

## **A4E reaction - aviation taxes**

**Brussels, 12 July 2023:** Climate policy regulation in the form of taxes is ecologically and economically counterproductive. It reduces the aviation industry's capacity to invest and innovate and will have a disproportionate impact on the affordability of air transport. To ensure cost-effectiveness, EU and national economic measures must be market-based, like the EU Emissions Trading Scheme (ETS).

The decarbonisation of air travel should not come at the expense of its democratisation. Calls for additional taxes on passengers ignore the real challenge of the energy transition: maximising the environmental, social and economic opportunities of climate action while minimizing negative impacts.

Designing an aviation tax without guaranteeing its reinvestment in the sector's decarbonisation and without mitigating its competitiveness is nothing less than throwing dust in citizens' eyes. Only a fraction of the billions of euros collected from airlines has been reinvested in greening aviation. Passengers deserve their contributions to truly support the decarbonization of their journeys, rather than finance easier-to-decarbonize sectors.

The argument that governments and society has lost out on potential revenue because air passenger travel is under-regulated and under-taxed is misleading. The aviation industry is a powerful catalyst for economic growth, fostering investment, tourism, trade, and employment opportunities. Air travel plays a vital role in connecting people, goods, and ideas, directly contributing an estimated € 144 billion to GDP. In Europe, the sector supports over 2.7 million jobs and contributes to an additional 5.2 million indirectly. Such a tax would directly impact Europe's tourism sector, impacting job creation, arrivals and ultimately state revenues.

European airlines create major social and economic benefits, connecting people, goods and ideas within Europe and with the world. Unlike other modes of transport, they are already subject to national charges and taxes – for example for security and infrastructure – that no other mode of transport must pay.

To achieve genuine decarbonisation, focus must instead be placed on technological advancements, sustainable aviation fuel production, smart economic measures, improved air traffic management, and adequate financing and incentives.

### **Media Contacts**

Theodoros Papachristou, [Theodoros.Papachristou@a4e.eu](mailto:Theodoros.Papachristou@a4e.eu)