

# The UK drive to net zero is too expensive and will not lower world CO2.

I have long been critical of some UK plans to take us on the road to net zero. They entail making it very dear to use energy here so we import high energy using products from abroad. They stop us getting out our own oil and gas so we import more from overseas. They run down our food production from home farms, only to bring in more from abroad.

All those who do think getting world CO2 down is a crucial priority should attack these plans, as they mean more CO 2 produced in shipping all the things to us. If we bring in more LNG gas that produces far more CO 2 in its compression, shipping and conversion than our own gas down a pipe. If we import German or Chinese steel they may produce more CO 2 in its manufacture than we do, but they will certainly produce more CO 2 in its transport.

Today I want to concentrate on the damage these policies do to our state finances. They lose us lots of revenue, by substituting foreign for domestic production. All the super taxes paid on oil and gas output go to a foreign producer government not to the Treasury. All the taxes on wages and profits in making things go to overseas governments where the exporting factories lie. There is a major drain on our balance of payments which means the country has to borrow more from overseas to pay the bills in foreign currencies, leading to a higher debt interest burden. This is economic self harm on a grand scale.

There is the excessive expenditure taxpayers are asked to pay for. We should immediately defer the £20bn spend on carbon capture and storage. Our competitors are not doing this and it is just another cost burden, only this time a charge on taxpayers rather than business using the energy. We should cut the government spend on hydrogen development and the proposed new tax to pay for some of it. Hydrogen technology may well represent a good way forward for heating and transport, but there is no reason why taxpayers should pay for experimentation when the world market will allocate capital to what it sees as the most likely winners. The government did not have to send taxpayers money to businesses to develop smartphones and computer pads. The market found them out and paid for them.

The government should reduce taxation on energy using businesses by removing the emissions trading carbon taxes, allowing it remove the subsidies it currently has to pay to offset the damage the taxes do! It should unwind much of the money go round in the energy sector. Today we have subsidies to some ways of delivering energy allied to windfall taxes which are not actually geared to windfall prices but are just another levy. There are too many subsidies and too many taxes today, putting more companies off investing in the UK owing to the complexity and uncertainty surrounding how much anyone will be allowed to profit by large capital commitments.

The government should end the scheme to get taxpayers to pay for smart meters for all homes. Half the country does not want them and they should not be paid for out of taxes. The government should not fund local anti road schemes designed to create more congestion and to ensure vehicles burn more fuel in traffic jams.

The government has to spend a large sum on trying to secure a Jaguar battery factory. Its motor industry policy wants to close all existing diesel and petrol vehicle building and components factories by the end of this decade and it desperately needs new factories to build entirely different electric vehicles instead. To do this it is going to throw huge sums of subsidy at trying to attract the battery and EV plants some companies wish to build somewhere in the world. The government should lift its ban on petrol and diesel vehicles so that it keeps more of the traditional industry for longer. It would then look less desperate to attract EV business and would not have to bid so much subsidy in an attempt to limit the overall loss of jobs and activity.

I share the government's aim to get the deficit down. Saving money on damaging green policies which do not even cut world CO<sub>2</sub> would be a great start to control spending.