



Ministerie van Financiën

Experiences with Dutch Air Passenger Duty (Vliegbelasting)

Berlin, 9 October 2009

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per 1 July 2009
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Context Dutch APD

- Price environmental costs hardly expressed in ticket prices
- No excise duties on kerosene (but for inland flights)
- No VAT (MwSt.) on non business air transport
- Overland transport fully taxed, although relatively less damaging to the environment; distortion of competition



Technical details

- Airports (total of 5) liable to pay tax
- Airlines: liable to inform and pay the airports
- Tariff: €11.25 (Europe, Turkey, western North Africa) and €45.- (other destinations)
- Passengers pay Dutch APD as part of the ticket price
- System fits into the existing procedures (flow of data and money in the air transport and travel business)
- Tax extremely efficient: €280mln. /€1 mln./€1mln.



Zero rate as of 1 July 2009

- 2008: Economic crisis, unstable fuel prices, exchange rates
- 2008: Aviation incorporated in ETS
- Strong focus media on shift to airports in neighbouring countries, especially Germany; existing shift accelerated
- Public support weakened
 - “Level playing field harmed”
 - “Presented as an environmental measure, but revenue not spent on environmental goals”
 - “Tax environmentally not effective, no link to emission level”



Conclusions?

- Public support and image building
 - Firm basis: environment or revenue
 - Spending revenue: environmental goals or general budget

- Considering level playing field
 - Instant influence on price level airports, benchmarking, hierarchy
 - Geographical position
 - Domestic market

- Impact
 - Impact assessments in advance
 - Air business: influence on volumes evident
 - However, factual consequences uncertain