



MEDIA RELEASE

22 September 2014

CCS CONSULTS ON STRATEGIC ALLIANCE BETWEEN CEBU AIR, INC. AND TIGER AIRWAYS SINGAPORE PTE. LTD.

1. The Competition Commission of Singapore (“CCS”) is seeking feedback on the strategic alliance between Cebu Air, Inc. (“Cebu Pacific”) and Tiger Airways Singapore Pte. Ltd. (“Tigerair Singapore”) (collectively “the Parties”) (the “Strategic Alliance”). Further to CCS’s clearance decision on the acquisition by Cebu Pacific of Southeast Asian Airlines (SEAir), Inc. on 20 August 2014, it was determined that a separate review was necessary to determine whether the Strategic Alliance entered into between Cebu Pacific and Tigerair Singapore on 7 January 2014 is anti-competitive¹.
2. CCS received a notification for decision from the Parties on 12 September 2014 with regard to the Strategic Alliance. Specifically, the Strategic Alliance agreement provides for the Parties to, among others:
 - (a) jointly operate common routes between Singapore and the Philippines, and other markets that may emerge, on a metal-neutral basis;
 - (b) jointly sell and market common and non-common routes using codeshare or interline arrangements; and
 - (c) cooperate in relation to sales and marketing, distribution, airport operations and ground handling, scheduling, pricing, service policies, innovation, procurement and other matters to improve the overall quality of service offered to passengers on their respective operations and to reduce cost.
3. The notification is made in relation to Section 34 of the Competition Act which 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.
4. The Parties have submitted that the Strategic Alliance, which relates to the provision of air passenger transport services and covers all services operated by the respective Parties, is expected to result in significant consumer and economic benefits, and efficiencies. These include:
 - (a) improved scheduling of flights, including to offer a better spread of scheduled flight timings on overlapping routes;

¹ <http://www.ccs.gov.sg/content/ccs/en/Media-and-Publications/Media-Releases/ccs-issues-a-clearance-decision-on-the-acquisition-by-cebu-air--.html>.

- (b) improved connectivity and more integrated product offerings across the Parties' existing networks, including via Singapore, and improved scheduling on such routes;
 - (c) expansion of the Parties' existing networks and services through commencing operations on new routes; and
 - (d) strengthening of Singapore's status and competitiveness as an air hub with improved connectivity across the Parties' networks.
5. Presently, the Parties overlap on the following three routes between Singapore and the Philippines:
- (a) between Singapore and Cebu;
 - (b) between Singapore and Clark; and
 - (c) between Singapore and Manila,
- (collectively the "Overlapping Routes").

Public Feedback

6. CCS is inviting all feedback and views in relation to the Strategic Alliance.
7. It would be useful if comments could be provided, particularly in relation to the following:
- (a) The current state of competition in the provision of air passenger transport services between Singapore and the Philippines, particularly on the Overlapping Routes;
 - (b) Whether air passenger transport services offered by full service airlines and low-cost carriers on routes between Singapore and the Philippines are substitutable and therefore should be considered to be in the same relevant markets;
 - (c) Impact of the Strategic Alliance on competition in provision of air passenger transport services on the Overlapping Routes; and
 - (d) The feasibility and probability of the consumer and economic benefits, and efficiencies claimed by the Parties.
8. The consultation documents can be accessed and downloaded from the CCS website at www.ccs.gov.sg under the section "[Public Register and Consultation](#)". The closing date for submissions is on or before **3 October 2014**. If the submission or correspondence contains confidential information, please also provide CCS with a non-confidential version of the submission or correspondence.

About The Competition Commission of Singapore

CCS is a statutory board established under the Competition Act (Chapter 50B) (“the Act”) 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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