

**Ryanair overcharges passengers on the back of green levy**

**PRESS RELEASE**

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**In 2012 Ryanair made an estimated €8 million windfall from overcharging its passengers for the costs of the EU emissions trading scheme (ETS), reveals Sandbag Climate Campaign in a** [**new report on aviation's controversial first year in the EU carbon market**](http://www.sandbag.org.uk/site_media/uploads/Sandbag_Aviation_and_the_EU_ETS_2012_171213.pdf)**.**

Ryanair originally estimated including its flights in the ETS would cost €15-20 million in 2012. [1] Consequently, the low-cost carrier imposed a €0.25 charge on all tickets to cover their costs. Yet average 2012 carbon prices would suggest compliance costs were lower (at just €8.5 million), implying a cost to passengers of only €0.13 per flight, [2] with Ryanair pocketing the difference.

Air travel is the most climate-damaging form of transport. If aviation were a country, it would be the 7th largest emitter [3] in the world, based on CO2 alone. And aviation emissions are set to triple by 2050. [4]

**The fate of aviation in the EU ETS**

The EU ETS was originally intended to cover CO2 emissions from all flights coming in or going out of the EU. Amid fierce opposition from the ‘Coalition of the Unwilling’ [5] threatening a trade war, Europe temporarily amended the scheme for 2012 to only include flights within the EU, known as “Stop the Clock”. The intended goal was to provide ‘breathing space’ for the UN aviation body, ICAO,[6] to agree a global market-based measure to reduce international aviation emissions.

Despite this well-reported backlash from aviation officials in a range of countries, major airlines from these countries complied with the “Stop the Clock” in 2012, including: Cathay Pacific, Japan Airways, Asiana Airlines, Siberia Airlines (S7) and Delta.

Furthermore some airlines from these countries even went beyond what was legally required, and included their international flights within the scheme, covering emissions outside the EU. Among those airlines are: Korean Air, Nippon Cargo, FedEx and Airbridge Cargo.

The EU is now discussing a new proposal to change the aviation ETS to cover only emissions taking place in Europe’s airspace, but if there’s no decision by April, the EU scheme will automatically switch back to covering all arriving and departing flights.

**Sandbag Policy Analyst Rob Elsworth** commented:

*Despite non-EU airlines’ vociferous opposition to the EU ETS, the reality is that most of them are complying with the scheme, with some even going beyond what is legally required in order to make windfall profits. This utterly contradicts the position of those nay-saying airline officials and their governments. The EU must, as a bare minimum, control pollution in its own, sovereign airspace*.

**Sandbag Research Assistant Phil MacDonald** commented:

*Until the international community can agree on a global measure for tackling aviation pollution, the scheme remains an important trailblazer. The EU must not back down any further if it wishes to retain international credibility. An airspace-only approach is a fair and workable compromise, for now, and is the best route towards global action on aviation and climate change.*

**\*\*\*ENDS\*\*\***

Full Report available here: <http://www.sandbag.org.uk/site_media/uploads/Sandbag_Aviation_and_the_EU_ETS_2012_171213.pdf>

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The Sandbag Climate Campaign is the NGO leading in research-based campaigning for effective emissions trading. Through expert analysis, hard hitting reports and targeted advocacy we aim to shine a light on what’s working and what’s not and campaign for changes that could save billions of tonnes of carbon emissions.

**Notes for Editors:**

[*1*] RYANAIR TO INTRODUCE €0.25 ETS LEVY TO COVER NEW EU ECO-LOONEY TAX (2013) *Ryanair*

[www.ryanair.com/en/news/ryanair-to-introduce-0-25-euro-ets-levy-to-cover-new-eu-eco-looney-tax](http://www.ryanair.com/en/news/ryanair-to-introduce-0-25-euro-ets-levy-to-cover-new-eu-eco-looney-tax)

[2] Based on data from the EU Transaction Log (EUTL: [http://ec.europa.eu/environment/ets](http://ec.europa.eu/environment/ets/oha.do)): in 2012 Ryanair was allocated 5,560,944 free allowances and reported emissions of 7,456,718. This meant they had to make up a shortfall of 1,895,774 allowances. They did do by surrendering 1,118,507 CERs (100% of their offset budget) and a further 777,267 EUAs. Assuming they paid the average 2012 EUA (€7.3) and CER (€2.5) price, this would put their 2012 compliance at €8,470,317.

Therefore the cost to Ryanair would be just €0.13 per passenger (Ryanair 2012 passenger numbers were 75.8 million but we have removed 10 million to account for those buying their tickets before the levy was imposed). A charge to 65,800,000 passengers of €0.25 would bring in €16,450,000, leaving a windfall profit for Ryanair of €7,979,683.

See Ryanair’s 2012 annual report for more details on ETS compliance: [www.ryanair.com/doc/investor/2012/final\_annual\_report\_2012\_310712.pdf](http://www.ryanair.com/doc/investor/2012/final_annual_report_2012_310712.pdf)

Sandbag would like to acknowledge Ryanair’s transparency in setting out ETS costs for the 2012 financial year. The costs are set out more transparently than any other airline.

[*3*] The International Civil Aviation Organization’s Regulation of CO2 Emissions: Amending the EU Aviation Directive to Avoid a Trade War (2013) *Brookings*

[www.brookings.edu/research/opinions/2013/10/25-regulating-cardon-dioxide-emissions-meltzer](http://www.brookings.edu/research/opinions/2013/10/25-regulating-cardon-dioxide-emissions-meltzer)

[*4*] Executive Summary of the Impact Assessment amending Directive 2003/87/EC (2013) *European Commission*<http://ec.europa.eu/clima/policies/transport/aviation/docs/swd_2013_431_en.pdf>

[5] Coalition of the Unwilling’ is a group a 29 countries including China, Japan, Korea, Russia and the USA, who collectively objected to the scheme. See the ‘*Joint Declaration of the Moscow meeting on inclusion of international civil aviation into the EU ETS*’: <http://www.sandbag.org.uk/site_media/uploads/Moscow_Declaration.pdf>

[6] The International Civil Aviation Organisation