A4E URGES THE BRITISH GOVERNMENT TO BOOST UK GDP BY ABOLISHING AIR PASSENGER DUTY

News / Airlines



- Highest aviation tax worldwide is damaging UK competitiveness.
- -Abolishing APD would boost UK GDP by 1.7% and create 61,000 new jobs by 2020, according to PwC.
- Countries which have scrapped aviation taxes have seen an immediate boost to GDP and tourism.

Airlines for Europe (A4E) members Carolyn McCall (easyJet), Willie Walsh (IAG) and Michael O'Leary (Ryanair) today urged the British Government to scrap APD ahead of the UK's Autumn Statement on Wednesday.

The Chief Executives of the UK's three largest airlines together warned that APD was hampering Britain's economic growth, business and tourism, at a time when global business links post-Brexit needed to be strengthened, noting that its removal would boost GDP by 1.7% and create 61,000 new jobs by 2020.

"APD damages the UK's competitiveness and jobs," said Willie Walsh, CEO of International Airlines Group (IAG). "It's a revenue raising tax designed to suppress air transport growth which is exactly what the economy does not need right now. Britain spends many millions of pounds

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attracting people to the country only to charge them up to £146 when they leave. Other countries which have scrapped their aviation taxes have seen an immediate boost to their GDP and tourism. Why saddle businesses and tourists with a tax that your European competitors do not have? APD is well past its sell-by date and must be scrapped."

Britain has the highest rate of aviation tax in the world and since its introduction 21 years ago, passengers have been forced to pay more than £31 billion to the Treasury. In 2015, APD raised over £3 billion from nearly 110 million passengers.

Other European countries have demonstrated the benefits of removing APD, with the Netherlands and Ireland both reporting strong passenger growth after scrapping their taxes.

"The introduction of a travel tax in Ireland in 2009 caused passenger numbers at Irish airports to collapse by almost 25 per cent, from 30 million to 23 million over four years, damaging tourism and inhibiting growth," said Michael O'Leary, CEO of Ryanair. "Thankfully, the Irish Government scrapped this tax in April 2014, which resulted in immediate traffic and route expansion at Irish airports, where Ryanair has grown strongly, and an influx of high spending tourists to Ireland, with passenger numbers reaching record levels (from 23 million in 2012 to 32 million in 2016). "We call on the UK Government to follow the Irish example and scrap APD for everyone, to allow Britain to become competitive and stimulate job creation and tourism."

Short haul passengers are currently being charged £13 for every departing flight from the UK, which rises to £146 for long haul passengers. This fee is set to increase to up to £150 next April, unfairly penalising British businesses and tourism and making Britain more expensive for consumers and visitors.

"At easyJet we are proud to help bring people to the UK and, like the Government, we want the UK to be open for business," said Carolyn McCall, CEO of easyJet. "Removing APD, a tax on passengers that suffocates demand, would certainly stimulate economic growth and make travel easier and more affordable. There is so much evidence to support this in other countries."

"It is not just visitors to the UK the tax affects – people travelling between London and Edinburgh for example are currently being hit twice as hard by paying £13 each way on the flights. So, removing APD could also strengthen the connections within the UK."

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