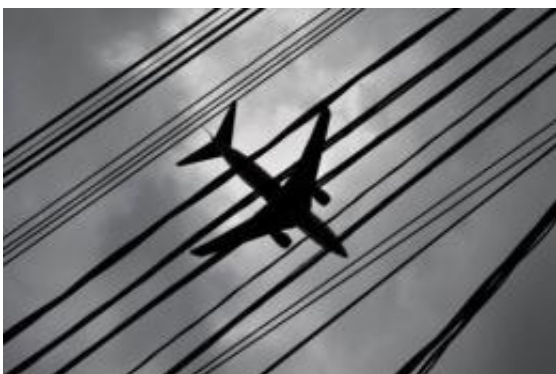


European airlines rally against EU carbon tax: source

March 11 2012



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 Sunday.

Airbus and six European airlines have written to four EU leaders attacking the carbon tax imposed by the European Union, a source close to the dossier told AFP Sunday.

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 argue the tax could cost them billions of dollars in lost orders and lead to the loss of the thousands of jobs.

French aerospace and defence group Safran and Germany's MTU also put their names to the letters, to British [Prime Minister](#) David Cameron, French Prime Minister Francois Fillon, German Chancellor [Angela Merkel](#) and Spanish Prime Minister Mariano Rajoy. All four countries helped found Airbus.

"We question the unilateral nature of this measure," said the source, adding that they wanted talks with all those affected, within the International Civil Aviation Organization (ICAO).

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.

According to a report on the website of the French economic daily Les Echos, China's decision to freeze Airbus orders could cost the European aircraft company up to \$12 billion (nine billion euros).

In the letter to Fillon, Airbus chief Tom Enders warned that the tax threatened more than a thousand jobs at the heart of the business and a thousand more in industries supplying Airbus, Les Echos reported.

On Tuesday, the head of the [International Air Transport Association](#) (IATA) warned that the EU tax could provoke trade wars.

On Friday however, Denmark's Climate Minister Martin Lidegaard said the EU would maintain the tax on airlines operating in its airspace so long as an international solution had not been found.

Denmark currently holds the EU's rotating presidency.

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.

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