

France grounds Ryanair plane to force subsidy repayment

November 9 2018, by Mathilde Dumazet And Sonia Wolf, With Fabienne Faur In Bordeaux



The French authorities stopped a Ryanair plane from taking off to put pressure on the airline

French authorities said on Friday they seized a Ryanair plane, forcing

149 London-bound passengers off the aircraft, to get the Irish low-cost airline to repay illegal public aid, the latest in a string of troubles for the carrier.

Claiming that Ryanair owed them 525,000 euros (\$595,000) in subsidies wrongfully paid out to the airline, the authorities sent in a bailiff under police protection on Thursday to seize the plane on the tarmac of Bordeaux airport as it was readying to take off for London Stansted.

Just under 24 hours later, the no-frills airline relented and paid up, authorities said Friday, allowing it to reclaim its aircraft.

'Last resort'

"This measure was taken as a last resort by the French authorities after several reminders and attempts to recuperate the money failed," the DGAC civil aviation body said of the seizure.

The EU Commission in 2014 ruled that subsidies Ryanair received from a regional authority a decade ago had to be repaid, but the airline had not complied despite repeated warnings, it said.

The move on the plane, a Boeing 737, on Thursday at Bordeaux's Merignac airport in southwestern France came after Ryanair failed to respond to a final warning delivered in May, prompting the order to seize the aircraft, DGAC told AFP.

"By this action, the government reaffirms its intention to guarantee the conditions of fair competition between airlines and between airports," DGAC said.

It was "regrettable" that the passengers on board the plane had to wait five hours before being able to take off from the Bordeaux-Merignac

airport in another Ryanair aircraft, the civil aviation body added.

Ryanair's fleet is made up mostly of Boeing 737-800 aircraft, which have a list price of around \$98 million each.



The 149 passengers bound for London had to switch planes when their aircraft was seized

'Such stinginess'

Ryanair did not respond to AFP's requests for comment on Friday.

But the president of the French regional airport authority, Didier Villat,

said that before paying, Ryanair had tried to bargain.

"They owed us 525,585.05 euros and they paid 524,907.80, which is the sum fixed on September 15" but which, the official said, did not take account of accrued interest since that date.

"Such stinginess, but we won't take the matter any further," a smiling Villat told AFP.

The sum was negligible for Ryanair, "a very wealthy company", said the official.

"They wanted to make this a question of principle. But so did we," he said.

"I'm happy because I'm the little guy who got his rights respected," Villat said.

Plenty headaches

The Bordeaux incident comes after a series of mishaps for Ryanair across Europe.



Ryanair CEO Michael O'Leary has had quite a few headaches this year

In October, EU anti-trust authorities opened an investigation into whether Ryanair benefited from measures at a German airport that give the Irish airline an unfair leg-up over competitors.

And last week ministers from five European governments warned Ryanair that it could face legal trouble if it ignores national labour laws after a series of strikes across the continent.

Ryanair pilots across Europe staged a 24-hour stoppage in September to further demands for better pay and conditions, causing chaos for tens of thousands of passengers.

In July, strikes by cockpit and cabin crew disrupted 600 flights in Belgium, Ireland, Italy, Portugal and Spain, affecting 100,000 travellers.

A major issue among staff based outside Ireland remains the firm's practice of using Irish legislation in employment contracts.

The pan-European stoppages prompted the airline to cut its earnings forecast, but it still expects to make profits after tax of 1.10-1.20 billion euros in its current financial year.

Ryanair is also fighting an order by Italian regulators to suspend a charge for carry-on bags.

In the Netherlands, it is also at loggerheads with the judiciary for shutting down its Eindhoven base for winter, despite a Dutch court decision stopping it from forcing pilots there to transfer abroad.

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Citation: France grounds Ryanair plane to force subsidy repayment (2018, November 9)
retrieved 26 April 2024 from
<https://phys.org/news/2018-11-france-grounds-ryanair-plane-subsidy.html>

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