

Council of Minister approves Incentives Scheme for airline companies to address consequences of COVID-19 on Cyprus' air connectivity

The Minister of Transport, Communications and Works, Yiannis Karousos, said after today's meeting of the Council of Ministers that the Council of Ministers has approved a new Incentives Scheme for the airline companies. The Scheme aims at reestablishing without delay the air connection of Cyprus with abroad, revitalizing air passenger traffic and reducing the risk of airline companies, which plan to operate flights in the coming months.

The budget of the Incentives Scheme amounts to 6.3 million euros, it has the approval of the State Aid Commissioner, it will be in force for the next six months and is addressed to all the airline companies. The Scheme will be based on the aircraft occupancy indicator, whereby a route can be entered for the Scheme by an airline company only if the company estimates that it is in a position to cover at least 40% of the aircraft's capacity. For this reason, an incentive will be paid to the airline companies for a capacity of 41% to 70%, assuming that if the airline company exceeds 70% of aircraft capacity it will have attained normal market conditions.

Mr. Karousos also pointed out that "we anticipate that passenger traffic will reach 37,000 passengers in June, 196,000 in July, 460,000 in August, 634,000 in September, 693,000 in October, 388,000 in November and 334,000 passengers in December. Already, 20 airline companies have said that they plan to operate flights to Cyprus. We estimate that in the coming days this number will increase to 40 airline companies with a further increase as of the middle of July."