

EU 'open' to talks on airlines tax, but won't change law

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"We have always been open to continuing discussions on the possibility of equivalent measures" outside Europe, Isaac Valero, spokesman for European Union climate action commissioner Connie Hedegaard, told AFP.

"This way we hope to reach a <u>global agreement</u>," he said, referring to a longstanding failure to bring industrialised and emerging powers onto the



same page over environmental objectives for big industry.

"But awaiting this global agreement, we are not going to change our legislation," he underlined.

Hedegaard has insisted that equivalent measures by other countries would lead to like-for-like exemptions from the annual tax bill.

The charges imposed on airlines taking off or landing in Europe entered into force on January 1, designed to help the EU achieve its goal of cutting emissions by 20 percent by 2020.

Airlines backed by overseas governments have challenged the scheme's legality in court, but for the first time Germany has expressed concerns mainly over Chinese threats that it could cancel orders for EU-built Airbus planes.

The growing tensions, with airlines having long warned of an inevitable protectionist backlash from Asia and the Americas in particular, will be debated when EU environment ministers meet on Friday in Brussels.

The <u>German government</u> urged the <u>European Commission</u> on Friday to negotiate with countries opposed to the EU's airlines <u>carbon emissions</u> fee to "de-escalate" opposition and avoid trade disputes.

Germany's economics ministry "is viewing the international development at the moment with the EU emissions trade with concern," spokeswoman Tanja Kraus told reporters, adding that <u>international trade</u> conflicts should be avoided.

According to a report on Thursday, Hong Kong Airlines may cancel a \$3.8 billion order for 10 Airbus superjumbo A380 jets after Beijing banned its <u>airlines</u> from paying the EU tax.



Germany anticipates raising 256 million dollars from the tax in 2012, according to Commission figures.

China is among more than two dozen countries including India, Russia and the United States, strongly opposed to the <u>tax</u>.

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