
Commission approves proposed acquisition of parts of Air Berlin by easyJet

2017/12/13 16:17 στην κατηγορία INTERNATIONAL

The European Commission has approved unconditionally under the EU Merger Regulation the proposed acquisition of certain assets of Air Berlin by easyJet.

The Commission concluded that the **transaction would not adversely affect competition** in the EU Single Market.

Commissioner Margrethe Vestager, in charge of competition policy, said: “Our job is to make sure that airline takeovers do not result in less competition – that would mean higher flight fares and less choice for consumers. EasyJet’s plans to buy certain Air Berlin assets will not reduce competition and we have approved it today. Our decision enables easyJet to grow its presence at Berlin airports and start competing on new routes to the benefit of consumers”.

Following several years of financial difficulties, Air Berlin, Germany’s second largest airline, filed for insolvency in August 2017, resulting in the sale of its assets. In the following weeks, Air Berlin grounded its operations, and left the market. EasyJet proposed to acquire certain assets and rights held by Air Berlin as part of its passenger transport operations at Berlin Tegel airport, including slots at Berlin Tegel airport and at some destination airports. Slots are the permission to land and take-off at a specific date and time at an airport.

The Commission’s investigation

The Commission examined the impact of the proposed transaction, looking in particular at whether the slot portfolio to be acquired by easyJet in Berlin Tegel, and at destination airports, would allow easyJet to shut out competitors from the market for passenger air travel to and from Berlin. Indeed, control over slot portfolios at congested airports can result in higher barriers to entry for airlines wanting to operate to and from those airports, which in turn could result in higher fares for passengers.

The Commission’s investigation found that:

-the increase in the slot portfolio of easyJet at the congested airports, and in Berlin in

particular, was unlikely to have a negative effect on passengers, and

-easyJet will continue to face strong competition from large carriers like Lufthansa and Ryanair on routes from and to Berlin.

The Commission therefore concluded that the proposed acquisition would raise no competition concerns in any of the relevant markets.

Background to the Air Berlin sale process

Air Berlin, Germany's second largest airline, filed for insolvency on 15 August 2017. Air Berlin's insolvency administrator then launched a sales process for Air Berlin assets with a deadline to submit bids by 15 September 2017.

Air Berlin's insolvency administrator received a number of bids for various Air Berlin assets. On 12 October 2017, Air Berlin announced that it signed an agreement with Lufthansa for a large part of Air Berlin's assets, i.e. the airline NIKI and the Luftfahrtgesellschaft Walter. This transaction was notified to the Commission on 31 October 2017 and Lufthansa submitted remedies on 30 November 2017. The Commission's investigation is ongoing and the provisional deadline for the Commission to take a decision under EU merger rules in the first investigation phase is 21 December 2017.

Separately, on 27 October 2017, Air Berlin announced the signing of an agreement with easyJet for certain other Air Berlin assets. This transaction was notified to the Commission on 7 November 2017 and was approved unconditionally today.

Companies and products

easyJet is an airline based in the United Kingdom that operates in the European short-haul aviation market and is focussed primarily in Western and Northern Europe. It operates domestic and international scheduled services over 800 routes in more than 30 countries to and from 132 airports. It also operates three licensed airlines within the EU and Switzerland.

The **Air Berlin assets** that easyJet proposes to acquire consist of assets and rights held by Air Berlin for part of its airline operations at Berlin Tegel airport, including slots at Berlin Tegel airport and at some destination airports, overnight parking stands associated with the acquired slots, Air Berlin's customer bookings in respect of the relevant operations, historic data relating to those assets, and certain aircraft furnishings and related equipment.