

The right way to sustainable aviation

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Benefits of aviation

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Aviation is of enormous significance to the Swedish economy and its competitiveness, and plays a vital role by meeting the needs of people and businesses for long-distance travel and transport, both domestically and internationally.

National aviation strategy, 2017



CONNECTIVITY

170
BILLION IN GDP

190 000-210 000
JOBS

+43000 new jobs 2030



Swedish tax on air travel

The Inquiry was established in 2015 with the mandate to propose a tax that:

- Reduces the climate impact of aviation
- Encourages consumers to choose more environmentally friendly options/modes of travel
- Encourages airlines to use more efficient aircraft and reduced climate impact
- Complement industrial, transport and regional policy objectives

The proposal:

Various levels of tax will be levied based on the passenger's final destination:

- SEK 80 – entirely or partly to a continent other than Europe
- SEK 280 – entirely or partly to a continent other than Europe, up to a maximum distance of 6 000 kilometres from Stockholm Arlanda Airport
- SEK 430 – to a continent other than Europe, at a distance greater than 6 000 kilometres from Stockholm Arlanda Airport.

- The proposal is open for comments until March 1st.

The climate effects

-2%

Less Co2 from Swedish air traffic
= 48 hours of road traffic

-0,3%

Of Sweden's Co2 emissions



Travellers shift to cars,
busses and trains

No incentive for
investments in new
technology, biofuels etc.



Passenger tax leads to (WSPanalysis)

7 000

Lost jobs

-3,9

BILLIONS GDP

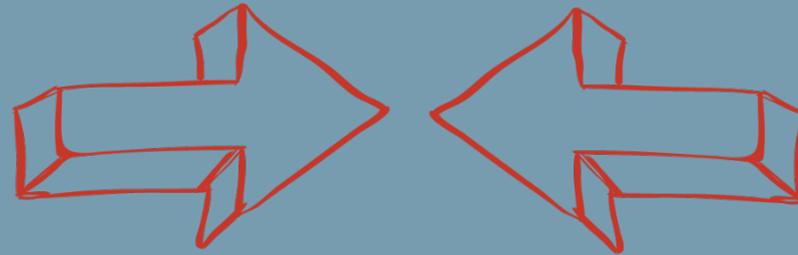
1,2

Millions of lost travelers

- Loss of routes
- Export of emissions
- Threat to airports
- Less connectivity



Aviation tax – policy conflicts



- Transport policy
- Government unemployment target
- Climate policy framework for Sweden
- The Swedish export strategy
- Regional policy objective of developing all parts of the country
- The Swedish air strategy



The right way to sustainable aviation



Global solutions to a global issue - the EU, IATA, ICAO - a global roadmap, Corsia climate deal. Swedish air industry has the ambition to change and to work together with academia and governments.



Quick transition to new technology - Increased innovation and incentives for large-scale investments.



Large-scale use of fossil-free fuel - Initiatives to increase interest for airlines for Biojet, traveller climate compensation and investment in a Nordic commercial-scale plant to produce aviation biofuels.



Smarter Air Traffic - gate to gate, shorter and more efficient air routes produce less emissions



Conclusion

The Inquiry proposes an aviation tax with no climate benefit

- Negligible reduction of greenhouse emissions
- Transfer to car and bus
- No incentives for efficiency and development

Policy Conflicts

- Transport policy
- Government unemployment target
- Climate policy framework for Sweden
- The Swedish export strategy
- Regional policy objective of developing all parts of the country
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Negative effects *

- 7000 fewer jobs & 3.9 billion in GDP loss
- 1.2 million fewer passengers
- Decreased availability
- Airlines move fleets within Europe
- Delaying investments in new technology

The right way to sustainable aviation

- Global solutions to a global issue
National / motivated carriers
- Quick transition to new technology
- Large-scale use of fossil-free fuel
- Smarter Air Traffic

*wsp analys 16 nov 2015