

ANTICIPATED ACQUISITION BY GLOBAL BUSINESS TRAVEL GROUP, INC OF CWT HOLDINGS, LLC.

Comments on the CMA's *Supplementary Interim Report* of 18 February 2025

Berg-Hansen is a Norwegian TMC operating under a Partner Agreement with CWT since 1994, and thus a part of the Travel Partner Network. We have previously submitted comments to the proposed remedies, where we also expressed our agreement with the CMA's initial assessment.

We are very surprised by the CMA's u-turn in this case, and by the arguments used to arrive at a new provisional conclusion. We find them speculative and tendentious. If allowed to stand, it will damage the CMA's reputation, and undermine the credibility established e.g. by its intervention in the Sabre/Farelogix merger. It could also give room for speculation about the independence and integrity of the CMA.

We respectfully submit that the CMA should not, and cannot, use speculations to change its view of the effects of the proposed merger.

For example, the CMA is assigning probability ("it is likely that...") to the future financial trajectory of certain smaller TMCs to construct an argument for why CWT will emerge a weaker competitor if the transaction is disallowed. This is speculative and completely unfounded. Past growth cannot predict future growth, and the future is particularly tricky to predict. And the growth of smaller players will enhance competition, surely, but not necessarily reduce the competitiveness of CWT. Internal CMA oversight should have prevented the CMA from making such arguments and predictions on matters where neither the CMA nor anyone else holds a crystal ball.

All such speculative and baseless arguments in the *Supplementary Interim Report* must be discarded, and the CMA must revert to its previous conclusion and block the transaction. Anything else would be disastrous for the TMC industry and its customers.

Given the extremely short period afforded interested parties to submit comments to the *Supplementary Interim Report* it is impossible to review it and prepare a thoroughly prepared response before the deadline. Our additional comments below are therefore less detailed than they would have been otherwise:

1. [The CMA Predicts the Future Financial Viability of CWT](#)

The CMA asserts in 2.46:

"While the evidence shows that CWT's financial performance has improved to a limited extent following its exit from bankruptcy, its financial position remains weak and is likely to continue to weaken in the future."

The CMA then uses this as an argument for why CWT will no longer be a significant competitor to GBT in the future.

We find it concerning that the CMA thinks it can predict the financial future of CWT in a no-deal scenario. The CMA is not in a position to know with any degree of certainty whether its financial position will weaken, strengthen, or indeed remain the same in

the future. In two out of these three scenarios, CWT will still remain a significant competitive constraint on GBT. CMA's analysis is flawed and thus the views expressed by the CMA become speculative. The prudent judgement by the CMA would be that it is **as probable** that CWT will remain a **strong or even stronger competitor** as it is that their position will weaken further.

The obvious consequence is that this assertion will have to be disregarded completely and have no influence on changing the original stance by the CMA on this merger.

It is hardly surprising that an acquisition target is weakened by the limbo it finds itself in until the transaction is completed or blocked, as rumours and speculations arise about its future, whether among competitors or customers. It is ironic that regardless of the outcome of regulatory processes, GBT wins either by killing a direct competitor, or, at the very least, significantly weakening it.

2. CWT has a Plan B, of Course

We have reason to believe that **CWT has developed a "Plan B"** ready to launch, should the transaction fail. Nothing less could be expected of prudent shareholders. As the existence and contents of this Plan B naturally remain confidential, the absence of verifiable information gives room for speculation, e.g. from customer representatives that the CMA should be wise enough to ignore. The uninformed opinions of procurement employees in GMNs cannot be used as "evidence", it defies reason. Even so, the CMA is using these rumors and unfounded opinions to support the ill-conceived conclusions reached by two of the case team members.

If the transaction is blocked by regulators, CWT owners will have to take decisive action to enhance its competitiveness. To use CMA's own words: "It is likely" that the owners possess the capacity and the will to strengthen CWT's competitive position in that scenario, i.e. it is just as likely that the company can come back stronger than before.

3. The CMA Also Predicts the Future Growth Trajectory of Navan and CTM

The CMA, incredibly, concludes that Navan's and CTM's recent historical growth will continue (linearly, we must presume) into the future, to the extent they both will exert significant competitive constraints on other TMC players such as GBT. We are unaware of any empirical evidence from our industry that would show that the past is a certain indicator of the future. The future is uncertain, the past is not.

We can only hope that competition remains fierce among TMCs, but for the CMA to resort to speculative guesswork on Navan and CTM and claim it supports a conclusion of diminishing competitive strength of CWT is far-fetched at best.

This line of reasoning will have to be disregarded completely and not allowed to have any sway in the CMA's view of the case.

4. The Foreclosure of CWT Partners

Last, but not least, and as mentioned in our comments to the Proposed Remedies, the CMA is disregarding a significant element in its assessment of the SLC and of the counterfactual: Unlike GBT, CWT uniquely secure their geographical footprint through partnerships with leading regional or national TMCs throughout the world. Berg-Hansen is a long-time partner of CWT in Norway and servicing GMNs on CWT's behalf here.

If the transaction is allowed, we expect all current CWT partnership agreements to be terminated by GBT. As all global TMCs are already established in this market, Berg-Hansen would be left without a partner in the Norwegian market, as all other TMCs are already established and “taken”. This would severely weaken the only credible competitor to the sum of GBT/HRG/Egencia/CWT in the Norwegian and many other markets, where the merged entity and Egencia will become dominant. The partner network can be shut off much quicker and cheaper than a fully owned establishment, thus accelerating the process toward further GBT dominance and foreclosure of incumbent CWT Partner in the process.