

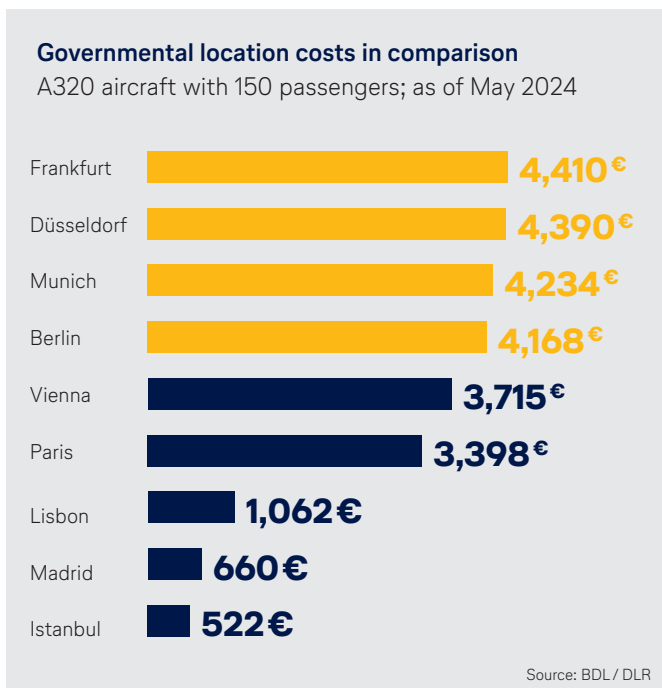
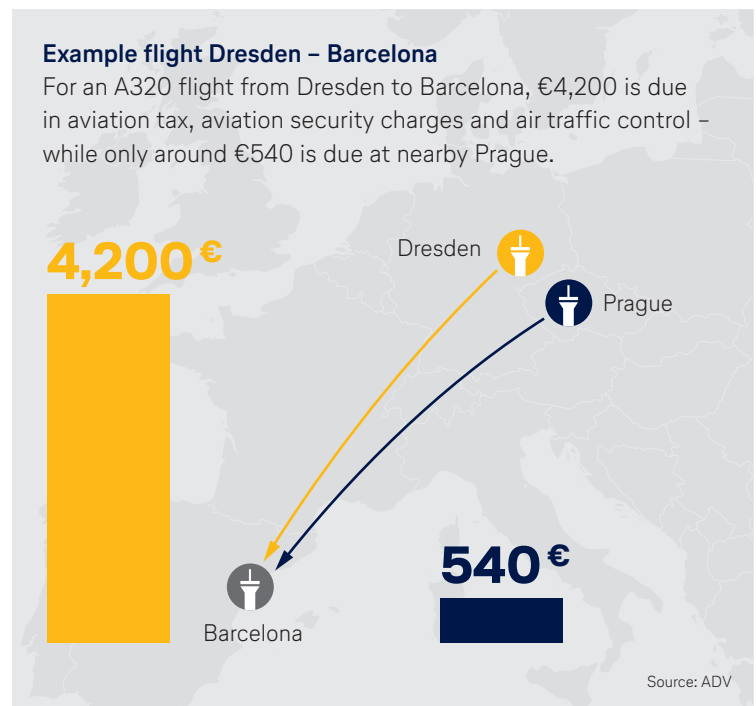
Aviation in Germany

CUTTING HIGH COSTS

Sweden shows how it can be done. The country is abolishing its aviation tax in 2025 to strengthen domestic airlines. Germany should follow a similar path. After all, flying in Germany is the most expensive in Europe.

Air traffic is growing – except in Germany. The main reason for this is that excessive government levies make the location unattractive. Since 2020, aviation security levies, air traffic control charges and the aviation tax have almost doubled. The effects are serious: the number of European and, in particular, domestic German connections has declined significantly. Low-cost airlines are increasingly leaving German airports. Important economic regions are at risk of being left behind. Traffic and value creation are shifting abroad.

One example illustrates the dynamics: when an A320 takes off from Dresden on a flight to Barcelona, the state levies are around eight times higher than for a take-off from nearby Prague. As a result, tickets from Prague can be sold at a lower price. More and more passengers from the Dresden region are deciding to travel to Prague and start their flight from there. This example from an airport shows where German aviation policy is leading. In addition, the burdens imposed by EU regulations are constantly increasing. Germany and Europe urgently need to reform their location conditions to promote growth and competitiveness.



The German aviation tax in particular leads to a considerable competitive disadvantage in the European market. Only a minority of the 27 EU member states currently levy an aviation tax. Everywhere, it is significantly lower than in Germany. Denmark abolished the tax a good 15 years ago, and since then domestic aviation has grown strongly there. Germany, on the other hand, has massively raised the aviation tax since the pandemic – by 71 percent for long and medium-haul flights and 111 percent for short-haul flights.

Sweden will no longer levy an aviation tax from July 1, 2025. The largest Scandinavian country wants to strengthen the competitiveness of its own aviation industry. This decision is already having an impact: Ryanair plans to offer more flights to and from Sweden from mid-year and expand its fleet by two aircraft. Germany should follow Sweden's example and abolish the aviation tax. In any case, the German government should keep its promise to use the revenue from the aviation tax to promote sustainable aviation fuels (SAF). Currently, these funds flow into the general budget – which helps neither the climate nor Germany as a business location.