



MEDIA RELEASE

8 December 2020

CCCS Consults on the Proposed Cooperation between Singapore Airlines Limited and TATA SIA Airlines Limited

The Competition and Consumer Commission of Singapore (“**CCCS**”) is seeking public feedback from 8 December 2020 to 21 December 2020 on the proposed Singapore-India Commercial Cooperation Framework Agreement between Singapore Airlines Limited (“**SIA**”) and TATA SIA Airlines Limited (operating under the brand name “**Vistara**”) (the “**Proposed Cooperation**”).

2. CCCS received a joint application for decision from SIA and Vistara (collectively, the “**Parties**”) on the Proposed Cooperation and accepted the application as complete on 30 November 2020. CCCS is now assessing whether the Proposed Cooperation would infringe section 34 of the Competition Act (Cap. 50B), which prohibits agreements or concerted practices by undertakings which prevent, restrict or distort competition within any market in Singapore.

The Parties

SIA

3. SIA is a Singapore-based airline offering scheduled air passenger services to more than 63 destinations in 32 countries and territories using a fleet of 125 aircraft, as at 1 September 2019, prior to the COVID-19 pandemic. SIA is a public company listed on the Mainboard of the Singapore Exchange Securities Trading Limited. The principal activities of SIA comprise (through itself and its subsidiaries) the provision of scheduled international air passenger and cargo air transportation services, engineering services, training of pilots, air charters, and tour wholesaling and related services.

Vistara

4. Vistara is a joint venture between Tata Sons Ltd. and SIA, with SIA owning a 49 per cent stake, and Tata Sons Ltd. owning the remaining 51 per cent. The principal activities of Vistara comprise the operation, management and provision of scheduled

air transport services in India. Vistara began operating direct flights between Singapore and Delhi, and between Singapore and Mumbai in 2019, prior to the COVID-19 pandemic.

The Proposed Cooperation

5. The Proposed Cooperation comprises a Commercial Cooperation Framework Agreement that the Parties entered into on 13 February 2020, pursuant to which the Parties agree to cooperate on, amongst other things, scheduling, pricing, sales and marketing and other commercial areas (including special prorated arrangements and expanded code sharing to grow traffic between Singapore and India and between India and certain agreed markets).

6. Subject to the agreement of the Parties, the Proposed Cooperation will extend to include SilkAir (Singapore) Private Limited and potentially to the operations of Scoot Tigerair Pte Ltd (both wholly-owned subsidiaries of SIA).

7. The Parties have submitted that they overlap on 16 Origin-Destination routes (the “**Overlapping Routes**”) in the provision of air passenger transport services between Singapore and India, prior to COVID-19, both on a direct¹ and non-direct basis². The Parties have submitted that the Overlapping Routes form the relevant markets for the purposes of the competitive analysis of the Proposed Cooperation.

8. The Parties submitted that the Proposed Cooperation is unlikely to result in any adverse effects on competition as:

- a. the aggregation in passenger shares for the Parties is not significant on the Overlapping Routes;
- b. the Parties are already economically connected, with SIA owning a 49 per cent stake in Vistara;
- c. the passenger shares and/or passenger volume on the SIN-BBI, SIN-GAU, SIN-GOI and SIN-IXZ routes indicate there will unlikely be any actual adverse effect on competition;
- d. there are many existing competitors on the Overlapping Routes; and
- e. the barriers to entry on the Overlapping Routes are low, which would facilitate entry by potential competitors, and entry to the Overlapping

¹ The overlapping direct routes comprise Singapore-Mumbai (“**SIN-BOM**”) and Singapore-New Delhi (“**SIN-DEL**”).

² The overlapping non-direct routes comprise Singapore-Ahmedabad (“**SIN-AMD**”), Singapore-Amritsar (“**SIN-ATQ**”), Singapore to Bhubaneswar (“**SIN-BBI**”), Singapore-Bengaluru (“**SIN-BBI**”), Singapore-Kolkata (“**SIN-CCU**”), Singapore-Kochi (“**SIN-COK**”), Singapore-Guwahati (“**SIN-GAU**”), Singapore-Goa (“**SIN-GOI**”), Singapore-Hyderabad (“**SIN-HYD**”), Singapore-Port Blair (“**SIN-IXZ**”), Singapore-Lucknow (“**SIN-LKO**”), Singapore-Chennai (“**SIN-MAA**”), Singapore-Thiruvananthapuram (“**SIN-TRV**”), Singapore-Varanasi (“**SIN-VNS**”).

Routes is possible, and has occurred frequently (and recently), particularly by carriers which operate one-stop flights.

9. In addition, the Parties submitted that the Proposed Cooperation will also result in significant consumer and economic benefits, as well as efficiencies such as:
- a. increased likelihood of an expedited and more sustainable reinstatement of capacity in the current COVID-19 circumstances;
 - b. improved connectivity for both Singapore and India, with consequential benefits to both countries' aviation industries and tourism sectors in the current COVID-19 circumstances;
 - c. increased potential for the Parties to add capacity and/or introduce new routes;
 - d. improved fare availability at all fare levels as a result of inventory and pricing coordination;
 - e. more competitive fares through the reduction of double marginalisation;
 - f. significant benefits to both SIA and Vistara's corporate account customers; and
 - g. benefits for members of both SIA and Vistara's frequent flyer programmes.

Public Consultation

10. CCCS is inviting public feedback in relation to the Proposed Cooperation. The closing date for submissions is on **21 December 2020**.

11. More information on the public consultation can be accessed and downloaded from the CCCS website at www.cccs.gov.sg under the section "[Public Consultation](#)". If the submission/correspondence contains confidential information, please also provide CCCS with a non-confidential version of the submission or correspondence.

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About The Competition and Consumer Commission of Singapore

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 (Cap. 50B), 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 (Cap. 52A) 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 business and consumers in Singapore.

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

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