

One thing we have learnt this week – fossil fuel subsidies

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[walney 1 and 2](http://www.heartmag.co.uk/walney-1-and-2) Guess which country in Europe gives the highest fossil fuel subsidies? No I wasn't surprised either - its the UK. Now guess which country subsidises renewables. This time its easy to guess. Germany. The EU commission has produced a report based on the 2016 Eurostat data. In the UK they reckon that we spent 12 billion Euros on fossil fuel subsidies and 8.3 billion on renewables. Germany spends 9.5 billion on on fossil fuel subsidies and 27 billion on renewables. Other countries such as the France the Netherlands, Sweden and Ireland all give more than Germany but less than us. The fossil fuel subsidies fall into two main parts. The subsidy of the north sea oil and gas industry (tax breaks) and an indirect subsidy of the low rate of VAT on domestic gas and electricity. Under EU rules these cannot be cut but members are free to raise them. A large part of the brexit campaign (interestingly now forgotten) was based around the idea that we should leave so we could VAT further. Whilst I cannot see anyone cutting VAT on fuel if we leave (and cutting from such a low level would not make that much difference to peoples bills), its even harder to see it being raised either so I guess this subsidy is here to stay. The North sea subsidies were raised with the drop in the oil price when a large number of fields were found to be uneconomic. The only way this subsidy is going to fall is as these fields close. Fracking is so small at the moment that its a very minor component. The government promised to phase these fossil fuel subsidies out and insists they do not subsidise fossil fuels. Whilst we should stop this due to climate change don't hold your breath... Neil

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