

European airlines join forces against EU carbon tax

PARIS: Airbus and six European airlines have written to several European leaders to attack the carbon tax imposed by the European Union, a source close to the dossier told AFP on Sunday (11 March 2012).

Plane maker Airbus, British Airways, Virgin Atlantic, Lufthansa, Air France, Air Berlin and Iberia have written to the leaders of Britain, France, Germany and Spain to warn them about its economic consequences, said the source.

They argued that the tax represented an unacceptable threat to activities in their sector, the source added.

Their initiative was first revealed late Sunday in the Financial Times. It comes after the head of the Airbus parent company EADS said Thursday that China had blocked purchases of Airbus planes by Chinese companies in reaction to the disputed tax.

Airbus was being subjected to retaliation measures, EADS chief executive Louis Gallois told reporters. On Tuesday, the head of the International Air Transport Association (IATA) warned that the EU tax could provoke trade wars.

The carbon tax imposed on airlines by the European Union came into effect on January 1, but carriers will begin receiving bills only in 2013 after this year's carbon emissions have been assessed. More than two dozen countries, including China, Russia and the United States, have opposed the EU move, saying it violates international law.

But the EU has said the tax will help it achieve a goal of cutting carbon emissions by 20 percent by 2020 and has insisted it will not back down on the plan.

It argues that the cost for airlines is manageable, estimating that the scheme could prompt carriers to add between 4.0 and 24 euros (\$5.25 and \$31.50) to the price of a round-trip long-haul flight.

Source: AFP