

Date of decision: 12.2.2009

Class: UP/I 430-01/2007-00/036

Case: MINISTRY OF THE SEA, TRANSPORT AND INFRASTRUCTURE - Aid to Croatia Airlines d.d. for subsidizing regular domestic air transport

Type of case: State aid (individual)

Type of decision: Decision on ex-post authorisation (Compatible aid - SGEI)

The Agency subsequently approved aid to the undertaking Croatia Airlines d.d. for subsidizing regular domestic air transport amounting to HRK 101.000.000 for 2005 and 2006. Namely, in the same context, on 6 September 2007 grants were approved to Croatia Airlines, based on the request of the Ministry of the Sea, Tourism, Transport and Development, for the period from 2007 to 2011 contained in the aid measure Enhancing air transport connectivity between the regions (on scheduled domestic routes)¹. At the moment it took this decision, the Agency did not dispose of the facts and data on grants awarded to Croatia Airlines for 2005 and 2006 and therefore it initiated a procedure for subsequent approval of aid. After the Ministry of Finance submitted the relevant explanations that the amount indicated was awarded for partial compensation for losses on unprofitable domestic lines, where Croatia Airlines is the only air carrier performing round-the-year air transport on domestic lines, and after the Agency assessed that the amount of aid concerned was a minimum amount of state aid to cover for the expenditures, it subsequently approved the grants awarded to this undertaking for 2005 and 2006.

¹ Decision of the Agency: UP/I 430-01/2006-04/44, of 6 September 2007.