

PRESS RELEASE – for immediate release

ETTSA FILES ANTITRUST COMPLAINT IN BRUSSELS AGAINST LUFTHANSA

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ETTSA, the European Technology and Travel Services Association, and VIR (Verband Internet Reisevertrieb), the German association representing the digital travel industry, have filed a joint complaint with the European Commission's antitrust authority (DG COMP) for abuse of dominance by Germany's Lufthansa Group concerning discriminatory and exclusionary practices against independent distributors of airline tickets, including global distribution systems (GDSs) and their travel agency users.

The Lufthansa Group systematically leverages its dominance in the German and other national markets by refusing to supply its cheapest fare classes through GDSs meaning the majority of travel agencies cannot provide them for booking to consumers. It also imposes unjustified surcharges on these independent distributors (travel agents and travel management companies) that penalise consumers and corporate buyers that use these services to search for and purchase flight tickets and manage clients' itineraries. According to ETTSA, consumers using independent distribution channels have already paid more than one billion euros in surcharges to Lufthansa.

By doing so, the Lufthansa Group intentionally and unfairly restricts competition in both the air ticket distribution as well as airline services markets. Lufthansa Group's actions damage smaller competitors, who are no longer able to sell their tickets on the true merits of their offer in a neutral marketplace and are prevented to compete on a level playing field with major carriers that often have more established brands and larger advertising budgets.

Lufthansa Group also imposes its own technological distribution solutions on independent distributors at a time when several technologies are competing to define the new distribution standard that will be adopted by market players. Lufthansa Group's conduct, therefore, also seriously affects innovation in the distribution market.

ETTSA has been discussing Lufthansa Group's conduct with the Commission, and especially DG Move, for some time now. In its engagement with the Commission, ETTSA has consistently stressed its concerns about the impact of Lufthansa Group's practices on competition. It is no surprise other major airlines are rumoured to be adopting similar practices. If they do, it could have a profoundly negative impact on the millions of European consumers who prefer to use independent distributors such as travel agencies to research and buy their flight tickets. As a matter of urgency, the

Commission should investigate Lufthansa Group's conduct in line with ETTSA's complaint.

“If regulators do not intervene, Lufthansa’s practices will lead to reduced competition, a smaller number of airlines, fewer offers to consumers and ultimately higher prices. Consumers using independent distribution channels have already paid more than one billion euros in surcharges to Lufthansa. We had been hoping - for some time now - that the Commission would address these practices via its sector inquiry into the air ticket distribution market. But with the situation deteriorating fast for consumers as a result of Lufthansa’s practices, we have decided to take action and file a complaint to the Commission. The time to act is now.” says Secretary General of ETTSA, Emmanuel Mounier.

VIR Chairman Michael Buller adds: *„We criticize Lufthansa’s distribution policy for some time now, also the company’s targeted attempt to offer cheaper fares only through the own distribution systems and interfaces. So far the damage to the distribution system in tourism is tremendous and it’s obvious that the company tries to push competitors out of the market. This cannot be tolerated and the EU must finally act and take countermeasures.”*

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Notes to editors

About ETTSA

The European Technology and Travel Services Association represents and promotes the interests of travel technology companies in Europe, including global distribution systems (GDSs), online travel platforms and metasearch sites. The association, based in Brussels, encourages and supports full transparency, fair competition and consumer choice in the travel distribution chain.

About VIR

The Verband Internet Reisevertrieb (VIR) represents the German digital travel industry, which accounts for 61% of German leisure travel with at least one overnight stay. It has for members a large number of the key industry, working together in clusters: OTA (online travel agencies), supplier & tour operators, service & travel technology providers as well as start-ups. In total, they add up to more than 90 companies. Within the travel industry VIR promotes new trends and raises awareness for important topics such as innovation or data quality. It monitors market performance and the regulatory environment, engages in the public and political debate and supports young academics as well as new businesses to drive innovation and growth across the industry.