifications.

Environmental lobby

'These are really going to be long-term effects. As the environmental lobby gets legislation up and running, people with those installations are going to be better off. They know if they have a leak its going to be detected very early before product gets into the soil.'

The LFCDA has prevented a number of sites in the London area from operating in the last year by issuing prohibition notices in severe cases.

One site in northeast London was closed because 55 houses complained of petrol smells and petrol was getting into a river. It also infiltrated a new main drainage system on a trunk road penetrating the seals. Petrol spillage on delivery and a 40-year-old tank on the site were the suspected problems.

'It was a very busy site handling two million gallons a year and it has been closed for six to nine months because of a reconditioning programme. They will be redeveloping the site but they have to get rid of the petrol first.

'Within the EC there will eventually be a standard construction method.'

'It is a very difficult time for people building sites because they obviously do not want to get caught with materials which will continue to leak. Oil companies are spending a lot of money researching alternative products.

'The methods of installation and construction of tanks and pipework were unchanged for 60 years. I think we have learnt from the Americans and our European colleagues and obviously within the EC there will eventually be a standard filling station construction method. That is the long-term objective.'

As regards existing sites, as and when they are redeveloped they will be required to use this sort of equipment and in addition there will be a series of tests to be carried out on tanks and pipework.

Precision testing

'The proposal being considered by the HSE is that every tank is precision tested by a process that is very popular in the United States and is being marketed in Britain by several companies. It will measure very small leaks in storage tanks and every tank that is 20, 25 and 30 years old will require testing and every year thereafter. I believe it will find a few leaking tanks.

'Companies will be looking at the future because if they have got to have these tests done every year as the tanks get older they may replace them. In addition to that all lines will be required to be tested every five years from installation. That is where we get most of the problems. It may not be necessary if they have secondary containment or leak monitoring so there will be an advantage in having this equipment.'

Training is an area that gives the LFCDA a great cause for concern as it believes that although some companies are running courses they might not be reaching the right people. Mr Thompson stresses the need for the preparation of a proper training schedule and record-keeping. As licensing authorities issue new licences requiring these undertakings and start enforcing them, then the operators of such sites will start being caught out if staff are not properly trained.'

'Oil companies need to make sure they build their sites with the future in mind,' adds Mr Thompson, 'and spend more money on underground installations. Seven percent of the total development costs are currently being spent underground and there is scope to improve safety and environmental conditions. That really has to be the long-term objective of all the oil com-

Stringent regulations exist for the installation of underground tanks. Faults in the construction of earlier models of glass-reinforced plastic tanks causing some to split have since been resolved though double-skinned steel tanks tend to be preferred in Europe. Mr Thompson remains open-minded about which system a company installs though he stresses that companies should strive for maximum protection to enable them to meet future environmental requirements.

HS (G) 41 brought in new requirements for the construction of buildings and canopies on forecourts that should make incidents like this a thing of the past. Canopy structures should be constructed of non-combustible materials. Cladding should, subject to certain provisos, have a surface spread flame characteristic not inferior to Class 1 of BS 476 Part 7. The edges of all plastic/acrylic materials should be protected by steel or aluminium.

Where canopy stanchions are part of or close to metering pumps or dispensers, any cladding should have a surface spread of flame characteristic not inferior to Class 2 of BS 476 Part 7. The construction elements of HS (G) 41 are currently under review.

panies and anyone who develops a site.'

Expansion

One of the few areas of expansion in petrol retailing is the growth in hypermarket sites working on high volume/low margin sites. Mr Thompson realises the particular problems posed by these operations but admits that the licensing authorities were slow to appreciate the implications.

'The licensing authorities had failed to take recognition of the very high throughput of these sites and the need for extra staff, good siting of the console operators and frequent delivery of petrol.

'We are now aware of them and have been critical of the way some of the supermarkets have designed, built and run their filling stations. To be fair they have reacted to that criticism and are working with us to formulate a better, safer design.'

On an operational side the next major change will be the introduction of driver-controlled delivery to sites, effective from June 1992.

'We are expecting a lot of applications for driver-controlled deliveries and have indications that several hundred sites will go that way in the London area. We see this as being an advantage to the oil company and better from the point of view of traffic coming into London but we have to make sure we are happy with the site before we agree to it.

'We will be looking to ensure the site is generally suitable, away from living accommodation or anything in a close proximity that will cause a problem and that the tanker driver has suitable access. Overfill protection devices will have to be fitted. If that is the case, we will be happy to grant them a licence. We see this as a positive move for the future and obviously it has safety advantages from a traffic point of view.

'Overall, I feel that the industry is heading in the right direction.' ■

Mr Thompson estimates that seven percent of total development costs are currently being spent underground. 'Oil companies need to make sure they build their sites with the future in mind'.

'I think there will probably continue to be a shake-out'

David O Kem has recently been appointed Conoco's Vice President, Refining and Marketing Europe, based in London. In an interview with *Petroleum Review*, Mr Kem points to the pressures being placed by newcomers on established players in the UK retail market. These are more severe than in central Europe, where expansion is the theme. In that context, Mr Kem reviews the refining situation in Europe.

Geoffrey Mayhew: As the head of Conoco's refining marketing and distribution operations, how do you find London as the base of the activity?
David O Kem: Our European downstream operations started out in the United Kingdom in the early 1960s. London is logistically balanced in terms of access to international travel facilities. I visit our affiliates often and it is relatively easy to travel extensively from here. But not only that, London is also a place where a lot of industry headquarters are. On balance, I would say that London is probably the best place to be for us.

Is your operation widespread?
We have a 100 percent stake in the Humber refinery and 25 percent in the OMW Karlsruhe refinery in Germany, a joint venture with DEA and Ruhroel. Our marketing affiliates currently have their offices in London, Dublin, Brussels (for Belgium and northern France), Hamburg (for Germany, Sweden and Austria) and Stockholm for Scandinavia (Sweden, Denmark and Norway). I mentioned 'currently' as our UK marketing office will relocate to Warwick during the summer of this year. Each of our affiliates has a typical downstream operation, with the number of retail outlets totalling 2,400. Only two of them, of course, include refining operations.

Are there areas for expansion in central and eastern Europe?
Like others, we see opportunities arising through the opening-up of the East European bloc, through privatisation and falling barriers within the EC. There will be opportunities to help develop their downstream industry. Some of this development has already happened but there is still much to be done. I think it is going to happen within the next two years; sooner rather than later. (See Newsdesk).

Will it lead to further refinery development in Europe?
It will require a certain amount of upgrading to existing refineries in central and eastern Europe. But I do not think there will be many — if any — new refineries being built. In fact, I would be surprised if the economics support the investment required for a grassroots facility. Indeed, apart from upgrading, some refineries need to be shut down. There are problems with many of the existing refineries relating to outdated equipment, poor conversion and high maintenance and operating costs.

We are assessing some of the refineries which will be privatised and if we were able to find one which made sense from an economic standpoint as well as an environmental and safety standpoint, we would be interested. But it would have to be something that fits our marketing and distribution systems.

As I mentioned, I would be surprised if any new refinery was built.

Will the Humber refinery play an even larger part?
I think it can. Since the refinery was

David O Kem

commissioned in 1969–70, we have invested about $3 billion in the operation to expand the capacity and increase conversion. If the demand patterns required a significant increase, we could meet that through Humber, and Humber is an important part of our European plan for the future.

Is the location of the OMW Karlsruhe refinery particularly important now?
Karlsruhe also fits our system very well. It is an excellent refinery and its logistics are well developed for our market. Karlsruhe has been carrying out considerable work on policies and programmes which are consistent with Conoco's strong commitment to safety and the environment. The work includes desulphurisation in stages, to be completed by 1995–96. It is a very clean refinery with very well maintained facilities and the operational approach is similar to that at Humber.

However, capital investment is still required at both refineries to meet the product quality demands of the future. For example, the sulphur limit for road diesel fuel is to be reduced from 0.20 wt% to 0.05 wt%, and the lower limits for other products are being discussed by the EC. We think it will take most of the decade to agree upon the new formulations. There are a lot of uncertainties and we will prepare for the changes we think are going to occur, and then be ready to react in the proper time.

Will these changes affect refinery production?
Our experience in the United States with similar environmental requirements indicates that they effectively reduce the amount of refined products that can be made from a barrel of crude oil, so, effectively, you are reducing a refinery's capacity. But on the other hand, if the result includes acceptance of MTBE, then it might ultimately add capacity in the form of additional MTBE capacity.

Can the costs of these changes be recovered from the market-place?
I do not have a good estimate for what the cost to the industry will be. In the United States, it is estimated to cost from $15–25 billion to meet some of the reformulation requirements. From this, it appears it could cost 4–6 US cents more to manufacture a litre. The ultimate impact within the EC has not yet been determined.

Vapour recovery, where we are in the Stage 1 and Stage 2 process in Europe, is outside the reformulation costs. Conoco itself is investing $15–20 million in marketing operations to prepare for whatever specifications will be required. It is an investment that could go higher.

We share with our parent company, Du Pont, the desire to be the most environmentally-sound company in the business. We intend to reduce toxic emissions by 35 percent or more by 1993, through investment where necessary. We have identified areas where we need to improve and have developed plans to meet those targets.

These investments are required for the benefit of the populace at large. I think the costs need to be recovered from the market-place but there are no guarantees that will happen.

we have shared this expertise throughout our system.

What is the best market in Europe?
Europe in general is a good marketplace but different countries are, from time to time, better or worse. The United Kingdom appears currently to have a lot of competitive pressures — much more than in other countries, in large part because the demand is not growing significantly. I think the European markets are all good and that in general, there are many good opportunities. But many players are buying stations in Europe just now and it will not be surprising if, down the road, it is not as good as it is today.

'It is good news for the consumer.'

In customer appeal, do some common threads run through your 2,400 retail outlets in Europe?
There are several common threads. Primarily, our strategy has been to deliver quality products at competitive prices and that strategy is common to all markets. Another thread is that we are niche marketers, in that we do not have a dominant role and we are not seeking a dominant marketing position. In this respect, our refining and marketing system in Europe is in balance.

Is the Scandinavian market, with its 150 automated stations in Sweden and Denmark which accept credit and debit cards from self-service customers, the most advanced?
Scandinavia is very advanced in the area of unmanned service, and is an example of our finding a niche in our marketing efforts. This type of operation seems to work there and we have done a good job in developing it. But unmanned outlets work in some places and not in others. Our strategy is to find what a market is looking for and fulfil that need. That is why we have some unattended outlets there and — so far — nowhere else. Sweden particularly is an example of what works for a given market.

On the other hand, we have many examples of the things that work in one market and then go on to work in another one. If it works, we do it, and we have a good network of idea-sharing. An example of this has been in the handling of shop sales. Some of our early experience was in Belgium and

The United Kingdom is considered a very mature retail market, one that is difficult to get into. Yet there are often important changes in ownership. Is that significant?
It is good news for the consumer. I think there will probably continue to be a shake-out. In the end, the demand is only so high and you only need so many stations to meet it. I think the low-cost operators are going to be the ones that survive. The UK market is big but the problem is that it is not growing in terms of demand. Because of that, someone who wishes to come in from the outside will have to buy volume by acquiring existing outlets, or take it away from someone else. It is extremely difficult to take market share from someone else to a significant extent.

Even if you buy existing assets, which is expensive, you have to fight to keep market share.

Is Conoco settled with 1,100 outlets in the United Kingdom?
Our strategy has been to fill a niche. We are not trying to dominate any market. I think we are more or less at the right level. We have some upgrading to do, but we do not see ourselves changing dramatically in the United Kingdom. Some changes, possibly, but no orders of magnitude. For example, in the last two or three years, we have carried out an image improving programme, with a new colour scheme and the introduction of Jiffy shops and a JET credit card. This has been very successful, both in terms of volume and customer reaction. ■

Oil companies face up to the hypermarket challenge

By Peter Noble

Britain's hypermarket chains have grabbed an estimated 12 percent of motor fuel sales and are on course for a 20 percent market share by 1995. By the end of the decade they could be selling one in every three gallons. The closure of hundreds of small, rural filling stations is threatened and a sustained fuel price war seems inevitable.

Alarmed by the erosion of their market share and retailing base, the oil companies are urgently reassessing their relationship with the grocery giants.

Until now, the oil groups have displayed an ambivalent attitude towards the hypermarkets seeing them as both important customers and a worrying threat to their own retail objectives. That is now changing. Several large groups have identified the superstores as their main competitors and are backing away from supply deals. BP, for example, confirms that it is no longer actively looking for hypermarket business although it continues to supply several chains. We are turning down the wick, said a spokesman.

Mr Brian Hawes

A split between the oil companies and the grocery giants was probably inevitable. A year ago, just after the hypermarkets started their concerted drive for market share, an executive with a large oil company said: 'At some point we are going to say "this far and no further." Afterall, we provide a valuable service in using our resources and expertise to distribute to their forecourts. If we go on losing our share to them we must say to ourselves "what are we doing here?"

Aware of the potential problem, the leading hypermarket petrol retailers — Tesco, Sainsbury and Safeway — recently started buying their own refined product on the Rotterdam market, renting third-party storage terminals and using contract distributors to deliver product to some of their forecourts in coastal locations. They are also understood to have taken the process one stage further by sounding out the possibility of offering supply contracts to independent dealer-operated service stations.

Mr Bruce Petter, Director of the Petrol Retailers Association (PRA), believes their foray into the spot market is little more than an attempt to profit on low oil prices. He does not see them becoming fully-fledged oil companies but he acknowledges that the exercise will provide useful experience that could be valuable in the future.

The sharp rise in market share gained by the hypermarkets can be traced back to summer 1990 and the start of the Gulf War. Up to that point, they had tended to apply a price policy of being up to five pence a gallon cheaper than their local service station rivals. That changed when Saddam Hussein's forces burst into Kuwait. As petrol prices climbed steeply on fears of shortages, motorists became increasingly price-sensitive. The hypermarkets seized the opportunity and adopted an aggressive strategy of undercutting by as much as 15 pence per gallon. It worked. By October, their market share had soared by 2.5 percent to 9.5 percent.

They have not looked back since and by continuing to make deep price cuts have gained a public perception as being the cheapest for fuel.

In addition to increasing existing store volumes, the hypermarkets are also bringing new forecourts on-stream at a fast rate. Some are retrofits to established outlets but the majority are new developments. The PRA estimates that by 1995, the total number of stores will have virtually doubled to around 800.

Hypermarket forecourts are coming on stream at a fast rate.
Photograph by Tesco Creative Services

Getting information out of the grocery multiples is harder than finding a checkout without a queue, so accurate data on individual market shares and store development programmes is not available. The Tesco, Sainsbury, Safeway triumvirate is generally considered to dominate. Safeway claims it is at the forefront, followed by Tesco, which currently sells petrol from 143 of its 390 stores and is believed to have a five percent market share.

Other major players are Asda and Gateway. Behind those front-rankers is a second tier comprising Morrisons (located in the Midlands and North), William Low (Scotland) and the Co-op.

While he is alarmed at the threat posed to the traditional petrol trade, Mr Petter hopes the sharply increased challenge of the hypermarkets will produce a shake-up in the attitudes of the oil groups towards their retailers. They should realise how much they need them he says, and hopefully, give them the support they need to survive.

Without that assistance, he predicts the closure of large numbers of rural sites. In three to four years time, we could end up with a market dominated by the hypermarkets and oil company-owned flagship sites, many of which will be little more than gasbars.

At some point we are going to say 'This far and no further'

It is not a view shared by one rural site operator, Mr Brian Hawes. His Chiltern Hills Garage is situated in Chinnor and is surrounded by hypermarkets. He believes it is possible for small service stations to survive and prosper against hypermarket competition, and he has proved it!

His sales in 1991 were 10 percent up on 1990, taking the total to more than one million gallons, and shop profit approaches 25 pence per gallon.

There is no doubt that consumer demand exists for an alternative to the hypermarket, he says. Afterall, who wants to queue 40 minutes for £5-worth of shopping or drive 10 miles for a forgotten item?

He argues that the rural filling station is well placed to meet the demands of local communities. The secret of success is to serve the local community as a whole, not just sell fuel. If fuel sales become secondary, so what? Shops should not be anciliary to the forecourt, but co-exist with it, to the mutual benefit of both. But you need to be able to identify continually-changing local demands and respond to them.

Mr Hawes' success has brought a flood of enquiries from other petrol retailers and he is now thinking of forming a consultancy. He admits he is already having discussions with a large oil company interested in his approach.

To my mind, rural site operators have no option but to set out to compete against the hypermarkets. With new land contamination rules poised to frighten off developers, the possibility of selling a petrol site for alternative use could be ruled out. Retailers have to make a go of it and they can do so if they respond to local demands.

Bruce Petter also urges retailers to make the most of the weapons they have in their armoury. Service stations are open longer hours, have better road-side locations, have more on-site facilities — such as a car wash and well-stocked shop — and offer greater convenience to the consumer.

While he concedes that some superstores are installing forecourt shops and car washes, he points out that filling stations are better on payment efficiency, accepting a wider range of plastic and are increasingly customer-friendly. They are better at merchandising and display and, significantly, have improved customer-handling skills, he says. There can be life after the hypermarkets, but it is vitally important for the oil groups to support their traditional retailers and give them a fighting chance on prices.

There are signs that his appeal is being heard! ■

Rural stations can establish supermarket outlets to serve the local community.
Photographs by John Shaw

Statoil's strategic plan includes UK downstream

Sten Åke Forsberg, Senior Vice President Crude Oil and Products, Statoil, discusses in an interview with *Petroleum Review* the strategic plan whereby Statoil is moving to balance its large production of crude oil with the establishment of a network of retail outlets in a certain number of countries — including the United Kingdom.

Geoffrey Mayhew: Recently Statoil agreed to purchase almost all BP's oil marketing operations in Ireland. Was that part of a plan for more internationalisation, particularly in retail, of your Group?

Sten Åke Forsberg: From a retail point of view we have been in the process of achieving a better balance in downstream outlets in relation to crude oil production since the early 1980s. In 1990 Statoil became the largest seller of North Sea crude oil which that year amounted to 334 million barrels. Over the decade we have made a number of important advances in the downstream retail sector in Scandinavia and to make this acquisition in Ireland was an interesting opportunity in this strategic plan. Which by the way comprises several other European countries.

What are you taking over in Ireland?
The business includes 260 petrol outlets and part ownership of three distribution terminals. The retail outlets will give us an 11 percent share of the market.

When will the outlets be carrying the Statoil brand sign?
The final conclusion of the deal is expected to take place in early 1992. The display of the Statoil signs will take place soon after that and then there will be a gradual refurbishment and re-design of the network. The petrol station logo makes the connection between crude production and the retail use and it is already seen on some 1,500 outlets in Norway, Sweden and Denmark.

Our retail outlet image is the result of more than a year's study of the best way to do it. There is strong recognition of it in Scandinavia where we sell the brand to some 20 percent of the market — a total which has increased substantially since we began downstream operations in the early 1980s.

How would you describe that image?
The image we are striving for is a high quality and high service image combined with a modern and efficient appearance giving our customers value for money. We have tried to incorporate this in our logo and design of the retail outlet which will create an inviting and friendly atmosphere built on our oil basis.

What is the size of your downstream market in Norway?
Some 28 percent of the retail petrol sold in Norway is now bought at Statoil brand sites. We entered the retail market in Norway by acquiring outlets from BP which was not the market leader. At that time we were a young company with access to large volumes of crude oil — a happy situation which has, of course, continued to increase.

Following the acquisition of these outlets we have steadily increased sales, not by adding to the numbers, but by investing in modernisation and expansion on the forecourt, including the development of the retail shop facility and the important introduction of an auto credit scheme for sales. We are now selling seven percent more than when we took over the outlets.

Were you also widening your crude oil sales?
Yes. Not only Scandinavian countries were looking for long term crude oil supplies, and as a result we became one of the major suppliers of crude oil in Europe. North America is another important market for us and we have recently started our trading operations in the Far East. Statoil is actually the biggest exporter of sweet crude oil in the world. Currently, we are selling 1.1 million barrels of crude oil per day.

But this also meant that there was a potential to improve the balance between production and retail outlets and to go further into the downstream market.

Did that lead to seeking outlets in Sweden?
That was the way it evolved. During 1984–85 we were fortunate in being able to purchase a very good network of outlets in Sweden. Esso was withdrawing from the market and we negotiated to obtain their business. In addition to the retail outlets and wholesale activities the Esso petrochemicals plant, an excellent one, was part of the deal. The mix of retail outlets gave Statoil 12 percent of the market, and the fact that the companies had been well managed enabled us to increase our share of the market in the following years, from 12 percent to about 18 percent in 1991.

Was the next step Denmark?
That came in the next year, also an obvious move in the context of our strategic downstream plan. Esso was leaving the market, and we acquired all their outlets and the Kalundborg refinery. Today our share of the retail sales in Denmark is 21 percent. Our move into Denmark was important because it enabled us to develop activities at the same time in the three Scandinavian countries, which was to the economic benefit of our operations. The company's refining capacity in Norway and Denmark is some 200,000 barrels a day.

What is the area of your strategic downstream plan?
When you look at it from a logistics point of view I think it is fairly obvious. It is west of the Baltic and in addition to Scandinavia includes Ireland, the United Kingdom, northern Germany and Poland.

Is France part of that plan?
France is a very important export market for Statoil, especially refined products such as petrol and gas oil. We have not included the French market in our strategic downstream plan, at least not for the time being.

How important is Germany?
Since unification Germany has become a much more important market — more people want to have a car and most certainly motor fuel consumption will grow substantially.

How has that influenced your joining the downstream consortium bid for Leuna and Minol in Germany?
Five European companies — BP, AGIP, OeMV, Statoil and Total — have formed a consortium to bid for Leuna and Minol assets.

Provided agreement can be reached with Treuhand, the Leuna refinery (including the methanol plant) will be modernised and capacity increased from the current five million MT p.a. to approximately 10 million MT p.a. To secure crude supply, a second pipeline would be built soon. With these improvements Leuna refinery would be competitive and thus form the necessary basis to build a future for the chemicals industry in that area. Consortium members are discussing with Treuhand options for the various chemicals plants at Leuna and elsewhere.

Downstream of Leuna refinery, the consortium is also in discussion with Treuhand about the acquisition of Minol assets. However, it is prepared to make a sizeable number of those assets available to private independents.

The idea of joining the consortium is of course to be a part of those developing the former East Germany from an oil marketing point of view. It's a big challenge both for a refiner and a retailer.

You do not have outlets in the United Kingdom — but can there be imports whether or not you own a chain?
Statoil has been selling products into the United Kingdom for a long time using our export refinery at Mongstad, near Bergen. Recently we built on that experience when we concluded an arrangement with Mabanaft Ltd, an importing and wholesaling company in the United Kingdom which can receive considerable volumes of products at its terminal on the Thames Estuary. Statoil is pleased about this arrangement because it is already increasing the import of our products into this country. One of the objects of our strategic plan was to become more involved in the wholesale market and closer to the end consumer. This approach has been proved to be right. We are getting closer to the consumer in the UK and in this instance Mabanaft has obtained an upstream partner which is providing it with security of supply.

Would you wish to acquire a chain of retail outlets in the United Kingdom?
We have not yet concluded how to approach the retail market in the United Kingdom in terms of active participation. But that does not mean to say the United Kingdom is not part of our strategy. The United Kingdom market is a very competitive one as well as being an exporter of refined products.

Sten Åke Forsterg

Have you made any moves to acquire outlets in the United Kingdom, or are you likely to do so soon?
Generally. The United Kingdom is a very interesting market and we are of course following the development of this market closely.

Although good progress has been made in the development of the strategic plan, there is no deadline for its implementation. It is also the case that the decade has shown that a company does not have to be an integrated oil company in order to sell. The downstream is subject to different forces.

Is profitability essential?
We want no loss makers. We aim to make all operations profitable and that is the case in the three Scandinavian countries. The main driving force for further downstream integration is profitability.

If you did come into the UK retail market, what other criteria would you also look for?
We believe that our quality and service concept is appealing to motorists outside Scandinavia. We have developed a reasonably efficient retail operation in Scandinavia and believe there is an opportunity to exploit this experience in other markets also to the benefit of the customers. It's very important, however, to adapt to the market situation and recognise different customer needs and attitudes.

Do you take a long term view of the retail market?
The private car will be the most important unit in transport for the next 25 years, and petrol will be the most important fuel. And retail in itself is a long term commitment. ■

Brand managers' comments

S H Howell, Manager-Retail, BP Oil UK Limited

The year ahead will be as full of competitive challenge as any other in the recent past. Customers will not be left wanting for choice on any aspect of our industry's service that they may particularly value. BP will not be found wanting in meeting the full range of retailers' and motorists' needs in ways that are cost effective and efficient in mutually beneficial ways.

On the wider front, the industry will continue to seek to satisfy the proper demands on environmental issues in pragmatic ways that are critical to the wellbeing of the public at large.

It is doubtful that any market is more competitive than ours, and none more satisfying when we get it right, both from the commercial and community's points of view. BP will play its full part in doing both.

G-L Motte, Retail Manager, Fina PLC

The rapid conclusion of the Gulf War and the freeing of US strategic oil reserves prevented a repeat of previous oil price shocks. One uncertainty was removed.

The price increases in the second half of 1990 after the Iraqi invasion of Kuwait raised the price consciousness of consumers. The superstores were able to expand market share. This process has continued throughout 1991.

The recession and the expansion of superstore petrol retailing has put pressure on all of us to maximise our efficiency. During 1991, Fina transferred its Leeds retail office to Epsom, bringing retail under one roof. The Nixdorf EPOS system went live and further strides were made on modernising and re-imaging the network.

Growth in 1992 is unlikely to be rapid whoever wins the impending election. However, motor spirit sales began to grow again from the fourth quarter of 1991. The greatest danger to the retail motor fuel market remains the threat of a destructive price war to retain market share.

P D Roden, Manager, Retail Division, Gulf

Events in the Middle East generated less gloom on the forecourt than had been expected, and in general, consumer spending held up well. Though some elements of the recession became visible during the second half of the year our service station reimaging programme continued to build site volumes in contrast to the industy trend.

The very ambitious relaunch of the Gulf brand was presented to the trade at the Forecourt Marketing Exhibition in June. The whole of this initiative has been driven by customer research and we believe that a continuous process of consultation is the way forward. Our public is an increasingly discerning one. Cleanliness, efficiency, service and facilities remain dominant in the mind of the consumer. Gulf will continue to drive standards in this area.

As part of our new brand package we are developing with our retailers, a working partnership in Gulf's flexible manner. We will continue to recognise the marketing needs of individual sites within their local community whilst developing a strong and positive brand image.

What does the future hold? Political uncertainty, a depressed economy and the difficulties in achieving returns on capital employed, especially in view of environmental legislation.

Nevertheless, despite these weighty considerations we remain optimistic. In South Wales, our acquisition of Action service stations has strengthened our position in this important marketing area. Our service station reimaging programme will reach completion on existing outlets during 1992 and our commitment to expansion continues.

M C Churn, Retail Marketing Director, Mobil Oil Company Limited

Following an extremely difficult first quarter affected primarily by war in the Gulf, 1991 saw a slightly more stable market after hostilities ceased, characterised by falling crude and pump prices. Promotions continued to play an important part in customer loyalty, and hypermarkets increased their price discount stance in the battle for the industry's traditional virility symbol — marketshare.

With the economy taking longer to recover from recession and near term growth forecasts recently revised downwards, 1992 will be another difficult year for the industry. A renewed drive for profitability and a focus on individual site viability are expected to be the dominant concerns.

RETAIL MARKETING

SURVEY • SURVEY • SURVEY • SURVEY • SURVEY • SURVEY • SURVEY

Neil Lambert, Manager Retail Sales, Texaco

I commented last year on the effect economic recession, political uncertainty and business volatility were likely to have on our industry. In this respect, nothing seems to have changed!

Other factors, however, have significantly increased in their impact, particularly the growth of hypermarkets and the influence of environmental controls. The handling of these two issues, which now have both a tactical and strategic importance, could easily determine the future size, shape and prosperity of retail marketing in the United Kingdom.

On a more general note, the consumer is receiving value for money (despite duty and VAT increases), at a time when many petrol retailers are facing cash flow and profitability problems. I would suggest that this cannot continue.

The maintenance and enhancement of service station facilities, operating standards and customer services all require increasingly heavy expense and investment programmes. These outlays must produce a true economic return and this can only be achieved by improved profitability and efficiency.

B D Kelly, Marketing Manager, Murco Petroleum Limited

For Murco the event of 1991 was the opening of our terminal at Westerleigh near Bristol, which gave us access to a new area of operation in the west. By the end of the year we had six company stations and 30 dealers flying the flag in the territory.

It was a difficult year for many indepedent dealers. We were pleased that a significant number of our dealerships decided to adopt our full retail format. Because of this our dealer results were, once again, excellent. The service station convenience store can no longer be regarded as a new idea. The customer now expects such a store and where range and merchandising are disciplined the results are extremely good.

M Fretwell, General Manager Retail Sales, Jet

Throughout 1991, Jet orchestrated a number of exciting initiatives, which have further enhanced its offer in an increasingly competitive market place. Significant was the introduction of 'Jet Retail Charter' into our company owned operation, which has been met with enthusiasm by our retailers. For our dealers, among other things, we have given them the opportunity to adopt the Jiffy shop concept, through a franchise scheme.

The introduction of two new products made us a serious contender in the lubricants market with the launch of our JetMax oil range and in the business/fleet market with the launch of Jetcard.

Jet, and the industry generally, have closely focused on all areas of quality and the environment. The profile of these issues will undoubtedly become higher during 1992, and will stay on the top of all agendas far into the future. Jet achieved ISO9002/BS5750 last year — but this is just the start in a 'continuous improvement' programme.

Our increase in market share last year is an encouraging indicator, and Jet is well armed for a challenging year in 1992.

I L Hand, Divisional Director, Retail Esso Petroleum Company Ltd

The recession has given consumers an uncertain outlook and industry volumes are down. That said, today's forecourt customer is more sophisticated, has higher expectations and demands that these be met. Clean, convenient, unhindered forecourts are the base case. More facilities are demanded. Yesterday it was a shop, today it is a large store offering a full range of convenience products and fast food . . . and the products and services must be available 24 hours a day.

These customer demands no longer stop on the visible forecourt. We must be clinical in our handling of product. Vapour recovery is now expected . . . today the road tanker, tomorrow the pump. One spill in a million deliveries is unacceptable. As a company, and industry, we are sensitive to the environment. We need to tell more people, more about our 'invisible hygiene', more often.

High standards have a price. Consumers want them but are quick to castigate us for asking them to pay, and this conflicts with our commitment to our shareholders. To this end we must demand the same high quality of ourselves. We must be rigorous in the stewardship of our own management practices. Costs must be the lowest possible and our resources must be truly optimised.

A J Morgan, Retail Director, Repsol Petroleum Limited

1991 will probably be regarded by future oil industry historians as something of a watershed year for the retail sector of the oil industry, with many fundamental changes taking place in the market place and environmental issues beginning to take a firm grip on centre stage.

As predicted by some brand managers in last year's survey, hypermarkets have exploited the opportunities presented by the Gulf War and now have a significant share of the market.

With the economy already buffeted by a deep recession, the site closure rate is likely to accelerate in 1992. This will not be confined to small rural outlets, but may also affect some larger dealer businesses and marginal company owned sites. I make no apology for repeating a warning I sounded last year regarding the need for the industry to restore volumes in its traditional outlets. It seems to me that we must redouble our efforts over the next few years and ensure our total commitment to service, access and availability. Training and a firm dedication to quality are the key issues for success in all these areas.

Any complacency whatsoever will bring a danger of a substantial reduction in UK site numbers, which would make it very difficult indeed for the industry to provide a proper service to the public in the longer term, particularly if the forecast growth in traffic volumes becomes a reality.

Major oil companies have continued to concentrate on product quality and brand differentiation during 1991, but in some areas they have now decided that they need to meet the hypermarkets' challenge on pricing. As a result, margins have reduced in some regions and this will inevitably impact on investment plans. This is particularly unfortunate with the substantial funding required for vapour recovery, other environmental factors, safety issues, increasing security costs, training, etc, etc, in addition to the routine need for improving and updating site facilities.

However, in all difficult years there are always opportunities to be found if you work hard enough at it and I am pleased to say that in 1991 Repsol trebled its company owned network to 60 sites and by the time this *Petroleum Review* is published, half of them will be branded into Repsol's exciting and unique retail image. By the end of this year we will see a further substantial increase in the number of Repsol company owned sites since, in spite of the short term difficulties facing the economy and the retail sector generally, we continue to have commitment to and confidence in the medium and long term prospects of the UK market.

We will also continue to improve the quality of our Anglo dealer network and, as with all similar sized wholesalers, it is vital that we do our bit to alert our dealers to the ramifications of all the environmental issues that are about to descend upon them.

1992 will be a very interesting year both for Repsol and the retail petrol market — that I can predict with some certainty!

REPSOL

Anglo

D J Rae, Manager-Retail Marketing Division, Kuwait Petroleum (GB) Ltd

I was accompanied by a Kuwait Petroleum (GB) Area Manager, during a recent field visit, who was back in the industry after a period spent working in another field. He remarked that the thing he most liked about the petroleum industry was that every working day was different. This observation is very true. Environmental matters, the recession, the challenge from hypermarkets, the quality of service, operational methods and security are a few of the wide range of issues that need to be addressed by the petroleum industry every day.

There is no doubt that these concerns will furrow our brows in 1992. However, similar to the Area Manager who enjoyed the challenge of constantly changing priorities, there will be days when a good deal, achieved objectives or good profits, will ensure job satisfaction.

Q8

Finally I would like to thank all our friends in the industry who gave their whole hearted support to Kuwait Petroleum (GB) during the difficult months of Iraq's occupation of Kuwait.

J Turner, General Sales Manager, Maxol Oil Limited

Despite continuing recession and high unemployment, investment in retail activity continues unabated in the Northern Ireland market. New sites continue to be developed throughout the Province together with major re-developments of many company owned and independent dealer sites.

Against a background of falling demand and an over pumped market, competition to secure business by way of supply contracts has been intense, particularly in respect of strategically placed independent sites which offer guarantees of long term viability and growth. With a strong brand image and local autonomy, Maxol is well placed to strengthen its position during the coming year despite the many uncertainties in the market. The ability to change quickly and adapt to differing trading conditions will be important and the company plans to enter its 75th year of independence committed to providing top quality products and services to all its customers.

MAXOL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P P du Toit, Sales Director, Burmah Petroleum Fuels Limited

If the climate in which business operated in 1991 was tough, particularly in the retail sector, 1992 appears to offer little relief. The uncertainty over interest rates and unemployment, and with a general election looming, confidence levels and consumer spending will continue to remain depressed.

In our industry against this background, both retail and commercial business failures have been very evident, as has the high incident of bad debt.

1991 was a year that required all responsible managers to look hard at their operations. The headlines have been full of well known names that did not.

Within Burmah Petroleum Fuels a comprehensive review of the business has resulted in a new strategic approach to the running of the company being adopted. This encompasses a complete turnaround in the management structure, together with an increased level of central support services. The result; a clearer understanding of how the business will be managed with strict control of overheads and a realistic view of the market opportunities.

Burmah has also looked at its corporate image which has been completely redesigned as part of the overall review and a phased roll out programme will be introduced during the year.

Burmah therefore goes forward into 1992 in optimistic mood and well prepared for the challenges ahead.

R Parker, Marketing Director South and South-East, UK Petroleum Products Limited

With the end of the recession still not in sight and no likely growth in demand for motor spirit, another difficult year for the retail industry seems certain.

Supermarket chains seem determined to push ahead in the search for more sites and increased volume and will continue to be a major problem for all retail site operators.

The ability of the major oil companies to counter the supermarkets growing influence will be one of this and the following years most vital challenges.

UK Petroleum Products Ltd now operates 11 of its own retail outlets but also again last year made considerable investment in the dealer market. Whilst fully recognising all the potential difficulties, we are committed to increasing our investment again this year in continuing to support the small and medium size retailers who still have a place in the market.

The company's geographical spread will give us that local knowledge and contact with dealers which will ensure continuing growth for UK Petroleum Products retail market.

J Slavin, Director and General Manager-Retail, Shell UK Oil

There are two crucial factors to wholesalers and retailers in our industry. These are supply disruptions, or the threat of them, and the economic environment in the United Kingdom. This time last year we were dealing with the former in relation to the Gulf crisis — now we are grappling with the latter with the economy stubbornly resisting recovery.

Fuel sales growth is closely related to that of the economy and it is therefore not surprising that year on year it is showing a decline. Strangely, in such an environment with motorists economising by limiting their fuel purchases, the progress of unleaded fuel has been disappointing, and way below the potential based on the known car population profile. Perhaps the time is right for some further government action to encourage motorists to convert to this fuel.

Brighter prospects exist in the ancilliary areas of shops and car washes where we are adding value and providing customer service. The results of customer demand for higher retailing standards are visible in every high street and the awareness that many filling stations now have shops which offer flexible hours and can be taken seriously by discerning people with busy lifestyles is becoming apparent. This investment, largely made by fuel wholesalers, together with their programmes of retailer training are benefiting customers and retailers as well as their staff. At the same time a more open and consultative environment between wholesalers and retailers is being cultivated and we believe that our Shell SHARE franchise epitomises the best features of this process.

Two subsea firsts

Bentley Filters is the first all British company to manufacture a subsea gate valve which will be used on the first subsea multi-phase pumping station SMUBS (Shell Multiphase Underwater Booster Station) due to be installed by Norske Shell on the Draugen field off Norway. The SMUBS system, currently being built by Frank Mohn, will boost production from a subsea well in 290 m of water about 9 km from the platform.

In conjunction with R J Pond Ltd, Bentley Filters has developed the new range of small bore gate valves providing 1/2" and 1" sizes to complement the existing larger API range manufactured by other companies.

Prior to the development of these valves, larger valve body sizes with reduced internals were invariably used to provide isolation for 1/2" or smaller operation lines. This not only created unnecessarily large and, in consequence, expensive valves but utilised larger valve design details.

In developing the new small bore range it has been possible to provide all the required features found in larger valve sizes but at the same time build in desirable features not practical for larger valves.

To this end the valves are designed and manufactured in line with API 6A to the required PSL level and NACE standard.

Principal areas of application are subsea christmas trees, manifolds or pumping/processing stations for the isolation of chemical injection, seal test or pressure/temperature sensing ports, or wherever a small line needs to be isolated from a main production flow line.

The new ELSA Type 2 emergency life support apparatus, produced by the Sabre Group, in versions of five and 10 minute duration, has been granted Certification of Assurance number SH/BA/60 by the Health and Safety Executive, being approved to BS4667, pt. 4.

Since its inception, designed for marine use, ELSA has become a world-leader with an unrivalled reputation for reliability and efficiency. Among hundreds of users are NASA and several world navies. The Royal Navy alone has more than 60,000 sets in service.

In use, air is supplied at a constant flow to a flame-retardant hood which can be quickly donned, without adjustment, and which is particularly suitable for use by spectacle wearers and men with beards.

ELSA is available in jerkin form, or in a carry bag, and may be worn before entering a location where there is the threat of irrespirable atmosphere; or stored in such an area for emergency use.

Detector tube for vehicle emissions

Dräger Limited has announced availability of a new detector tube for measuring levels of petroleum hydrocarbons in the atmosphere, soil and water.

The Petroleum Hydrocarbon 10/a tube is for use in conjunction with Dräger's hand held bellows pumps, like the new Accuro, and will give accurate measurement readings of between 10 and 300 ppm after performing only two strokes with the pump. It has a white indicating pre-layer which turns a brownish green colour in the presence of petroleum hydrocarbons.

Leaking petrol can be a cause for contamination of the ground or water, for instance as a result of motor vehicle checks, or in military training areas. In these instances the tube should be used in conjunction with the Dräger-Stitz probe to measure pollution levels in soil or with the company's DLE kit to monitor levels in water.

Dräger supplies explanatory notes with each pack of 10 tubes giving guidelines on how to use the tube to establish readings for individual substances.

This new product complements the company's existing petroleum hydrocarbon tube, allowing users wider applications because of its enhanced sensitivity.

Pumps keep the fuel burning 24 hours

Over the last two decades coal-oil mixtures have become an important alternative fuel to oil for numerous industries due to their price and increased thermal efficiency. However, during their production and when they are fed to combustion devices, these highly viscous and abrasive mixtures are often troublesome to pump. Boilers, for example, have to operate 24 hours per day — the feed pumps must provide a constant flow, under high pressure, with low down-time.

By installing progressing cavity pumps to deliver the fuel mixture, Robbins & Myers has already resolved these problems for a wide variety of directly-fired industrial processes including conventional boiler applications. During the production of coal-oil mixtures, this type of pump is also employed to transfer fuel oil to the blending process and to convey the finished product to either storage vessels or delivery tankers.

Robbins & Myers offers a wide selection of progressing cavity pumps to satisfy the needs of many general industrial applications where difficult materials are handled. The R&M 2000 series, the company's latest range, is specifically designed to pump highly aggressive, corrosive, viscous and abrasive fluids. Each unit features a crown gear universal joint with a three year guarantee.

Bespoke charge card service

Garage proprietors wishing to strengthen existing links with corporate and high value individual clients now have an additional business weapon in their arsenal thanks to Compower.

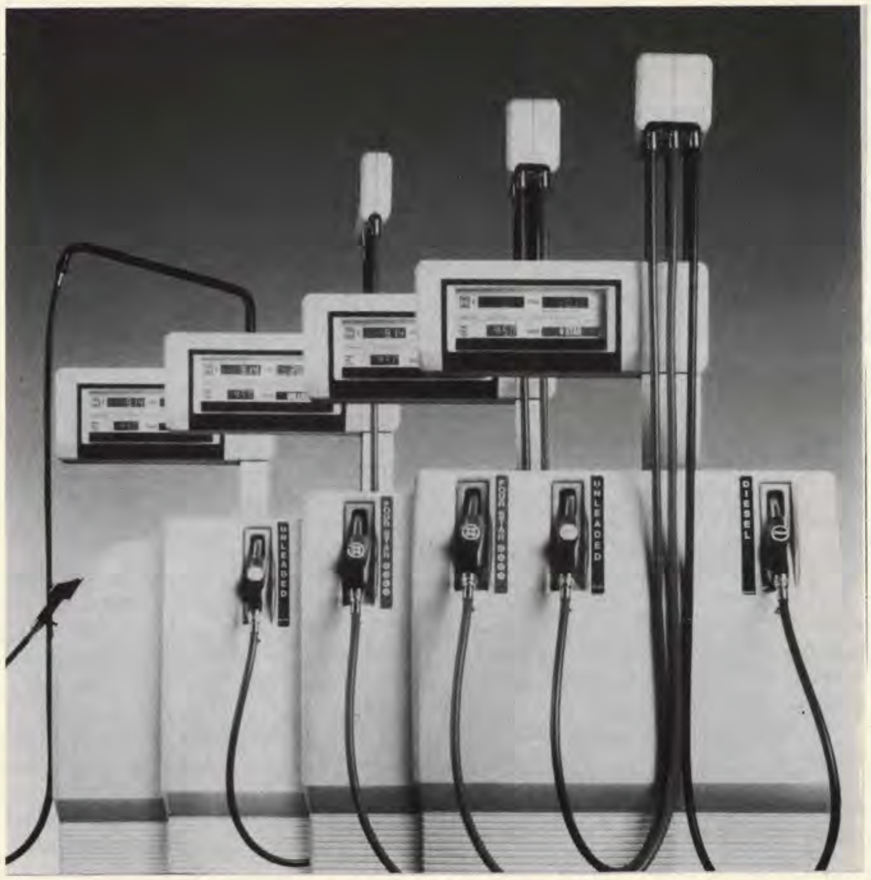
Bespoke charge cards are individually tailored from a wide range of colours and styles and superimposed with designs to reinforce the retailer's own image incorporate a number of value-added options. These include the facility to send invoices to card holders direct and to collect their accounts by direct debit, transferring the balance into the retailer's bank account.

As well as developing customer loyalty and helping to maximise market share, the Local Account Cards, which work in conjunction with Compower's Midnight Express service, eliminate time consuming and costly invoicing and other administrative chores.

The cards incorporate a magnetic strip which transfers account data when swiped through an EFTPoS terminal and this, together with the transaction data, is retrieved electronically overnight by Compower. At the end of each account period individual customer invoices are produced, together with copies for the retailer who also receives comprehensive management reports and analysis. Invoices are either delivered to the retailers to distribute themselves or are mailed first class by Compower to the individual card holders.

Those retailers who do not wish to use the Local Account Card facility can still utilise the benefits of the Midnight Express EFTPoS service which Compower provides to most High Street banks and more than 12,000 individual retail outlets.

One of the main advantages for the retailer of Midnight Express is the independence to negotiate their most advantageous service charge with their chosen bank for Visa and Mastercard transactions, as well as other credit and charge card transactions.



Pumptronics, the only independent British petrol pump manufacturer, has launched a completely new range of fuel dispensers. The new models meet the new BS7117 standard, look attractive, and are reliable and easy to maintain. Micrelec plc is the sole distributor for the range in Great Britain.

Of major importance to the design is the new micro-processor controlled head which includes an enhanced data memory and six digit cash and volume totes for each grade. Precise error checking routines provide additional protection against loss of sales data and potential faults. The computerised head can also incorporate a magnetic strip card reader (CRIP), a feature which, in time, is likely to become more widely accepted in Britain.

Intended to be a pan-European product, the new design can incorporate an assisted or balance vapour recovery system, blending mechanisms and high-speed pumping units for diesel fuel.

Produced in four basic shapes (mono, twin, quadro and multi-product), Pumptronics is able to combine the above shapes with blending facilities to offer virtually any grade combination.

Safety upgrade for fuel oil storage

Designed to comply with BS799 requirement for fuel oil storage, the Atkinson 'Tankmaster' four-in-one level gauge serves four 'safety' functions where heating oils are used, typically in domestic and commercial applications.

Tankmaster's unique four-part system comprises a valve to shut off or control the flow of fluids; a sight gauge which provides an accurate visual reading of fuel levels; an integral quick-change filter to extract sediment and moisture; and an automatic fusible control which acts as a fire suppression valve in emergency situations.

The high in-built safety factor makes Tankmaster an important accessory for heating fuel storage facilities in factory and commercial premises as well as for domestic oil central heating systems.

Tankmaster is constructed throughout in special alloys for weather and electrolytic protection and can be easily fitted for new or retrospective attachment to most steel or plastic storage tanks.

Contact List

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