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Date: 03/07/2024
Reference: BEUC-PR-2024-024

BEUC concerned Lufthansa/ITA decision could harm consumers given lack of clarity on remedies

BEUC, representing the interests of consumers in 31 European countries, regrets the lack of clarity around the remedies that have led to the European Commission conditionally approving Lufthansa's acquisition of joint control of ITA Airways.

BEUC Director General Agustin Reyna commented: "BEUC regrets the lack of clarity around the remedies which have led to the European Commission's conditional approval of the Lufthansa/ITA merger. This is a hugely important decision for air passengers. We trust that the Commission decision, as Executive Vice President Vestager has said, has indeed prevented passengers from paying more on the routes concerned. Unfortunately, the current lack of clarity leads us to fear that consumers could pay the price for this merger in terms of higher fares, less choice of routes and degraded services.

"The European Commission must resist political pressure to allow greater consolidation across markets thereby protecting the interest of consumers instead of larger corporations, particularly in the light of its own recent report highlighting the harm caused by insufficient competition in Europe."

Background

On [23 January 2024](#) the Commission opened an in-depth investigation to assess whether Lufthansa's acquisition of a stake in ITA could restrict competition in the provision of passenger air transport services in and out of Italy. BEUC formally intervened in the Commission's investigation to express its view that the merger should be cleared only with remedies that effectively counteracted all the competition harms that could result for consumers in terms of higher prices, reduced choice and connectivity and poorer quality service.

BEUC also [wrote](#) to the Commission's Executive Vice President Margrethe Vestager on 17 June to express its concerns about the intense political pressure being exerted to clear the Lufthansa ITA merger despite the clear competition issues that the case raised.

BEUC's letter pointed out that consolidation in passenger air transport has already harmed European consumers. The Commission is itself [investigating](#) why passenger prices rose by up to 30 % in the summer of 2023 compared to 2019, noting that the percentage increases depended on various factors including the "number of competing carriers serving a particular route". At the same time, the large airline groups such as Lufthansa have announced record profits.

The Commission's own recently published study on "[Protecting competition in a changing world](#)" has highlighted that prices per mile are higher on routes where there is a low number of airlines. The report also refers to research indicating that more competition in the EU airline industry would potentially benefit consumers to the tune of €900 million per year.

BEUC has taken the [consistent position](#) that the Commission must apply merger control rules to maintain effective competition, by preventing further market concentration that allows companies to become so powerful they can harm consumers and the [EU economy](#).