

Information

10 June 2010

- Adria Airways
- Aegean Airlines
- Aer Lingus
- AeroSvit
- airBaltic
- Air France
- Air Malta
- Alitalia
- Austrian
- bmi
- British Airways
- brussels airlines
- Cargolux
- Croatia Airlines
- Cyprus Airways
- Czech Airlines
- DHL
- Finnair
- Iberia
- Icelandair
- Jat Airways
- KLM
- LOT
- Lufthansa
- Luxair
- Malev
- Montenegro Airlines
- Olympic Air
- SAS Scandinavian Airlines
- SWISS
- TAP Portugal
- TAROM
- TNT Airways
- Turkish Airlines
- Ukraine International Airlines
- Virgin Atlantic Airways

GERMAN 'ENVIRONMENTAL' TRAVEL TAX DEFIES LOGIC, SAY AIRLINES

In the world of George Orwell's *Nineteen Eighty-Four*, the word 'doublethink' was used to describe the holding, simultaneously, of two mutually-exclusive beliefs. The German Chancellor's proposal to levy an 'environmental' tax on passengers at German airports, to help close the budget deficit, is truly Orwellian in its contradictions, according to the Association of European Airlines (AEA).

"The tax is supposed to help the environment by discouraging people from flying", said AEA Secretary General Ulrich Schulte-Strathaus, *"while at the same time pouring a billion Euros into the treasury. But if a passenger flies and pays the tax, he is impacting the environment. If he doesn't fly, the treasury doesn't get his money. A classic example of doublethink".*

But it was more convoluted than that, he said. Much of the emergency funding requirement was arising from the support given to some southern European economies - the very economies which relied heavily on inbound tourists - for whom the tax would be a disincentive to travel, or would at least reduce their disposable funds at their destination.

"Environmental air passenger taxes have a habit of leading to unintended consequences", said Mr Schulte-Strathaus. *"The Dutch recognised this, to their cost, when they introduced such a tax in 2008, only to withdraw it a year later after it had caused significant damage to their economy while delivering nothing for the environment".*

Germany is the world's second-largest exporting nation, and exports account for half the national GDP. The same government that is proposing the tax, just months ago, was highlighting the contribution of the airline sector to its own economic recovery programme. *"The tax will hit customers for German products, visiting their suppliers and salesmen for German companies, visiting their customers",* said the Secretary General. *"Anything which makes travel more expensive, makes trade more expensive, and so holds up economic recovery. National economists will soon be seeing in their quarterly figures what happens to the country's accounts when air transport is interrupted, as it was during the Icelandic volcano eruption".*

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But the greatest losers would be ordinary German citizens, hit hard in the pocket. *“The airline industry has a solid programme of environmental action on a global scale, which will be distorted and weakened by uncoordinated activity at a national or regional level. The general public, whether travelling on business or for pleasure, should not be held hostage to short-term, ill-thought out taxation policies”.*

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Note to the Editor: The Association of European Airlines (AEA) brings together 36 European established scheduled network carriers. These collectively carry 347 million passengers and 6 million tonnes of cargo each year, operating 2,160 aircraft serving 662 destinations in 162 countries with 11,400 flights a day. They provide around 385,000 jobs directly, and generate a total turnover of €70 billion