

New evidence reveals strong case for devolution of flight tax

The amount of tax paid on flights (APD) for Welsh customers is currently set by the UK Government, while Scotland and Northern Ireland are able to cut the cost of longer haul flights by reducing APD.

The Welsh Government has long called for the devolution of APD, supported by the findings of the Holtham and Silk Commissions. However, the UK Government has resisted calls, saying any reduction in APD in Wales would negatively impact on Bristol Airport.

The peer reviewed independent evidence published today reveals that despite well publicised commentary suggesting that such a move would cause Bristol Airport serious detriment, the impact would in fact be negligible.

More importantly, devolving and then reducing APD in Wales would directly result in a significant positive benefit for the economies of both south Wales and the south west of England and would result in more choice for passengers throughout both regions. These joint benefits for the south west of the UK offer the Westminster Government an important opportunity to begin to rebalance the UK economy.

First Minister Carwyn Jones said:

“This new evidence dispels many myths and presents an economic case for giving Wales control over Air Passenger Duty which is overwhelmingly compelling. As we prepare for a future outside the EU, it is essential we are able to take action to promote Wales to the world and support growth in our aviation sector and wider economy.

“Once devolved, the Welsh Government would reduce or even scrap the tax paid on flights – not only benefitting passengers, but providing a huge confidence boost for Cardiff Airport and Wales’ aviation industry, while also complementing Bristol Airport and providing a more competitive service. Devolving APD would also improve connectivity across Wales, boost investment and help business.

“I look forward to working with the UK Government to make this a reality. Continuing to blankly refuse to devolve APD in the face of such strong evidence would show a discriminatory disdain for Wales, constrain our ability to promote Wales oversea and undermine our economic interests.”