



MEDIA RELEASE

22 January 2018

CCS Consults on the Guidance Note for Airline Alliance Agreements

The Competition Commission of Singapore (“**CCS**”) is seeking feedback on CCS’s guidance note for the competition assessment of airline alliance agreements (the “**Airline Guidance Note**”). The consultation period is from 22 January 2018 to 12 February 2018.

2. Singapore’s open-skies policy, based on open competition in Singapore’s aviation sector, has helped Singapore to grow as a key air hub in the region. Competition law is therefore a pertinent component of our open skies. While airline alliances may bring about enhancements in operational efficiencies, they may also give rise to adverse effects on competition in the affected markets.

3. The Airline Guidance Note was prepared with the objective of assisting airlines with their self-assessment on whether the alliance agreements that they intend to enter into should be notified to CCS for guidance or decision in respect of the Section 34 Prohibition¹ of the Competition Act (Cap. 50B), and to assist airlines with their notification and submissions on such alliance agreements to CCS.

4. The Airline Guidance Note will provide more clarity to airlines on the notification process with the provision of detailed information on the procedures involved and the substantive issues commonly encountered during CCS’s assessment. This will in turn make the notification process more efficient. The introduction of a streamlined assessment process with an indicative timeframe, will provide more certainty to airlines, allowing them to better structure and plan their alliances.

¹ Section 34 of the Competition Act (“the Act”) prohibits agreements between undertakings, decisions by associations of undertakings or concerted practices which have as their object or effect the prevention, restriction or distortion of competition within Singapore unless they are excluded or exempt in accordance with the provisions of Part III of the Act (“the Section 34 prohibition”).

5. The Airline Guidance Note focuses on:

(a) **Procedural Matters**

- Basic information to submit in a notification; the availability of pre-notification discussions and/or state-of-play meetings to assist in the notification process; the option to offer commitments to address potential competition concerns; and the availability of a streamlined process for expedited assessment of airline alliance agreements based on a basket of factors.

(b) **Substantive Matters**

- Screening factors affecting the need for notification; market definition; differentiated products within the relevant market; the appropriate counterfactual; the assessment of net economic benefits; the consideration of potential new entry; and the deliberation of strategic air hub benefits and benefits to consumers.

Public Consultation

6. CCS is inviting public feedback in relation to the Airline Guidance Note. The closing date for submissions is **12 February 2018**. If the submission/correspondence contains confidential information, please also provide CCS with a non-confidential version of the submission or correspondence

7. More information on the public consultation can be accessed and downloaded from the CCS website at www.ccs.gov.sg under the section "[Public Register and Consultation](#)".

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About The Competition Commission of Singapore (CCS)

CCS is a statutory board established under the Competition Act (Chapter 50B) on 1 January 2005 to administer and enforce the Act. It comes under the purview of the Ministry of Trade and Industry. The Act empowers CCS to investigate alleged anti-competitive activities, determine if such activities infringe the Act and impose suitable remedies, directions and financial penalties.

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

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