



Press Release

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For immediate release

Aviation & EU ETS: A Punitive ETS would be the 'Final Straw' for Airlines

Brussels, 25 June 2008

IACA's President, Christoph Mueller, today urged all parties negotiating the design of the inclusion of aviation into the EU emissions trading scheme (ETS) that a punitive ETS would be the 'final straw' for airlines and predicted that more bankruptcies would be inevitable if a badly designed scheme was allowed to be introduced.

Following a last ditch meeting with Peter Liese MEP, the European Parliament's Rapporteur, to discuss a more reasonable design from the Parliament, Christoph Mueller said:

"We've already had 24 airline bankruptcies this year and we expect more. What more evidence do policymakers need to see that the aviation industry is in severe financial trouble? A punitive ETS scheme on top of this would be the final straw and add insult to injury".

"The high oil price has already had the same effect that an ETS scheme would achieve. Let there be no doubt that any further financial pressure would bring about more bankruptcies and prevent airlines from investing in new technology and more efficient fleets."

"This is the last chance for policymakers to show courage and change course in light of the fact that the economic reality for airlines is drastically different to when the inclusion of aviation into the EU ETS was first proposed."

"We urge all parties involved in the trilogue tomorrow and the European Parliament in their vote early next month to go for a system which reflects the economic climate of today, and one which will allow airlines to continue providing mobility to Europe."

Notes to Editors:

1. Christoph Mueller is Aviation Director for TUI Travel plc and President of the Board of IACA.

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The International Air Carrier Association (IACA) represents 38 airlines serving the leisure industry. IACA members operate over 800 state-of-the-art, environmentally efficient aircraft and directly employ more than 50,000 people. Each year IACA airlines transport over 100 million passengers to 650 holiday destinations worldwide.