

<u>FairFuelUK calls for Fuel Duty to be frozen</u> for the "lifetime of this Parliament"

3 months ago



Howard Cox, Founder of FairFuelUK, has called upon Rachel Reeves to freeze fuel duty for the lifetime of the current parliament.

He addressed Ms Reeves with the following: "In line with tradition, the <u>spending review</u> will not include new tax measures; however, Labour's beleaguered Chancellor is anticipated to lay the groundwork for inevitable tax increases in the Autumn Budget.

- This is an ideal opportunity to give certainty to businesses and the UK's 37 million drivers. FairFuelUK calls on Rachel Reeves to announce that Fuel Duty is frozen for the lifetime of this Parliament..
- We have heard from reliable Whitehall sources that the Autumn Budget will introduce a 10p increase. That's a reversal of Sunak's 5p Covid cut, plus an additional 5p per litre that will impede economic growth.

"Filling up an average family car following such a punitive tax hike, including the egregious double tax of VAT, will cost an extra £6.60; an average Transit, £15 to £20; and a large HGV, at least an additional £70.

"Thanks in significant part to FairFuelUK, fuel duty has been frozen for 14 years and remains at a current level, which includes a temporary 5p cut. Some armchair experts who despise supporting the UK's 37



million drivers argue that restoring or unfreezing fuel duty could generate more than £3 billion a year. Absolute tosh!

The freeze on this regressive tax since 2011 means drivers have spent more of their disposable income, if any, in the economy, and businesses have remained solvent due to lower-than-expected transport costs. Had the fuel price escalator been rigidly followed, the UK would now be in a deep recession.

• No other tax has such a profound impact on economic growth, inflation, employment, and business investment as the substantial tax on filling up at the pumps. Every corner of our nation depends on road transport for construction, small trade contractors, food, clothing, internet deliveries, postal services, medical support, family cohesion, community interaction, and mental well-being.

"The left, and, of course, the well-funded, environmentally conscious greens, will be salivating with delight at the thought of an end to a decade-and-a-half freeze on fuel duty. They do not understand how to run an economy; instead, they aim to consolidate total control in the hands of wealthy, unelected idealists.

"The Chancellor of the Exchequer's Spending Review is expected to reveal a series of extravagant expenditure plans that will necessitate raising additional taxes to rectify the government's failure to fulfil its much-lauded promise of significant economic growth.

"There are few avenues for further tax increases. This duplications and dishonest government has already targeted pensioners, farmers, private education, and SMEs, and remains clueless about how to deliver a concrete solution to the cost-of-living crisis.

- Despite lower pump prices, the UK's annual inflation rate has risen to 3.5%, primarily due to higher household energy bills, transport costs, airfares, and council tax. This rate is considerably higher than that of France (0.9%) and Germany (2.2%) in April.
- Rachel Reeves finds herself caught between a rock and a hard place. That rock is Deputy Prime
 Minister Rayner, along with Ed Miliband, the Net Zero fantasist. The hard place is the betrayed
 electorate, which granted Labour a substantial political majority due to the failures of the Tory
 Government.

"She will need to pull a financial rabbit out of the hat to avert punitive tax rises. She will have no choice but to impose additional heavy burdens on working people as the Government faces its next significant test of fiscal policy. Her speech will shape the direction of public services and their levels of budgetary funding, while also influencing Labour's chances of remaining in power.

"The Prime Minister has committed the UK to the EU carbon credit prices, known as European Union Allowances (EUAs). The current rate in the UK is £64.90 per tonne of CO2 equivalent, while the EU's rate is higher at around €73.50 per tonne of CO2; prices fluctuate based on factors such as natural gas prices, energy demand, and the EU's Emissions Trading System (EU ETS). In simple terms, in the UK, we will have



no choice but to pay more for gas, electricity, and, eventually, much more at the pumps.

"Support from anti-driver groups is growing for the Chancellor to introduce pay-per-mile car taxes, which would overhaul the current system and allegedly recover billions in revenue for the Government.

"However, such an approach will never be fair and will disproportionately affect businesses, increasing their costs. A road user fuel tax may sound appealing, but in reality, it cannot be collected without incurring significant administrative costs.

- Currently, diesel, which acts as the commercial heartbeat of the economy and is vital for driving economic growth, is the most heavily taxed fuel in Europe. In Spain, it is taxed 21p less, in Germany 13p lower, and in the Netherlands 25p below the UK. https://fairfueluk.com/Diesel-EU-Duty.png
- The average diesel fuel tax across Europe is 15p lower than that of the UK.

"The Prime Minister and other ego-driven politicians continue to boast regularly that we must lead the world in various economic and social diversity policies. So, Rachel, this is your opportunity to push a sensible fiscal policy through incentivising lower transport costs.

"In your Spending Review speech, please have the courage to state that Fuel Duty will be frozen for the duration of this Parliament and that FairFuelUK's PumpWatch is fully operational to prevent opportunistic profiteering at the pumps.

"Rachel Reeves, you must understand that these policies are more than logical to ensure you achieve anywhere near the much-promised economic growth you have regularly called for."