

DAMAGE CLAIM

Case competition

Stockholm
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Background from the client

An airport owned by a municipality (Örebro) has been accused of giving illegal state aid to an airline called *Next Jet* that opened a flight route via Linköping to Copenhagen. The support was given via: lower landing fees and an interest free loan.

Another airline, *DirektFlyg*, has raised damage claims, because they argue that the support distorts competition and reduce their profits. *DirektFlyg* has a route from Örebro to Malmö (the flights starts in Borlänge).

Before *Next Jet* opened their route, another airline (Skyways) had a route from Örebro to Copenhagen.

Illustration of the situation



The objective of the client

You have been asked by *DirektFlyg* to assess the damages in two scenarios:

1. Without the support, *Next Jet* would not have opened a route
2. Without the support, *Next Jet* would have opened the route, but would have had higher costs.

Your task

You will present to client an initial assessment and answer the following questions:

- a) How would you assess the damages in the two scenarios?
- b) What data will you use, and how?
- c) What questions would you ask passengers, if the client decided to spend money on passenger interviews?
- d) How will you illustrate the calculation of damage claim?