

UK Booking-Etraveli merger divergence with EU was due to different facts, CMA economist says

15 Sep 2023 | 08:55 GMT | Insight

By [Jon Menon](#)

The UK approved the Booking-Etraveli merger, in contrast to the EU, because it faced a different set of facts, according to an economist at Britain's antitrust watchdog. Booking's 1.6 billion-euro plan to buy flights travel agency Etraveli will be blocked by the EU after remedies failed to appease concerns that the deal would enhance its dominance in online accommodation reservations. But the UK cleared the deal a year ago after an initial probe concluded that it wouldn't substantially harm competition.

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Booking's 1.6 billion-euro (\$1.7 billion) plan to buy flights travel agency Etraveli will be blocked by the EU after remedies failed to appease concerns that the deal would enhance its dominance in online accommodation reservations (see [here](#)). But the UK cleared the deal a year ago, after an initial probe concluded that it wouldn't substantially harm competition.

"That's a case where we've ended up in a different place from the commission because — shock horror — we had different facts, in the different member states," Mike Walker, chief economic adviser at the Competition and Markets Authority, said at a workshop* in London yesterday.

Pre-Brexit, the EU would investigate a merger and different member states might reach different conclusions, Walker said, speaking in a personal capacity. "Now we are in a similar world and it just means that actually the UK bit is done by a different authority," Walker said. "The EU faces a different set of facts with a different set of consumers."

"Ecosystem" concerns were considered in relation to the Booking-Etraveli deal, Walker said. Such theories of harm are based on the idea of Big Tech having digital platforms with a variety of different and interconnected businesses (see [here](#)).

In a separate, more general discussion, Walker noted that most concerns about ecosystems in Big Tech mergers are due to the possible "entrenchment" of market power. Consumers may like ecosystems because they can be easy to use, but a problem arises if they stifle innovation in the longer term and cause such "efficiency offenses."

Walker also noted that there is a gap in the economic literature relating to ecosystem theories of harm in Big Tech mergers. Any theories of harm "have to be implementable" within the time that "merger control" within a regulator has available, he said.

"It's really important that we have very clear theories of harm. And they have to be based on a proper understanding of the market in question; a proper understanding of the capabilities."

With reporting by Natalie McNelis

** Beyond Leveraging: Ecosystem Theories of Harm in Digital Mergers," CEPR Competition Policy RPN and the London Business School, London, Sept. 14, 2023*

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