Quick fix but no long-term vision from the European Parliament on the Energy Tax Directive

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The Parliament has today voted on an opinion on the proposed revision of the Energy Tax Directive.

The European Environmental Bureau (EEB) and Green Budget Europe (GBE) welcome the Parliament’s support to raising the minimum levels of energy taxation, which sets out to tackle the paramount problem of fuel tourism in Europe. Currently, significant differences in tax rates on petrol and diesel encourage drivers to go out of their way to fill their tanks in EU Member States with lower transport fuel taxes.

However, EEB and GBE are utterly disappointed that an opportunity has been missed to put an end to the current absurd situation where energy taxes very often go against Europe’s energy and climate objectives, and where the EU requires Member States to exempt some of the most polluting transport modes, such as aviation, from taxation.

“These exemptions and the current fiscal advantage granted to diesel technology directly impinge on the EU’s guiding principles of polluter pays and of technical neutrality” said Agathe Ernoult, Energy policy officer at the EEB.

“The EP financial committee had called for rational adjustments to Europe’s tax incentives, but the current electoral climate in larger Member States seems to have played a role in depriving the two biggest parties from any long term vision in the plenary vote” said Jacqueline Cottrell of Green Budget Europe.

According to both organisations, the financial crisis must not be used as an excuse for shying away from reforming tax incentives, which would be phased in over more than a decade and would ensure long-term certainty for industry and consumers alike, as well as ensuring coherence between Europe’s energy and single market policies.

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Note to Editors

[1] European Environmental Bureau (EEB)
Created in 1974, the EEB is now Europe's largest federation of environmental organisations with more than 140 member organisations who gain their membership from the general public. Because of this, we are guided by the voices of 15 million European citizens, and act as the ears and voice of our members towards the EU decision makers.
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Green Budget Europe is a European Expert platform on Market Based Instruments for the environment. GBE aims to promote Environmental Fiscal Reform and Market-Based Instruments on the European level and bring together EU and government institutions, NGOs, industry associations, academics and the research community. GBE is a project of the NGO Forum Ökologisch-Soziale Marktwirtschaft e.V. (FÖS).
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