

# CMA welcomes Tribunal judgment in Sabre case

Today's judgment endorses the Competition and Market Authority's (CMA) approach to the share of supply test, on which the CMA relied to find jurisdiction to assess the merger. In particular, the Tribunal confirmed that the application of the share of supply test is a matter of judgement for the CMA and it has a broad discretion in determining the criteria used.

CMA Chief Executive Andrea Coscelli said:

We are pleased by this important judgment from the Competition Appeal Tribunal. Sabre did not challenge the substance of our finding – that the merger would lead to less competition and harm consumers – but instead sought to argue that we did not have jurisdiction over it.

The Tribunal upholds our view that the share of supply test covers this type of transaction, where both companies compete closely in their innovative efforts and offer important products and services, used by UK businesses, where less competition could have serious knock-on effects for UK consumers.

Among other products and services, Sabre and Farelogix supply software solutions which help airlines to sell flights via travel agents including those that operate online. Their IT solutions enable airlines to create add-ons to tickets sold through travel agents such as seats with extra leg room, WiFi and meals. Additionally, the 2 companies offer services to help airlines connect with passengers via travel agents.

On 9 April 2020, the CMA published a report blocking Sabre's proposed acquisition of Farelogix after finding the deal could result in less innovation in their services, leading to fewer new features that may be released more slowly. Fees for certain products might also go up. As a result, airlines, travel agents and UK passengers would be worse off. In particular, the CMA was concerned that UK passengers would miss out on the benefits of continued innovation and greater choice in and control over their travel experiences.

Sabre initially challenged the CMA's decision before the Competition Appeal Tribunal on the basis that the CMA lacked jurisdiction to consider the merger and had irrationally and unlawfully found that the merger may be expected to substantially lessen competition for UK consumers.

Sabre withdrew its challenge of the CMA's findings that the merger would have resulted in a substantial lessening of competition (the legal test for prohibiting the merger). The appeal therefore only related to Sabre's challenge to the CMA's jurisdiction to review the merger and a hearing took

place in November 2020.

For more information, visit the [Sabre / Farelogix merger inquiry web page](#).

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