EN E-003795/2020 Answer given by Executive Vice-President Vestager on behalf of the European Commission (24.8.2020)

The Commission assesses public support measures and their compatibility with EU State aid rules, as notified by Member States. It is for the Member State notifying measures involving State aid to the Commission to indicate the relevant legal basis.

On 9 June 2020, Portugal notified the Commission of its intention to grant a EUR 1.2 billion rescue loan to Transportes Aéreos Portugueses SGPS S.A.. (TAP). The Commission assessed the measure under its Guidelines on Rescue and Restructuring¹, in line with the notification by Portugal and found that the notified measure fulfilled the conditions set out in these Guidelines. On this basis, the Commission approved the Portuguese measure on 10 June 2020.

The situation of each airline is different. Several Member States have decided to provide support to airlines, with different timing and instruments, according to their situation. Companies like TAP, which already faced financial difficulties before the COVID-19 outbreak, may benefit from aid under the existing EU State aid rules, in particular the Guidelines on Rescue and Restructuring, but are not eligible for aid under the State aid Temporary Framework. This is because the Temporary Framework is aimed at companies that experience difficulties as a result of the COVID-19 outbreak and explicitly excludes large undertaking in difficulties on 31 December 2019 from the eligibility for aid under the Framework.

¹ Communication from the Commission - Guidelines on State aid for rescuing and restructuring non- financial undertakings in difficulty (OJ C 249, 31.7.2014, p. 1) Available at : https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52014XC0731(01)&from=EN