



**Anticipated Merger between Korean Air Lines Co., Ltd. and Asiana Airlines, Inc.**

Reference Number	:	MAVCOM/ED/CC/DIV4/2021(1)
Application	:	Voluntary Notification and Application for an Anticipated Merger under section 55 of Act 771
Applicant(s)	:	Korean Air Lines Co., Ltd. and Asiana Airlines, Inc.
Receipt of Application	:	19 March 2021
Summary of Application	:	<p>Korean Air Lines Co., Ltd. (“KE”), on behalf of KE and Asiana Airlines, Inc. (“OZ”) (collectively, “the Merger Parties”), sent a voluntary notification and application for an anticipated merger (“Anticipated Merger”).</p> <p>The purpose of the Anticipated Merger is for the rehabilitation of OZ. The Merger Parties note that KE’s merger with OZ would not result in substantial lessening of competition (“SLC”) as KE will continue to face intense competition and will remain subject to competitive restraints on its flights to and from Malaysia. The Merger Parties also note that the Anticipated Merger is expected to give rise to significant economic efficiencies.</p> <p>The Merger Parties submit that the relevant service markets in this case are the following origin and destination (“O&amp;D”) city pair routes relating to passenger air transport services:</p> <ul style="list-style-type: none"><li>a. Incheon International Airport (“ICN”) and Gimpo International Airport (“GMP”, collectively with ICN, “SEL”)-Kuala Lumpur International Airport (“KLIA”) and Sultan Abdul Aziz Shah Airport (“SZB”, collectively with KLIA, “KUL”);</li><li>b. SEL-Kota Kinabalu International Airport (“BKI”);</li><li>c. SEL-Senai International Airport (“JHB”); and</li><li>d. Busan (“PUS”)-BKI.</li></ul> <p>Of the O&amp;D city pair routes above, the Merger Parties have identified only one overlap in their passenger transport services namely on the SEL-BKI O&amp;D pair route. This is because KE’s Low-Cost Carrier (“LCC”) sister company, Jin Air (“LJ”) and OZ’s LCC affiliate, Air Seoul (“RS”) both fly the ICN-BKI route as competitors.</p>



Consultation	: <p>MAVCOM welcomes any party to submit written feedback on the notification and application regarding the Anticipated Merger between KE and OZ.</p> <p>Any written feedback shall be titled “Anticipated Merger between Korean Air Lines Co., Ltd. and Asiana Airlines, Inc.” and submitted to MAVCOM by email to <a href="mailto:competition@mavcom.my">competition@mavcom.my</a> by 1 May 2021.</p> <p>If the feedback contains confidential information, the party submitting the feedback shall clearly identify the confidential information and provide a non-confidential version of the feedback (with the confidential information removed and replaced by the word [“CONFIDENTIAL”]). “Confidential information” refers to trade, business or industrial information that belongs to any person, that has economic value and is not generally available to or known by others.</p>
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