

Brussels, 15 November 2010

State aid: Commission temporarily authorises €52 million rescue aid for Air Malta

The European Commission has authorised a loan facility worth €52 million for Air Malta. The aid is in line with EU state aid rules, because it is limited in time and scope. The Commission approved the measure temporarily, until it can take a position on the restructuring plan to be submitted by Malta within maximum six months.

"The approval of the State support to Air Malta is only temporary to avoid a sudden disappearance of the airline which would lead to serious disturbances in the Maltese economy," said Joaquín Almunia, Commission Vice-President in charge of competition policy, adding that he had also taken into account *"the very limited impact the measure will have on other Member States"*

The Commission has been notified an emergency support by the Maltese authorities to prevent the collapse of Air Malta which, if it happened, would disrupt the economy of the island. The Maltese economy relies heavily on tourism and the share of tourists carried by Air Malta presently exceeds 50% of total passengers. Out of approximately 133 destinations served from the Malta international airport, more than half are only operated by Air Malta.

The support consists of a short-term €52 million State loan to tackle liquidity problems at the small airline.

The Commission has granted temporary approval as the measure is in line with the European Union's guidelines on rescue and restructuring of companies in difficulties (see [MEMO/04/172](#)). In particular, the aid amount is limited to what is needed to keep the company in business over the next six months. Moreover, the Maltese authorities have committed to submit a restructuring plan within six months guaranteeing future viability of the services currently provided by Air Malta. Otherwise Air Malta will have to reimburse the loan or undergo liquidation.

EU rules do not allow Member States to provide continued support to ailing companies. Such practice would not only be detrimental to competition within the internal market but would also go against the interests of taxpayers.

Air Malta is a small carrier that operates mainly in Europe. It operates 12 aircrafts and carries well below 1% of intra-EU air traffic of passengers.

The non-confidential version of the decision will be made available under the case number N504/2010 in the [State Aid Register](#) on the [DG Competition](#) website once any confidentiality issues have been resolved. New publications of state aid decisions on the internet and in the Official Journal are listed in the [State Aid Weekly e-News](#).