



LUFTHANSA HOPES TO ADVANCE AIR CHINA DEAL DURING MERKEL TRIP

News / Airlines, Personalities



Germany's Lufthansa aims to make progress on a joint venture deal with Air China, in the making for more than a year, during Chancellor Angela Merkel's visit to China this week.

Karl Ulrich Garnadt, head of the German airline's passenger business, will accompany Merkel on the trip, which will include meetings with Premier Li Keqiang and President Xi Jinping, a Lufthansa spokesman said.

Lufthansa signed an agreement in principle on a partnership with Air China in July 2014, seeking to improve its position in China, the world's second-largest aviation market.

But Lufthansa cautioned later in 2014 that it could take until 2016 before the joint venture is fully up and running, due to the time needed for antitrust approval.

Under the deal, the two partners plan a joint venture that will allow them to share revenue on certain routes by selling tickets for each others' flights.

Such arrangements allow airlines to work together on routes and pricing, while sidestepping

foreign ownership rules that keep them from merging.

Lufthansa has similar agreements with United Airlines (part of United Continental Holdings and Air Canada, on links between Europe and North America, and with ANA on routes to Japan.

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