

Sabre's takeover of Farelogix raises competition concerns

The Competition and Markets Authority (CMA) has been investigating the proposed \$360 million takeover of Farelogix Inc (Farelogix) by Sabre Corporation (Sabre). Both companies provide IT systems that enable airlines to sell tickets, as well as related add-ons such as on-board WiFi, meals and seats with extra legroom, through travel agents, to businesses and consumers.

Sabre is 1 of 3 large and well-established suppliers of such systems worldwide, including in the UK. The CMA's initial, Phase 1, investigation has found that Farelogix is much smaller at present but is an important competitive threat to Sabre and recognised as an important innovator with a disruptive business model. Farelogix has already had a significant impact in the industry through its use of new and innovative technology to distribute more sophisticated airline products and, without the merger, would have been expected to further develop and grow the use of its technology in future.

Should the deal go ahead as planned, the CMA is concerned that Sabre would not face enough competition from other suppliers, leading to higher prices or lower quality services, as well as reduced innovation in the industry generally, which could have adverse effects for airlines, travel agents and consumers across the UK.

The deal is also being investigated by the US Department of Justice, and the 2 authorities are continuing to cooperate closely.

If the merging businesses are unable to overcome the CMA's concerns, the deal will be referred for an in-depth Phase 2 investigation. This would be carried out by a group of independent CMA panel members.

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