COURT OF JUSTICE
OF THE EUROPEAN UNION

Judgment of the Court
in Joined Cases C-266/24 P | Commission v Ryanair, C-269/24 P | Koninklijke Luchtvaart Maatschappij v Ryanair and C-289/24 P | Société Air France and Air France-KLM v Ryanair (Covid-19 State aid – KLM)

Press release No 157/26

Luxembourg, 5 November 2026

State aid in the context of the Covid-19 pandemic: the Court sets aside the General Court's judgment by which the Commission's approval of €3.4 billion in State aid granted by the Netherlands to KLM had been annulled

In 2020, the European Commission adopted a decision [1] approving €3.4 billion in state aid granted by the Netherlands to the airline KLM, a member of the Air France-KLM group. [2] That aid, consisting of a state guarantee on a bank loan and a state loan, was intended to provide KLM with temporary liquidity to deal with the adverse effects of the COVID-19 pandemic.

However, in 2021, hearing an action brought by the Irish airline Ryanair, the General Court of the European Union annulled the Commission's decision [3] on the ground that it had not sufficiently explained why it considered KLM to be the sole beneficiary of the measure at issue, to the exclusion of the other companies in the Air France-KLM group.

On 16 July 2021, the Commission adopted a new decision, [4] by which it declared the State aid compatible with the internal market. It took the view that KLM and its subsidiaries were the sole beneficiaries of that aid, to the exclusion of the other companies in the Air France-KLM group. [5]

Hearing a further action brought by Ryanair, the General Court also annulled that second approval decision. [6] It ruled that the Commission had erred in excluding Air France and the Air France-KLM holding from the scope of the beneficiaries of the aid.

Next, the Commission (Case C-266/24 P), KLM (Case C-269/24 P) and Air France and the Air France-KLM holding (Case C-289/24 P) brought appeals before the Court of Justice seeking to have the latter judgment of the General Court set aside.

By today's judgment, the Court sets aside the General Court's judgment, dismisses the action brought by Ryanair in part and refers the case back to the General Court so that it may rule on the pleas in law in Ryanair's action on which it had not ruled at first instance, [7] as the state of the proceedings does not permit final judgment to be given.

The Court observes that **the General Court did not apply an incorrect criterion or legal framework when it relied on the concept of 'economic unit' in order to determine who was the beneficiary of the measure at issue.** [8]

Nevertheless, the General Court erred in law by holding that the Commission had made a manifest error in finding that KLM and its subsidiaries were the sole beneficiaries of the measure at issue. **It substituted its own assessment for that of the Commission, without demonstrating that the conclusion reached by the Commission was implausible.** It gave **a different weighting to the relevance** to be attributed to each of the elements enabling the beneficiary of the measure to be determined and adopted **a different view of the degree of integration** from which it may be concluded that **a group of companies constitutes such a beneficiary.**

According to the Court, in its analysis of the beneficiary of the measure at issue within the Air France-KLM group, the General Court reached conclusions that were broadly consistent with those of the Commission. It essentially confined itself

to re-examining the same factors and facts as those relied upon by the Commission, departing in part in its assessment from the analysis set out in the approval decision, without, however, making any criticism capable of demonstrating that that analysis was manifestly incorrect. In particular, it has not succeeded in calling into question, to the point of rendering them implausible, the Commission's assessments that, despite the links within the Air France-KLM group, Air France and KLM each enjoyed, de facto, 'considerable economic autonomy'.

NOTE: An appeal, on a point or points of law only, may be brought before the Court of Justice against a judgment or order of the General Court. In principle, the appeal does not have suspensive effect. If the appeal is admissible and well founded, the Court of Justice sets aside the decision of the General Court. Where the state of the proceedings so permits, the Court of Justice may itself give final judgment in the case. Otherwise, it refers the case back to the General Court, which is bound by the decision given by the Court of Justice on the appeal.

Unofficial document for media use, not binding on the Court of Justice. The presentation of the facts and the legal context refers to the relevant period and is based on the case files.

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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[1] Commission Decision C(2020) 4871 final of 13 July 2020 concerning State aid scheme SA.57116 (2020/N) implemented by the Netherlands, following the sudden outbreak of the Covid-19 pandemic, in the form of a State guarantee for loans and a State subordinated loan in favour of KLM (see the Commission's press release). That decision forms part of a series of support measures for the aviation sector adopted in response to the Covid-19 pandemic, in particular in favour of companies within the Air France-KLM group.

[2] That group, headed by the Air France-KLM holding company, includes, inter alia, Air France, Air France-KLM International Mobility, Blueteam V, BigBlank, Air France-KLM Finance and Transavia Company. France and the Netherlands hold 14.3% and 14% of the capital of the Air France-KLM holding, respectively.

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

[4] Commission Decision C(2020) 5437 final of 16 July 2021 on State Aid SA.57116 (2020/N) – The Netherlands – COVID-19: State loan guarantee and State loan for KLM.

[5] Air France and the Air France-KLM holding company had also received aid granted by France and approved by the Commission. In particular, by decision of 4 May 2020, as last amended by decision of 26 July 2021, the Commission had authorised aid of €7 billion in favour of Air France, consisting of a State guarantee on a bank loan of EUR 4 billion and a shareholder loan of up to €3 billion. It had considered that Air France and its subsidiaries were the sole beneficiaries thereof, to the exclusion, in particular, of the Air France-KLM holding company and its other subsidiaries, and of KLM and the companies under its control (see the Commission's press release). Almost a year later, by decision of 5 April 2021, the Commission also approved individual aid of € 4 billion intended for the recapitalisation of Air France and the Air France-KLM holding. It had considered that that aid benefited Air France and its subsidiaries, as well as the holding company and the subsidiaries it controlled, to the exclusion of KLM and its subsidiaries (see the Commission's press release). By two judgments of 20 December 2023, *Ryanair and Malta Air* v *Commission (Air France – Covid-19)*, T-216/21, and *Ryanair and Malta Air* v *Commission (Air France-KLM and Air France – Covid-19)*, T-494/21, the General Court upheld the actions brought by Ryanair and Malta Air and annulled the Commission's decisions (see press release No 198/23). The judgment in Case T-216/21 has been the subject of two appeals: Cases C-166/24 P *Commission* v *Ryanair and Malta Air*, and C-192/24 P *Air France-KLM and Société Air France* v *Ryanair and Malta Air*; the judgment in Case T-494/21 has also been the subject of two appeals: Cases C-193/24 P *Air France-KLM and Société Air France* v *Ryanair and Malta Air*, and C-167/24 P *Commission* v *Ryanair and Malta Air*. The four appeals are pending.

[6] Judgment of the General Court of 7 February 2024, *Ryanair* v *Commission (KLM II; COVID-19)*, T-146/22 (see also press release No 25/24). Following that judgment and the judgment in Case T-261/21, the Commission adopted, on 10 July 2024, a new decision approving the relevant French and Dutch aid (see the Commission's press release). That decision is itself the subject of an action brought by Ryanair and Malta Air (pending case T-250/25).

[7] Alleging, respectively: infringement of the principles of non-discrimination, freedom to provide services and freedom of establishment; misapplication of Article 107(3)(b) TFEU (according to which aid intended to remedy a serious disturbance in the economy of a Member State may, in particular, be considered compatible with the internal market); infringement of its procedural rights; and infringement of the duty to state reasons. Those pleas require a factual assessment to be carried out, for the purpose of which the Court does not have all the necessary information.

[8] According to the Court's case-law, where several legally independent entities are involved, such as the members of a group of companies, those entities may, where appropriate, be regarded as forming an economic unit and, therefore, a single undertaking for the purposes of applying the law on State aid. The General Court was therefore correct to state that the question whether several legally separate entities form an economic unit arises, in particular, where the

beneficiary of the aid needs to be identified.