



French Government's plan to raise €1 billion through increased taxes on aviation would harm economy and citizens

Brussels, 02 October 2024: European airlines and airports, represented by industry groups A4E (Airlines for Europe) and ACI EUROPE (Airports Council International), today reacted with dismay at reports that the French Government is considering further increases in aviation taxes as a quick fix to address the country's soaring national debt.

A4E and ACI EUROPE urged the French Government to reconsider these plans, which do not appear to be based on an in-depth economic impact analysis. They warned about:

- The significant damages these tax increases would inflict not just on the country's aviation sector, but also on the national economy, its competitive position and attractiveness – noting such damages would end up cascading down on the country's citizens.
- The hurdles these tax increases will create for the effective decarbonisation of aviation by reducing the ability of the sector to finance related investments.

A4E and ACI EUROPE also pointed to the precedents of countries such as Austria, Ireland, the Netherlands and just recently Sweden backtracking and having abolished or reduced their aviation taxes due to the negative spillover effect on their economies.

Olivier Jankovec, Director General of ACI EUROPE said: *"Raising aviation taxes is the poster child of short-term thinking in politics. If confirmed, this new plan would inadvertently weaken the competitiveness of French aviation, penalise citizens and, ultimately reduce the sector's economic contribution. As we have repeatedly pointed out, every 10% increase in direct connectivity leads to a 0.5% rise in GDP per capita. The French Government would de facto choose quick cash over durable economic competitiveness. This plan is even more concerning given the aviation sector's ongoing transformation to meet ambitious net-zero goals – with the recent Draghi report acknowledging that European aviation will need €61 billion every year to get there. If anything, more financial support from the government is what is required, not additional taxation."*

Ourania Georgoutsakou, A4E Managing Director said: *"This proposal to increase French aviation taxes would be counterproductive, would fragment the single aviation market and would undermine the competitiveness of French aviation. Any short-term revenue gains the government expects would be far outweighed by reduced connectivity, poorer consumer welfare and would set back aviation's decarbonisation efforts. Diverting funds from the industry through increased taxes ultimately means less investment in crucial decarbonisation measures."*

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About ACI EUROPE

ACI EUROPE is the European region of Airports Council International (ACI), the only worldwide professional association of airport operators. ACI EUROPE represents over 500 airports in 55 countries. Our members facilitate over 90% of commercial air traffic in Europe. Air transport supports 13.5 million jobs, generating €886 billion in European economic activity (4.4% of GDP). In response to the Climate Emergency, in June 2019 our members committed to achieving Net Zero carbon emissions for operations under their control by 2050, without offsetting. <https://www.aci-europe.org/>

About A4E

Airlines for Europe (A4E) is Europe's largest airline association. Based in Brussels, A4E works with policymakers to ensure aviation policy continues to connect Europeans with the world in a safe, competitive and sustainable manner. With a modern fleet of over 3,600 aircraft, A4E airlines carried over 718 million passengers in 2023 and served nearly 2,100 destinations. Each year, A4E members transport more than 5 million tons of vital goods and equipment to more than 360 destinations either by freighters or passenger aircraft. A4E is #Flyingforourfuture with our commitment to Europe and our call to action for incoming European policymakers. Find out more at Flyingforourfuture.eu