



Norway's aviation tax is ill-advised, damaging & counterproductive

For immediate release

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ACI EUROPE

10 Rue Montoyer (Box 9)
1000 Brussels, Belgium
www.aci-europe.org

Brussels, 1 June 2016: Today, the Norwegian government's tax on air passengers comes into effect. It imposes NOK80 (€8.59) on each departing passenger, for both domestic and international flights from Norway.

ACI EUROPE views the introduction of this new tax as a worrying development. It is short-sighted, as it ignores the economic and wider strategic benefits of air transport - the loss of which will significantly outweigh any short-term gains for the Treasury.

Air connectivity and GDP growth are closely interrelated. They actually reinforce each other, with every 10% increase in air connectivity yielding an additional 0.5% increase in GDP per capita. Other countries such as Ireland, Belgium and the Netherlands have all toyed with this kind of tax before and eventually repealed it. They did so acknowledging that taxing air transport directly hurts economic performance, and ultimately the State's ability to collect wider tax revenues.

Earlier this year, ACI EUROPE participated in the public consultation¹ launched by the Norwegian government on this issue, outlining its concerns, with hard data to back up its claims.

A recent study² found that Norwegian airports and associated aviation activity had a wider stimulating effect on the Norwegian economy, equivalent to **over €8.3 billion of GDP each year, supporting 60,000 jobs**. This is on top of the direct, indirect and induced economic impact which this aviation activity also supports (equal to **€6.96 billion of GDP and 63,800 jobs annually**). **This means that in total, aviation supports 4% of Norway's economy.**

Olivier Jankovec, Director General ACI EUROPE said "*With the introduction of their new tax today, the Norwegian government is jeopardising future growth and a key source of jobs. It is bewildering to see a country sitting on the periphery of Europe – and even more dependent on air connectivity than others – making such a move.*"

He added "*The impact will be especially harsh on smaller regional airports and their communities. This new tax is just bad policy-making. Air connectivity should not be considered as a given. It needs to be nurtured and supported – not taxed and contained.*"

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Notes to Editors

¹ ACI EUROPE letter responding the Norwegian Passenger Tax Consultation <https://www.aci-europe.org/component/downloads/downloads/4664.html>

² InterVISTAS study on the *Economic Impact of Europe's Airports* <https://www.aci-europe.org/component/downloads/downloads/4159.html>

For more information, contact:

Robert O'Meara, Director, Media & Communications, ACI EUROPE
mobile: +32 (0)486 54 14 71 or tel: +32 (0)2 552 09 82.
Email: robert.omeara@aci-europe.org

*ACI EUROPE is the European region of Airports Council International (ACI), the only worldwide professional association of airport operators. ACI EUROPE represents over **500 airports** in 45 European countries. In 2014, our member airports handled over 90% of commercial air traffic in Europe, welcoming more than **1.8 billion passengers, 18.4 million tonnes of freight** and **21.2 million aircraft movements**. These airports contribute to the employment of **12.3 million people**, generating **€675 billion each year (4.1%) of GDP** in Europe.*

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