



## State aid: Commission opens in-depth investigations into Romanian measures in favour of two airports and airlines

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The European Commission has opened two separate in-depth investigations to examine if measures in favour of two publicly-owned airports in Transylvania, Romania (Cluj-Napoca International Airport and Târgu Mureş Transylvania Airport) and airlines operating there (notably Wizz Air) are in line with EU State aid rules. The investigations concern in particular marketing fees paid to Wizz Air by Cluj-Napoca International Airport and low airport charges offered by Târgu Mureş Transylvania Airport to airlines operating there. Furthermore, the Commission will also investigate subsidies by local authorities to the airports themselves. The opening of proceedings gives interested parties an opportunity to submit comments on the measures under assessment. It does not prejudge the outcome of the investigation.

Margrethe Vestager, Commissioner in charge of competition policy, commented: *"There is intense pan-European competition in the aviation sector. Therefore, the Commission must ensure that airport charges and other conditions offered by public regional airports to attract airlines do not distort the level playing field in the market. Our investigations will show if the Romanian measures in favour of the two airports and airlines are in line with EU state aid rules"*.

### *Cluj-Napoca Airport*

Cluj-Napoca International Airport is the second biggest airport in Romania and is operated by a company wholly-owned by Cluj County Council. It served nearly 1.2 million passengers in 2014. The Commission received a complaint that the airport has granted illegal State aid to the airline Wizz Air through advantageous terms in certain agreements concluded between the airline and the airport, and that the airport received state aid itself from Cluj County Council in the form of public funding.

The Commission therefore assessed a number of agreements between Cluj-Napoca Airport and Wizz Air concluded between 2007 and 2010. Under the agreements Wizz Air is remunerated for providing advertising services to the Cluj region, subject to various conditions related to the presence and scale of operations of Wizz Air at Cluj Airport. The agreements also set the terms for ground handling services provided by the airport to Wizz Air.

At this stage the Commission has concerns that the terms of the agreements may give Wizz Air an undue economic advantage vis-à-vis its competitors, because the conditions are too favourable, and no private operator would have accepted to grant similar conditions to the airline in similar circumstances.

Furthermore, the Commission will also investigate further if various subsidies from local authorities over the period 2010 – 2014 have given an undue economic advantage to Cluj-Napoca Airport itself vis-à-vis other airports. It will seek to verify whether the possible aid is in line with EU state aid rules: in particular, whether it genuinely contributes to the accessibility of Transylvania and the mobility of people living there, and whether the use of public funds is strictly limited to the minimum necessary. The Commission will also consider the relative proximity of Târgu Mureş Airport, which is 103 km away with a travelling time between them of approximately 1.5 hours minutes by car.

### *Târgu Mureş Airport*

In a separate investigation, also following a complaint, the Commission will now examine further if airport charges at Târgu Mureş Airport that seem abnormally low and involve significant discounts linked to traffic levels are in line with EU state aid rules. Târgu Mureş Transylvania Airport served approximately 350,000 passengers in 2014. It is operated by a company wholly-owned by Mureş County Council.

The low charges benefitted principally Wizz Air as the main airline operating at Târgu Mureş Airport but may also have benefitted other airlines operating there. At this stage the Commission has concerns that the level of airport charges may have given these airlines an undue economic advantage over their competitors.

Furthermore, the Commission will also investigate further if various subsidies from local authorities since 2011 have given an undue economic advantage to Târgu Mureş Airport itself vis-à-vis other airports. It will seek to verify whether the possible aid is in line with EU state aid rules: In particular, whether it genuinely contributes to the accessibility of Transylvania and to the mobility of people living

there (taking into account in particular the relative proximity of Cluj-Napoca Airport, see above), and whether the use of public funds is strictly limited to the minimum necessary.

## Background

Investments by public authorities into companies carrying out economic activities are in line with EU state aid rules when they are made on terms that a private player operating under market conditions would accept (the market economy operator principle – MEOP). If the MEOP is not respected, the public intervention constitutes state aid in the meaning of the EU rules (Article 107 of the Treaty on the Functioning of the European Union – TFEU), because it procures an economic advantage to the beneficiary that its competitors do not have. The Commission then proceeds to assess whether such aid can be found compatible with the common EU rules that allow certain categories of aid.

In the aviation sector, the Commission's [guidelines on state aid to airports and airlines](#) (see also [MEMO](#) and [Policy brief](#)) reflect the fact that public subsidies can sometimes be used by regional airports to attract price-sensitive airlines, and that these airlines can in some cases effectively shift capacity to receive the best deal, especially where the airports involved serve the same customers. Such subsidies can take the form of low airport charges, discounts to airport charges, success fees or marketing payments.

While the Commission acknowledges that publicly-owned regional airports may offer attractive conditions to airlines in order to encourage them to operate there and thereby boost their traffic, such conditions must not go beyond what a profit-driven airport operator would be prepared to offer.

In terms of public funding for airport infrastructure, EU rules aim to prevent subsidies for infrastructure investment which create overcapacity, result in duplication of (unprofitable) airports in the same catchment area or go beyond what it is necessary for the implementation of useful investment projects.

The non-confidential version of the decision will be made available under the case numbers SA.[32963](#) and SA.[33769](#) in the [State Aid Register](#) on [DG Competition's](#) website once any confidentiality issues have been resolved. State aid decisions newly published in the Official Journal and on the internet are listed in the [State Aid Weekly e-News](#).

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