

28 March 2011

Air Passenger Numbers

The forecast for air passenger duty (APD) receipts is based on projections of the number of passengers in each rate band, multiplied by the expected duty rates. Passenger numbers are forecast based on their historical relationship with economic variables such as GDP and household disposable income. Duty rates beyond those already announced are assumed to rise in line with RPI, and are rounded to the nearest £1.¹

The table below set outs the projection of passenger numbers which was used to produce the APD forecast in the March 2011 *Economic and fiscal outlook*. The figure for 2009-10 is outturn data.²

The structure of APD changed in November 2009, so the figures for 2009-10 are not fully comparable with those for 2010-11 onwards.

Projection of passenger numbers by band (millions)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Total	96.7	93.7	94.7	98.6	102.3	106.4	110.6
<i>Of which:</i>							
Standard rate passengers							
Band A	1.1	1.0	0.6	0.7	0.7	0.7	0.7
Band B	2.8	2.1	2.2	2.2	2.3	2.4	2.5
Band C	0.6	1.1	1.1	1.2	1.2	1.3	1.4
Band D	0.2	0.4	0.4	0.4	0.4	0.4	0.5
Reduced rate passengers							
Band A	73.6	71.9	73.1	76.1	78.9	82.0	85.0
Band B	14.5	10.0	10.0	10.4	10.8	11.3	11.8
Band C	2.9	5.5	5.5	5.7	5.9	6.2	6.5
Band D	1.0	1.8	1.8	1.9	2.0	2.1	2.2

¹ HM Treasury, 2011, *Budget 2011 policy costings* (p69).

² HM Revenue & Customs, 2011, *Air passenger duty bulletin*. Available online at www.uktradeinfo.co.uk