



ETOA's Response to 'Predict and Decide'

19th October 2006

In response to the paper published by the UK Energy Research Centre, entitled Predict and Decide, which calls for increased tax on aviation to discourage people from flying, the European Tour Operators Association (ETOA) wishes to make the following points.

- Tourism and aviation are both crucial to the economy both in the UK and Continental Europe.
- The UK's inbound and outbound tourism industry (the 5th largest in the world) is based on aviation. Inbound tourism contributes £14bn in foreign exchange to the UK economy each year (more than crude oil, food, beverages and tobacco or vehicles) and employs over 300,000 people. Curbing aviation would have a severely detrimental impact on the economy and jobs.
- Increases in the cost of air travel would disproportionately affect high spending long-haul leisure travelers who are particularly valuable to the UK economy.
- The aviation industry is essential to UK businesses as a whole and is the major reason why 25% of international companies decide to locate their European Headquarters in the UK.
- Unlike electricity generation, heavy industry or even rail transport, aviation is the one sector that currently has currently no alternative to fossil fuels. Therefore it should be the last sector to be targeted not the first.
- The contribution to greenhouse gasses from aviation is small by comparison to other economic sectors such as electricity generation. Much more could be achieved by focusing effort there, where real alternatives exist. (UK aviation accounts for only 0.1 per cent of global CO2 emissions.)
- ETOA does not deny the evidence for climate change; it simply believes there are far better ways to tackle the issue than seeking to drive passengers off planes with punitive taxes.
- 3% of all global CO2 emissions are caused by aviation. If we stopped all flying tomorrow it would not save the planet: it would cause massive disruption.
- The best solution is to embrace emissions trading. This is the most efficient from an economic perspective; it can control emissions much better than taxation ever can and it is preferred by the general public as a way of meeting the environmental costs of air travel (source: YouGov survey of 1,995 adults).
- DfT calculates that Air Passenger Duty, at around £900m per annum, already more than offsets the cost of aircraft CO2 emissions.

Tom Jenkins, Executive Director, ETOA, said: *"The problem with so many of the environmental campaigners is that the only solution they see to dealing with climate change is to stop people from traveling, from manufacturing and from undertaking all kinds of commerce that make the world go round. It's like advocating amputation as the cure to a septic finger.*

What we need is much more enlightened thinking that simultaneously stimulates reduction in CO2 emissions and productive innovation. The focus should be on technological advancement and alternative sources of fuel rather than punitive taxation that will destroy the economy."

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Further Information

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About ETOA

Since its foundation in 1989, ETOA has grown exponentially to include over 400 member organisations, of which over 100 are Tour Operators. Collectively, ETOA represents over €6 billion spending on accommodation and travel services annually.

ETOA provides representation at the European government level for companies that bring tourists to Europe. The Association promotes greater awareness of the benefits provided by the group travel industry in Europe - particularly increased income and employment. ETOA also influences European tourism policy and legislation.

Areas of specific activity include:

- Promoting Europe as a tourism destination
- Establishing codes of conduct and guidelines for its members
- Establishing commercial opportunities between buyers and sellers
- Working with other travel & tourism associations to raise the industry's profile

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