WRITTEN QUESTION TO THE MINISTER FOR THE ENVIRONMENT BY DEPUTY R.J. WARD OF ST. HELIER CENTRAL QUESTION SUBMITTED ON MONDAY 23rd OCTOBER 2023 ANSWER TO BE TABLED ON MONDAY 30th OCTOBER 2023

Question

"Will the Minister state the estimated cost, in pence per litre, of the reduction in duty on biofuels used in Jersey?"

Answer

The proposed Government Plan 2024 - 2027 (p.38) has estimated the cost of a 9 pence per litre fuel duty reduction for Hydrotreated Vegetable Oil (HVO) to be £85,000 per annum. This was calculated based on the following assumptions.

In 2022, around 665,000 litres of HVO were imported into Jersey, generating approx. £425,000 in excise duty. This represents around 4% of the total diesel imported into Jersey for 2022. Using the 2022 figures of fuel per duty, a 9p cut would represent approximately £60,000 per annum.

Data from Q1 and Q2 2023 suggests an approximate 40% increase in HVO imports from 2022. The cost estimate was therefore updated to £85,000 per annum.

The proposed reduction of fuel duty for HVO represents the 9 pence per litre which is currently hypothecated to the Climate Emergency Fund.