

Chinese airlines 'won't pay EU carbon charge'

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Photo illustration. Chinese airlines will not pay European Union carbon emissions charges that came into force on January 1, a national aviation industry group said Thursday.

Chinese airlines will not pay a charge on carbon emissions imposed by the European Union from January 1, a national aviation industry group said Thursday.

The cap-and-trade scheme, which has angered the US and Chinese governments and <u>airlines</u> worldwide, came into force on Sunday after the European Union's highest court rejected a challenge brought by US carriers last month.

"China, of course, will not cooperate with the European Union on the ETS (<u>emissions trading scheme</u>)," said Chai Haibo, deputy secretary-



general of the China Air Transport Association, which represents the country's airlines.

"The CATA, on behalf of Chinese airlines, is strongly against the EU's improper practice of unilaterally forcing international airlines into its ETS," Chai said from Beijing, where the group is based.

He said the Chinese government was considering "counter-measures" against the European Union, but gave no details.

Airlines that refuse to comply could be fined with the possibility of being denied the right to land in the 27-nation EU in extreme cases, according to the Europeans.

Beijing has said repeatedly that it opposes the new legislation, and on Thursday foreign ministry spokesman Hong Lei urged the EU authorities to "resolve this issue in a pragmatic and prudent manner."



An aircraft at Beijing International Airport in December 2011. Airlines that refuse to comply could be fined with the possibility of being denied the right to land in the 27-nation EU in extreme cases, according to the Europeans.



State media has previously warned the EU scheme "infringes on national sovereignty, violates international aviation treaties and will lead to a trade war" in the sector.

The EU launched the ETS in 2005 in a bid to reduce <u>carbon emissions</u> of power stations and industrial plants.

It decided to include airlines, responsible for three percent of <u>global</u> <u>emissions</u>, in the system in the absence of a global agreement to cap aviation emissions.

Under the EU scheme, airlines will have to pay for 15 percent of the polluting rights accorded to them in 2012, the figure then rising to 18 percent between 2013 and 2020.

China has said it fears its aviation sector will have to pay an additional 800 million yuan (\$125 million) a year on flights originating or landing in Europe, and that the cost could be almost four times higher by 2020.

The tax would affect all of China's major airlines -- including Air China, China Eastern and China Southern, the CATA previously told AFP.

China reportedly blocked an order by Hong Kong Airlines for billions of euros' worth of Airbus aircraft earlier this year in retaliation for the EU move, underscoring the potential for a significant trade row.

The Airlines for America association grudgingly indicated that its members would abide by the EU law, but "under protest" while pursuing legal options.

Chai said that Chinese airlines will not pass any additional costs to passengers for now, since they are not participating in the scheme.



"We're not cooperating with them (EU countries), how could we charge customers such fees?" he said.

China Southern Airlines, one of the nation's biggest airlines, declined to comment Thursday.

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