

## PRESS RELEASE

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### **Abolishing aviation taxes would boost European GDP by €215 billion by 2030 and create 110,000 new jobs**

- PwC study estimates an increase of 45 million passengers and an extra €12.5 billion tourism expenditure by 2020.
- European travellers fleeced by air passenger taxes which will raise €6 billion in 2017.

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**A new study commissioned by A4E from PwC - “The economic impact of air taxes in Europe” - shows that abolishing all air passenger taxes in the European Economic Area (EEA) would boost European GDP by €215 billion (cumulative) over the next 12 years. It would grow from an additional €10.5 billion in 2018 to €25 billion per year by 2030. This would create 47,000 jobs in the two years following the taxes abolition with a total of 110,000 new jobs created by 2030.**

“The study demonstrates the impact of passenger taxes, which hinder economic growth and tourism. Countries which have scrapped them have seen a boom in air traffic which has benefited their economies. Member States cannot just close their eyes to reality once they understand the maximum economic benefit which would be unlocked through the removal of these taxes. We urge European countries to remove these taxes which are stifling the industry’s ability to deliver sustainable growth and bring economic and social benefits to Europe. This is in line with the European Commission’s strategic priorities: tapping into growth markets and tackling limits to growth in the air and on the ground,” said Thomas Reynaert, A4E’s Managing Director.

The report by PwC estimates that total **air passenger taxes will raise €6 billion** in 2017. According to the report, removing aviation taxes across Europe would boost economic activity and generate an equivalent amount of revenue in indirect taxes.



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“Today, we have good news for the European economies and tourism which will be benefitted from the abolition of aviation taxes. Removing all air passenger levies would add more than **45 million passengers by 2020**, with more than half being tourists,” added Reynaert.

The report estimates that these passengers would increase tourism expenditure by around €8.9 billion by 2020, raising the total **additional expenditure to €12.5 billion**. Lower taxes would also increase traffic within Europe which would further improve connectivity and trade. “To make Europe more attractive, accessible and welcoming to visitors these taxes must be eliminated,” said Reynaert. “We also need to make sure that any growth is sustainable and delivers not just economic benefits, but benefits for society as a whole. Technological innovation combined with a global market based mechanism to manage aviation emissions means that growth can be managed sustainably.”

Other sectors of the EU economy would also benefit from lower air fares with the abolition of these taxes. Typically, the sectors which benefit most are those which are the biggest users of air transport such as manufacturing and financial services.

Note to Editors:

This report is part of a broader set of analysis commissioned by A4E to PwC which provides an independent overview of the current air passenger taxes in Europe and an assessment of their economic impact. It uses a Computable General Equilibrium (CGE) model applied by institutions such as the IMF, World Bank, OECD and several national governments to quantify the economic impact of policy changes.

Currently, air passenger taxes are collected in Austria, Croatia, France, Germany, Greece, Italy, Latvia, Luxembourg, Norway and the UK while Sweden (2018) and the Netherlands (2021) are planning their future introduction.





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### About A4E:

Airlines for Europe (A4E) is Europe's largest airline association, based in Brussels. Launched in January 2016, the association consists of Aegean, airBaltic, Air France KLM, Cargolux, easyJet, Finnair, Icelandair, International Airlines Group (IAG), Jet2.com, Lufthansa Group, Norwegian, Ryanair, TAP Portugal, Travel Service and Volotea, and plans to grow further. With more than 570 million passengers on board each year, A4E members account for more than 70 per cent of the continent's journeys, operating more than 2,800 airplanes and generating more than EUR 100 billion in annual turnover.

