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The Rt Hon Rachel Reeves MP
Chancellor of the Exchequer
HM Treasury
The Correspondence & Enquiry unit
1 Horse Guards Road
London
SW1A 2HQ

18 October 2024

Dear Chancellor,

As you finalise your plans for your first Budget, we write to make sure you understand the necessity of backing Britain's 37 million motorists. In your final preparations, we urge you to consider the impact raising fuel duty would have on low-income families, small businesses, and the logistics industry.

Fuel duty has remained frozen for the past 14 years, currently standing at 6p less than when your party was last in power. This has been of immense benefit to Britain's motorists and has significantly benefitted the Treasury. You will also be aware that in Opposition the Labour Party was a consistent supporter of keeping fuel duty down. As instability in the Middle East continues, oil prices will remain volatile which is why it is essential we continue to keep costs down for motorists.

Analysis from FairFuelUK, which has been instrumental in keeping fuel duty cut since 2011, consistently demonstrates that hiking fuel duty slows economic growth, costs jobs, stokes inflation and reduces consumer spending. Latest evidence from the Centre for Economic Business Research predicts that raising fuel duty will only bring about short-term benefits for the Treasury. However, they suggest that the long-term impact of raising fuel duty could lead to a collapse in revenue by more than 60% within five years.

That is why we are urging you to ensure that fuel duty remains at least the same after the Budget. Analysis consolidated by FairFuelUK suggests that the impact on family finances if duty is increased by 5p is estimated to add £160 to annual fill-up costs. For a commercial van, this equates to around



HOUSE OF COMMONS

LONDON SW1A 0AA

£500 per-year whilst hauliers would face a punitive extra £5,000 per-year. For many, these costs would be unavoidable, especially for people in rural communities who are hit disproportionately by rising fuel costs as they don't have access to public transport. That is why keeping the levy frozen is popular with Britain's motorists, supports our constituents who use their vehicle for work, getting to school, shopping and visiting loved ones every single day, and has significant economic benefits.

In addition, we ask you to continue the entire delivery and roll-out of the Conservative government's PumpWatch scheme. It is vital that motorists can easily locate the lowest forecourt pump prices. Indeed, the Competition and Markets Authority and FairFuelUK note that the fuel supply chain continues to profit from wholesale and oil price changes that are still not passed onto drivers.

In 2015, the average retail profit from an average family petrol car was £4.40 and diesel £6.00. However, today's average fill-up profit for the unchecked fuel supply chain is staggeringly higher, at £11.16 for petrol and £14.42 for diesel. Through FairFuelUK's PumpWatch, the Conservative government was focused on protecting motorists, families and small businesses across the United Kingdom. We urge you to do the same.

We look forward to your response.

Yours sincerely,

Saqib Bhatti MBE MP

The Rt Hon Sir Oliver Dowden MP

The Rt Hon Dame Priti Patel MP

The Rt Hon Claire Coutinho MP

The Rt Hon Andrew Mitchell MP

The Rt Hon Stuart Andrew MP

The Rt Hon Chris Philp MP

The Rt Hon Damian Hinds MP

The Rt Hon Wendy Morton MP

The Rt Hon Dr Andrew Murrison MP

The Rt Hon Esther Mcvey MP

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HOUSE OF COMMONS

LONDON SW1A 0AA

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