

# Austrian Airlines to get 600-mln-euro rescue package

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Austrian Airlines will receive a 600-million-euro (\$677 million) rescue package to mitigate the effects of the coronavirus pandemic, the government said Monday, but also announced new rules to make aviation

more climate-friendly.

In a press conferences announcing the rescue deal, ministers said a minimum price of 40 euros (\$45) will be introduced to combat "social and environmental dumping" in the aviation industry.

"It will no longer be possible to offer tickets which are cheaper than the actual costs," said Leonore Gewessler, referring to the social and environmental impact of the industry.

Austria will provide 450 million euros of the rescue package, with the rest coming from German giant Lufthansa, of which Austrian Airlines is a subsidiary, Chancellor Sebastian Kurz said.

The Austrian government will guarantee 300 million euros in loans on top of a 150-million-euro grant, he added, confirming earlier media reports of the deal.

Kurz said the airlines and the government had agreed to three goals: saving jobs, maintaining Vienna as a key hub and "necessary measures in terms of climate protection".

The current government is a coalition of Kurz's centre-right People's Party (OeVP) and the Green party.

Prominent Green politicians such as Gewessler had made clear in recent weeks that they wanted any deal to come with conditions to reduce the environmental impact of aviation.

Gewessler said that the minimum price would mean "the end of one euro tickets", adding that the measure would make Austria a European "pioneer".

"I think this is what's necessary for sustainable and fair aviation," she said.

Later this month, Lufthansa is to ask shareholders to back a nine-billion-euro bailout deal negotiated with the German government, which will take a 20-percent stake in the group under the agreement.

Austrian Airlines' fleet has been largely grounded for almost three months due to the restrictions introduced to fight the new coronavirus pandemic, which have devastated the international travel industry.

The airline plans to restart flights from June 15 to several European destinations and Tel Aviv.

Some long-distance services will be restarted in July, including to New York, Washington and Bangkok.

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