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Condor Secures Victory in Lufthansas COVID-19 State Bailout

May 11, 2023

Brussels – May 11, 2023 – Cooley advised Condor, a German leisure airline, in its victory against the approval of Lufthansa’s 2020 state bailout. Partner Alexander Israel led the Cooley team, which also included Elizabeth Anne Wright, Jan Lang and Georgina Dietrich.

Condor, along with Ryanair, challenged the European Commission’s decision to allow Germany to provide Lufthansa with 6 billion euros in state aid following the decline of travel due to the COVID-19 pandemic. The General Court annulled the aid cleared by the European Commission, noting several errors committed by the commission – in particular, by considering that Lufthansa was unable to obtain financing on the markets for the entirety of its needs, by failing to require a mechanism incentivising Lufthansa to buy back Germany’s shareholding as quickly as possible, by denying that Lufthansa held significant market power at certain airports and by accepting various commitments that do not ensure that effective competition on the market is preserved.

“We are pleased that the General Court concurs with our legal analysis. It is particularly notable that the General Court found that, as consequence of its limited review, the European Commission failed to assess the scope of Lufthansa Group’s market power,” said Israel. “The German Federal Cartel Office had previously held, after detailed investigation, that due to its market position in Germany, Lufthansa Group was required to provide Condor with unrestricted access to Lufthansa Group’s feeder flights.”

The case is T-87/21 – *Condor Flugdienst v. Commission* (Lufthansa; COVID-19).

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