

Riga International Airport Fined for Abuse of Dominant Position

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On 10 February 2012, the Competition Council (CC) took a decision establishing that Riga International Airport (Airport) had abused its dominant position by charging to the Irish airline Ryanair substantially lower prices for airport services than those charged to the Latvian airline airBaltic.

For this violation of Article 102(c) TFEU, the CC imposed on the Airport a fine of € 71 143 and obligations to apply sound and non-discriminatory terms of payments for its services as well as to provide airlines with comprehensible information on the formation of its prices.

When making a comparison between the prices, the CC found that for equivalent services – luggage processing, ensuring passenger stairs, aircraft pushback etc. – the prices charged to airBaltic were 82% higher than those charged to Ryanair. This difference was even more significant as airBaltic had to cover also administrative costs of the Airport, while the pricing for Ryanair did not include such costs.

Indeed, the payments collected from airBaltic covered the costs of the particular services and ensured a profit margin to the Airport, while the payments from Ryanair did not even cover the costs. Such discriminatory payments therefore influenced substantially the competitiveness of airBaltic.

The CC established that in order to calculate the payments for both airlines, the Airport used different methodologies – airBaltic was charged for every aircraft, while Ryanair for each passenger. While the Airport is not in principle prohibited from applying different price-setting methodologies, in the present case this led to discriminatory payments in violation of Article 102(c) TFEU.

The discriminatory payments had been applied from 1 November 2009 to 31 December 2010 after which an independent enterprise began to provide the particular services at the Airport, also to airBaltic, ensuring the compliance with the Council Directive 96/67/EC of 15 October 1996 on access to the ground handling market at Community airports (OJ L 272, 25.10.1996, p. 36–45).

The investigation was initiated on the basis of airBaltic's complaint.

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