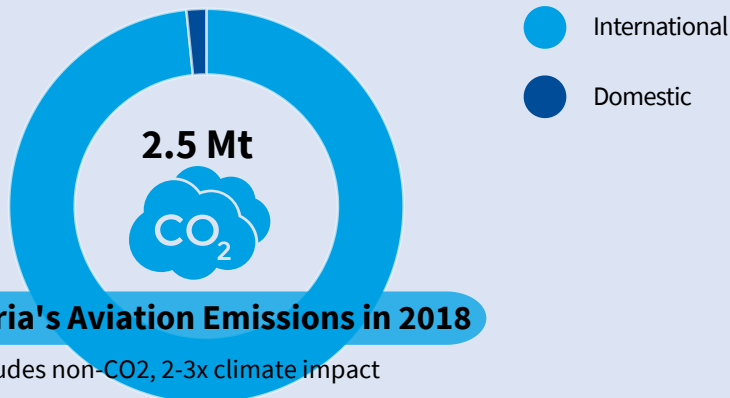


# Austrian bailout: climate conditions explained

The Austrian Government granted €450m to Austrian Airlines (AA) (non-repayable aid of €150m and loans of (€300m). Similar to the [Air France bailout](#), the Austrian government announced a series of climate conditions as part of this package, seeking to use this opportunity to reduce emissions from this airline and the aviation sector more broadly. This infographic explains those conditions and how to improve them.



Austria's aviation emissions **grew 168%** between 1990 and 2018. AA's total emissions are not currently made public, however for their flights within Europe the airline emitted 0.9 million tonnes of CO<sub>2</sub> in 2019. That scope excludes long-haul, which is responsible for most of the airline's climate impact.



AA will have to **reduce their domestic emissions by 50%** by 2030, however domestic aviation emissions in Austria equal only 1.7% of total aviation emissions, so of little importance. More importantly, **AA will have to reduce its total emissions by 30% by 2030 from 2005.**



Further clarity is required on how the target will be achieved, and **the target itself should be boosted** to ensure that the airline reaches net zero emissions by 2050.



AA **will end flights where a train connection under 3hrs exists**, and that includes hub flights. That's an improvement on the Air France proposal (2.5hrs, not excluding feeder flights).



3hrs is still the lower end of ambition, and **this range should be expanded to at least 5hrs**. However even then, such flights are a small share of overall aviation emissions, and so more is needed to address medium and longhaul aviation emissions. That must include investing in new fuels, such as synthetic kerosene.



**The government announced a minimum price for tickets via fees and taxes (€30 for flights under 350km)**, to ensure a minimum ticket price of €40.



**Taxation reform should extend to taxing jet fuel** - which is currently total untaxed. Austria could enter agreements with neighbours to tax such fuel bilaterally and support EU efforts to tax jet fuel across the bloc.



It's unclear how some of the conditions, such as the 30% emission reduction, **will be legally enforced**. Other measures, such as the tax, will need to be adopted by the Austrian government.



The conditions on AA should be binding, **with clear financial penalties for failure to comply**. The Austrian government should move quickly to implement their measures, such as the tax increase.



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T&E's [aviation bailout tracker](#) can be consulted for more information on other airline bailouts