

OFFICE OF FAIR TRADING

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OFT REFERS BAA AIRPORTS TO THE COMPETITION COMMISSION

The OFT has decided to refer the supply of airport services by BAA in the UK to the Competition Commission (CC) for further investigation today.

This decision comes after a period of public consultation following the OFT's earlier proposal to refer BAA Airports to the CC published on 12 December 2006.

During the consultation over 60 responses were received from parties including airlines, consumers and other organisations. Having considered the points made by respondents to the consultation, the majority of whom supported referral, the OFT is of the view that the competition concerns it identified prior to the consultation exercise remain valid and that an investigation by the CC is now warranted.

NOTES

1. A copy of 'UK Airports' - the OFT's reasons for making a reference to the Competition Commission' will be available on the OFT website www.offt.gov.uk from Tuesday 3 April 2007. The terms of reference for the investigation will be published in due course on the Competition Commission's website, <http://www.competition-commission.org.uk/>
2. In June 2006, the OFT announced that it was conducting a market study into the UK airport sector (see PN175/06).
3. The Enterprise Act 2002 (EA02) allows the OFT to investigate markets in which it appears competition is prevented restricted or distorted. BAA's persistently high share of the market for air passengers (over 60 per cent of all UK air passengers) was one of the considerations that led to the launch of a market study.

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