

TOM PURSGLOVE MP
CORBY & EAST NORTHAMPTONSHIRE



HOUSE OF COMMONS
LONDON SW1A 0AA

6th February 2017

Jew Confrontment,

RE: FUEL PRICES.

Thank you for your recent correspondence in respect of fuel prices.

Fuel prices are continuing to fall on an annual basis, most recently by 2.6 percent in the year to August 2016. As a result, fuel prices have been a key driver of the recent low rate of inflation, reflecting significant falls in the price of oil between mid-2014 and the start of 2016.

The Government recognises that fuel costs remain a significant part of business and household costs. Motorists paid the costs when oil prices were high, and they should not be penalised when oil prices fall. Fuel Duty will remain frozen for a seventh year. In total, this saves the average car driver £130 a year and the average van driver £350. This is a tax cut worth £850 million next year, and means the current Fuel Duty freeze is the longest for 40 years.

The Competition and Markets Authority, the body charged with monitoring competition within UK markets, investigated the fuel retail market in 2013 in order to determine whether there was anti-competitive behaviour by market participants. It found no evidence that retailers are colluding to fix pump prices.

Reduced duty rates are offered on alternative fuels as an incentive for drivers to move to cleaner fuels. Liquefied petroleum gas, compressed natural gas, liquefied natural gas, biomethane and aqua-methanol all benefit from reduced duty rates.

Once again, thank you for having taken the time to contact me and if I can ever be of any further assistance to you then please do not hesitate to contact me again.

With best wishes,

Tom

TOM PURSGLOVE MP
MEMBER OF PARLIAMENT
CORBY & EAST NORTHAMPTONSHIRE