

NETHERLANDS INSTITUTE FOR SPATIAL RESEARCH

RUIMTELIJK PLANBUREAU

# Open Skies, Travel & CO2

Co-referee  
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# Environmental impact Open Aviation Agreement

- I like the paper because :
- More competition => Lower prices => more travelling, BUT
- Tourists have a *limited Time and Budget* so substitution between destinations takes place
- Tourists calculate the *total costs of staying* at a destination as opposed to just the travelling expenses
- Added taxes (like the British *Departure Tax*) and the CO2-emission trading scheme will add to the costs and therefore partially compensate the lower prices
- *Price-Elasticities* are much *lower than before*

# Environmental impact Open Aviation Agreement

- I like the paper because it addresses future research:
- Apart from Tourism there also is "Business Travel" (low elasticities?, I do not think so) and "Friends and relatives";
- The effects on Intra-EU and Intra-US flights
- Multiple-destinations (dehubbing)
- The effect of CO<sub>2</sub>-trading on European Stopovers
- A research-agenda when new data will arrive

# What we would like to add

- Kerosine-prices
- Dollar-Euro exchange rates
  
- EU-regulations
- Country specific regulations (departure taxes)
- Past experiences with other modes of transport such as cars
  - To arrive at
- Alternative / extended Conclusions ?

# For instance

- Exchange rates and Jet-fuel

	1999	2002	2005	2008	Now
\$/Euro	1.16	0.88	1.31	1.47	1.53
Kerosine ct/Gallon	38	58	131	270	284

# Discussion :

- Mayor-Tol : Less CO<sub>2</sub>-rise than expected by (lower) price-elasticities & because of substitution between destinations.
- Our opinion: The Open US-EU agreement results in less CO<sub>2</sub>-effects than
  - Oil-price-effects,
  - Taxation-effects,
  - Dollar-effects and
  - Regulation-effects.

# To be addressed in this meeting

- What are the consequences for policy-makers ?