

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

Reference Number	MAVCOM/ED/CC/DIV4/2021(1)
Application	Notification and Application for an Anticipated Merger under section 55 of Act 771
Applicants	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”), submitted a notification and application for an anticipated merger (“Anticipated Merger”) on 19 March 2021.</p> <p>The purpose of the Anticipated Merger is for the rehabilitation of OZ. The Merger Parties noted 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 noted that the Anticipated Merger is expected to give rise to significant economic efficiencies.</p> <p>The Merger Parties submitted that the service markets in this case are the following origin and destination (“O&D”) city-pair routes relating to passenger air transport services:</p> <ul style="list-style-type: none"> (a) Incheon International Airport (“ICN”) and Gimpo International Airport (collectively, “SEL”) – Kuala Lumpur International Airport and Sultan Abdul Aziz Shah Airport (collectively, “KUL”); (b) SEL – Kota Kinabalu International Airport (“BKI”); (c) SEL – Senai International Airport; and (d) Busan – BKI. <p>Of the O&D city-pair routes above, the Merger Parties have identified only one overlap in their passenger transport services namely on the SEL–BKI O&D pair route. This is because KE’s Low-Cost Carrier sister company, Jin Air and OZ’s LCC affiliate, Air Seoul both fly the ICN–BKI route as competitors.</p> <p>On 9 September 2021, MAVCOM issued its decision which</p>

	concluded that the merger, if carried into effect, would not infringe the prohibition in section 54 of Act 771.	
Timeline	Date	Progress Update
	19 March 2021	Application made to MAVCOM
	1 April 2021	Publication of the summary of application for public consultation
	1 May 2021	Public consultation for the application was closed
	17 August 2021	Publication of the Proposed Decision for public consultation
	31 August 2021	Public consultation on the Proposed Decision was closed
	9 September 2021	Issuance of the Final Decision