



Advancing climate transformation and competitiveness –

Our proposals for an EU Agenda 2024-2029 in aviation

Our contribution to strengthening Europe in an open world

Flying connects people, markets and cultures across borders. Our companies and their employees, management boards and management teams stand for a cosmopolitan and diverse society. We work to make it possible for people to come together and live together in this world.

The aviation and tourism industries offer secure and attractive jobs and, as an important economic sector, fulfil essential functions for the internal market. According to European Commission figures, the EU aviation sector alone directly employs 1.4 to 2.2 million people and supports a total of 6.2 to 7.5 million jobs. The direct contribution of air transport to the EU's GDP amounts to EUR 110 billion, while the overall impact, including tourism, is EUR 620 billion due to the multiplier effect. The availability of intercontinental direct flights is an important factor for large companies when choosing where to locate their headquarters in Europe. Efficient European hubs ensure the connectivity of EU economic regions. By ensuring the smooth transport of goods, air freight not only creates security of supply, but also promotes international trade and strengthens the competitiveness of the European market.

Our contribution to climate protection

Global demand for air travel continues to grow. At the same time, we believe that the goal of a climate transformation is also essential in aviation. This makes it even more important to harmonise flying and climate protection. Aviation makes a significant contribution to achieving the current climate protection targets:

- / Thanks to fleet modernisation, German airlines alone have been able to reduce specific CO₂-emissions by 43 percent since 1990. And the airlines are continuing to invest: 205 new, more energy-efficient aircraft are currently on order at a list price of 48 billion euros.
- / With its inclusion in emissions trading, European aviation is growing in a CO₂-neutral way.
- / By progressively replacing fossil kerosene with sustainable aviation fuels, we are paving the way for climate-neutral flying.
- / German airports were already able to reduce their CO₂-emissions by 35 per cent between 2010 and 2021. This was achieved, for example, by investing in renewable energies, electrification and sustainable buildings with low energy consumption.
- / We are strengthening intermodality as a further building block in climate protection in air transport. This makes it possible to encourage travellers to switch to rail. Wherever possible, the aviation industry and railways are therefore working together.

In order for Europe's aviation sector to remain competitive and for the climate transformation to succeed at the same time, the EU needs to set a new course

Since the liberalisation of air traffic, our companies have been in international competition with airports and airlines that are subject to lower taxes and fees, that do not have labour and social standards in line with European standards, that do not have to purchase emission certificates and that are not obliged to use sustainable fuel. Many of the competitors of our European companies therefore offer air travel at a much lower cost. As a result, passengers travelling between the EU and Asia as well as Africa are increasingly flying with non-European airlines via hubs on the Bosphorus and the Persian Gulf. This is currently being exacerbated by the fact that, due to EU sanctions, European carriers, unlike non-European carriers, cannot use the shorter and cheaper flight routes via Russia. In 2010, 37 percent of passengers from Germany were already transferring via non-EU hubs. By 2023, this figure will have risen to 56 per cent. Passenger flows are thus increasingly shifting to non-European hubs and the direct air transport connections of many European economic regions are deteriorating as a result. This leads to considerable carbon leakage effects and, as a result, to structural distortions of competition in passenger and freight transport. European climate protection legislation lacks a level playing field between the EU and these third countries.

Against this backdrop, the major task of transformation can only succeed if climate protection and competitiveness go hand in hand and the investment power of air transport companies is not further weakened. Air transport needs the EU's active involvement and support in the following two fields of action:

- / The review process provided for in the Fit for 55 climate protection package must be used to avoid the competition-distorting and carbon leakage effects of the blending quota and the ETS and to implement suitable regulations and instruments for this purpose. The market ramp-up for sustainable aviation fuels must be ensured.
- / To strengthen competitiveness, the EU must make concrete progress in automation and reducing bureaucracy and find competition-neutral solutions for regulations.

Our proposals in detail:

1. Sustainable aviation fuels (SAF) are crucial to achieving CO₂-neutrality by 2050. However, the volume of available SAF is very limited, the costs are significantly higher than for conventional kerosene and the blending quota alone does not guarantee a competitively neutral market ramp-up for airlines. We therefore call on the EU to ensure **instruments for the promotion of SAF and competition-neutral financing**. To this end, the EU should also examine the possibility of a European, destination and passenger-related climate fee, the revenue from which would be collected by the Member States and used to procure SAF, which would then be sold to the airlines at the price of fossil kerosene. This could accelerate the SAF ramp-up and prevent distortions of competition. The introduction of a CO₂-compensation mechanism for passenger flights should also be examined, which could be used to offset the additional costs incurred during transport via European hubs. In addition, pragmatic provision and crediting options for SAF are required, including e.g. the introduction of a **"book & claim" system**.
2. International transfer passengers via EU hubs must be treated in the same way as feeder passengers via non-EU hubs. However, the regulations on emissions trading in aviation discrimi-

nate against feeder flights to European hubs. We therefore call on the EU to introduce instruments for a **competition-neutral further development of the ETS**.

3. The introduction of a European kerosene tax, on the other hand, would only affect European air transport and thus have considerable competition-distorting carbon leakage effects. We therefore call on the EU **not to include kerosene taxation** in the decisions on the European Energy Taxation Directive (ETD) – and to use the pricing instruments of emissions trading in aviation.
4. In addition to CO₂-emissions, the climate impact of air traffic also includes non- CO₂-effects, for example in the form of long-lasting condensation trails. Together with research institutes such as the German Aerospace Centre, the aviation industry is currently developing technological solutions that could minimise non- CO₂-effects (e.g. adapting flight routes to weather conditions). Further research is needed to reliably quantify the effects and implement avoidance strategies that deliver measurable success. **We therefore call on the EU to ensure that non-CO₂-effects are analysed first and then efficiently avoided.** Regulation that merely leads to pricing is not expedient.
5. When negotiating European aviation agreements, the Commission is called upon to pay particular attention to a level playing field for the companies concerned and to examine in detail the impact of the agreement on overall air transport connectivity.
6. The further development of the Single European Sky continues to be of great importance in improving the performance of the air transport system and meeting climate targets. We are therefore in favour of continuing to significantly and effectively improve air traffic management in terms of safety, capacity, cost efficiency and the environment, among other things through the targeted promotion of technology development.
7. The ICAO's "balanced approach" as defined in EU Regulation 598/2014 must continue to be applied to air traffic. New noise-related operating restrictions are only permitted if all other measures have been exhausted and further measures would be absolutely necessary in the interest of a balanced approach. Intervention in existing operating licences is rejected; operating licences must be valid in the long term to ensure planning security for all. The European economy – in air transport as well as in road and rail transport – is urgently dependent on efficient logistics chains at night.
8. Our member companies are working hard to further the **automation of handling processes in air transport**, for example in baggage check-in and loading processes on the ground. However, technical and operational innovations face obstacles due to outdated regulations.

We are therefore calling on the EU to open its regulations to technological innovations, e.g. for autonomous passenger boarding bridges, loading vehicles, etc., and to avoid bureaucratic requirements in ground handling.

9. **Passenger rights** are an integral part of consumer protection in air transport. However, European and – even more problematic – national solo efforts with special burdens for companies always harbour the risk of distorting competition to the detriment of European companies, which are disproportionately affected by such regulations compared to their competitors from

third countries and other modes of transport.

We therefore call on the EU to ensure an internationally coordinated approach in the further development of consumer protection and to harmonise consumer protection and economic profitability.

10. The EU Commission's announcement that it would abolish 25 per cent of **reporting obligations for companies** has by no means been implemented. On the contrary, additional obligations are planned in many legislative projects.

We are therefore calling on the EU to reduce reporting obligations and bureaucracy ("cutting red tape") – including in the aviation sector.

Contact

Sebastian Zurfähr
Head of EU Representation

sebastian.zurfaehr@bdl.aero
+49 152 0238 0157

Bundesverband der Deutschen Luftverkehrswirtschaft e. V. (BDL)
BDI/BDA The German Business Representation / Rue Marie de Bourgogne 58 / 1000 Brussels
Haus der Luftfahrt / Friedrichstraße 79 / 10117 Berlin

The German Aviation Association (BDL) was founded in 2010 to represent the interests of the German aviation industry. Members of the association are airlines, airports, German air traffic control and other service providers in German air traffic.

BDL e.V. (German Aviation Association)

Haus der Luftfahrt
Friedrichstraße 79
10117 Berlin

+ 49 30 520 077 – 100
info@bdl.aero

www.bdl.aero