



Image: Getty

Jul 28, 2020 00:00 BST

Fuel duty revenue down £2.4bn in April and May

The coronavirus lockdown has left a massive hole in the Treasury's coffers from lost fuel duty revenue with income down by £2.4bn (£2,416m) in April and May compared to the same time last year, according to the RAC's analysis of [new HM Revenue and Customs data](#).

Revenue from duty on diesel – charged at 57.95p per litre like petrol – was worst affected. Despite being the fuel of business* duty on diesel fell by 49% over the two strictest lockdown months to £1.5bn (£1,510m) compared to

£2.9bn (£2,939m) in 2019.

In May diesel fuel duty only generated £695m for the Treasury in stark contrast to 2019 when £1,411m was collected. April raised £815m as opposed to £1.5bn (£1,528m) a year earlier.

Over the same two months in 2019 duty on petrol brought in £1.6bn (£1,621m – £799m in April and £822m in May) or an average of £811m a month. This year with the vast majority of Britain's 41m** drivers confined to their homes, revenue from 18.8m licensed petrol cars*** fell to £251m in May – the lowest figure since 1990 – and £383m in April, making for a total of £634m. This equates to just £317m a month which is £493m less than the average duty petrol has brought in each month since 1990.

Collectively, the duty take on petrol and diesel fell to £2.1bn (£2,144m – £1,198m in April and £946m in May) compared to £4.5bn in 2019 (£4,560m – £2,327m in April and £2,233m in May). HMRC figures dating back to 1990 show the lost revenue from April and May 2020 was similar to the duty receipts of £2.4bn from just one month in May 2015 (£2,422m).

HM Revenue and Customers fuel duty receipts - £m			
	Petrol	Diesel	TOTAL
Apr-20	383	815	1,198
May-20	251	695	946
TOTAL	634	1,510	2,144
Monthly average	317	755	1,072
Apr-19	799	1,528	2,327
May-19	822	1,411	2,233
TOTAL	1,621	2,939	4,560
Monthly average	811	1,470	2,280
£ change 2019-2020	-987	-1,429	-2,416
% change 2019-2020	-61%	-49%	-53%

In monthly terms the £946m fuel duty raised in May was the 33rd lowest figure – only months from the early 1990s were lower when there were only

around 24m vehicles on Britain's roads compared to the 31.8m today.***

Data from RAC Insurance black box customers shows that throughout April and May 2020, only 50% of these vehicles were on the road on average.

RAC head of roads policy Nicholas Lyes said:

“The financial impact of the coronavirus on the Government has clearly been immense. The lost revenue on fuel duty is a further blow to the public finances and while motor traffic volumes have recovered during the summer, they are still [between 10-15% below pre-lockdown levels](#).

“The temptation for the Chancellor might be to recoup some of the losses by increasing fuel duty, but with the country staring down the barrel of one of the sharpest recessions on record such a move would risk choking any economic recovery at a time when drivers and businesses are most struggling.

“This perhaps gives the Government a glimpse into the future of when fuel duty revenues start to decline more sharply with the rise of electric and other alternatively fuelled vehicles. Treasury officials might want to start thinking about how the Government approaches such a scenario considering fuel duty normally generates around £27bn a year.”

[View embedded content here](#)

Notes to Editors

* Britain has 470,000 HGVs, 4m lights goods vans almost exclusively running on diesel, as well as 12.2m diesel cars – Department for Transport Vehicle Licensing Statistics (Table VEH0101 – Licensed vehicles at the end of the quarter by body type, Great Britain from 1994)

** Number of full driving licence holders as of March 2020 - 41,178,424
<https://data.gov.uk/dataset/d0be1ed2-9907-4ec4-b552-c048f6aec16a/gb-driving-licence-data>

*** Department for Transport Vehicle Licensing Statistics – Table VEH0203 – Licensed cars at the end of the year by propulsion / fuel type, Great Britain from 1994; also United Kingdom from 2014
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/882293/veh0203.ods

The press office email address is press.enquiries@rac.co.uk. **Please note:** the press office is unable to help with individual customer enquiries - please visit the [RAC contacts page](#) to find the right contact.

ISDN radio studio facilities are available for interviews Monday to Friday.

About the RAC

The RAC provides complete peace of mind to 12m UK private and business drivers, whatever their motoring needs. Its services include:

- **[Breakdown assistance](#)**. Its highly-skilled, 1,600-strong branded patrol workforce attends more than two million breakdowns every year, fixing on average four out of five vehicles at the roadside. The RAC's patrol fleet is one of the most advanced in the UK, and was the first to roll out both an [All-Wheels-Up recovery system](#), allowing the vast majority of vehicles to be recovered from a single patrol van, and [EV Boost](#) mobile electric vehicle charging units
- **[Insurance](#)**. The RAC is a top-five [car insurance](#) broker having surpassed the 500,000 policies-in-force milestone in 2018. It

also offers [‘black box’ telematics policies](#), as well as home and travel insurance

- **Other motoring services.** The RAC leads in the development of new solutions for business, fleets, electric vehicles and future car technology. Its additional products and services include a [personal loans offering](#), a [used car buying website](#), [vehicle inspections and checks](#), [legal services](#) or up-to-the-minute [traffic and travel information](#). It also has a network of [Approved Dealers](#) and [Approved Garages](#) which combine the trust of RAC brand with local service and convenience

The RAC also works to support the interests of its members and UK drivers on the most important motoring issues which it identifies via the annual [RAC Report on Motoring](#) and the [RAC Opinion Panel](#). The Report on Motoring is the longest running analysis of driver opinion in the UK having been published every year since 1989.

For more information about the RAC, visit the [RAC website](#).

Contacts



RAC Press Office

Press Contact

press.office@rac.co.uk

Emails monitored during normal office hours. For breakdown queries, call 0330 159 0740

ISDN number on request