

Rt Hon Rachel Reeves MP  
Chancellor of the Exchequer  
1 Horse Guards Road  
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SW1A 2HQ

23 April 2026

Dear Chancellor

We are a group of MPs that share concerns about the nation's energy security and are writing to urge the Treasury to reconsider the inclusion of the UK refining sector within the Carbon Border Adjustment Mechanism from 2028. We are keen to meet with you to discuss this in person.

Resilience of our fuel supply is a matter of real urgency. The current crisis in the Middle East has once again shown how quickly international instability can disrupt energy markets and drive price volatility. At a time like this, the UK should be doing all it can to protect its domestic fuel manufacturing base, rather than allowing it to weaken further.

The country now has only four refineries remaining, having lost 20% of its refining capacity last year following successive Government inaction. That should be a warning to government. Once a refinery shuts, it is almost impossible to replace or transition and greater dependence on imported fuel leaves the UK more exposed to external shocks at precisely the wrong moment.

For those of us with refineries in our communities, we know they are of major strategic and economic importance. They provide highly paid, high-skilled employment and apprenticeships for local people - often down through generations - while supporting a wide network of contractors and suppliers.

For those of us who have lost refineries in our constituencies, we are acutely aware of the impact of losing this high paid, high-skilled employment to our regional and national economy. Successive Government responses to the prospect of refinery closures has been insufficiently strategic, inclusion of refined products in the CBAM would reverse this detrimental trend of Government inaction.

Their importance extends well beyond the constituency itself, with each refinery playing a critical role in supporting other industries, logistics and national fuel supply security.

The case for including refined products within the CBAM from 2028 is straightforward in terms of supporting competitiveness: UK refiners face carbon costs that many overseas competitors do not. Without action, domestic producers will continue to be placed at a structural disadvantage against imports from jurisdictions with weaker or no equivalent carbon pricing. That is bad for investment, bad for jobs, and bad for the UK's energy security.

Given those realities, we would ask that the Treasury reconsider the decision not to include the sector in the CBAM in 2028. Timescales still allow this to be achieved if there is political will to begin the necessary steps now.

At a time of heightened international instability, and after the loss of significant UK refining capacity, it is difficult to understand why the government would choose not to back a measure designed to support a level playing field for a sector so important to the country's energy security and industrial strength.

During the Autumn Budget you indicated that Treasury would consider the inclusion of refined products within the CBAM. Given the pressures now facing the sector, the wider geopolitical context, and the importance of maintaining domestic refining capacity, this consideration must be brought forward to allow that level playing field as soon as possible. It would give greater confidence to a strategically important sector and demonstrate that the government is serious about protecting domestic industrial capability in areas essential to everyday life and the wider economy.

We would therefore be grateful if you could urgently review this matter and meet with us to explain the Treasury's current position.

Yours sincerely,

Sir Desmond Swayne MP

Euan Stainbank MP

Graham Leadbitter MP

Henry Tufnell MP

Sir Julian Lewis MP

Martin Vickers MP

Sarah Pochin MP