

Transport and tourism in outermost regions: assessing mobility poverty and the effects of new climate policies



See the full study

The EU has **nine outermost regions**: the Canary Islands (Spain), Guadeloupe, Martinique, French Guiana, Réunion, Mayotte and Saint-Martin (France), Madeira and the Azores (Portugal). These regions face major geographic challenges: remoteness from the European continent, insularity and small size (except French Guiana), and difficult topography and climate.

Main observations

'**Mobility poverty**' is typically connected to six core aspects: low transport availability, low accessibility to transport, low transport affordability, too much time spent travelling (i.e. time poverty), inadequate transport conditions, and high exposure to transport externalities.

In a nutshell, this legislation extends the scope of the EU ETS system in the areas of road, air and maritime transport, sets more ambitious targets for the reduction of GHG emissions and the use of sustainable fuels, and establishes a new fund (the Social Climate Fund) to support people that are vulnerable to energy and transport poverty. It also includes **some**



regulatory adaptations for the outermost regions, e.g. by granting them temporary derogations - leaving these regions with a few years to get compliance-ready.

Considering that the outermost regions hinge largely on imported fossil fuels for their energy supply, air transport for their connection with their Member State's mainland, maritime transport for their supply of goods and cars for their everyday mobility, compliance with the Fit for 55 legislation has raised many concerns in the regions. Indeed, the legislation is expected to incur **additional costs** for transport services providers and, consequently, an increase in travel prices borne by consumers – potentially leading to **reduced demand for transport and tourism**.

This will add pressure on the regions' public finances to cope with the requirements of the new climate legislation while delivering high-quality public services for their resident population and visitors alike. This pressure comes in a context where **tackling mobility poverty already requires significant investments** to ensure basic transport services. In short, the outermost regions generally lack the technological and financial capacity to comply with the new EU climate legislation.

The study

elaborates a novel definition of mobility poverty to the EU outermost regions and assesses its effects on their transport and tourism sectors. It also analyses the implications of the Fit for 55 package and the (need for) measures tackling the effects of both mobility poverty and the new climate legislation in these remote territories.

In the case of the **outermost regions**, mobility poverty takes on particular importance: it reflects the challenges and shortcomings of a sector that is crucial for their own territorial cohesion (especially for those regions that are archipelagos consisting of scattered islands) as well as their connections with their Member State's mainland and the rest of the EU.

In these regions, mobility poverty affects all transport

modes: **air, maritime and road transport**, as well as **inland waterways** in French Guiana. In fact, the regions struggle with severe congestion in and around their main cities, combined with other region-specific issues: lack or absence of public transport options (e.g. no rail network), high fares for air travel, etc..

The '**Fit for 55**' legislative package has been designed to achieve a reduction of net greenhouse gas (GHG) emissions by at least 55% by 2030 at EU level. This package contains 19 regulations and directives, including the reform of the EU Emissions Trading System (ETS), the Social Climate Fund, the amended CO2 emissions standards for cars and vans, the ReFuel EU Aviation Regulation, the FuelEU Maritime Regulation and the Alternative Fuels Infrastructure Regulation.



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EU funding, in particular from Cohesion Policy, contributes to tackling mobility poverty in the outermost regions and preparing their transport sector for the Fit for 55 imperatives. It comes in addition to national measures and region-specific schemes, e.g. applying subsidies on travel tickets and developing right-of-way public transport networks. Still, measures specifically aimed at counteracting the adverse effects of the new EU climate legislation remain very limited in scope and number, especially as regards the air and maritime transport sectors.

Conclusions and policy recommendations

Crucially, **mobility poverty risks increasing** in the outermost regions, as their specific geographic conditions are aggravated by the effects of climate change. This will lead to increasing operational costs and bring about the need for cyclical investments in transport infrastructure, and, consequently, a more recurrent and extensive mobilisation of public resources.

Adding to the costs of complying with the new EU climate legislation, the outermost regions are expected to face massive investments needs – a major challenge given their lower wealth standings (relative to mainland peers) and the anticipated decreasing revenues from

fossil fuels taxation. This calls for cross-cutting and coordinated interventions at EU, national and regional levels, with a strong **place-based approach**.

Possible avenues for EU policy action include:

- **Strengthening** the application of Article 349 of the Treaty on the Functioning of the European Union by mainstreaming ‘outermost derogations’ in EU climate policies;
- **Monitoring** the effects of mobility poverty and the new EU climate legislation on the transport and tourism sectors of each outermost region;
- **Establishing** an outermost-specific transport support programme or, at least, significantly increasing the outermost specific allocation under Cohesion Policy to accelerate the development of innovative and energy-efficient public transport options;
- **Reviewing** the framework of competition legislation, adapting the rules of De Minimis Aid and the basic legislation that frames Public Service Obligations; and
- **Reinforcing** transnational cooperation with neighbouring countries to develop integrated transport solutions and promote coherent and consistent green agendas.

Key geographic features of the EU outermost regions

EU outermost region	Geography	Distance to country's capital	Distance to nearest foreign country	Population
Canary Islands	Archipelago in Macaronesia	1,700 km	100 km	2,252,237
Guadeloupe	Archipelago in the Caribbean Sea	6,800 km	100 km	383,600
Martinique	Island in the Caribbean Sea	6,900 km	65 km	352,205
French Guiana	Land territory in South America	7,000 km	0 km	296,058
Réunion	Island in the Indian Ocean	9,400 km	240 km	869,993
Mayotte	Archipelago in the Indian Ocean	8,000 km	120 km	299,022
Saint-Martin	Island (part of) in the Caribbean Sea	6,700 km	0 km	36,000
Azores	Archipelago in Macaronesia	1,500 km	2,000 km	236,488
Madeira	Archipelago in Macaronesia	970 km	700 km	251,182

Source: authors' own elaboration based on data from the European Commission (Eurostat) and the French National Institute of Statistics and Economic Studies (Insee).

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