Antitrust: Commission opens investigation into airline ticket distribution services

Commissioner Margrethe **Vestager**, in charge of competition policy said: "The liberalisation of the EU aviation market more than 25 years ago has brought significant benefits to EU citizens, including more choice and lower ticket prices. Our investigation into Amadeus and Sabre focuses on possible restrictions in competition in the market for airline ticket distribution services. We are concerned that such restrictions could create barriers to innovation and raise ticket distribution costs, ultimately raising ticket prices for travellers."

Amadeus and Sabre are leading worldwide suppliers of Computerised Reservation Systems, also known as Global Distribution Systems. These systems aggregate information about flight schedules, seat availability and ticket prices from multiple airlines. They enable travel agents and travel management companies (both online and brick-and-mortar) to compare airline services and reserve and issue tickets on behalf of travellers.

The Commission will investigate whether certain terms in Amadeus' and Sabre's agreements with airlines and travel agents may restrict the ability of airlines and travel agents to use alternative suppliers of ticket distribution services. This may make it harder for suppliers of new ticket distribution services to enter the market, as well as increase distribution costs for airlines, which are ultimately passed on in the ticket prices paid by consumers.

The agreements under investigation may breach EU competition rules which prohibit agreements between companies that prevent, restrict or distort competition within the EU's Single Market (<u>Article 101</u> of the Treaty on the Functioning of the European Union (TFEU)).

The Commission will now carry out its in-depth investigation as a matter of priority. The opening of a formal investigation does not prejudge its outcome.

Background

Amadeus, based in Spain, and **Sabre**, based in the US, are both companies that supply IT products to the travel industry worldwide, including booking systems enabling travel agents to book flights and other travel services, and software that manages airlines' reservations and inventory.

<u>Article 101</u> TFEU prohibits anticompetitive agreements and concerted practices which may affect trade and prevent or restrict competition. The implementation of this provision, which can also be applied by national competition authorities, is defined in the Antitrust Regulation (<u>Council</u>

Regulation No 1/2003).

Article 11(6) of the Antitrust Regulation provides that the opening of proceedings by the Commission relieves the competition authorities of the Member States of their competence to also apply EU competition rules to the practices concerned. Article 16(1) further provides that national courts must avoid giving decisions which would conflict with a decision contemplated by the Commission in proceedings that it has initiated.

There is no legal deadline for bringing an antitrust investigation to an end. The duration of an investigation depends on a number of factors, including the complexity of the case, the extent to which the companies concerned cooperate with the Commission and the exercise of the rights of defence.

More information on the investigation will be available on the Commission's <u>competition website</u>, in the public <u>case register</u> under the case number AT.40617 Airline ticket distribution (Amadeus) and AT.40618 Airline ticket distribution (Sabre).