Fuel's Gold?

Published: April 5, 2013
Author: Kim Henson
Online version: https://www.wheels-alive.co.uk/fuels-gold/

It is no surprise to hard-pressed motorists that real difficulties are being caused to both private motorists and businesses, due to the current extreme and artificially high prices of fuel.

According to a poll carried out recently by FairFuel UK (which is campaigning for more affordable petrol and diesel prices in Britain), the impact of current fuel prices is significantly adverse, across the board.

The poll reflected the opinions of 26.560 respondents, who in total spend £45.7 million annually on petrol and diesel, with the tax element included within this figure amounting to £27.2 million (Fuel Duty, £19.6 million, VAT, £7.6 million), or a massive 60 per cent!

When asked what they would do with the money saved by a significant cut in Fuel Duty, 72 per cent of respondents replied that they would spend more on essentials such as food, 70 per cent stated that they would spend more in shops generally, and 66 per cent said that a price cut would help to reduce stress.

A whopping 73.8 per cent of respondents also advised that they felt that fuel prices represented the single most important 'in the news' issue affecting their lives. In fact this came ahead of such topics as EU membership (11.8 per cent), financial care of the elderly (8.3 per cent), and Scottish devolution (1.1 per cent).

Businesses too were polled, and of 2,678 respondents, 77 per cent said that a cut in fuel prices would help increase their profits, and over 50 per cent said that it would improve competitiveness in the marketplace, while 46 per cent felt that it would help to secure the business/organisation's future. Furthermore, 88.5 per cent said that the price of fuel was

the most significant ‘in the news’ issue affecting their business, compared with 7.2 per cent who cited EU membership.

Large numbers of both private motorists and business operators also stated that given the choice of a 14 pence per litre cut in Fuel Duty, or a 10 reduction in the basic rate on Income Tax, the fuel duty cut would be preferable for UK growth.

Interestingly, FairFuel UK is also calling for greater transparency of fuel pricing and for petrol and diesel to have the same pump price (in Britain the cost of diesel is artificially high – why? Overseas diesel is usually much cheaper than petrol, helping high mileage business vehicle use, in particular).

Is anybody listening? Almost certainly not. Of course, tax is only one element of high fuel prices, but the combined effect of all the factors contributing to the current figures spells bad news for individual people and families, also businesses. Many are already struggling to survive in a difficult economic climate. It is also a fact that high fuel prices affect less well off people much more deeply than those on higher incomes. It is estimated that 800,000 homes in the UK are obliged to spend over a quarter of their income on running a car, largely due to the artificially high prices of petrol and diesel. For so many a car is essential, not least for getting to and from work, and especially for those living in more remote areas, where public transport is non-existent or scarcely encountered.

Sadly there is no end in sight for this misery. Santander tells us that the average price of petrol in the UK has risen by 5.5 per cent in just two months, and that typically it now costs between £95 and £100 to fill the tank of a family car.

Wheels-Alive comment:

This really is a disgraceful situation.

Let’s hope that common sense prevails and the realisation occurs that, especially in times of general economic hardship, if fuel prices were lowered to a more sensible, affordable level,

this would help the UK economy in general as well as individuals and families. Oh yes, there goes another flying pig…

For much more information about FairfuelUK, go to their website, www.fairfueluk.com