



LUFTHANSA DEAL TO LEASE AIR BERLIN PLANES APPROVED BY GERMAN WATCHDOG

News / Airlines



The German cartel office on Monday approved plans by Lufthansa to lease 38 crewed planes from smaller rival airberlin.

The deal, agreed last year, brings a much needed financial lifeline to loss-making airberlin, which is part-owned by Abu Dhabi-based Etihad Airways, and allows Lufthansa to quickly expand its Eurowings budget unit.

Rival carrier Ryanair had raised objections to the deal, with CEO Michael O'Leary telling Reuters it was a "fig leaf" to mask Lufthansa's acquisition of its main domestic competitor.

The cartel office said on Monday that the wet lease deal had to be viewed differently to a takeover and that Lufthansa was only taking on planes, but not slots.

"Lufthansa has the chance to expand with these planes but that growth is not enough to block the deal," Andreas Mundt, head of the cartel office, said in a statement.

Lufthansa's chief executive Carsten Spohr will be in Abu Dhabi on Wednesday for a joint press

conference with Etihad group chief executive James Hogan. No details have been provided ahead of the event.

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SOURCE: REUTERS

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