



Media Release

Immediate Use

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Response to Pre Budget Report Announcement on Air Passenger Duty

“Massive increase in tax on flying – APD nearly tripled in just 5 years”

Changes to Air Passenger Duty (APD) announced by Chancellor yesterday are estimated to rake in an extra £720m year for Treasury coffers by 2011 – on top of the £2bn a year that the tax already raises, since a doubling of rates in February last year.

The increase in rates and introduction of more geographical bands will mean swingeing increases in tax for ordinary travellers and families. For example, a family of four on a package holiday to Spain will see the tax they pay go up 140% between summer 2006 and summer 2011 – from £20 to £48.

A newlywed couple, flying to their honeymoon in the Caribbean will have to pay £300 if they travel in a premium economy cabin in 2011 – up 275% from the £80 they would have paid in 2006. A retired couple, on a trip of a life time to see family in Australia in 2011 will have to pay up to £340 in tax just to be able to leave the UK – an increase of 325% since 2006 when they would have paid up to £80.

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Roger Wiltshire, Secretary General of the British Air Transport Association (BATA) said:

“No other country has anything approaching this level of taxation imposed on people simply for flying. It’s in effect an economic barrier for investment, trade, tourism and travel in and out of the UK and the Chancellor has just made it taller.

“As we enter a recession, it is nonsensical for the Government to take more money out of a productive and vital part of our economy through increased taxation. The Government’s own figures show that the airline industry already more than covers its climate change costs – contributing £2 billion a year to the Treasury under the existing APD arrangements.

“The restructuring announced by the Chancellor and consequent increased tax burden on the industry and travelling public make it even more crucial that APD be phased out when aviation joins the EU Emissions Trading Scheme in 2012.”

ENDS

Contacts

- For more information contact Roger Wiltshire, Secretary General on 07767 660 658 or Neal Weston, Head of Policy & Communications on 07855 736 487 or 020 7222 9494.

Notes to Editors

- BATA is the trade body for UK-registered airlines with members from all sectors of the industry. BATA members employed over 73,000 people, operated around 70% of the UK commercial aircraft fleet and represented 85% of UK airline output in 2007.
- Air Passenger Duty raised:
£1.994bn in 2007/8
£971m in 2006/7

UKtradeinfo Bulletin Dataset, APD, September 2008
<http://www.uktradeinfo.com/index.cfm?task=bullair>

- A table of examples showing impact of increases in APD between 2006 and 2011 follows

BATA Briefing Taxation of Travel – Examples Showing Impact of Increases in APD

	2006	2008	2010	2011
Band A				
Package holiday to Spain (per person, economy)	£5	£10	£11	£12
Family of 4 pay	£20	£40	£44	£48
An increase of 140% - £48 in 2011 up from £20 in 2006				
Student in London flying home to Belfast (per person, economy)	£5	£10	£11	£12
Student pays for a return journey	£10	£20	£22	£24
An increase of 140% - £24 in 2011 up from £10 in 2006				
Band B				
Holiday to Florida USA (per person, economy)	£20	£40	£45	£60
Family of 4 pay	£80	£160	£180	£240
An increase of 200% - £240 in 2011 up from £80 in 2006				
Or family of 4 from USA on holiday in UK*	\$120	\$241	\$272	\$362
Band C				
Honeymoon in Caribbean (per person, premium economy)	£40	£80	£100	£150
Couple pays	£80	£160	£200	£300
An increase of 275% - £300 in 2011 up from £80 in 2006				
Indian family visiting relatives in UK (per person, economy)	£20	£40	£50	£75
Family of 4 pay	£80	£160	£200	£300
In Indian Rupees*	6,036	12,073	15,092	22,632
Band D				
'Trip of a lifetime' to Australia (per person, premium economy)	£40	£80	£110	£170
Family of 2 pay	£80	£160	£220	£340
An increase of 325% - £340 in 2011 up from £80 in 2006				
New Zealander returning home from stay in UK (per person, economy)	£20	£40	£55	£85
1 person pays	£20	£40	£55	£85
An increase of 325% - £85 in 2011 up from £20 in 2006				

*Exchange rates calculated as at 25/11/08