



## **MEDIA RELEASE**

19 May 2016

### **CCS CONSULTS ON THE PROPOSED JOINT VENTURE BETWEEN SIA ENGINEERING COMPANY LIMITED AND AIRBUS SERVICES ASIA PACIFIC PTE. LTD.**

1. The Competition Commission of Singapore (“CCS”) is conducting a public consultation from 19 May 2016 to 30 May 2016 to invite interested parties to provide feedback on the proposed joint venture (“JV”) between SIA Engineering Company Limited (“SIAEC”) and Airbus Services Asia Pacific Pte. Ltd. (“ASAP”)(the “Proposed JV”).

2. CCS received a notification for decision on 21 April 2016 from SIAEC and ASAP (collectively the “Parties”) with regard to the Proposed JV to provide maintenance, repair and overhaul (“MRO”) services for Airbus A350 XWB, A380, A330 and other Airbus aircraft to commercial airlines with their principal place of business in the Asia Pacific region who are operating the designated Airbus aircraft and are procuring or have procured MRO services (specifically, heavy maintenance and line maintenance) for such Airbus aircraft. CCS accepted the notification as complete on 4 May 2016.

3. The notification is made, under section 57 of the Competition Act, in relation to section 54 of the Competition Act which prohibits mergers that have resulted, or may be expected to result, in a substantial lessening of competition within any market in Singapore.

4. CCS understands from the notification that SIAEC’s significant business is in the provision of MRO services for aircraft, engine and related components to its customers. Specifically, the service offerings of SIAEC include airframe maintenance and overhaul, line maintenance and technical handling, component maintenance and overhaul, fleet management programme, engine overhaul, passenger-to-freighter conversion, cabin modifications, training academy, and aircraft painting. ASAP provides services related to Airbus aircraft including Field Service activities, warehousing activities related to aircraft spare parts, Flight Operations support as well as marketing and promotional support with respect to Airbus aircraft and air traffic management solutions in the region.

5. The Parties submitted that they overlap in the markets for the provision of heavy maintenance and line maintenance for commercial aircraft. Heavy maintenance (or C and D checks) includes airframe modifications, cabin completions and modifications and ancillary and complementary services.

6. The Parties are of the view that the merger, when carried into effect, will not result in a substantial lessening of competition due to, *inter alia*, the multitude of independent, third-party competitors, as well as competing in-house MRO service providers that currently exist in the relevant markets, the ability of customers to easily switch between suppliers, the ability of customers to procure services from different service providers, the ability of customers to exercise countervailing buyer power and the ease and likelihood of entry by potential competitors into the relevant markets.

### **Public Consultation**

7. CCS is inviting public feedback in relation to the merger.

8. More information on the public consultation can be accessed from the CCS website at [www.ccs.gov.sg](http://www.ccs.gov.sg) under the section "Public Register and Consultation". The closing date for submissions is on or before **30 May 2016**. 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 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](http://www.ccs.gov.sg).

### **For media clarification, please contact**

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