Consultation on the UK Global Tariff

1. UKPIA Response - Supplementary Information

UKPIA and its members are - in principle - in favour of most of Government's objectives stated in the consultation. Simplifying and making more consistent arrangements for tariffs while removing nuisance tariffs are worthwhile objectives.

While such changes are welcomed, the downstream oil sector is a commodity market of fungible, highly tradeable, products which despite high trade volumes tends to be traded with low margins. As a result, trade that is not done on reciprocal trade terms risks disadvantaging UK refineries and the UK Global Tariff (UKGT) could well result in such an outcome in its current form.

1.1 In accordance with the statement of the UK Government in the introduction to consultation, the Downstream Oil sector (DSO) too "has always been a champion of free trade and a firm believer in the vital role trade pays in boosting wealth and raising billions out of poverty." The UK DSO sector is already a major trader within the global oil market, importing £19 billion of crude oil in 2019 with the import and export of petroleum products amounting to almost £29 billion of products in 2019[1].

1.2 Should the UK Government be able to negotiate Free Trade Arrangements with the EU and other large economies then we all stand to benefit and UKPIA and its members support this ambition of Government now that we have left the European Union.

1.3 However, there is a need to balance support for free trade and the interests of the consumer against the need to keep a level playing field for manufacturers. It is worth considering - as the "UK has the opportunity to develop an independent trade policy" to quote the consultation - the benefits that having a strong domestic sector can bring. While UK Government is right to be a champion of free trade, there is a risk of manufacturing leakage should the UK act unilaterally and not protect its domestic manufacturing base.

1.4 The purpose of this supplementary paper is to offer wider considerations that we believe should inform any final decisions on the UK's future tariff arrangements (where no alternative Trade Agreement exists). In addition to the 'in principle' and modelled assessments made in our response to the online portal's questions, we seek also to highlight potential effects from the proposals, including:

[1] UKPIA analysis of UKtradeinfo.com, accessed February 2020 (see Annex)

- The effect on competitiveness of UK refineries involved in international trade
- The effect on the UK's ability to meet domestic and global decarbonisation objectives
- Highlighting the nuances of the UK downstream fuel supply that may be affected by an increasing reliance on imported product as well as the impact on security of supply for what remains over one third of the UK's energy usage
- How international oil companies make investment decisions and the potential loss of inward investment
- Consideration of the New Zealand tariff model flagged in the consultation documentation

2. Potential for introducing a Competitive Disadvantage for Refineries and Different Regional Impacts

It is vital for UK refineries that the current level playing field (where access to markets is on equal terms) be maintained. The UK Global Tariff does not do this, unilaterally reducing import tariffs without securing equivalent terms for UK exporters.

Additionally, due to the existing UK supply chain - where some regions are primarily importer-supplied while others are principally supplied by domestic refineries – local supply chains are unlikely to experience the changes post-Brexit in the same way and the protections offered by import tariffs to domestic refineries may only be felt as increased supply costs to import-reliant regions.

2.1 The EU negotiating position makes clear that failure to agree level playing field arrangements with the UK by the end of the transition period will result in unavoidable EU-UK trade barriers. This will likely include a move towards imposing WTO tariffs on petroleum products moving between the UK and EU.

2.2 If this is the case, the impact of a failure to secure level playing field arrangements for petroleum products will lead to a number of outcomes for the UK's downstream oil sector. This could include:

2.2.1 **Increased trade barriers for UK produced fuels exported to the EU, leading to increased costs for UK refineries intending to export and a loss of market share in EU economies, such as the Republic of Ireland, Belgium and the Netherlands.** Although WTO tariffs on finished petroleum products are lower than products in other sectors, i.e. finished automotive components or agricultural products, this needs to be viewed in the context

of the "Net cash margins … for EU refiners [being] lower than for refiners in several competing regions"[2].

2.2.2 **UK refineries being put at a competitive disadvantage in the UK domestic market by EU and RoW refiners**, exacerbated by those states that support their domestic refining industry with state aid or via the tax system[3]. RoW refiners currently export competitively to the UK under WTO tariff rates, a move to even 2.5% import tariffs (from 4.7% now as is the case for motor gasoline) would increase their competitiveness.

2.2.3 **A resulting reduction in UK refinery capacity and investment by downstream companies in UK-based assets**, (potentially including at least 2 refinery closures as identified in the UK Government's own Operation Yellowhammer contingency document[4]) due to the acute economic pressures of no longer enjoying barrier-free trade with the EU in the first instance and by imbalanced competition in the UK domestic market in the event of a unilateral import tariff schedule (such as the UKGT).

2.3 Scepticism regarding industry concerns of a reduction of refining capacity in such an event – including potential refinery closures – were expressed during the course of 2019, notably by Wood Mackenzie. Their analysis claimed that in the event of a 'No Deal' "while the [refining] sector's dynamics would shift and margins will narrow, it will not be crippled."

2.4 This was based on an assumption that in the event of a UK unilateral 0% import tariff corresponding with an external WTO tariff imposed by the EU "UK refineries would see their 2019 Net Cash Margin (NCM) decline by an average of just $0.45/bbl" and that nonetheless "if tariffs are raised on all export destinations, domestic prices could fall…. because while it will be more expensive to place barrels overseas, exporters still need the differential to make exports worthwhile". According to Wood Mackenzie, even in a worst-case scenario all UK refiners were expected to "maintain a positive NCM in our 2019 forecast." (Source: WoodMac).

2.5 However, basing their analysis on a short-term assessment of UK refiners 2019 NCM (and assuming that 2020 margins would be higher due to the impact of the IMO 2020 sulphur cap) omits UKPIA's concern that – whilst NCMs may or may not become negative in 2020 as a result of WTO tariffs – this would undermine the long-term competitiveness of the sector. Early indications are that large middle distillate margins have not yet been seen[5], therefore the assumptions that had relied on IMO-supported margins in 2020 do not appear valid.

2.6 A reduction in UK domestic refining capacity in the long-term as a result of WTO tariffs and a unilateral reduction in UK import tariff rates from the WTO

[2] EU Petroleum Refining Fitness Check: Impact of EU Legislation on Sectoral Economic Performance (2015), p35

[3] https://www.spglobal.com/platts/en/market-insights/latest-news/oil/121718-outlook-2019-russias-tax-overhaul-has-refining-in-a-fever

[4] https://www.thetimes.co.uk/article/operation-chaos-whitehalls-secret-no-deal-brexit-plan-leaked-j6ntwvhll

[5] http://www.energyintel.com/pages/trending.aspx?docid=1053852

level playing field cannot be ruled out. The net impacts of a reduction in UK refining capacity are outlined below.

2.7 UKPIA acknowledges that UKGT provides some protection to the UK's domestic manufacturing by not fully liberalising import tariffs. It is recognised that, unless a Free Trade Agreement can be struck with the EU (although this is the stated intent of both parties so far as we understand) that the tariffs applied to goods exported to the UK from the EU will rise when considered against the existing 0% tariffs in the customs union.

2.8 Logically, the increase in tariffs from EU exports (e.g. motor gasoline will now incur a 2.5% tariff) may make domestic refiners more competitive in the UK inland market thereby reducing the overall impact of the two points above. However, for individual refinery operators it is likely that the negative impact of the reduced access to overseas markets, especially the EU, will outweigh the net positive impact for UK refineries in the domestic market:

2.9 Based on publicly available information and calculating only the direct impact of additional or reduced tariffs in a UKGT scenario against the status quo, UKPIA has calculated the following overall impacts (UKPIA analysis based on HMRC trade data – this is contained in the attached paper in section 3 of this response.):

- UK Imports from EU – Increase in tariff cost by £77.1m (+ an additional £232m if biofuels with high tariffs are included alongside other feedstocks other than crude*)
- UK Imports from RoW – Decrease in tariff cost by £8.9m (-£3.5m incl biofuels)
- UK Exports to EU – Increase in tariff cost by £167.5m (+£64.4m incl biofuels)
- UK Exports to RoW – are broadly unaffected** as WTO rates will continue to apply

*As shown by the figures above, the UK imports all biofuels from within the EU (at least as final supplier, DfT figures indicate a wider set of sources including outside the EU). As imports are within the customs union they move at 0% tariff. It is vital given the high tariffs for ethanol (<55%) in particular but also for FAME (6.5%) that if no FTA is agreed with the EU that UK companies be able to import biofuels at tariffs that reflect final use as a fuel. This is addressed in a later section.

**It should be noted that the EU has free trade agreements with many other countries and blocs globally, not all of which are expected to be replaced by the UK ahead of January 2021, however, it is noted that two of the larger oil and product trade partners (in Norway and S Korea) do have such arrangements in place. We hope that the rolling over of all FTAs will be a continuing effort of UK Government

2.10 UKPIA is not able to estimate the level of change in behaviour, which will potentially be exacerbated by Non-Tariff Barriers (e.g. new border checks that may be required), however, it should be noted that UK imports from the

Rest of the World are already taking place even with existing tariffs and unilaterally reducing those tariffs via the UKGT could well see an increase in the volumes of product imported to the UK. In contrast, there can be no guarantee that the cost of UK exports will be reduced in the near term as Free Trade Agreements – the only likely means for other countries to reduce tariffs - are likely to take some time to agree.

2.11 In terms of different effects on UK regions, changes to tariffs my not be felt uniformly across the UK and import-reliant areas (in particular: London and South East, North East England and the South West) may experience higher supply costs as a result of increased import tariffs.

2.12 This would be the case for example, if a region is supplied by large imports of motor gasoline from the Amsterdam – Rotterdam – Antwerp hub in the EU which have moved at 0% tariff under the customs union. Under the UKGT (i.e. assuming no Free Trade Agreement with the EU) these imports would be subject to a tariff rate of 2.5% (4.7% under current CET) and - given the highly competitive nature of the UK's downstream fuel supply - this increase in cost may well result in increased costs to the consumer, with an indicative additional cost of 1.01ppl[6] or 1.90ppl if a 4.7% import tax was applied.

2.13 The potential for increased cost, therefore, is in effect a 'tariff premium' that is associated with the protection of a more level playing field for UK refineries. However, due to the fact that the aforementioned regions are primarily import-supplied, those regions may see an increase in supply cost without showing any direct or local benefit through retention of a refining base in that region (which already they do not have).

2.14 UKPIA and our members are clear that our preferred outcome is to see a Free Trade Agreement(s) that will ensure that goods move freely between the UK and EU and ideally other countries – our expectation is that this is also the way to avoid unnecessary increase in costs of supply. However, it should also be acknowledged that any increased import tariffs – which represent the additional cost in the supply chain which may result in high prices to the consumer - will be collected by the UK Government. We would note that the current pump price of petrol is around 62% taxation (not counting tariffs) and that government has the capability to affect consumer prices more than the fuel supply chain should it have concerns about 'minimis[ing] costs to business and consumers' post-Brexit as has previously been publicised[7].

[6] Based on a calculation using the Feb 2020 price for unleaded petrol of 126.78ppl and applying a 2.5% tariff (on its price before tax and VAT)

[7] https://www.gov.uk/government/news/temporary-tariff-regime-for-no-deal-brexit-published

3. Impact on Greenhouse gas emissions

A reduction in refining capacity in the UK (potentially as a result of refinery closures or suspending/reducing operational processes across particular product slates) would increase the need for the import of petroleum products from outside the UK.

3.1 A reduction in refining capacity as a result of trade barriers would see a corresponding reduction in UK territorial GHG emissions. However, carbon accounting on a consumption emissions basis – in the event of refinery closures or other capacity reduction – would likely increase, with no guarantee that the origin of imported petroleum products would be manufactured under environmental regulatory standards similar to the UK.

3.2 As a sector, the UK refining industry is a major emitter of greenhouse gas (GHG) emissions, albeit with CO_2 emissions having fallen over time at all UK refineries. Large combustion plant emissions at refineries have declined from 11.75 million tonnes in 2000 to 7.53 million tonnes in 2017, a drop of 35.9%. These declines over this period can be accounted for due to refinery closures and investment in improved energy efficiency, such as Combined Heat and Power (CHP) Cogeneration facilities. (Source: UKPIA 2019 Statistical Review).

3.3 According to independent studies, domestic refinery closures lead to increases in UK emissions on a consumption basis in spite of reductions in territorial emissions. Since UK and EU refineries are, on average, less emission-intensive (0.21 tCO_2 per tonne of product) than non-EU refineries (0.29 tCO_2 per tonne of product, 'carbon leakage' from the UK to non-UK/EU is estimated at about 135%.

3.4 That is, every 100 units of CO_2 emissions reduced in the EU are replaced by 135 units outside it, resulting in a net increase in global emissions. Sulphur dioxide (SO_2) and nitrogen oxide emission (NOx) emissions are also subject to emissions leakage. (See Figure 1 below).

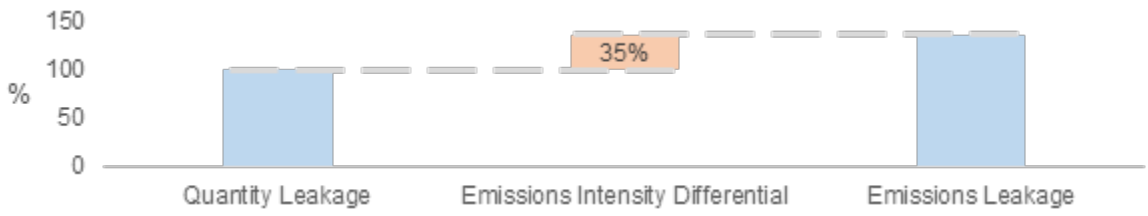

Figure 1: UK and EU refineries are on average less emissions-intensive than non-EU firms

(Source: VividEconomics[8])

3.5 Furthermore, a loss of UK refining capacity in place of imported petroleum products would negate the possible advantages to the UK economy and environment in developing a domestic low-carbon liquid fuel product slate and adoption of world-leading low-carbon industrial processes and business operations.

3.6 As detailed in the UKPIA Future Vision report[9], the UK's downstream oil sector can play a major role in supporting the UK Government's 'Net Zero' ambitions, including through:

3.6.1 UK refineries becoming R&D hubs for low-carbon fuels and products that can make as much a contribution to decarbonising the transport sector as Electric Vehicles, with these products form the basis for a low-carbon fuel supply industry able to be exported from the UK as a world leader in the 'green' economy.

3.6.2 UK refineries forming the heart of 'Industrial Clusters' alongside other sectors to reduce GHG emissions as well as develop/retain highly-skilled employment. This should be viewed in the context of the significant proportion of GHG emissions refineries contribute to each of the BEIS Industrial Cluster Mission locations, with between 21% and 100% of GHG emissions across 6 of the 7 clusters.

3.6.3 The development of CCUS technology to create economically viable opportunities for a 'carbon economy' after it has been removed, compressed and transported out of industrial processes, such as at refineries. (Source: UKPIA Future Vision).

3.7 In addition to the long-term opportunities, recent announcements show that these changes are already taking place in the UK. Both Essar Oil UK and Phillips 66 announced major projects in February 2020:

3.7.1 Essar: Are a member of the HyNet consortium, which includes plans to develop a Low Carbon Hydrogen Plant at Stanlow Refinery, which will produce 3TWh of low carbon hydrogen whilst also pioneering carbon capture storage (CCS) technology to capture and store over 95% of carbon used in the process. The funding will also support a front-end engineering design (FEED) study for a new hydrogen-fired combined heat and power (CHP) at Stanlow.[10]

3.7.2 P66: announced the renewable hydrogen Gigastack project in Northern Lincolnshire involving the Phillips 66 Humber Refinery. Working in partnership with offshore wind company Ørsted, hydrogen producers ITM Power and with funding from the Department for Business, Energy and Industrial Strategy (BEIS), the Gigastack project will allow the Phillips 66

[8] VividEconomics, '*Carbon leakage prospects under Phase III of the EU ETS and beyond*', Refinery Case Study, June 2014. (CO^2 emissions calculated using methodology and factors included in JEC – Joint Research Centre-EUCAR-Concawe collaboration report '*Well-to-Tank Report*', Version 4a, April 2014.

[9] UK Future Vision Report, UKPIA, 2019

[10] https://matthey.com/en/news/2020/world-first-low-carbon-hydrogen-projects-in-the-north-west-win-13m-government-backing

site to utilise 'green hydrogen' produced from renewable energy in its operations and processes to reduce the carbon intensity of its products.[11]

3.8 Without a domestic UK refining sector these opportunities will not exist for the UK economy, to help meet its 'Net Zero' ambitions.

4. Fuel Quality

A greater reliance on imports may cause issues with regard to fuel quality – principally as the UK is currently able to produce fuels that meet its own – sometimes unique – product requirements and also able to respond unilaterally when issues arise.

4.1 The UK has its own specifications for a number of fuels, which are different from many other markets including the rest of Europe.

I. One example is with regards to vapour pressure for gasoline where the UK as a relatively cold country (compared to the Mediterranean) has a different summer fuel specification.

II. There are other examples such as where the UK has a large use of kerosene for domestic heating (current tariff of 4.7%, potentially 2.5% under the UKGT) whereas in continental Europe most burners use gasoil. Domestic production currently meets around two thirds of domestic demand[12], however, the inclination to export kerosene from the EU to the UK will be small as kerosene is principally used as jet fuel which tends to be somewhat more valuable to makers and which moves with 0% tariffs – should the UK lose production capability, such fuels may be more difficult to source from international markets.

III. Finally, there have been historical issues reported with fuel quality, that have been linked to large volumes of imports. While such issues do not come up often and may not always be related to importing of fuel, the reliance of the UK on imports total (imports were around 35MT in 2018 against total petroleum product demand of 70MT) can mean that the country is reliant on what other countries are willing to provide. The Filter Blocking Tendency (FBT) issues that have been an issue for UK diesel drivers for a number of years, have resulted in some changes to the British Standards for certain fuels with FBT readings being limited to 2.52 in 2015, however, if the UK became more reliant on imports then it would be essential that foreign producers and traders were willing to test to such stringent specifications – this may not always be the case[13].

[11] https://www.itm-power.com/news/industrial-scale-renewable-hydrogen-project-advances-to-next-phase
[12] DUKES 3.2-3.4, 2018 figures
[13] https://www.spglobal.com/platts/en/market-insights/latest-news/oil/081815-introduction-of-fbt-in-uk-diesel-specification-to-create-logistical-issues-sources

4.2 It is important to note that due to the size of the global market and also the capability of the UK to buy in large enough volumes that suppliers outside the UK may well be willing to take the commercial decisions necessary to supply bespoke fuels to the UK, however, Government should be aware of such potential issues in its considerations on the UK Global Tariff.

5. Security of supply

Another consequence of a reduction in refinery capacity would be to the UK's energy security, in light of the domestic refining industry's importance in terms of security of supply for the UK.

5.1 According to the Department for Business, Energy & Industrial Strategy (BEIS) the UK currently "compares well with other OECD countries for both self-sufficiency and diversity; scoring slightly better for diversity by ranking in the top three for jet fuel, motor gasoline and diesel, and in the top half for crude oil." (Source: BEIS)

5.2 Nonetheless, within these figures it is important to note that since 2013 the UK has been a net importer of refined petroleum products, as a result of growing demand for diesel and jet fuel as well as the closure of two UK refineries since 2012 (Petroplus Coryton and Murco Milford Haven respectively). Whilst the UK remains 'net long' in petrol (exporting 6.9MT in 2017) it is 'net short' in both diesel (importing 11MT in 2017) and jet fuel (importing 8.8MT in 2017). (Source: UKPIA 2019 Statistical Review)

5.3 Further diminution in UK domestic refining capacity would increase the UK's position as a net importer of fuels, leading to an increased reliance on the international market for supply of fuel across the UK, including increased dependence on regions with a higher risk of supply disruption (i.e. Eastern Europe and the Middle East).

5.4 For example, certain non-EU Eastern European refineries do not compete on a level playing field with EU-28 refineries due to state subsidy and tax benefits[14], nor are they required to operate to the same environmental standards as EU refiners.

5.5 Product from refineries such as these currently find a home in markets further afield such as West Africa, Caribbean states, Canada and the US East Coast; all where there are no or very low tariff entry fees. Non-EU imports, including from these refineries, currently have a 4.7% tariff on them and yet they still make it to the UK market, given our shortage on this product. A reduction in UK refining capacity would undoubtedly lead to further reliance on such product in the domestic market.

[14] https://www.reuters.com/article/russia-oil-refining/russia-expands-list-of-oil-refineries-eligible-for-tax-relief-idUSL8N1ZH47G

5.6 In a scenario where the UK unilaterally adopts a 2.5% import tariff for certain EU-27 and RoW petroleum products, import dependence from such locations would only increase in the UK market.

5.7 Sources of such products include the United States and Russia as the most significant exporters of diesel, with limited quantities exported from Asia and South America, and moderate exports from Europe and Canada. Jet fuel is only exported in significant quantities from a few countries around the world (South Korea, Netherlands, US and Saudi Arabia exporting the most). Europe exports relatively small amounts (excluding Netherlands) as does Japan, Canada and North Africa. (Source: BEIS)

6. Economic impact of the sector and loss of inward investment

The downstream oil sector is a major contributor to the UK's economy, both in terms of GDP and employment. According to a 2019 UKPIA-commissioned independent study from Oxford Economics, the UK's downstream industry contributes £21.2 billion in UK GDP and nearly 300,000 jobs, both in terms of direct, indirect and induced impacts. (See Figure 3 below).

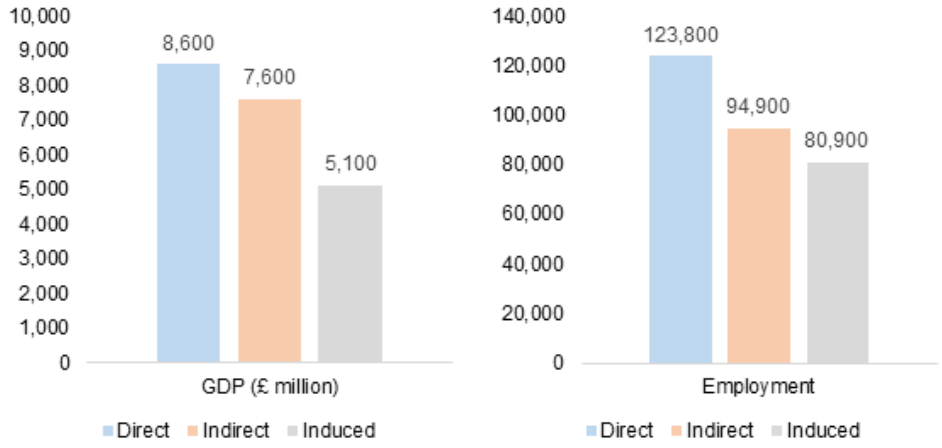

Figure 3: The total economic contribution of the UK downstream oil sector

(Source: The Economic Contribution of the UK Downstream Oil Sector)

6.1 This economic influence is both national and regional in its impact, particularly in regions where the UK's six refineries and over 60 oil storage terminals are present, most of which are located in strategic supply locations and typically

lower-paid, high-unemployment regions. On average, a UK refinery makes a £60 million per annum contribution to their local economies through employment, supply chain procurement, business rates and other factors.

6.2 Macroeconomic data from the sector is also positive, including a 29% above average contribution to UK productivity statistics, and an education profile amongst refinery workers of 35% with a degree or equivalent and 23% having completed or is currently completing an apprenticeship.

6.3 Downstream oil sector companies also make a number of substantial capital investments to the UK economy, with a number of recent capital projects announced or in progress including:

a. **Valero's £128 million investment** at **Pembroke Refinery** to construct a Combined Heat and Power (CHP) Cogeneration Unit. (Source: Pembroke Refinery Cogen)
b. **INEOS' £350 million investment** to construct a power plant supplying the **Petroineos Grangemouth Refinery**, INEOS petrochemical plant and Forties pipeline. (Source: INEOS)
c. **ExxonMobil's £800 million investment** at **Fawley Refinery** to increase ultra-low sulphur diesel production. (Source: The Times)
d. **Essar Oil UK's acquisition of assets**, taking Essar's investment in the economy to nearly **US$1 billion** since first entering the UK market with their purchase of **Stanlow Refinery** in 2011. (Source: Essar)

6.4 In light of the economic contribution the downstream oil sector makes to the UK economy, any reductions in refining capacity or indeed closures can have major negative impacts on regional economies in terms of employment and skills, as well as a knock-on effect on inward investment and national GDP. In the event that trade barriers for petroleum products between the UK and EU-27 come into place companies will likely reconsider investments as refining margins are put under further pressure.

6.5 The most recent example of a refinery closure in the UK was the Murco Milford Haven Refinery, one of the UK's smaller refineries in terms of refinery capacity. Closure of the refinery led to nearly 300 highly skilled job losses amongst the Murco workforce. The refinery was estimated to be worth £30 million to the local economy and supported a further 4,200 jobs in the region. (Source: BBC)

7. How investment decisions are made in the sector

While the companies operating in the downstream oil sector vary greatly in terms of their ownership, governance and strategic objectives, it is important to note that in the global oil sector, decisions tend to be made at the global level.

7.1 The importance of maintaining a level playing field for UK manufacturing is large part due to the structure of global international suppliers of the downstream. The long-term prospects for investment, highlighted above, would be reduced if international oil companies – as is the ownership model for much of the UK's DSO sector – do not have confidence that fuel supply can remain profitable. This has been raised in previous government led studies such as the (2015) BEIS Decarbonisation and Energy Efficiency Roadmaps, where the importance of profitability against other potential investments available globally was considered:

> "Another important factor influencing the business strategies of the UK is the ownership structure. As all are multi-national companies, business strategies are set by headquarters and have to compete with other investments elsewhere in the company. The industry sources view is that energy costs, overall regulatory, and labour costs are higher in the UK than in Europe or elsewhere, and as such competiveness {sic} is an issue for the sector in terms of gaining funding for UK based investments in general terms. Although, Total stated it is actively seeking to continue to invest in Europe and the UK by producing less, more efficiently (Total,2013)"
>
> "Larger capex projects get ranked across the world against investments in other sectors such as petrochemicals or upstream production"[15]

7.2 If the UK tariffs system is disadvantageous to UK companies in the downstream oil sector, then this may well have a large sway on decisions made on investment, jeopardising clean, green investments such as those flagged in sections 3 and 6.

8. New Zealand Consideration

8.1 The consultation document makes reference to the tariff regime of New Zealand which has a simple, banded group of tariffs. As noted before, UKPIA is in principle in favour of simplification of tariffs such as through the use of banding but there are issues with oversimplification in a petroleum market which has many hundreds of products that while chemically similar can have very different impacts when used.

8.2 We also note that when New Zealand considered their tariffs levels ahead of a change after 2017, that a public version of their consideration on the matter highlighted that low domestic production was a key reason to introduce tariffs that were lower than would be applied to New Zealand's exports, stating" As a small economy, New Zealand potentially has more to gain from international trade to ensure there is competitive pressure on domestic firms"[16]. UKPIA would wish to emphasise that the UK downstream oil sector is likely to be more

[15] BEIS Decarbonisation and Energy Efficiency Roadmaps, Oil Refineries, p31
[16] Cabinet Paper – Import Tariff Levels after 2017, Office of the Minister of Commerce and Consumer Affairs, p4

competitive than New Zealand, with an obvious example being that New Zealand has only one refinery supplying domestically, whereas the UK has 6, which compete with one another as well as with global competitors. The UKPIA publication delivered by Oxford Economics in 2019 showed that productivity in the UK sector was 29% above the national average[17].

8.3 The same New Zealand cabinet paper also pointed out that having unilaterally low tariffs can affect domestic producers negatively when other trading countries do not reciprocate low tariffs (p6), as well as highlighting that non-tariff barriers (NTBs) "often present even greater barriers to…exports than tariffs" (p6).

8.4 In the case of international trade of hazardous materials such as petroleum products and petrochemicals, these non-tariff barriers can be significant and UKPIA has raised the concerns that we have should the UK no longer be under the REACH regulations in our future trading with the EU, with the potential for new checks at the border and even the potential for UK entities having to take on major administrative burden (that might run into the £millions) in producing substance dossiers in any mooted UK REACH replacement

[17] The Economic Contribution of the UK Downstream Oil Sector, Oxford Economics, p7

Supporting Table – UKPIA calculations on UK Trade Info

(available as excel on request – contact info@ukpia.com)

Commodity		Tariff Rates					Current Trade Values https://www.uktradeinfo.com/Statistics/BuildYourOwnTables/Pages/Table.aspx							Trade direction		Impact of Tariff Changes			
Commodity code	Description	Current / CET	Change?	UKGT	UKPIA Preferred Tariff (unless FTA or already 0%)	Notes	RoW Import	RoW Export	EU Arrival	EU Dispatch	Trade Total	Imports Total	Exports total	Major importer / exporter	EU Trade %age	UK Import from EU Change Tariff Cost	UK Import from RoW Change Tariff Cost	UK Export to EU Change Tariff Cost	UK Export to RoW Change Tariff Cost (No change, expect that WTO terms will be retained)
2710 12	- - Light oils and preparations															£ -	£ -	£ -	£ -
2710 12 11	- - - For undergoing a specific process	Variable ***(se	Yes		No change		£125,820,268	£938,873	£12,836,253	£4,601,280	**£144,196,674**	£138,656,521	£5,540,153	25.03	12%	£ -			£ -
2710 12 15	- - - For undergoing chemical transformation by a process other than those specified in respect of subheading 2710 12 11	Variable ***(se	Yes		No change		£0	£210,804	£8,480,300	£218,059	**£8,909,163**	£8,480,300	£428,863	19.77	98%	£ -			£ -
2710 12 21	- - - - - White spirit	4.7%	Yes	2.5%	No change		£208,522,946	£7,562,269	£42,962,414	£119,372,505	**£378,420,134**	£251,485,360	£126,934,774	1.98	43%	£ 1,074,060	£ (4,587,505)	£ 5,610,508	£ -
2710 12 25	- - - - - Other	4.7%	Yes	2.5%	No change		£1,488,396	£4,504,213	£162,019,457	£497,968,387	**£665,980,453**	£163,507,853	£502,472,600	0.33	99%	£ 4,050,486	£ (32,745)	£ 23,404,514	£ -
	- - - - Other															£ -	£ -	£ -	£ -
	- - - - - Motor spirit															£ -	£ -	£ -	£ -
2710 12 31	- - - - - - Aviation spirit	4.7%	Yes	2.5%	No change		£48,455	£595,597	£10,204,499	£1,038	£10,849,589	£10,252,954	£596,635	17.18	94%	£ 255,112	£ (1,066)	£ 49	£ -
	- - - - - - - Blends with gasoline with an ethyl alcohol content of more than 10% (v/v)															£ -	£ -	£ -	£ -
	- - - - - - Other, with a lead content															£ -	£ -	£ -	£ -
	- - - - - - - Not exceeding 0.013 g per litre															£ -	£ -	£ -	£ -
2710 12 41	- - - - - - - With an octane number (RON) of less than 95	4.7%	Yes	2.5%	No change		£12,348,814	£1,736,064,231	£310,038,510	£541,309,828	**£2,599,761,383**	£322,387,324	£2,277,374,059	0.14	33%	£ 7,750,963	£ (271,674)	£ 25,441,562	£ -
	- - - - - - - - Blends with gasoline with an ethyl alcohol content of more than 10% (v/v)															£ -	£ -	£ -	£ -
2710 12 45	- - - - - - - - With an octane number (RON) of 95 or more but less than 98	4.7%	Yes	2.5%	No change		£133,292,863	£369,038,215	£784,759,448	£537,896,077	**£1,824,986,603**	£918,052,311	£906,934,292	1.01	72%	£ 19,618,986	£ (2,932,443)	£ 25,281,116	£ -
	- - - - - - - - - Blends with gasoline with an ethyl alcohol content of more than 10% (v/v)															£ -	£ -	£ -	£ -
2710 12 49	- - - - - - - - With an octane number (RON) of 98 or more	4.7%	Yes	2.5%	No change		£558,610	£5,494,934	£12,772,574	£8,871,348	£27,697,466	£13,331,184	£14,366,282	0.93	78%	£ 319,314	£ (12,289)	£ 416,953	£ -
	- - - - - - - - - Blends with gasoline with an ethyl alcohol content of more than 10% (v/v)															£ -	£ -	£ -	£ -
2710 12 50	- - - - - - - Exceeding 0.013 g per litre	4.7%	Yes	2.5%	No change		£182,595	£7,088	£0	£110,064	**£299,747**	£182,595	£117,152	1.56	37%	£ -	£ (4,017)	£ 5,173	£ -
	- - - - - - - - Blends with gasoline with an ethyl alcohol content of more than 10% (v/v)															£ -	£ -	£ -	£ -
2710 12 51							£0	£0	£0	£0	**£0**	£0	£0	#DIV/0!	#DIV/0!	£ -	£ -	£ -	£ -
2710 12 70	- - - - - Spirit type jet fuel	4.7%	Yes	2.5%	No change		£0	£440,400	£7,418,304	£0	**£7,858,704**	£7,418,304	£440,400	16.84	94%	£ 185,458	£ -	£ -	£ -
2710 12 90	- - - - - Other light oils	4.7%	Yes	2.5%	No change		£3,705,836	£89,257,210	£308,553,965	£1,029,372,668	**£1,430,889,679**	£312,259,801	£1,118,629,878	0.28	94%	£ 7,713,849	£ (81,528)	£ 48,380,515	£ -
	- - - - - - Blends with gasoline with an ethyl alcohol content of more than 10% (v/v)															£ -	£ -	£ -	£ -
	- - - Medium oils															£ -	£ -	£ -	£ -
2710 19 11	Code reserved for authorised use; the duty rate is specified under regulations made under section 19 of the Taxation (Cross-border Trade) Act 2018	AU	Yes		No change		£222,598	£408,984	£5,806	£20,411	**£657,799**	£228,404	£429,395	0.53	4%	£ -			£ -
2710 19 15	Code reserved for authorised use; the duty rate is specified under regulations made under section 19 of the Taxation (Cross-border Trade) Act 2018	AU	Yes		No change		£0	£16,605	£10	£14,998	**£31,613**	£10	£31,603	0.00	47%	£ -			£ -
	- - - - For other purposes															£ -	£ -	£ -	£ -
	- - - - - Kerosene															£ -	£ -	£ -	£ -
2710 19 21	- - - - - - Jet fuel	0%	0%	0%			£4,142,641,609	£9,787,857	£432,104,071	£829,880,619	**£5,414,414,156**	£4,574,745,680	£839,668,476	5.45	23%	£ -	£ -	£ -	£ -
2710 19 25	- - - - - - Other	4.7%	Yes	2.5%	No change		£70,661	£958,249	£204,502,361	£22,275,985	**£227,807,256**	£204,573,022	£23,234,234	8.80	100%	£ 5,112,559	£ (1,555)	£ 1,046,971	£ -
2710 19 29	- - - - - Other	4.7%	Yes	2.5%	No change		£519,545	£1,715,891	£14,669,531	£6,905,735	£23,810,702	£15,189,076	£8,621,626	1.76	91%	£ 366,738	£ (11,430)	£ 324,570	£ -
	- - - Heavy oils															£ -	£ -	£ -	£ -
	- - - - Gas oils															£ -	£ -	£ -	£ -
2710 19 31	Code reserved for authorised use; the duty rate is specified under	Variable	Yes		No change		£14,444	£259,995	£57,825,346	£4,301,291	£62,401,076	£57,839,790	£4,561,286	12.68	100%	£ -			£ -
2710 19 35	Code reserved for authorised use; the duty rate is specified under	Variable	Yes		No change		£0	£172,258	£7,672,430	£16,335	**£7,861,023**	£7,672,430	£188,593	40.68	98%	£ -			£ -
	- - - - - For other purposes															£ -	£ -	£ -	£ -
27101941							£0	£0	£0	£0						£ -	£ -	£ -	£ -
2710 19 43	- - - - - - With a sulphur content not exceeding 0.001% by weight	0%	0%	0%			£4,512,466,384	£3,901,819	£1,853,485,422	£454,753,051	**£6,824,606,676**	£6,365,951,806	£458,654,870	13.88	34%	£ -	£ -	£ -	£ -
27101945							£0	£0	£0	£0	**£0**	£0	£0	#DIV/0!	#DIV/0!	£ -	£ -	£ -	£ -
2710 19 46	- - - - - - With a sulphur content exceeding 0.001% by weight but not	0%	0%	0%			£3,358	£129,198	£23,245	£112,446,363	**£112,602,164**	£26,603	£112,575,561	0.00	100%	£ -	£ -	£ -	£ -
2710 19 47	- - - - - - With a sulphur content exceeding 0.002% by weight but not	0%	0%	0%			£237,087,117	£177,926,138	£144,493,895	£514,014,765	**£1,073,521,915**	£381,581,012	£691,940,903	0.55	61%	£ -	£ -	£ -	£ -
2710 19 48	- - - - - - With a sulphur content exceeding 0.1% by weight	0%	0%	0%		or 3.5% if very high sulphur	£22,184	£28,138,648	£14,592,814	£449,938,516	**£492,692,162**	£14,614,998	£478,077,164	0.03	94%	£ -	£ -	£ -	£ -
27101949							£0	£0	£0	£0	**£0**	£0	£0	#DIV/0!	#DIV/0!	£ -	£ -	£ -	£ -
	- - - - Fuel oils															£ -	£ -	£ -	£ -
2710 19 51	Code reserved for authorised use; the duty rate is specified under regulations made under section 19 of the Taxation (Cross-border Trade) Act 2018	Variable	Yes		No change		£0	£82,620,782	£1,341,527	£68,413,295	**£152,375,604**	£1,341,527	£151,034,077	0.01	46%	£ -			£ -

2710 19 55	Code reserved for authorised use; the duty rate is specified under regulations made under section 19 of the Taxation (Cross-border Trade) Act 2018	Variable	Yes		No change		£0	£0	£25,980	£7,945	**£33,925**	£25,980	£7,945	3.27	100%	£ -				£ -
	- - - - - For other purposes															£ -	£ -	£ -	£ -	£ -
27101961							£0	£0	£0	£0	**£0**	£0	£0	#DIV/0!	#DIV/0!	£ -	£ -	£ -	£ -	£ -
2710 19 62	- - - - - - With a sulphur content not exceeding 0.1% by weight	3.5%	Yes	2.5%	No change		£24,368	£1,941,814	£81,823,410	£55,997,845	**£139,787,437**	£81,847,778	£57,939,659	1.41	99%	£ 2,045,585	£ (244)	£ 1,959,925	£ -
27101963							£0	£0	£0	£0	**£0**	£0	£0	#DIV/0!	#DIV/0!	£ -	£ -	£ -	£ -	£ -
2710 19 64	- - - - - - With a sulphur content exceeding 0.1% by weight but not exceeding 1% by weight	3.5%	Yes	2.5%			£0	£126,572,051	£472,133,824	£345,538,021	**£944,243,896**	£472,133,824	£472,110,072	1.00	87%	£ 11,803,346	£ -	£ 12,093,831	£ -
27101965							£0	£0	£0	£0	**£0**	£0	£0	#DIV/0!	#DIV/0!	£ -	£ -	£ -	£ -	£ -
2710 19 68	- - - - - - With a sulphur content exceeding 1% by weight	3.5%	Yes	2.5%			£1,557	£11,755,479	£272,646,114	£226,044,202	**£510,447,352**	£272,647,671	£237,799,681	1.15	98%	£ 6,816,153	£ (16)	£ 7,911,547	£ -
27101969							£0	£0	£0	£0	**£0**	£0	£0	#DIV/0!	#DIV/0!	£ -	£ -	£ -	£ -	£ -
	- - - - Lubricating oils; other oils															£ -	£ -	£ -	£ -	£ -
2710 19 71	Code reserved for authorised use; the duty rate is specified under regulations made under section 19 of the Taxation (Cross-border Trade) Act 2018	Variable	Yes		No change		£1,728	£283,645	£106,110	£415,322	**£806,805**	£107,838	£698,967	0.15	65%	£ -				£ -
2710 19 75	Code reserved for authorised use; the duty rate is specified under regulations made under section 19 of the Taxation (Cross-border Trade) Act 2018	Variable	Yes		No change		£0	£0	£272,573	£4,104	**£276,677**	£272,573	£4,104	66.42	100%	£ -				£ -
	- - - - - For other purposes															£ -	£ -	£ -	£ -	£ -
2710 19 81	- - - - - - Motor oils, compressor lube oils, turbine lube oils	3.7%	Yes	2.5%	No change		£4,551,439	£40,537,299	£131,866,387	£39,185,798	**£216,140,923**	£136,417,826	£79,723,097	1.71	79%	£ 3,296,660	£ (54,617)	£ 1,449,875	£ -
2710 19 83	- - - - - - Hydraulic oils	3.7%	Yes	2.5%	No change		£507,272	£5,233,580	£24,911,189	£10,404,493	£41,056,534	£25,418,461	£15,638,073	1.63	86%	£ 622,780	£ (6,087)	£ 384,966	£ -
2710 19 85	- - - - - - White oils, liquid paraffin	3.7%	Yes	2.5%	No change		£589,430	£324,784	£10,276,115	£1,538,329	£12,728,658	£10,865,545	£1,863,113	5.83	93%	£ 256,903	£ (7,073)	£ 56,918	£ -
2710 19 87	- - - - - - Gear oils and reductor oils	3.7%	Yes	2.5%	No change		£515,926	£3,438,574	£32,734,542	£10,178,672	£46,867,714	£33,250,468	£13,617,246	2.44	92%	£ 818,364	£ (6,191)	£ 376,611	£ -
2710 19 91	- - - - - - Metal-working compounds, mould-release oils, anti-corrosion oils	3.7%	Yes	2.5%	No change		£1,185,404	£2,106,985	£24,184,277	£3,925,644	£31,402,310	£25,369,681	£6,032,629	4.21	90%	£ 604,607	£ (14,225)	£ 145,249	£ -
2710 19 93	- - - - - - Electrical insulating oils	3.7%	Yes	2.5%	No change		£806,163	£3,940,056	£1,487,598	£2,805,242	**£9,039,059**	£2,293,761	£6,745,298	0.34	47%	£ 37,190	£ (9,674)	£ 103,794	£ -
2710 19 99	- - - - - - Other lubricating oils and other oils	3.7%	Yes	2.5%	No change		£25,019,419	£121,562,832	£167,742,991	£86,275,637	**£400,600,879**	£192,762,410	£207,838,469	0.93	63%	£ 4,193,575	£ (300,233)	£ 3,192,199	£ -
2710 20	**- Petroleum oils and oils obtained from bituminous minerals (other than crude) and preparations not elsewhere specified or included, containing by weight 70% or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations, containing biodiesel, other than waste oils**															£ -	£ -	£ -	£ -	£ -
	- - Gas oils															£ -	£ -	£ -	£ -	£ -
2710 20 11	- - - With a sulphur content not exceeding 0.001% by weight	0%	0%	0%			£0	£155,852	£352,873,377	£427,693,560	**£780,722,789**	£352,873,377	£427,849,412	0.82	100.0%	£ -	£ -	£ -	£ -	£ -
2710 20 15	- - - With a sulphur content exceeding 0.001% by weight but not exceeding 0.002% by weight	0%	0%	0%			£0	£0	£0	£96	**£96**	£0	£96	0.00	100%	£ -	£ -	£ -	£ -	£ -
2710 20 17	- - - With a sulphur content exceeding 0.002%	0%	0%	0%			£0	£0	£0	£40,099	**£40,099**	£0	£40,099	0.00	100%	£ -	£ -	£ -	£ -	£ -
2710 20 19	- - - With a sulphur content exceeding 0.1% by weight	0%	0%	0%		or 3.5%	£0	£0	£0	£1,388	**£1,388**	£0	£1,388	0.00	100%	£ -	£ -	£ -	£ -	£ -
	- - Fuel oils															£ -	£ -	£ -	£ -	£ -
2710 20 31	- - - With a sulphur content not exceeding 0.1% by weight	3.5%	Yes	2.5%	No change		£0	£19,915,018	£2,509,353	£1,582	£22,425,953	£2,509,353	£19,916,600	0.13	11%	£ 62,734	£ -	£ 55	£ -
2710 20 35	- - - With a sulphur content exceeding 0.1% by weight but not exceeding 1% by weight	3.5%	Yes	2.5%	No change		£1,972	£0	£4,328	£0	**£6,300**	£6,300	£0	#DIV/0!	69%	£ 108	£ (20)	£ -	£ -
2710 20 39	- - - With a sulphur content exceeding 1% by weight	3.5%	Yes	2.5%	No change		£0	£0	£13,710	£0	**£13,710**	£13,710	£0	#DIV/0!	100%	£ 343	£ -	£ -	£ -
2710 20 90	- - Other oils	3.5%	Yes	2.5%	No change		£365,319	£338,282	£1,935,923	£1,410,472	**£4,049,996**	£2,301,242	£1,748,754	1.32	83%	£ 48,398	£ (3,653)	£ 49,367	£ -
	- Waste oils															£ -	£ -	£ -	£ -	£ -
2710 91	- - Containing polychlorinated biphenyls (PCBs), polychlorinated terphenyls (PCTs) or polybrominated biphenyls (PBBs)	3.5%	Yes	2.5%	No change		£0	£6,502	£1,269	£807,035	**£814,806**	£1,269	£813,537	0.00	99%	£ 32	£ -	£ 28,246	£ -
2710 99	- - Other						£1,142,133	£255,341	£1,178,254	£2,494,099	**£5,069,827**	£2,320,387	£2,749,440	0.84	72%	£ -	£ -	£ -	£ -	£ -
2710 99 00 10	Code reserved for authorised use; the duty rate is specified under regulations made under section 19 of the Taxation (Cross-border Trade) Act 2018	Variable	Yes		No change											£ -				£ -
2710 99 00 90	- - - Other	3.5%	Yes	2.5%	No change											£ -	£ -	£ -	£ -	£ -
2711	**Petroleum gases and other gaseous hydrocarbons**															£ -	£ -	£ -	£ -	£ -
	- Liquefied															£ -	£ -	£ -	£ -	£ -
2711 11	- - Natural gas	0%	0%	0%		NB not counted by UKPIA as not a petroleum product					**£0**	£0	£0	#DIV/0!	#DIV/0!	£ -	£ -	£ -	£ -	£ -

2711 12	- - Propane	0%		0.00	0%																		£ -	£ -	£ -	£ -					
2711 12 11	- - - - For use as a power or heating fuel	8%	Yes		5%		No change		£3,087,122	£419,818	£7,661,098	£58,445,136	**£69,613,174**	£10,748,220	£58,864,954		0.18	95%	£	383,055	£	(92,614)	£	4,675,611	£ -							
2711 12 19	- - - - For other purposes	0%	0%		0%		No change		£0	£1,017,754	£38,333	£15,960,843	**£17,016,930**	£38,333	£16,978,597		0.00	94%	£	-					£ -							
	- - - Other																#DIV/0!		£	-	£	-	£	-	£ -							
2711 12 91	Code reserved for authorised use; the duty rate is specified under regulations made under section 19 of the Taxation (Cross-border Trade) Act 2018	Variable	Yes				No change		£43,338,133	£6,750	£7	£6,935	**£43,351,825**	£43,338,140	£13,685		3166.84	0%	£	-					£ -							
2711 12 93	Code reserved for authorised use; the duty rate is specified under regulations made under section 19 of the Taxation (Cross-border Trade) Act 2018	Variable	Yes						£26,335,651	£0	£0	£0							£	-					£ -							
	- - - - For other purposes																		£	-	£	-	£	-	£ -							
2711 12 94	- - - - - Of a purity exceeding 90% but of less than 99%	0.7%	Yes		0%		0%		£2,756,984	£8,902,905	£12,372,067	£123,335,373	**£147,367,329**	£15,129,051	£132,238,278		0.11	92%	£	-	£	(19,299)	£	863,348	£ -							
27111296									£0	£0	£0	£0	**£0**	£0	£0		#DIV/0!	#DIV/0!	£	-	£	-	£	-	£ -							
2711 12 97	- - - - - Other	0.7%	Yes		0%		0%		£48,968,089	£3,732,505	£13,139,299	£113,469,590	**£179,309,483**	£62,107,388	£117,202,095		0.53	71%	£	-	£	(342,777)	£	794,287	£ -							
27111298									£0	£0	£0	£0	**£0**	£0	£0		#DIV/0!	#DIV/0!	£	-	£	-	£	-	£ -							
2711 13	- - Butanes																		£	-	£	-	£	-	£ -							
2711 13 10	Code reserved for authorised use; the duty rate is specified under regulations made under section 19 of the Taxation (Cross-border Trade) Act 2018	Variable	Yes				No change		£5,429,243	£268,139	£805,350	£1,963	**£6,504,695**	£6,234,593	£270,102		23.08	12%	£	-					£ -							
2711 13 30	Code reserved for authorised use; the duty rate is specified under regulations made under section 19 of the Taxation (Cross-border Trade) Act 2018	Variable	Yes				No change		£0	£3,500	£0	£2,876	**£6,376**	£0	£6,376		0.00	45%	£	-					£ -							
	- - - For other purposes																		£	-	£	-	£	-	£ -							
2711 13 91	- - - - Of a purity exceeding 90% but of less than 95%	0.7%	Yes		0%		0%		£12,377,256	£48,043	£10,373,133	£203,436,780	**£226,235,212**	£22,750,389	£203,484,823		0.11	95%	£	-	£	(86,641)	£	1,424,057	£ -							
27111393									£0	£0	£0	£0	**£0**	£0	£0		#DIV/0!	#DIV/0!	£	-	£	-	£	-	£ -							
2711 13 97	- - - - Other	0.7%	Yes		0%		0%		£2,799,582	£132,694,500	£35,298,868	£236,741,296	**£407,534,246**	£38,098,450	£369,435,796		0.10	67%	£	-	£	(19,597)	£	1,657,189	£ -							
27111398									£0	£0	£0	£0	**£0**	£0	£0		#DIV/0!	#DIV/0!	£	-	£	-	£	-	£ -							
2711 14	- - Ethylene, propylene, butylene and butadiene	0%	0%		0%				£14,867,407	£140,000	£17,210,495	£109,528,502	**£141,746,404**	£32,077,902	£109,668,502		0.29	89%	£	-	£	-	£	-	£ -							
2711 19	- - Other	0%	0%		0%				£798,540	£29,388,746	£1,728,506	£557,261	**£32,473,053**	£2,527,046	£29,946,007		0.08	7%	£	-	£	-	£	-	£ -							
	- In gaseous state																		£	-	£	-	£	-	£ -							
2711 21	- - Natural gas	0%	0%		0%			NB not counted by UKPIA as not a petroleum product					**£0**	£0	£0		#DIV/0!	#DIV/0!	£	-	£	-	£	-	£ -							
2711 29	- - Other	0%	0%		0%			As above					**£0**	£0	£0		#DIV/0!	#DIV/0!	£	-	£	-	£	-	£ -							
2712	**Petroleum jelly; paraffin wax, microcrystalline petroleum wax, slack wax, ozokerite, lignite wax, peat wax, other mineral waxes, and similar products obtained by synthesis or by other processes, whether or not coloured**												**£0**	£0	£0		#DIV/0!	#DIV/0!	£	-	£	-	£	-	£ -							
2712 10	**- Petroleum jelly**												**£0**	£0	£0		#DIV/0!	#DIV/0!	£	-	£	-	£	-	£ -							
2712 10 10	- - Crude	0%	0%		0%				£464,656	£451,089	£538,307	£60,946	**£1,514,998**	£1,002,963	£512,035		1.96	40%	£	-	£	-	£	-	£ -							
2712 10 90	- - Other	2.2%	Yes		0%		0%		£1,532,778	£3,478,580	£1,958,350	£3,544,643	**£10,514,351**	£3,491,128	£7,023,223		0.50	52%	£	-	£	(33,721)	£	77,982	£ -							
2712 20	**- Paraffin wax containing by weight less than 0.75% of oil**																		£	-	£	-	£	-	£ -							
2712 20 00									£0	£0	£0	£0	**£0**	£0	£0		#DIV/0!	#DIV/0!	£	-	£	-	£	-	£ -							
2712 20 10	- - Synthetic paraffin wax of a molecular weight of 460 or more but not exceeding 1 560	0%	0%		0%				£4,362,009	£1,299,325	£6,197,354	£1,232,756	**£13,091,444**	£10,559,363	£2,532,081		4.17	57%	£	-	£	-	£	-	£ -							
2712 20 90	- - Other	2.2%	Yes		0%		0%		£1,014,209	£11,391,898	£5,489,300	£982,003	**£18,877,410**	£6,503,509	£12,373,901		0.53	34%	£	-	£	(22,313)	£	21,604	£ -							
2712 90	**- Other**																		£	-	£	-	£	-	£ -							

	- - Ozokerite, lignite wax or peat wax (natural products)																			£ -	£ -	£ -	£ -
2712 90 11	- - - Crude	0.7%	Yes	0%	0%		£69,315	£117,531	£347,922		**£534,768**	£417,237	£117,531	3.55	65%	£ -	£ (485)	£ -	£ -
2712 90 19	- - - Other	2.2%	Yes	0%	0%		£106,874	£92,945	£121,033	£326,759	**£647,611**	£227,907	£419,704	0.54	69%	£ -	£ (2,351)	£ 7,189	£ -
	- - Other															£ -	£ -	£ -	£ -
	- - - Crude													#DIV/0!		£ -	£ -	£ -	£ -
2712 90 31	Code reserved for authorised use; the duty rate is specified under regulations made under section 19 of the Taxation (Cross-border Trade) Act 2018	Variable	Yes		No change		£0	£10,585	£85,355	£0	**£95,940**	£85,355	£10,585	8.06	89%	£ -			£ -
2712 90 33	Code reserved for authorised use; the duty rate is specified under regulations made under section 19 of the Taxation (Cross-border Trade) Act 2018	Variable	Yes		No change		£0	£0	£0	£0	**£0**	£0	£0	#DIV/0!	#DIV/0!	£ -			£ -
2712 90 39	- - - - For other purposes	0.7%	Yes	0%	0%		£990	£48,213	£11,047,989	£29,184,670	£40,281,862	£11,048,979	£29,232,883	0.38	100%	£ -	£ (7)	£ 204,293	£ -
	- - - Other															£ -	£ -	£ -	£ -
2712 90 90							£0	£0	£0	£0	**£0**	£0	£0	#DIV/0!	#DIV/0!	£ -	£ -	£ -	£ -
2712 90 91	- - - - Blend of 1-alkenes containing by weight 80% or more of 1-alkenes of a chain-length of 24 carbon atoms or more but not exceeding 28 carbon atoms	0%	0%	0%			£0	£16,196	£1,447	£0	**£17,643**	£1,447	£16,196	0.09	8%	£ -	£ -	£ -	£ -
2712 90 99	- - - - Other	2.2%	Yes	0%	0%		£608,793	£663,653	£17,825,761	£2,508,533	£21,606,740	£18,434,554	£3,172,186	5.81	94%	£ -	£ (13,393)	£ 55,188	£ -
2713	**Petroleum coke, petroleum bitumen and other residues of petroleum oils or of oils obtained from bituminous minerals**															£ -	£ -	£ -	£ -
	- Petroleum coke															£ -	£ -	£ -	£ -
2713 11	- - Not calcined	0.%	0.%	0%			£20,956,343 *		£1,474,034 *		£22,430,377	£22,430,377		#DIV/0!	#VALUE!	£ -	£ -		£ -
2713 12	- - Calcined	0.%	0.%	0%			£29,362,564 *		£1,514,475 *		£30,877,039	£30,877,039		#DIV/0!	#VALUE!	£ -	£ -		£ -
2713 20	**- Petroleum bitumen**	0.%	0.%	0%			£10,444,859	£1,432,677	£220,493,846	£86,513,308	**£318,884,690**	£230,938,705	£87,945,985	2.63	96%	£ -	£ -	£ -	£ -
2713 90	**- Other residues of petroleum oils or of oils obtained from bituminous minerals**															£ -	£ -	£ -	£ -
2713 90 10	Code reserved for authorised use; the duty rate is specified under regulations made under section 19 of the Taxation (Cross-border Trade) Act 2018	Variable	Yes		No change		£0	£0	£0	£10,296,522	£10,296,522	£0	£10,296,522	0.00	100%	£ -			£ -
2713 90 90	- - Other	0.7%	Yes	0%	0%		£28,891	£41,784	£1,311,029	£375,783	**£1,757,487**	£1,339,920	£417,567	3.21	96%	£ -	£ (202)	£ 2,630	£ -
2714	**Bitumen and asphalt, natural; bituminous or oil-shale and tar sands; asphaltites and asphaltic rocks**															£ -	£ -	£ -	£ -
2714 10	**- Bituminous or oil-shale and tar sands**	0%	0%	0%			£0	£725,077	£2,433,699	£236,713	**£3,395,489**	£2,433,699	£961,790	2.53	79%	£ -	£ -	£ -	£ -
2714 90	**- Other**	0%	0%	0%			£835,826	£407,736	£770,445	£2,001,901	**£4,015,908**	£1,606,271	£2,409,637	0.67	69%	£ -	£ -	£ -	£ -
2715	**Bituminous mixtures based on natural asphalt, on natural bitumen, on petroleum bitumen, on mineral tar or on mineral tar pitch (for example, bituminous mastics, cut-backs)**		0%	0%												£ -	£ -	£ -	£ -
27150000	**Bituminous mastics, cutbacks and other bituminous mixtures based on natural asphalt, on natural bitumen, on petroleum bitumen**	0%					£2,875,834	£8,455,909	£17,748,919	£6,200,884	£35,281,546	£20,624,753	£14,656,793	1.41	68%	£ -	£ -	£ -	£ -
27150010	Bituminous mastics						£0	£0	£0	£0	**£0**	£0	£0	#DIV/0!	#DIV/0!	£ -	£ -	£ -	£ -
27150090	Other bituminous mixtures						£0	£0	£0	£0	**£0**	£0	£0	#DIV/0!	#DIV/0!	£ -	£ -	£ -	£ -
							£ 9,647,150,761	**£ 3,063,774,210**	**£ 6,357,475,927**	**£ 7,422,424,179**	**£ 26,464,489,426**	**£ 15,978,291,037**	**£ 10,486,198,389**	**Total EXCLUDING biofuels**		**£ 77,437,357**	**£ (8,971,684)**	**£ 167,447,890**	**£ -**

Biofuels / Other materials																					
1518 00 95	Animal or Vegetable fats - - Other - Inedible mixtures or preparations of animal or of animal and vegetable fats and oils and their fractions	2.00%	Yes	0%	0%		£123,899,118	£4,889	£78,739,627	£67,031,597	**£269,675,231**	£202,638,745	£67,036,486	3.02	54%	£ -	£ (2,477,982)	£ 1,340,632	£ -		
1518 00 99	Animal or Vegetable fats - - Other - Other	7.70%	Yes	5%	0%		£2,440,560	£790,626	£2,288,396	£2,279,362	**£7,798,944**	£4,728,956	£3,069,988	1.54	59%	£ 114,420	£ (65,895)	£ 175,511	£ -		
22071000	Undenatured ethyl alcohol, of actual alcoholic strength of >=80%	55%	Yes	55%	0%		£67,180,545	£5,025,117	£321,547,061	£95,654,801	**£489,407,524**	£388,727,606	£100,679,918	3.86	85%	£ 176,850,884	£ -	£ 52,610,141	£ -		
22072000	Denatured ethyl alcohol and other spirits of any strength	29%	Yes	25%	0%		£275,576	£565,980	£58,969,066	£3,617,634	£63,428,256	£59,244,642	£4,183,614	14.16	99%	£ 14,742,267	£ (11,023)	£ 1,049,114	£ -		
38260010	Fatty-acid mono-alkyl esters, containing by weight =>96.5% of esters "FAMAE"	6.50%	Yes	5%	0%		£0	£69,810	£766,137,859	£50,355,598	**£816,563,267**	£766,137,859	£50,425,408	15.19	100%	£ 38,306,893	£ -	£ 3,273,114	£ -		
38260090	Other Blends containing by weight more than 20% of fatty-acid mono-alkyl esters or of a mixture of fatty-acid mono-alkyl esters and paraffinic gasoil obtained from synthesis and/or hydro-treatment, of non-fossil origin	6.50%	Yes	5%	0%		£953,660	£52,254	£5,621,199	£239,948	**£6,867,061**	£6,574,859	£292,202	22.50	85%	£ 281,060	£ (14,305)	£ 15,597	£ -		
2707 99 99	Fuel Oils- - - - Other - other	1.70%	Yes	0%	0%		£22,518,419	£4,627,623	£177,919,837	£337,790,282	**£542,856,161**	£200,438,256	£342,417,905	0.59	95%	£ -	£ (382,813)	£ 5,742,435	£ -		
2811 11 00 00	Hydrogen Fluouride (Hydrofluoric acid)	5.50%	Yes	5%	No Change		£218,446	£55,614	£5,855,137	£165,499	**£6,294,696**	£6,073,583	£221,113	27.47	96%	£ 292,757	£ (1,092)	£ 9,102	£ -		
2902 30 00	Toluene	0.00%	0.00%	0%	No Change		£226,656	£261,814	£7,765,246	£13,074,377	£21,328,093	£7,991,902	£13,336,191	0.60	98%	£ -	£ -	£ -	£ -		
2902 60 00	Ethylbenzene	0.00%	0.00%	0%	No Change		£0	£0	£952,024	£68,140,907	£69,092,931	£952,024	£68,140,907	0.01	100%	£ -	£ -	£ -	£ -		
2905 11 00	Methanol	5.50%	Yes	5%	No Change		£111,954,870	£909,032	£45,648,054	**£3,871,970**	£162,383,926	£157,602,924	£4,781,002	32.96	30%	£ 2,282,403	£ (559,774)	£ 212,958	£ -		
							£ 329,667,850	£ 12,362,759	£ 1,471,443,506	£ 642,221,975	£ 2,455,696,090	£ 1,801,111,356	£ 654,584,734	Biofuels + Feeds subtotal		£ 232,870,682	£ (3,512,885)	£ 64,428,603	£ -		
							£9,976,818,611	**£3,076,136,969**	**£7,828,919,433**	**£8,064,646,154**	**£28,920,185,516**	**£17,779,402,393**	**£11,140,783,123**	**Total INCLUDING biofuels**		**£310,308,040**	**-£12,484,570**	**£231,876,494**	**£0**		
Crude Oils																					
27090010	Natural Gas Condensates	0.00%	0.00%	0%		Combined figures	£0	£26,060,474	£12,905,872	£43,418,390	£82,384,736	£12,905,872	£69,478,864								
27090090	Petroleum oils and oils obtained from bituminous minerals, crude (excl. natural gas condensates	0.00%	0.00%	0%			£19,150,415,288	£5,733,472,067	£41,850,467	£12,360,687,154	**£37,286,424,976**	£19,192,265,755	£18,094,159,221								

UKPIA Calculations of Supply Cost Impacts (Section 2)

UNITED KINGDOM - MONTHLY PRICES		Actual				UK Global Tariff Impact on January Prices				Existing CET Tariff Impact on January Prices				
Wood Mackenzie Data		2019			2020		New tariff cost			2020		New tariff cost		
UNLEADED PETROL		Oct	Nov	Dec	Jan		2.50%	cost of tariff	check	Jan		4.70%	cost of tariff	check
Ex-refinery (Cost of Oil)	$/tonne	578.17	599.93	598.30	583.15					583.15				
	pence/litre	34.38	35.03	34.50	33.71		34.55	0.8427	33.71	33.71		35.29	1.5843	33.71
Gross retail margin	pence/litre	13.21	11.64	11.92	13.99	11%	13.99	11%	47.70	13.99	11%	13.99	11%	47.70
Pump price, excl. duty/VAT	pence/litre	47.58	46.67	46.42	47.70	38%	48.54	38%		47.70	38%	49.28	39%	
Excise duty	pence/litre	57.95	57.95	57.95	57.95	46%	57.95	45%		57.95	46%	57.95	44%	
VAT	pence/litre	21.11	20.92	20.87	21.13	17%	21.30	17%		21.13	17%	21.45	17%	
Pump price, incl. duty/VAT	pence/litre	126.64	125.55	125.24	126.78		127.79		126.78	126.78		128.68		126.78
						Costs Impact ppl	**1.01**	0.8422			**Costs Impact ppl**	**1.90**	1.5808	