

8 October 2009

Dear Client

The Government is introducing Air Passenger Duty (APD) increases that Carlson Wagonlit Travel (CWT) wants to make sure you are aware of as they will significantly impact every company that books air travel.

APD is increasing

APD is an excise duty levied on passengers departing from UK airports. It came into effect in November 1994. The charges were doubled in 2007 to their current rates.

APD will rise first in November and then again in November 2010. The structure of the duty will now be based on the distance of the destination for each passenger departing from the UK.

The planned rises in APD will add up to £4 to the cost of a short-haul flight and up to £90 to the cost of a long-haul flight.

APD – Added to each ticket when travelling from the UK

Destination	Current	November 2009	November 2010
Amsterdam	£20	£22	£24
New York City	£80	£90	£120
Tokyo	£80	£100	£150
Kuala Lumpur	£80	£110	£170

An environmental tax?

APD is often couched in environmental terms, and while in other areas taxation is not linked directly to expenditure, this environmental slant has generated an expectation that the revenue raised will be used on measures to combat climate change. In reality there is no link between the money raised and environmental measures, giving rise to criticism.

There are other methods for targeting climate change through aviation emissions and many are looking at the EU Emissions Trading Scheme, which will apply to the aviation industry from 2012.

CWT UK opposes the rises

As a collective group, CWT UK clients will see a 41% increase in APD payments, an uplift of £9million per annum, taking the total APD paid by you, our clients, to more than £30 million per annum in 2011.

We believe that the increases are counter-productive to supporting and encouraging the growth of businesses and jobs, and we are therefore opposing the rises.

More information and useful links are available by visiting <http://cwt-client.co.uk/actnowonapd>

If you would like to join the campaign against the APD rise you can visit the CWT website to:

- Sign the petition on the Number 10 website
- Encourage others to do the same
- Contact your MP to voice your concerns

CWT, together with the Guild of Travel Management Companies (GTMC), is forming a working party to lobby against the increases on behalf of clients and airlines. We hope that this work will focus attention on the issue and serve to at least halt any further growth of the tax.

We will continue to communicate updates regarding APD with you.

Yours sincerely



Nigel Turner
Director of Industry Affairs, UK
Carlson Wagonlit Travel