

MEDIA RELEASE

24 October 2014

CCS CONSULTS ON THE PROPOSED ACQUISITION BY SINGAPORE AIRLINES LIMITED OF TIGER AIRWAYS HOLDINGS LIMITED

1. The Competition Commission of Singapore (“CCS”) is seeking feedback on the proposed acquisition by Singapore Airlines Limited (“SIA”) of additional shares in Tiger Airways Holdings Limited (“Tigerair Holdings”) and measures which would be taken by SIA, further to the acquisition of these additional shares, which would allow SIA to obtain the ability to exercise decisive influence over the activities of Tigerair Holdings (collectively, the “**Proposed Transaction**”).
2. CCS received a notification for decision on 17 October 2014 from SIA and Tigerair Holdings (collectively, the “Parties”) in relation to the Proposed Transaction under section 57 of the Competition Act (Cap. 50B) (the “Act”), which relates to section 54 of the Act prohibiting mergers that have resulted, or may be expected to result, in a substantial lessening of competition within any market in Singapore.

The Parties

3. The principal activities of SIA (through itself or its subsidiaries) consist of the provision of passenger and cargo air transportation services, aircraft engineering and maintenance services, training of pilots, air charters, tour wholesaling and related services.
4. The principal activities of Tigerair Holdings (through itself or its subsidiaries) consist of airline and aircraft management. Tigerair Holdings’ wholly-owned subsidiary, Tiger Airways Singapore Pte. Ltd. (“**Tigerair Singapore**”), is an low-cost carrier (LCC) which operates short-haul flights from Singapore within a four- to six-hour range.

The Proposed Transaction

5. As submitted by the Parties, the Proposed Transaction involves the market for the supply of international air passenger transport services on economy-class seats for full-service airlines (“**FSA**”s) and all classes of seats for low-cost carriers (“**LCC**”s) on routes.
6. The Parties submit that the Proposed Transaction, when carried into effect, will not result in a substantial lessening of competition in any market in Singapore, including, among other things, the following:

Non-coordinated effects

- (a) the intense nature of competition and myriad of competitors that currently exist in the provision of international air passenger transport services, including potential competitors on the Overlapping Routes¹;

¹ A full list of the Overlapping Routes can be found at the Public Register – [Mergers & Acquisitions tab at the CCS website](#)

- (b) the ability of customers to switch easily between suppliers, and the high price-sensitivity of customers in the air passenger transport services industry; and
- (c) the absence of significant barriers to entry in the provision of international air passenger transport services generally, and the ease and likelihood of entry of potential competitors into the Overlapping Routes.

Coordinated effects

- (a) there are numerous competitors in the provision of international air passenger transport services, and the ease of switching by, and high price-sensitivity of, customers in the air passenger transport services industry creates strong commercial incentives for carriers to continue pricing competitively, creating instability and reducing sustainability of coordinated behaviour; and
- (b) the absence of significant barriers to entry in the provision of international air passenger transport services generally, and accordingly high potential for increased competition, which similarly creates disruptive effects and reduces the sustainability of any coordinated behaviour.

Public Feedback

- 7. CCS is inviting all feedback and views in relation to the Proposed Transaction.
- 8. More information on the Proposed Transaction can be accessed 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 **7 November 2014**. If the submission/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)

CCS is a statutory board established under 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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