



4 May 2020

EU level response

European Commission

- On 29 April, the European Commission [adopted](#) a package of relief measures to support the transport sector. With regards to aviation, the validity date for certain certificates, licenses and other authorizations is to be extended (see the Proposal for a Regulation [here](#)) and the air carrier licensing rules are to be modified to temporarily ease financial problems linked to the coronavirus (see the Proposal for a Regulation amending Regulation 1008/2008 [here](#)). These Proposals will have to be approved by the European Parliament and the Council of the EU before they officially enter into force.

Council of the EU

- On 29 April, the EU Transport Ministers [met](#) to discuss the exit strategy for the various modes of transport. For aviation, the issuance of vouchers to passengers was discussed. Before the tele-conference, 12 EU Member States (MS) signed a [joint statement](#) (28 April) according to which airlines should be allowed to choose the means by which passengers are reimbursed. Other MS opposed such flexibility to the current rules ([Reg. 261](#)). In addition, the need to review the existing EU environmental legislation such as the ETS (Emissions Trading Scheme) for CORSIA implementation from 2021 and the SES (Single European Sky) was mentioned.

Developments at national level

Germany

- **Lufthansa** [made](#) (29 April) wearing mouth-nose cover on board their aircrafts mandatory for all passengers as of 4 May preliminarily until 31 August. The future of

the German operator is however broad open with Lufthansa potentially filing for bankruptcy amid dispute over state-aid conditions ([article](#) in *FT*, 28 April).

Switzerland

- **Swiss** and **Edelweiss** will receive a bank loan of CHF 1.5 billion to assure the liquidity of both airlines (*Aviator* [article](#), 29 April).

Ireland

- On the Labor Day (1 May), the Irish low-cost airline **Ryanair** announced mass job cuts (3.000) and plans to reduce the wages of its remaining workforce by 20%. According to the BALPA Secretary General Brian Strutton “this is a U-turn on the declared Ryanair’s ability to weather the COVID storm through its €4 billion cash reserves”. ([article](#) in *Euractiv*, 1 May) Previously, the Ryanair CEO Michael O’Leary contacted the EU Commissioner for Competition Margrethe Vestager over alleged discrimination of EU Member States which have “selectively allocated funds to inefficient flag carriers” ([article](#) in *Bloomberg*, 26 April).

France

- The European Commission has approved €7 billion French state aid consisting of a state guarantee on loans and a shareholder loan to **Air France** to provide urgent liquidity to the company ([article](#) in *Aviation24.be*, 4 May).

Netherlands

- The Dutch flag carrier **KLM** has announced gradual return to European services while making face masks compulsory on all flights from next Monday 11 May ([article](#) in *DutchNews.nl*, 4 May).

EU stakeholders’ reactions

- Due to the corona crisis induced economic slow-down, *BBC* [reported](#) (27 April) that **Airbus** has decided to furlough 3,200 of its staff in Broughton (North Wales, UK). More job cuts in the Airbus’ 135,000 staff in total are to be expected in order for the manufacturer to survive. On 29 April, the manufacturer [published](#) its Q1 2020 results showing 71% drop of its net cash position and 49% lower EBIT (earnings before interest and taxes).
- On 1 May, **Eurocontrol** [published](#) the latest Network Recovery Plan showing a slow pick up of air traffic in Europe (from 2.099 flights handled on 12 April to 4.566 flights on 29 April).

International updates

- **Boeing** [terminated](#) agreement to establish joint venture with Embraer (25 April). **Embraer** [said](#) that it would pursue all remedies against Boeing for the damages incurred (25 April). **Boeing** also [published](#) (29 April) its Q1 2020 results based on which the decision to decrease commercial airplane production rates was made (*ASD News* [article](#), 29 April).
- **IATA** [called](#) on national aviation authorities to mutually recognize temporary measures taken by other states that are filed with ICAO (27 April). On 28 April, **IATA**

[pointed](#) to the insufficient air cargo capacities to meet double demand for pharmaceutical shipments which is why governments must cut the red tape needed to approve special flights and ensure efficient facilitation of crew. Further, **IATA** and **ACI** jointly [called](#) (30 April) on governments around the world to urgently help the aviation industry through tax reliefs and loans or direct support to maintain financial liquidity across the aviation ecosystem.

- On 29 April, **ICAO Council** [established](#) COVID-19 Aviation Recovery Task Force with the aim to reboot the network for a post-COVID world and make it “more resilient and responsive in the process”.