



# PORTUGUESE COMPETITION WATCHDOG OKAYS GATEWAY CONTROL OF TAP

News / Airlines



The **Portuguese Competition** Authority (Autoridade da Concorrência - AdC) has given **Gateway**, a joint-venture between jetBlue Airways (B6, New York JFK) and Azul Linhas Aereas Brasileiras (AD, Campinas Viracopos) founder David Neeleman and Portuguese bus company Barraqueiro Group, the greenlight to acquire a 61% stake in the country's national carrier, **TAP** Portugal (TP, Lisbon).

In its ruling allowing the sale to proceed, the AdC said it did not foresee the proposed takeover impeding competition in the local and international Portuguese market.

"None of the acquiring parties are active on air routes where TAP operates, nor is there any potential risk for the elimination of competition to TAP on routes to Brazil," it said.

The AdC's ruling does not, however, comment on the deal's compliance with European investment and ownership laws. The AdC was tasked with determining the transaction's EC ownership rules after the European Commission (EC) said in mid-August that in this instance, it did not have the jurisdiction to do so.

That determination has been left to the Portuguese civil aviation authority (Autoridade Nacional da Aviação Civil - ANAC) which is the last governmental watchdog needed to approve the deal.

Avianca Holdings founder and board chairman Germán Efromovich has opposed the deal after his SAGEF consortium was among the losing contenders. Efromovich has questioned the extent to which Neeleman will have a say in the running of TAP given that he is not a European citizen.

Lisbon's sale of TAP to Gateway is expected to generate between EUR354 million and EUR488 million for the country's coffers depending on the carrier's performance. Gateway has also pledged to invest a further EUR250 million for the renewal of the airline's fleet with the A330neo and A321neo(LR) reported to be strong contenders.

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