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NOTE

From: General Secretariat of the Council
To: Delegations
Subject: Tackling greenhouse gas emissions by aviation pricing
– Information from the Belgian delegation

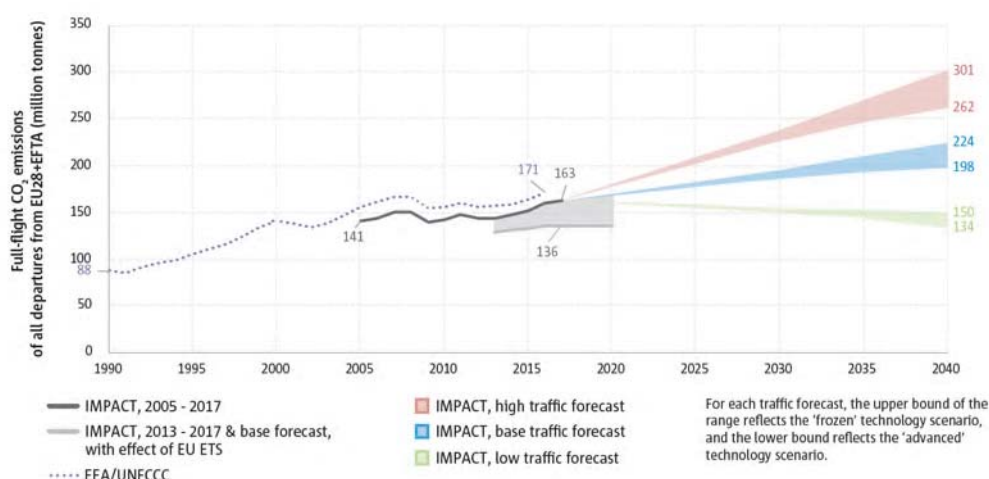
Delegations will find in the Annex an information note from the Belgian delegation on the above subject, to be dealt with under 'Any other business' at the Council (Environment) meeting on 5 March 2019.

Tackling greenhouse gas emissions by aviation pricing

- Information from the Belgian delegation -

Climate change is one of the global challenges of this century. In Paris we all agreed to implement measures to limit global warming to well below 2°C and pursue our best efforts to limit it to 1.5°C. The European Union and its Member States have committed through their Nationally Determined Contribution (NDC) to reduce their greenhouse gas emissions by at least 40% by 2030 compared to 1990.

International aviation (all outgoing flights from the EU) is part of the EU's NDC. Yet the second European aviation environmental report from 2019 by the EEA, EASA and Eurocontrol confirms that the contribution of aviation activities to climate change, noise and air quality impacts is increasing, thereby affecting the health and quality of life of European citizens, despite the existing operational and technological improvements and coverage by EU policy instruments such as the EU ETS. Moreover, the report states that the CO₂ emissions of all flights departing from the EU28 and EFTA increased from 88 to 171 million tonnes (+95%) between 1990 and 2016 and future CO₂ emissions under the base traffic forecast and advanced technology scenario are expected to increase by a further 21% to reach 198 million tonnes in 2040:



Source: European aviation environmental report 2019, EEA, EASA and Eurocontrol

Additional efforts will be needed to address the aviation sector's continuing emissions growth and to prevent that other economic sectors in the EU will have to compensate for the growing GHG emissions from aviation.

An important element in these efforts should be the fair and correct pricing of air transport. Currently there is no taxation on kerosene or VAT on airplane tickets. More environmentally friendly modes of transport such as railway transport are hence taxed more than air transport.

In this regard, Belgium shares the view of the Commission in the Communication "A clean planet for all" that restructuring transport charges and taxes to reflect infrastructure and external costs should be a priority in the transition to a climate-neutral Europe.

A just EU pricing regime for air transport should take into account external costs, thereby applying the polluter pays principle and restoring fair competition with other modes of transport; it could create incentives for airlines and aircraft manufacturers to invest in the necessary measures for the transition to a climate-neutral economy; and could generate public funds to facilitate the transition of the aviation sector in particular (e.g. climate friendly fuels) and to invest in alternative, more climate-friendly modes of transport.

Also, in this regard, Belgium welcomes and supports the Dutch paper "Carbon pricing and aviation tax" that was presented during the ECOFIN Council meeting on 12 February, and in particular the messages therein that:

- A fair pricing of aviation that includes external costs could bring about a decrease in carbon emissions.
- The EU should have a leading role in discussing and examining the possibilities for taxing aviation and should take action where possible. A coordinated European approach could prevent a shift in air passengers to neighbouring countries, avoid the accumulation of regulations and administrative burdens for airlines, and counter the fragmentation and disruption of the internal market.
- Without effective global instruments in place, Member States should consider carbon pricing on aviation at EU level, such as through the emissions trading system (ETS), a tax on kerosene, an air passenger tax (ticket tax) or a tax per flight.

We thank the Netherlands for initiating the discussion in the ECOFIN Council and for holding an international conference from 20 to 21 June 2019 that will allow Member States to continue the discussion on carbon pricing and aviation taxation.

Furthermore, Belgium believes that it is important to initiate the discussion on aviation pricing also in the ENVI Council. Belgium invites the Presidency to organise an initial debate on this topic during the next ENVI Council meeting. It would allow all Member States to contribute by sharing their experiences on national initiatives on how to set the price correctly for aviation activities, as well as their views on the different policy options, allowing the new European Commission to make appropriate proposals, that take into account the results of the discussions.
