## Drive to reduce Russian diesel forces UK pump costs to new record high

The average price of a litre of diesel has hit a new record high, according to industry data, signalling further financial pressure on households and businesses alike amid the deteriorating cost of living crisis.

Motoring group the AA said petrol costs were also now just 1p a litre shy of striking their highest ever level as it revealed the latest set of figures showing prices at levels last seen in March, before action from the chancellor to help bring down pump costs.

Data from Experian Catalist showed the average diesel price at 180.29p on Sunday.

That was up from the 179.9p seen on the day of the spring statement by Rishi Sunak, which cut fuel duty by 5p a litre for a year.

Average pump prices reached 166.65p a litre for petrol at the weekend, just shy of the 167.3p seen on 22 March.

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Another motoring group, the RAC, suggested a link between rising diesel costs and efforts to reduce supplies of Russian diesel due to Moscow's invasion of Ukraine.

At the same time, Greenpeace said on Monday that its activists had <u>stopped a tanker</u> carrying 33,000 tonnes of Russian diesel from docking in the Thames.

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The diesel price is particularly important as the fuel remains the backbone of the UK economy, the fuel of choice for vans and lorries, despite being public enemy number one in the battle against climate change.

While rising prices add to inflationary pressures for motorists, it erases margins by adding to costs for businesses — costs that are then likely to be passed on in the supply chain.

RAC fuel spokesperson Simon Williams said: "Efforts to move away from importing Russian diesel have led to a tightening of supply and pushed up the price retailers pay for diesel.

"While the wholesale price has eased in the last few days this is likely to be temporary, especially if the EU agrees to ban imports of Russian oil.

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March: Fuel duty cut by 5p per litre

"Unfortunately, drivers with diesel vehicles need to brace themselves for yet more pain at the pumps.

"Had Mr Sunak reduced VAT to 15% as we call on him to do instead of cutting duty by 5p, drivers of diesel vehicles would be around 2p a litre better off, or £1 for every full tank.

"As it is, drivers are still paying 27p VAT on petrol and 29p on diesel, which is just the same as before the spring statement."

The RAC issued its plea as the chancellor comes under mounting pressure to act more widely in support of both consumers and businesses.

Mr Sunak is resisting demands for an emergency budget though government has signalled that taxpayer aid is on the way to help with the rising bill from inflation.

The official rate is tipped to exceed 9% from the current level of 7% later this week when the latest inflation figures reflect the unprecedented hike in the energy price cap at the start of April.

Higher fuel and food prices, compared to a year ago, are also expected to add to the calculation which, if realised, would be the highest figure in 40 years.