



HOUSE OF COMMONS
LONDON SW1A 0AA

Rt Hon Rishi Sunak MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Rd
London
SW1A 2HQ

14 March 2022

Dear Chancellor,

We are writing as a group of cross-party parliamentarians in light of record high diesel prices to urge you to introduce an essential-user rebate for hauliers and coach operators and to delay the removal of rebates for red diesel to protect these vital businesses in the incredibly challenging operating environment they currently face.

Our road freight and logistics industry plays a central role in making sure that our country runs around the clock, with 89% of all goods transported by land in Great Britain moved directly by road, and with 98% of all food, agricultural and consumer products moved by road.

These industries and their customers are heavily impacted by rising diesel prices and were pleased when you took bold action to back them by freezing fuel duty last year. However, since the Budget Statement in March 2021, diesel prices have risen sharply. These increases have left the UK's road transport industry forced to cope with the highest fuel prices on record, as they continue to keep Britain moving and rebuild from COVID-19. These record high prices show little sign of abating and will see hauliers likely to pass on increased costs to their customers adding to inflationary pressure – the brunt of which is faced by ordinary consumers.

Operating costs for commercial vehicles have increased substantially over the last few months leaving, for example, the costs of operating a 44-tonne HGV over 17% higher than a year ago, compounded by the 18% increase in drivers' wages.

With over half of the cost of a litre of diesel accounted for by tax, we firmly believe that action should be taken to back UK hauliers and keep consumer prices under control through the introduction of an essential-user rebate of 15p per litre. This step would mirror an approach taken by many other European nations including Spain, France, Ireland, Italy, and many more which has proved successful.



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The continual rise in costs for hauliers will be exacerbated by the planned removal of rebates for red diesel on 1 April and we would urge you to delay these changes by twelve months to ease the pressure on these small businesses.

A fighting fit and resilient road freight and logistics sector is essential, not only to keep Britain moving, but to help build back better as we return to normality following the pandemic. Without your support for these measures, we run the very real risk that the industry's economic future will become ever more uncertain as it continues to be hit with sky high diesel prices combined with inflationary pressures.

We are very grateful for your commitment to supporting the industry through the driver shortage, but these measures will bring significant benefits to our constituents and our economy as a whole and we urge you to introduce them as soon as possible.

Yours sincerely,

Sir John Hayes MP

Sir Peter Bottomley MP

Chris Green MP

Richard Thomson MP

Gavin Newlands MP

Martyn Day MP

David Linden MP

Angus MacNeil MP

Margaret Ferrier MP

Dr Philippa Whitford MP

Alison Thewliss MP

Dave Doogan MP

Brendan O'Hara MP

Gordon Henderson MP

Peter Aldous MP

David Mundell MP

Philip Davies MP

Henry Smith MP

Carla Lockhart MP

Kenny MacAskill MP

Patrick Grady MP

Kirsten Oswald MP

Ian Paisley MP

Hywel Williams MP

Liz Saville Roberts MP

Ben Lake MP

Alan Brown MP

Greg Smith MP

Martin Vickers MP

Craig Mackinlay MP

Sir Jeffrey Donaldson MP

Jonathan Edwards MP

Peter Grant MP

Anne McLaughlin MP

John McNally MP

Anum Qaisar MP

Patricia Gibson MP

Stuart McDonald MP

Dr Lisa Cameron MP

Allan Dorans MP