



## State aid: Commission opens in-depth investigation into measures in favour of Ryanair at Montpellier airport in France

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**The European Commission has opened an in-depth investigation to assess whether marketing agreements concluded between the Association for the Promotion of Touristic and Economic Flows and Ryanair at the airport of Montpellier in France are in line with EU State aid rules.**

Commissioner Margrethe **Vestager**, in charge of competition policy, said: "*Competition in air transport is of fundamental importance for consumers, growth and jobs. We will investigate whether regional and local authorities in France granted an undue economic advantage to Ryanair over its competitors, potentially harming other European airlines and having spill-over effects to other European regions*".

Montpellier airport is a regional airport located in the French region of Occitanie. The airport is one of the twenty largest in France and served 1.9 million passengers in 2017.

The Commission received a complaint concerning marketing agreements between the Association for the Promotion of Touristic and Economic Flows (*Association de Promotion des Flux Touristiques et Economiques*, "APFTE") and Ryanair and its subsidiary AMS. The complainant alleged that the agreements amounted to illegal State aid in favour of Ryanair.

Since 2010, the APFTE has concluded various agreements with Ryanair, under which Ryanair has received substantial payments in exchange for promoting Montpellier and the surrounding area as a touristic destination on its website. The APFTE is an independent association, unrelated to the airport operator, and is funded almost entirely by regional and local public entities. The Commission has therefore concluded on a preliminary basis that the agreements with Ryanair are financed through State resources and attributable to the State.

At this stage, the Commission has concerns that the terms of the agreements may give Ryanair an undue economic advantage vis-à-vis its competitors, because the conditions are too favourable and no private operator would have accepted to enter into similar arrangements with Ryanair to purchase marketing services.

The Commission will now investigate further to find out whether its initial concerns are confirmed. The opening of an investigation gives interested third parties the opportunity to submit comments. It does not preclude the outcome of the investigation.

### Background

In the aviation sector, the [Commission's guidelines on state aid to airports and airlines](#) (see also [MEMO](#)) reflect the fact that, subject to certain conditions, public subsidies can be used by regional airports or regional authorities to attract price-sensitive airlines. Such subsidies can typically take the form of low airport charges, discounts to airport charges, success fees or marketing payments.

Publicly-owned regional airports may offer attractive conditions to airlines to encourage them to operate there and thereby boost their traffic. However, such conditions must in principle not go beyond what a profit-driven airport operator would be prepared to offer under the same circumstances (the market economy operator principle - MEOP). If this principle is respected, the conditions do not involve State aid to the airlines and are not subject to the Commission's review. Conversely, if this principle is not respected, the conditions involve state aid and the Commission must then examine whether this can be found compatible with EU state aid rules.

In the last few years, the Commission has concluded a number of cases regarding aid to airlines aimed at attracting or maintaining airlines' aircraft capacity at certain airports, finding that they were not in line with State aid rules, for example regarding the airports of [Nîmes, Pau, and Angoulême](#) in France, [Zweibrücken](#) and [Altenburg-Nobitz](#) in Germany, [Klagenfurt](#) in Austria, and the Sardinian airports of [Cagliari, Olbia](#) and [Alghero](#) in Italy.

The non-confidential version of the decision will be made available under the case number SA.47867 in the [State Aid Register](#) on the Commission's [competition](#) website once any confidentiality issues have

been resolved. More information on the Commission's state aid policy in the air transport sector is available in this [policy brief](#).

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