EU industry efforts to tackle climate change undermined by flawed aviation tax proposals

- New EU-commissioned report contains flawed analysis of economic and environmental impact of aviation taxes in Europe.
- The aviation industry has had robust environmental goals in place for over ten years. It has invested in new aircraft, sustainable jet fuels and more efficient operations.
- European airlines have been paying for their emissions since 2012 and will be implementing the first global carbon reduction scheme through the U.N.
- Governments should focus on effective measures to tackle CO2 emissions instead of ineffective aviation taxes which will weaken the industry’s ability to invest in new fleet and sustainable jet fuels.

Brussels, 07 June 2019 – Sustainable growth is a top priority for European airlines so that aviation can continue to create social and economic value for Europeans. The aviation industry currently supports 9.4 million jobs and contributes €615 billion in EU GDP (4.2% of total). European aviation has also been paying for its emissions in Europe since 2012 via the EU Emissions Trading System (ETS).

“European aviation is fully committed to tackling climate change. We’ve come a long way but know there’s more work to be done. European governments should support aviation’s ongoing initiatives to decarbonise by providing economic incentives for sustainable jet fuels and low carbon aircraft”, said Thomas Reynaert, Managing Director, Airlines for Europe (A4E).

Since 2009, airlines have invested $1 trillion (€889 billion) in over 12,200 new aircraft. A flight taken today produces half the CO2 emissions compared to 1990. In addition, a number of A4E airline members have set up innovative partnerships to produce sustainable aviation fuel plants in Europe and hybrid electric aircraft. The use of sustainable jet fuels alone could reduce emissions by up to 80%². In addition, from 2020 onwards the UN’s global aviation

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¹ Source: ATAG (https://aviationbenefits.org/around-the-world/eu-28/)
carbon emissions reduction scheme, CORSIA, will enable airlines to deliver on industry’s goal of carbon-neutral growth by 2020.

“Politicians also have a role to play. We need to urgently reform Europe’s airspace as it would enable airlines to fly more direct, efficient routings and lead to a 10 per cent reduction in CO2 levels. The Single European Sky has been delayed for 18 years. It’s time to put national interests aside if Europe wants to play a leading role in tackling climate change”, Reynaert added.

While research and development in new technologies will make it possible to fly more sustainably in the future, aviation taxes hinder, rather than help that transition. A study published yesterday by the European Commission, “Taxes in the Field of Aviation and their impact3”, contains simplistic assumptions and does not accurately reflect the negative impact such taxes have on the economy while exaggerating their environmental contributions.

For example, the study assumes that an 11 per cent decrease in passengers would lead to a corresponding 11 per cent decrease in flights and hence 11% fewer CO2 emissions. Yet recent studies, including one by the same authors for the Netherlands’ Finance Ministry4, found that aviation taxes have a limited effect on reducing emissions. In fact, a number of so-called “green taxes” introduced in some Member States have not helped to reduce emissions nor been used to fund environmental initiatives.

In addition, the study incorrectly assumes that job losses in the aviation sector would be compensated by new jobs in other sectors. The fact is, 600,000 highly specialised jobs cannot be easily replaced. A detailed analysis of the impact such taxes would have on tourism, including employment, is also crucially missing. The tourism industry currently employs 13 million European citizens5. The report also fails to account for shifting CO2 emissions to other transport modes or countries.

Finally, a tax study which excludes the EU ETS is remarkable. Aviation is currently the only transport sector that is part of the ETS scheme. The cost of emissions allowances has tripled in recent years to €25 per ton of CO2. It is misleading to portray the aviation sector as not paying for its environmental footprint.

“Going forward, smart policies are needed to achieve sustainable mobility whilst maintaining EU competitiveness. Our focus should remain on finding ways to reduce CO2 emissions rather than short-sighted and ineffective measures such as new taxes. It’s very simple: Taxing passengers or flights will not cut emissions”, Reynaert said.

3 Taxes in the Field of Aviation and their Impact (June 2019)


About A4E

Airlines for Europe (A4E) is Europe’s largest airline association, based in Brussels. The organisation advocates on behalf of its members to help shape EU aviation policy to the benefit of consumers, ensuring a continued safe and competitive air transport market. With more than 700 million passengers carried each year, A4E members account for more than 70 per cent of the continent’s journeys, operating more than 2,900 aircraft and generating more than EUR 110 billion in annual revenue. Members with air cargo and mail activities transport more than 5 million tons of goods each year to more than 360 destinations either by freighters or passenger aircraft. Members include Aegean, airBaltic, Air France-KLM, Cargolux, easyJet, Finnair, Icelandair, International Airlines Group (IAG), Jet2.com, Lufthansa Group, Norwegian, Ryanair, TAP Air Portugal, Smartwings and Volotea. Follow us on Twitter @A4Europe or visit www.a4e.eu.