



Determination of the Competition Authority

Determination No. M/03/005 of the Competition Authority, dated 24 March 2003, under Section 21 of the Competition Act, 2002

Notification No. M/03/005 – Ryanair Holdings Ltd Acquisition of the buzz airline service from KLM Royal Dutch Airlines

Introduction

1. On 28 February the Competition Authority, in accordance with Section 18 (1) of the Competition Act, 2002 (“the Act”) was notified, on a mandatory basis, of a proposal whereby Ryanair Holdings plc (“Ryanair”) would acquire the buzz airline service (“buzz”) from KLM Royal Dutch Airlines.

The Parties

2. Ryanair, the purchaser, is the ultimate holding company of the Ryanair group. Ryanair is an Irish based publicly owned company whose primary activity is the provision of scheduled point-to-point air passenger transport services. In Ireland, Ryanair offers flights to 21 European locations from Dublin, and flights from Cork, Shannon, Kerry, Knock and Derry in Northern Ireland.
3. Buzz is a UK based air passenger transport service provider operated by KLM UK Limited. Buzz was established by KLM in 1999 to provide a low fare scheduled air passenger transport service. Its principle activity is the operation of scheduled point-to-point passenger transport services between British airports and non-British European destinations. Buzz does not operate any routes into or out of the State.

Analysis

4. The proposed transaction will not result in a lessening of competition on any air passenger routes into or out of the State. The parties do not overlap in the supply of air passenger services between the State and any other destination.
5. The proposed transaction would not result in significant foreclosure of any indirect routes into or out of the State, or the loss of a significant potential competitor for point-to-point services. The potential for competitors to operate indirect routes utilising buzz services to compete against Ryanair is limited and buzz is unlikely to be a substantial potential competitor in respect to point-to-point services.



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Determination

The Competition Authority, in accordance with Section 21(2) of the Competition Act, 2002, has determined that, in its opinion, the result of the proposed acquisition will not be to substantially lessen competition in markets for goods and services in the State and, accordingly, that the acquisition may be put into effect.

For the Competition Authority

Terry Calvani
Member of the Competition Authority

24 March 2003