

Airlines urge EU, US to drop aviation tariffs

- A Monitor Desk Report

Date: 17 July, 2025



Dhaka: Escalating trade tensions between the United States and the European Union are raising alarm across the aviation sector, with the European Regions Airline Association (ERA) warning that new tariffs could severely damage regional air connectivity and jeopardize Europe's post-pandemic economic recovery.

At the center of the concern is a proposed 30% U.S. tariff on all EU imports, set to take effect on August 1, announced by President Donald Trump. While the European Commission has paused some planned countermeasures in a bid to keep negotiations open, uncertainty looms over the aviation industry.

The ERA cautions that regional airlines—many of which serve smaller communities with limited transport alternatives—face the greatest risk. These carriers are critical to economic resilience, social cohesion, and the mobility of millions of Europeans. Additional costs imposed by tariffs

on aircraft and components could force operators to cut routes, raise fares, or suspend operations altogether.

“There are no winners in a trade standoff that threatens to erode Europe’s connectivity and economic stability,” ERA said in a statement.

The dispute comes at a delicate time for European aviation. Despite a projected 7pc increase in flight activity in 2025 compared to last year, overall connectivity remains 9pc below pre-pandemic levels, according to EUROCONTROL.

Even before the latest trade dispute, the top 12 EU domestic air markets were operating with 1.5 million fewer flights than in 2019.

Regional airlines, already navigating thin margins and recovering from pandemic-era losses, now face the possibility of significant cost hikes on imported parts and aircraft.

Industry analysts warn that these costs may be passed on to passengers, potentially pricing out lower-demand routes and leaving smaller cities and rural areas without vital air links.

“In many parts of Europe, regional aviation is the only reliable year-round link to the rest of the continent,” ERA noted.

The association stressed that undermining these lifelines would not only inconvenience travelers but also hurt local economies that rely on air access for tourism, trade, healthcare, and investment.

As EU and U.S. negotiators continue talks, the aviation sector is urging both sides to shield critical industries like air transport from the fallout of broader geopolitical disputes.

-B