



# UK airlines: not paying for pollution

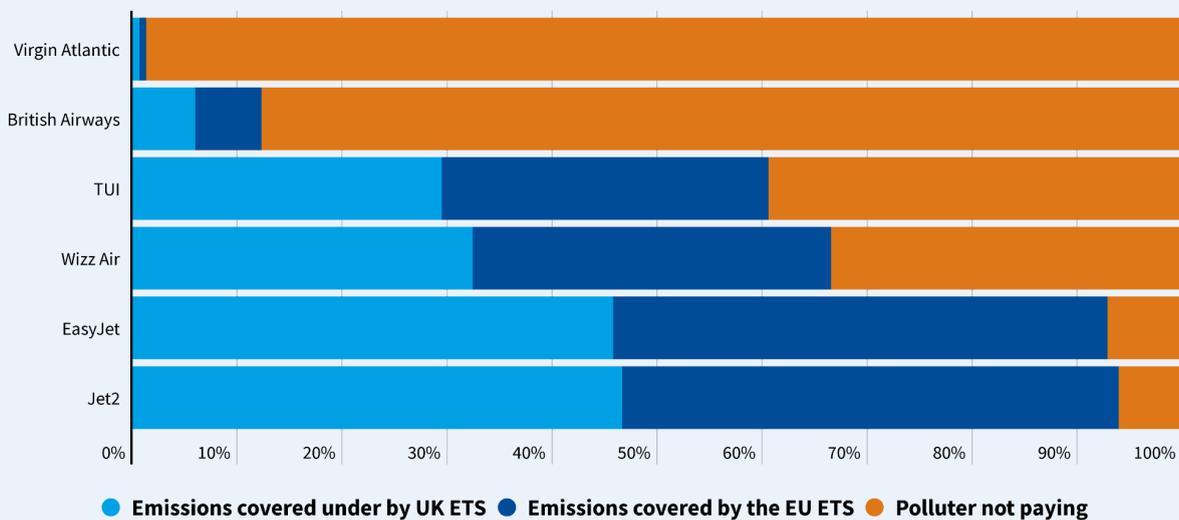
## Why is the Government letting airlines off the hook?

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The polluter pays principle is a long-established concept that has recently been reaffirmed by the UK Government, via its [environmental principles policy statement](#). Carbon pricing is also a core component of the Jet Zero Strategy, but - unlike all road transport - no fuel duty is applied to jet fuel and most emissions fall outside the current scope of the UK and EU emissions trading schemes (ETS). It is completely baffling that the Government fails to charge airlines for a large proportion of the greenhouse gases they emit.

T&E has analysed the 2021 emissions from UK registered commercial airlines, and found that this Government failure favours some airlines more than others. As can be seen below, the UK and EU ETS' cover varying levels of emissions from airlines.

### UK and EU ETS Coverage

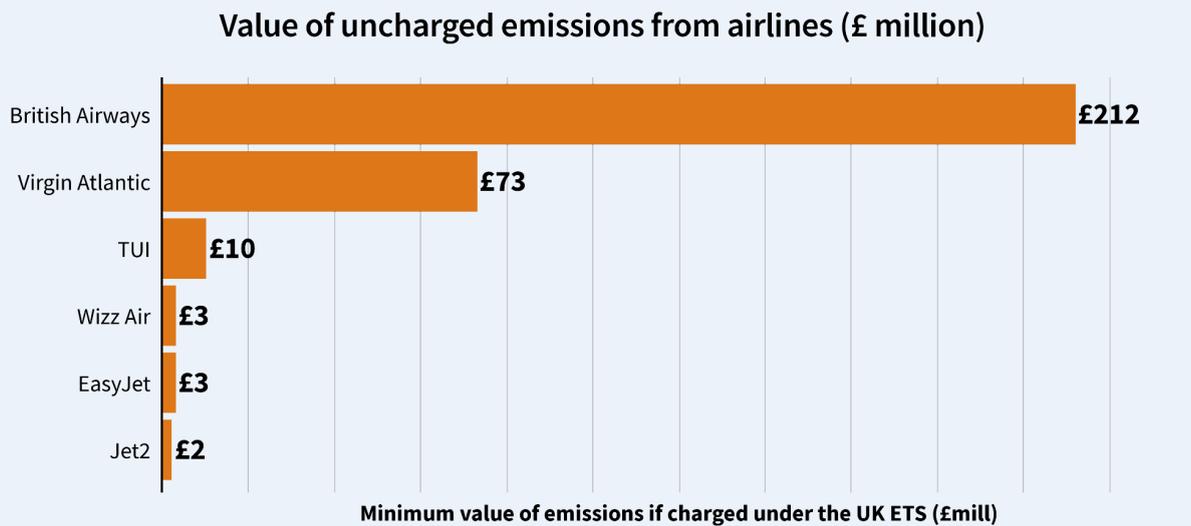


**Figure 1: Proportion of airline emissions covered or not covered by ETS schemes, interactive graph [available here](#). Source: CORSIA data provided by the Environment Agency.**

Both Virgin Atlantic and British Airways do not have to pay anything for the vast majority of the environmental damage they cause: in Virgin Atlantic's case it gets away with not paying anything

for 99% of the emissions it produces. British Airways does not pay for 88% of its emissions. Conversely, easyJet does not pay for 7% of emissions, whilst Jet2 does not pay for 6%.

The question then becomes how much should the airlines have paid on top of current carbon pricing schemes if all their emissions were charged. The below graph shows the minimum amount the airlines would have had to pay if their uncovered emissions were part of the UK ETS.



**Figure 2: Minimum value of uncharged emissions from Airlines, interactive graph [available here](#). Assumes a carbon price of £42.40/tonne, equivalent to the minimum UK ETS rate in 2021. Source: [Ember Carbon Price Tracker](#).**

Should UK airlines have been charged at the *minimum* level that the UK ETS traded at in 2021, then an extra £301 million would have been raised for Governments round the world. If they had been charged at the minimum 2021 EU ETS rate, they would have been charged an extra £191 million. In effect, some of this is money foregone by the Treasury because the Government is not enforcing its own principles. Incredibly, the vast bulk of this - just over £200 million if charged at the minimum UK ETS rate - would have come from British Airways, which has the highest absolute volume of “free” emissions.

Not charging airlines for the environmental damage they are causing is against the Government’s own principles, slowing down aviation decarbonisation, and depriving the Government of revenue at a time when it is urgently needed. It is high time this was addressed, either through applying a kerosene tax, or extending the scope of the ETS to all departing flights.

## Further information

Name: Matt Finch

Title: UK Policy Manager

Transport & Environment

[matt.finch@transportenvironment.org](mailto:matt.finch@transportenvironment.org)

Mobile: +44(0)7881 812 398

## Methodological Note

The proportion of airline emissions covered or not covered by ETS schemes was calculated using CORSIA data on emissions by airline and by origin and destination country, as provided by the Environment Agency.

Emissions for British Airways were combined with BA Cityflyer.

Only UK registered businesses are included in this briefing. Ryanair operates a large number of flights to and from the UK, but is registered in Ireland, and so has to report its emissions there. Similarly, easyJet has a European entity registered in Austria, and therefore reports some emissions there. Only easyJet UK emissions are reported here.

Cargo airlines were removed from this comparison, as were those with total 2021 emissions under 100 Mt.

The carbon price used to calculate the minimum revenue on uncharged emissions was £42.40 / tonne, the minimum price in the UK ETS in 2021. The minimum price in the EU ETS in 2021 was £26.90. In 2022, the minimum UK ETS rate was £66.55 per tonne and the minimum EU ETS rate was £49.55.