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APPG for Road Freight and Logistics

Fuel Duty Inquiry

July 2022

All-Party Parliamentary Groups are informal groups of Members of both Houses with a common interest in particular issues. The views expressed in this report are those of the group. Tendo Consulting Ltd are funded by the Road Haulage Association to act as the Secretariat to the APPG.

Greg Smith MP
Chair of the APPG for Road Freight and Logistics

Foreword

As a nation, we face significant challenges over the coming months with the most direct being the cost-of-living crisis. With fuel prices remaining significantly higher than July 2021, food costs increasing, and family budgets stretched, it is vital that the Government uses every mechanism in its arsenal to reduce these pressures.

This has been brought into sharp focus by recent statements by Arla Foods showing that the price of milk will increase owing to ***"rapidly increasing costs for feed, fertiliser and fuel"*** alongside widespread reports that key goods such as Lurpak butter have hit as much as £9 in some supermarkets; shoppers have been warned that their annual food shopping bills could rise by £380 this year.[1]

Whilst a number of factors have increased the cost of goods, our current sky-high fuel prices are key, with many hauliers left with little option but to pass on costs to their customers who in turn have to increase prices.

Our freight and logistics companies play 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, including 98% of all food, agricultural and consumer products. Put simply, our road freight and logistics industry are responsible for delivering from 'farm to fork'.

[1] https://news.arlafoods.co.uk/news/arla-foods-amba-confirms-milk-price-increase-for-june-2022

We know that the Chancellor will face significant challenges and calls from across our economy for financial support and assistance. Therefore, from the outset of this inquiry, our aim was to put forward a solution that would be quick and easy to introduce and minimise the level of costs being passed on to consumers.

On behalf of the APPG, I would like to thank all hauliers who took part in our online survey and to the Road Haulage Association (RHA), Logistics UK, Irish Road Haulage Association (IRHA) and the International Road Transport Union (IRU), Freightlink Europe and Knights of Old Group for presenting to the APPG and taking us through the various options and approaches taken by other European nations.

As part of our inquiry, we also heard that the 'unlevel playing field' historically facing UK hauliers is growing as other European nations have taken decisive action to support the haulage sector and mitigate rising cost pressures. Whilst it is clear that this 'fuel duty penalty' has grown, it is also clear the 5ppl cut in fuel duty announced earlier this year has made no material difference as prices quickly raced past the cut.

Our report highlights that our road freight, coach, and logistics sectors are facing a moment of acute challenge which requires decisive and urgent action both to protect this vital industry and tackle the rising costs of consumer goods transported by road.

By introducing an essential user rebate, the Government would not only reduce the 'fuel duty penalty' that has long held back UK hauliers but would also provide much needed support to businesses that are the cogs of the UK economy and crucially reduce some of the pressures that have driven consumer prices so high.

Executive Summary

As seen during the Covid-19 crisis, road freight and logistics are essential to keeping the economy moving, transporting essential items, goods, and supplies across the nation. Yet in the last year we have witnessed an extreme spike in fuel prices, with spiralling costs impacting everything from food, commodities, and everyday goods.

Diesel prices have rocketed, and, despite the 5ppl reduction in fuel duty announced earlier this year, these rising prices have hit the road haulage and coach sectors particularly hard. Now, in the face of a cost-of-living crisis, operators are left to pass on inflationary spikes to customers, and – for smaller operators - risk business failure and insolvency.

In light of these pressures, the APPG for Road Freight and Logistics embarked on a Fuel Duty inquiry to put forward a solution for Treasury to mitigate the impact of inflationary pressures on hauliers and, in turn, ordinary families. Using the written evidence of an online survey of operators, alongside oral testimony provided by key industry trade bodies and operators, we found:

- **92% of hauliers have felt little or no impact from the Government's 5ppl reduction in fuel duty**, which has been eclipsed by ever-growing fuel prices. While welcomed by the industry, the 5ppl reduction failed to cover the spike in prices seen just the week prior to its introduction.
- **Running costs for the average articulated lorry have risen from £45,000 to £62,300,** forcing operators to pass on increased costs to consumers and onward services wherever possible.
- **Only 3.5% of haulage businesses felt they would remain profitable without further support with fuel prices.** Many operators are already struggling to serve certain markets and are being forced to refuse loss making work or accept losses. With the industry dominated by SMEs, this situation is unsustainable and only deteriorating.
- Crucially, the growing fuel crisis is **exacerbating a competitive disadvantage already faced by UK hauliers** across the European market, given the significantly higher regard and Government support provided for the logistics sector across the Continent. **UK diesel prices at the pump remain significantly higher than most European nations and well above the EU 27 average.**

Our central recommendation is for the Government to introduce an essential user rebate of at least 15ppl that would be available to all hauliers, HGV drivers and coach operators.

We understand that a rebate of 15ppl will not absorb all increased costs but we believe this is a quick and deliverable solution that would provide much needed support for the sector, minimise costs passed on to consumers, and act as a step in the right direction to remove the competitive disadvantage faced by UK operators compared to European counterparts. **As such, we believe the essential user rebate is a measure that should be made permanent.**

With 98% of all food, agricultural and consumer products in the UK moved directly by road, we strongly believe urgent action is vital to boost the economy, tackle the cost-of-living crisis and fundamentally keep Britain moving.

Background

The impact of fuel duty has risen in political and public consciousness in recent months owing to the steep rise in fuel prices yet concerns about the burden placed on hauliers by fuel duty have been raised consistently since the introduction of a 'road fuel escalator' by the Conservative Government in 1993. This approach was replaced in 2000, with the Labour Government opting for annual decisions on fuel duty, which led to a belief that fuel duty was being used to raise revenue.

In consequence, industry bodies led by the Road Haulage Association (RHA) and Logistics UK actively put forward proposals to mitigate the impact of fuel prices on the road freight and logistics industry. Particular focus was placed on the imbalance between UK hauliers and their European neighbours, an imbalance that continues to place UK hauliers at a competitive disadvantage. In 2021, the average fuel duty (diesel) for all EU countries was 39.99 pence per litre (ppl) compared to 57.95ppl in the UK.[2] This led to calls for a substantial cut in fuel duty to match the EU average, offset by an increase in VAT, or the introduction of an 'essential user rebate'.

Despite this, there was little reform of fuel duty until 2009 with the then Chancellor, Alistair Darling, proposing the return of an 'escalator', which would have seen annual inflation-plus-1% rises until 2014. This move was met with widespread criticism, both from industry figures but also by the then Leader of the Opposition, David Cameron. The Coalition Government soon rejected the return of the escalator and cut fuel duty by 1p in 2011.

However, it was the 2012 move, to freeze fuel duty, which set in motion a framework where successive Chancellors accepted the impact of excessive fuel duty on motorists (including hauliers) and have frozen fuel duty. Indeed, this acceptance was vital in the decision taken by the then Chancellor to cut fuel duty by 5ppl earlier this year.

[2] RHA Fuel Duty Q+A 2021

Previous surveys of haulage operators conducted by the APPG have demonstrated that fuel duty and fuel costs represent a significant amount of turnover.[3] Evidence received for this inquiry shows that fuel costs amount to around 31-36% of running costs for the average fleet (44 tonne vehicle), with average annual fuel costs for hauliers currently hitting £62,300 at 151.65 ppl excluding VAT.

It is vital that the Government consider that these sky-high costs are not simply impacting hauliers, coach operators and logistics companies. These prices are driving up costs on everyday and essential items, with transportation costs passed on to businesses with little option but to pass these costs onto consumers. This vicious circle is directly caused by the fuel crisis and risks stretching family budgets even further as they battle increased costs across our economy.

While the Government's temporary cut in fuel duty by 5ppl was welcome, given the scale of fuel price increases and the pressure this puts on hauliers, their customers, and the risks it poses to inflationary pressure, the impact of this reduction was quickly lost. In light of this, we sought to examine urgent measures the Chancellor could take to support UK hauliers and crucially prevent increased fuel prices further fuelling inflation. The inquiry's primary aim is to produce a recommendation to the Government that will provide support and financial relief to hauliers.

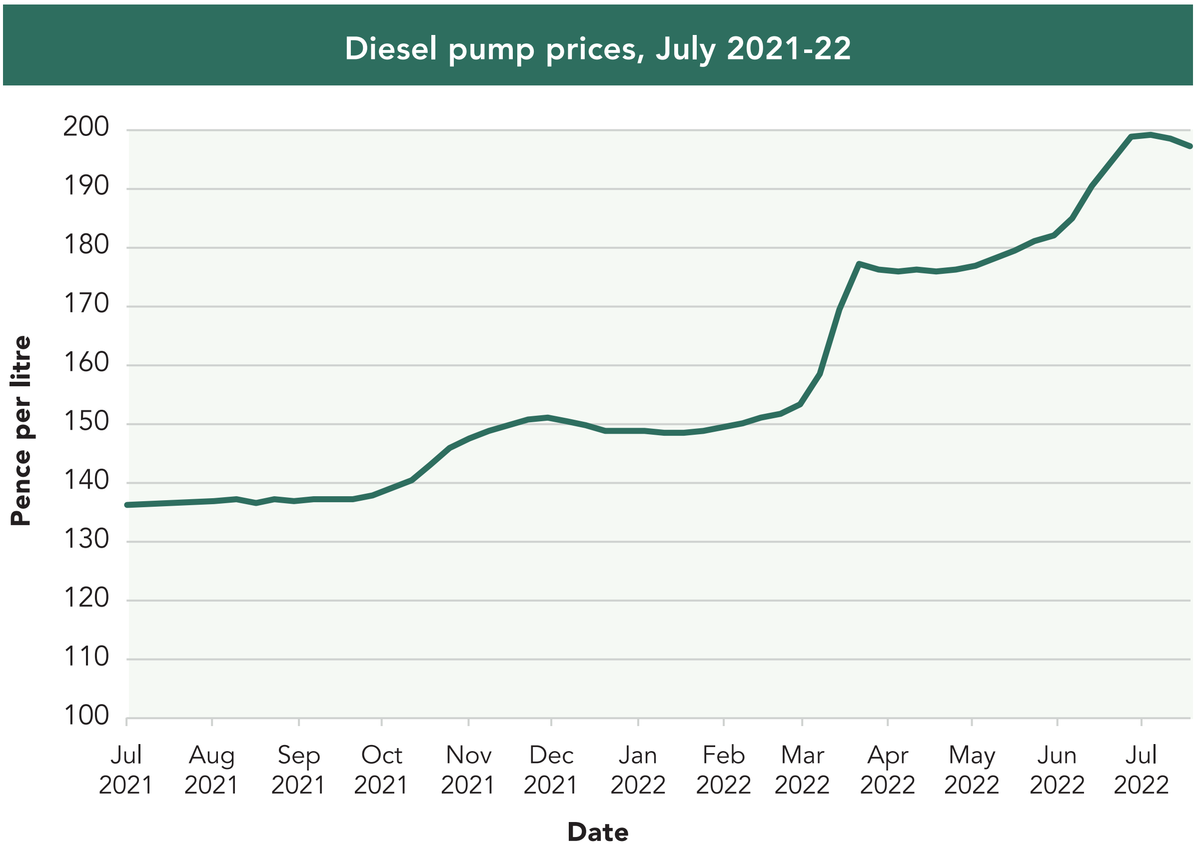
As a part of our inquiry, we heard from UK hauliers both directly and through a confidential survey, from UK trade bodies the RHA and Logistics UK, and from international trade bodies the Irish Road Haulage Association (IRHA), Freightlink Europe, Knights of Old Group and the International Road Transport Union (IRU), who provided invaluable advice on support offered across Europe. This report also builds on our fuel duty report published in February 2021.

[3] APPG on Road Freight and Logistics, Fuel Duty Survey, February 2021

The case for reform

This year has seen haulage, coach operators and logistics companies placed under an ever-increasing pressure as fuel prices rose dramatically. With the latest average UK diesel price hitting 198.00 ppl, we are close to seeing diesel rise by just above 50ppl since the start of 2022.[4]

Figure 1: Diesel pump prices, July 2021-22



Whilst the then Chancellor's decision to reduce fuel duty by 5ppl was warmly welcomed by industry bodies, fuel price figures show that the 5p cut not only failed to cut costs, but was less than the fuel price increase the week prior to its introduction. Government figures show that since the introduction of the 5p cut, diesel has increased by around 22p per litre.[5] To put this into context, diesel prices have increased by more than 46% over the course of the year, despite the 5p fuel duty cut.[6]

[4] https://www.rac.co.uk/drive/advice/fuel-watch/
[5] https://www.gov.uk/government/statistics/weekly-road-fuel-prices
[6] Diesel Price 21/6/21 133.69 compared to 194.87 on 20/6/22

Impact on haulage companies

As a part of our inquiry, we conducted a survey of UK hauliers between April and May 2022 to assess the impact of increased prices on their businesses and to understand the sectors' response to the 5p cut announced a few weeks prior. Most worryingly, we found that 68% of hauliers were not confident that their business would continue to be profitable without further support on fuel costs.

Our survey also found that:

Only **3.5%** of businesses felt that they would remain profitable without further support on fuel prices.

83% said that the increase in fuel prices was having a negative or very negative impact on their business.

92% said that the 5p cut in fuel duty would have little or no impact on their business.

Respondents to the survey also stressed that price increases would cause higher prices for consumers and they were left with no option other than to "continue to raise prices with our customers who in turn pass this on, a negative, vicious cycle."

However, not all operators are able to pass on these costs, with some reinforcing the risk of cancelled contracts and business failure:

> *"If the price of fuel continues to rise and we are unable to pass the costs on to our customers we will be out of business. We have already stopped working for customers whose rates are too low to cover the rise in costs. At some point we will run out of work or money."*

In our oral evidence sessions, the RHA explained how instability was causing cost management issues with the average fuel costs for hauliers hitting £62,300 at 151.65 ppl ex VAT per year on today's prices, the equivalent of between 31-36% of running costs for an average 44 tonne vehicle.[7]

We also heard from Paul Abbott, Group Director at Knights of Old Group, who warned that, in time, these financial pressures will lead to a wider crisis with operators unable to serve certain markets, with some clients already unable to serve the North of England or Scotland.

Lesley O'Brien OBE, Managing Partner of Freightlink Europe, described fuel price increases as 'the straw that broke the camel's back'. She explained that running costs for an articulated lorry have risen from £45,000 to £59,000 and that across Freightlink's whole fleet, annual fuel costs have increased by half a million.[8]

Our panel also highlighted that smaller haulage companies and fleets were less likely to be able to recover additional costs from consumers; for some, insolvency was a very real threat. We heard that there are two parts of the market: operators left with no choice but to pass on increases because their margins are so thin, and those in the unenviable position of refusing loss-making work or accepting losses.

[7] Figures provided by the RHA, as of 23rd June 2022
[8] Prices as of 16th May 2022.

Impact on consumers and inflation

As heard during our oral evidence sessions, the impact of increasing fuel prices on hauliers, coach operators and logistics companies stretches beyond those companies paying the high costs of fuel. As seen through rising prices in supermarkets, pubs and restaurants, fuel prices are often passed on to the consumer, increasing inflation and pushing up costs for families on essential and everyday items.

In March 2022, James Bielby, Chief Executive of the Federation of Wholesale Distributors, warned of the knock-on impacts of the pressures facing wholesale distributors:

> *"Food price inflation is already happening, but this is going to make it worse, because there'll be charges passed on to customers and then obviously to end users as well. So, people buying food and drink in shops, when they're eating out, will be paying more because the cost of distributing those goods to the outlet has gone up so much."* [9]

In June, further concerns were raised by the hospitality industry, which faces the double hit of recovering from the pandemic and inflationary pressure. The Bath Pub Company Managing Director Joe Cussens told trade publication, the Morning Advertiser:

> *"If the cost of production and transport of their goods goes up due to higher diesel costs, then it's likely that they'll pass this on to us. We've increased our prices already and will no doubt do so again in the future."* [10]

Pressure is also being felt by the coach industry, with Shearings, for example, announcing an increase of between 5%-10% on coach holidays as a result of **'the current situation regarding the rising cost of living and fuel.'** [11]

Olivia Bell from Countrywide Coaches in Buckinghamshire told the BBC that:

> *"It's a massive problem, it seems to be swallowing all of our money. We've only just got over Covid, just starting to pick up again, then we've been hit with this. There's no respite… We've got no choice but to put some prices up because it's not sustainable."* [12]

The example of Countrywide Coaches encapsulates the range of challenges faced by businesses hit by increasing fuel prices. While coach operators can pass on costs for some contracts, they are unable to for council contracts, such as for home-to-school services.

Businesses like these are facing real challenges and need help now. For those contracts where cost increases can be passed on, the impacts are felt further down the line. Contracts where costs cannot be passed on risk becoming unsustainable as fuel prices sit at more than double the cost of a year ago.

[9] https://www.bbc.co.uk/news/business-60674028
[10] https://www.morningadvertiser.co.uk/Article/2022/06/09/uk-fuel-costs-continue-to-rise-as-hospitality-remains-fragile
[11] https://www.shearings.com/about-us/price-increase
[12] https://www.bbc.co.uk/news/business-60674028

The competitive disadvantage

It is important to note that challenges facing the haulage industry are not new nor exclusively caused by increased fuel prices. A 2019 report by the Institute for Fiscal Studies showed that the UK's diesel duties were the highest across all EU member states and that fuel duty was more than or close to double the duties levied in Sweden, Spain, Bulgaria, and Luxembourg.[13]

For hauliers in some countries, government support was increased in 2020, owing to the Covid-19 pandemic and the recognised importance of road freight and logistics to a thriving and vibrant economy.[14] This competitive disadvantage left UK hauliers facing the fuel crisis in a position significantly behind their European counterparts.

That other European nations have historically recognised the **value and importance to the whole economy of a cost competitive, flexible, and thriving haulage sector**, has long been a point of contention and concern for those in the UK's haulage industry. But the fuel crisis and Covid-19 has reinforced the fact that other European nations have provided support to the sector not only continually, but also through periods of crisis and challenge.

Indeed, as highlighted by the IRHA and IRU, this support was significantly increased in response to the fuel price crisis, further increasing the existing competitive disadvantage for UK hauliers. The IRU stated in supplementary evidence that:

> *"Failure to support the road transport industry facing these massive cost increases will result in an unprecedented chain of bankruptcies over the next months, with a severe inflationary impact on transport costs, as well as transport shortages and blockages in supply chains."*

The IRU also highlighted that, as operators operate to wafer-thin margins, businesses must pass on cost increases to users or risk bankruptcy, putting further pressure on transport networks. They called for urgent action to tackle increases in fuel prices, including by encouraging governments to decrease excise duties and other taxes and charges related to fuels.

Raluca Marian of the IRU noted that increases in fuel prices did not start with the war in Ukraine but in 2021, on average increasing by 8% in one year. This was seen for all fuels but particularly diesel, most commonly used by logistics operators. Following the outbreak of war, the IRU surveyed members and measured the increased fuel prices. This showed a 25-30% increase in the first two weeks of the war. As a result, many EU member states implemented immediate measures to support transport operators such as exercise duties; grants to companies, deferred tax payments, and reductions in road user charges. France and Spain, for example, granted between 900-1,200 euros per vehicle.

As seen in Annex 1, this competitive disadvantage has only grown as other European nations have gone significantly further than the UK in responding to the current fuel challenge. It is therefore essential that the Government tackles not only the current crisis but also the 'fuel duty penalty' that continues to hold back UK businesses.

[13] https://ifs.org.uk/publications/14407
[14] https://www.transportenvironment.org/challenges/climate-tools/fuel-taxes/

The need for action

Our haulage industry was vital for keeping Britain moving during the pandemic and haulage will continue to be an essential part of our economic recovery and wellbeing in the months and years ahead. Evidently, the March 5ppl fuel duty cut, while well intentioned, does not go far enough to support the haulage sector through the current challenge.

We know that this cut has already been surpassed by increased fuel prices and we know that, in some cases, the reduction is not being passed on to consumers. We also know that the reduction does nothing to tackle the competitive disadvantage that our hauliers face against their European counterparts.

Even with the 5ppl reduction, UK diesel prices at the pump remain significantly higher than most European nations and well above the EU 27 average. UK diesel prices are only below Sweden, Denmark, and Finland and more than 20p more expensive than the EU average - even before rebates in some countries have been factored in.

This European dimension cannot be ignored, and with many EU member states being pushed to take further action, failure to act now risks making an already desperate situation considerably worse.

We must also not lose sight of the longstanding reality that many hauliers operate on very small margins, that many smaller operators are unable to pass increased fuel costs onto their clients and that insolvencies and closures are a very real threat. For larger hauliers, fuel costs are often passed on through contractual agreements and, whilst providing protection for the businesses, this will only serve to drive up prices, particularly food prices. Without government action, the risks of further increases remain.

As a nation, we face a very challenging period with increased costs causing pressures for every family, business, and sector. It is therefore essential that Government grasp the nettle and take action to support hauliers, ensure our economy keeps moving and that pressure on consumer prices is kept to a minimum.

Average Petrol and Diesel Prices and Taxes in the EU and UK
(not including rebate schemes or support packages)
(Prices from 13th June 2022)

Diesel				
	Pump price	Taxes and duties		Pre-tax price
Country	per litre	per litre	% Of pump price	per litre
SWE	£2.14	£0.67	31%	£1.47
FIN	£2.06	£0.84	41%	£1.22
DNK	£1.96	£0.77	39%	£1.19
GBR	£1.90	£0.85	44%	£1.06
NLD	£1.86	£0.69	37%	£1.17
BEL	£1.81	£0.71	39%	£1.11
FRA	£1.78	£0.82	46%	£0.96
IRL	£1.77	£0.70	39%	£1.07
DEU	£1.75	£0.68	39%	£1.07
GRC	£1.75	£0.70	40%	£1.05
AUT	£1.74	£0.64	37%	£1.10
PRT	£1.74	£0.61	35%	£1.12
ESP	£1.72	£0.62	36%	£1.10
LVA	£1.72	£0.67	39%	£1.05
LUX	£1.70	£0.55	32%	£1.15
EST	£1.67	£0.60	36%	£1.08
ITA	£1.66	£0.62	37%	£1.05
LTU	£1.66	£0.61	37%	£1.05
CZE	£1.62	£0.57	35%	£1.05
CYP	£1.60	£0.55	34%	£1.05
SVK	£1.58	£0.60	38%	£0.97
ROU	£1.57	£0.55	35%	£1.02
BGR	£1.45	£0.53	36%	£0.93
SVN	£1.43	£0.61	42%	£0.83
POL	£1.39	£0.37	27%	£1.02
HUN	£1.26	£0.45	36%	£0.81
MLT	£1.04	£0.56	54%	£0.48

Options for change and recommendations

At the outset of this inquiry, our primary focus was to recommend reforms to fuel duty that would meet three key criteria. We wanted a system that would be easy to implement, simple to understand and that crucially would see cash returned to hauliers as quickly as possible.

Throughout the inquiry, we considered four principal options:

1) An across the board cut in fuel duty

2) A mechanism linked to a base price

3) A per vehicle payment

4) A straight essential user rebate

Option 1: An across the board cut on fuel duty

The first option considered builds on the 5p cut in fuel duty announced in the Spring Statement, with the Chancellor cutting fuel duty for all vehicles by a further 10p. As this would cost the Treasury £4.7bn per year (based on HM Treasury policy costings), we have discounted this option on the grounds of cost. There are also significant concerns about whether the 5p cut provided has been fully passed onto the consumer, and these concerns would likely grow if further cuts were made across the board.

Option 2: A mechanism linked to a base price

During our oral evidence sessions, we discussed the differing support schemes provided throughout Europe. We are grateful, in particular to the IRHA, for their explanation of the Irish Scheme, in which hauliers are eligible for quarterly rebates using the national average purchase price (provided by the Central Statistics Office) and a repayment rate, calculated on a sliding scale, with no repayment when the price including VAT is at or below €1.23 per litre. This leaves the maximum amount repayable being 7.5 cent per litre when the price of fuel is €1.43 per litre or over.

Whilst we agree that this scheme has considerable merit, we have concluded that its introduction in the UK would require significant preparatory work from the Government and as such would delay payments being made to hauliers. However, we do recommend that the Government reviews this scheme and its applicability for introduction in the UK as an option for long term support for the sector.

Option 3: A per vehicle payment

Another option considered was a direct fixed cash sum per truck as has been introduced in the Republic of Ireland. However, we rejected this proposal as it would provide the same level of relief to a vehicle used infrequently as to one at full operational levels, and we felt this was neither practical nor desirable. We also felt this measure would cause considerable administrative burdens on operators and HM Treasury, which would likely slow down the implementation of support.

Option 4: An essential user rebate

The last option explored in this inquiry was an 'essential user rebate' for hauliers, road freight, rail freight and coach operators. This measure has long been championed by industry bodies such as the RHA, who propose that the Chancellor introduces an essential user rebate of 15ppl. A 15ppl reduction would bring the UK fuel duty levels closer to those in Ireland, France and Germany, a call which was backed by 92% of respondents to the APPG's survey, stating this would have a somewhat or very positive impact on their business.

Whilst a rebate of 15ppl will not cover all the increased costs for hauliers, it would provide support to mitigate growing pressures and help to counter inflation caused by costs passed on by hauliers to consumers. There was acceptance by those giving oral evidence that it was not politically or economically possible for the Government to provide support to meet the total increased costs of rising fuel prices but that a 15p rebate would be a welcome and much needed step for the sector.

An essential user rebate would bring the level of taxation per litre on diesel in line with the Republic of Ireland and would significantly reduce the competitive disadvantage faced by UK hauliers compared to European counterparts. We estimate, using data from BEIS and the Office for Budget Responsibility, that an essential user rebate would cost a further £1bn per year in comparison to the £2.385bn that the 5p reduction for all vehicles is projected to cost.

There is significant precedent for the Chancellor to introduce an essential user rebate, with the existing Bus Service Operators Grant (BSOG) mechanism currently offering a rebate of 34.57ppl for bus operators to recover some fuel costs based on the amount of fuel that they use. This grant is issued specifically to keep fares down, but also to *'run services that might otherwise be unprofitable and be cancelled'*.[15]

The Rural Fuel Duty Relief scheme also reflects that the Government has and continues to intervene where fuel duty is having a damaging impact on motorists and businesses. This scheme provides support for rural motorists through a 5ppl reduction to fuel retailers to help those in remote areas where fuel prices are often higher.[16]

Recommendation

The evidence received has been very clear: our road freight, coach, and logistics sectors are facing a moment of acute challenge which requires decisive and urgent action. Therefore, our recommendation to Government is that it immediately introduces an essential user rebate of at least 15ppl that would be available to all hauliers, HGV drivers and coach operators.

Alongside this, we also recommend that the Government review all existing charges and levies on hauliers with the intention of reducing cost pressures through measures wherever possible. The consequences of failing to act now are unthinkable, with businesses pushed to the brink and consumer prices continuing to spiral as costs are passed on.

We know that a rebate of at least 15ppl will not absorb all of these increased costs, but believe it is a deliverable solution that provides much needed support, would be quick and easy to introduce, minimise the level of costs being passed on to consumers and is a step in the right direction to remove the competitive disadvantage faced by UK operators. As such, we believe the essential user rebate is a measure that should be made permanent.

The upcoming Autumn Budget will be a challenging one for the Chancellor, but it will be an even more challenging twelve months for the road freight and logistics industry. It is vital that the Chancellor introduces an essential user rebate and helps our road freight and logistics industries as they play their role in underpinning our economy and making sure that goods and essential services continue moving.

[15] https://www.gov.uk/government/publications/bus-service-operators-grant-guidance-for-commercial-transport-operators/bus-service-operators-grant-guidance-for-commercial-transport-operators
[16] https://www.gov.uk/guidance/rural-duty-relief-scheme-notice-2001

Annex 1

Support provided by EU Nations[17]

Support Scheme	Additional Support
Czech Republic	
Cancellation of road tax for vehicles up to 12 tonnes. The total budget for the transport sector is £138.34m.	Deferment of advance payment of road tax; Postponement of VAT payment until October 2022: Control of diesel distributors' margins.
France	
A flat-rate aid paid to transporters according to the number of vehicles and their tonnage: up to £864.61 per coach, £345.84 to £1,123.90per truck, or £259.46 per light commercial vehicle. A total envelope of £345.84m is granted by the State to road freight and passenger transport companies. Period of validity: 1 April to 31 July 2022.	A total of £518.77m planned for discount schemes. The following measures will apply: - A discount of 13p excluding VAT per litre of diesel, - A discount of £25.11 excl. VAT /100 kilos for LPG-c, LNG, - A discount of 18p excluding VAT per kilo for CNG in compressed form (CNG), - Partial refund of the Domestic Consumption Tax on Energy Products (TICPE) relating to their fuel consumption in the context of their professional activity will be accelerated on a monthly basis, - Use of deferral or payment facilities for social and tax obligations. Period of validity: 4 months starting from April.
Hungary	
£86.57 payment per truck per week on an operator's License for 8 weeks or £692.61 per truck. £15.58 million scheme to support road haulage operators in the context of Russia's invasion of Ukraine, open to road haulage operators of all sizes with a valid operating license in Ireland that are affected by the current crisis. Under the scheme, the beneficiaries will be entitled to receive limited amounts of aid in the form of direct grants.	Reduction by 5.5ppl in the fuel excise du-ty. Excise reduction of 13p (incl VaT) on diesel until 31/08/22 Excise reduction of 17p (incl VaT) on petrol until 31/08/22
Ireland	
£86.57 payment per truck per week on an operator's License for 8 weeks or £692.61 per truck. £15.58 million scheme to support road haulage oper-ators in the context of Rus-sia's invasion of Ukraine, open to road haulage oper-ators of all sizes with a valid operating license in Ireland that are affected by the current crisis. Under the scheme, the beneficiaries will be entitled to receive limited amounts of aid in the form of direct grants.	Excise reduction of 13p (incl VaT) on diesel until 31/08/22 Excise reduction of 17p (incl VaT) on petrol until 31/08/22

[17] All figures converted into pounds sterling on 28th June 2022

Support Scheme	Additional Support
Italy	
	Reduction of excise duties - until 8 July 2022: Reduction of excise duties for all road users: - petrol: 4.1ppl - diesel or diesel used as fuel: 3.2ppl - liquefied petroleum gas (LPG) used as fuel: £160 per kg. From 22 March to 8 July: reduction of the ordinary rate of excise duty on diesel applicable to all consumers for an amount equal to 2.2ppl. For the second quarter of 2022, it will not be necessary to submit the declaration for the reimbursement of excise duties on the litres of diesel consumed. Tax credit for the purchase of diesel -£429.37 million introduced as a tax credit in favour of freight haulage companies for the use of vehicles weighing 7.5 tons or more, the credit is equal to 28% tax credit for the first quarter of 2022 for the expenditure incurred on the purchase of diesel.
Luxembourg	
	Measures in place until end of July 2022: - Reduction of 6.5ppl of fuel (oil, diesel, petrol), - Adaptation of the tax credit linked to the CO2 tax, - Introduction of specific aid for companies affected by energy prices.
Netherlands	
	Measures in place from 1 April to 31 December 2022: - The excise tax rate on petrol will fall by 15ppl - The excise tax rate on diesel will fall by 9.6ppl - The excise tax on LPG (including liquid propane and butane) and LNG will also be reduced by 3.5ppl (approximately 6.9p per kilogram).

Support Scheme	Additional Support
Portugal	
An envelope of £346m planned for subsidies to companies on fuel (diesel, petrol, or gas) and Adblue. Through a single instalment, transport companies get per vehicle: - £98.61 for fuel and £3.63 for Adblue for vehicles ≤ 3.5t, - £233.50 for fuel and £9.34 for Adblue for vehicles > 3.5t and ≤ 7.5t, - £201.97 for fuel and £14.01 for Adblue for vehicles > 7.5t and ≤ 35t, - £363.30 for fuel and £32.70 for Adblue for vehicles > 35t.	- The Petroleum Products Tax (ISP) rate will be reduced on a weekly basis if there is an increase in tax revenue (calculated as VAT on fuel sales). For example, for each increase in VAT revenue of 5%, the ISP will be reduced by 5%. - Suspension of increase in the carbon tax. Period of validity: 1 April until 31 December 2022
Spain	
Direct aid to transport companies between April-June 2022 Total amount £389.19 million Limit of £345,950 per company Vehicle Amount: - Heavy goods, truck: £1081.12 - Light goods, van: £432.44. - Bus: £821.58 - Taxis: £259.44 - Vehicle rental with driver: £259.44	- Between 1 April and 30 June 2022: 17ppl (gas vehicles will also have compensation based on the increase) - From April to July 2022: Postponement in the payment of Social Security contributions and for joint collection in the urban and road transport sector - Approval of a line of guarantees for the coverage by the State of the financing granted by financial entities to companies and the self-employed - maximum amount of £8647m up to 31 December 2022 - Monthly return of professional diesel - Aid for abandoning the profession: An extraordinary credit (£8,911,004.69) is expected to be granted to the Ministry of Transport, Mobility, and the Urban Agenda, to finance the call for aid for self-employed road carriers. - Extension of maturity periods and grace periods for government-guaranteed credits, government-sponsored credit line to refinance debts from previous lines
Sweden	
	From May to October 2022 tax rate on transport fuels temporarily reduced by 15ppl.