

EU opens anti-trust probe against Ryanair

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The EU is probing allegations of illegal state aid for Ryanair in Germany

European Union anti-trust authorities on Thursday opened an investigation into whether Ryanair benefited from measures at a German airport that give the Irish low-cost carrier an unfair leg-up over competitors.



The European Commission, the 28-nation EU's executive arm, has opened an "in-depth investigation" into the case at the regional Frankfurt-Hahn <u>airport</u>, Competition Commissioner Margaret Vestager's office said.

"We will investigate whether regional and local authorities in Germany, against the rules, gave an unfair advantage to Ryanair over its competitors," Vestager said in the statement.

The commissioner will try to determine whether the measures were "potentially harming other airlines and having spill-over effects on other regions in Europe," the statement said.

It said it was acting on a complaint it received alleging the low-cost airline benefitted from measures that amounted to illegal state aid at the airport, some 120 kilometres west of Frankfurt am Main.

Specifically, the commission said it will look into marketing agreements between the State of Rhineland-Palatinate and Ryanair struck before 2009, when the State was not the controlling stakeholder of FFHG, the airport operator.

It will analyse other agreements governing the financial ties between Ryanair and FFHG sealed between 2009 and 2017 when Rhineland-Palatinate controlled FFHG.

These cover airport service agreements, training aid to Ryanair, the financing of a crew and pilot school as well as the funding of a maintenance hall for Ryanair.

"At this stage, the Commission has concerns that the agreements in question may give Ryanair an undue economic advantage," the statement said.



The Commission said it has also opened an "in-depth investigation" into measures that may unfairly benefit FFHG (Flughafengesellschaft Frankfurt-Hahn GmbH).

These are a Rhineland-Palatinate guarantee granted to FFHG over a sale of land to an aircraft maintenance firm company and another related to the sale of a plot of land by FFHG,

The aim is "to verify whether these measures are in line with EU State aid rules," the statement said.

During the probe, interested third parties will have a chance to submit comments on the measures, the commission said.

"Fair competition is essential for consumers, jobs and growth - also for air transport operators," Vestager said.

Brussels has previously launched a similar probe into its ties with the airport in Montpellier, France.

Ryanair said Monday its first half to September profits fell seven percent to €1.2 billion, after widespread strike action by pilots and cabin crew disrupted operations.

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