

EU energy taxation rules 'must not exempt fishing'

ENDS Europe

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The 2003 energy taxation directive is worsening overfishing by preventing member states from imposing fuel taxes on fishing boats, delegates heard at a Green Budget Europe conference last week. The organisation promotes green fiscal reform in the EU.



Edward Fahy from Irish research project Smart Taxes said the fishing industry is very inefficient, pointing out it uses 0.75 tonnes of fuel for every tonne of fish caught. The [proposed revision](#) of the directive would not lift the tax exemption for the sector.

If fuel charges were imposed, fishing boats would be forced to adopt more efficient practices, including switching away from trawling, Dr Fahy continued.

The draft revised directive, which was tabled by the European Commission in April, is likely to be adopted by the Council of Ministers next year. The European Parliament can only give a non-legislative opinion on the recast. Its economic affairs committee has assigned Luxemburger MEP Astrid Lulling as rapporteur.

The proposal would impose two tax thresholds on each energy source outside the EU emissions trading scheme (ETS); one based on the fuel's energy content, the other on its CO2 emissions. Over time, this would see minimum taxes for several types of transport fuel, most notably diesel, increase to a similar level to petrol taxes.

Green groups broadly support the idea but have concerns over a number of exemptions. Kai Schlegelmilch of Green Budget Germany (FÖS), said blanket bans preventing taxes on aviation and shipping fuels should be lifted to give member states more flexibility. He also recommended ending an exemption for nuclear fuel rods.

NGOs would also like the minimum thresholds for taxes on domestic heating fuels raised. These are kept low to protect low-income households but environmental campaigners believe this reduces the incentive for energy efficiency improvements. It would be better, they argue, to compensate low-income families in other ways.

Spanish and UK parliaments have told the commission that its proposal does not meet EU rules on subsidiarity and that a more thorough impact assessment is required. In particular, UK MPs say the changes can only be justified if they are to improve the operation of the single market, and not for climate or environmental reasons.

Conference [website](#) (including some presentations from Tuesday), plus [commission](#) presentation, [letter](#) from UK parliament and [opinion](#) from Spain's Cortes Generales.



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