

## **Europe needs all airlines to join the fight against climate change**

*'Fit for 55' requires no new mechanisms to address carbon leakage*

- The aviation industry must decarbonise by 2050, but this can only be achieved if **all** airlines participate in tackling climate change, which requires the same rules to apply to **all** flights departing from European airports, regardless of their destination.
- The effort to tackle climate change has to be shared among all actors, which means no more exemptions. Amending 'Fit for 55' to address unproven carbon leakage on long-haul routes risks undermining the aims of the legislation.
- Claims of distortions can also be made by short-haul airlines due to the current exclusion of long-haul flights from the ETS, despite these flights generating 60-75% [1] of the emissions from European aviation.

**T&E, Easyjet, Ryanair, Wizzair and Jet2, ask policy makers to:**

- **Address the imbalanced contributions of European airlines in tackling climate change** by ensuring that measures apply to all departing flights
- **Protect the 'Fit for 55' package ambition from unfounded carbon leakage claims** by ensuring no exemptions or financial incentives are included for long-haul routes

### **1) Address the imbalanced contributions of European airlines in tackling climate change**

All flights departing from European airports should abide by the same rules, regardless of destination. **Full-scope policies protect fair competition, guarantee a level playing field and ensure decarbonisation.**

However, one significant carve-out currently exists within European aviation, and this is the exclusion of all flights to non-EEA destinations from the ETS. An estimated 60-75% of European aviation's emissions are not covered by the ETS. Intra-EU carriers, which already operate efficiently, have 80-90% of their emissions covered by the ETS. Long-haul carriers, on the other hand, only purchase credits for around 19% of their – much greater – emissions (see Figure 1).

A large number of passengers on short-haul creating a minority of the emissions are participating in a carbon pricing mechanism, but a handful of passengers on high fares creating most of the emissions are not. This is socially and environmentally untenable: if a student studying abroad in Europe and flying back home twice per year must pay for their carbon, so should a rich business-class tourist releasing tonnes of carbon flying to and from Asia. Carve-outs for the elite are not fair on people, not right for the environment, and not right for competition. A [study](#), commissioned by the European Commission, showed that extending the EU ETS to cover all flights would have the greatest positive impact on EU27 employment and GVA (Gross Value Added, including Gross Domestic Product).

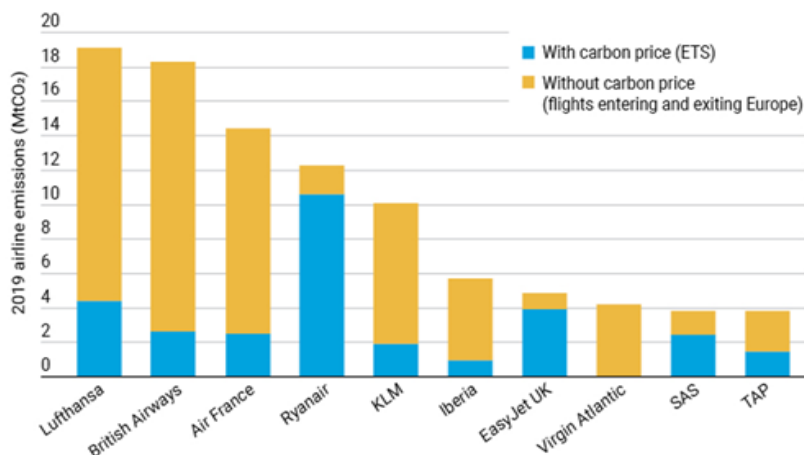


Figure 1 – source: Transport & Environment [2].

Data for WizzAir in 2019 was 3.74 MtCO<sub>2</sub>, 56% of which is covered by the ETS.

## 2) Protect the ‘Fit for 55’ climate package ambition from unfounded carbon leakage claims

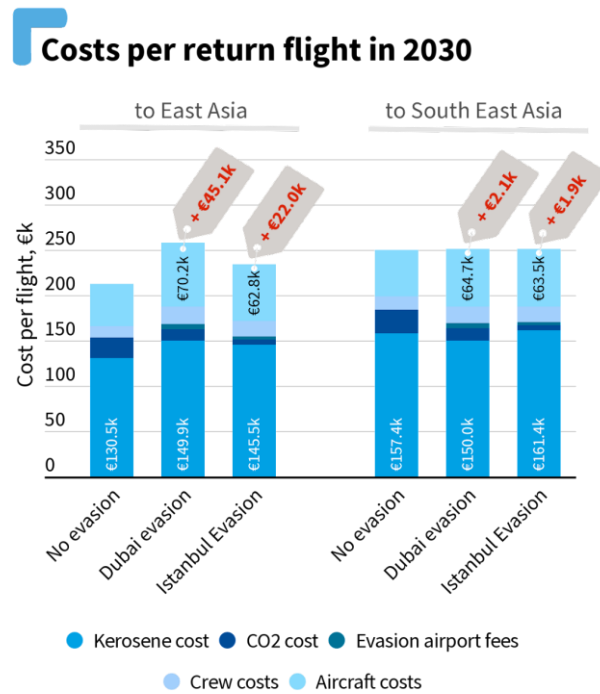
The ReFuelEU initiative mandating the use of sustainable aviation fuels should be recognised for its progressive stance, as it regulates all departing flights for the first time and includes the greatest bulk of aviation emissions. Several European airlines co-signed a statement, along with NGOs called “[Ensuring all airlines play their part in tackling climate change](#)” which supported the Commission and asked policymakers to resist pressure to exclude long-haul networks.

An often-made claim is that ‘Fit for 55’ will distort competition on the long-haul markets, **but these are not backed up by credible data**. On the contrary, current exemptions from environmental measures keep high-emissions long-haul ticket prices artificially low and give them a **competitive advantage with respect to intra-EU flights**.

Any amendments to ‘Fit for 55’ which decrease the level of ambition of climate laws **only for long-haul operators would have the unintended effect of increasing distortions against European airlines**. Making long-haul flights artificially more attractive than short-haul ones could generate extra emissions and could damage the competitiveness of the European economy, including its tourism sector.

Studies (Figure 2) have also shown that there is no economic incentive for passengers to choose a stop-over flight instead of a direct flight outside Europe, due to the increased cost linked to additional time and fuel, staff, and aircraft costs.

From an economic, environmental and social perspective, **there is therefore no reason for the EU not to mandate its climate measures on the widest scope possible**, as this will help mitigate the biggest chunk of aviation emissions, protect European tourism, address existing competitive distortions and ensure financial equality for all passengers leaving European airports, no matter where they are flying. Fair and equitable European policies are essential to ensure that the entire aviation industry is put on a path to net zero.



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Figure 2 – Source: Transport & Environment[3]

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[1] European aviation is defined as all flights arriving and departing from European airports. Data source: “Assessment of ICAO’s global market-based measure (CORSA) pursuant to Article 28b and for studying cost passthrough pursuant to Article 3d of the EU ETS Directive”, ICF Consulting, Air Transportation Analytics, NewClimate Institute, Cambridge Econometrics, HFW, and Sven Starckx, September 2020 - Page 155.

[2] [‘Lufthansa, BA, Air France were Europe’s most polluting airlines pre-Covid’](#), Transport & Environment, 2021

[3] [Will airlines benefit from evading climate measures?](#), Transport & Environment, 2022