KEY MESSAGES | PRICES OF PLANES VS TRAINS ANALYSIS

Key messages | Status: final



KEY MESSAGES

- → We are in the middle of a climate crisis and European citizen are encouraged to fly rather than take the train: buying a train ticket is on average twice as expensive as buying a plane ticket for the same journey; while the overall climate impact of flying can be over 80 times worse than taking a train¹.
- → Thanks to tax exemptions and subsidies paid with taxpayers money, airline companies sell "cheap" tickets at a high cost to the planet and its inhabitants, be they employees, airport neighbours, customers, people affected by extreme weather events or biodiversity in general. On the other hand, train travel generates less CO₂ emissions, air pollution and noise pollution but is subject to energy taxes, VAT and high rail tolls in most countries.
- → Low-cost companies, in particular, are destroying the planet with their unfair and aggressive pricing strategies. They have exploited every loophole and trick in the book to cut prices. And these companies' workers are also impacted, as social dumping is at the very core of these companies' activity.
- → One of the reasons people choose to fly rather than travel by train is price: why would anyone take the train from London to Barcelona and pay up to €384 when air tickets are available for the ridiculously low price of €12.99? The unfair regulatory playing field for travel is undermining European rail, exploiting workers and polluting the planet, all to the benefit of airlines.
- → Aviation is one of the world's most climate-damaging and inequitable industries. In recent decades, aviation has been the fastest-growing source of greenhouse gas emissions (GHG) in Europe (+29% between 2009 and 2019 in the EU). Air traffic in Europe is now returning to pre-pandemic levels, at the exact same time when we're facing destructive fires and droughts across the planet. The price attractivity of flight tickets is irresponsible.
- → In the face of a looming climate emergency, action should be taken to curb this boom that is putting our future at risk. Yet, far from taking a responsible approach, EU institutions and national governments continue to subsidise climate change through giveaways to airlines and airports, while closing down railway stations and lines.
- → Time has come for a fair pricing of trains and flights that respects the people and the planet. Citizens deserve to have access to a clean, efficient and affordable transport system that does not harm the climate, people and our planet. Greenpeace is calling for EU institutions and national governments to make trains more affordable than flights by introducing climate tickets and phasing out airline and airport subsidies like

¹ The overall climate impact of flying can be <u>over 80 times worse</u> than taking a train. Planes emit on average 4.84 times more greenhouse gas emissions than trains according to data from the <u>European Environment Agency</u>, which is a conservative low estimate. <u>Figures vary</u> by country, railway company, route and type of train, and national data is available for most countries, a key factor being the electricity mix used by the railway companies.

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FOR ALL

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the tax exemption for kerosene. European citizens should have access to affordable and simple long-term tickets that are valid on all public transport in their country. These tickets would allow them to travel on all national trains and cross-border transport and, together with the phasing out of airline and airport subsidies, could start the much-needed shift from air to rail.

- → Climate tickets can be funded by taxes from windfall profits of fossil fuel companies to start, and in the long term by the phase out of environmentally harmful subsidies and a fair taxation system based on CO₂ emissions such as a quick and effective introduction of a tax on kerosene or the introduction of VAT on international flight tickets.
- → The VAT on cross-border airline tickets in the EU is at 0%, which keeps the price of polluting transport low, while climate-friendly transport remains expensive.

 A 11% VAT on international flights would result in at least €10 billion of annual benefits, that could contribute to fund climate tickets across the continent².
- → A kerosene tax of €0.50 per litre in the EU would result in €46.2 billion of annual benefits, that could contribute to fund climate tickets across the continent³.

² The 7 largest airlines in Europe in 2019, had a cumulated revenue of <u>€111 billion</u>. If these revenues were taxed with the average 11% VAT on public transport, the amount would be €12 billion. But the revenues include non-European revenues and cargo; on the other side there are other airlines than 7. This is why "at least 10 billion euros" has been chosen.

³ In 2019, 64.7 million tonnes of jet fuels were used in EU28. This equals 92.4 billion litres. With a kerosene tax of €0.50 per litre, equivalent to average road fuel taxes, the annual amount would be €46.2 billion (based on 2019 data, we assume 2023 will be in the same dimension).