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### **Consumers welcome IAG's decision to abandon its takeover of Air Europa**

BEUC, representing the interests of consumers in 31 European countries, welcomes IAG's decision to abandon its proposed takeover of Air Europa. This merger could have harmed consumers on air passenger routes within, to and from Spain on both short and long-haul flights.

BEUC Director General Agustín Reyna commented: "BEUC welcomes that IAG's takeover of Air Europa is not going ahead. This merger risked passengers facing higher fares, less choice of routes and degraded services. IAG abandoning the deal is therefore the right outcome for consumers."

#### **Background**

On [24 January 2024](#) the Commission opened an in-depth investigation to assess whether acquisition of sole control of Air Europa Holding, S.L. ('Air Europa') by International Consolidated Airlines Group, S.A. ('IAG') could restrict competition in air passenger services within Spain. The Commission also had concerns regarding short-haul routes connecting Spain with other European countries and the Middle East and on a number of long-haul routes connecting in particular Spain with North and South America.

BEUC formally intervened in the Commission's investigation to express its view that the merger should be cleared only with remedies that effectively counteracted all the competition harms that could result for consumers in terms of higher prices, reduced choice and connectivity and poorer quality service.

BEUC considers that consolidation in passenger air transport has already harmed European consumers. The Commission is itself [investigating](#) why passenger prices rose by up to 30 % in the summer of 2023 compared to 2019, noting that the percentage increases depended on various factors including the "number of competing carriers serving a particular route".

The Commission's own recently published study on "[Protecting competition in a changing world](#)" has highlighted that prices per mile are higher on routes where there is a low number of airlines. The report also refers to research indicating that more competition in the EU airline industry would potentially benefit consumers to the tune of €900 million per year.

BEUC has taken the [consistent position](#) that the Commission must apply merger control rules to maintain effective competition, by preventing further market concentration that allows companies to become so powerful they can harm consumers and the [EU economy](#).

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