

AIRLINE TAX: RYANAIR GIVES FRENCH GOVERNMENT AN ULTIMATUM



Ryanair is facing increasing pressure. The airline has threatened to cease operations at ten French regional airports starting January 1 if the proposed increase in airline tax is included in the 2025 budget.

Jason McGuinness, the commercial director of the Irish low-cost carrier, stated in a press release, **"Ryanair is currently reviewing its French schedules and expects to reduce capacity to and from French regional airports by up to 50% from January 2025 if the French government continues with its shortsighted plan."**

Currently, Ryanair serves 22 airports in France, including two near the Paris region: Beauvais (Oise) and Vatry (Marne). This means that the regional airports affected by the potential halt in operations would be among the remaining 20. The company has not specified which airports would be impacted. Additionally, Ryanair did not disclose the overall percentage by which its total capacity in France would be reduced if it followed through on its threat. The airline hopes to transport 5.7 million passengers in France this year, a 19% increase compared to 2023.

In its effort to address a larger-than-expected budget deficit, the French government has proposed a tripling of the solidarity tax on airline tickets (TSBA) in its 2025 finance bill (PLF). Additionally, there will be an increased tax for private jet passengers, amounting to one billion euros.

This increase in passenger taxes is expected to negatively impact regional France, where affordable access to air travel is essential. As a result, many routes to and from French regions may become unviable. Earlier in November, Ryanair's CEO, Michael O'Leary, announced that the airline would be reducing its capacity in France and Germany, both of which have either increased or are planning to increase airline taxes.

There has been media coverage regarding a recent court decision in France against Malta Air, a subsidiary of Ryanair. The court condemned the company for failing to initiate collective redundancy proceedings related to the closure of its Bordeaux base.

The closure was initially announced in May following a dispute with the management of Mérignac Airport. Ryanair said, "Due to increased costs in Bordeaux starting in November 2024, we will be relocating our three aircraft based in Bordeaux to less expensive airports elsewhere in Europe. This move will result in the loss of 40 Ryanair routes to and from Bordeaux and more than 90 jobs for pilots, cabin crew, and engineers based in Bordeaux."

Following Ryanair's announcement, Thomas Juin, President of the French Airports Union, responded in a press release: "The concerns we have expressed for a long time regarding the risks to regional connectivity due to the sudden and unreasonable increase in the TSBA are now being confirmed by the announcements of route eliminations and reductions in the fleets of major airlines operating in France. In a few weeks, **the French government is poised to undermine what regional airports have built over the past 20 years, which has benefited these territories.** France is harming itself and its economy without achieving any CO2 reduction for the planet, as these flights

will simply be relocated elsewhere. The UAF urgently calls on the government to reconsider its position."

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