

EU probes Lufthansa's proposed buy of ITA stake

January 23 2024



Lufthansa said it remains 'optimistic' the bid to buy 41 percent of ITA.

The EU's powerful antitrust authority opened an in-depth investigation on Tuesday into German airline Lufthansa's proposed stake in Italy's ITA Airways, over fears it could hurt competition.

The European Commission said it had "preliminary concerns that the transaction may reduce competition in the market for passenger air

transport services on several short-haul and long-haul routes in and out of Italy".

Lufthansa, one of Europe's biggest carriers, last year agreed to pay 325 million euros (\$350 million) for a 41 percent stake in ITA, with the Italian [finance ministry](#) also contributing 250 million euros as part of the capital increase.

The deal provided the German company with various options to increase its stake or acquire ITA Airways outright at a later date.

The commission said it was notified of the transaction on November 30, 2023, and Lufthansa submitted commitments to address some of its concerns on January 8.

"However, these commitments were insufficient, in terms of both scope and effectiveness, to clearly dismiss the commission's preliminary concerns," it said in a statement.

The EU's competition commissioner, Margrethe Vestager, said the EU wanted to make sure the deal did not lead to "higher prices, less capacity or [lower quality](#) for passenger air transport services in and out of Italy".

The commission must make a final decision by June 6 this year.

Deal by summer?

Lufthansa said it was optimistic the deal would go through and would have "positive effects on competition in Italy and Europe".

It said it would "continue to work closely and constructively" with the commission.

"The Lufthansa Group will continue to do everything for a quick conclusion of the EU commission's review and the subsequent completion of the investment," it added.

For its part, the Italian government said it was committed to the [deal](#) and expressed hope the commission would decide before the crucial summer season.

"The government continues on the current path with determination, hoping that the commission makes its decision before June 6, in order to support the development and growth of ITA Airways, also in view of the summer season," the finance ministry said in a statement.

ITA Airways was created from the ashes of state-owned Alitalia, which was placed under public administration in 2017.

Alitalia had accumulated losses of 11.4 billion euros between 2000 and 2020. It was eventually shut down in October 2021 before a rebirth as ITA.

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Citation: EU probes Lufthansa's proposed buy of ITA stake (2024, January 23) retrieved 10 May 2024 from <https://techxplore.com/news/2024-01-eu-probes-lufthansa-buy-ita.html>

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