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EUROPE'S LOW FARES AIRLINES CALL FOR UK TAX CUT

Government's action needed to support UK tourism in forthcoming budget

Brussels – 17 April 2009. Europe's low fares airlines today joined forces to call upon UK Chancellor of the Exchequer, Alastair Darling to take decisive action to keep Britain on the move in advance of next week's crucial UK budget.

The European Low Fares Airline Association (ELFAA) has written to the Chancellor pointing out that, like much of the economy, the aviation industry is facing a difficult environment and that the recession has led to falling demand for air travel. As such, ELFAA, whose members carry more than a third of all passengers departing UK airports, has urged the Government to limit the tax burden on the industry by removing the Air Passenger Duty (APD), or at the very least scrapping the proposed increases in APD that are due to take effect on 1st November 2009 and 2010.

John Hanlon, ELFAA Secretary General said:

“Taxing transport, which facilitates international trade, investment and other economic activity, doesn't make any sense whatsoever at this point of the economic cycle. Governments throughout Europe have woken up to the fact that aviation is crucial in pulling us out of recession.

If we are to prosper as the global economy recovers, national distortions such as APD must not be allowed to grow. The Dutch have decided to abolish their version of APD due to its detrimental effect on their economy, and now clearly is the worst possible time for the proposed increase in APD.

Unlike many sectors, the aviation industry is not seeking bail-outs or Government funds. However, nearly 15 years after its introduction, APD remains a virtually unique national tax on travel which undermines the competitiveness of aviation companies and the wider UK economy. It is more than a little ridiculous that, given even the recent admission by the Government's own report that aviation already more than covers its environmental costs, the Government would even think of raising the tax burden further”.



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NOTES TO THE EDITOR:

ELFAA airline members include: clickair, easyJet, flybe, Jet2.com, Myair.com, Norwegian, Ryanair, Sky Europe, Sverige Flyg, transavia.com and Wizz Air.

ELFAA airline members carry approximately 150 million passengers every year, using a combined fleet of some 500 of the most technologically-advanced, environmentally-efficient aircraft.

Low fares airlines currently account for over 35% of scheduled intra-European traffic.

For further information, please contact:

ELFAA Press Office
Worldcom Europe Brussels
Hans Karperien
T. +32 (0) 2280 6061
M. +32 (0) 497 077 538
E. Hans@web-pr.be

Register at www.elfaa.com

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