



PRESS RELEASE No 25/24

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Judgment of the General Court in Case T-146/22 | Ryanair v Commission (KLM II; COVID-19)

State aid in the context of the COVID-19 pandemic: the General Court annuls the approval of State aid from the Netherlands amounting to €3.4 billion in favour of KLM

Where there are grounds to fear the effects on competition of an accumulation of State aid within the same group, the onus is on the Commission to exercise particular vigilance in examining the links between the companies belonging to that group

In 2020, the European Commission approved Netherlands State aid to KLM consisting of a State guarantee for a bank loan and a State loan. The total budget of the aid was €3.4 billion. The objective of the measure was to provide KLM with temporary liquidity in the context of the Covid-19 pandemic.

However, in 2021, the General Court of the European Union annulled the Commission's decision ¹ on the ground of failure to state reasons as regards the determination of the beneficiary of the measure in question. In addition, it decided to suspend the effects of the annulment pending the adoption of a new decision by the Commission.

Subsequently, on 16 July 2021, the Commission adopted a new decision, in which it found that the State aid was compatible with the internal market and that KLM and its subsidiaries were the sole beneficiaries of the aid, to the exclusion of the other companies in the Air France-KLM group.

In the action brought before it by the airline Ryanair, **the General Court again annuls, by its judgment delivered today, the approval of the aid in question. It considers that the Commission erred in defining the beneficiaries of the State aid granted, by excluding from those beneficiaries the Air France-KLM holding and Air France, two companies forming part of the Air France-KLM group.**

In that regard, the Court examines the capital, organic, functional and economic links between the companies in the Air France-KLM group, the contractual framework on the basis of which the measure at issue was granted, as well as the type of aid measure granted and the context in which it was granted. It concludes, on that basis, that the Air France-KLM holding and Air France were capable of benefiting, at least indirectly, from the advantage granted by the State aid in question ².

NOTE: An action for annulment seeks the annulment of acts of the institutions of the European Union that are contrary to EU law. The Member States, the European institutions and individuals may, under certain conditions, bring an action for annulment before the Court of Justice or the General Court. If the action is well founded, the act is annulled. The institution concerned must fill any legal vacuum created by the annulment of the act.

NOTE: An appeal, limited to points of law only, may be brought before the Court of Justice against the decision of the General Court within two months and ten days of notification of the decision.

Unofficial document for media use, not binding on the General Court.

The [full text and, as the case may be, an abstract](#) of the judgment is published on the CURIA website on the day of delivery.

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Images of the delivery of the judgment are available on '[Europe by Satellite](#)' ☎ (+32) 2 2964106.

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¹ Judgment of 19 May 2021, *Ryanair v Commission (KLM; Covid-19)*, [T-643/20](#) (see also [press release No 84/21](#)).

² Judgments of 20 December 2023 in cases [T-216/21](#), *Ryanair and Malta Air v Commission (Air France; COVID-19)* and [T-494/21](#), *Ryanair and Malta Air v Commission (Air France-KLM and Air France; COVID-19)* (see also [press release No 198/23](#)).