

**61ST CONFERENCE OF
DIRECTORS GENERAL OF CIVIL AVIATION
ASIA AND PACIFIC REGION**

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**AGENDA ITEM 6: ECONOMIC DEVELOPMENT OF
AIR TRANSPORT**

**CONSIDERATION OF REFERENCE MATERIAL FOR
MEMBER STATES ON AIRLINE MERGERS**

(Presented by Republic of Korea)

SUMMARY

This discussion paper addresses the need to develop practical reference material for aviation authorities when reviewing airline mergers. Airline mergers may involve a wide range of aviation-related issues, including merger approval, traffic rights and slots, aircraft registration, safety oversight, consumer protection, and air connectivity. As such mergers may involve multiple jurisdictions, Member States with limited experience may face difficulties in identifying relevant procedures in advance. The Republic of Korea urges the International Civil Aviation Organization (ICAO) to consider developing practical reference material to support Member States in responding to airline mergers.

Action: The Conference is invited to encourage Member States to share their experiences in airline mergers and to request ICAO to consider developing practical reference material for aviation authorities.

CONSIDERATION OF REFERENCE MATERIAL FOR MEMBER STATES ON AIRLINE MERGERS

1. INTRODUCTION

1.1 The Republic of Korea recently experienced a major airline merger and encountered several practical challenges in reviewing issues from the perspective of aviation authorities, including merger approval, operating authorizations, traffic rights and slot management, safety oversight, and consumer protection.

1.2 Airline mergers may affect not only competition policy, but also air services agreements, aviation business licensing, airline designation, aircraft registration, aviation safety oversight, consumer protection, and air connectivity. They therefore require prior review and a cooperative response from aviation authorities.

1.3 In the recent Korean case, an integrated airline required not only domestic merger approval by the aviation authority, but also several amendments or procedures involving foreign aviation authorities, such as air carrier business licenses and aircraft registration.

1.4 However, Member States with limited experience in airline mergers may face difficulties in identifying these issues in advance, therefore delays of airline mergers may occur due to uncertainty on approval by Member States.

2. DISCUSSION

2.1 When an airline merger occurs, aviation authorities need to comprehensively review rights and obligations under air services agreements, allocation of traffic rights and slots, airline designation, air carrier business licenses and AOCs, aircraft registration, safety oversight, and post-merger monitoring.

2.2 In international aviation, multiple jurisdictions may be involved at the same time, including the State of destination, transit States, the State of Registry, and the State of the Operator. It is therefore necessary to identify and coordinate in advance the relevant approval and amendment procedures required by each aviation authority.

2.3 In addition, Member States may apply different procedures or request additional requirements during the merger process, such as approvals, documentation, operational arrangements, or amendments to existing authorizations. This may create practical difficulties for airlines and aviation authorities, and may result in additional costs, delays, and legal or operational uncertainty.

2.4 Therefore, if ICAO develops practical reference material identifying the licensing, registration, operational requirements, safety oversight, and international coordination issues that aviation authorities should review in airline mergers, it could support Member States in improving their legal and institutional frameworks and strengthening their capacity to respond to airline mergers.

3. ACTION BY THE CONFERENCE

3.1 The Conference is invited to:

- a) encourage Member States to share with ICAO their experiences in airline mergers, including legal and regulatory adjustments and practical challenges encountered during the merger process; and
- b) request ICAO to consider developing practical reference material focusing on the administrative and operational execution procedures (e.g., integration of AOCs, aircraft registration, slot transfers, and maintaining designated airline status) that

aviation authorities may use in relation to airline mergers.

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