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Answer given by Executive Vice-President Vestager
on behalf of the European Commission
(19.8.2020)

On 10 June 2020, the Commission approved Portugal's plans to grant EUR 1.2 billion in the form of State guarantees and a rescue loan in favour of the Portuguese airline TAP. The measure will provide TAP with the necessary resources to address its immediate liquidity needs, without unduly distorting competition in the Single Market.

The Commission assessed the State aid under its Guidelines on rescue and restructuring, which enable Member States to support companies in difficulty, provided, in particular, that the public rescue support measures are limited in time and scope. The Commission found, in particular, that the State aid in question preserved the continuation of activities of TAP and the connectivity of the Portuguese territory, thereby averting negative spill-over effects on important segments of the Portuguese economy. Beyond specific routes or locations served by TAP, the Commission concluded that overall the notified aid contributed to an objective of common interest of the Union.

The Portuguese authorities have committed that TAP will reimburse the loan or submit a restructuring plan within six months, to ensure future viability of TAP. The Commission continues to be in constructive contact with the Portuguese authorities.