

CPI's Europe Column Presents:

Up in the Air: Airlines and Competition Policy in Times of COVID-19

*By Georgiana Pop & Gonçalo Coelho¹
(World Bank Group)*

*Edited by Anna Tzanaki (Competition Policy International) & Juan
Delgado (Global Economics Group)*



Copyright © 2020

Competition Policy International, Inc. For more information visit [CompetitionPolicyInternational.com](https://www.CompetitionPolicyInternational.com)

July 2020

Introduction

The COVID-19 outbreak took a swift but tremendous toll on the airline industry. In the course of a few months, a series of airlines went bankrupt, suspended operations or had to receive substantial amounts of State aid after being put on the brink.² This paper systematizes an array of policy measures adopted by countries across the world to mitigate the impact of COVID-19 in air transport. In doing so, it puts forward a framework through which the potential anticompetitive impacts of policy interventions can be identified and eventually tackled. It builds upon the World Bank Group's Global Competition Policy team note on competition policy during COVID-19,³ in particular, the Tracker of Competition Measures to Mitigate COVID-19 Effects,⁴ and the analysis of the measures adopted by countries to address the outbreak.⁵

How COVID-19 has Affected Air Transport?

Government actions to contain the spread of COVID-19 include containment, treatment, and economic mitigation measures. Although some of these measures impact the economy in general, the air transport sector was hit particularly hard. This is mainly the result of: (i) a negative supply shock, as most air travel has come to a halt or faces disruptions; and (ii) a negative demand shock, as passengers stay at home and businesses reduce their demand for traveling. Conversely, the COVID-19 outbreak has also led to a greater demand for air cargo and express services, especially with regard to the delivery of critical products, such as food, medical supplies, personal protective equipment ("PPE"), and other products vital for the functioning of sensitive supply chains.

As a result of the outbreak, global air traffic has dropped significantly. The International Civil Aviation Organization ("ICAO") recorded roughly 91 percent less passenger air travel globally in the month of April and forecasts up to 1.2 billion fewer air travelers by September 2020, compared to a typical year.⁶ According to ICAO's estimates, the biggest declines in terms of revenue and capacity will be recorded in Europe and Asia-Pacific, which will account for around two-thirds of the predicted revenue loss due to COVID-19. The European Organization for the Safety of Air Navigation ("EUROCONTROL") has also been recording a decline of roughly 86 percent of flights compared to the same time in 2019 since the end of March.⁷ For example, airports in the UK⁸ and the U.S. have been operating at 10 and 5 percent⁹ of usual traffic.

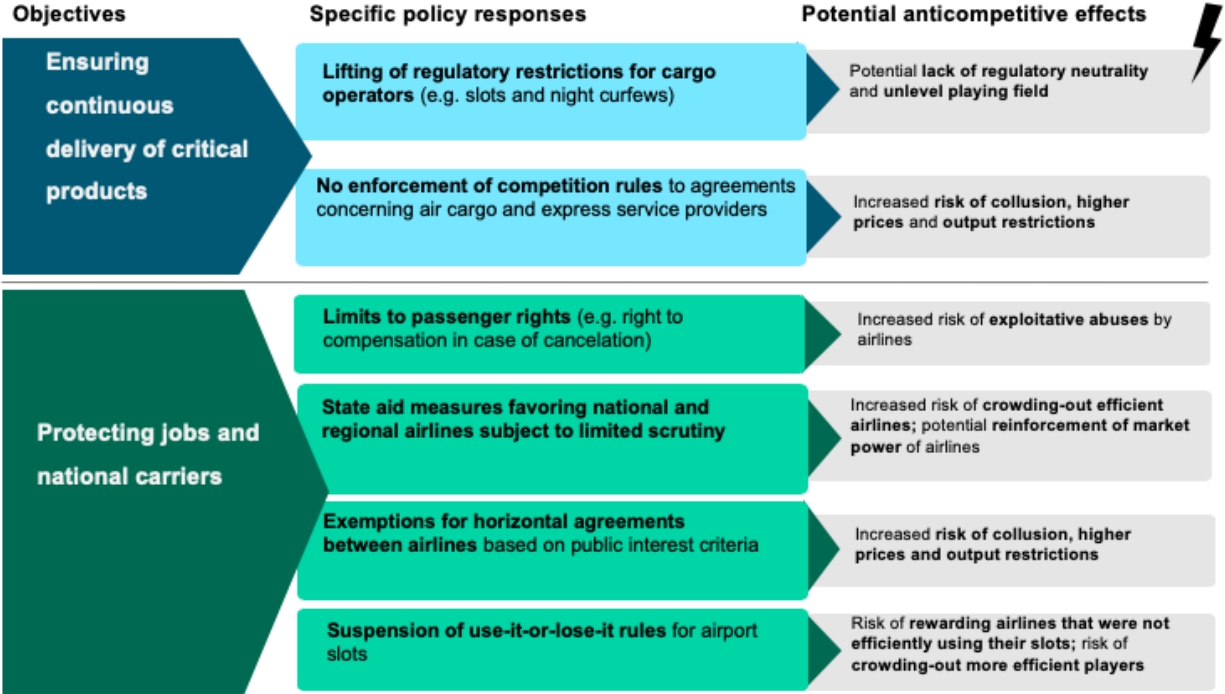
What Governments are doing to keep Airlines Afloat?

To mitigate the effects of the outbreak, Governments have stepped-in to achieve specific public policy objectives. These aim to guarantee the supply of critical goods and services at a time when supply chains are logistically disrupted; and to protect national carriers and jobs in the sector.

State interventions addressing COVID-19 may also engender higher risks of anti-competitive firm behavior, as well as unlevel the playing field. In effect, airlines may

have been given more room to collude to ensure the continuous supply of goods, which may result in higher prices for consumers or quantity restrictions. Second, airlines may engage in exploitative practices *vis-à-vis* passengers that had already acquired tickets. Third, Governments may step-in to aid airlines in financial need in order to keep national carriers afloat and to protect jobs in the sector - this can also generate distortions if aid is not designed in a way that minimizes discrimination among the recipients. Fourth, Governments may create regulatory exceptions for airlines, such as allowing them to grandfather slot rights regardless of compliance with “use-it-or-lose-it” rules. This may result in the preservation of inefficient airlines in the market and the crowding-out of the most efficient companies with limited access to State funding (Figure 1).

Figure 1. Policy measures and risks of anticompetitive effects



Source: Authors’ elaboration

While emergency-situations may require extraordinary measures, Governments should manage the anticompetitive impact of their policy options. Right now, maintaining the economic stability of the airline sector is a priority. However, in the mid- to long-term, consumer welfare requires preserving competitive and contestable markets. This will imply vigilance regarding the risks of cartelization by which air carriers fix prices or allocate routes or customers, as well as State aid to specific national airlines to the detriment of other eligible companies that may find themselves being driven-out of the market.

Balancing Competition and Public Interest during COVID-19

Cooperation between cargo companies and express service providers may be warranted to ensure the continuous and uninterrupted provision of air cargo services. Preserving uninterrupted air cargo services and maintaining the supply flow of essential critical products, including food, medicines, PPE, and other key inputs for sensitive supply chains were vital during the first response to the outbreak. For instance, the European Commission has issued Guidelines stating that it would not actively intervene against necessary and temporary measures put in place in order to avoid a shortage of supply. However, this lenient approach to cargo services should, in principle, not be extended to passenger services, as this bears a more tenuous connection to the public goals guiding containment measures.¹⁰

Governments may need to lift or alleviate existing regulatory restrictions to air cargo services, such as night curfews and slot restrictions. Although such measures may prove necessary to ensure the continuous and uninterrupted provision of air cargo services, it is important that they are proportionate, limited in time, and in line with the principle of regulatory neutrality. The European Commission has considered that several exceptional measures may need to be introduced in light of the pandemic, including: additional temporary traffic rights for air cargo operations; temporarily suspending night curfews for air cargo, or slot restrictions at airports to maintain essential air cargo operations; facilitating the use of passenger aircraft for cargo-only operations; ensuring that air cargo crew, handling and maintenance personnel qualify as critical staff in cases of lockdown or curfew; exempting from travel restrictions and containment measures asymptomatic transport personnel; allowing fast-track ad-hoc exemptions for unforeseeable situations.¹¹

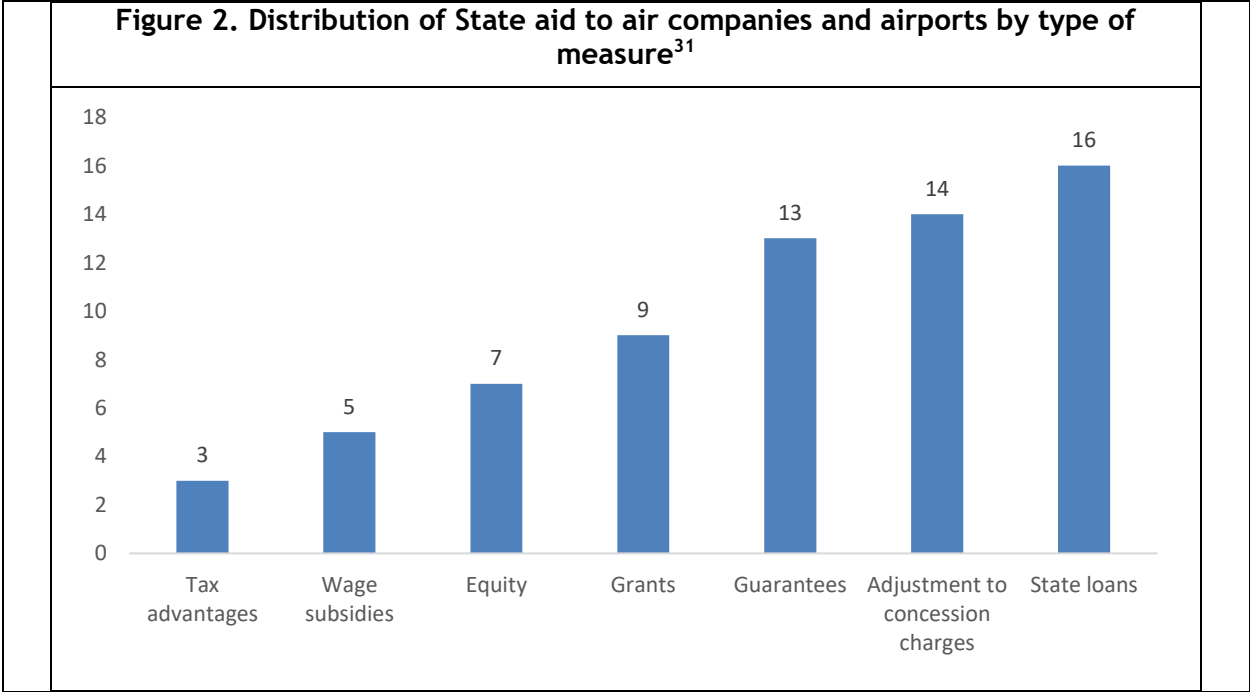
Anti-cartel and abuse of dominance enforcement in the air transport sector remains important during the outbreak. Enforcement activities may be affected during lockdowns, but authorities can clarify this should not keep them from reviewing firm behavior during the emergency period once regular enforcement activities resume. Publicly announcing higher vigilance can in itself be a powerful deterrent to anti-competitive practices. For example, the Australian Competition and Consumer Commission (“ACCC”) has warned that it will take swift action against Qantas should it engage in anticompetitive conduct (including predatory pricing, exclusive agreements with airports and suppliers), before Virgin re-emerges as a competitor in the Australian market.¹² In the UK, the Competition and Markets Authority (“CMA”) has consulted with British Airways and American Airlines - regardless of the COVID-19 outbreak - on the renewal of the commitments offered to tackle the competition concerns stemming from a 2010 agreement on routes between the UK and U.S. The CMA informed it would proceed with the market test of the proposed package, even though it was willing to give additional time for responses if necessary, and to review the agreement should the market fail to return to its pre-COVID-19 state.¹³ In the European Union, the European Commission and the European Competition Network clarified there would be no hesitation in taking action against air cargo operators taking advantage of the current situation by cartelizing or abusing their dominant position.¹⁴

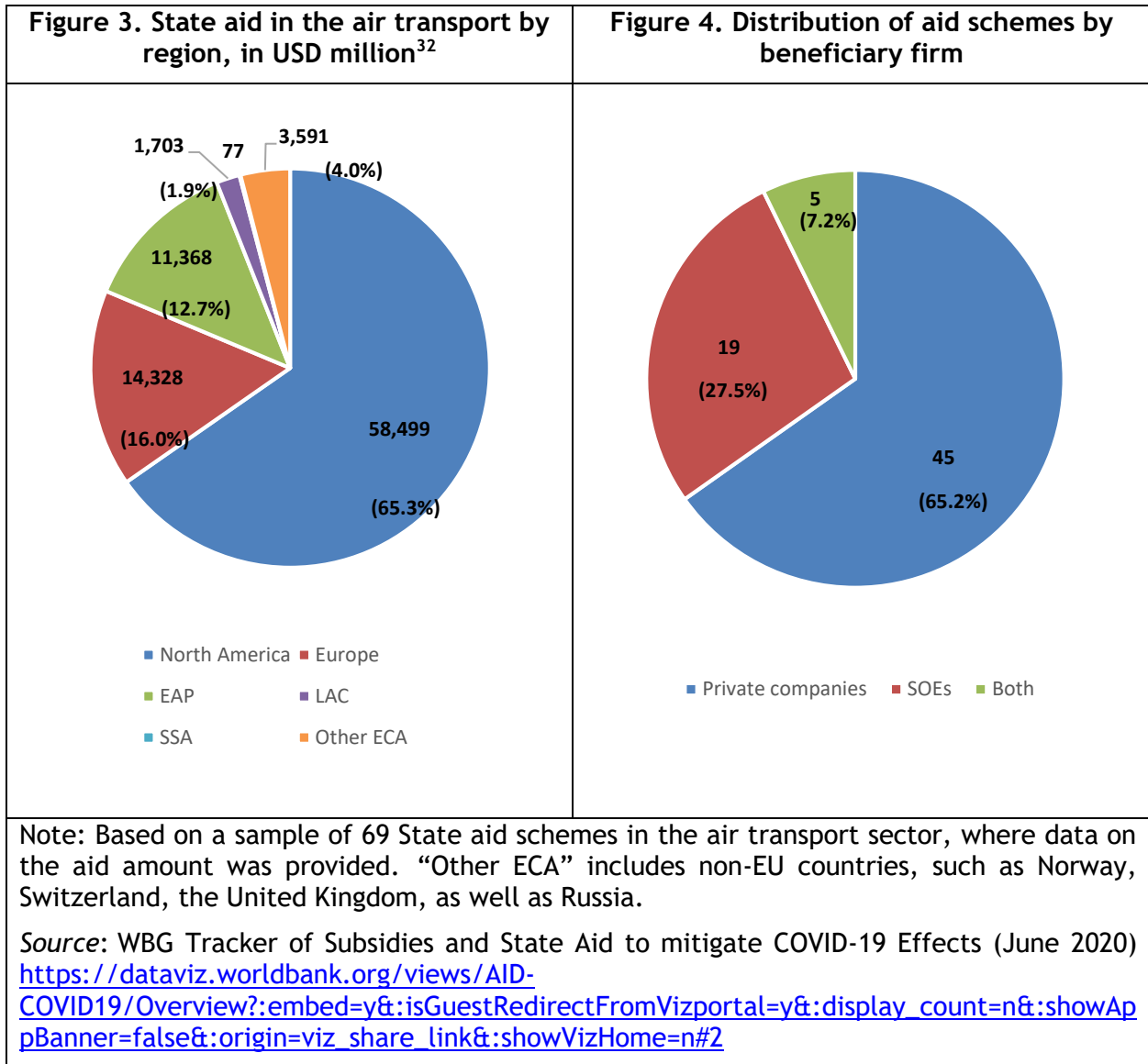
At the same time, a case-by-case exemption from other competition law rules may be required to allow a temporary coordination of routes and schedules. Public health emergencies should not lead to exempting firms from competition law. Notwithstanding, ensuring a continuous supply of critical goods may require coordination between airlines that would otherwise be subject to strict antitrust scrutiny. In addition, passenger airlines may also need, in limited circumstances, to coordinate routes or schedules, namely, to repatriate stranded citizens - this is the case of Iceland, where the Competition Authority has issued an exemption for travel agencies with the aim of the safe return home of tourists, in addition to responding to the economic damage caused by COVID-19.¹⁵ However, such exemptions should clearly spell-out whether they are based on efficiency reasons or on public interest goals that typically go beyond the scope of the competition laws. For instance, the Norwegian Competition Authority provided a three-month exemption to SAS and Norwegian Airlines, allowing them to coordinate routes served and schedules in order to maintain minimum transport services for citizens and cargo. It also issued wider regulation granting a limited, but broadly worded, exemption from the Competition Act for agreements in the transport sector necessary to ensure the maintenance of socially critical functions in connection with the pandemic.¹⁶ In Australia, the ACCC has granted an interim authorization to Regional Express (“Rex”) to coordinate flight schedules and enter into agreements to share revenue with Virgin Australia and Qantas Airways on 10 regional flight routes (provided fares are not higher than those in place on February 1, 2020).¹⁷ In Brazil, the Conselho Administrativo de Defesa Econômica (“CADE”) denied airlines an exemption from competition rules, which could allow them to share flights and ticket sales.¹⁸ Other countries have not granted any specific exemption to air transport, although such possibility was left open. For example, India’s Competition Commission left open the possibility for giving exemptions to coordination between competitors in infrastructure and transport logistics, if necessary and proportionate to address concerns arising from COVID-19.¹⁹ In Peru, the Competition Agency (“INDECOPI”) has specifically stated that agreements in essential sectors, such as transport, may be exempted whenever they are necessary to ensure supply to the largest possible number of regions and persons.²⁰

The drastic drop in air traffic following the fall in demand may require a temporary suspension of “use-it-or-lose-it” slot rules. IATA has requested a global suspension of slot rules due to COVID-19, providing airlines with a temporary relief from slot usage obligations (the so-called “use-it-or-lose-it” rule), without running the risk of losing their grandfathered rights. Typically, airlines are allowed to grandfather their slot rights from one traffic season to the next if they operate a minimum percentage of a series of slots allocated to them at a specific airport (usually, 80 percent²¹). Notwithstanding, when the fall in air traffic is beyond the control of air carriers, Governments might find it necessary to suspend the application of the “use-it-or-lose-it” rule for slots. Otherwise, airlines would either lose their slot rights for reasons outside their control or be forced to run empty or largely empty flights, only with the purpose of maintaining the underlying airport slots. Several jurisdictions have already implemented such suspensions, including: the EU;²² the U.S.;²³ Hong Kong;²⁴ Brazil;²⁵ and South Korea.²⁶

Flights cancellation for reasons beyond the control of air carriers may force Governments to limit the rights of consumers so as to preserve air carriers' financial health. In certain jurisdictions, passengers are entitled to compensation in case of flight cancellations. This statutory obligation limits the possibility of exploitative abuses of market power by airlines by facilitating consumers' access to a minimum compensation without having to engage in an expensive and lengthy litigation with airlines. However, this principle may need to be revisited in the context of COVID-19, as airlines are forced to systematically cancel flights for reasons outside their control.²⁷ The European Commission has clarified that passengers are not entitled to compensation in case of flight cancellation during the outbreak. Nevertheless, airlines should allow passengers to ask for their flights to be re-routed at their earliest convenience. Furthermore, passengers impacted by cancellations must also be offered free of charge care during transit.²⁸

Financial support to airlines should be made widely available and granted in a transparent way. Governments worldwide have so far issued at least USD 90 billion in State aid to compensate the air sector for damages caused by the outbreak (Figure 2). Subsidies and State aid schemes involving air transport have been prevalent in North America (around USD 60 billion), Europe (around USD 14 billion) and East Asia Pacific (around USD 11 billion) (Figure 3).²⁹ State aid in other regions are lower, notably in Eastern Europe and Central Asia (around USD 3.5 billion), Latin America and Caribbean (around USD 1.7 billion) and Sub-Saharan Africa (around USD 77 million) - representing 6 percent of the overall state aid granted in the air transport.³⁰





Financial support should be transparent and subject to clear rules. It should be designed in a way that avoids distorting the level playing field by granting some market players an undue competitive advantage in the medium- and long-term. The European Commission has introduced greater flexibility in the application of State aid rules in order to minimize permanent layoffs and damage to the European aviation sector. This meant, in particular, that compensation can be granted to airlines, even if airlines had previously received rescue aid in the last ten years (the so-called “one time, last time” principle for rescuing firms in difficulty).³³ Albeit this greater flexibility in applying State aid rules, the European Commission has put forward clear rules during the COVID-19 outbreak under an updated temporary State aid framework.³⁴ For example, State guarantees should be limited in maturity (6 years), with an amount limited to the liquidity needed in the foreseeable future and granted only until the end of 2020.

Because air transport is particularly hit by travel bans, Governments may need to consider structural measures such as recapitalization to prevent bankruptcies. In the last months, State-Owned Enterprises (“SOEs”), such as airBaltic, Emirates Airlines, Nordica, Samoa Airways, and Singapore Airlines have been subject to equity injections. Air-France/KLM have received a subordinated shareholder loan by France. The U.S. also approved public acquisition nominal equity interest in return for grants and [low-interest loans](#). In exchange, U.S. airlines agreed not to lay off staff until September 30, 2020 as well as curbing share buybacks and executive pay.³⁵ Both Delta and United Airlines have benefitted from these measures. There are other multiple recapitalization measures currently under discussion. They involve national flag carriers such as Alitalia,³⁶ Lufthansa,³⁷ and PT Garuda Indonesia.³⁸ Moreover, Brazil’s Development Bank (“BNDES”) announced financial support for airlines through a system that involves convertible debentures and can contribute capital to these companies through the purchase of shares. In order to receive finance, BNDES is requesting airlines to cut executive bonuses and investments as well as suspend benefits.³⁹ Given that recapitalization measures have the potential to distort competition, it is important to establish that the viability of the company would be at risk without State intervention, and that it is in the common interest to intervene (e.g. due to the significant level of employment, strategic assets involved, suspension of important or essential services). Furthermore, it should be demonstrated that there were no other available measures to raise capital. It is further advisable that recapitalization measures are limited in time (e.g. by introducing an exit strategy), that an appropriate remuneration is established and that structural and/or behavioral commitments are adopted (e.g. prohibition on misuse of financial support such as advertising, payment of coupons/dividends, and practices engaging aggressive commercial expansion).⁴⁰

Bailout packages should not exclusively and unnecessarily favor dominant air carriers. An analysis of State aid measures adopted worldwide in support of the air transport sector show most countries intervene to support their national (or in some cases regional) airlines. Based on a sample of 69 subsidy and State aid schemes to date, around 27.5 percent of schemes target SOEs only, while most of them (72.5 percent) are supporting private firms or are open to both SOE and private companies (Figure 4 above). Sweden and Norway are notable exceptions in this regard, with State support being granted to all airlines holding a Norwegian Air Operator Certificate (24 airlines), and to all airlines which hold a Swedish commercial air transport license.⁴¹ China has provided cash support to both domestic and foreign airlines to encourage them to restore services and stop suspending flights during the COVID-19 outbreak.⁴²

Conclusion

The air transport sector emerges as a case study for global competition policy trends in dealing with the COVID-19 outbreak. Although it is still too soon to properly assess the effects of State measures in times of COVID-19, it is possible to take stock of the multiple responses that have sought to keep airlines afloat, and their impact on competition.

First, Governments have generally acted under the cloak of competition law, even if that meant introducing greater flexibility to the existing rules or the adoption of new frameworks to deal with firm cooperation, exploitative abuses, and State aid. Second, Governments award of State aid to air carriers has been disparate across the globe. While some countries sought to preserve airlines afloat at any cost, others have left historical air carriers file for bankruptcy (especially in Latin America).⁴³ Third, most countries resisted the temptation of creating specific frameworks for the air carriers. However, when such frameworks were established, they often went beyond the goal of ensuring a continuous supply of critical goods. Fourth, Governments have also temporarily suspended the application of sector-specific rules, namely on airport slots. Such rules are expected to be reinstated as confinement restrictions start to lift. Finally, Governments should be on the watch of higher risks of exploitative abusive of consumers in air transport. This signals the need for higher vigilance and better enforcement of competition and consumer protection rules in this area.

-
- ¹ Georgiana Pop is the World Bank Group Global Lead for Competition Policy; Gonçalo Coelho is a Competition Policy Consultant, with the World Bank Group Global Competition Policy Team. Valuable inputs were provided by Clara Stinshoff and Ana Amador (Consultants, Global Competition Policy Team). The views and opinions expressed in this Paper are those of the authors and do not necessarily reflect the official policy or position of the World Bank Group.
- ² Flybe (UK) entered administration in March 2020, Trans State Airlines (U.S.) ceased all operations in March 2020; Compass Airlines (U.S.) shut down in March 2020, Miami Air International (U.S.) filed for bankruptcy in March 2020, Virgin (Australia) entered voluntary administration in April 2020, Air Mauritius (Mauritius) entered into administration in April 2020, Avianca filed for bankruptcy in May 2019, Latam Airlines (Brazil) filed for bankruptcy in May 2020, Tame (Ecuador) was liquidated in May 2020, Universal Helicopter closed its operations in May 2020, Aeroméxico filed for bankruptcy in June 2020.
- ³ World Bank Group, Competition Policy Team, *Keeping airlines afloat during COVID-19: Competition policy options for emergency situations* (June 2020).
- ⁴ World Bank Group, Competition Policy Team, Competition Measures to Mitigate COVID-19 Effects: https://dataviz.worldbank.org/views/AID-COVID19/Overview?:embed=y&isGuestRedirectFromVizportal=y&display_count=n&showAppBanner=false&origin=viz_share_link&showVizHome=n#2.
- ⁵ <https://blogs.worldbank.org/psd/flatten-coronavirus-curve-dont-flatline-competition>.
- ⁶ Flightglobal.com, "ICAO predicts 1.2 billion fewer air travellers by September," (April 22, 2020) available at <https://www.flightglobal.com/airlines/icao-predicts-12-billion-fewer-air-travellers-by-september/138032.article>.
- ⁷ EUROCONTROL, "Air Traffic situation: Tue 12 May 2020 & Week 19," (04-10 May 2020) available at <https://www.eurocontrol.int/sites/default/files/2020-05/covid19-eurocontrol-comprehensive-air-traffic-assessment-13052020.pdf>.
- ⁸ BBC News, "Coronavirus: Airports 'at risk' of closure as flights drop 90%," (April 22, 2020) available at <https://www.bbc.com/news/uk-england-52323416>.
- ⁹ New York Times, "Now Arriving at La Guardia Airport: One Passenger," (April 15, 2020) available at <https://www.nytimes.com/2020/04/15/nyregion/coronavirus-nyc-airports.html>.
- ¹⁰ European Commission Guidelines: Facilitating Air Cargo Operations during COVID-19 outbreak, from March 26, 2020, https://ec.europa.eu/transport/sites/transport/files/legislation/c20202010_en.pdf.
- ¹¹ European Commission Guidelines: Facilitating Air Cargo Operations during COVID-19 outbreak, from March 26, 2020, https://ec.europa.eu/transport/sites/transport/files/legislation/c20202010_en.pdf.
- ¹² <https://www.abc.net.au/news/2020-04-24/accc-boss-rod-sims-anti-competitive-qantas-virgin/12178208>.
- ¹³ <https://www.gov.uk/government/news/cma-consults-on-ba-and-american-airlines-commitments>.
- ¹⁴ European Commission Guidelines: Facilitating Air Cargo Operations during COVID-19 outbreak, from March 26, 2020, https://ec.europa.eu/transport/sites/transport/files/legislation/c20202010_en.pdf; Antitrust: Joint statement by the European Competition Network ("ECN") on application of competition law during the Corona crisis, https://ec.europa.eu/competition/ecn/202003_joint-statement_ecn_corona-crisis.pdf.
- ¹⁵ <https://en.samkeppni.is/published-content/news/covid-19>.
- ¹⁶ Any such cooperation must: (i) not go beyond what is strictly necessary to fulfill the purpose of the exemption; (ii) ensure, as far as possible, the effective use of resources and consideration of consumer interests; and (iii) be promptly reported to the Competition Authority, <https://norway.dlapiper.com/en/news/coronavirus-competition-law-exemption-transport-sector>.
- ¹⁷ For more details see <https://www.accc.gov.au/system/files/public-registers/documents/Interim%20Authorisation%20Decision%20-%202026.03.20%20-%20PR%20-%20AA1000478%20Rex.pdf>.
- ¹⁸ <https://blogs.oglobo.globo.com/lauro-jardim/post/por-que-o-cade-e-empresas-aereas-nao-se-entenderam-2.html>.
- ¹⁹ https://www.cci.gov.in/sites/default/files/whats_newdocument/Advisory.pdf.
- ²⁰ <https://www.indecopi.gob.pe/-/el-indecopi-precisa-que-los-acuerdos-de-colaboracion-para-asegurar-el-abastecimiento-de-productos-y-enfrentar-la-emergencia-del-covid-19-son-licitos-d>.

-
- ²¹ See, for instance, Council Regulation (EEC) No 95/93 of 18 January 1993 on common rules for the allocation of slots at Community airports (OJ L 14, 22.1.1993, p. 1); or Brazil's ANAC Regulation 338/2014.
- ²² Regulation (EU) 2020/459 of the European Parliament and of the Council of 30 March 2020 amending Council Regulation (EEC) No 95/93 on common rules for the allocation of slots at Community airports, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2020.099.01.0001.01.ENG&toc=OJ:L:2020:099:TOC.
- ²³ <https://www.businessinsider.com/coronavirus-faa-suspending-slot-requirements-at-us-airports-2020-3>.
- ²⁴ <https://www.airport-technology.com/features/covid-19-airport-slot-rules/>.
- ²⁵ <https://g1.globo.com/economia/noticia/2020/03/12/coronavirus-companhias-aereas-poderao-deixar-horarios-vagos-em-aeropostos-sem-punicao-diz-anac.ghtml>.
- ²⁶ <https://www.flightglobal.com/airlines/south-korean-carriers-take-further-measures-to-cope-with-coronavirus/137806.article>.
- ²⁷ In this regard, the European Commission has clarified that passengers will not be entitled to compensation in case of flight cancellation during the outbreak. Nevertheless, airlines should allow passengers to ask for their flights to be re-routed at their earliest convenience. Furthermore, passengers who are affected by a flight cancellation must also be offered care by the operating air carrier, free of charge (meals and refreshments in a reasonable relation to the waiting time; hotel accommodation if necessary, and transport to the place of accommodation): Commission Notice Interpretative Guidelines on EU passenger rights regulations in the context of the developing situation with Covid-19, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52020XC0318%2804%29> ; In Colombia, legislation was enacted suspending airlines' duty to reimburse consumers during the length of the pandemic (and for one extra year), <https://dapre.presidencia.gov.co/normativa/normativa/DECRETO%20482%20DEL%2026%20DE%20MARZ%202020.pdf> ; On the opposite side of the spectrum, a group of U.S. Senators have signed on to a bill requiring airlines and third-party ticket sellers to offer full cash refunds for all canceled tickets, following an increased number of complaints to the U.S. Transportation Department over flight refunds as a result of the COVID-19 outbreak: <https://www.markey.senate.gov/news/press-releases/senators-markey-warren-blumenthal-murphy-and-harris-to-introduce-legislation-requiring-airlines-return-billions-to-consumers-during-coronavirus-pandemic>, <https://www.washingtonpost.com/travel/2020/05/14/congress-introduces-new-bill-requiring-cash-refunds-airlines-regardless-who-cancels-trip/>.
- ²⁸ Commission Notice Interpretative Guidelines on EU passenger rights regulations in the context of the developing situation with Covid-19, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52020XC0318%2804%29>.
- ²⁹ These numbers are driven by the United States which committed a total of USD 58 billion to the air transport sector, France (around USD 7.6 billion), Singapore (around USD 4 billion) and Germany (around USD 2.5 billion).
- ³⁰ Based on data collected by the WBG Markets and Competition Policy team.
- ³¹ The following countries were included in this calculation (appearing in the order of committed amounts): United States, France, Singapore, Germany, Thailand, Brazil, Taiwan, South Korea, Switzerland, United Kingdom, Spain, New Zealand, Australia, Finland, Sweden, Norway, Hong Kong, Latvia, Canada, Denmark, Senegal, Russia, Estonia, Indonesia, Barbados, Colombia, Iceland, Samoa.
- ³² The following countries were included: United States, France, Singapore, Germany, Thailand, Brazil, Taiwan, South Korea, Switzerland, United Kingdom, Spain, New Zealand, Australia, Finland, Sweden, Norway, Hong Kong, Latvia, Canada, Denmark, Senegal, Russia, Estonia, Indonesia, Barbados, Colombia, Iceland, Samoa.
- ³³ Statement by Executive Vice-President Margrethe Vestager on a draft proposal for a State aid Temporary Framework to support the economy in the context of the COVID-19 outbreak, https://ec.europa.eu/commission/presscorner/detail/en/statement_20_479.
- ³⁴ https://ec.europa.eu/competition/state_aid/what_is_new/sa_covid19_temporary-framework.pdf
- ³⁵ Financial Times, "US airlines eye job cuts once bailouts strings expire," (May 14, 2020), available at <https://www.ft.com/content/0253899f-9b93-431b-a3a0-bd43688fdb0>
- ³⁶ Reuters, "Italy to inject 3 bln Euros in new Alitalia – minister," (May 7, 2020), available at <https://www.reuters.com/article/italy-alitalia-minister-idUSL8N2CP4B6>.
- ³⁷ Reuters, "Lufthansa seeks 9 billion Euro bailout amid political discussions," (May 7, 2020), available at <https://www.reuters.com/article/us-lufthansa-germany-bailout/lufthansa-seeks-9-billion-euro-bailout-amid-political-discussions-idUSKBN22J24U>.
- ³⁸ Al Arabiya, "Coronavirus: Indonesia finalizing \$1 billion bailout for flag carrier airline," (May 11, 2020), available at

<https://english.alarabiya.net/en/business/economy/2020/05/11/Coronavirus-Indonesia-finalizing-1-billion-bailout-for-flag-carrier-airline>.

- ³⁹ Reuters, "Brazil's loans to airlines would only be finalized in May," (April 17, 2020), available at <https://www.reuters.com/article/us-health-coronavirus-brazil-airlines/brazils-loans-to-airlines-would-only-be-finalized-in-may-sources-idUSKBN21Z2KD>.
- ⁴⁰ See in this connection Communication from the European Commission of 8 May 2020, amendment to the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, available at https://ec.europa.eu/competition/state_aid/what_is_new/sa_covid19_2nd_amendment_temporary_framework_en.pdf.
- ⁴¹ WBG, Tracker of Subsidies and State Aid to mitigate COVID-19 Effects, https://dataviz.worldbank.org/views/AID-COVID19/Overview?:embed=y&isGuestRedirectFromVizportal=y&:display_count=n&:showAppBanner=false&:origin=viz_share_link&:showVizHome=n#2.
- ⁴² https://dataviz.worldbank.org/views/AID-COVID19/Overview?:embed=y&isGuestRedirectFromVizportal=y&:display_count=n&:showAppBanner=false&:origin=viz_share_link&:showVizHome=n#2.
- ⁴³ In the literature, there has been a debate between those who see the pandemic crisis as an opportunity to cleanse the economy of zombie firms (Jorge Padilla & Nicolas Petit, "Competition policy and the Covid-19 opportunity," *Foreword I Concurrences* N° 2-2020 I pp. 2-6), and those who consider competition policy should retreat to "artificially keep a large number of firms going in the short run in order to kick start the economy in the medium run": Frederic Jenny, *Economic Resilience, Globalization and Market Governance: Facing the COVID-19 Test*, from March 28, 2020, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3563076.