

Ms Margrethe Vestager
Executive Vice-President
A Europe Fit for the Digital Age
European Commission
Rue de la Loi 200

The Consumer Voice in Europe

B-1049 Brussels

By email

Ref.: BEUC-X-2024-054/ARE/cca

Brussels, 17 June 2024

Subject: Strong remedies are needed to clear Lufthansa ITA merger (Case: M.11071)

Dear Executive Vice President Vestager,

Following up on our previous letters concerning the critical importance to European consumers of effective merger control in the airline sector¹, we are writing to express our concerns about the intense political pressure being exerted to clear the Lufthansa ITA merger (Case: M.11071 - DEUTSCHE LUFTHANSA / MEF / ITA) despite the clear competition issues that this case raises.

BEUC's consistent position is that this **merger should be cleared only with remedies that effectively counteract all the competition harms that could result for consumers** from this merger, in terms of higher prices, reduced choice and connectivity and poorer quality service.

We have already seen the harm that consolidation in passenger air transport can do to European consumers. The Commission is itself investigating why passenger prices rose by up to 30 % last summer compared to 2019, noting that the percentage increases depended on various factors including the "number of competing carriers serving a particular route".² At the same time, the large airline groups such as Lufthansa have announced record profits.³

We also understand that the Commission is about to publish a report by Professor Tomaso Duso, German Institute for Economic Research, TU Berlin, which confirms that more concentration leads to higher prices in airline markets.⁴

Remedies requiring simple divestment of slots have not always worked in the past, as you yourself have recognised⁵ including in previous mergers involving Lufthansa.⁶ It is therefore essential that if the Commission clears this merger, it only does so with strong remedies, as it has done in other recent airline merger cases⁷.

Yours sincerely,

Agustin Reyna
Director General

¹ Letter of 6 November 2023, [BEUC-X-2023-140_EC_must_resist_pressure_to_dilute_enforcement_of_EU_merger_rules.pdf](#); Letter of 31 January 2024, [BEUC-X-2024-009_Joint_letter_EUs_consumers_deserve_a_competitive_EU_airline_market.pdf](#)

² Response by the Commissioner Vălean on behalf of the European Commission to the Parliamentary question (E-002230/2023), 23 October 2023, https://www.europarl.europa.eu/doceo/document/E-9-2023-002230-ASW_EN.html.

³ For example, Financial Times article of 3 August 2023, [Lufthansa posts record profits as ticket prices soar](#).

⁴ Politico Pro Morning Mobility, ['Industry braces for new Parliament coalition'](#) (6 June 2024).

⁵ 22nd International Conference on Competition in Berlin, 29/02/2024, during the Q&A with Rikard Jermsten, Director General of the Swedish Competition Authority: <https://www.youtube.com/watch?v=XIhSoGtbZIA>.

⁶ For example, in Case M.3770 Lufthansa/Swiss.

⁷ For example, in Case M.10149. Korean Air Lines / Asiana Airlines