



MEDIA RELEASE

24 May 2024

CCCS Clears Proposed Acquisition by ANA Holdings Inc of Nippon Cargo Airlines Co., Ltd.

1. The Competition and Consumer Commission of Singapore (“**CCCS**”) has cleared the proposed acquisition by ANA Holdings Inc. (“**ANAHD**”) of 100 per cent of the issued share capital in Nippon Cargo Airlines Co., Ltd. (“**NCA**”) (collectively, the “**Parties**”) (the “**Proposed Transaction**”).
2. CCCS has assessed that the Proposed Transaction, if carried into effect, will not infringe the section 54 prohibition of the Competition Act 2004 (the “**Act**”), which prohibits mergers that have resulted, or may be expected to result, in a substantial lessening of competition (“**SLC**”) within any market in Singapore.

Background

3. ANAHD is the holding company for the ANA Group headquartered in Tokyo. In Singapore, ANAHD provides both international air passenger transport and air cargo transport to and from Singapore. The business activity relevant to the Proposed Transaction is ANAHD’s operations in international air cargo transport. ANAHD utilises dedicated cargo planes (“**freighters**”) as well as passenger planes to transport cargo.
4. NCA is a wholly owned subsidiary of Nippon Yusen Kabushiki Kaisha and is Japan’s sole cargo-only airline company, providing international air cargo transport. In Singapore, NCA provides air cargo transport using freighters on routes to and from Singapore.
5. On 7 December 2023, CCCS commenced its review of an application from the Parties for a decision on whether the Proposed Transaction would infringe section 54 of the Act.

CCCS's Assessment

6. During its review, CCCS conducted a public consultation and sought feedback from various stakeholders, including competitors and customers of ANAHD and NCA.

Relevant Markets Affected by the Proposed Acquisition

7. For air cargo transport services between Singapore and Japan, Tokyo is the only city that each of the Parties use for entry to and exit from Japan. The Parties also overlap on other routes between Singapore and other countries/territories beyond Japan, where they generally operate such routes on an indirect basis via Tokyo.

8. CCCS's review focused on the relevant markets for the provision of direct and indirect air cargo transport services (i) from Singapore to Tokyo, and (ii) from Tokyo to Singapore (collectively referred to as the "**Relevant Markets**").¹

Competition Assessment

9. CCCS concluded that the Proposed Transaction is unlikely to lead to an SLC in the Relevant Markets, for the following reasons:

- i. There are multiple suppliers that are viable alternatives to the Parties (including competing airlines that operate indirect flights on the Relevant Markets), and third-party feedback generally indicates that the Parties are not the closest competitors to each other;
- ii. The barriers to entry and expansion are not insurmountable, and it is possible for competing airlines to consider adding capacity, including through the addition of freighter aircraft operations, when a competitive opportunity arises; and
- iii. Coordination between competitors is difficult as the prices charged to customers are not transparent due to specific requirements that need a direct negotiation process between customers and suppliers. The availability of alternative suppliers and ease of switching by customers would also create commercial incentives for suppliers to price competitively and disincentivise coordination.

10. Further information on the notification and CCCS's Grounds of Decision will be made available in due course on [CCCS's Public Register](#) at www.cccs.gov.sg.

¹ For the additional overlapping routes between Singapore and other countries/territories beyond Japan, CCCS has also assessed that the Proposed Transaction is unlikely to result in an SLC.

About the Competition and Consumer Commission of Singapore (CCCS)

The CCCS is a statutory board of the Ministry of Trade and Industry. CCCS administers and enforces the Competition Act 2004 which empowers CCCS to investigate and adjudicate anti-competitive activities, issue directions to stop and/or prevent anti-competitive activities and impose financial penalties. CCCS is also the administering agency of the Consumer Protection (Fair Trading) Act 2003 or CPFTA which protects consumers against unfair trade practices in Singapore. Our mission is to make markets work well to create opportunities and choices for businesses and consumers in Singapore.

For more information, please visit www.cccs.gov.sg.

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