



MEDIA RELEASE

03 June 2022

CCCS Raises Competition Concerns on the Acquisition by Talace Private Limited of Air India Limited

1. The Competition and Consumer Commission of Singapore (“**CCCS**”) has completed its Phase 1 review¹ of the acquisition (**the “Transaction”**) by Talace Private Limited (“**Talace**”) of Air India Limited (“**Air India**”) (collectively, “**the Parties**”) and has raised competition concerns with Talace on the Transaction.

Background

2. On 6 January 2022, CCCS accepted an application² from Talace for a decision on whether the Transaction infringes 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.
3. Talace is a private company incorporated in India solely for the purposes of the Transaction. Talace’s parent company, Tata Sons Private Limited (“**Tata Sons**”) is engaged in the provision of international air transport services (both passengers and cargo) in India through its joint-venture with Singapore Airlines Ltd (“**SIA**”), Tata SIA Airlines Ltd, which operates under the brand name “Vistara”. Vistara also provides international air passenger transport services on, amongst others, routes from and to Singapore. Air India and Vistara overlap in the supply of:
 - a. the provision of international air passenger transport services, along direct flights on the Singapore-Mumbai (“**SIN-BOM**”) route (and vice versa);
 - b. the provision of international air passenger transport services, along direct flights on the Singapore-Delhi (“**SIN-DEL**”) route (and vice versa)

¹ A Phase 1 review entails a quick review and allows merger situations that do not raise competition concerns under the section 54 prohibition to proceed. For more information on what a Phase 1 review entails, please refer to **Annex 1**.

² For more information on the Transaction, please refer to CCCS’s media release dated [10 January 2022](#) at www.cccs.gov.sg.

- (SIN-BOM and SIN-DEL will be referred to collectively as the “**Overlapping Air Passenger Transport Routes**”); and
- c. the provision of air cargo transport services from Singapore to India (and vice versa) (the “**Overlapping Air Cargo Transport Routes**”).

Competition Concerns

4. CCCS has raised competition concerns with Talace on the Transaction, based on information received from Talace and third parties.³
5. In particular, Air India and Vistara are two of the three key market players along the Overlapping Air Passenger Transport Routes, and both airlines are likely to be each other’s close (if not the closest) competitor.
6. Third party feedback also suggests the presence of SIA as a significant competitor of Air India and Vistara along the Overlapping Air Passenger Transport Routes and the Overlapping Air Cargo Transport Routes. However, CCCS needs to assess further the extent to which SIA competes with the merged entity along these routes, given that SIA is a joint-venture partner with Tata Sons in Vistara and a prospective partner with Vistara in the Commercial Cooperation Framework Agreement.⁴ CCCS also needs to assess further whether the competitive constraint from other airlines such as IndiGo⁵ would be sufficient post-Transaction. Accordingly, CCCS needs to further review the competition effects of the Transaction in greater detail.
7. At this stage, the Parties may offer commitments to address the potential competition concerns of the Transaction raised by CCCS. Otherwise, the merger will proceed to a detailed further review⁶ upon CCCS’s receipt of the relevant documents from the Parties. Commitments may also be offered at any time during this review. For more information on the merger review process in Singapore, please refer to **Annex 1**.

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³ Third parties include the Parties’ competitors, customers for air passenger transport services and air cargo transport services, and relevant aviation authorities.

⁴ For more information, please refer to CCCS’s media release dated [8 December 2020](https://www.cccs.gov.sg) at www.cccs.gov.sg.

⁵ IndiGo is a low-cost carrier based in Gurgaon, India that commenced operations in August 2006. The carrier, which is owned by Rahul Bhatia’s InterGlobe Enterprises, operates an extensive domestic network and international services to South Asia, Southeast Asia, Europe and the Gulf.

⁶ Under CCCS’s merger procedures, a Phase 2 review entails a more detailed and extensive examination of the merger situation. For more information on what a Phase 2 review entails, please refer to **Annex 1**.

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 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 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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ANNEX 1

About the Section 54 Prohibition under the Competition Act & Merger Procedures

Section 54 of the Competition Act 2004 (“**the Act**”) prohibits mergers that have resulted, or may be expected to result, in a substantial lessening of competition in Singapore. CCCS is generally of the view that competition concerns are unlikely to arise in a merger situation unless:

- The merged entity has/will have a market share of 40% or more; or
- The merged entity has/will have a market share of between 20% to 40% and the post-merger combined market share of the three largest firms is 70% or more.

Merging entities are not required to notify CCCS of their merger but they should conduct a self-assessment to ascertain if a notification to CCCS is necessary. If they are concerned that the merger has infringed, or is likely to infringe, the Act, they should notify their merger to CCCS. In such cases, CCCS will assess the effect of the merger on competition and decide if the merger has resulted, or is likely to result, in a substantial lessening of competition (“**SLC**”) in Singapore.

Separately, CCCS has the ability to conduct an investigation into an un-notified merger if there are reasonable grounds for suspecting that the merger infringes section 54 of the Act. In the event CCCS finds that a merger situation has resulted or is expected to result in an SLC, CCCS has powers to give directions to remedy the SLC. For example, CCCS can require the merger to be unwound or modified to address or prevent the SLC, as the case may be. CCCS may also consider issuing interim measures prior to the final determination of the investigation.

Phase 1 and Phase 2 Merger Review

A Phase 1 review entails a quick review and allows merger situations that do not raise competition concerns under the section 54 prohibition to proceed. CCCS expects to complete a Phase 1 review within 30 business days. By the end of this period, CCCS will determine whether to issue a favourable decision and allow the merger situation to proceed. If CCCS is unable, at the end of the 30-day period, to conclude that the merger situation will not result in a substantial lessening of competition, CCCS will inform the merger parties and the merger parties may offer commitments to address the competition concerns. If required by CCCS, the merger parties may file further information and supporting documents as listed in Form M2. Upon receipt of Form M2, CCCS will proceed to a Phase 2 review.

A Phase 2 review entails a more detailed and extensive examination of the merger situation. While the principles of substantive assessment are the same, CCCS will require access to more extensive and detailed information regarding the merger

parties and the markets in question. There will also be opportunities for the merger parties to offer commitments to address the competition concerns in Phase 2.

As the Phase 2 review is more complex, CCCS will endeavour to complete a Phase 2 review within 120 business days.

Commitments

Section 60A of the Act states that CCCS may, at any time before making a decision as to whether the section 54 prohibition has been or will be infringed, accept commitments that remedy, mitigate or prevent the substantial lessening of competition or any adverse effect arising from the merger situation. Where CCCS has accepted a commitment, CCCS will make a favourable decision.

Further details can be found in the [CCCS Guidelines on Merger Procedures](#).

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