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Commission proposals on EU emissions trading system will not encourage environmental efficiency and will damage European growth and employment

Brussels – September 29 2005. The European Low Fares Airline Association (ELFAA) today expressed concerns over the European Commission's proposal to include aviation in the EU Emissions Trading System (ETS). Although ELFAA is not opposed in principle to some form of emissions trading, the Commission's proposal does not address the root causes of pollution but instead penalises airlines with efficient operations and environmentally-efficient fleets.

Any emissions trading system must be used as a mechanism for delivering sustainable aviation through improved technology and efficiency, as opposed to limiting demand for air travel. The current proposals will not only undermine the growth of air transport in Europe but will also protect inefficient national airlines that currently operate old, polluting, half-empty aircraft and only remain in business through continuing state subsidies.

As these inefficient airlines are not growing their European traffic, they will not be affected by the proposed quotas and will therefore have no incentive to invest in modern fleets or improve their operational efficiency. On the other hand, low fares airlines, which as a sector have invested billions of euro in new, more fuel efficient aircraft, thereby minimising environmental impacts, will be constrained in their ability to grow if quotas do not reflect the demand for efficient low fares services.

A stronger emphasis must also be placed on improving the European air transport management (ATM) system, as its inefficiency is leading to enormous amounts of unnecessary fuel burn and therefore higher emissions.

ELFAA also strongly disputes the Commission's so-called "economic impact assessment" of its proposal. Contrary to what the Commission claims, this ill-advised policy will negatively affect European tourism, employment and regional integration. ELFAA estimates that a €9 charge on a return ticket will reduce revenues of already suffering European airlines by almost €4bn a year and will deprive European regions of over €4bn in annual tourism income, resulting in the loss of more than 60.000 jobs throughout Europe.

Jan Skeels, ELFAA Secretary General, said: "ELFAA is awaiting the official proposals and we are calling on the Commission to include the low fares sector in the expert working group that will examine these proposals and determine the best way forward. The low fares sector has been very successful at improving operational efficiency and reducing emissions and this should be recognised and rewarded in any scheme implemented in Europe. It also must be clarified that all flights departing and arriving in the EU are covered by the scheme, otherwise airlines with long haul operations will be able to cross subsidise the effects of the scheme in Europe and airlines with only intra-European flights will be placed at a serious competitive disadvantage."

NOTE TO THE EDITORS:

ELFAA Members include: Air Berlin, flybe, Hapag-Lloyd Express, Norwegian, Ryanair, Sky Europe, Sterling, Sverige Flyg, Transavia and wizzair.



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Low fares services currently account for almost 30% of scheduled intra-European traffic. ELFAA members will carry approximately 100 million passengers to over 400 destinations in 2005.

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