



Fuel Prices in France: Should France nationalise Total?

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Current Fuel Prices

Table 1. Composition of fuel prices in France, September 2026

Illustrative national averages, 14 September 2026. Prices in euros per litre.

Fuel	Refined fuel, transport and distribution	Taxes (excise duty + VAT)	Total price per litre
Diesel (B7)	56.8%	43.2%	€2.29
Petrol (SP95-E5)	51.6%	48.4%	€2.17

Source: European Commission, Weekly Oil Bulletin, 14 September 2026; published fuel-price breakdowns. Figures rounded.

 Bobby Trading +1

Pricing Elements

Illustrative breakdown based on the 14 September 2026 national price observations. Euros per litre.

Price component	Diesel (B7)	Petrol (SP95-E5)
Basic fuel price, excluding taxes	€1.302	€1.120
VAT on basic fuel price (20%)	€0.260	€0.224
Fuel excise duty (formerly TICPE)	€0.607	€0.690
VAT on excise duty (20%)	€0.121	€0.138
Total price at the pump	€2.290	€2.172
Total taxation per litre	€0.988	€1.052
Taxation as % of retail price	43.2%	48.4%

Sources: European Commission fuel-price data and published breakdowns for 14 September 2026. The VAT components are calculated from the corresponding pre-tax prices and excise duties. Minor differences may arise from rounding.

Historical revenue per litre

The reality: fuel prices and government revenue

Period	Price per litre	Government tax revenue per litre
2017	€1.45	€0.85
July 2022	€2.00	€0.92
2022 – with a 30-cent rebate	€1.74	€0.62
2022 – with a 10-cent rebate	€1.87	€0.82
January 2023 – increase in fuel excise duty	€1.92	€0.93
September 2026 – Diesel	€2.37	€0.99
September 2026 – Petrol (SP95)	€2.22	€1.05

French budget fuel revenue

How much does the government receive in 2026?

Diesel – €2.37 per litre



Basic fuel price: €1.38

Taxes: €0.99

Petrol (SP95) – €2.22 per litre



Basic fuel price: €1.17

Taxes: €1.05

Tax revenue includes fuel excise duty and VAT. Amounts rounded to the nearest cent.

Price Elasticity

1. Petrol versus diesel: short-run elasticity

A French government study, drawing on INSEE research, reports the following estimates:

Fuel	Short-run price elasticity
Petrol (essence)	-0.35
Diesel (gazole)	-0.10
All road fuels combined	-0.26

Source: French Ministry of the Economy, *Les prix, les marges et la consommation de carburants*, Table 5, reporting CGDD (2011) estimates. economie.gouv.fr +1

Effect of a 10% increase in fuel prices

Petrol

-3.5% consumption



Diesel

-1.0% consumption



Illustrative consumption responses using the historical elasticity estimates, assuming other factors remain constant.

Revenue after applying elasticity

3. Adjusting for the price elasticity of demand

For the central calculation, I use a short-run price elasticity of -0.30 for both fuels.

This is consistent with the range of -0.20 to -0.40 estimated by INSEE and used in the June 2026 report of the Conseil des prélèvements obligatoires. [Sustainable Development Hub +1](#)

The formula is:

$$\% \Delta Q = \epsilon \times \% \Delta P$$

Applying this to our figures:

Indicator	Diesel	Petrol
Price increase	46.3%	31.4%
Elasticity	-0.30	-0.30
Reduction in consumption	-13.9%	-9.4%
Initial annual consumption	32.0 bn litres	15.6 bn litres
Estimated new consumption	27.56 bn litres	14.13 bn litres

The calculation suggests that annual fuel consumption would fall from 47.6 billion litres to approximately 41.7 billion litres.



Revenue after applying elasticity

4. Net effect on government tax revenue

We can now calculate the additional VAT collected on the remaining fuel sales and subtract the tax revenue lost because fewer litres are sold.

Annualised change in French fuel-tax receipts

+€0.4 billion

Central scenario: elasticity -0.30

Additional VAT from higher prices

+€4.7bn

On litres still purchased

Lost tax revenue from lower consumption

-€4.3bn

Excise duty and VAT on litres no longer purchased

Net additional revenue

+€0.4bn

Illustrative calculation using 2025 fuel consumption, September 2026 prices and a constant short-run elasticity of -0.30 .
Rounded figures.

This calculation illustrates why looking only at the increase in VAT per litre can substantially overestimate the additional tax revenue received by the government.

Applying a 2€ / litre cap

Indicator	Diesel	Petrol
Average price in 2025	€1.62	€1.69
September 2026 price	€2.37	€2.22
Proposed price cap	€2.00	€2.00
Required price reduction	€0.37	€0.22
Fuel tax per litre before cap	€0.99	€1.05
Fuel tax per litre after cap	€0.62	€0.83

Applying a 2€ per litre cap

Fuel consumption with and without a €2 cap



Diesel +4.7%

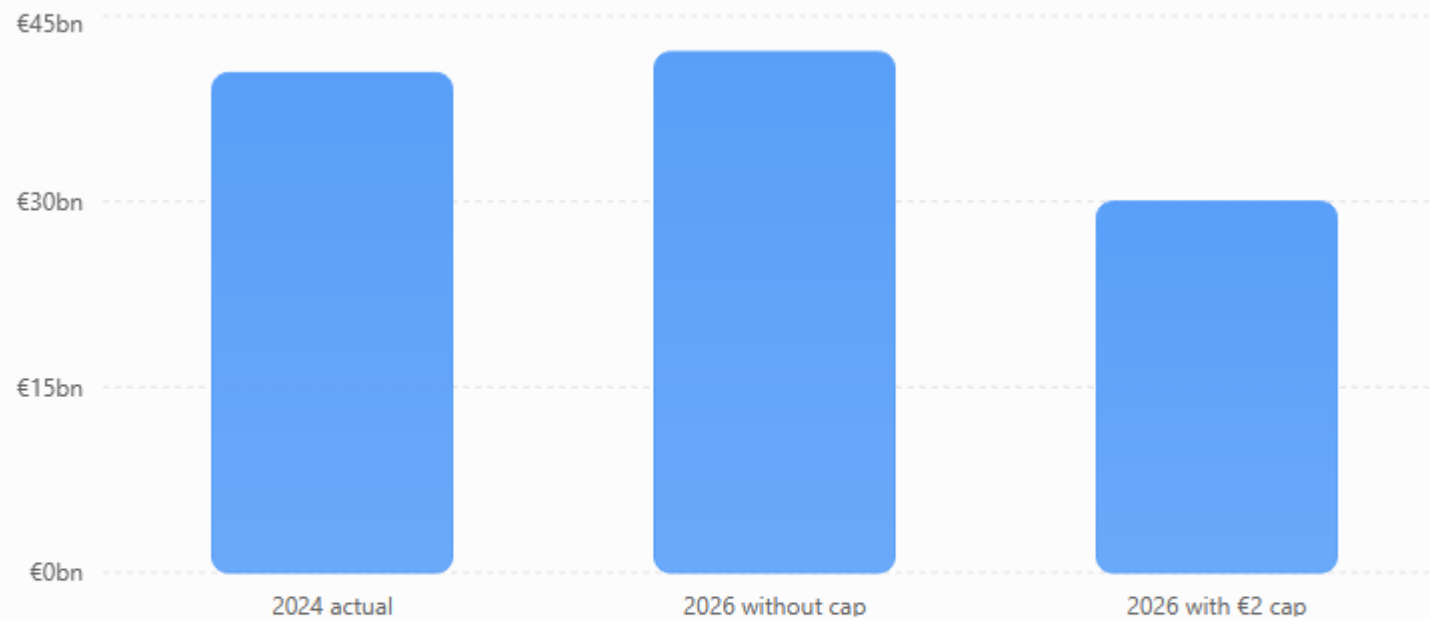
Petrol +3.0%

Illustrative annualised demand response, assuming September prices persist for one year and other factors remain constant.

Applying a 2€ per litre cap

French fuel-tax revenue: 2024 versus 2026 scenarios

€ billions per year. The 2026 figures are modelled estimates.



2024 actual revenue	€40.4bn
2026 without cap	€42.1bn
2026 with €2 cap	€30.0bn
Difference: cap versus 2024	-€10.4bn

1. The origins of French state involvement (1924–1945)



In 1924, the French government supported the creation of the Compagnie française des pétroles (CFP), the predecessor of Total, to secure French access to Middle Eastern oil.

After the Second World War, De Gaulle's provisional government pursued a policy of nationalisation in strategic sectors, including electricity, gas and coal.

However, unlike electricity and gas, which were nationalised in 1946, the petroleum industry remained a mixed public-private sector.

The objective was to secure energy supplies, develop domestic petroleum resources and reduce dependence on foreign oil companies.

De Gaulle and ELF

2. De Gaulle and the creation of Elf (1958–1967)



De Gaulle visite le champ gazier de Lacq (1959). À ses côtés le ministre de l'Industrie Jean-Marcel Jeanneney (nœud papillon) et le président de la Société nationale des Pétroles d'Aquitaine, futur Elf Aquitaine, André Blanchard, à droite du général.



During De Gaulle's presidency, the French state consolidated its petroleum interests.

In 1965, the government created ERAP (Entreprise de recherches et d'activités pétrolières), bringing together state-controlled petroleum interests.

In 1967, the Elf brand was launched, combining several French petroleum companies and their distribution networks.

Elf became a major instrument of French energy policy, with activities in oil exploration, production, refining and distribution, particularly in France and Africa.

The French state retained control of Elf, while Total continued to operate as a separate company with both public and private shareholders.

Privatisation

3. The gradual privatisation of the oil industry (1986–1998)



The privatisation process began under Jacques Chirac's government in 1986 and continued under successive governments.

Year	Development
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1986	First stage of Elf's privatisation. Private ownership increased from approximately 33% to 44%.
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1992	The state's participation in Total fell from 31.7% to 5.4%.
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1994	Elf was privatised under Édouard Balladur's government. The state sold approximately 37% of its capital, losing majority control.
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1996	The state sold most of its remaining shares in Elf.
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1998	The state disposed of its remaining ordinary shareholding in Total.
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Total Energies

4. The creation of TotalEnergies (1999–2021)



In 1999, TotalFina and Elf agreed to merge, bringing together the two major French petroleum groups.

The combined company became TotalFinaElf in 2000, subsequently adopting the name Total in 2003 and TotalEnergies in 2021.

The merger created a large multinational energy company operating under private ownership rather than direct French government control. 🇫🇷 Bnains +1

Privatisation

5. What did privatisation change for French fuel prices?

Before privatisation, the French state could exercise influence over petroleum production, refining and distribution through its ownership of Elf and its participation in Total.

Following privatisation, the government lost direct control over these companies' commercial decisions but retained its fiscal and regulatory powers.

In particular, the French government can still:

- Change fuel excise duties and VAT, subject to applicable legislation and European rules.
- Introduce temporary fuel rebates or targeted subsidies.
- Regulate competition, environmental standards and strategic petroleum reserves.

Total dividends to shareholders

TotalEnergies: dividends paid to shareholders in 2025

 according to TotalEnergies' 2025 Annual Financial Report, the company paid **\$8.121 billion** in dividends to its shareholders during 2025, equivalent to approximately €7.2 billion.  SEC +1

However, dividends were not the only way the company distributed money to shareholders.

Shareholder payments in 2025	Amount
Dividends paid to parent-company shareholders	\$8.121 billion
Share buybacks	\$7.097 billion
Total shareholder distributions	\$15.218 billion

Source: TotalEnergies, 2025 Annual Financial Report, shareholder payout figures.  SEC

The company also paid \$482 million in dividends to minority shareholders of its subsidiaries, bringing total dividends paid across the group to \$8.603 billion.  TotalEnergies.com

Dividend distribution

N.B. ME, MPC and Flat Tax

1. Who owns TotalEnergies?

TotalEnergies ownership by geographical area

31 December 2025 - Percentage of share capital, excluding treasury shares



● France ● North America ● Rest of Europe ● Rest of world ● United Kingdom

Total's French Tax Bill

2. How much corporate income tax does TotalEnergies pay in France?

French corporate income tax paid in 2025

€0

According to the company's CEO

TotalEnergies reported approximately €300 million in French tax losses for 2025, largely attributable to its refining activities.

Source: Reuters, 13 February 2026.  Reuters

Despite reporting worldwide adjusted net income of approximately \$15.6 billion in 2025, TotalEnergies did not pay French corporate income tax for that year.

Its CEO, Patrick Pouyanné, explained that the company's French operations had recorded a tax loss of approximately €300 million, largely because of difficulties in refining.  Reuters +1

Scenarii for Renationalisation

A. Complete nationalisation

- Production, Refining, Distribution, Natural Gas, Electricity

B. Nationalise fuel refining and distribution

- Direct control without paying 100bn€ for the entire company

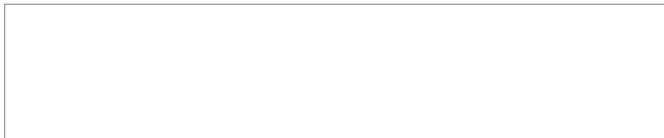
C. Create a public fuel company competing with existing operators

Cost of Nationalisation

A French Senate inquiry published in 2024 estimated that acquiring just 5% of TotalEnergies would cost approximately €7 billion. The inquiry considered a significant public shareholding financially difficult because of the acquisition cost.  Rapport - Sénat

On that historical valuation, purchasing 100% of the company would imply approximately €140 billion before allowing for a possible control premium, transaction costs and changes in its market valuation.

This is an illustration based on the Senate's 2024 estimate, not a current 2026 acquisition valuation.



Imported to Internal Inflation

Imported inflation (higher imported energy prices) creates internal inflation.

Imported inflation leads to higher energy costs and hence product inflation.

Product inflation leads to salary inflation.

ECB reaction – increase the Interest Rate (hence decrease consumption and growth and does not deal with import inflation)

Therefore – resolve import inflation early to avoid an inflationary spiral and potential austerity plan. See ['Inflation'](#)

Other EU countries

- Germany. -17c/l. Cost 2.5bn€
- Spain. Reduce VAT from 21% to 10%. Result -30 to -40c/l
- Italy. -22c/l
- Ireland. -15c/l petrol, -20c/l diesel
- Poland. Reduce VAT from 23% to 8%
- Greece. -20c/l
- France. Specific minimal intervention. Waiting for the next Gilets Jaunes, inflation and reduction to growth?