

EU orders Italy to recover 400 mn euro loan to Alitalia

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The EU's antitrust authorities on Monday told Rome to claw back a 400-million-euro loan given in 2019 to then struggling airline Alitalia, which the bloc ruled was "illegal".

Alitalia no longer exists after racking up losses reaching more than 11 billion euros over two decades but, from its ashes, the Italian state created ITA Airways.

The European Commission, which acts as the bloc's antitrust authority, said the Italian state could not act as a [private company](#) and did not consider the likelihood that the loan would be repaid.

"The commission has concluded that no [private investor](#) would have granted the loan to the company at the time and that the loan gave Alitalia an unfair economic advantage vis-a-vis its competitors on national, European and world routes," it said.

The commission added in a statement that Italy must recover the [money](#), plus interest.

The EU had already concluded in September 2021 that Italy's 900-million-euro loans to Alitalia granted in 2017 were illegal under the bloc's state aid rules.

It had cleared Italy's new carrier to get [state funding](#) and avoid paying back the money.

The EU and Italy agreed in July 2021 on a deal that created the new debt-free company, ITA Airways, which would take over some of Alitalia's assets.

But the commission had previously said that ITA Airways is not Alitalia's economic successor and is not liable to repay the 400-million-euro loan.

It is not clear how the money would be repaid but commission spokeswoman Arianna Podesta told reporters that "the 400 million will

be repaid by Alitalia within the limits of the revenues obtained from the sale of the assets of the company and the value of any remaining assets that is not sold".

Alitalia, on the brink of bankruptcy, had been placed under state administration in 2017 after failing to find a buyer.

The coronavirus pandemic that began in 2020 made the situation worse after flights ground to a halt worldwide.

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