



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Stephen Hammond MP  
House of Commons  
London  
SW1A 0AA

24 August 2019

Dear Stephen,

Thank you for your letter of 8 July to the Rt Hon Elizabeth Truss MP on behalf of your constituents about aviation taxes. I am replying as the Minister responsible for this policy area.

Due to international conventions to which the UK is party, the Government does not charge fuel duty on commercial aviation fuel or VAT on airline tickets. In light of this, the UK instead levies a tax on airlines through Air Passenger Duty (APD), one of very few countries to do so. Whilst APD is not primarily an environmental tax, it ensures that a sector responsible for approximately 7 per cent of UK greenhouse gas emissions pays tax on its activities. The rates of APD are the highest in Europe for a tax of its kind, and APD raised £3.6 billion in 2018/19. This revenue funds government priorities, including tackling climate change.

Furthermore, CO<sub>2</sub> emissions from aviation within the European Economic Area are included in the EU emissions trading system, helping to reduce the carbon footprint of the industry.

The UK has already made huge progress in growing our economy while slashing emissions. Between 1990 and 2017, the UK reduced its emissions by over 40 per cent while growing the economy by more than two thirds. The former Prime Minister said that the UK will eradicate its net contribution to climate change by 2050, making us the first major economy to put such a target into legislation.

Noting the importance of multi-lateral action on climate change, the UK Government continues to engage in international fora to ensure emissions from the aviation industry are addressed at a global level.

Please pass on my thanks to your constituents for taking the trouble to make us aware of these concerns.

Yours ever,

SIMON CLARKE