

# 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

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**170**  
**BILLION IN GDP**

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**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

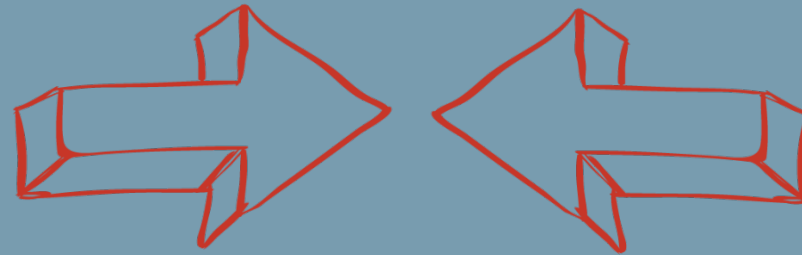
**1,2**

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
- The Swedish air strategy

## 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