

Condor airline receives 550 mln euros in German state aid

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Stricken airline Condor on Monday said it would receive 550 million euros (\$596 million) in loans from the German government and the state of Hesse to keep it afloat during the coronavirus crisis.

The help would consist of a 294 million euro loan "as corona aid" as well as 256 million euros to refinance an earlier government bridging loan, Condor said in a statement.

German Economy Minister Peter Altmaier said the authorities would stand by Condor "through this difficult time".

"The company was operationally healthy and profitable in normal times and has good prospects for the future," he said in a statement.

The state-guaranteed loans will be issued through Germany's KfW public investment bank.

Condor, which employs some 4,900 people, has been in trouble since parent company Thomas Cook went bankrupt last year.

Its woes deepened after Polish airline LOT this month ditched a plan to buy the German carrier, as the air travel industry is pumelled by the pandemic.

The European Commission said it had given Condor's lifeline the green light.

"This state-guaranteed 550 million euro loan will allow Germany to compensate Condor, operating in the particularly hard hit aviation sector, for part of the damage suffered due to the coronavirus outbreak," EU competition commissioner Margrethe Vestager said.

Global efforts to curb the deadly outbreak have forced millions of people to stay home, making holidays impossible and pushing airlines into an unprecedented crisis.

Germany's flagship Lufthansa group is also in talks for state aid, expected to run into the billions as fears grow that thousands of jobs could be lost.

German tourism giant TUI has already agreed a 1.8 billion euro bridging loan from the government to help it through the turmoil.

Chancellor Angela Merkel last month unveiled a massive rescue package to shield Europe's top economy from the fallout from the pandemic.

Berlin has pledged more than 1.1 trillion euros in support for companies and employees, with Altmaier vowing that no healthy company should go under because of the coronavirus crisis.

Founded in 1956, Condor had 58 planes and employed 4,900 people when Thomas Cook declared bankruptcy last year, carrying 10 million passengers annually to destinations in the Mediterranean and the United States among others.

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