

The Dutch Ticket Tax, lessons for Germany ?

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History

- New Government, Christian-democrats/socialist,
- New ambitions, environment, sustainable
- Financed by yet untaxed Polluters: Aviation
- Financial target fixed : 350 M-Euro
- Details : to be fixed
- Additional research showed : no tax on Freight,
Nor on Transfer, otherwise killing your hub.
- Euro 11,25 European trips, ICA 45 Euro.

History

- Introduction 1 july 2008
- Summer 2008 : Credit-crunch
- Tourist industry : big losses, empty hotels
- KLM : 1 million travellers gone
- Weeze : Number of dutch travellers doubled
- April : Recovery package : tax will be nullified
- Abolished 1 july 2009

Evaluation ex-ante

- SEO/Significance made a series of calculations

Variant 1E-B (Euro 12,50 resp 47,50) after full implementation in 2011, mean effect of 4 WLO-scenario's :

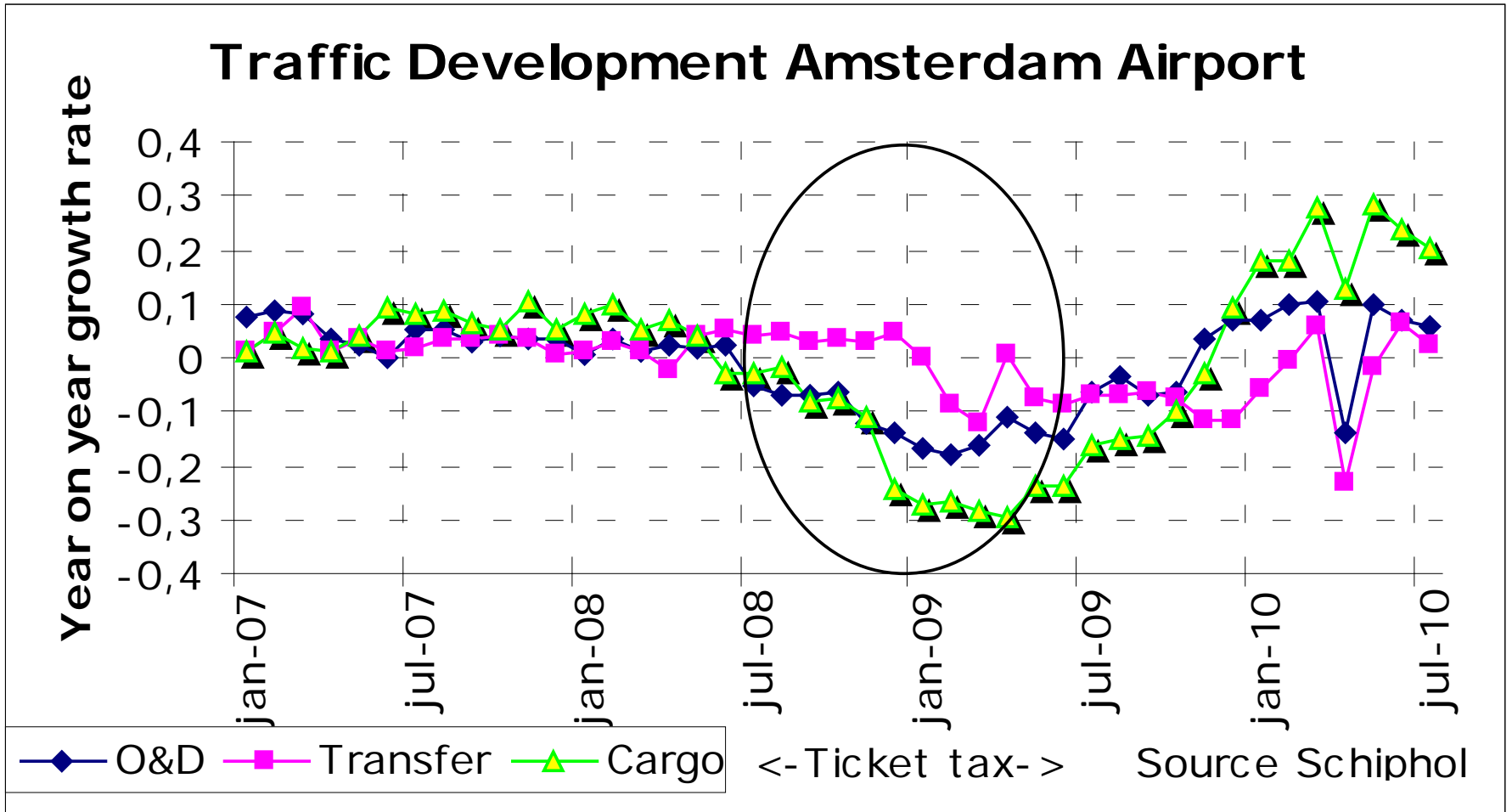
- Schiphol

– passengers –8 %	OD –10 %	transfer –5 %
– Business	OD – 6 %	transfer –4 %
– Non business	OD –13 %	transfer –5 %
– movements –8 %		
– Regional airports –12 %		

- What did lost passenger do ?

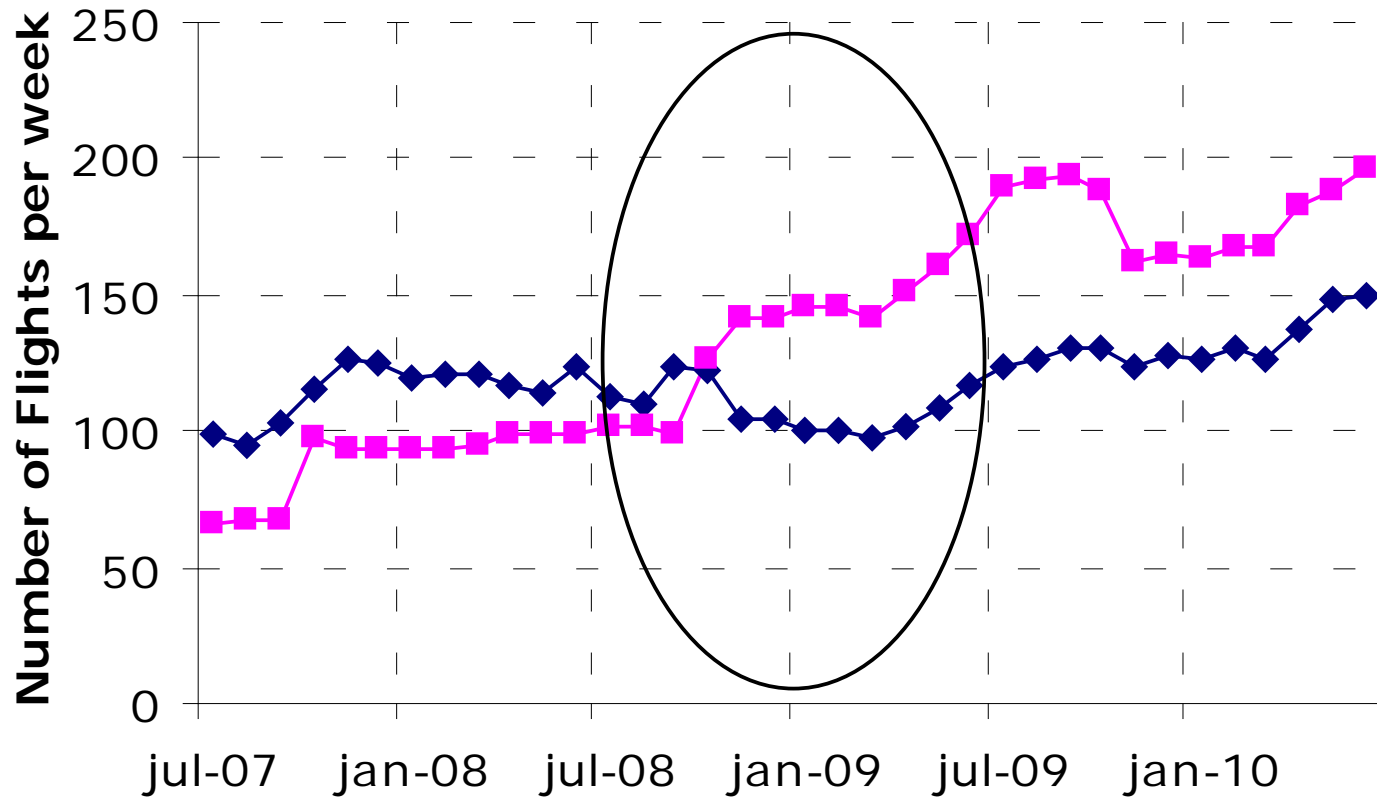
– More Train/Car :	10%
– No journey :	40%
– Other Airports :	50%

Data



Regional airports

Flights from Weeze (NRN) and Eindhoven



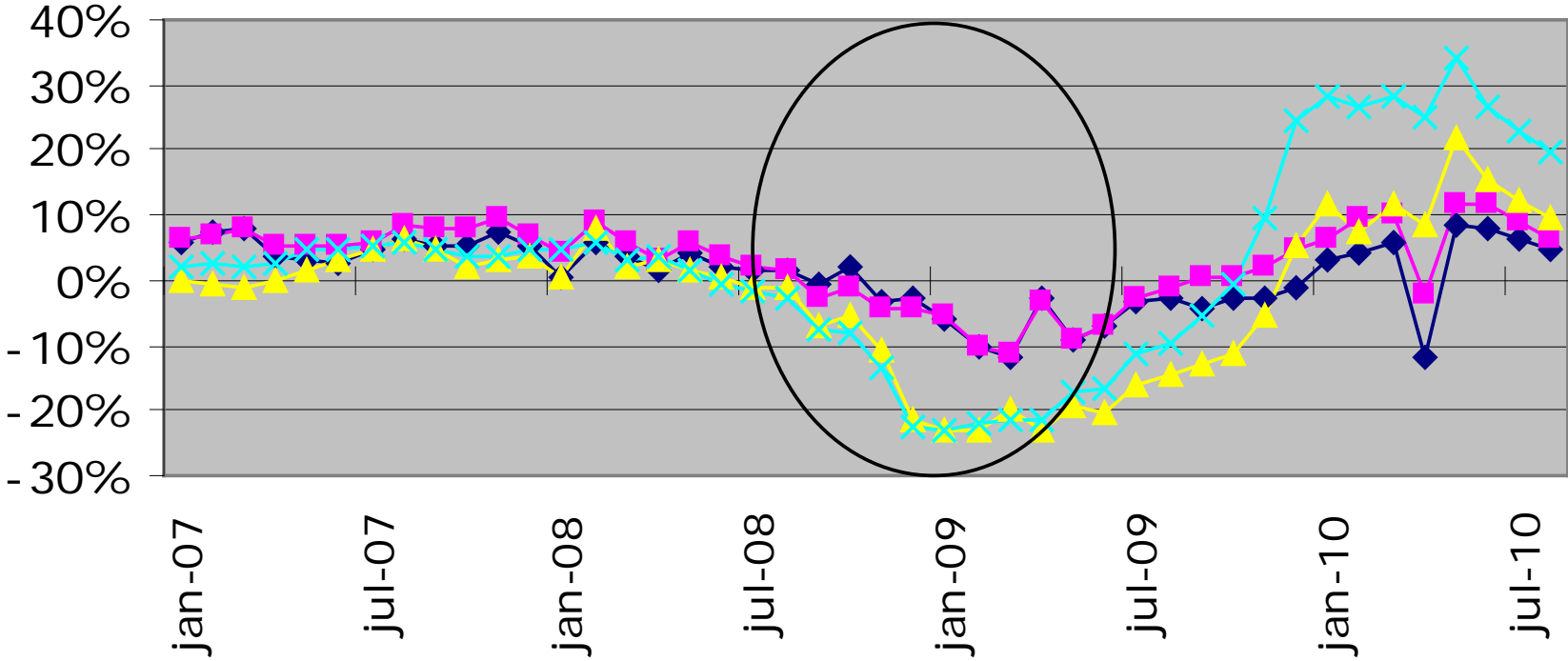
◆ EIN ■ NRN

<- Ticket tax ->

Source : OAG

Credit crisis effect on aviation

**Fig 3 IATA airtraffic development
year-on-year growth 2007-2010
Europe and World; Passengers & Freight**

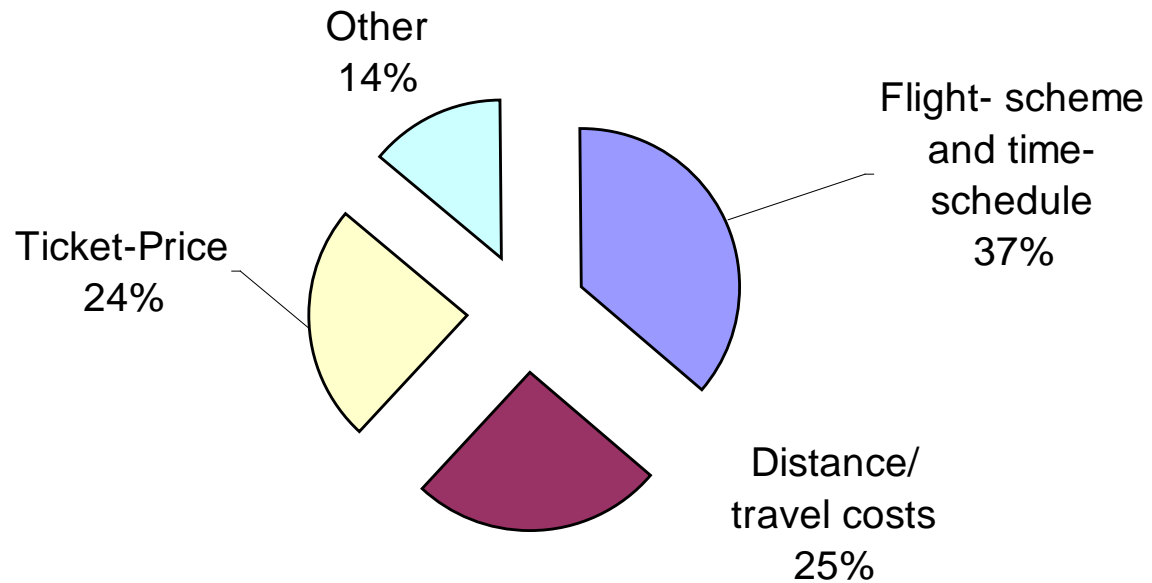


◆ EurPass ■ WPass
▲ EurFr ✕ WFreight

<- Ticket tax ->

Airport Choice

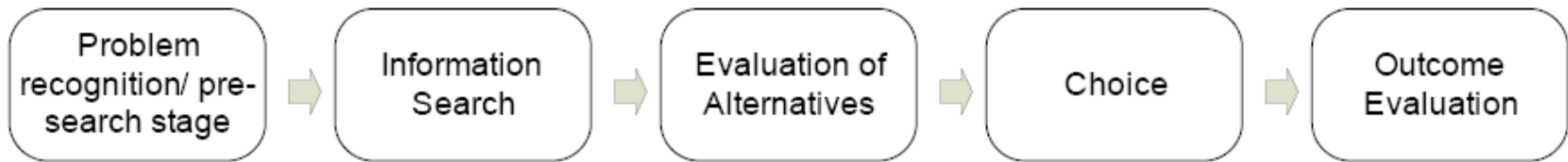
Fig 4 Decisive factors for airport choice
Source: KiM Airport Choice Survey 2010



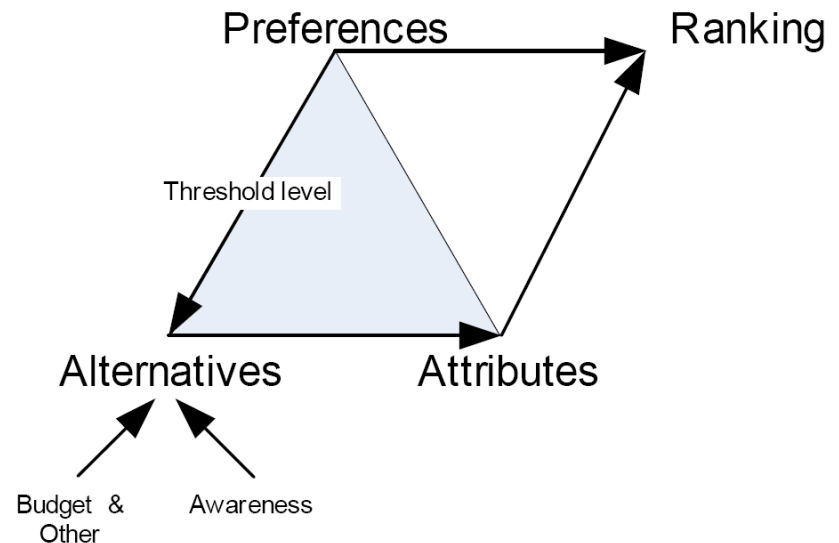
Consumer behavior

Source : Steverink, 2010

The cognitive Decision Sequence:

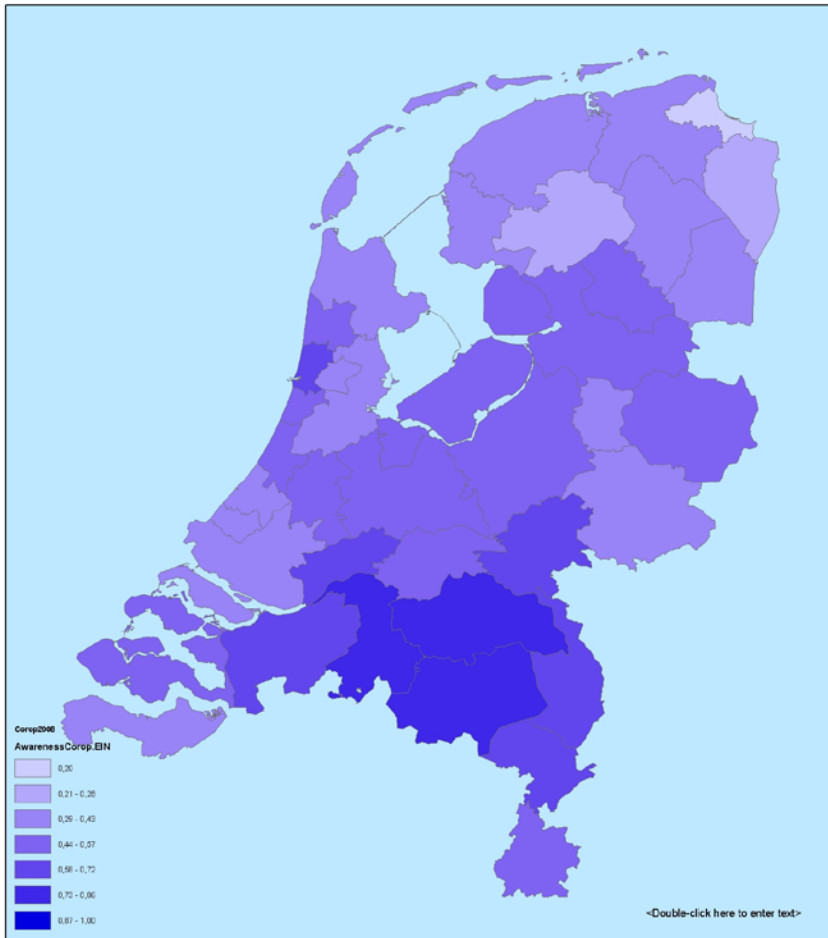


Information Requirements:

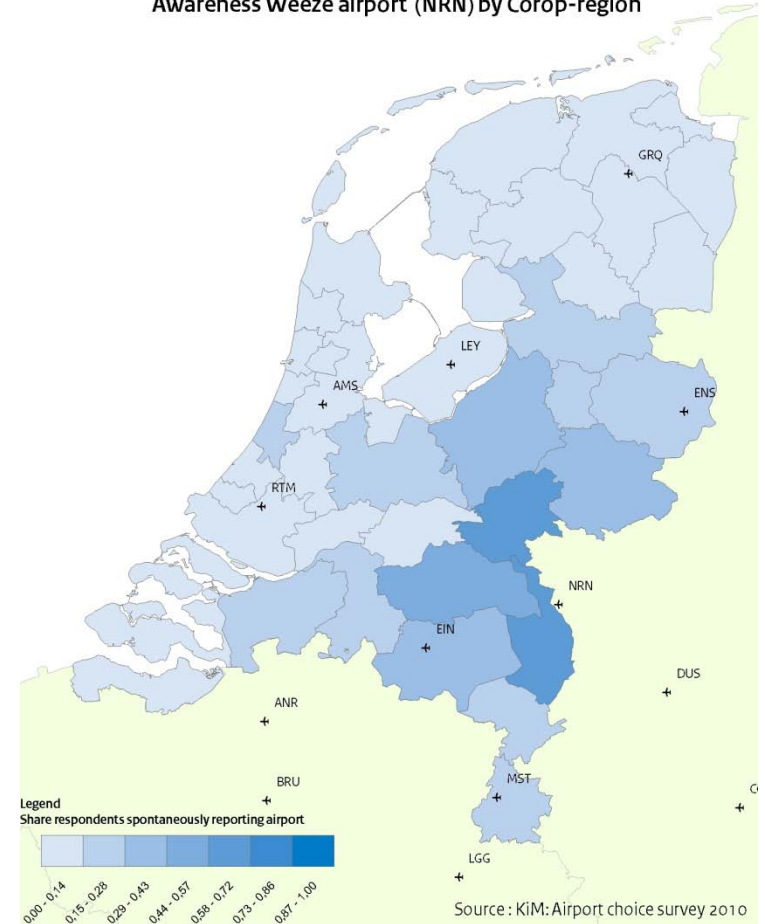


(Im)perfect information: Awareness

Awareness Eindhoven airport by Corop-region

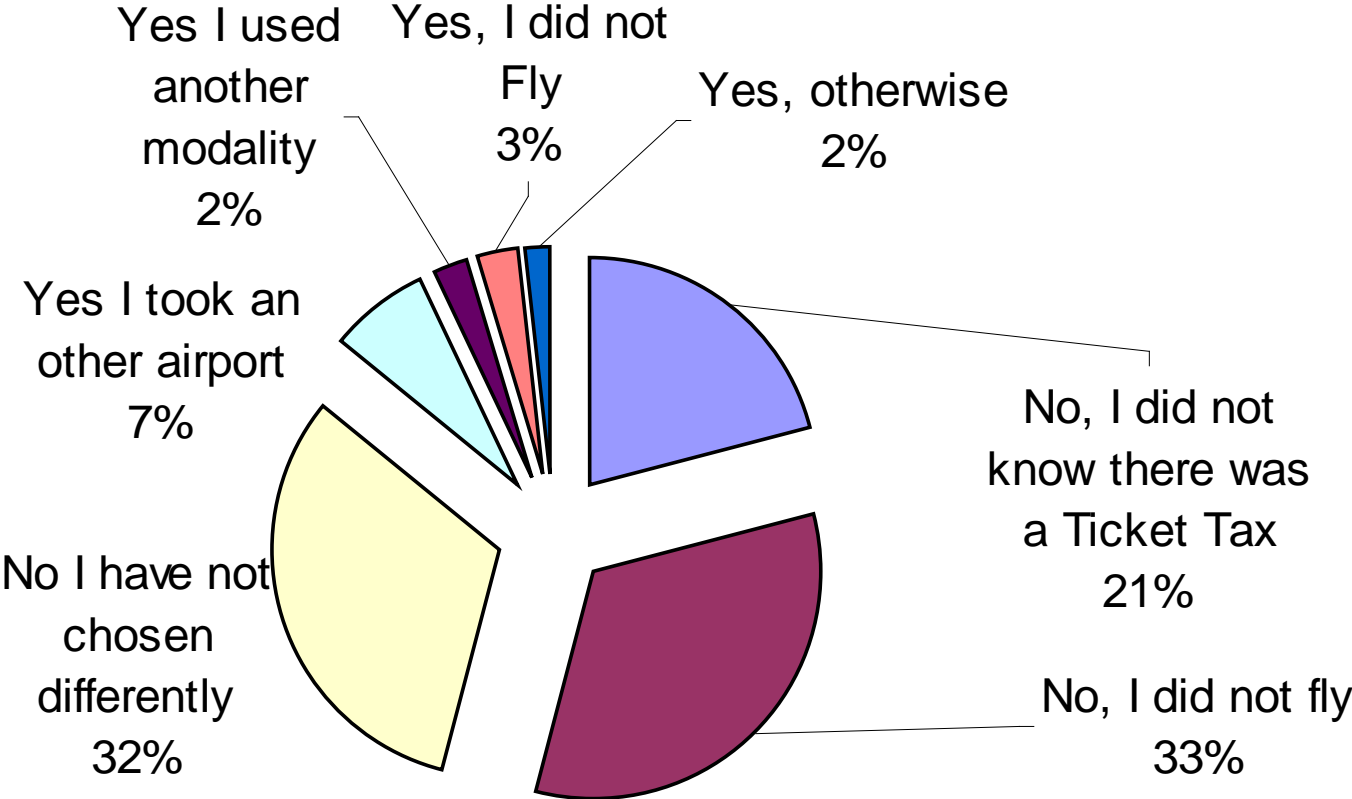


Awareness Weeze airport (NRN) by Corop-region



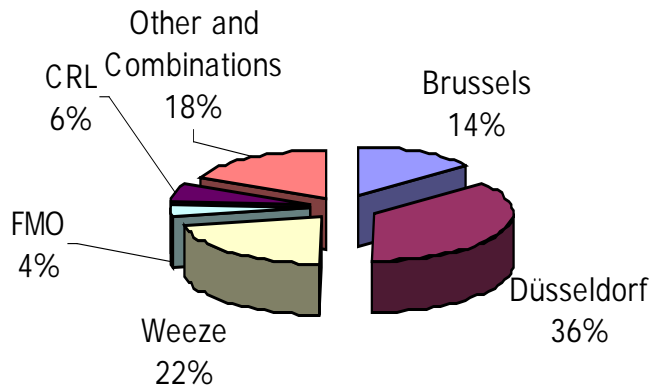
Effect Ticket Tax

**Fig 6 Did the tax influence your choice?
Total YES : 14%**

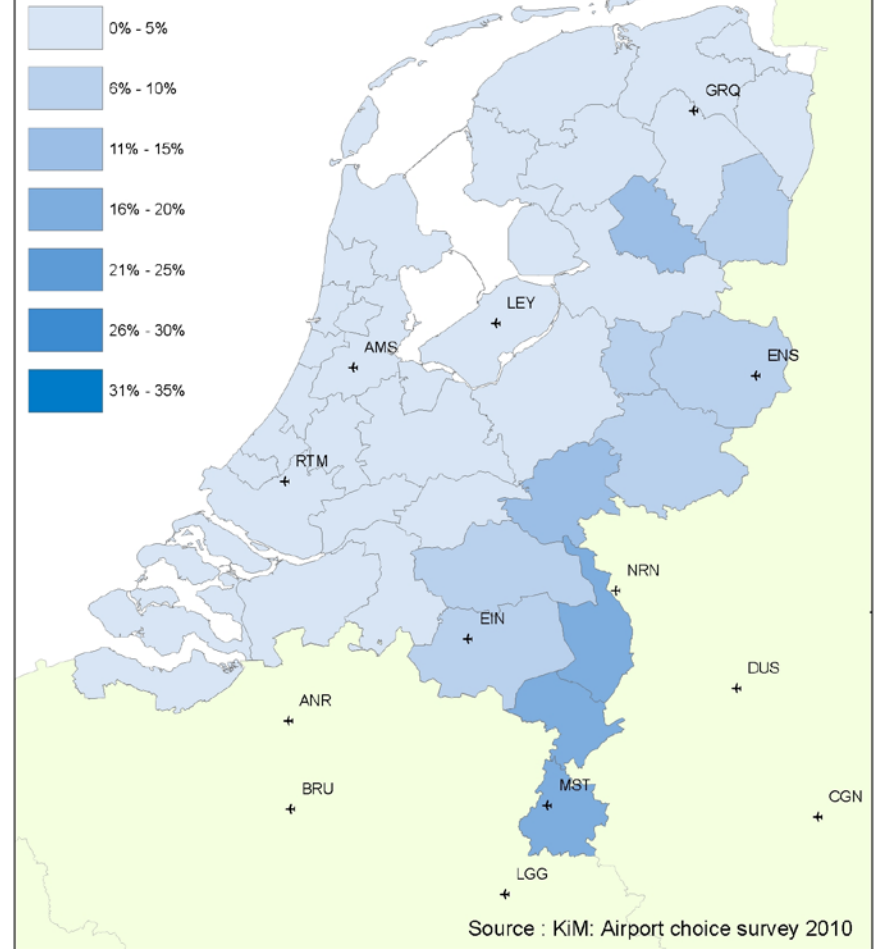


Alternative choice

Other Airport Chosen

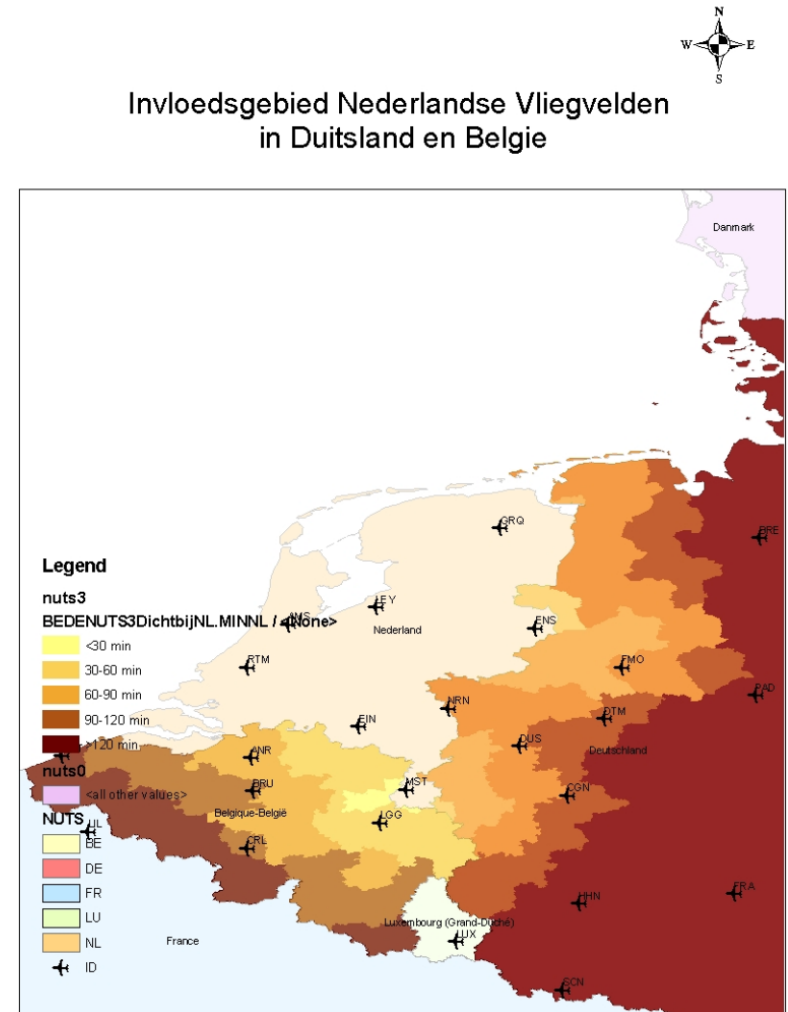


Last flown from Dusseldorf Airport by Corop-region



Accessibility of Dutch airports for German citizens

- 2 – 2,5 million Germans live closer to NL-airport
- Embden to Bentheim, but GRQ and ENS very small / no operations
- EIN to far for 8 Euro, but NL-citizens will come back
- MAA (30 km from Aachen) serious chances
- AMS – DUS: ICA passengers will partly shift back
- See Grimme / Veldhuis



Other countries

- UK 1994: Air Passenger Duty (now 1-55 Pound)
- France 2006: Solidarity tax (1 – 40 Euro)
- Malta tax (12 / 23 Euro) abolished in 2008
- Denmark repealed 2007
- Sweden 2006: shelved
- Belgium 2008: shelved
- Ireland 2009 : (2 – 10 Euro) Ryanair withdrew planes
- Germany 2010 (8- 45 Euro) decided ?
- EU (2012) ETS, international opposition
- ICAO in discussion

Effects of Ticket Tax :

Preliminary Conclusions

- A unilateral tax has effects on airport choice and propensity to fly. In the dutch case both about 7%.
- The effects are strongly related to the location of alternative airports.
- Awareness of the tax and of alternative airports is an important aspect explaining the speed of adaptation.
- The effects of Introduction and Abolishment of the tax are not symmetrical due to structural effects on awareness, experience and habit-formation.
- Reactions of airlines (new routes or lost destinations) can have a structural effect.

Overall Conclusion

- Strong permanent pressure to subject aviation to the 'normal' taxes : excise duty on fuel and VAT.
- Do not do this on your own unless you are an Island and not dependent on incoming tourism.
- Is there a case for EU-wide Ticket Tax in anticipation (or as a substitute) of the inclusion of air traffic in the Emission Trading Scheme ?
- It would be a sensible solution !