

19 March 2021

## Supplementary forecast information release

### Fuel duties: Breakdown of forecast

- 1.1 The OBR is releasing this information following a request for further detail on the information presented in our March 2021 *Economic and fiscal outlook (EFO)* in respect of the breakdown of our fuel duties forecast. We will, as far as possible, meet any requests to release supplementary forecast information where this will improve the quality of public debate on the public finances. Our full release policy is available on our website.
- 1.2 Fuel duties are levied on the per unit purchases of petrol, diesel and a variety of other fuels. The headline rate on standard petrol and diesel has been frozen since March 2011 at 57.95 pence per litre. Road fuel duty receipts are estimated by multiplying taxable fuel consumption – known as ‘fuel clearances’ – by the corresponding duty rate. Duties on other types of fuel such as heating oil raise small amounts and are based on simple assumptions derived from historical growth rates.
- 1.3 In our March 2021 *EFO* we described our fuel duties forecast in paragraphs 3.49 and 3.50. The forecast presented in Table 3.4 of our March 2021 *EFO* represents our aggregate forecast for fuel duty receipts which is comprised of duties levied on the purchases of petrol, diesel and other fuels used in vehicles or for heating. Table 1.1 provides the detailed breakdown of the forecast.

Table 1.1: Fuel duties forecast breakdown

	£ billion						
	Outturn	Forecast					
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
<b>Fuel duties</b>	<b>27.6</b>	<b>21.5</b>	<b>26.0</b>	<b>29.2</b>	<b>30.1</b>	<b>30.6</b>	<b>31.2</b>
<i>of which:</i>							
Diesel	17.3	13.9	16.7	19.3	19.7	20.0	20.3
Petrol	9.7	7.0	8.7	9.7	10.2	10.4	10.6
Other oils	0.6	0.6	0.6	0.2	0.2	0.2	0.2

- 1.4 Fuel duties are set to reach £31.2 billion in 2025-26. On average around two thirds of total fuel duty receipts arise from purchases of diesel, one third from petrol and around 1 per cent from other fuels.