

Press Release

BARIG appeals in Corona-crisis: Politics must widely support airlines' efforts to secure liquidity

- COVID-19-pandemic poses a high liquidity threat to the aviation industry
- Reimbursement obligation must be temporarily suspended

Frankfurt am Main, March 27, 2020. The unprecedented impact of the quickly spreading Corona-crisis is profoundly threatening the aviation and travel industry in Europe. The Board of Airline Representatives in Germany (BARIG), the joint representation of interests of more than 100 German, European and global airlines, appeals to politicians in Berlin as well as in Brussels to use all available measures to support airlines and the aviation industry in their efforts to secure liquidity.

The reimbursement obligation arising from the EU regulation on air passenger rights poses a substantial challenge for airlines. BARIG, thus, advocates a short-notice temporary suspension of such regulation. Accordingly, BARIG formulated an urgent appeal in a letter to the President of the European Commission, Ursula von der Leyen, as well as to the Directorate General for Mobility and Transport of the European Commission:

The reimbursement obligation under the EU regulation on air passenger rights should be temporarily suspended on short-notice for the duration of the current crisis. Vouchers or wide-ranging re-booking options would be an appropriate solution, which passengers would be free to use at the earliest opportunity or at a later date at their convenience.

Customers' reasonable interests and concerns are to be considered still. As BARIG Secretary General Michael Hoppe explains: "Vouchers may, for instance, be hedged by the respective member states in order to guarantee their value to customers and to increase customer confidence. Some EU countries, such as Belgium, have already agreed to such a state voucher guarantee, while other countries, including the Netherlands and Italy, are in the corresponding preparations. In addition, we are pleased that the Federal Government Commissioner for Tourism, Thomas Bareiß, and the Federal Government Coordinator of German Aerospace Policy, Thomas Jarzombek, are supportive of such a proposal."

The European Commission has already acknowledged that such a crisis due to the novel Corona-virus could not have been anticipated at the time of the introduction of the EU regulation on air passenger rights, and has accordingly extended the regulation's scope for interpretation. In principle, the regulation is intended to cover the cancellation of individual flights, but not the overall collapse of air traffic. The current exceptional situation requires adequate adjustments.

Michael Hoppe comments: "The European aviation and travel industry at large has almost completely come to a standstill due to the effects of the Covid-19 pandemic. At present, this industry, which employs several million people, generates virtually no revenues, but has significant unavoidable fixed costs. Needless to say, this extreme situation constitutes a serious threat to the industry's liquidity. The EU legal requirements for obligatory reimbursements pose a further serious problem."

BARIG (Board of Airline Representatives in Germany e. V.) represents the interests of more than 100 national and international airlines in scheduled, charter, low cost and air cargo business. Since the foundation in 1951 the airline association works for the improvement of frame conditions in the aviation industry in Germany and is the key industry contact for politics, authorities, industry and media. Worldwide the BARIG member airlines transport around 1.8 billion passengers and more than 25 million tons of air cargo to over 1,500 destinations. Every year approximately 225 million passengers are travelling to and from Germany with BARIG airlines to more than 280 international destinations. The BARIG airlines have over 105,000 employees in Germany. The overall aviation industry secures 823,000 workplaces and therefore is a major factor of the German economy. www.BARIG.aero, <https://de.linkedin.com/company/barig>

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