

Dear Minister for Finance Ligi,
Dear Minister for Economic Affairs and Industry Keldo,
Dear Ambassador Sillaste-Elling,

Brussels, 28th October 2025

Call for an ambitious Energy Taxation Directive - Meeting request

We, **BLOOM Association, Seas At Risk, Transport & Environment, Blue Marine Foundation, Oceana, European Environmental Bureau (EEB), CER (Community of European Railway), UNIFE (European Rail Supply Industry)**, urge Estonia to support an ambitious revision of the Energy Taxation Directive (ETD) in line with the European Green Deal and the scientific consensus on climate action.

The heatwaves which scorched Europe this summer, and which are set to intensify in the coming years due to the continued massive use of fossil fuels, remind us that climate change is not a future threat. It is already causing widespread suffering. **Scientists and economists agree that reducing the burning of fossil fuels is the number one action to take to limit climate change.**

We actively work on the elimination of fossil fuel subsidies in fisheries, maritime transport and aviation and have been following the revision of the Energy Taxation Directive (2021/0213) ('ETD') since 2021.

We regret the various positions of the Council adopted throughout the years which led to the weakening of the Commission's proposal. As we are aware of the Danish presidency of the Council of the European Union's intention to finalize this legislation by the end of their term, with a political discussion scheduled in November 2025, we would like to call upon you to show political courage and responsibility.

Protecting competitiveness and promoting a prosperous EU economy are valid objectives, but neither can exist in a deregulated climate¹. Risk assessment experts remind us that our economy could suffer up to a 50% GDP loss, accompanied by mass mortality events with over 2 billion deaths, due to climate shocks².

Continuing to include incentives for the use of fossil fuels is unwise and utterly **unjust towards European companies working to decarbonize our society**, who face unfair competition as a result of tax incentives granted to some of the most polluting sectors, as well as citizens who already pay fossil fuel taxes.

Each year, aviation escapes €21.3 billion³ in taxes, shipping €24 billion⁴, and fisheries up to €1.5 billion⁵. That is €46.8 billion in lost revenue annually across the EU. This is money that could instead finance the ecological and social transition. As budget discussions are also taking place, there is broad consensus that the **European Union will need additional resources to tackle current challenges**. It is therefore **irrational and irresponsible to forgo the tens of billions of euros in annual revenue** expected under the adoption of the 2021 Commission proposal.

Aviation is set to grow, yet viable technical decarbonization solutions are not ready. Over the last 50 years, **industrial fishing has been the leading driver of marine ecosystem collapse and only survives through public**

¹ European Environment Agency, Europe's environment 2025 – Knowledge for resilience, prosperity and sustainability, Publications Office of the European Union, 2025, <https://data.europa.eu/doi/10.2800/3817344>

² S. Trust et al., *Planetary Solvency - Finding our balance with nature: Global risk management for human prosperity*, Institute and Faculty of Actuaries and University of Exeter, 2025. Available here: <https://actuaries.org.uk/news-and-media-releases/news-articles/2025/jan/16-jan-25-planetary-solvency-finding-our-balance-with-nature/>

³ <https://www.transportenvironment.org/articles/every-hour-european-governments-lose-out-on-e4-million-in-aviation-taxes>

⁴ <https://www.transportenvironment.org/articles/eu-shippings--24bn-year-fossil-tax-holidays>

⁵ https://our.fish/wp-content/uploads/2021/09/FUEL-SUBSIDIES-SUMMARY_EN_2021.pdf

subsidies, including the fuel tax exemption under the ETD⁶. Rail already pays heavy energy taxes, unlike exempted fossil-fuel sectors, and has been calling for a long time to end these unfair exemptions that slow the transition to zero emissions. Member States are jeopardising EU mobility by discriminating against one of the greenest transport modes.

Revising the ETD is a key opportunity to support electrified rail and other zero-emission transport solutions like wind-assisted propulsion (WAPS) which can cut fuel use and emissions immediately⁷. However, fossil fuel tax exemptions risk undermining the business case for these solutions investment and weakening Europe's competitive edge. To maintain leadership and drive clean industrial growth, the EU must end these exemptions and create a fair framework that rewards zero-emission technologies.

These sectors must be accompanied in their inevitable transition, not incentivized to burn more fuel. **Without such a transition, there will be no future for Europe and its citizens on the fastest-warming continent on Earth⁸.**

This is why we urge you, in your position as representatives of Estonia in the Council, to use your power of influence to raise the level of ambition for the revision of the ETD and uphold the objectives of the European Green Deal. The urgency will not tolerate lower ambitions. This is your historic responsibility.

We specifically call to:

- Remove all incentives for the use of fossil fuels;
- Remove total fuel tax exemptions for the aviation, maritime and fishing sectors, and ensure fair treatment and a level-playing field between all transport modes, thereby supporting rail, which already contributes to transport decarbonisation;
- Include a yearly automatic indexation system applicable to tax rates based on the annual official indexation levels to maintain an efficient and up-to-date taxation system;
- Include the possibility for member States to apply higher taxation levels to disincentivize environmentally harmful energy products or consumptions;
- Maintain a system of mandatory minimal taxation rates for member States to ensure a minimum playing field in taxation throughout the EU.

You can count on our full support and experience if you steer towards achieving these objectives in the revision of the ETD. We remain at your disposal to organize the practical details for a meeting.

Sincerely,

BLOOM Association

Claire Nouvian
Director



Seas at Risk

Tobias Troll
Marine Policy Director



T&E

Diane Vitry
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Luke Haywood
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OCEANA

Vera Coelho
Executive Director and Vice President



⁶ BLOOM, Against the Current. How public action in France misses the challenges of transition: a summary of public subsidies allocated to the French fishing sector between 2020 and 2022, Paris, 2024. Available here: <https://bloomassociation.org/wp-content/uploads/2024/01/Against-the-current.pdf>

⁷ Seas At Risk : Wind First ! Report, March 2025: <https://seas-at-risk.org/publications/wind-first-report-how-wind-assisted-ship-propulsion-is-the-zero-emission-fuel-for-shippings-future/>

⁸ <https://www.copernicus.eu/en/news/news/copernicus-global-climate-report-2024-confirms-last-year-warmest-record-first-ever-above>