

## AIR PASSENGER TAX IS BAD FOR THE ECONOMY – OFFICIAL

The Dutch government has announced the scrapping of the air passenger tax, after it emerged that receipts, which were lower than predicted, have been totally overshadowed by losses to the economy. Fiscal revenues of about €300 million were massively offset by a cost to the economy estimated at over €1 billion.

The tax, introduced in July 2008, added €11.25 to the price of a short-haul ticket and €45 to a long-haul journey. The outcome was predictable: almost a million passengers opted for alternative flights from airports in Belgium and Germany. Indeed the Belgian government scrapped its own passenger-tax proposals late last year, in recognition of the likely economic impact.

Said AEA Secretary General Ulrich Schulte-Strathaus: “there is a growing distinction in Europe between governments which see aviation and its customers as a cash cow, and those which recognise that air transport is a national asset, a source of jobs and a driver of economic prosperity”. He welcomed the Netherlands’ move from one camp to the other. “Coming on the eve of the introduction of an air passenger tax in Ireland, it is heartening to see the Dutch government taking a rational decision and sending a positive signal”.

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Note to the Editor: The Association of European Airlines (AEA) brings together 34 European established scheduled network carriers. These collectively carry 370 million passengers and 7 million tonnes of cargo each year, operating 2,600 aircraft serving 615 destinations in 165 countries with 11,575 flights a day. They provide around 423,000 jobs directly, and generate a total turnover of €78 billion