Commission Decision (EU) 2020/1671 of 2 August 2019 on State aid SA.47867 2018/C (ex 2017/FC) granted by France to Ryanair and Airport Marketing Services (notified under document C(2019) 5729) (Only the French text is authentic) (Text with EEA relevance)

COMMISSION DECISION (EU) 2020/1671

of 2 August 2019

on State aid SA.47867 2018/C (ex 2017/FC) granted by France to Ryanair and Airport Marketing Services

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(Only the French text is authentic)

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union, and in particular the first subparagraph of Article 108(2) thereof,

Having regard to the Agreement on the European Economic Area, and in particular Article 62(1)(a) thereof,

Having called on interested parties to submit their comments pursuant to those articles[(1)], and having regard to their comments,

Whereas:

1. PROCEDURE

(1) By letter dated 23 March 2017, the Commission received a complaint from the airline Air France[(2)] alleging that the airline Ryanair had enjoyed advantages between 2010 and 2015 in connection with its air transport operations to and from Montpellier airport. These advantages had allegedly been granted through marketing services agreements concluded by the Association for the Promotion of Tourist and Economic Flows (Association de promotion des flux touristiques et économiques – 'APFTE') with Ryanair or its subsidiary Airport Marketing Services ('AMS'). On the basis of these agreements, the APFTE had paid Ryanair around EUR 8,5 million between 2010 and 2015.

(2) By letter dated 24 May 2017, the Commission sent France a non-confidential version of the complaint and invited France to submit its comments and answer certain questions on the measures at issue. On 12 July 2017, the Commission sent a reminder asking France to provide the information requested by the letter of 24 May 2017.

(3) France replied by letter dated 18 August 2017.

Changes to legislation: *There are currently no known outstanding effects for the Commission Decision (EU) 2020/1671. (See end of Document for details)*

(4) By letter dated 13 September 2017, the Commission asked France for further information. On 9 October 2017, France requested further time to reply, to which the Commission agreed by letter dated 18 October 2017.

(5) By letter dated 22 November 2017, France provided some of the information requested by the Commission.

(6) On 22 December 2017, the Commission sent a reminder asking France to provide the answers to the remaining questions.

(7) France replied by letter dated 29 January 2018.

(8) By letter dated 4 July 2018, the Commission notified France of its decision ('the opening decision') to initiate the procedure laid down in Article 108(2) of the Treaty on the Functioning of the European Union ('TFEU') in respect of the aid.

(9) The Opening Decision was published in the *Official Journal of the European Union*[3]. The Commission called on interested parties to submit their comments on the aid in question.

(10) The Commission received comments from Ryanair, the Region of Occitania, the Chamber of Commerce and Industry of Hérault, the Montpellier local authority structure Montpellier Méditerranée Métropole, the Pays de l'Or local authority structure Communauté d'agglomération du Pays de l'Or, […] and the APFTE. On 15 April and 17 May 2019, the Commission sent Ryanair's comments to France (with a request for information) and asked the latter to comment on them. The Commission received France's comments by letter dated 13 June 2019 and the APFTE's comments by letter dated 21 June 2019. The comments of the other interested parties were sent to France on 18 June 2019.

2. GENERAL INFORMATION ON MONTPELLIER AIRPORT

2.1. Airport characteristics and traffic

(11) Montpellier Méditerranée airport ('Montpellier airport') lies approximately 7 km from the centre of Montpellier, which is the capital of the department of Hérault, in the Region of Occitania in France. The airport is open to domestic and international commercial traffic.

(12) An overview of passenger traffic at Montpellier airport in recent years can be found in Table 1 below. The airport handled nearly 1,85 million passengers in 2017 and 1,88 million in 2018.

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Table 1

Commercial passenger traffic at Montpellier airport between 2010 and 2018 (number of passengers)

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018
Local passengers[a]	1 177 860	1 308 346	1 285 428	1 420 614	1 444 110	1 507 928	1 669 023	1 847 314	1 878 035
Of which international passengers	*295 334*	*400 818*	*398 609*	*391 855*	*433 923*	*480 667*	*616 564*	*661 456*	*641 005*
Of which domestic passengers	*882 526*	*907 528*	*886 819*	*1 028 759*	*1 010 187*	*1 027 261*	*1 052 459*	*1 185 858*	*1 237 030*
Passengers in transit	2 588	4 930	2 787	2 179	1 224	2 242	2 063	2 096	1 928
Total	**1 180 448**	**1 313 276**	**1 288 215**	**1 422 793**	**1 445 334**	**1 510 170**	**1 671 086**	**1 849 410**	**1 879 963**
Of which low-cost airline passengers	*275 341*	*378 980*	*397 819*	*441 388*	*464 170*	*507 965*	*577 198*	*679 148*	*708 273*

a Passengers starting or ending their journey at Montpellier airport, as opposed to transit passengers.

Source: http://www.aeroport.fr/view-statistiques/montpellier-mediterranee, visited on 1 July 2019.

(13) Several airlines[(4)] currently operate scheduled flights from Montpellier airport to destinations in France, other European countries and the Maghreb.

(14) Aside from these scheduled flights, other commercial movements at Montpellier airport during the 2010-2018 period mainly involved flying club and business flights.

(15) Ryanair served Montpellier airport between March 2002 and April 2019.

(16) The first Ryanair flights at Montpellier took place in March 2002. Ryanair initially operated one scheduled route to Frankfurt-Hahn airport, situated in the German Land of Rhineland-Palatinate, and one scheduled route to London-Stansted airport (which ended in 2009). In 2008, Ryanair opened a route to Brussels-

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Charleroi airport (situated in Wallonia, Belgium), and in 2010 it opened a route to Leeds-Bradford airport (situated in Yorkshire, United Kingdom). A flight to Bristol was introduced and then ended in 2009. The Frankfurt-Hahn, Brussels-Charleroi and Leeds-Bradford routes were therefore already in operation when the APFTE was set up on 24 June 2010. A flight to Birmingham was introduced on 13 April 2011, and then ended in November 2013. Unlike Montpellier, the airports of Leeds-Bradford, Birmingham, Brussels-Charleroi and Frankfurt-Hahn are all Ryanair bases[(5)].

(17) Ryanair stopped operating the Montpellier-Leeds route in October 2017, and then the Montpellier-Hahn route in November 2018. In April 2019, Ryanair ended all operations at Montpellier airport when it stopped operating the Montpellier-Charleroi route.

Table 2

Ryanair's share of commercial passenger traffic at Montpellier airport between 2010 and 2019

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	January-April 2019
Total traffic at the airport by number of passengers[a]	[…]	[…]	[…]	[…]	[…]	[…]	[…]	[…]	[…]	[…]
Ryanair passengers by number of passengers[b]	[…]	[…]	[…]	[…]	[…]	[…]	[…]	[…]	[…]	[…]
— Hahn route	[…]	[…]	[…]	[…]	[…]	[…]	[…]	[…]	[…]	

a The Commission notes that the figures provided by the French authorities for the total number of passengers at the airport differ slightly from the figures published by Montpellier airport, which are set out in Table 1.

b The Commission notes that the total number of Ryanair passengers provided by the French authorities does not exactly match the sum of the number of Ryanair passengers per route provided by the French authorities.

Source: Information received from the French authorities.

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Table 2

Ryanair's share of commercial passenger traffic at Montpellier airport between 2010 and 2019

— Charleroi route	[…]	[…]	[…]	[…]	[…]	[…]	[…]	[…]	[…]	[…]
— Bradford route	[…]	[…]	[…]	[…]	[…]	[…]	[…]	[…]		
— Birmingham route		[…]	[…]	[…]						
Ryanair passengers as % of total passenger traffic	**[5-10]**	**[10-15]**	**[10-15]**	**[5-10]**	**[5-10]**	**[5-10]**	**[5-10]**	**[5-10]**	**[0-5]**	**[0-5]**

a The Commission notes that the figures provided by the French authorities for the total number of passengers at the airport differ slightly from the figures published by Montpellier airport, which are set out in Table 1.

b The Commission notes that the total number of Ryanair passengers provided by the French authorities does not exactly match the sum of the number of Ryanair passengers per route provided by the French authorities.

Source: Information received from the French authorities.

(18) As apparent from Table 2, from 2010 onwards, the total number of Ryanair passengers flying to and from Montpellier airport accounted for only a relatively small share of the airport's passenger traffic (less than [10-15] %), i.e. between […] and […] passengers between 2010 and 2017.

(19) It will also be seen from Table 2 that the number of Ryanair passengers fell constantly from 2012. When we look at the number of Ryanair passengers from 2002 onward, it becomes clear that the decline in the number of Ryanair passengers at Montpellier airport began in 2006[6].

(20) Montpellier airport lies 57 km from Nîmes-Alés-Camargue-Cévennes airport and 70 km from Béziers-Cap d'Agde airport, which both handle international scheduled and charter flights.

(21) In April 2019, Ryanair launched a route to Brussels-Charleroi from Béziers-Cap d'Agde airport. Ryanair has been operating a route between Nîmes and Charleroi since April 2006.

2.2. **Operation and ownership of airport infrastructure**