

In a blow to Ryanair, EU court approves state help measures

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A top court has ruled that measures introduced by France and Sweden to help some airlines weather the fallout of coronavirus restrictions are compatible with European Union law, dealing a major blow to low-cost

carrier Ryanair which challenged them as unfair.

The General Court of the European Union handed down two decisions Wednesday. It said a system introduced by France to defer tax payments for airlines holding a French operating license "does not constitute discrimination."

The Luxembourg-based [court](#) also ruled that a loan guarantee scheme put in place last year by Sweden to support airlines with a Swedish operating license "is presumed to have been adopted in the interest of the European Union."

The EU's executive arm, the European Commission, which polices state aid and other competition issues, approved the two plans last year, weeks after the pandemic began spreading throughout Europe and border closures and other restrictions hit air travel.

Ryanair which says it was transporting around 149 million passengers a year before the coronavirus hit, went to court to have that approval annulled, arguing that the schemes constitute unfair state aid bailouts for national carriers.

The [private company](#) headquartered in Ireland plans to appeal Wednesday's ruling at Europe's highest court, the European Court of Justice.

It said that during the pandemic more than 30 billion euros (\$36 billion) "in discriminatory State subsidies has been gifted to EU flag carriers and, if allowed to stand, this will distort the level playing field in EU aviation for decades to come, giving chronically inefficient national airlines a leg up on their efficient low-fare competitors."

The decisions come as the 27 EU member countries ponder how long to

continue to provide support to businesses and economies to help them survive the impact of coronavirus restrictions amid concerns that some companies are gaining an unfair advantage through state help.

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