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## Fuel Prices.

Posted by Richard - 2008/06/04 02:42

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I saw something today which suggested 45p is the cost of diesel - the rest is tax. So at £1.30 a litre that is 85p of tax. Why should the oil producing countries lower the price of fuel when the largest part is the tax! Gordon as a gesture of goodwill why do you not lower your tax take and see if the oil producers follow your lead.

What do you all think?

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## Re:Fuel Prices.

Posted by Buzzlightbeer - 2008/06/04 17:15

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£1.30 is pretty good compared to some of the prices where I live, it's nearly £1.45 at the most expensive place on the Island. ;)

[http://www.iwcp.co.uk/News/ISLANDS\\_FUEL\\_MOST\\_EXPENSIVE\\_IN\\_UK\\_1.aspx](http://www.iwcp.co.uk/News/ISLANDS_FUEL_MOST_EXPENSIVE_IN_UK_1.aspx)

I agree that the blame for high fuel prices shouldn't rest with the producing nations because, as you say, much of the cost is tax, but I would question what the loss of revenue would cost us as a nation if fuel tax was dramatically reduced. If it just meant that we couldn't afford to participate in illegal wars, then fair enough, but if it means cutting important service (the NHS for example) then I would be on the fence or leaning towards not backing large fuel tax cuts. That said I do have sympathy for those that it effects most. For example, it must be very hard for independent lorry drivers that are competing directly against their European rivals (that are paying about 20% less for their diesel).

Another important aspect to consider is that the record high levels for the price of a barrel of oil is in a significant part down to multinational corporations speculating on the market. It is a sad state of affairs really because as always the rich get richer, the poor get poorer.:(

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## Re:Fuel Prices.

Posted by Richard - 2008/06/04 18:50

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I think petrol in January 2008 was at about £1 a litre. Now its £1.30 or thereabouts. That is a 30% increase. If the Government didn't take the tax on that extra 30p they could knock 70% of the 30p (21p) off the price of a litre of fuel.

I can't see that affecting any money the Government was going to spend as its money they didn't expect anyway. In some ways its a bit of a windfall. Instead of talking about a windfall tax on the oil companies maybe they should just cut their extra take? That would stimulate the economy as well.

I am not sure if it is the oil companies fault, I understand the government has changed the rules so they do not feel it is worth spending as much on extraction as before. Frankly when they stop pumping the oil out they are increasing their future earnings and who can blame them.

As an aside what about LPG - thats about 50p a litre. At current prices converting the car might be worthwhile. I think a standard conversion is about £2000. If you save 80p a litre the conversion will pay for itself in 2500 litres assuming the same mpg. 2500 litres is about 550gallons. At 25mpg thats 13750 miles, so even for an OAP doing low mileage of just over 6500 miles a year it would pay for itself in 2yrs. Give it 2.5 yrs as I think gas is not as economical as petrol, and then you would have much lower fuel bills.

I am surprised more people are not considering the gas option especially in big cities like London where an LPG car doesn't pay the congestion charge.

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## Re:Fuel Prices.

Posted by Buzzlightbeer - 2008/06/05 16:57

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I see your point, some of the tax would represent a "windfall", although I think that the extra tax/windfall can be put to good use (it will equate to hundreds of millions of pounds); it would be better to spend this money wisely and perhaps relieve

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the recent trend of government borrowing to pay for services and investments (especially with the huge rise in borrowing costs).

[Click Here](#)

No perhaps it isn't the oil company's fault but certainly large hedge funds betting on the market and artificially inflating the price is a factor, something I hinted at before.

LPG is a good alternative, but there is a better option still, have a look at this (it was on TV a couple of years ago):

[Click here](#)

Perhaps if the public and private sector invested in this technology we could solve the global fuel problem and global warming (if indeed it isn't just a natural cycle of the planet) at the same time. Hydrogen being the most abundant chemical element in the universe sounds like a good solution to me.

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## Re:Fuel Prices.

Posted by Richard - 2008/06/05 23:22

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As I don't trust the Government to do much properly I would prefer the economic stimulus to be left in the hands of the consumer to spend as they wish in the market.

I remember gas being used in the 70s and its still not that mainstream now. Based on that I wouldn't expect hydrogen to be mainstream for at least another 30 or 40 years. LPG is here now and ready to use - and cheaper.

The hydrogen technology looks amazing but some of the comments on the web site you put in your post suggest its not yet stable enough. LPG is considered dodgy at the moment as in some parts of Europe LPG cars cannot be parked in multi storey car parks. Eurotunnel won't allow you to use their service if you have an LPG car as far as I know. Imagine the restrictions with hydrogen if its considered unstable.

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## Re:Fuel Prices.

Posted by Buzzlightbeer - 2008/06/06 17:50

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Lol, having to put complete trust in the government is the fatal flaw in my argument, on that point I have to concede. ;)

Yes hydrogen is the future (although with better funding, not so far into the future, perhaps 5-10 years) and LPG is here now, so the only other comparable fuel I can think of currently available would be Biogas, but this has limited distribution sites compared to LPG.

This is the best list of "Alternative fuels" I could find if you or anyone else is interested.

<http://www.energysavingtrust.org.uk/fleet/technology/alternativefuels/>

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## Re:Fuel Prices.

Posted by Richard - 2008/06/06 22:37

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I am glad you see the error of your ways regarding trusting the government to do anything right!

That link was very interesting. That clears up all the different fuel types. Now we just need to get our finger out and make one of the alternatives more widely available.

I did hear the other day that a company who use LPG vehicles are going back to diesel vans because the LPG engines wear out too quickly - so maybe there is still the need for more work in the field.

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