

Tories back Europe-wide tax on aviation fuel

Airlines say environment strategy will cost party votes

Andrew Clark, transport correspondent
Monday March 21, 2005

Guardian

The Conservatives intend to put the brakes on Britain's boom in low-cost air travel by pushing for a Europe-wide tax on aviation fuel, which could lead to as much as £7 being added to the cost of airline tickets.

In an interview with the Guardian the shadow transport secretary, Tim Yeo, outlined environmental measures that will alarm airlines.

He questioned the justification for flying between London and Scotland, and said he would impose stringent financial obstacles to the construction of a new runway at Stansted airport.

Environmental organisations have long argued for a tax on aviation fuel in order to force airlines to pay for the damage they cause in harmful emissions and climate change.

Ministers from France and Germany last month suggested a Europe-wide tax of €300 (£208) per tonne of aviation fuel, which would add between €5 and €10 (roughly £3.50 to £7) to every fare, with the proceeds to be channelled towards aid for Africa.

Tony Blair opposed the measure, telling MPs that he would not "slap some huge tax on cheap air travel".

In his first detailed comments on aviation policy, Mr Yeo said: "If I was in office on May 6 I would want to straight away talk to my colleagues in Europe about how we could make progress towards a fuel tax. Aviation has to take account of its environmental impact to a greater extent than it has done in the past."

His remarks were attacked by EasyJet, which said a tax would disproportionately hit travellers on a tight budget.

Its spokesman Toby Nicol said passengers already paid £5 air passenger duty on every short-haul flight, which was roughly equivalent to a 100% tax on fuel.

"The idea that airlines don't pay an environmental tax already is ridiculous," he said. "Going out to the public six weeks before an election and saying, 'I want to make air travel more expensive,' is a surefire vote loser."

British Airways and other big carriers argue instead for an emissions trading scheme, under which airlines would trade "permits" for pollution.

They say this would be a better incentive towards less-polluting fuel; and they add that the objectives of a fuel tax could be foiled by airlines filling up with vast quantities of cheap fuel in the US and emitting more pollution as they carry it across the Atlantic.

Environmentalists privately suggested that the Conservatives wanted to reach out to voters in rural areas around airports, who were worried about the government's plans for runway development.

Mr Yeo's South Suffolk constituency is close to Stansted. He said he would make it difficult for BAA to expand the airport by preventing it from "cross-subsidising", using funds from Heathrow and Gatwick.

But Friends of the Earth's aviation campaigner Paul de Zylva said: "I think the public is increasingly recognising that it is absolutely absurd for airlines to get away with paying less than 20p a litre for jet fuel."

The group wants the duty to be set at the same rate imposed on petrol for motorists, which, if translated to ticket prices, would put £20 on a short-haul journey and up to £120 on a transatlantic flight.

Passenger numbers on flights between Britain and the rest of Europe went from 51m in 1993 to 97m in 2003.

Mr Yeo said he wanted airlines to print information about environmental emissions on every ticket. He said: "No one can say they are serious about being interested in addressing climate change without addressing aviation."

"If you are going to go from London to Glasgow the environmental impact is often less if you drive."