



MEDIA RELEASE

7 November 2022

CCCS consults on the Proposed Acquisition by SATS International SAS of Promontoria Holding 243 B.V.

1. The Competition and Consumer Commission of Singapore (“**CCCS**”) is inviting public feedback on the proposed acquisition by SATS Ltd. (“**SATS**”) through its indirectly wholly-owned subsidiary SATS International SAS (“**SATS International**”) of Promontoria Holding 243 B.V. (“**PH 243**”), a holding company which in turn indirectly owns 100 percent of the shares in WFS Global Holdings S.A.S. (“**WFS**”) (the “**Proposed Transaction**”).
2. CCCS accepted an application from SATS International and Promontoria 52 Coöperatie U.A. (“**Promontoria**”) (the “**Parties**”) on 2 November 2022 for a decision on the Proposed Transaction. Promontoria and certain management sellers hold all of the issued shares of PH 243. CCCS is now assessing whether the Proposed Transaction, if carried into effect, would infringe section 54 of the Competition Act 2004, which prohibits mergers that have resulted, or may be expected to result, in a substantial lessening of competition within any market in Singapore.

The Parties and WFS

SATS International and SATS

3. SATS International is an indirectly wholly-owned subsidiary of SATS. SATS is a Singapore-based company listed on the Singapore Stock Exchange and provides ground handling, cargo handling, passenger and premium lounge services, as well as food solution services. In respect of airport terminal services, SATS operates at both Singapore Changi Airport (“**Changi Airport**”) and Seletar Airport:
 - a) In relation to the provision of ground handling services, SATS has a concession from the Changi Airport Group (“**CAG**”) to provide ground handling services at Changi Airport, as well as a separate concession to provide ground handling services for scheduled flights at Seletar Airport.

- b) In relation to the provision of passenger and premium lounge services, SATS provides:
- i) the full suite of premium bespoke passenger services (i.e. including personalised and private reception, dedicated airport security clearance and exclusive lounge facilities) for private jet passengers at the Seletar Business Aviation Centre at Seletar Airport; and
 - ii) premium lounge services for commercial airline passengers at Changi Airport.

Promontoria and WFS

4. Promontoria is a cooperative with excluded liability incorporated under the laws of the Netherlands. Promontoria is an affiliate of Cerberus Capital Management, L.P., a private investment firm headquartered in the United States that is engaged in investment in real property and personal property of all kinds.
5. WFS is based in Paris, France, and primarily provides cargo handling services, ground handling services, passenger and premium lounge services, as well as other freight related services. In Singapore, WFS operates under the brand name “JetQuay” and manages the JetQuay CIP¹ Terminal, a separate private terminal at Changi Airport which provides the full suite of premium bespoke passenger services (i.e. including personalised and private reception, dedicated airport security clearance and exclusive lounge facilities) for both commercial airlines passengers and private jet passengers. WFS does not provide any ground handling services in Singapore (whether at Changi Airport or Seletar Airport). WFS also does not provide any services at Seletar Airport.

The Proposed Transaction

6. According to the Parties, the Proposed Transaction will not result in a substantial lessening of competition in Singapore for the following reasons:
- a) No horizontal overlap in the provision of ground handling services in Singapore.
There is no overlap in the provision of ground handling services in Singapore as WFS does not provide ground handling services in Singapore.
 - b) No competitive overlap in the provision of premium passenger services in Singapore.
 - i) The premium passenger services provided by WFS at Changi Airport and by SATS at Seletar Airport are not substitutable because CAG typically

¹ CIP refers to Commercially Important Persons.

grants concessions to operate premium passenger services on an airport-specific basis and passengers would only have access to the services provided at a particular airport. In addition, the decision as to the airport at which a private jet is to land in Singapore lies mainly with the CAG or the Civil Aviation Authority of Singapore.

- ii) In respect of premium passenger services provided at Changi Airport, there is a distinction between the services provided and types of passengers served by WFS and SATS. At Changi Airport, WFS's services are designed to provide a one-stop shop experience in respect of all aspects of airport arrival, departure and/or transit, and to cater to passengers who want added privacy and personalised service at a separate private terminal. On the other hand, SATS provides premium lounge services for commercial airline passengers who are typically offered lounge access as part of the airlines' loyalty programs, purchase of a business or first-class airline ticket, or as part of credit card / airport lounge access programmes.

c) Ability of customers to switch and self-supply

The barriers to entry for the provision of premium passenger services are not insurmountable. Customers like airlines and credit card companies can, and do, easily switch between providers of premium lounge services, and are also able to self-supply premium lounge services by obtaining the relevant concession and rental space from the CAG.

- 7. In terms of vertical links between SATS and WFS, SATS is appointed by WFS to provide security screening, check-in services, baggage handling and peripheral services² at the JetQuay CIP Terminal. The Parties submitted that such links will not give rise to competition concerns as the merged entity will have no ability or incentive to foreclose competition on the upstream or downstream markets.

Public Consultation

- 8. CCCS is inviting public feedback on the Proposed Transaction from 7 November 2022 to 18 November 2022, 5pm.
- 9. More information on the public consultation can be accessed from the CCCS website at www.cccs.gov.sg under the section "[Public Consultation](#)". If the submission or correspondence contains confidential information, please also

² This includes the leasing of check-in equipment, maintenance services for Jet Quay's bagging tag printer and boarding pass printer, as well as security escort services and airside coach rental on an ad-hoc basis.

provide CCCS with a non-confidential version of the submission or correspondence.

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About The Competition & Consumer Commission of Singapore (CCCS)

The Competition and Consumer Commission of Singapore (“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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