

RYANAIR WINS THE CASE AGAINST STATE AID FOR COMPETITORS



Ryanair has won a legal battle against KLM regarding state aid from the Netherlands. Last week, the EU court ruled that the EU Commission was wrong to approve KLM's 3.4 billion euro aid package. This is not the first time Ryanair has won a case against state aid, as they had previously sued Corona state aid for Lufthansa.

The aid was intended to help KLM during the pandemic, and the EU Commission approved it in 2020. However, the EU General Court declared the authorization null and void, and the EU Commission issued a new decision, which has now been overturned. The judges found that the **Brussels authorities had incorrectly determined the beneficiaries of the aid, as they did not include the holding company Air France-KLM and the Air France group.** The court ruled that they could indirectly benefit from the aid and should have been included among the beneficiaries.

If an EU member country decides to provide financial support to a company, the EU Commission must investigate whether such subsidies create unfair competition within the EU market. Due to the COVID-19 pandemic, the EU has relaxed its regulations regarding such state aid, but the EU Commission still has to approve the aid.

However, the approval of the aid can still be challenged and appealed to the highest court in Europe, the ECJ. **Ryanair has already initiated multiple legal proceedings against the approval of Corona aid.** In May, the court ruled in favor of Ryanair and declared the Commission's approval of state Corona aid for Lufthansa inadmissible. However, Lufthansa still appealed the decision before the European Court of Justice. Until the case is resolved, states may have to return the state aid if the decisions remain unchanged.

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