

UK raises tax on premium, business and first class flights

- A Monitor Desk Report

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London: The UK will ramp up taxes on premium flying, Chancellor of the Exchequer Jeremy Hunt said , in a move that will affect holidaymakers who have upgraded beyond economy fares since the pandemic, as well as business travellers.

The UK's airline passenger duty will increase for non-economy passengers, which Hunt said was to account for high inflation in recent years.

The increase will amount to an extra 20 pounds (\$25.45) for long-haul flights and 22 pounds for ultra-long-haul flights. The duty will be frozen for economy passengers on domestic and short-haul flights while long-haul economy fliers will pay 2 pounds extra.

Hunt is under pressure to boost revenues following cuts to personal

taxes ahead of a general election expected later this year. Airlines have protested the measure saying that it will discourage leisure travellers, who've emerged as a key source of income in the rebound from the pandemic.

"The decision to increase APD goes against the Prime Minister's commitment not to discourage flying through taxation," said Tim Alderslade, the chief executive officer of Airlines UK.

"Tax rises will only make the UK even less competitive on the global stage, with aviation taxes and airport charges already amongst the highest in the world."

Business travel has been slower to recover from the pandemic, and many airlines have expanded their premium economy cabins, targeted at leisure travellers.

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