News story: CMA refers airport services merger for in-depth investigation

Last week, the Competition and Markets Authority (CMA) said that it would refer the deal for an in-depth (phase 2) investigation unless Menzies offered acceptable solutions to address its competition concerns.

Both companies supply UK airlines and airports with support services, including the de-icing of aircraft engines and wings; ground handling (including passenger, ramp, baggage and airside cargo handling); and the cleaning and maintenance of aircraft interiors.

Following its initial (phase 1) investigation, the CMA identified competition concerns regarding de-icing services at Edinburgh, Glasgow and London Heathrow airports, and ground handling services at London Gatwick and Manchester airports.

As Menzies and Airline Services are close competitors at these airports, the deal could result in less choice for airlines operating there, potentially leading to higher prices and lower quality services.

Menzies has chosen not to offer proposals to address the CMA's concerns and so the merger will now be referred for an in-depth investigation by an independent group of CMA panel members. The deadline for the final decision is 28 January 2019.

Further information about the investigation will be published on the <u>case</u> <u>page</u>.