



**For immediate release**

**ELIMINATION OF PROVINCIAL FUEL TAX ON INTERNATIONAL FLIGHTS WOULD CREATE JOBS, BOOST ONTARIO'S ECONOMY AND INCREASE ITS GLOBAL COMPETITIVENESS, NEW STUDY SHOWS**

OTTAWA, January 25, 2011 – Ontario could create jobs, attract thousands more tourists and stimulate its economy by following the lead of other Canadian provinces and eliminating taxes on aviation fuel for transborder and international flights, according to a new study.

“For a rather small investment, the Government of Ontario can provide important stimulus that can generate long-term economic benefits for the province,” says Fred Lazar, a business professor at the Schulich School of Business at York University, who prepared the report. “Moreover, the removal of the fuel tax on international flights can improve Pearson Airport’s chances of becoming among North America’s leading international gateway airports.”

The independent report, commissioned by the National Airlines Council of Canada (NACC) and the International Air Transport Association (IATA), examines the return on investment for the Ontario government to rescind the 2.7¢ per litre aviation fuel tax on transborder and international flights departing from Ontario airports.

Ontario is one of the few jurisdictions in Canada to levy a fuel tax on international flights. Removing the tax would stimulate the province’s tourism industry and overall economy the study found. It concluded that eliminating this tax could lead to additional economic output of between \$59 and \$74 million, 19,000 to 29,000 more tourists per year, and an additional 690 to 1,015 jobs in the province.

“The removal of the provincial tax on aviation fuel used for transborder and international air services would substantially improve the cost competitiveness of Ontario’s airports and allow airlines to enhance their product and service offerings to consumers,” said George Petsikas, President of the NACC.

The Government of Alberta eliminated its aviation fuel tax on transborder and international passenger and cargo flights on March 1, 2004. The province of British Columbia has recently followed suit with legislation to eliminate a similar tax by April 1, 2012.

A link to the report is posted on the NACC Website at [www.airlinecouncil.ca](http://www.airlinecouncil.ca)

The National Airlines Council of Canada is a trade association founded by Canada’s largest commercial airlines in order to ensure safe, sustainable and competitive air travel for Canadian consumers.

The International Air Transport Association represents some 230 airlines comprising 93% of scheduled international air traffic.

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