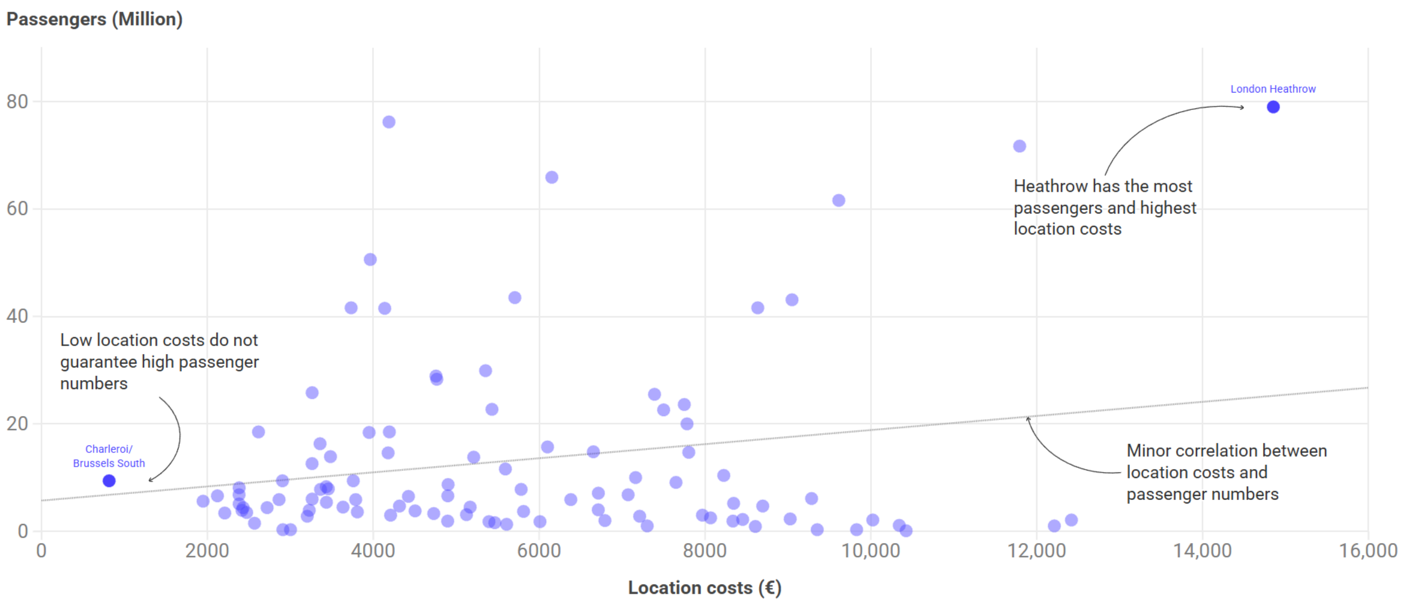
# Airlines blame taxes, fees and charges: The data says otherwise

Airlines claim nationally-imposed aviation taxes, fees and charges are driving passengers away. The data proves otherwise: demand to a large extent depends on airline strategy, market trends and travel behaviour, not on costs alone. Cutting aviation taxes, fees and charges would mean throwing away billions in public revenues without a tangible effect on passenger numbers.

The new T&E commissioned study shows:

1. **Costs do indeed vary significantly across European airports** with the most expensive airports costing up to five times more to fly from than the least expensive.
2. However, the data shows that **there is only a weak relationship between taxes, charges and fees at an airport and passenger numbers**. Higher costs don't always lead to lower passenger numbers.

### Passenger numbers and location costs at European airports

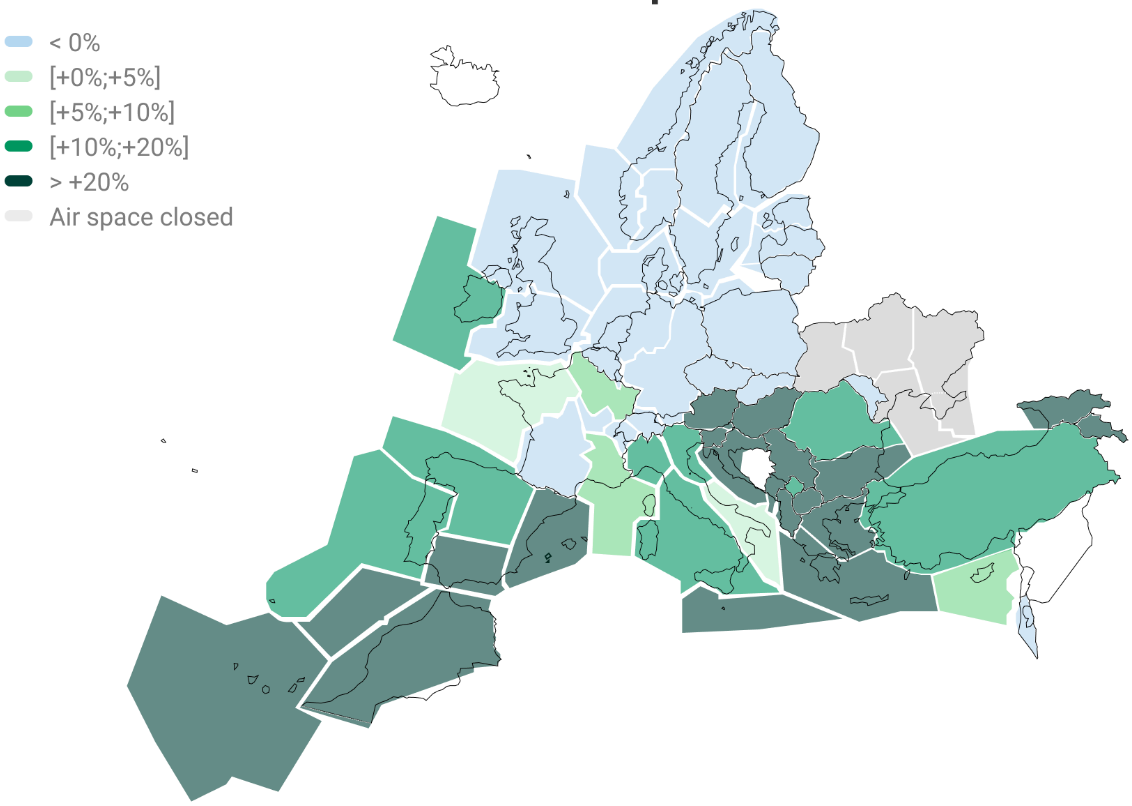



3. This is because a number of other factors need to be taken into consideration, especially airline strategy. Airline route planning is determined by geographic factors, economic attractiveness and international agreements meaning **airports with higher costs can still attract many passengers if they are strategically important**.
4. **Furthermore, no clear relationship could be found between ticket price increases to-date and passenger number changes**. In aviation, supply determines demand: airlines plan their schedules months in advance and then fill their planes with flexible pricing. This keeps passenger numbers stable despite rising prices. With proper taxation, which would imply another order of magnitude of cost increases, aviation taxation could

become a demand management tool. But current minor variations in national taxes, charges and fees do not show a strong correlation with demand.

5. **A case study on Germany highlights how passenger numbers are not solely determined by costs**: post-Covid it is a steep decline in business travel (see map below) and Lufthansa's quasi-monopoly in the domestic market that have kept passenger numbers low, not national taxes, fees and charges alone.

## Traffic variation between the first quarter of 2025 and 2019




Source: Eurocontrol

The conclusion is clear: airline attempts to attribute declines in passenger numbers solely to taxes, fees and charges **appear to be more of a lobbying position to support industry demands for lower costs than a reflection of actual causal relationships**.

# Key recommendations

| | |
|---|---|
| 1 | **Avoid revenue losses:** National governments should not cap or reduce aviation taxes, fees and charges solely as a means to ensure the ‘recovery’ of the industry. This would be throwing away revenues that are a fundamental part of national budgets and can also be used to support the development of sustainable aviation technologies. |
| 2 | **Users should pay:** Charges on airlines and airports should cover the costs of their services. Subsidising these costs undermines overall welfare. For example, security charges should be fully covered by the user – in line with traditional practice for industries with a high security risk. |
| 3 | **Tax fairly:** National ticket taxes should be designed to reflect economic externalities, i.e. the most climate-damaging tickets should have the highest taxes. This means higher tax rates for first and business class tickets and higher tax rates for long haul flights. |

## Further information


**Marte van der Graaf**

Aviation Policy Officer

T&E

marte.vandergraaf@transportenvironment.org

Mobile: +49 1629092696


T&E