

## European Commission approves Romanian loan guarantee of up to 62M euros for Blue Air airline

**The European Commission has approved, under EU State aid rules, a Romanian loan guarantee of up to around € 62 million in favour of Romanian airline Blue Air. The measure aims at compensating the airline for the damages suffered due to the coronavirus outbreak, as well as providing it with urgent liquidity support, reads a press release of the Community Executive.**

The measure was approved partly based on Article 107(2)(b) of the Treaty on the Functioning of the European Union (TFEU) and partly under the Commission's 2014 Guidelines on State aid for rescue and restructuring.

Executive Vice-President Margrethe Vestager, in charge of competition policy, said: 'The aviation sector has been severely hit by the coronavirus outbreak. This € 62 million Romanian loan guarantee will in part enable Romania to compensate Blue Air for the damage suffered as a result of the coronavirus outbreak. At the same time, it will provide the airline with the necessary resources to address part of its urgent and immediate liquidity needs. This will avoid disruptions for passengers and ensure regional connectivity in particular for the significant number of Romanian citizens working abroad and for many small local businesses that depend on affordable tickets offered by Blue Air on a network of routes aimed at addressing their specific needs.'

Blue Air is a private Romanian airline with bases in Romania, Italy and Cyprus. With a fleet of 18 planes, Blue Air has been serving 92 routes and 15 countries, carrying over 4 million passengers in 2019.

Blue Air qualified as a company in difficulty before the coronavirus outbreak, i.e. on 31 December 2019. More specifically, the company was loss making due to the extensive investments it undertook since 2016 to improve its network of routes. The airline had returned to profitability in 2019 and early 2020, but, as other companies active in the aviation sector, it suffered significant losses due to the coronavirus outbreak and the travel restrictions that Romania and other governments had to impose to limit the spread of the virus. The company is currently facing urgent liquidity needs.

Romania notified to the Commission, under Article 107(2)(b) TFEU and the 2014 Guidelines on State aid for rescue and restructuring a € 62 million aid measure to support Blue Air, with the aim of compensating the airline for the losses directly caused by the coronavirus outbreak and of providing the company with resources to address its urgent and immediate liquidity needs until January 2021.

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