



## Media Release

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### Response by UK Airlines to CBI Aviation Report

BATA, the trade association for UK airlines, welcomes the important contribution the CBI report "Green Skies Ahead" makes to the debate on aviation and the environment. Although aviation contributes only about 2.5% to global CO<sub>2</sub> emissions, it is important that aviation continues the excellent record it has achieved in recent years in developing a sustainable future.

BATA welcomes CBI's recognition that a global problem is best addressed with a global solution, such as a 'cap and trade' scheme to replace the Government's tax on aviation. Further increases in the Government's tax on flying planned for November risk pricing ordinary families out of flying.

The rates of Air Passenger Duty have more than DOUBLED in the last four years.

Simon Buck, chief executive of the British Air Transport Association (BATA), said:

*"There is no justification for any increase in the current APD rates or overall tax take which is already providing £2 billion a year for the Treasury - an amount forecast in the June 2010 emergency Budget to increase to £3.8 billion by 2015/16.*

*Hard working families planning to go on holiday or travelling to see friends and relatives will be affected most by any further increases in tax. For example, a family of four flying on a sunshine holiday to Florida now pay £180 in tax on top of their air fares. This will increase to £240 from November. If they were travelling premium economy, this rate would increase to £480. Such dramatic increases risk pricing ordinary families out of flying altogether.”*

BATA and its members recognise that airlines should meet the assessed cost of their environmental impact.

The UK Government regularly assesses the climate change costs of UK aviation (all departing flights). In July 2008, the DfT published figures (“Aviation Emissions Cost Assessment”) which demonstrated that Air Passenger Duty (APD) income more than covered the full climate costs, including an allowance for non-carbon effects. Despite this assessment, the Government plans to further increase APD rates in November 2010.

APD or any replacement tax should be phased out from 2012 when aviation enters the EU Emissions Trading Scheme. Imposing a unilateral UK national tax on air travel when the industry will be paying for its emissions through the ETS at a European level will simply be taxing passengers and the industry twice.

Aviation supports over half a million jobs across the UK and any increase in taxation on air travel puts these jobs under threat as services and routes become uneconomic or unviable. Increased tax in the UK also puts Britain’s international businesses at a competitive disadvantage as the UK struggles to emerge from recession.

**ENDS**

## **Notes to Editors**

- The CBI Report, “Green Skies Ahead – creating a low-carbon aviation industry” will be published on Monday 19<sup>th</sup> July.
- BATA is the trade body for UK-registered airlines, with members representing all sectors of the industry.
- In 2009, BATA members employed 71,000 people, operated two thirds of the UK commercial aircraft fleet and were responsible for some 80% of UK airline output, carrying 81 million passengers and 1 million tonnes of cargo.
- The ten BATA member airlines are: Air Southwest, bmi, British Airways, DHL, flybe, Jet2.com, Monarch, Thomas Cook, Thomson Airways and Virgin Atlantic.

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