

EU shouldn't levy tax on Chinese airlines: Official

China's civil aviation industry urged the European Union not to hit developing nations with the carbon tax that it wants to impose on flights in and out of Europe starting in 2012.

The EU has planned to include the aviation sector under its Emissions Trading Plan in order to urge airlines to reduce carbon emissions. Aviation is now responsible for 3 percent of EU carbon emissions.

Airlines will be allotted certain emission quotas, which are 97 percent of the average 2004-2006 emissions for 2012 and are set to decrease year-on-year. They can sell their quota surplus or buy the shortage.

China's industry insiders estimated that the move could cost Chinese airlines nearly 800 million yuan (\$114 million) in 2012 alone, and more than 3 billion yuan in 2020. From 2012 to 2020, the Chinese aviation sector will pay a total bill of 17.6 billion yuan.

But what makes the Chinese carriers feel unfairly treated is that according to the EU rules, airlines with no growth or slow growth in flights bound to Europe will pay less for carbon emissions than those that are quickly expanding their European flights.

Liu Shaoyong, director-general of China Air Transport Association, said the rules are not fair for airlines from developing countries.

After years of operations, airlines from developed countries have built a mature network with many flights linking to Europe, he said.

"Compared to them, who are not likely to add many flights to Europe in the future, carriers from developing nations have much fewer flights now but will expand fast in the future," said Liu, who is also chairman of China Eastern Airlines.

"But from 2012, these fast-growing 'youngsters' will have to pay much more than the mature airlines," he said.

"It is unfair for airlines from developing nations, because they are paying bills not only for emissions made by others in the past, but also for future emissions," he said.

An official with the Civil Aviation Administration of China (CAAC), who would not be named, said developing countries like China should be treated differently from developed countries, citing principles in the United Nations Framework Convention on Climate Change and the Kyoto Protocol.

Imposing such a fee on developing countries' airlines will be "detrimental to their development", the official said.

China has made efforts in the past years to reduce aviation emissions, including cutting air routes short and introducing advanced technologies and new planes, he said.

Liu was quoted by Xinhua News Agency as saying that China now has a fleet with an average age of eight years, all equipped with fuel-efficient engines.

"In contrast, many planes in service in developed countries are aged 15 years and older," he said. Usually, the older the plane, the higher the emissions.

Despite the global aviation slowdown, China's civil aviation industry has maintained a double-digit growth in the past two years. From January to April this year, the sector saw a 30.6-percent increase, according to CAAC statistics.

*Source:China Daily*

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