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Air Transport in Europe:

Encouraging mobility, protecting the environment

Air transport's contribution to a healthy Europe

In Europe alone, more than 7.5 million jobs depend on air transport – through direct, indirect, induced and catalytic impacts. Air transport provides access to otherwise isolated regions, offering new business and employment opportunities. 25% of all companies' sales depend on air transport, and almost 60% of them state that air connections have a significant impact on their business. Efficient air connections boost productivity, attract investments and act as a spur to innovation.

The average distance between Europe's capitals and Brussels is 1,138km. In an enlarged Europe, aviation is essential to connect regions with one another, with the political centres, and with the rest of the world, thereby strengthening Europe's cohesion, integration, prosperity and political importance.

Far from enjoying tax privileges, air transport finances its entire infrastructure costs through user charges and taxes paid to national treasuries. By paying for the building, maintenance and use of its infrastructures, air transport is a net contributor to public funds. In Germany, for example, aviation charges and taxes generate a net surplus of €10 per 1,000km, while rail infrastructure costs result in a public subsidy of €54 per 1,000km – to be borne by the taxpayer.

Air transport contributes around 8% of European GDP. It facilitates global business and ensures Europe's competitiveness in the global market. It is an indispensable instrument for Europe's growth, now and in the years to come.

Air transport's environmental commitment

Air transport is an innovative industry that drives economic and social progress. It is also committed to meeting its customers' growing demand in a sustainable manner, by striking a **healthy balance between economic progress and environmental responsibility.**

In 2003 intra and extra-EU flights accounted for 3.4% of total CO₂ emissions in the EU25 - representing only 0.5% of world CO₂ emissions.

Emissions Containment Policy of the European Aviation Industry

The Association of European Airlines and the other aviation stakeholders have developed an Emissions Containment Policy, based on four pillars: technological progress through research, infrastructure improvement, operational measures and economic instruments.

Fuel efficiency, direct routings and new technology are all part of the efforts that have achieved a 70% reduction in aircraft emissions over the last 30 years. In addition to technological progress (the industry devotes up to 14% of its turnover to research), improvements in Air Traffic Management and other operational procedures (avoiding flying circuitous routes and holding patterns over airports), could further reduce fuel burn by between 8 and 18%.

Eurocontrol forecasts an increase of between 2.3% and 3.4% per annum in the number of flights over the next 20 years. **Technological and operational progress has made it possible to decouple aviation growth from higher fuel consumption.** The “Operational opportunities to minimize fuel use and reduce emissions”, a set of recommendations formalised by ICAO, have been implemented by aircraft operators, airports, ATC and service providers for decades without any regulatory obligation. However, the industry is committed to doing more.

The Association of European Airlines believes that economic instruments, which constitute the fourth pillar of the Emissions Containment Policy, **could be used in combination with the other elements**, but should have a clear environmental rather than fiscal objective.

The Commission is currently reviewing the effect of the **EU Emissions Trading Scheme (ETS)** on other industries. If it concludes that aviation should be incorporated into the ETS, the AEA considers that ETS should be an integral part of ‘the Emissions Containment Policy’, and should meet certain conditions.

The AEA is in favour of a global system covering all international airlines of all regions, under the jurisdiction of ICAO. Therefore, if an EU system is intended to cover intra-EU flights plus flights from/to the EU, the scheme must also apply to non-EU carriers. The EU should negotiate such participation with the third countries concerned **before** implementing the scheme, to avoid unacceptable distortions of competition between EU and non-EU carriers.

If the EU system is intended to cover intra-EU flights only, the scheme must also apply to non-EU carriers which currently operate 5th freedom rights within the EU so as to minimise distortions of competition.

The ETS should be an **open system**, thus allowing the aviation sector access to the wider CO₂ market where it can trade with other sectors. It should not lead to distortions of competition between European carriers, or between European network airlines and their non-European competitors. **No cumulative** action, such as additional **taxes and charges**, should be taken. It should **only focus on CO₂**. And finally, it should be a **simple and manageable system**, maximising environmental efficiency while minimising unnecessary red tape.

The industry is committed to the sustainable growth of air transport in Europe and to any measures that will help maintain an optimal balance between economic progress, social development and environmental responsibility. Such measures should be compatible with the requirement of the Lisbon Strategy to enhance European competitiveness, and other EU policies developed to encourage employment, innovation, economic growth, and interconnection between regions and centres.

The Association of European Airlines (AEA) has been the trusted voice of the European airline industry for over 50 years. AEA brings together 31 European network carriers, collectively carrying more than 320 million passengers and 6 million tons of cargo each year, operating 2,400 aircraft and serving 620 destinations in 160 countries with 10,720 flights a day.

A non-profit-making association, the AEA represents its members’ interests in contacts with the institutions of the European Union, the European Civil Aviation Conference, and all other related international and European organisations in the aviation value chain.

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