



Section 44 of the Competition Act 2004

Grounds of Decision issued by the Competition and Consumer Commission of Singapore (“CCCS”)

Application for Decision by Singapore Airlines Limited and Tata SIA Airlines Limited on their commercial cooperation in the provision of scheduled air passenger services between India and Singapore

5 March 2024

Case number: CCCS 400/110/2020/001

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INTRODUCTION

The Proposed Commercial Cooperation

1. On 30 November 2020, CCCS received a joint application for decision from Singapore Airlines Limited (“SIA”) and TATA SIA Airlines Limited (“Vistara”)¹ (collectively the “Applicants”) made pursuant to section 44 of the Competition Act 2004 (the “Act”) as to whether the proposed commercial cooperation framework between SIA and Vistara in the provision of scheduled air passenger services between India and Singapore will infringe section 34 of the Act (the “Proposed Commercial Cooperation”). CCCS accepted the application as complete on 3 December 2020.
2. The Proposed Commercial Cooperation was entered into on 13 February 2020 by the Applicants via the execution of a commercial cooperation framework agreement. It envisages metal-neutral cooperation between SIA and Vistara on aspects such as revenue-sharing, [§<]codeshares, network planning and schedule coordination, with respect to routes in certain identified markets, particularly relating to services between Singapore and India. The Proposed Commercial Cooperation will also extend to services provided in the Priority Markets². The Applicants submitted that the Priority Markets includes [§<]³ [§<]. The Applicants will seek antitrust approvals for these routes in overseas jurisdictions where required⁴. The Applicants did not submit that the Proposed Commercial Cooperation will extend to include the operations of Scoot Pte. Ltd. (“Scoot”), a wholly owned subsidiary of SIA. However, the scope of the Revised Commercial Cooperation is with the SIA Group, which includes its subsidiaries.⁵

Talace Private Limited’s (“TPL”) Acquisition of Air India Limited (“AI”)

3. On 14 December 2021, TPL, which is a subsidiary of TSPL, filed a notification pursuant to section 57 of the Act for a decision by CCCS as to whether TPL’s acquisition of all shares and voting rights of AI from the Government of India (“GoI”)⁶, along with AI’s 100% interest in the equity share capital of Air India

¹ Vistara is a joint venture between Tata Sons Private Limited (“TSPL”) and SIA, with SIA owning a 49% stake, and TSPL owning the remaining 51%.

² The Priority Markets refer to the routes between India and Singapore, and between India and the following markets [§<]

³ These routes are between India and the following markets [§<].

⁴ Paragraph 1.2 of the Applicants’ further submission to CCCS dated 30 December 2020.

⁵ This issue does not affect the substantive assessment given that CCCS has already accounted for Scoot’s market share under the SIA Group. The Proposed Commercial Cooperation originally contemplated including SilkAir (Singapore) Private Limited. However, as of September 2021, the integration of MI with SIA was completed, where all 52 MI routes were transferred to SIA and Scoot’s network. Refer to page 16 of SIA’s FY 2022 Annual Report here: <https://www.singaporeair.com/saar5/pdf/Investor-Relations/Annual-Report/annualreport2022.pdf>.

⁶ The GoI had on 27 January 2020 published a Preliminary Information Memorandum (“PIM”) for the strategic disinvestment of AI by way of transfer of management control and sale of 100% equity share capital of AI held by the GoI along with AI’s shareholding interest of 100% in the equity share capital of AIXL and 50% in the equity share capital of AISATS. In response to the PIM, TPL submitted its expression of interest dated 14

Express Limited (“**AIXL**”) and 50% interest in the equity share capital of Air India SATS Airport Services Private Limited (“**AISATS**”) (the “**First Transaction**”) will infringe section 54 of the Act. TPL also notified the First Transaction to the Competition Commission of India (“**CCI**”) which cleared the same unconditionally on 20 December 2021.

4. The First Transaction was completed on 27 January 2022. This was notified to CCCS on 30 January 2022. CCCS has since 30 January 2022 treated the First Transaction as being filed under section 58 of the Act.

Merger of TPL and Vistara into AI (“Integrated Entity”), SIA’s acquisition of 25.1% of equity capital of the Integrated Entity and Commercial Cooperation between the Integrated Entity and SIA

5. On 29 November 2022, TSPL, TPL, AI, SIA and Vistara entered into an agreement (the “**Implementation Agreement**”) resulting in: (i) the merger of each of TPL and Vistara into AI, with AI as the surviving entity; and (ii) SIA acquiring approximately 25.1% of the enlarged equity capital of the Integrated Entity (the “**Second Transaction**”).⁷ The Second Transaction was cleared by the CCI on 1 September 2023, subject to the relevant parties’ compliance with voluntary commitments. On 19 January 2023, the Applicants submitted that the Integrated Entity will replace Vistara as the countersigning party to the Proposed Commercial Cooperation with SIA (the “**Parties**”) via a new agreement, which has since evolved into the revised commercial cooperation (“**Revised Commercial Cooperation**”).⁸
6. While CCCS notes from the Parties’ submissions that the details of a new framework agreement, which will give effect to the Revised Commercial Cooperation⁹ (“**New Framework Agreement**”), will still require further discussion and agreement, CCCS notes that the Parties did not submit any substantive changes to the Proposed Commercial Cooperation in view of the Revised Commercial Cooperation.¹⁰ Hence, CCCS has reviewed the Revised Commercial Cooperation on the basis that the scope of cooperation is envisaged to be materially similar to the Proposed Commercial Cooperation.¹¹

December 2020 expressing its desire to purchase the shares, representing 100% of the total paid-up capital of AI and on 15 September 2021, submitted its financial bid for the acquisition of AI, AIXL and AISATS. Pursuant to the competitive bidding process, TPL was declared as the confirmed selected bidder and the Share Purchase Agreement (“**SPA**”) amongst the President of India, TPL and AI was executed on 25 October 2021.

⁷ The consideration for the Second Transaction comprises SIA’s 49% interest in Vistara and an amount in cash being the INR 20,585 million (approximately SGD 360 million), in exchange for a 25.1% equity interest in the Integrated Entity, as stated in Clause [X] of the Implementation Agreement.

⁸ Paragraph 1.1 to 1.6 of the Parties’ response to CCCS’s 3 January 2023 Request for Information (“**RFI**”) dated 19 January 2023.

⁹ Annex 12 of Form 1 submitted on 30 November 2020; Paragraph 1.1 to 1.6 of the Parties’ response to CCCS’s 3 January 2023 RFI dated 19 January 2023. [X].

¹⁰ Paragraph 1.1 to 1.6 of the Parties’ response to CCCS’s 3 January 2023 RFI dated 19 January 2023.

¹¹ Annex 12 of Form 1 submitted on 30 November 2020; Paragraph 1.1 to 1.6 of the Parties’ response to CCCS’s 3 January 2023 RFI dated 19 January 2023.

7. As part of CCCS’s assessment, RFIs were sent to third parties such as [X], [X] and industry players, including seven (7) customers and six (6) competitors of the Applicants, for their views on the Proposed Commercial Cooperation. CCCS had also conducted a public consultation between 8 December 2020 and 21 December 2020 to obtain public feedback on the Proposed Commercial Cooperation, and subsequently conducted a limited consultation¹² between 8 December 2023 and 1 February 2024 to obtain feedback on the Revised Commercial Cooperation and the draft commitments submitted by the Parties to address potential competition concerns arising from the Revised Commercial Cooperation. In respect of the former, CCCS received feedback from six (6) competitors, seven (7) customers, [X], [X] and one (1) member of the public. In respect of the latter, CCCS received feedback from two (2) competitors, [X] and [X]. RFIs were also sent to the Applicants and Parties to seek further information and clarification for the purposes of conducting CCCS’s assessment. CCCS’s decision is based on the submissions and information provided by the Applicants and the Parties, as well as information obtained from third parties.

THE FACTS AND PARTIES’ SUBMISSION

The Application for Notification of Decision

8. The original application concerns the Proposed Commercial Cooperation between SIA and Vistara, which was effected through the execution of a Commercial Cooperation Framework Agreement (“**Framework Agreement**”) entered into on 13 February 2020. Under the Framework Agreement, the Applicants would explore entering into a revenue-sharing [X], coordinate on network planning and schedules, coordinate on pricing and inventory management, coordinate on sales and marketing, [X]enhancing the existing special prorate agreement (“**SPA**”), expanding existing code sharing on each other’s operated flights, [X].¹³ Notwithstanding that the original application was made in relation to the Proposed Commercial Cooperation, CCCS’s review is specific to only the Revised Commercial Cooperation, in view of the recent developments set out in paragraph 5 above. To the extent applicable to the Revised Commercial Cooperation, the Applicants’ submissions relating to the Proposed Commercial Cooperation will be considered in CCCS’s review of the Revised Commercial Cooperation.
9. In relation to the original application, the Applicants submitted that while the Proposed Commercial Cooperation will be deemed to have, as its object, the prevention, restriction or distortion of competition in any market, it is unlikely to result in any actual adverse effects on competition.¹⁴ Further, the Applicants also submitted that the Proposed Commercial Cooperation would give rise to significant net economic benefits (“**NEB**”), and hence section 34 of the Act would

¹² This includes [X], [X], six (6) competitors and five (5) customers of the Parties.

¹³ Annex 12 of Form 1 submitted on 30 November 2020.

¹⁴ Paragraph 14.28 of Form 1 submitted on 30 November 2020.

not apply to the Proposed Commercial Cooperation, in accordance with the exclusion set out in section 35 read with paragraph 9 of the Third Schedule to the Act (the “**NEB Exclusion**”).¹⁵ Nevertheless, given that the Proposed Commercial Cooperation contemplates cooperation between SIA and Vistara on matters such as ticket pricing and network scheduling¹⁶, the Applicants made the application to obtain CCCS’s decision as to whether the Proposed Commercial Cooperation will infringe section 34 of the Act.

10. In relation to the Revised Commercial Cooperation, CCCS notes from the Parties’ submissions that there are no substantive changes compared to the Proposed Commercial Cooperation.¹⁷ CCCS also notes that the Parties have not made any submissions on the adverse effects on competition, or on the NEBs arising from the Revised Commercial Cooperation. In the absence of further submissions from the Parties, CCCS has conducted its assessment on the basis that the Parties’ submissions in respect of competition issues and NEBs arising from the Revised Commercial Cooperation will be the same as that submitted by the Applicants in relation to the Proposed Commercial Cooperation. CCCS notes that this will not affect its decision in respect of the Revised Commercial Cooperation, in view that any competition concerns arising from the Revised Commercial Cooperation will eventually be addressed by the Parties’ commitments.

Commencement and regulatory approvals

11. Under Clauses [X] and [Y] of the Framework Agreement, the Proposed Commercial Cooperation shall not be implemented until the following events have occurred:¹⁸
 - (a) [X]; and
 - (b) [Y]; and
 - (c) [Z].
12. As for the Implementing Agreements contemplated under the Framework Agreement, [X], the Applicants intend to enter into these Implementing Agreements no later than [X] from the Commencement Date of the Framework Agreement.¹⁹ These Implementing Agreements include agreements for:²⁰
 - (a) [X];

¹⁵ Paragraph 18.1 of Form 1 submitted on 30 November 2020.

¹⁶ Paragraph 13.3 of Form 1 submitted on 30 November 2020.

¹⁷ Paragraph 1.2 of the Parties’ response to CCCS’s 3 January 2023 RFI dated 19 January 2023.

¹⁸ Clauses [X] and [Y] of the Framework Agreement found in Annex 12 of Form 1 submitted on 30 November 2020.

¹⁹ Paragraph 13.4 of Form 1 submitted on 30 November 2020. Clause [X] of the Framework Agreement found in Annex 12 of Form 1 submitted on 30 Nov 2020.

²⁰ Paragraph 13.4.1 to paragraph 13.4.5 of Form 1 submitted on 30 November 2020.

- (b) [];
- (c) []; and
- (d) [].

13. In relation to the Revised Commercial Cooperation, the Parties submitted that the New Framework Agreement which will give effect to the Revised Commercial Cooperation will still require further discussion and agreement.

The Applicants and the Parties relevant to the Application

SIA

- 14. The principal activities of SIA (through itself or its subsidiaries) consist of passenger and cargo air transportation, engineering services, training of pilots, air charters and tour wholesaling and related services. SIA is the flag carrier of Singapore, operating air passenger services across an extensive international network of more than sixty (60) destinations in over thirty (30) countries, with a fleet of over 100 aircrafts as of November 2020. SIA is a full-service airline (“FSA”) and is one of the partner airlines of Star Alliance. SIA is listed on the Singapore Stock Exchange.²¹
- 15. SilkAir Singapore Private Limited (“MI”) is a wholly owned subsidiary of SIA.²² MI is the regional wing of the SIA group²³ and offers Economy and Business Class seats to thirty-six (36) destinations with a fleet of twenty-five (25) aircrafts as of November 2020.²⁴
- 16. Scoot is an indirect wholly owned subsidiary of SIA and is a medium and long-haul low-cost airline based in Singapore.²⁵ Scoot was established in 2011 and commenced operations in June 2012. Scoot operates medium and long haul no-frills direct flights to sixty-eight (68) destinations as of November 2020.
- 17. The global turnover for SIA and its subsidiaries for FY 2020 (i.e. 1 April 2019 to 31 March 2020) was S\$15,975.9 million.²⁶

Vistara

²¹ https://www.singaporeair.com/en_UK/us/about-us/information-for-investors/shareholding-info/

²² Paragraph 10.3 of Form 1 submitted on 30 November 2020.

²³ Page 16 of the SIA Annual Report Financial Year (“FY”) 2020 found in Annex 5 of Form 1 submitted on 30 November 2020.

²⁴ As of September 2021, the integration of MI with SIA was completed, where all 52 MI routes were transferred to SIA and Scoot’s network. Refer to page 16 of SIA’s FY 2022 Annual Report here: <https://www.singaporeair.com/saar5/pdf/Investor-Relations/Annual-Report/annualreport2022.pdf>

²⁵ Paragraph 11.1.2 of Form 1 submitted on 30 November 2020.

²⁶ Paragraph 15.1 of Form 1 submitted on 30 November 2020.

18. Vistara is a joint venture between TSPL and SIA, with SIA owning a 49% stake, and TSPL owning the remaining 51%.²⁷ The principal activities of Vistara comprise the operation, management, and provision of scheduled air transport services in India. In the wake of the COVID-19 pandemic, an air transport bubble arrangement has been established between India and Bangladesh, the UAE and the United Kingdom, and since 30 November 2020, Vistara operates non-regular scheduled direct flights from Delhi to Dhaka, from Delhi to Doha, from Delhi and Mumbai respectively to Dubai, and between Delhi and London Heathrow.²⁸ Vistara has also begun operating non-regular scheduled direct flights to London Heathrow from Mumbai on 16 January 2021.²⁹ Vistara's global turnover in FY 2020 was INR [X] or S\$[X].³⁰

AI

19. AI is a public limited company incorporated in India. The issued and paid-up share capital of AI is INR 326,652.2 million or S\$5,946.7 million, divided into 32,665,220,000 equity shares. The GoI was the beneficial and legal owner of 100% of the equity shares representing 100% of the total issued and paid-up share capital of AI, including 80 equity shares that were jointly held by the President of India with other shareholders.³¹
20. AI is India's national airline which, prior to TPL's acquisition through the completion of the First Transaction, operated under the administrative control of India's Ministry of Civil Aviation. AI, along with its 100% subsidiary AIXL, is primarily engaged in the business of providing: (a) domestic scheduled air passenger transport services in India; (b) international scheduled air passenger transport services; and (c) international air cargo transport services. The Parties submitted that AI had a network coverage of 52 domestic destinations and 34 international destinations while AIXL served 20 domestic destinations and 14 international destinations. They operated a fleet of 141 aircraft (AI operates 117 and AIXL 24).³² AI used aircraft from the Boeing B787 and Airbus A320 families for the Singapore to Mumbai ("**SIN-BOM**") vice versa ("**vv**") and Singapore to New Delhi ("**SIN-DEL**") vv routes.³³
21. The wholly-owned or majority-owned subsidiaries of AI are as follows:³⁴

²⁷ Paragraph 3.6 of Form 1 submitted on 30 November 2020.

²⁸ Paragraph 3.4 of Form 1 submitted on 30 November 2020.

²⁹ Paragraph 3.5 of Form 1 submitted on 30 November 2020.

³⁰ Paragraph 15.2 of Form 1 submitted on 30 November 2020; Based on MAS' website, the exchange rate for SGD to INR as of 30 November 2020 is S\$1.8071/100 units of INR. Hence, the corresponding S\$ global turnover should be S\$[X].

³¹ Paragraph 7.7 of Form M1.

³² Paragraph 7.9 of Form M1.

³³ Paragraph 2.3 of TPL's 4 March 2022 response to CCCS's 6 January 2022 RFI.

³⁴ Paragraph 8.4 of Form M1.

- (a) AIXL;
- (b) AI Airport Services Limited;
- (c) AI Engineering Services Limited;
- (d) Alliance Air Aviation Limited; and
- (e) Hotel Corporation of India Limited.

With the exception of AIXL, these subsidiaries are not part of the First Transaction and Second Transaction.³⁵

22. AI has two registered entities in Singapore, namely, AI and AIXL.³⁶ AI trades under the following names in Singapore: (i) Air India; and (ii) Air India Express.³⁷

AIXL

23. AIXL is the wholly-owned low-cost subsidiary of Air India. The carrier, which was established in 2004, operates a network that covers domestic destinations in India as well as international destinations in Asia and the Middle East.³⁸ AIXL does not operate scheduled flights on the SIN-BOM vv and SIN-DEL vv routes. However, for completeness, [X].³⁹

AISATS

24. AISATS is a 50/50 joint venture between AI and SATS Limited. AISATS is engaged in the business of providing ground handling services at the following airports in India i.e. Delhi, Bengaluru, Hyderabad, Mangalore and Trivandrum as well as cargo handling services at Bengaluru airport.⁴⁰

Turnover of AI, AIXL and AISATS

25. The total (group) Singapore turnover and total (group) worldwide turnover for AI, AIXL and AISATS are set out in the table below.⁴¹

Table 1. FY 2020 total group Singapore turnover and total group worldwide turnover for AI, AIXL and AISATS		
Entity Name	Singapore Turnover (SGD)	Worldwide Turnover (SGD)
AI	[X]	[X]

³⁵ Paragraph 8.5 of Form M1.

³⁶ Paragraph 10.2 of Form M1.

³⁷ Paragraph 10.4 of Form M1.

³⁸ Paragraph 10.7(b) of Form M1.

³⁹ Paragraph 2.4 of TPL's 4 March 2022 response to CCCS's 6 January 2022 RFI.

⁴⁰ Paragraph 7.10 of Form M1.

⁴¹ Appendix 12 to TPL's 5 February 2022 response to CCCS's 6 January 2022 RFI.

AIXL	[REDACTED] ⁴²	[REDACTED]
AISATS	[REDACTED]	[REDACTED]

The Proposed Commercial Cooperation and Revised Commercial Cooperation

26. As highlighted above, on 13 February 2020, SIA and Vistara entered into the Framework Agreement in relation to the Proposed Commercial Cooperation. The Proposed Commercial Cooperation envisages revenue sharing and other cooperation designed to bring about a metal-neutral alliance in respect of services between Singapore and India, and other commercial cooperation via the Implementing Agreements (see paragraph 12).
27. Based on the Applicants’ and the Parties’ submissions, the Proposed Commercial Cooperation and Revised Commercial Cooperation relate only to scheduled air passenger services and do not extend to cooperation in respect of other services in the airline industry (such as air cargo, for example).⁴³ Scheduled air passenger services are distinct from other modes of transportation and refers to the carrying of revenue passengers by operators, i.e., airlines on flights scheduled and performed for remuneration according to a published timetable which is open to direct booking by members of the public.⁴⁴
28. For the purposes of considering the Applicants’ submission on the Proposed Commercial Cooperation and Parties’ submission on the Revised Commercial Cooperation so as to assess and decide on the Revised Commercial Cooperation, and given that section 34 of the Act specifically prohibits the prevention, restriction and distortion of competition *within* Singapore, CCCS has, in view of the recent developments set out in paragraph 5 above, focused on the routes within the Revised Commercial Cooperation that originate or terminate in Singapore relating to direct and indirect services operated by the Applicants and Parties between Singapore and India.

Nature of cooperation under the Proposed Commercial Cooperation and Revised Commercial Cooperation

29. The Applicants submitted that, subject to necessary regulatory approvals, they will cooperate in relation to the following matters covered in the Framework Agreement:

⁴² CCCS notes that AIXL operates on some of the overlapping scheduled air passenger services (e.g. SIN-MAA vv, SIN-BLR vv, SIN-TRZ vv, SIN-HYD vv, SIN-IXM vv, SIN-COK vv and SIN-CJB vv).

⁴³ Paragraph 7.1 of Form 1 submitted on 30 November 2020; paragraph 1.1 to 1.6 of Parties’ response to CCCS’s 3 January 2023 RFI dated 19 January 2023.

⁴⁴ According to the International Civil Aviation Organisation’s (“ICAO”) glossary of definitions at https://www.icao.int/dataplus_archive/Documents/20130807/GLOSSARY%20v1%202.pdf

- (a) Revenue sharing (clause [X] of the Framework Agreement): The Applicants' will work together on a revenue sharing arrangement [X] on agreed revenue share routes operated by the Applicants between Singapore and India [X]⁴⁵[X].⁴⁶
 - (b) Network planning and schedule coordination (clause [X] of the Framework Agreement): The Applicants will coordinate their schedules and capacity management on the Revenue Share Routes to create more and better travel options for travellers and increase travel between markets served by both Applicants.⁴⁷ [X].⁴⁸
 - (c) Pricing coordination and inventory management (clause [X] of the Framework Agreement): The Applicants will align, develop, coordinate and harmonise their fare structures, and coordinate their inventory management strategies [X].⁴⁹
 - (d) Sales and marketing (clause [X] of the Framework Agreement): The Applicants will coordinate in sales and marketing and work together in, *inter alia*, the areas of agency sales, corporate sales and in terms of joint marketing, branding, advertising and promotional activities [X].⁵⁰
30. As set out in paragraph 10 above, CCCS notes from the Parties' submissions on the Revised Commercial Cooperation that there are no substantive changes from the Proposed Commercial Cooperation. Details on the Revised Commercial Cooperation will be effected through a New Framework Agreement reflecting the Parties' cooperation,⁵¹ but the New Framework Agreement will only be finalised at a later date.⁵² Hence the following sections will consider the Applicants' submissions in respect of the Proposed Commercial Cooperation, notwithstanding that CCCS's assessment and decision will be specific to only the Revised Commercial Cooperation.

Purpose and objective of the Proposed Commercial Cooperation

31. The Applicants submitted that the objective of the Proposed Commercial Cooperation is to expand and enhance product and service offerings between Singapore and India, including providing a more seamless travel experience, and to increase capacity and service frequency.⁵³

⁴⁵ According to the Framework Agreement, this is defined as [X].

⁴⁶ Paragraphs 13.10 and 13.11 of Form 1 submitted on 30 November 2020.

⁴⁷ Paragraph 13.12 of Form 1 submitted on 30 November 2020.

⁴⁸ Clause [X] of the Framework Agreement found in Annex 12 of Form 1 submitted on 30 November 2020.

⁴⁹ Paragraphs 13.13 and 13.15 of Form 1 submitted on 30 November 2020.

⁵⁰ Paragraph 13.16 of Form 1 submitted on 30 November 2020.

⁵¹ Paragraph 1.1 of the Parties' response to CCCS's 3 January 2023 RFI dated 19 January 2023.

⁵² Paragraph 1.6 of the Parties' response to CCCS's 3 January 2023 RFI dated 19 January 2023.

⁵³ Paragraph 13.6 of Form 1 submitted on 30 November 2020.

32. The Applicants further submitted that the Proposed Commercial Cooperation will also allow the Applicants to reap efficiencies post-COVID-19 pandemic. The Applicants highlighted that air travel between Singapore and India was suspended on 13 March 2020 as a result of the pandemic, and hence the Proposed Commercial Cooperation would allow the Applicants to restore confidence and provide services to passengers in both Singapore and India once air travel between Singapore and India resumes.⁵⁴

Date and duration of the Proposed Commercial Cooperation

33. The Applicants entered into the Proposed Commercial Cooperation on 13 February 2020, [REDACTED].⁵⁵ [REDACTED].⁵⁶
34. The Proposed Commercial Cooperation will continue to be in force after the Commencement Date unless terminated by either Applicant with no less than [REDACTED] prior written notice to the other Applicant.⁵⁷

[REDACTED] under the Proposed Commercial Cooperation

35. CCCS notes that that the Framework Agreement contains [REDACTED].⁵⁸
36. The [REDACTED].⁵⁹ [REDACTED].⁶⁰
37. The Applicants submitted that the [REDACTED]. [REDACTED].⁶¹ [REDACTED].⁶²
38. Furthermore, the Applicants acknowledge that SIA is currently a member of the Star Alliance and is bound by all the contractual obligations and commitments associated with its membership. In addition, [REDACTED]. [REDACTED].⁶³

LEGISLATIVE FRAMEWORK

Section 34 Prohibition

⁵⁴ Paragraph 13.7 of Form 1 submitted on 30 November 2020.

⁵⁵ Clause [REDACTED] of the Framework Agreement found in Annex 12 of Form 1 submitted on 30 November 2020.

⁵⁶ Clauses [REDACTED] and [REDACTED] of the Framework Agreement found in Annex 12 of Form 1 submitted on 30 November 2020.

⁵⁷ Clause [REDACTED] of the Framework Agreement found in Annex 12 of Form 1 submitted on 30 November 2020.

⁵⁸ Clause [REDACTED] of the Framework Agreement found in Annex 9 of Form 1 submitted on 30 October 2019.

⁵⁹ Clauses [REDACTED] and [REDACTED] of the Framework Agreement found in Annex 9 of Form 1 submitted on 30 October 2019.

⁶⁰ Clauses [REDACTED] and [REDACTED] of the Framework Agreement found in Annex 9 of Form 1 submitted on 30 October 2019.

⁶¹ Paragraph 13.19 of Form 1 submitted on 30 November 2020.

⁶² Clauses [REDACTED] and [REDACTED] of the Framework Agreement found in Annex 9 of Form 1 submitted on 30 October 2019.

⁶³ Clause [REDACTED] of the Framework Agreement found in Annex 9 of Form 1 submitted on 30 October 2019.

39. Section 34 of the Act prohibits agreements between undertakings, decisions by associations of undertakings or concerted practices which have as their object or effect the prevention, restriction or distortion of competition within Singapore (the “**section 34 prohibition**”). Specifically, section 34(2) of the Act states that:

“... agreements ... may, in particular, have the object or effect of preventing, restricting or distorting competition within Singapore if they —

(a) directly or indirectly fix purchase or selling prices or any other trading conditions;

(b) limit or control production, markets, technical development or investment;
...”.

40. An agreement may fall within the scope of the section 34 prohibition if it has as its object or effect, the prevention, restriction or distortion of competition. However, exceptions do exist. For example, such an agreement would fall outside the scope of the section 34 prohibition if it comes within any of the exclusions in the Third Schedule to the Act or meets all of the requirements specified in a block exemption order.
41. As a matter of enforcement policy, CCCS is more likely to focus on pursuing agreements falling within the scope of the section 34 prohibition when they have an *appreciable adverse impact on competition in Singapore*. That being said, an agreement involving price-fixing, bid-rigging, market-sharing or output limitations will always be deemed to have an appreciable adverse impact on competition.⁶⁴

Application of Section 34 to Undertakings

42. Section 34 of the Act applies to “agreements between undertakings”. Section 2 of the Act defines “undertaking” to mean “any person, being an individual, a body corporate, an unincorporated body of persons or any other entity, capable of carrying on commercial or economic activities relating to goods or services”. The key consideration in assessing whether an entity is an undertaking for the application of the section 34 prohibition is whether it is capable of engaging, or is engaged, in commercial or economic activity.
43. The Parties are separate corporate entities carrying on commercial and economic activities related to the provision of air transport services, thereby falling within the definition of “undertaking” under the Act. Accordingly, the Revised Commercial Cooperation constitutes an agreement between undertakings, capable of being assessed within the scope of section 34 of the Act.

⁶⁴ Paragraph 3.2 of the *CCCS Guidelines on the Section 34 Prohibition*.

COMPETITION ASSESSMENT

Theory of Harm

44. As discussed under the section on “*Nature of cooperation under the Proposed Commercial Cooperation and Revised Commercial Cooperation*” above, in respect of the Revenue Share Routes, the Applicants and the Parties will engage in revenue sharing, and coordinate on network planning and schedule coordination. In respect of the Priority Markets, the Applicants and the Parties will coordinate on pricing, inventory management and sales and marketing.
45. On a spectrum of alliance cooperation, the level of cooperation envisaged in the Proposed Commercial Cooperation and the Revised Commercial Cooperation goes beyond basic, arm-length code-sharing agreements to extend to a very high level of cooperation where revenue is shared between the Applicants and the Parties. This would accordingly require a higher level of scrutiny where overlapping routes are considered.
46. CCCS is of the view that where the elements of coordination present in the Proposed Commercial Cooperation and the Revised Commercial Cooperation are akin to a price fixing and/or capacity control agreement on services provided by the Applicants and the Parties respectively in the Relevant Markets (as defined below in paragraph 73), these are to be considered, by their very nature, as restricting competition in Singapore to an appreciable extent as set out in the *CCCS Guidelines on the Section 34 Prohibition*. As set out in paragraphs 5 and 8 above, CCCS’s consideration of the Applicant’s submissions in respect of the Proposed Commercial Cooperation in the subsequent sections is carried out for the purposes of its assessment and decision in relation to only the Revised Commercial Cooperation, as CCCS notes from the Parties’ submission that the scope of cooperation will be materially similar to that under the Proposed Commercial Cooperation, and in view that the Proposed Commercial Cooperation has evolved into the Revised Commercial Cooperation, given that the Integrated Entity will replace Vistara as the countersigning party.

The Relevant Market(s)

Applicants’ and Parties’ submissions

47. With regard to the Proposed Commercial Cooperation⁶⁵, the Applicants submitted that they operated the following overlapping services prior to the COVID-19 pandemic (“**Overlapping Routes**”):

Applicants’ Overlapping Routes

⁶⁵ With reference to paragraph 2, the Proposed Commercial Cooperation covers scheduled air passenger services operated by the Applicants between Singapore and India, including on the routes provided in the table below.

Direct ⁶⁶	
1.	Singapore to Mumbai (SIN-BOM) vv
2.	Singapore to New Delhi (SIN-DEL) vv
Indirect ⁶⁷	
3.	Singapore to Ahmedabad (SIN-AMD) vv
4.	Singapore to Amritsar (SIN-ATQ) vv
5.	Singapore to Bhubaneswar (SIN-BBI) vv
6.	Singapore to Bengaluru (SIN-BLR) vv
7.	Singapore to Kolkata (SIN-CCU) vv
8.	Singapore to Kochi (SIN-COK) vv
9.	Singapore to Guwahati (SIN-GAU) vv
10.	Singapore to Goa (SIN-GOI) vv
11.	Singapore to Hyderabad (SIN-HYD) vv
12.	Singapore to Port Blair (SIN-IXZ) vv
13.	Singapore to Lucknow (SIN-LKO) vv
14.	Singapore to Chennai (SIN-MAA) vv
15.	Singapore to Thiruvananthapuram (SIN-TRV) vv
16.	Singapore to Varansi (SIN-VNS) vv

48. In view of the Applicants' submissions on the overlapping services, CCCS has categorised the services above into direct routes, direct-indirect routes, and indirect-indirect routes in the table below.

Applicants' Overlapping Routes	
Direct-Direct Routes ⁶⁸ (collectively, the "Overlapping Direct Routes")	
1.	Singapore to Mumbai (SIN-BOM) vv
2.	Singapore to New Delhi (SIN-DEL) vv
Direct-Indirect Routes ⁶⁹ (collectively, the "Overlapping Direct-Indirect Routes")	
3.	Singapore to Ahmedabad (SIN-AMD) vv
4.	Singapore to Amritsar (SIN-ATQ) vv
5.	Singapore to Bengaluru (SIN-BLR) vv

⁶⁶ This refers to direct routes between Singapore and India on which SIA and Vistara operate their own aircraft.

⁶⁷ Non-direct services refer to services involving a stop. This comprises services between Singapore and India where Vistara operates indirect services with DEL and BOM as the transit point, and the SIA Group operates both direct and non-direct services. The Applicants have submitted that direct and non-direct services on the Overlapping Routes are substitutable.

⁶⁸ Direct services between Singapore and India. These services comprise routes where both the SIA Group and Vistara operate non-stop services.

⁶⁹ Indirect services between Singapore and India. These services would comprise routes where either SIA Group or Vistara operates a one-stop service, and the other operates a direct service. The Applicants have submitted that direct and non-direct services on the Overlapping Routes are substitutable.

6.	Singapore to Kolkata (SIN-CCU) vv
7.	Singapore to Kochi (SIN-COK) vv
8.	Singapore to Hyderabad (SIN-HYD) vv
9.	Singapore to Chennai (SIN-MAA) vv
10.	Singapore to Thiruvananthapuram (SIN-TRV) vv
Indirect-Indirect Routes ⁷⁰ (collectively, the “ Overlapping Indirect Routes ”)	
11.	Singapore to Bhubaneswar (SIN-BBI) vv
12.	Singapore to Guwahati (SIN-GAU) vv
13.	Singapore to Goa (SIN-GOI) vv
14.	Singapore to Port Blair (SIN-IXZ) vv
15.	Singapore to Lucknow (SIN-LKO) vv
16.	Singapore to Varansi (SIN-VNS) vv

49. With regard to the Revised Commercial Cooperation, the Parties submitted that they operate the following overlapping services (“**Revised Overlapping Routes**”)⁷¹:

Parties’ Overlapping Routes	
Direct-Direct Routes ⁷² (collectively, the “ Revised Overlapping Direct Routes ”)	
1.	Singapore to Mumbai (SIN-BOM) vv
2.	Singapore to New Delhi (SIN-DEL) vv
3.	Singapore to Chennai (SIN-MAA) vv
4.	Singapore to Tiruchirappalli (SIN-TRZ) vv
Direct-Indirect Routes ⁷³ (collectively, the “ Revised Overlapping Direct-Indirect Routes ”)	
5.	Singapore to Ahmedabad (SIN-AMD) vv
6.	Singapore to Amritsar (SIN-ATQ) vv
7.	Singapore to Bengaluru (SIN-BLR) vv
8.	Singapore to Coimbatore (SIN-CJB) vv
9.	Singapore to Hyderabad (SIN-HYD) vv
10.	Singapore to Kochi (SIN-COK) vv
11.	Singapore to Kolkata (SIN-CCU) vv

⁷⁰ Indirect services between Singapore and India. These services would comprise routes where the Applicants (i.e., SIA Group and Vistara) operate indirect services (and SIA operates only via code-share operations with Vistara).

⁷¹ Paragraph 2.2 and 2.3 of the Parties’ response to CCCS’s RFI dated 19 January 2023; Paragraph 1.1 of the Parties’ response to CCCS’s RFI dated 13 September 2023. SIN-IXC vv was subsequently added in view of Annex 1 of the Parties’ response to CCCS’s RFI dated 13 September 2023.

⁷² Direct services between Singapore and India. These services comprise routes where both the SIA Group and the Enlarged AI Group (i.e., AI and/or Vistara) operate non-stop services.

⁷³ Indirect services between Singapore and India. These services would comprise routes where either SIA Group or the Enlarged AI Group (i.e., AI and/or Vistara) operates a one-stop service, and the other operates a direct service. The Parties have submitted that direct and non-direct services on the Overlapping Routes are substitutable.

12.	Singapore to Thiruvananthapuram (SIN-TRV) vv
13.	Singapore to Vishakhapatnam (SIN-VTZ) vv
Indirect-Indirect Routes ⁷⁴ (collectively, the “ Revised Overlapping Indirect Routes ”)	
14.	Singapore to Bhubaneswar (SIN-BBI) vv
15.	Singapore to Dibrugarh (SIN-DIB) vv
16.	Singapore to Guwahati (SIN-GAU) vv
17.	Singapore to Goa (SIN-GOI) vv
18.	Singapore to Port Blair (SIN-IXZ) vv
19.	Singapore to Lucknow (SIN-LKO) vv
20.	Singapore to Patna (SIN-PAT) vv
21.	Singapore to Varanasi (SIN-VNS) vv
22.	Singapore to Chandigarh (SIN-IXC) vv

50. In previous decisions⁷⁵, CCCS only focused on routes that originated or terminated in Singapore for the competition assessment. The same will be applied for the assessment of the Revised Commercial Cooperation.
51. As mentioned in paragraph 30 above, the following paragraphs (i.e., paragraphs 52 to 62) will only cover the Applicants’ submissions in respect of the Proposed Commercial Cooperation as there are no subsequent submissions from the Parties on the same.

Specific origin-destination (“OD”) routes

52. The Applicants submitted that CCCS has, in the *CCCS Guidance Note for Airline Alliance Agreements*, stated that:

27. “CCCS takes the starting point for market definition relating to the provision of scheduled air passenger services for airline alliances to be the origin-destination (“OD”) city pair route. This is because passengers generally want to travel to a specific destination and will not substitute another destination when faced with a small but significant increase in price. Therefore, each combination of a city of origin and a city of destination can form a distinct market. This approach for market definition is consistent with the approach in overseas jurisdictions.”

⁷⁴ Indirect services between Singapore and India. These services would comprise routes where both Parties (i.e., SIA Group and the Enlarged AI Group) operate indirect services (and SIA operates only via code-share operations with Vistara).

⁷⁵ For example, CCS decisions in *Etihad Airways/Jet Airways (India)*, *SIA/Air New Zealand*, *Qantas/Emirates*, *SIA/Scandinavian Airlines* and *SIA/Virgin Australia*.

53. The Applicants also submitted that the above approach is consistent with CCCS's previous decisional practices, and the approach taken to market definition in other jurisdictions such as in Europe.⁷⁶

No distinction between the markets for direct and indirect routes

54. CCCS notes that the Applicants and the Parties also overlap on the Overlapping Direct-Indirect Routes and the Revised Overlapping Direct-Indirect Routes respectively, and that Vistara operates indirect services whereas SIA operates both direct and non-direct services on these routes.⁷⁷ In this regard, the Applicants submitted that based on CCS's decision of *Lufthansa/SIA*, CCS had taken the view that:

74. "...there is some degree of substitution between direct flights and indirect flights in relation to the flights concerned. Also, notwithstanding the concerns on the maximum allowable transit time for there to be substitution between direct and indirect flights [...], CCS considers it appropriate in this particular case to define the relevant market to include one-stop indirect flights for the assessment, as even if one-stop flights are included, the extent of substitutability and closeness of competition will in any case be manifested in the actual market share trends and/or price differentials assessed over a period of time."

55. The Applicants further submitted that based on CCS's decision in *Etihad/Jet Airways*⁷⁸, direct and non-direct routes between Singapore and India were considered part of the same relevant market. The Applicants added that direct services on the Overlapping Direct Routes generally take 4 to 6 hours, with flown distances of 2,000km to 4,000km, such that these services would generally be thought of as medium haul services. In this regard, the Applicants considered that flight distances and times on the Overlapping Direct Routes are sufficiently long for non-direct services to be considered substitutable, and no distinction is required between direct and non-direct services on the Overlapping Routes for the purposes of this notification.

No substitutability for intermodal transportation, or other forms of transportation (such as train or ferry services etc)

56. In respect of intermodal-transportation, the Applicants noted that in certain instances, intermodal-transport (i.e., the combined use of air and land transportation services), or the use of other forms of transport (such as train or ferry services), may be substitutable modes of transport for some particular OD routes. The Applicants submitted that in particular, for very short-haul direct services, or for non-direct services where the second sector is very short-haul,

⁷⁶ Paragraph 8.2 of Form 1 on 30 November 2020.

⁷⁷ Refer to Annex A below.

⁷⁸ *Etihad/Jet Airways* at paragraphs 44 to 46.

questions related to the substitutability of other forms of transport (or the use of intermodal transportation) may be more relevant.⁷⁹

57. The Applicants raised a finding from the Air and Rail Study 2006 commissioned by the European Commission (“EC”) that as a rule of thumb, rail services⁸⁰ are likely to be able to compete with air passenger transport services when the total travel time by rail does not exceed 4 to 5 hours, and note that these findings serve as an indication of the acceptable threshold of travel time on an alternative mode of transport that a passenger is willing to endure before they no longer consider the alternative mode of transport as a viable substitute for air passenger transport services.⁸¹ The Applicants also submitted that in *Lufthansa/SN Airholding*⁸², the EC observed that rail services are considered to be substitutable with air passenger transport services when the duration of the trips (by air or rail) are below 5 to 6 hours, and that based on the EC’s decisional practice, parameters that have been used to determine intermodal-transport substitutability include overall travel time, frequency of services, the price of alternatives, overall quality, reliability and convenience of alternative modes of transport.⁸³
58. In the context of the Proposed Commercial Cooperation, the Applicants submitted that inter-modal transportation is not a feasible alternative to air passenger transport services in the Overlapping Routes. The non-direct services on the Overlapping Routes refer to services involving a transit point, and given that the direct services on the Overlapping Routes generally take 4 to 6 hours, with flown distances of 2,000km to 4,000km, these direct services and the first-leg of the non-direct services on the Overlapping Routes would generally be thought of as medium-haul services; to which inter-modal transportation would not be a feasible alternative. In addition, the Applicants do not consider inter-modal transport as a feasible alternative to air passenger transport services on the second leg of the non-direct services on Overlapping Routes.⁸⁴

No separate markets for business or leisure travellers, or between time-sensitive and non-time sensitive passengers

59. On whether a distinction should be made between business and leisure travellers, or between time-sensitive and non-time-sensitive travellers, the Applicants submitted that in CCCS’s previous decisions, CCCS has not made such a

⁷⁹ Paragraph 8.4 of Form 1 on 30 November 2020.

⁸⁰ The Applicants highlighted that although these findings were made in the context of high-speed rail travel, they would logically also apply to coach services or to travel by private car.

⁸¹ Paragraph 7.1 of the Applicants’ response on 30 December 2020 to CCCS’s RFI dated 14 December 2020.

⁸² See EC Case No. COMP/M.5335 – Lufthansa / SN Airholding at paragraph 122.

⁸³ Paragraph 7.2 to 7.3 of the Applicants’ response on 30 December 2020 to CCCS’s RFI dated 14 December 2020.

⁸⁴ Paragraph 7.4 of the Applicants’ response on 30 December 2020 to CCCS’s RFI dated 14 December 2020. It was illustrated as an example that for DEL-ATQ vv and DEL-LKO vv (i.e., second leg of the non-direct services), the travel time for coach services, private transport, and rail services between DEL-ATQ and DEL-LKO respectively significantly exceed the 5 to 6 hours adopted by the EC in *Lufthansa/SN Airholding* in considering whether rail services are considered to be substitutable with air passenger transport services.

distinction⁸⁵, and based on CCS's decision of *SIA/Scandinavian Airlines*, CCS observed that:

50. "A narrower market definition would involve delineating the market according to business passengers who tend to be more time-sensitive but less price-sensitive against leisure passengers who are price-sensitive but less time-sensitive... However, the lines between these categories of passengers have become increasingly blurred. In the EC's view, insofar as transatlantic routes are concerned, the distinctions between different types of passengers, their purpose of travel and the travel characteristics that they display have become less apparent."

60. The Applicants added that in addition to the above, there is practical difficulty in distinguishing between business and leisure passengers, and between time-sensitive and non-time-sensitive passengers. For instance, these demand-side considerations do not map cleanly into different fare classes, such that business travellers will always fly business class, and would result in a narrower delineation of the market arbitrarily, which is not particularly informative.⁸⁶ The Applicants also highlighted that passengers have heterogenous demand characteristics, including different sensitivities to journey time, and are of the view that there is no discernible or practical "split" between time sensitive and non-time-sensitive, nor any practical way to provide a reliable estimate of the size of such groups.⁸⁷
61. In this regard, the Applicants submitted that it is neither necessary, nor appropriate, for a narrower market to be identified for either business versus leisure travellers, or for time-sensitive vs non-time-sensitive passengers.

No distinction between Low-Cost Carriers ("LCCs") and FSAs

62. The Applicants submitted that scheduled air passenger transport services provided by LCCs are substitutable with the services provided by FSAs on the Overlapping Routes. Accordingly, LCCs should be considered as part of the same relevant market as FSAs. The Applicants further submitted that this is consistent with CCS's previous decisions in *Qantas/Jetstar* and *Cebu/Tiger Airways* where it was considered that passenger transport services provided by LCCs would be substitutable with the economy class services provided by FSAs, and that this is also consistent with CCS's observation in *Cebu/Tiger Airways* that:⁸⁸

66. "Notwithstanding the above, CCS recognises that the distinction between LCCs and the economy class of FSAs is becoming increasingly blurred, as products offered by LCCs have become more comparable to that offered by FSAs. Therefore, CCS is of the view that passenger transport services provided by LCCs

⁸⁵ Paragraph 8.2 of the Applicants' response on 30 December 2020 to CCCS's RFI dated 14 December 2020.

⁸⁶ Paragraph 8.5 to 8.6 of Form 1 on 30 November 2020.

⁸⁷ Paragraph 8.3 of the Applicants' response on 30 December 2020 to CCCS's RFI dated 14 December 2020.

⁸⁸ Paragraph 8.4 to 8.6 of the Applicants' response on 30 December 2020 to CCCS's RFI dated 14 December 2020.

would be substitutable with the economy class services provided by FSAs, and hence should be included in the relevant market."

Third party responses and CCCS's assessment

63. The following sections (i.e., paragraphs 64 to 72 will cover both the Overlapping Routes and the Revised Overlapping Routes (to the extent to which the Applicants and the Parties have provided submissions, and to the extent to which third parties have provided their input to CCCS).

Specific OD routes

64. CCCS notes the Applicants' submissions above and agrees that the typical starting point for market definition relating to the provision of scheduled air passenger transport services is the OD pair, usually a city pair.⁸⁹ Passengers generally want to travel to a specific destination and will not substitute that destination with another destination when faced with a small, non-transitory increase in price. CCCS has also not received any feedback from third parties indicating the contrary. In this regard, CCCS has identified the focal products as each of the Revised Overlapping Routes (see paragraph 49) consisting of OD pairs covered by the Revised Commercial Cooperation (i.e., the Revised Overlapping Direct Routes, the Revised Overlapping Direct-Indirect Routes and the Revised Overlapping Indirect Routes).

Distinction between the markets for direct and indirect routes

65. Regarding the substitutability between direct and indirect flights between Singapore and India, third parties that responded to CCCS's requests for information provided mixed feedback on whether indirect flights are within the same relevant product market as direct flights for the Overlapping Routes.
- (a) [X] submitted that non-direct flights can be an option for fliers seeking low fares as compared to direct flights, but it may not necessarily be an alternative to direct flights.⁹⁰
- (b) [X] submitted that indirect flights may be viable substitutes to direct non-stop flights based on various factors of passenger choice (e.g., price, product, connecting time, traveling purpose etc.).⁹¹

⁸⁹ Please refer to CCS's Grounds of Decision for the following cases: *Qantas/British Airways* (CCS 400/002/06), *Qantas/Orangestar* (CCS 400/003/06), *JAL/American* (CCS 400/008/10), *ANA/Continental/United* (CCS 400/001/11), *SIA/Virgin* (CCS 400/005/11), *SIA/SAS* (CCS 400/001/12), *Qantas/Jetstar* (CCS 400/002/12), *Emirates/Qantas* (CCS 400/006/12), *Scoot/Tiger Airways* (CCS 400/002/14), *SIA/Air NZ* (CCS 400/003/14), *Etihad/Jet Airways* (CCS 400/006/14), *Cebu/Tiger* (CCS 400/009/14) and *SIA/Lufthansa* (CCS 400/001/16).

⁹⁰ Paragraph 6c of [X]'s 13 January 2021 response to CCCS's 15 December 2020 RFI.

⁹¹ Paragraph 6c of [X]'s 13 January 2021 response to CCCS's 15 December 2020 RFI.

- (c) [X] submitted that indirect flights with reasonable travel times are direct competition to direct flights, and that it has been observed that for passengers travelling to/from India, indirect flights are viable alternatives to direct flights for Singapore.⁹²
- (d) [X] submitted that indirect, one-stop flights with a transit time of no more than two hours can be considered a viable substitute to direct flights⁹³. [X] submitted that the majority of travellers also fly on direct flights between Singapore and India, even though there are one-stop options.⁹⁴
- (e) The [X] submitted that they take into consideration indirect flights as long as it fulfils its itineraries, and that [X] has purchased flights that include multiple stops (i.e., more than one).⁹⁵
66. CCCS notes that the EC has not generally considered indirect or one-stop flights to be a competitive constraint to direct/non-stop flights where the flight duration is under 6 hours.⁹⁶ CCCS notes that the average flight time for direct flights for the SIN-BOM vv, SIN-DEL vv, SIN-MAA vv and SIN-TRZ vv routes are 5 hours and 39 minutes⁹⁷, 5 hours and 50 minutes⁹⁸, 4 hours and 9 minutes⁹⁹ and 4 hours and 15 minutes¹⁰⁰ respectively. The Applicants have also submitted that the direct services (i.e., SIN-BOM vv and SIN-DEL vv) on the Overlapping Direct Routes generally take 4 to 6 hours¹⁰¹, which corroborates CCCS's findings on the flight duration for the SIN-BOM vv and SIN-DEL vv routes. In view of the above, CCCS notes that the flight durations for the Revised Overlapping Direct Routes fall within the EC's threshold as mentioned above and, accordingly, CCCS is of the view that a market comprising only direct flights is appropriate for the purpose of the competition assessment for the Revised Overlapping Direct Routes. For completeness, CCCS has also assessed the proportion of indirect flights vis-à-vis direct flights for the Overlapping Direct Routes and notes that the passengers transported via indirect flights makes less than [X0-10]% of the total passengers transported via indirect and direct flights for each of the Overlapping Direct

⁹² Paragraph 6c of [X]'s 29 December 2020 response to CCCS's 15 December 2020 RFI.

⁹³ Paragraph 3a of [X]'s 29 January 2021 response to CCCS's 14 December 2020 RFI.

⁹⁴ [X]'s response received on 5 January 2024 in response to CCCS's request for feedback dated 8 December 2023.

⁹⁵ Paragraph 6c of [X]'s 28 December 2020 response to CCCS's 15 December 2020 RFI.

⁹⁶ This is in the absence of exceptional circumstances (e.g., the direct connection does not allow for a one-day return trip). See paragraph 29 of Case No COMP/M.6828 Delta Air Lines/Virgin Group/Virgin Atlantic Limited; see paragraph 25 of Case No COMP/M.8361 Qatar Airways/Alisarda/Meridiana. CCCS notes that based on desktop research, SIN-BOM vv, SIN-DEL vv, SIN-MAA vv and SIN-TRZ vv allows for a one day return trip (i.e., within 24 hours).

⁹⁷ Search done on 23 August 2022. Refer to: <https://www.skyscanner.com.sg/routes/sin/bom/singapore-changi-to-mumbai.html>

⁹⁸ Search done on 23 August 2022. Refer to: <https://www.skyscanner.com.sg/routes/sin/del/singapore-changi-to-new-delhi.html>

⁹⁹ Search done on 13 December 2023. Refer to: <https://www.skyscanner.com.sg/routes/sin/maa/singapore-changi-to-chennai.html>

¹⁰⁰ Search done on 13 December 2023. Refer to: <https://www.skyscanner.com.sg/routes/sin/trz/singapore-changi-to-tiruchirapalli.html>

¹⁰¹ Paragraph 8.8 of Form 1 on 30 November 2020.

Routes. CCCS has also conducted a further assessment in paragraph 90 below in relation to whether the inclusion of indirect flights within the Revised Overlapping Routes will affect CCCS's assessment.

67. Pertaining to the assessment of the Revised Overlapping Direct-Indirect Routes and the Revised Overlapping Indirect Routes, CCCS notes that SIA operates direct flights on nine (9)¹⁰² of the Revised Overlapping Direct-Indirect Routes, and non-direct flights on nine (9)¹⁰³ of the Revised Overlapping Indirect Routes, whereas Vistara and AI only operate indirect flights on all eighteen (18) of the Revised Overlapping Direct-Indirect Routes and the Revised Overlapping Indirect Routes.¹⁰⁴ Despite the observations made in paragraph 66, where CCCS acknowledged that the EC typically does not view indirect or one-stop flights as a competitive alternative to direct flights of less than 6 hours, CCCS has exercised caution and included both direct and indirect flights in the assessment of the Revised Overlapping Direct-Indirect Routes for the purposes of its competition assessment. CCCS also considers that the extent of substitutability and closeness of competition between direct and indirect services will, in any event, be manifested in the actual market share trends and/or price differentials assessed over a period of time. As for the Revised Overlapping Indirect Routes where both of the Parties fly indirect, CCCS is of the view that direct flights should be in the same relevant market as indirect flights for these routes as they provide a competitive alternative for consumers, who may consider direct flights as substitutes to indirect flights based on factors such as travel time and convenience, thereby exerting a competitive pressure on the pricing and service levels of indirect flights.

Substitutability for intermodal transportation, or other forms of transportation (such as train or ferry services etc)

68. Regarding the substitutability of other forms of transportation of intermodal transportation (i.e., train services, ferry services) between Singapore and India, third party feedback mostly indicates that non-air transportation or a combination of air transportation with other forms of transportation services are not a viable substitute to air transportation.
- (a) [X] submitted that no land transportation is feasible between India and Singapore, and that no combination of air transportation with other forms of transportation services can be considered as a viable substitute to air transport services between India and Singapore.¹⁰⁵

¹⁰² Refer to paragraph 2.3 and Annex 2 of the Parties' response to CCCS's RFI dated 13 September 2023. The nine (9) direct services on the Revised Overlapping Direct-Indirect Routes are SIN-AMD vv, SIN-ATQ vv, SIN-BLR vv, SIN-CJB vv, SIN-HYD vv, SIN-COK vv, SIN-CCU vv, SIN-TRV vv and SIN-VTZ vv.

¹⁰³ Refer to paragraph 2.3 and Annex 2 of the Parties' response to CCCS's RFI dated 13 September 2023. The nine (9) indirect services on the Revised Overlapping Indirect Routes are SIN-BBI vv, SIN-DIB vv, SIN-GAU vv, SIN-GOI vv, SIN-IXZ vv, SIN-LKO vv, SIN-PAT vv, SIN-VNS vv and SIN-IXC vv.

¹⁰⁴ Refer to paragraph 2.3 and Annex 2 of the Parties' response to CCCS's RFI dated 13 September 2023.

¹⁰⁵ Paragraph 6a and 6b of [X]'s 13 January 2021 response to CCCS's 15 December 2020 RFI.

(b) [X] submitted that India and Singapore are not connected directly via land transport, and it is envisaged that such connectivity will not exist in the near future. Hence, land transport is not a viable alternative to air transport. Further, although India and Singapore are connected via direct sea transportation, commercial passenger traffic using this mode of transport is likely to be marginal and hence, it is deemed to be insignificant in the current context.¹⁰⁶

(c) [X].¹⁰⁷

69. [X]. In addition to the above, the Applicants have also submitted that inter-modal transportation is not a feasible alternative to air passenger transport services in the Overlapping Routes, which is corroborated by the submissions from other third parties (apart from [X]). Accordingly, CCCS is of the view that intermodal transportation, or other forms of transportation are not a viable substitute for air transportation on the Overlapping Routes, and consequently, the Revised Overlapping Routes.

Separate markets for business or leisure travellers, or between time-sensitive and non-time sensitive passengers

70. CCCS notes that the extent of the distinction between business travellers and leisure travellers or between time-sensitive and non-time sensitive passengers may also vary depending on the flight duration. CCCS has also not received any feedback from third parties nor from the Parties indicating the contrary. In this regard, CCCS agrees with the Applicants' submissions that there is no need to identify separate markets for business travellers and leisure travellers or between time-sensitive and non-time sensitive passengers considering that the lines between these categories of passengers have become increasingly blurred.

Distinction between LCCs and FSAs

71. In relation to whether a distinction should be drawn between LCCs and FSAs, third party feedback largely corroborates the Applicants' submission that services provided by LCCs and FSAs are substitutable on the Overlapping Routes.

(a) [X] submitted that LCCs are a perfect substitute for short sectors as the service levels provided by the LCCs are equivalent to the FSAs. The India to Singapore routes are not long-haul flights and low-cost operations are viable.¹⁰⁸

¹⁰⁶ Paragraph 6a and 6b of [X]'s 29 December 2020 response to CCCS's 15 December 2020 RFI.

¹⁰⁷ Paragraph 4a and 4b of [X]'s 28 December 2020 response to CCCS's 15 December 2020 RFI.

¹⁰⁸ Paragraph 6d of [X]'s 13 January 2021 response to CCCS's 15 December 2020 RFI.

- (b) [X] submitted that on routes where the total journey time does not exceed six (6) hours, which includes routes between India and Singapore, LCCs are a viable substitute for FSAs. Market demand is agnostic to product differentiation on such routes and is primarily driven by other factors for example, flight timings, available fare etc. The difference between LCCs and FSAs have also blurred over the years, especially for economy class passengers. Similar to LCCs, a majority of FSAs have unbundled their product offerings and are charging separately for services like seat selection, etc.¹⁰⁹
- (c) [X] submitted that there exists a possibility of certain routes being substituted with low-cost operations given the duration of flights and consumer segments. For these routes, the substitutability of all economy class operations could be evaluated.¹¹⁰
- (d) [X] submitted that it considers LCCs as viable substitutes as long as they meet the major aviation safety standards.¹¹¹
- (e) [X] submitted that LCCs and FSAs are fundamentally different products serving different needs depending on a traveller's purpose for a specific trip. Over the last 10 years, several FSAs have retained their FSA brands even after establishing LCC subsidiaries to meet the rising demand of LCC travel.¹¹²

72. CCCS notes [X]'s submission that LCCs and FSAs offer fundamentally distinct products. However, [X]'s submission is not corroborated by views from other third parties, which indicate that LCCs are a viable substitute for FSAs under certain circumstances. Accordingly, CCCS is of the view that there is no need to differentiate specifically between LCCs and FSAs in the present case.

Conclusion

73. Given the above, CCCS is of the view that the Relevant Markets for the purposes of assessing the Revised Commercial Cooperation are the provision of scheduled bi-directional passenger transport services along OD city-pair routes between Singapore and India, consisting of the Revised Overlapping Direct Routes, the Revised Overlapping Direct-Indirect Routes, and the Revised Overlapping Indirect Routes, namely:

Consisting of direct flights only

- (i) SIN-BOM vv
- (ii) SIN-DEL vv

¹⁰⁹ Paragraph 6d of [X]'s 29 December 2020 response to CCCS's 15 December 2020 RFI.

¹¹⁰ Paragraph 6d of [X]'s 31 December 2020 response to CCCS's 15 December 2020 RFI.

¹¹¹ Paragraph 4d of [X]'s 28 December 2020 response to CCCS's 15 December 2020 RFI.

¹¹² Paragraph 3b of [X]'s 29 December 2021 response to CCCS's 14 December 2020 RFI.

- (iii) SIN-MAA vv
- (iv) SIN-TRZ vv

Consisting of both direct and indirect flights

- (v) SIN-AMD vv
- (vi) SIN-ATQ vv
- (vii) SIN-BLR vv
- (viii) SIN-CJB vv
- (ix) SIN-HYD vv
- (x) SIN-COK vv
- (xi) SIN-CCU vv
- (xii) SIN-TRV vv
- (xiii) SIN-VTZ vv

Consisting of both direct and indirect flights

- (xiv) SIN-BBI vv
- (xv) SIN-DIB vv
- (xvi) SIN-GAU vv
- (xvii) SIN-GOI vv
- (xviii) SIN-IXZ vv
- (xix) SIN-LKO vv
- (xx) SIN-PAT vv
- (xxi) SIN-VNS vv
- (xxii) SIN-IXC vv

Market Share Figures

74. The table below lists the market share figures and the actual number of passengers carried on the Revised Overlapping Routes for each of the Parties for the period of FY 2023.¹¹³ The market share figures and actual number of passengers carried on the Revised Overlapping Routes for all airlines (inclusive of SIA, Vistara and Air India) for the period of FY 2023 can be found in **Annex A**.

Table 2. Market Share and Number of Passengers carried for each of the Parties across all Revised Overlapping Routes for FY 2023 (i.e., 1 April 2022 – 31 March 2023)					
S/N	OD Route (vv)	SIA's Market Share	Integrated Entity's Market Share	Parties' Market Share	Total traffic volume
Revised Overlapping Direct Routes¹¹⁴					
1	SIN-BOM	[50-60]% ([])	[40-50% ([])	[90-100% ([])	[]

¹¹³ Annex 1 of the Parties' response on 13 September 2023 to CCCS's RFI on 6 September 2023.

¹¹⁴ The figures here are attributed to direct flights only, in view of paragraph 66 above. Table 3 below contains the figures for the Revised Overlapping Direct Routes accounting for indirect flights.

2	SIN-DEL	[<30-40]%()	[<60-70]%()	[<90-100]%()	[<]%
3	SIN-MAA	[<40-50]%()	[<20-30]%()	[<70-80]%()	[<]%
4	SIN-TRZ	[<40-50]%()	[<20-30]%()	[<70-80]%()	[<]%
Revised Overlapping Direct-Indirect Routes¹¹⁵					
5	SIN-AMD	[<60-70]%()	[<10-20]%()	[<80-90]%()	[<]%
6	SIN-ATQ	[<90-100]%()	[<0-10]%()	[<90-100]%()	[<]%
7	SIN-BLR	[<60-70]%()	[<0-10]%()	[<60-70]%()	[<]%
8	SIN-CJB	[<80-90]%()	[<0-10]%()	[<90-100]%()	[<]%
9	SIN-HYD	[<80-90]%()	[<0-10]%()	[<80-90]%()	[<]%
10	SIN-COK	[<70-80]%()	[<0-10]%()	[<70-80]%()	[<]%
11	SIN-CCU	[<30-40]%()	[<0-10]%()	[<40-50]%()	[<]%
12	SIN-TRV	[<90-100]%()	[<0-10]%()	[<90-100]%()	[<]%
13	SIN-VTZ	[<80-90]%()	[<0-10]%()	[<80-90]%()	[<]%
Revised Overlapping Indirect Routes¹¹⁶					
14	SIN-BBI	[<0-10]%()	[<20-30]%()	[<20-30]%()	[<]%
15	SIN-DIB	[<0-10]%()	[<0-10]%()	[<0-10]%()	[<]%
16	SIN-GAU	[<0-10]%()	[<0-10]%()	[<0-10]%()	[<]%
17	SIN-GOI	[<0-10]%()	[<20-30]%()	[<30-40]%()	[<]%
18	SIN-IXZ	[<40-50]%()	[<40-50]%()	[<90-100]%()	[<]%
19	SIN-LKO	[<0-10]%()	[<30-40]%()	[<30-40]%()	[<]%
20	SIN-PAT	[<0-10]%()	[<30-40]%()	[<30-40]%()	[<]%

¹¹⁵ The figures here are attributed to both direct and indirect flights, in view of paragraph 67 above.

¹¹⁶ The figures here are attributed to both direct and indirect flights, in view of paragraph 67 above.

21	SIN-VNS	[<0-10]% ([<])	[<10-20]% ([<])	[<20-30]% ([<])	[<]
22	SIN-IXC	[<0-10]% ([<])	[<70-80]% ([<])	[<70-80]% ([<])	[<]

Object or Effect of the Prevention, Restriction or Distortion of Competition within Singapore

Applicants’ and Parties’ submissions

75. The Applicants submitted that the Proposed Commercial Cooperation will not have an appreciable adverse effect on competition in Singapore due to the nature of the structure of the affected market, the (lack of) market power of the SIA Group and Vistara, and the entry conditions are such that the Proposed Commercial Cooperation would not give rise to an appreciable restriction in competition on the Overlapping Routes. This is because the Applicants already have existing economic links, and the Proposed Commercial Cooperation only leads to a marginal incremental passenger share on the Overlapping Routes. In addition, the Applicants will continue to be effectively constrained by other strong competitors, low barriers to entry and expansion, and significant competition from LCCs such as Air India Express, IndiGo Airlines and SpiceJet.¹¹⁷
76. The Applicants highlighted that SIA and Vistara have in place pre-existing [<] links; including SIA’s pre-existing 49% stake in Vistara (the latter being formed as a joint venture between TSPL and SIA), SIA being [<].¹¹⁸ In this regard, the Applicants submitted that while the Applicants might not constitute a single economic entity, they should be seen as interrelated entities and as such, the degree of lessening of competition between the Applicants is not substantial.¹¹⁹
77. The Parties did not make any further submission on the impact of the Revised Commercial Cooperation on competition in Singapore. As such, CCCS has proceeded with the assessment on this aspect based on the information available, including feedback gathered from third parties.

Existing competition

78. The Applicants submitted that the Proposed Commercial Cooperation would not give rise to an appreciable restriction in competition on the Overlapping Routes because the Applicants will continue to be effectively constrained by the strong existing competition on the Overlapping Routes.¹²⁰ The Applicants added that they are also facing increasing competition from competitors flying indirect flights

¹¹⁷ Paragraph 14.5 of Form 1.

¹¹⁸ Paragraph 14.14 of Form 1.

¹¹⁹ Paragraph 14.15 of Form 1.

¹²⁰ Paragraph 14.18 of Form 1.

such as SriLankan Airlines and Thai Airways, and existing and potential LCCs on Singapore to India routes.¹²¹

79. The Parties did not make any further submission on the impact of the Revised Commercial Cooperation on existing competition in Singapore. Therefore, CCCS has proceeded with the assessment on this aspect based on the information available, including feedback gathered from third parties.

Barriers to entry and expansion

80. The Applicants submitted that they would also be constrained by potential entry on the Overlapping Routes. The Applicants noted that airlines such as Batik Air Malaysia, Thai Airways, SriLankan Airlines, and Malaysian Airlines were able to enter the market for the provision of international air passenger transport services between Singapore and India to offer one-stop flights.¹²²
81. The Parties did not make any further submission on barriers to entry and expansion in Singapore. As such, CCCS has proceeded with the assessment on this aspect based on the information available, including feedback gathered from third parties.

Third parties' responses

82. Twelve (12) of the third parties who responded¹²³ did not identify concerns with the Proposed Commercial Cooperation. Of the aforementioned third parties, one of them submitted that the Proposed Commercial Cooperation may benefit customers through better flight schedules and lowered prices.¹²⁴ Another third party was of the view that the Proposed Commercial Cooperation is unlikely to offer SIA and Vistara the ability or incentive to raise prices due to the competitiveness of both international and domestic routes as consumers are relatively more price conscious.¹²⁵

¹²¹ Paragraph 14.19 and 14.20 of Form 1.

¹²² Paragraph 14.24 to 14.27 of Form 1.

¹²³ Response from [§<] dated 30 December 2020 to CCCS's RFI dated 15 December 2020, Response from [§<] dated 5 January 2021 to CCCS's RFI dated 15 December 2020, [§<]'s response dated 28 December 2020 to question 7 of CCCS's RFI dated 15 December 2020, Feedback from [§<] dated 8 and 29 December 2020, Response from [§<] dated 5 January 2021 to CCCS's RFI dated 15 December 2020, Response from [§<] dated 6 January 2021 to CCCS's RFI dated 15 December 2020, Response from [§<] dated 17 December 2020 to CCCS's RFI dated 15 December 2020, Response from [§<] dated 23 December 2020 to CCCS's RFI dated 15 December 2020, Response from [§<] dated 5 January 2021 to CCCS's RFI dated 15 December 2020, Response from [§<] dated 5 January 2021 to CCCS's RFI dated 15 December 2020, Response from [§<] dated 1 December 2020 to CCCS's RFI dated 1 December 2020.

¹²⁴ Paragraph 11 of [§<]'s response dated 28 December 2020 to CCCS's RFI dated 15 December 2020, [§<] response dated 9 February 2021 to CCCS's RFI dated 4 February 2021.

¹²⁵ [§<]'s response dated 29 January 2021 to question 6a and 7 of CCCS's RFI dated 14 December 2020.

83. Three (3) of the third parties¹²⁶ expressed concerns with the Proposed Commercial Cooperation. These third parties submitted that SIA and Vistara already enjoyed a significant market share on the overlapping routes and the Proposed Commercial Cooperation may have an adverse impact on competition on the Overlapping Routes.¹²⁷
84. Two (2) of the third parties who responded to the limited consultation expressed concerns with the Revised Commercial Cooperation. The third parties submitted that the Parties have a high combined market share post-Revised Commercial Cooperation, and one of the above-mentioned third parties submitted that two (2) competitors that used to operate between Singapore and India have since ceased operations.¹²⁸

CCCS's assessment

Object of appreciably preventing, restricting or distorting competition

85. CCCS notes that the Applicants and the Parties intend to coordinate on the sharing of revenue, network planning and schedule coordination for Singapore-India flights, pricing and inventory management, sales and marketing among others on the Revised Overlapping Routes.¹²⁹
86. In accordance with the *CCCS Guidelines on the Section 34 Prohibition*, CCCS views that price-fixing and capacity coordination in the relevant market will, *by their very nature*, be regarded as restrictive of competition to an appreciable extent.¹³⁰
87. In light of the above, given the nature and the elements of coordination, CCCS finds that the Revised Commercial Cooperation has as its object the appreciable prevention, restriction or distortion of competition in Singapore.¹³¹

Appreciable adverse effect on competition

88. CCCS highlights that where an agreement is found to have the object of preventing, restricting or distorting competition, it would not be necessary to determine the

¹²⁶ [X]’ response dated 29 December 2020 to question 8 of CCCS’s RFI dated 15 December 2020, [X]’ response dated 13 January 2021 to question 8, 13 and 15 of CCCS’s RFI dated 15 December 2020, [X]’ response dated 13 January 2021 to question 8 of CCCS’s RFI dated 15 December 2020

¹²⁷ [X]’ response dated 29 December 2020 to questions 9 and 14 of CCCS’s RFI dated 15 December 2020, [X]’ response dated 13 January 2021 to question 8 of CCCS’s RFI dated 15 December 2020

¹²⁸ [X]’s response received on 5 January 2024 in response to CCCS’s request for feedback dated 8 December 2023 and [X] response received on 1 February 2024 in response to CCCS’s request for feedback dated 25 January 2024.

¹²⁹ Paragraph 13.3 and 13.4 of Form 1. Beside the above, the Applicants also intend to have an [X].

¹³⁰ *CCCS Guidelines on the Section 34 Prohibition*, paragraph 3.2.

¹³¹ *CCCS Guidelines on the Section 34 Prohibition*, paragraph 3.2.

actual effects of such agreements; since CCCS considers “object” and “effect” to be alternative and not cumulative requirements of the section 34 prohibition.¹³²

89. Nevertheless, CCCS notes that there are demonstrable appreciable adverse effects on competition in Singapore arising from the Revised Commercial Cooperation with respect to the SIN-BOM vv, SIN-DEL vv, SIN-MAA vv and SIN-TRZ vv routes (“**Routes of Concern**”).

Revised Overlapping Direct Routes

90. CCCS is of the view that potential competition concerns may arise along these Routes of Concern for the following reasons. First, the Parties’ combined market shares on the Routes of Concern are significant at around [X70-80]% – [X90-100]%, exceeding the indicative threshold of 20% in the *CCCS Guidelines on the Section 34 Prohibition*¹³³, where competition concerns are likely to arise. As shown in Table 3 below, even if indirect flights are included in the market share calculation, CCCS’s concerns remain relevant as the Parties’ combined market shares on the Routes of Concern remain significant at around [X60-70]% – [X90-100]%. CCCS also assesses that the effect from the loss of competition for these Routes of Concern is likely to be significant due to the large passenger volume carried on each of these routes, as seen from Table 4. As such, CCCS is of the view that significant competition concerns remain for each of these Routes of Concern.

Table 3. Market Share Figures for Routes of Concern (Inclusive of Direct and Indirect Flights) for FY 2023 (i.e. 1 April 2022 – 31 March 2023)				
S/N	OD Route (vv)	SIA’s Market Share	Integrated Entity’s Market Share	Parties’ Market Share
1	SIN-BOM	[X50-60]% ([X])	[X40-50]% ([X])	[X90-100]% ([X])
2	SIN-DEL	[X30-40]% ([X])	[X60-70]% ([X])	[X90-100]% ([X])
3	SIN-MAA	[X40-50]% ([X])	[X20-30]% ([X])	[X60-70]% ([X])
4	SIN-TRZ	[X40-50]% ([X])	[X20-30]% ([X])	[X60-70]% ([X])

¹³² For example: *Re Pest Control Operators in Singapore* [2008] SGCCS 1, at [48]; and *Re Price Fixing in Bus Services from Singapore to Malaysia and Southern Thailand* [2009] SGCCS 2, at [70].

¹³³ CCCS notes that the indicative threshold of 20% is not required for agreements involving restrictions of competition by object. Refer to paragraph 2.24 of the *CCCS Guidelines on the Section 34 Prohibition*.

Table 4. No. of Passengers carried (inclusive of Direct and Indirect Flights) for the period FY 2023 (i.e. 1 April 2022 – 31 March 2023)		
S/N	OD Route (vv)	Passenger Volume
1	SIN-BOM	[X]
2	SIN-DEL	[X]
3	SIN-MAA	[X]
4	SIN-TRZ	[X]

Revised Overlapping Direct-Indirect Routes

91. With reference to Table 2, CCCS notes that while the Parties have high combined market shares for each of the Revised Overlapping Direct-Indirect Routes, the incremental market share post-Revised Commercial Cooperation is small (<[X0-10]%), with the exception of SIN-AMD vv, which suggests that the impact of any loss in competition is likely to be small or inconsequential. For SIN-AMD vv, while the incremental market share post-Revised Commercial Cooperation is not insignificant, at [X10-20]%, CCCS notes that the impact of any loss in competition is likely to be small due to relatively low levels of yearly passenger traffic. For instance, in FY 2023, [X] passengers were carried on the SIN-AMD vv route, which translates to about [X] passengers per day. In comparison, the yearly passenger traffic for the Routes of Concern on a per route basis exceeds [X] passengers, which translates to about [X] passengers per day. Further, CCCS notes that there are other airlines (e.g. IndiGo and Vietjet) available along this route.

Revised Overlapping Indirect Routes

92. With reference to Table 2, CCCS notes that there is no direct overlap among the Parties in respect of these routes. For example, SIA operates only via code-share operations with Vistara along these routes. In other words, the SIA Group does not fly physically to these destinations and there is no end-to-end ‘metal’ overlap between SIA and the Integrated Entity along these routes. The overlap occurs only because of the existing code-share arrangements. CCCS also notes that the total passenger volume for each of the Revised Overlapping Indirect Routes is *de minimis* (less than [X] passengers travelled across each of these routes across FY 2023, which translates to about [X] passengers each week or [X] passengers daily). Moreover, the impact of any loss in competition is likely to be mitigated by the significant presence of IndiGo, which has a market share ranging between [X20-30]% to [X90-100]% depending on the route in question. For SIN-IXC vv, the increase in market share is incremental at only [X0-10]%, and for SIN-IXZ vv, the traffic volume for FY 2023 only amounted to [X] passengers.

93. In relation to SIA's 49% stake in Vistara, CCCS agrees with the Applicants that the Applicants do not constitute a single economic entity¹³⁴ and is also of the view that SIA and the Integrated Entity do not constitute a single economic entity. CCCS notes the Applicants' submission that the Applicants are operationally independent and [REDACTED].¹³⁵ As such, CCCS is of the view that while SIA is not an independent competitor to Vistara in light of its 49% stake in Vistara and also not an independent competitor to the Integrated Entity in light of its 25.1% stake in the Integrated Entity, SIA still competes (albeit to a lesser extent as compared to a scenario where SIA was a wholly independent competitor) with the Integrated Entity prior to the Revised Commercial Cooperation.
94. In relation to entry barriers, CCCS notes from the Applicants' submission that they would also be constrained by potential entries on the Overlapping Routes. CCCS further notes from the Applicants' observation that Batik Air Malaysia, Thai Airways, SriLankan Airlines, and Malaysian Airlines were able to enter the market for the provision of international air passenger transport services between Singapore and India to offer one-stop flights. However, as per CCCS's assessment at paragraph 66, one-stop flights/indirect flights are not part of the relevant market for the Routes of Concern. As such, evidence of airlines offering one-stop flights/indirect flights do not necessarily indicate that barriers to entry for the Routes of Concern are low. Third party competitors have identified difficulties in obtaining preferred slots at airports in India including Delhi and Mumbai, and Singapore's Changi Airport.¹³⁶ [REDACTED].¹³⁷ Third party competitors have also highlighted limited capacity on traffic rights to be deployed by designated airlines on routes between Singapore on the one hand, and to/from Delhi, Mumbai, Kolkata, Chennai, Hyderabad, Bangalore and Coimbatore, on the other¹³⁸ as a barrier to entry. [REDACTED]. [REDACTED].¹³⁹
95. In light of the above, CCCS is of the view that the anti-competitive effects of the Revised Commercial Cooperation would be appreciable in particular on the Routes of Concern. In any event, CCCS reiterates that that where an agreement is found to have the object of preventing, restricting or distorting competition, it would not be necessary to determine the actual effects of such agreements. As set out in paragraphs 85 to 87 above, CCCS finds that the Revised Commercial Cooperation has as its object the appreciable prevention, restriction or distortion of competition in Singapore.

¹³⁴ Paragraph 10.2 of Form 1.

¹³⁵ Paragraph 10.2 of Form 1.

¹³⁶ [REDACTED]'s response on 29 December 2020 to question 9b and 10 of CCCS's RFI dated 15 December 2020; [REDACTED]'s response on 31 December 2020 to question 9b and 10 of CCCS's RFI dated 15 December 2020; and [REDACTED]' response on 13 January 2021 to question 9 of CCCS's RFI dated 15 December 2020.

¹³⁷ [REDACTED]'s response on 19 April 2021 to CCCS's RFI dated 23 March 2021.

¹³⁸ [REDACTED]'s response on 29 December 2020 to question 9a of CCCS's RFI dated 15 December 2020; [REDACTED]'s response on 31 December 2020 to question 9a of CCCS's RFI dated 15 December 2020; [REDACTED]' response on 13 January 2021 to question 9b and 10 of CCCS's RFI dated 15 December 2020

¹³⁹ [REDACTED]'s response received on 5 January 2024 in response to CCCS's request for feedback dated 8 December 2023.

The Net Economic Benefit Exclusion

96. Paragraph 9 in the Third Schedule to the Act provides that the section 34 prohibition shall not apply to “any agreement which contributes to (1) improving production or distribution; or promoting technical or economic progress; but which does not (2) impose on the undertakings concerned restrictions which are not indispensable to the attainment of those objectives; or (3) afford the undertakings concerned the possibility of eliminating competition in respect of a substantial part of the goods or services in question”, i.e. the NEB Exclusion. The three limbs are cumulative.
97. In assessing claims made under the first limb of the NEB Exclusion, CCCS notes that the aim of the analysis is to ascertain what are the objective benefits created by the agreement and the economic importance of such efficiencies. The efficiencies are not assessed from the subjective viewpoint of the parties.¹⁴⁰ The types of efficiencies stated in the criteria are broad categories intended to cover all objective economic efficiencies. There is considerable overlap between the various categories. There is no need therefore to draw clear and firm distinctions between the various categories.¹⁴¹
98. The efficiency claims must be substantiated as follows:
- (a) the claimed efficiencies must be objective in nature;
 - (b) there must normally be a direct causal link between the agreement and the claimed efficiencies; and
 - (c) the efficiencies must be of a significant value, enough to outweigh the anti-competitive effects of the agreement.¹⁴²
99. In relation to paragraph 98(c), CCCS notes that the likelihood and magnitude of the claimed efficiencies must be verified, i.e., they must be backed up and substantiated by the Parties by demonstrating how and when each efficiency will be achieved. Unsubstantiated claims cannot be accepted.
100. Under the second limb of the NEB Exclusion, paragraph 10.9 of Annex C to the *CCCS Guidelines on the Section 34 Prohibition* states that an agreement will not be regarded as indispensable if there are other economically practical and less restrictive means of achieving the efficiencies. Paragraph 10.8 of the *CCCS Guidelines on the Section 34 Prohibition* further states that the criterion implies a two-fold test - “both the agreement itself, and the individual restrictions of the agreement, must be reasonably necessary to attain the efficiencies.”
101. In this context, the Revised Commercial Cooperation or the specific proposed areas of cooperation would be considered as indispensable if their absence

¹⁴⁰ CCCS *Guidelines on the Section 34 Prohibition*, Annex C, paragraph 10.3.

¹⁴¹ CCCS *Guidelines on the Section 34 Prohibition*, Annex C, paragraph 10.5.

¹⁴² CCCS *Guidelines on the Section 34 Prohibition*, Annex C, paragraph 10.4.

eliminates or significantly reduces the efficiencies or makes them much less likely to materialise. The Revised Commercial Cooperation or the proposed areas of cooperation will not be regarded as indispensable if there are other economically practical and less restrictive means of achieving the efficiencies, or if the Parties are capable of achieving the efficiencies on their own.

102. Further, the greater the increase in market power that is likely to be brought about, the more significant the benefits will have to be. CCCS will assess each benefit/efficiency claimed in turn on the above basis.

Applicants' and Parties' submissions

The increased likelihood of an expedited and more sustainable reinstatement of capacity that has been suspended as a result of COVID-19

103. The Applicants submitted that the Proposed Commercial Cooperation will increase the likelihood of an expedited and more sustainable reinstatement of capacity through (i) capacity optimisation to facilitate the recovery of services between Singapore and India; (ii) fare and inventory coordination to help both airlines maximise resources and reduce wasted seats; and (iii) competitive fares via the reduction of double marginalisation and better fare combinability to help stimulate demand between Singapore and India.¹⁴³ The Applicants also submitted that the COVID-19 pandemic has introduced new complexities and an unprecedented level of uncertainty into the aviation market which renders it extremely challenging for either of the Applicants to individually assess the required capacity and flight frequencies during the recovery period without incurring significant risk.¹⁴⁴

Improved connectivity for both Singapore and India, with consequential benefits to both countries' aviation and tourism industries

104. The Applicants noted that the prior to the COVID-19 pandemic, India was the third largest international visitor-generating market for Singapore in the fourth quarter of 2019, with 1.4 million Indian tourists visiting Singapore.¹⁴⁵ The Applicants submitted that the Proposed Commercial Cooperation would assist the recovery of inbound tourism flows and Singapore's tourism industry and help to rebuild and enhance air connectivity to several tier one Indian cities and tier two Indian cities after COVID-19.¹⁴⁶ The Applicants also added that the positive spillover effects from increased traffic from India is demonstrable by statistics from the Singapore Tourism Board ("STB") and noted that the STB announced tourism from India rose by 13% from 2017 to 2018, and the rise could be attributed to greater air connectivity, especially to tier one and tier two Indian

¹⁴³ Paragraph 18.5 to 18.8 of Form 1.

¹⁴⁴ Paragraph 20.1 to 20.5 of Parties' 30 December 2020 response to RFI dated 14 December 2020.

¹⁴⁵ Paragraph 18.9 of Form 1.

¹⁴⁶ Paragraph 18.9 and 18.10 of Form 1.

cities.¹⁴⁷ That said, the Applicants acknowledged that it is speculative to make any projection regarding passenger traffic above and beyond pre-COVID-19 levels (either in frequency, capacity or the introduction of possible new services), given the impact that COVID-19 has had on the operations of all airlines.¹⁴⁸

Increased potential for both airlines to add capacity and/or introduce new routes, subject to bilateral air services agreement and regulatory approvals.

105. The Applicants submitted that in the longer term, and subject to bilateral air services agreement and regulatory approvals, the Proposed Commercial Cooperation would incentivise the Applicants to grow traffic and optimise capacity on their combined services. The Applicants shared examples of where SIA has been able to increase capacity or frequency on services as a direct result of other joint venture arrangements.¹⁴⁹ The Applicants added that through the Proposed Commercial Cooperation, the likelihood of the Applicants being able to introduce services to new destinations and/or increase capacity through new frequencies, or through the up-gauging of aircraft, will also be greatly increased.¹⁵⁰ The Applicants also added that in the absence of the Proposed Commercial Cooperation, the Applicants might not be sufficiently incentivised to increase frequency, or operate routes with low demand.¹⁵¹ However, the Applicants also submitted that the specific plans with regard to services between Singapore and India would need to be discussed in detail between the Applicants once the Proposed Commercial Cooperation is implemented, and would be dependent on a number of factors including the re-opening of borders, recovery of economies, overall market demand, fuel prices, and overall network planning considerations.¹⁵²

Improved fare availability at all fare levels as a result of inventory and pricing coordination

106. The Applicants submitted that the Applicants would have an expanded network offering for passengers through code sharing. The Applicants also submitted that the Proposed Commercial Cooperation would increase the availability of itineraries which involve services operated by both SIA and Vistara and that [§].¹⁵³ The Applicants added that without the ability to [§] coordinate inventory, each airline would independently [§].¹⁵⁴

107. However, the Applicants also added that fare levels that are offered for sale will need to be benchmarked against market prices for the Applicants to remain

¹⁴⁷ Paragraph 18.10 of Form 1.

¹⁴⁸ Paragraph 24.2 of Applicants' 30 December 2020 response to RFI dated 14 December 2020.

¹⁴⁹ Annex 14 of Form 1.

¹⁵⁰ Paragraph 18.11 and 18.13 of Form 1.

¹⁵¹ Paragraph 18.6.1(b) of Form 1.

¹⁵² Paragraph 18.12 of Form 1.

¹⁵³ Paragraph 18.14 and 18.15 of Form 1.

¹⁵⁴ Paragraph 18.16 of Form 1.

competitive against offerings of other airlines, and are sensitive to fuel prices, demand movements and other exogenous factors.¹⁵⁵

Competitive fares for combined SIA/Vistara itineraries, arising from improved interline prorated arrangements, which reduce the effect of double marginalisation

108. The Applicants submitted that the Proposed Commercial Cooperation would result in [REDACTED].¹⁵⁶ The Applicants added that the Proposed Commercial Cooperation will reduce the double marginalisation effect that would exist in the absence of the Proposed Commercial Cooperation, and would allow the Applicants to offer more competitive fares for such itineraries.¹⁵⁷[REDACTED]. [REDACTED].¹⁵⁸

Corporate account customers to benefit from coordinated efforts of both airlines

109. The Applicants submitted that the Proposed Commercial Cooperation creates benefits for corporate customers. Corporate customers could potentially access a greater number of travel options. Through [REDACTED], customers can also enjoy [REDACTED]. There may also be associated [REDACTED].¹⁵⁹ The Applicants also submitted that corporate travellers will be able to [REDACTED].¹⁶⁰ The Applicants added that non-corporate travellers will also benefit significantly from greater number of travel options, by being able to [REDACTED].¹⁶¹

Benefits for members of both Applicants' and Parties' FFP

110. The Applicants submitted that as part of the Proposed Commercial Cooperation, the Applicants intend to enter a [REDACTED]. [REDACTED]. [REDACTED].¹⁶²

111. The Parties did not make any further submission on the first limb of the NEB Exclusion in relation to the Revised Commercial Cooperation. As such, CCCS has proceeded with the assessment on the first limb of the NEB Exclusion in relation to the Revised Commercial Cooperation based on the information available.

CCCS's assessment

First limb – improving production or distribution; or promoting technical or economic progress

The increased likelihood of an expedited and more sustainable reinstatement of capacity that has been suspended as a result of COVID-19

¹⁵⁵ Paragraph 18.17 of Form 1.

¹⁵⁶ Paragraph 18.18 of Form 1.

¹⁵⁷ Paragraph 18.19 of Form 1.

¹⁵⁸ Paragraph 27.5 of Applicants' 30 December 2020 response to RFI dated 14 December 2020.

¹⁵⁹ Paragraph 18.20 of Form 1.

¹⁶⁰ Paragraph 18.20.2 of Form 1.

¹⁶¹ Paragraph 18.22.3 of Form 1.

¹⁶² Paragraph 18.21 and 18.22 of Form 1.

112. As noted above, the Applicants claimed that the Proposed Commercial Cooperation would increase the likelihood of a faster and more sustainable reinstatement of capacity that has been affected due to COVID-19.¹⁶³ While CCCS is of the view that the claimed benefit is objective in nature as it is based on the reinstatement of capacity that has been affected due to COVID-19 as a result of the Proposed Commercial Cooperation, and a causal link can be made between the benefit and the Proposed Commercial Cooperation (albeit an indirect one as it is also contingent on the reinstating of service frequency and capacity to be realised), CCCS notes that the Applicants did not quantify the impact or provide any supporting evidence to show the impact of the Proposed Commercial Cooperation on expediting the reinstatement of the capacity that has been suspended as a result of COVID-19. As such, CCCS is of the view that the Parties have not sufficiently substantiated the increased likelihood and magnitude of the claimed efficiencies, and demonstrated how and when the reinstatement of capacity will be achieved.¹⁶⁴

Improved connectivity for both Singapore and India, with consequential benefits to both countries' aviation and tourism industries

113. A claimed benefit arising from the Proposed Commercial Cooperation is that the Proposed Commercial Cooperation would help to rebuild and enhance air connectivity to Indian cities and increase tourism in Singapore.¹⁶⁵ CCCS notes that while the Applicants cited STB's announcement that tourism from India rose by 13% from 2017 to 2018, and that the rise could be attributed to greater air connectivity, especially to tier one and tier two Indian cities, the Applicants did not provide any plans on how they intend to rebuild and enhance air connectivity to Indian cities and also did not quantify the impact or provide any supporting evidence to show the impact of the Proposed Commercial Cooperation on improved connectivity. CCCS agrees with the Applicants that it is difficult and speculative to make any projections regarding passenger traffic above and beyond pre-COVID-19 levels (either in frequency, capacity or the introduction of possible new services), given the impact that COVID-19 has had on the operations of all airlines.¹⁶⁶ As such, CCCS is of the view that the Parties have not sufficiently substantiated the increased likelihood and magnitude of the claimed benefit and how and when the rebuilding and enhancement of air connectivity to Indian cities would be achieved.

Increased potential for both airlines to add capacity and/or introduce new routes, subject to bilateral air services agreement and regulatory approvals.

¹⁶³ Paragraph 18.5 to 18.8 of Form 1.

¹⁶⁴ Paragraph 10.4 of the *CCCS Guidelines on the Section 34 Prohibition*.

¹⁶⁵ Paragraph 18.9 and 18.10 of Form 1.

¹⁶⁶ Paragraph 20.6 of Applicants' 30 December 2020 response to RFI dated 14 December 2020.

114. One benefit claimed by the Applicants is that through the Proposed Commercial Cooperation, the likelihood of the Applicants being able to introduce services to new destinations and/or increase capacity through new frequencies, or through the up-gauging of aircraft, will also be greatly increased. To this end, Applicants have cited examples of previous joint venture arrangements involving SIA where SIA has been able to increase capacity or frequency on services as a direct result of other joint venture arrangements. The change in capacity in the identified past joint ventures differ across routes, ranging from [REDACTED] to [REDACTED]¹⁶⁷. CCCS is of the view that the wide disparity in outcomes suggests that the effects of a joint venture can be highly variable and context-specific. The increase in capacity observed in SIA's past joint venture arrangements may not be directly relevant or similarly achieved in the context of the Proposed Commercial Cooperation due to the difference in competitive landscape and competition concerns of the various joint venture arrangements. For example, CCCS notes that the SIA-Scandinavian Airlines joint venture and SIA-Air New Zealand joint venture received clearance from CCCS while the parties provided capacity commitments in the SIA-Lufthansa joint venture. CCCS also noted that the Applicants submitted that it is difficult and speculative to make any projections regarding passenger traffic above and beyond pre-COVID-19 levels (either in frequency, capacity or the introduction of possible new services), given the impact that COVID-19 has had on the operations of all airlines.¹⁶⁸ As such, CCCS is of the view that the Parties have not quantified the impact or provided any supporting evidence to show the impact of the Revised Commercial Cooperation on the addition of capacity on the Overlapping Routes or the introduction of new routes.

Improved fare availability at all fare levels as a result of inventory and pricing coordination

115. CCCS notes the Applicants' submission that there will be improved fare availability at all fare levels as a result of inventory and pricing coordination, [REDACTED]. However, CCCS also notes the Applicants' submission that actual fare levels are dependent on fuel prices, demand movements and other exogenous factors. As such, CCCS is of the view that Parties have not been able to provide sufficient supporting evidence that there would be improved fare availability.

Competitive fares for combined SIA/Integrated Entity itineraries, arising from improved interline prorated arrangements, which reduce the effect of double marginalisation

116. The Applicants claimed that the [REDACTED]¹⁶⁹ which will replace the [REDACTED]¹⁷⁰ will reduce the double marginalisation effect that would exist in the absence of the Proposed Commercial Cooperation, and would allow the Applicants to offer more

¹⁶⁷ Annex 14 of Form 1.

¹⁶⁸ Paragraph 26.1 of Applicants' 30 December 2020 response to RFI dated 14 December 2020.

¹⁶⁹ Paragraph 27.2 of Form 1. [REDACTED].

¹⁷⁰ Paragraph 27.3 of Form 1. [REDACTED].

competitive fares for SIA/Vistara itineraries.¹⁷¹ To support its claim, the Applicants provided a simulated calculation on the potential fare reduction for a specific route (i.e. SIN-DEL-IXB-DEL-SIN).¹⁷² However, CCCS notes that the Applicants admitted that it is not possible to conclusively demonstrate that fares under an [X] will *always* be lower than under a [X] as it also depends on the level of the [X].¹⁷³ In this regard, CCCS is of the view that the Parties have failed to demonstrate that the Revised Commercial Cooperation would directly result in more competitive fares for combined SIA/Integrated Entity itineraries.

Corporate account customers to benefit from coordinated efforts of both airlines

117. In relation to the Applicants' claim that [X] will be possible for the Applicants' customers due to the Proposed Commercial Cooperation, CCCS is of the view that the Applicants did not quantify or provide any supporting evidence to show the benefit of the Proposed Commercial Cooperation to corporate customers. CCCS notes that the Parties did not make any claims on whether [X] will be possible for the Parties' customers due to the Revised Commercial Cooperation.

Benefits for members of both Applicants' and Parties' FFP

118. CCCS is of the view that the Applicants did not quantify or provide any supporting evidence to show the extent to which the FFP will benefit the customers of the Applicants, following the implementation of the Proposed Commercial Cooperation. In particular, the Applicants had not made any claims in relation to the [X], which needs to be verified when assessing whether the efficiencies are of a significant value under the First Limb. CCCS further notes that the Parties did not make any claims on whether the [X] will be possible for the Parties' customers following the Revised Commercial Cooperation.

Second limb – restrictions which are indispensable to the attainment of those objectives

119. In relation to the second limb, the Applicants submitted that the Proposed Commercial Cooperation (and more specifically, the Framework Agreement) are necessary in combination, to provide the requisite incentives for each of the Applicants to work together to make the metal-neutral alliance materialise, and as such are indispensable for the net economic benefits to arise.¹⁷⁴ The need for this neutrality ultimately requires revenue sharing on services between Singapore and India, to remove the desire that would exist in the absence of the arrangement for passengers to be carried on their own aircraft, and to fairly remunerate both airlines.¹⁷⁵ The Parties did not make any further submission on the second limb of the NEB Exclusion in relation to the Revised Commercial Cooperation. As such,

¹⁷¹ Paragraph 18.19 of Form 1.

¹⁷² Annex 15 of Form 1.

¹⁷³ Paragraph 27.7 of Applicants' 30 December 2020 response to RFI dated 14 December 2020.

¹⁷⁴ Paragraph 18.24 to 18.34 of Form 1.

¹⁷⁵ Paragraph 18.26 of Form 1.

CCCS has proceeded with the assessment on the second limb of the NEB Exclusion in relation to the Revised Commercial Cooperation based on the information available.

120. In view that none of the benefits associated with the Proposed Commercial Cooperation satisfies the First Limb, and that the Parties had not made any claims on benefits in relation to the Revised Commercial Cooperation, CCCS is of the view that there is no need to further assess whether the Revised Commercial Cooperation are indispensable to the attainment of the objectives set out in the First Limb above.

Third limb – afford the undertakings concerned the possibility of eliminating competition in respect of a substantial part of the goods or services in question

121. Similarly, in view that none of the benefits associated with the Proposed Commercial Cooperation have passed the First Limb, and that the Parties had not made any claims on benefits in relation to the Revised Commercial Cooperation, CCCS is of the view that there is no need to further assess whether the Revised Commercial Cooperation afford the Parties the possibility of eliminating competition in respect of a substantial part of the goods or services in question.

COMMITMENTS BY THE PARTIES

122. As noted in paragraph 90 above, and arising from the confluence of the First Transaction, Second Transaction and Revised Commercial Cooperation, CCCS has assessed that there are demonstrable appreciable adverse effects on competition in Singapore with respect to the Routes of Concern and the Applicants' NEB arguments do not exclude the Revised Commercial Cooperation from the section 34 prohibition. In view of the competition concerns identified by CCCS above, on 26 November 2023, the Parties provided the following commitments for CCCS's consideration under section 60A(2) of the Act (the "**Commitments**", a copy of which is reproduced in Annex B):¹⁷⁶

- (a) The Parties will each maintain a minimum weekly scheduled air passenger transport capacity at pre-COVID-19 levels¹⁷⁷ (i.e., calendar year 2019)

¹⁷⁶ For completeness, two (2) other sets of commitments were submitted to address the competition concerns identified by CCCS:

- (a) commitments by AI and Vistara in relation to the First Transaction; and
(b) commitments by the Integrated Entity and SIA in relation to the Second Transaction.

¹⁷⁷ Under clause 2.1(r) of the Commitments, in respect of AI and Vistara, "pre-COVID-19 levels" means the combined capacity operated by AI and UK respectively for the calendar year of 2019 and calculated as an aggregate weekly average. For AI, a weekly average will be calculated by dividing the total capacity operated by AI in the calendar year of 2019 by 52. For UK, a weekly average will be computed by dividing the total capacity operated by UK between 6 August 2019 and 31 December 2019 by 20 (on account of UK only commencing SIN-BOM vv and SIN-DEL vv services on 6 August 2019 and 7 August 2019 respectively). For the SIN- BOM vv and SIN-DEL vv services, the averages for AI and UK will be then converted into an aggregated average for the purpose of Weekly Average Comparisons (as defined in paragraph 2.1(hh) of the Commitments). For the SIN-

("CY 2019") on each of the Routes of Concern¹⁷⁸ as long as the Revised Commercial Cooperation is in effect (the "Committed Capacity Levels"); and

- (b) The commitments would be deemed fulfilled for each Party where [X]% of the CY 2019 levels on each of the Routes of Concern are achieved in [X] weeks (i.e., up to a maximum of [X] weeks of non-fulfilment) for each report year ("Report Year")¹⁷⁹.

123. The Parties submitted that the Commitments are subject to the following qualifications, where it would be temporarily suspended for the period where any of the following circumstances arise, which are beyond the reasonable control of the Parties¹⁸⁰:

- (a) Force majeure¹⁸¹;
- (b) Aircraft maintenance requirements with regard to a specific aircraft as determined by either of the Parties, or technical problems associated with a specific type of aircraft necessitating maintenance or repair as determined by the manufacturer and/or aviation authorities. For the avoidance of doubt, such requirements may arise in respect of aircraft deployed directly by the Parties on the Routes of Concern for air passenger transport, or may arise in respect of other aircraft in the fleet of either of the Parties (where such maintenance requirements indirectly affect the deployment, operation or sustainability of services, and or capacity, on the Routes of Concern for air passenger transport)¹⁸²;

MAA vv and SIN-TRZ vv services, only the average for AI will be used for the purpose of Weekly Average Comparisons, as UK does not operate non-stop (i.e., direct) services on the SIN-MAA vv and SIN-TRZ vv routes. In respect of SIA, "pre-COVID-19 levels" are defined as the combined capacity operated by SIA for the calendar year of 2019, and calculated as a weekly average. SIA's capacity includes both SIA's and Scoot's capacity.

¹⁷⁸ For the SIN-TRZ vv route, as Vistara does not operate non-stop (i.e. direct) services, only the weekly average capacity operated by AI will be used for the purpose of weekly average comparison. For the SIN-MAA vv route, as Vistara does not operate non-stop (i.e. direct) services, only the weekly average capacity operated by AI will be used for the purpose of weekly average comparison. For the SIN-MAA vv, route, the capacity commitments by AI/Vistara for the Second Transaction will commence starting earlier of (i) three (3) calendar months from the AI Effective Date (i.e. the date of CCCS's approval of the First Transaction and Second Transaction under Section 58 of the Act; and (ii) Effective Date (i.e. date when the Second Transaction closes as per the Implementation Agreement, save that in the case of AI and Vistara, the Effective Date will be the AI Effective Date).

¹⁷⁹ Report Year means twelve (12) calendar months, unless specified otherwise.

¹⁸⁰ In the following circumstances, and subject to clause 4.4 of the Commitments whereby AI and SIA will submit an interim report which monitors their compliance with their Committed Capacity Levels upon meeting three weeks of non-fulfilment in a report year, AI and SIA retain the right to effect any required changes immediately as determined by either of the Parties, and to notify CCCS at the point that the report is due.

¹⁸¹ Involving circumstances which directly or indirectly affect the Routes of Concern for air passenger transport services, including but not limited to: (i) natural disasters; (ii) war; (iii) strikes (including airport or transport worker strikes etc.); (iv) terrorist attacks; (v) disease outbreak; (vi) airspace closures; (vii) airport closures; (viii) adverse weather conditions; (ix) non-availability of insurance; or (x) any other safety or security related developments which require cancellation of flights, or variations of flight schedules.

¹⁸² Where aircraft maintenance (affecting compliance with the committed capacity levels in paragraphs 3.2 to 3.4 of the Commitments) is conducted by either of the Parties, details of such maintenance shall be provided to CCCS in the independent auditor's report.

- (c) Delays in aircraft deliveries, resulting from circumstances outside the control of the Parties, which impact the ability of the respective airlines to implement the Committed Capacity Levels;
- (d) Worldwide, regional or local grounding of any aircraft category, class, model or variant, arising from circumstances outside the control of the Parties;
- (e) Need for return of slots/traffic rights to aviation regulators which could have a direct or indirect impact on the Commitments, including but not limited to seat capacity; and
- (f) Any development that could potentially have an adverse financial impact on either airline, requiring a cancellation or variation of services to ensure the continued financial viability of either airline.

124. CCCS notes that the Parties will appoint, at their own cost, an independent auditor to monitor each Party's compliance with the Commitments and provide CCCS with a written report within two (2) calendar months following the period which the report relates to (the "**Report**").¹⁸³ In addition, prior to the independent auditor's report, each Party will also submit an interim report which monitors their respective compliance with the committed capacity levels upon meeting three (3) weeks of non-fulfilment in a report year (the "**Interim Report**").¹⁸⁴ CCCS can also request that ad-hoc reports be provided to CCCS to verify the accuracy of any submissions or data provided by the Parties under certain scenarios.¹⁸⁵

125. CCCS further notes that besides the circumstances as listed in paragraph 123 above, there may be other circumstances that, in the Parties' view, would materially affect their ability to satisfy the Committed Capacity Levels and/or their commitments in relation to the Report and Interim Report (collectively, the "**Relevant Commitments**") in any relevant Report Year. In such circumstances

¹⁸³ The reporting periods are generally as follows: the first report will cover the period of 6 calendar months after the start of the first report year, and subsequent reports will cover a yearly period from the 6 calendar months mark.

¹⁸⁴ Each Party will submit the interim reports within [x] after the non-fulfilment threshold is met. If the due date of any interim report falls less than [x] from the due date of the independent auditor's report, the interim report will not be required.

¹⁸⁵ Under clause 4.8 of the Commitments, CCCS is able to request for ad hoc reports in the following situations:

- (a) CCCS has identified discrepancies in SIA's or AI's submissions or data that cannot be easily verified or explained, and these discrepancies are in SIA's or AI's favour;
- (b) There are amendments to the submissions or data that cannot be easily verified or explained, and these amendments are in SIA's or AI's favour;
- (c) CCCS receives credible information that SIA's or AI's submissions or data are inaccurate, and these inaccuracies are in SIA's or AI's favour.

(“New Circumstances”), the Parties are required to notify CCCS in accordance with certain conditions.¹⁸⁶¹⁸⁷

126. CCCS also notes that the Parties may make an application to CCCS, supported by reasons, for any or all of the Relevant Commitments to be varied, substituted or released.

CCCS’S ASSESSMENT OF THE PARTIES’ COMMITMENTS

127. CCCS is of the view that the commitments to maintain capacities along the Routes of Concern would disincentivise the Parties to raise prices post-Revised Commercial Cooperation. Given that capacities are considered sunk and perishable, CCCS is of the view that the Parties will have a greater incentive to sell out their capacities at competitive prices rather than risk having unutilised capacities. In addition, as the commitments to maintain capacity last for as long as the Revised Commercial Cooperation is in effect, this would also serve to remedy CCCS’s concerns about the permanent effects on competition as a result of the First Transaction, Second Transaction and Revised Commercial Cooperation. CCCS is also of the view that the period to which the capacity commitments are pegged (i.e., CY 19) is appropriate as capacity levels post CY 19 are either adversely affected due to COVID-19 or are still too unstable to be reflective of post COVID-19 capacity levels.
128. CCCS further notes that the Parties have proposed a buffer of [X] weeks of non-fulfilment for each Party (i.e., a maximum of [X] weeks of non-fulfilment in a report year if each Party has [X] weeks of non-fulfilment each). Whilst this buffer is larger compared to previous cases such as the *Application for Decision by Deutsche Lufthansa AG and Singapore Airlines Limited (CCS 400/001/16)*, CCCS notes that the Parties are operating under vastly different circumstances due to the unprecedented disruptions to air travel between Singapore and India arising from COVID-19, along with the geopolitical unrest and conflicts resulting in, *inter alia*,

¹⁸⁶ Under clause 5.5 of the Commitments, the conditions are as follows:

- (a) The Parties will notify CCCS within [X] days, or any other period as agreed upon with CCCS, following the Parties becoming aware that the New Circumstances would result in the Parties not meeting (or being unlikely to meet) the Relevant Commitments.
- (b) When notifying CCS in accordance with paragraph 5.5(a), the Parties will inform CCCS of the background and impact of the New Circumstances and provide CCCS with information (within the possession or custody or control of the Parties), that would support the stated impact (or aid in CCCS’s assessment of such).
- (c) The Parties may propose and discuss with CCCS, in good faith, the possible variation, substitution or release of the Relevant Commitments, for the period in which the Parties are unlikely to meet the Relevant Commitments as a result of the New Circumstances.
- (d) Where the New Circumstances result in the Parties not satisfying the Relevant Commitments, and the Parties have not gone through the process set out in paragraphs (a) – (c) above, the Parties acknowledge that CCCS may make a determination that the Relevant Commitments has been breached, and take such action as CCCS deems necessary in accordance with the Act.

¹⁸⁷ Clause 5.6 of the Commitments further states that other than the situations covered in paragraphs 123 above and in footnote 186, the Parties will notify CCCS as soon as reasonably practicable after becoming aware that they have not met (or unlikely to meet) the Relevant Commitments.

volatile operating costs, especially in respect of fuel prices. Accordingly, CCCS is of the view that the larger buffer of [X] weeks of non-fulfilment for each Party is reasonable as it affords the Parties a degree of commercial flexibility to respond to any change in market conditions should the need arise.¹⁸⁸

129. CCCS notes that there are certain qualifications as set out in paragraph 5 of the Commitments which allow for a temporary suspension of the said Commitments if these specified scenarios were to be realised. CCCS accepts that the qualifications are clear, specific and relatively narrow in scope and purpose, and would affect the Parties' ability to fulfil their commitments to maintain or increase capacity if the listed scenarios were to occur, given that they are outside the control of the Parties. Accordingly, CCCS is of the view that the qualifications are reasonable given the circumstances.
130. CCCS also notes that paragraphs 5.7 and 5.8 of the Commitments allow the Parties to apply to CCCS to seek a variation, substitution or release of the commitments in respect of the Routes of Concern should the Parties consider that there has been, or is likely to be, a material change in market conditions or operating circumstances or competitive conditions not already contemplated in paragraph 123 above. In the event of such an application, CCCS will take into consideration all relevant factors that may include, *inter alia*, route-specific profit margins¹⁸⁹ and yield¹⁹⁰ in determining whether to grant the approval to vary, substitute or release the Relevant Commitments. This is to ensure that the need for a release or variation of the commitments arises from a genuine deterioration of market conditions, rather than an exercise of market power to reduce output.
131. Given the above, CCCS assessed that the commitment proposal put forth by the Parties was acceptable in principle and conducted market testing of the Parties' Commitments from 8 December 2023 to 1 February 2024 with third parties that had previously provided feedback on the Proposed Commercial Cooperation and the First Transaction, as well as potential competitors in relation to the Routes of Concern. The market testing concerned whether the Commitments would address these third parties' concerns with the Revised Commercial Cooperation, and to provide their views on the Revised Commercial Cooperation, if any.

¹⁸⁸ CCCS has no objections regarding the Parties' proposal to split the [X] weeks quota between AI and Vistara for SIN-DEL vv and SIN-BOM vv if the Second Transaction does not proceed as this is consistent with the Parties' proposed approach to split the [X] weeks quota between SIA and AI/Vistara should the Second Transaction proceed. Likewise, CCCS has no objection to the Parties' proposal to allocate the full [X] weeks quota to AI itself for SIN-TRZ vv and SIN-MAA vv as these routes are in addition to the routes of concern (i.e. SIN-DEL vv and SIN-BOM vv) that CCCS raised in respect of the First Transaction.

¹⁸⁹ Defined as $1 - (\text{Passenger cost per ASK} / \text{Passenger revenues per RPK})$. Unit cost is calculated based on ASK rather than RPK in order to avoid endogenous increase in unit cost caused by an exercise of market power to raise prices and reduce the number of passengers.

¹⁹⁰ Passenger revenues divided by RPK.

132. One third party¹⁹¹ responded that the Revised Commercial Cooperation will have limited impact on their operations to and from India and on the Routes of Concern, and accordingly has no objections to the Commitments. Another third party submitted that it has no concerns with the Commitments and that such commercial partnerships are beneficial to [REDACTED].¹⁹² Another third party submitted that the Parties will have a high combined market share post-Revised Commercial Cooperation and noted that two (2) competitors that used to operate between Singapore and India have since ceased operations; notwithstanding this, the same third party did not raise any issues with the draft commitments.¹⁹³
133. One third party submitted that the Revised Commercial Cooperation gives rise to significant competition concerns in relation to air passenger services between Singapore and India.¹⁹⁴ The third party further submitted that the Commitments are insufficient to remedy competition concerns arising from the Revised Commercial Cooperation. The same third party submitted that the following additional conditions should be imposed:
- (a) capacity (e.g. slots) on the Routes of Concern should be made available to facilitate entry of other airline operators;
 - (b) regular review mechanisms should be implemented to assess the impact of the Revised Commercial Cooperation on market dynamics and consumer pricing; and
 - (c) there should be public reporting on key performance metrics such as on time performance, customers' satisfaction and pricing trends.

Twelve (12) other third parties¹⁹⁵ did not respond to CCCS's market testing.

134. In relation to the above-mentioned third party's suggestion to make capacity available on the Routes of Concern to facilitate entry of other airlines, CCCS notes that slot divestment directly from one party to another for flights along the same route is not a viable option as the allocation of airport slots at Singapore Changi Airport is centrally coordinated by CAAS, with CAG appointed by CAAS as the slot coordinator, which allocates available slots to many routes based on a multitude of factors. In relation to the third party's suggestion to implement a mechanism for regular review to assess the impact of the Revised Commercial Cooperation and public reporting on key performance metrics, CCCS is of the

¹⁹¹ [REDACTED]'s response received on 18 December 2023 in response to CCCS's request for feedback dated 8 December 2023.

¹⁹² [REDACTED]'s response received on 18 December 2023 in response to CCCS's request for feedback dated 8 December 2023.

¹⁹³ [REDACTED]'s response received on 5 January 2024 in response to CCCS's request for feedback dated 8 December 2023.

¹⁹⁴ [REDACTED]'s response received on 1 February 2024 in response to CCCS's request for feedback dated 25 January 2024.

¹⁹⁵ [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED] and [REDACTED].

view that these conditions do not materially improve the level of competition on the Routes of Concern, and in any event, CCCS will be monitoring the Parties' adherence with the Commitments and will also be able to review the application under section 46(2)(a) of the Act if there is a material change of circumstances. Further, CCCS will continue to monitor developments on the Routes of Concern and will include these performance metrics to the extent that they are relevant for the purpose of monitoring the Integrated Entity's and SIA's adherence to the Commitments under the independent auditor's scope of work.

135. In conclusion, CCCS is of the view that the Commitments provided by the Parties would be sufficient to remedy the competition concerns identified.

CCCS'S DECISION ON THE PARTIES' APPLICATION

136. For the reasons stipulated in this decision, CCCS concludes that, subject to the Parties' adherence to the Commitments, the Proposed JV will not infringe the section 34 prohibition.

137. For completeness, section 46 of the Act provides that, if CCCS has determined an application under section 44 by making a decision that the agreement has not infringed the section 34 prohibition, CCCS shall take no further action with respect to the agreement unless:

- (a) it has reasonable grounds for believing that there has been a material change of circumstance since it gave its decision; or
- (b) it has reasonable grounds for suspecting that the information on which it based its decision was incomplete, false or misleading in a material particular.

138. To this end, the factors which CCCS may consider as a material change of circumstance include, but are not limited to, the following:

- (a) non-adherence with the Commitments;
- (b) significant change to the scope of the Revised Commercial Cooperation;
- (c) reduction in the number of competing airlines in the Overlapping Direct Routes;
- (d) changes in the operations of the Parties which will have a material impact on the Overlapping Direct Routes;
- (e) material changes in the factual information submitted by the Parties under this Application;

- (f) full release or substitution or variation or expiry of the Singapore commitments submitted by AI and SIA to the CCI on 1 September 2023 in regard to the proposed transaction involving (i) the merger of Vistara into AI, with AI being the surviving entity (“Integrated Entity”); (b) in consideration of the merger, the acquisition of shares in the Integrated Entity by SIA and TSPL and (c) acquisition of additional shares in the Integrated Entity by SIA pursuant to a preferential allotment; and
- (g) changes in parties to the Revised Commercial Cooperation.

139. In addition to the above, taking into account any developments that may take place in respect of the Routes of Concern, under section 60B(6) of the Act, CCCS may review the effectiveness of the Commitments accepted pursuant to section 60A(2) of the Act as it considers appropriate. Such developments include, but are not limited to, any significant increases in fares and/or yields with no corresponding significant increase in capacity.

Alvin Koh
Chief Executive
Competition and Consumer Commission of Singapore

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ANNEX A - MARKET SHARE FIGURES AND ACTUAL PASSENGER NUMBERS ON THE OVERLAPPING ROUTES FOR ALL THE AIRLINES¹⁹⁶¹⁹⁷

Table 1A: Market share figures for SIN-BOM vv (inclusive of airlines flying direct and indirect flights)

SIN-BOM		
Carrier	Pax carried from 1 Apr 2022 - 31 Mar 2023	
	Passenger count	Passenger share (%)
AI	[X]	[X20-30]%
IX	[X]	[X0-10]%
UK	[X]	[X20-30]%
SQ	[X]	[X50-60]%
MI	[X]	[X0-10]%
TR	[X]	[X0-10]%
Others¹⁹⁸	[X]	[X0-10]%
Grand total	[X]	[X90-100]%
Summary		
SIA Group Combined	[X]	[X50-60]%
Integrated Entity (AI + Vistara)	[X]	[X40-50]%
Post Cooperation	[X]	[X90-100]%

Table 1B: Market share figures for SIN-BOM vv (includes airlines flying direct flights only)

SIN-BOM		
Carrier	Pax carried from 1 Apr 2022 - 31 Mar 2023	
	Passenger count	Passenger share (%)
AI	[X]	[X20-30]%
IX	[X]	[X0-10]%

¹⁹⁶ Annex 1 of Parties' 13 September 2023 response to CCCS's RFI dated 6 September 2023

¹⁹⁷ The complete list of airlines and their respective airline codes are defined here: JetAirways ("9W"), IndiGo ("6E"), Qantas ("QF"), Garuda Indonesia ("GA"), Air Anka Airlines ("TZ"), SriLankan Airlines ("UL"), Malaysia Airlines ("MH"), Thai Airways ("TG"), Malindo Airways ("OD"), Thai Lion Air ("SL"), Thai Smile ("WE"), Emirates ("EK"), VietJet ("VJ"), Cathay Pacific ("CX"), GoAir ("G8"), Qatar Airways ("QR"), Bangkok Airways ("PG"), Ethihad Airways ("EY"), Indonesia AirAsia X ("XT"), Saudi Arabian Airlines ("SV"), Korean Air ("KE"), All Nippon Airways ("NH"), Hahn Air ("H1"), JetStar ("3K"), Myanmar Airways International ("8M"), AirAsia Berhad ("AK"), Bhutan Airlines ("B3"), British Airways ("BA"), Biman Bangladesh Airlines ("BG"), Pacific Airlines ("BL"), US-Bangla Airlines ("BS"), Air China ("CA"), China Southern Airlines ("CZ"), AirAsia X Berhad ("D7"), BOK Airlines ("DD"), Thai AirAsia ("FD"), Flydubai ("FZ"), Batik Air ("ID"), Japan Airlines ("JL"), Aero Nomad Airlines ("KA"), Royal Bhutan Airlines ("KB"), China Eastern ("MU"), Air France ("AF"), Turkish Airlines ("TK"), Regent Airways ("RGE"), Riyadh Air ("RX"), Myanmar Airways ("UB"), Vietnam Airlines ("VN"), Thai VietJet ("VZ"), Flexflight ("W2"), Oman Air ("WY"), Fiji Airways ("FJ"), Air New Zealand ("NZ"), Virgin Australia ("VA"), Asiana Airlines ("OZ"), Airasia Indonesia ("QZ"), Lufthansa ("LH") and Gulf Air ("GF"),

¹⁹⁸ Airlines aggregated under others comprises of airlines with a [X] passenger share. The airlines are: UL – [X0-10]%, MH – [X0-10]%, 6E – [X0-10]%, TG – [X0-10]%, OD – [X0-10]%, SL – [X0-10]%, EK – [X0-10]%, VJ – [X0-10]%, CX – [X0-10]%, QR – [X0-10]%, EY – [X0-10]%, GA – [X0-10]%, H1 – [X0-10]%, AF – [X0-10] and TK – [X0-10]%

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UK	[X]	[X 20-30]%
SQ	[X]	[X 50-60]%
MI	[X]	[X 0-10]%
TR	[X]	[X 0-10]%
Others¹⁹⁹	[X]	[X 0-10]%
Grand total	[X]	[X 90-100]%
Summary		
SIA Group Combined	[X]	[X 50-60]%
Integrated Entity (AI + Vistara)	[X]	[X 40-50]%
Post Cooperation	[X]	[X 90-100]%

Table 2A: Market share figures for SIN-DEL vv (inclusive of airlines flying direct and indirect flights)

SIN-DEL		
Carrier	Pax carried from 1 Apr 2022 - 31 Mar 2023	
	Passenger count	Passenger share (%)
AI	[X]	[X 40-50]%
IX	[X]	[X 0-10]%
UK	[X]	[X 20-30]%
SQ	[X]	[X 30-40]%
MI	[X]	[X 0-10]%
TR	[X]	[X 0-10]%
Others²⁰⁰	[X]	[X 0-10]%
Grand total	[X]	[X 90-100]%
Summary		
SIA Group Combined	[X]	[X 30-40]%
Integrated Entity (AI + Vistara)	[X]	[X 60-70]%
Post Cooperation	[X]	[X 90-100]%

Table 2B: Market share figures for SIN-DEL vv (includes airlines flying direct flights only)

SIN-DEL		
Carrier	Pax carried from 1 Apr 2022 - 31 Mar 2023	
	Passenger count	Passenger share (%)
AI	[X]	[X 40-50]%
IX	[X]	[X 0-10]%
UK	[X]	[X 20-30]%

¹⁹⁹ Airlines aggregated under others comprises of airlines with a [X] passenger share. The airlines are: 6E – [X 0-10]%, GA – [X 0-10]%.

²⁰⁰ Airlines aggregated under others comprises of airlines with a [X] passenger share. The airlines are: 6E – [X 0-10]%, MH – [X 0-10]%, UL – [X 0-10]%, TG – [X 0-10]%, OD – [X 0-10]%, D7 – [X 0-10]%, G8 – [X 0-10]%, EK – [X 0-10]%, VJ – [X 0-10]%, CX – [X 0-10]%, QR – [X 0-10]%, NH – [X 0-10]%, VN – [X 0-10]%, LH – [X 0-10]%, GF – [X 0-10]%.

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SQ	[X]	[X 30-40]%
MI	[X]	[X 0-10]%
TR	[X]	[X 0-10]%
Grand total	[X]	[X 90-100]%
Summary		
SIA Group Combined	[X]	[X 30-40]%
Integrated Entity (AI + Vistara)	[X]	[X 60-70]%
Post Cooperation	[X]	[X 90-100]%

Table 3A: Market share figures for SIN-MAA vv (inclusive of airlines flying direct and indirect flights)

SIN-MAA		
Carrier	Pax carried from 1 Apr 2022 - 31 Mar 2023	
	Passenger count	Passenger share (%)
AI	[X]	[X 10-20]%
IX	[X]	[X 0-10]%
UK	[X]	[X 0-10]%
SQ	[X]	[X 40-50]%
MI	[X]	[X 0-10]%
TR	[X]	[X 0-10]%
6E	[X]	[X 20-30]%
Others²⁰¹	[X]	[X 0-10]%
Grand total	[X]	[X 90-100]%
Summary		
SIA Group Combined	[X]	[X 40-50]%
Integrated Entity (AI + Vistara)	[X]	[X 20-30]%
Post Cooperation	[X]	[X 60-70]%

Table 3B: Market share figures for SIN-MAA vv (includes airlines flying direct flights only)

SIN-MAA		
Carrier	Pax carried from 1 Apr 2022 - 31 Mar 2023	
	Passenger count	Passenger share (%)
AI	[X]	[X 10-20]%
IX	[X]	[X 0-10]%
UK	[X]	[X 0-10]%
SQ	[X]	[X 40-50]%
MI	[X]	[X 0-10]%
TR	[X]	[X 0-10]%

²⁰¹ Airlines aggregated under others comprises of airlines with a [X] passenger share. The airlines are: UL – [X 0-10]%, AK – [X 0-10]%, MH – [X 0-10]%, FD – [X 0-10]%, TG – [X 0-10]%, EK – [X 0-10]%, QR – [X 0-10]%.

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6E	[X]	[X 20-30]%
Grand total	[X]	[X 90-100]%
Summary		
SIA Group Combined	[X]	[X 40-50]%
Integrated Entity (AI + Vistara)	[X]	[X 20-30]%
Post Cooperation	[X]	[X 70-80]%

Table 4A: Market share figures for SIN-TRZ vv (inclusive of airlines flying direct and indirect flights)

SIN-TRZ		
Carrier	Pax carried from 1 Apr 2022 - 31 Mar 2023	
	Passenger count	Passenger share (%)
AI	[X]	[X 0-10]%
IX	[X]	[X 20-30]%
UK	[X]	[X 0-10]%
SQ	[X]	[X 0-10]%
MI	[X]	[X 0-10]%
TR	[X]	[X 40-50]%
6E	[X]	[X 20-30]%
Others²⁰²	[X]	[X 0-10]%
Grand total	[X]	[X 90-100]%
Summary		
SIA Group Combined	[X]	[X 40-50]%
Integrated Entity (AI + Vistara)	[X]	[X 20-30]%
Post Cooperation	[X]	[X 60-70]%

Table 4B: Market share figures for SIN-TRZ vv (includes airlines flying direct flights only)

SIN-TRZ		
Carrier	Pax carried from 1 Apr 2022 - 31 Mar 2023	
	Passenger count	Passenger share (%)
AI	[X]	[X 0-10]%
IX	[X]	[X 20-30]%
UK	[X]	[X 0-10]%
SQ	[X]	[X 0-10]%
MI	[X]	[X 0-10]%
TR	[X]	[X 40-50]%
6E	[X]	[X 20-30]%
Grand total	[X]	[X 90-100]%
Summary		

²⁰² Airlines aggregated under others comprises of airlines with a [X] passenger share. The airlines are: OD – [X 0-10]%, AK – [X 0-10]% and UL – [X 0-10]%.

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SIA Group Combined	[X]	[X 40-50]%
Integrated Entity (AI + Vistara)	[X]	[X 20-30]%
Post Cooperation	[X]	[X 70-80]%

Table 5: Market share figures for SIN-AMD vv (inclusive of airlines flying direct and indirect flights)

SIN-AMD		
Carrier	Pax carried from 1 Apr 2022 - 31 Mar 2023	
	Passenger count	Passenger share (%)
AI	[X]	[X 0-10]%
IX	[X]	[X 0-10]%
UK	[X]	[X 10-20]%
SQ	[X]	[X 60-70]%
MI	[X]	[X 0-10]%
TR	[X]	[X 0-10]%
6E	[X]	[X 0-10]%
VJ	[X]	[X 0-10]%
Others²⁰³	[X]	[X 0-10]%
Grand total	[X]	[X 90-100]%
Summary		
SIA Group Combined	[X]	[X 60-70]%
Integrated Entity (AI + Vistara)	[X]	[X 10-20]%
Post Cooperation	[X]	[X 80-90]%

Table 6: Market share figures for SIN-ATQ vv (inclusive of airlines flying direct and indirect flights)

SIN-ATQ		
Carrier	Pax carried from 1 Apr 2022 - 31 Mar 2023	
	Passenger count	Passenger share (%)
AI	[X]	[X 0-10]%
IX	[X]	[X 0-10]%
UK	[X]	[X 0-10]%
SQ	[X]	[X 0-10]%
MI	[X]	[X 0-10]%
TR	[X]	[X 90-100]%
Others²⁰⁴	[X]	[X 0-10]%
Grand total	[X]	[X 90-100]%
Summary		

²⁰³ Airlines aggregated under others comprises of airlines with a [X] passenger share. The airlines are: WE – [X 0-10]%, EK – [X 0-10]%, QR – [X 0-10]%, VZ – [X 0-10]%, TG – [X 0-10] and W2 – [X 0-10]%.

²⁰⁴ Airlines aggregated under others comprises of airlines with a [X] passenger share. The airlines are: OD – [X 0-10]%, 6E – [X 0-10]%, G8 – [X 0-10] and QR – [X 0-10]%.

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SIA Group Combined	[X]	[X<90-100]%
Integrated Entity (AI + Vistara)	[X]	[X<0-10]%
Post Cooperation	[X]	[X<90-100]%

Table 7: Market share figures for SIN-BLR vv (inclusive of airlines flying direct and indirect flights)

SIN-BLR		
Carrier	Pax carried from 1 Apr 2022 - 31 Mar 2023	
	Passenger count	Passenger share (%)
AI	[X]	[X<0-10]%
IX	[X]	[X<0-10]%
UK	[X]	[X<0-10]%
SQ	[X]	[X<60-70]%
MI	[X]	[X<0-10]%
TR	[X]	[X<0-10]%
6E	[X]	[X<20-30]%
Others²⁰⁵	[X]	[X<0-10]%
Grand total	[X]	[X<90-100]%
Summary		
SIA Group Combined	[X]	[X<60-70]%
Integrated Entity (AI + Vistara)	[X]	[X<0-10]%
Post Cooperation	[X]	[X<60-70]%

Table 8: Market share figures for SIN-CJB vv (inclusive of airlines flying direct and indirect flights)

SIN-CJB		
Carrier	Pax carried from 1 Apr 2022 - 31 Mar 2023	
	Passenger count	Passenger share (%)
AI	[X]	[X<0-10]%
IX	[X]	[X<0-10]%
UK	[X]	[X<0-10]%
SQ	[X]	[X<0-10]%
MI	[X]	[X<0-10]%
TR	[X]	[X<80-90]%
6E	[X]	[X<0-10]%
Grand total	[X]	[X<90-100]%
Summary		
SIA Group Combined	[X]	[X<80-90]%

²⁰⁵ Airlines aggregated under others comprises of airlines with a [X] passenger share. The airlines are: UL – [X<0-10]%, MH – [X<0-10]%, FD – [X<0-10]%, TG – [X<0-10]%, AK – [X<0-10]%, OD – [X<0-10]%, EK – [X<0-10]%, QR – [X<0-10]%, CX – [X<0-10]%, G8 – [X<0-10] and VJ – [X<0-10]%.

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Integrated Entity (AI + Vistara)	[X]	[X0-10]%
Post Cooperation	[X]	[X90-100]%

Table 9: Market share figures for SIN-HYD vv (inclusive of airlines flying direct and indirect flights)

SIN-HYD		
Carrier	Pax carried from 1 Apr 2022 - 31 Mar 2023	
	Passenger count	Passenger share (%)
AI	[X]	[X0-10]%
IX	[X]	[X0-10]%
UK	[X]	[X0-10]%
SQ	[X]	[X30-40]%
MI	[X]	[X0-10]%
TR	[X]	[X50-60]%
6E	[X]	[X10-20]%
Others²⁰⁶	[X]	[X0-10]%
Grand total	[X]	[X90-100]%
Summary		
SIA Group Combined	[X]	[X80-90]%
Integrated Entity (AI + Vistara)	[X]	[X0-10]%
Post Cooperation	[X]	[X80-90]%

Table 10: Market share figures for SIN-COK vv (inclusive of airlines flying direct and indirect flights)

SIN-COK		
Carrier	Pax carried from 1 Apr 2022 - 31 Mar 2023	
	Passenger count	Passenger share (%)
AI	[X]	[X0-10]%
IX	[X]	[X0-10]%
UK	[X]	[X0-10]%
SQ	[X]	[X70-80]%
MI	[X]	[X0-10]%
TR	[X]	[X0-10]%
6E	[X]	[X10-20]%
AK	[X]	[X0-10]%
Others²⁰⁷	[X]	[X0-10]%
Grand total	[X]	[X90-100]%

²⁰⁶ Airlines aggregated under others comprises of airlines with a [X] passenger share. The airlines are: MH – [X0-10]%, AK – [X0-10]%, TG – [X0-10]%, UL – [X0-10]%, EK – [X0-10]%, QR – [X0-10]%, WE – [X0-10]% and VJ – [X0-10]%.

²⁰⁷ Airlines aggregated under others comprises of airlines with a [X] passenger share. The airlines are: OD – [X0-10]%, UL – [X0-10]%, FD – [X0-10]%, MH – [X0-10]%, EK – [X0-10]%, QR – [X0-10]% and EY – [X0-10]%.

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Summary		
SIA Group Combined	[X]	[X<70-80]%
Integrated Entity (AI + Vistara)	[X]	[X<0-10]%
Post Cooperation	[X]	[X<70-80]%

Table 11: Market share figures for SIN-CCU vv (inclusive of airlines flying direct and indirect flights)

SIN-CCU		
Carrier	Pax carried from 1 Apr 2022 - 31 Mar 2023	
	Passenger count	Passenger share (%)
AI	[X]	[X<0-10]%
IX	[X]	[X<0-10]%
UK	[X]	[X<0-10]%
SQ	[X]	[X<30-40]%
MI	[X]	[X<0-10]%
TR	[X]	[X<0-10]%
6E	[X]	[X<50-60]%
Others²⁰⁸	[X]	[X<0-10]%
Grand total	[X]	[X<90-100]%
Summary		
SIA Group Combined	[X]	[X<30-40]%
Integrated Entity (AI + Vistara)	[X]	[X<0-10]%
Post Cooperation	[X]	[X<40-50]%

Table 12: Market share figures for SIN-TRV vv (inclusive of airlines flying direct and indirect flights)

SIN-TRV		
Carrier	Pax carried from 1 Apr 2022 - 31 Mar 2023	
	Passenger count	Passenger share (%)
AI	[X]	[X<0-10]%
IX	[X]	[X<0-10]%
UK	[X]	[X<0-10]%
SQ	[X]	[X<0-10]%
MI	[X]	[X<0-10]%
TR	[X]	[X<90-100]%
Others²⁰⁹	[X]	[X<0-10]%
Grand total	[X]	[X<90-100]%
Summary		

²⁰⁸ Airlines aggregated under others comprises of airlines with a [X] passenger share. The airlines are: TG – [X<0-10]%, AK – [X<0-10]%, FD – [X<0-10]%, OD – [X<0-10]%, BG – [X<0-10]%, 8M – [X<0-10]%, WE – [X<0-10]%, BS – [X<0-10]%, EK – [X<0-10]% and QR – [X<0-10]%.

²⁰⁹ Airlines aggregated under others comprises of airlines with a [X] passenger share. The airlines are: 6E – [X<0-10]%, UL – [X<0-10]%, EK – [X<0-10]% and QR – [X<0-10]%.

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SIA Group Combined	[X]	[X90-100]%
Integrated Entity (AI + Vistara)	[X]	[X0-10]%
Post Cooperation	[X]	[X90-100]%

Table 13: Market share figures for SIN-VTZ vv (inclusive of airlines flying direct and indirect flights)

SIN-VTZ		
Carrier	Pax carried from 1 Apr 2022 - 31 Mar 2023	
	Passenger count	Passenger share (%)
AI	[X]	[X0-10]%
IX	[X]	[X0-10]%
UK	[X]	[X0-10]%
SQ	[X]	[X0-10]%
MI	[X]	[X0-10]%
TR	[X]	[X80-90]%
6E	[X]	[X10-20]%
Others²¹⁰	[X]	[X0-10]%
Grand total	[X]	[X90-100]%
Summary		
SIA Group Combined	[X]	[X80-90]%
Integrated Entity (AI + Vistara)	[X]	[X0-10]%
Post Cooperation	[X]	[X80-90]%

Table 14: Market share figures for SIN-BBI vv (inclusive of airlines flying direct and indirect flights)

SIN-BBI		
Carrier	Pax carried from 1 Apr 2022 - 31 Mar 2023	
	Passenger count	Passenger share (%)
AI	[X]	[X0-10]%
IX	[X]	[X0-10]%
UK	[X]	[X10-20]%
SQ	[X]	[X0-10]%
MI	[X]	[X0-10]%
TR	[X]	[X0-10]%
6E	[X]	[X70-80]%
Grand total	[X]	[X90-100]%
Summary		
SIA Group Combined	[X]	[X0-10]%
Integrated Entity (AI + Vistara)	[X]	[X20-30]%

²¹⁰ Airlines aggregated under others comprises of airlines with a [X] passenger share. The airlines are: G8 – [X0-10]%.

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Post Cooperation	[X]	[X<20-30)%
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Table 15: Market share figures for SIN-DIB vv (inclusive of airlines flying direct and indirect flights)

SIN-DIB		
Carrier	Pax carried from 1 Apr 2022 - 31 Mar 2023	
	Passenger count	Passenger share (%)
AI	[X]	[X<0-10)%
IX	[X]	[X<0-10)%
UK	[X]	[X<0-10)%
SQ	[X]	[X<0-10)%
MI	[X]	[X<0-10)%
TR	[X]	[X<0-10)%
6E	[X]	[X<90-100)%
Grand total	[X]	[X<90-100)%
Summary		
SIA Group Combined	[X]	[X<0-10)%
Integrated Entity (AI + Vistara)	[X]	[X<0-10)%
Post Cooperation	[X]	[X<0-10)%

Table 16: Market share figures for SIN-GAU vv (inclusive of airlines flying direct and indirect flights)

SIN-GAU		
Carrier	Pax carried from 1 Apr 2022 - 31 Mar 2023	
	Passenger count	Passenger share (%)
AI	[X]	[X<0-10)%
IX	[X]	[X<0-10)%
UK	[X]	[X<0-10)%
SQ	[X]	[X<0-10)%
MI	[X]	[X<0-10)%
TR	[X]	[X<0-10)%
6E	[X]	[X<30-40)%
KB	[X]	[X<60-70)%
Grand total	[X]	[X<90-100)%
Summary		
SIA Group Combined	[X]	[X<0-10)%
Integrated Entity (AI + Vistara)	[X]	[X<0-10)%
Post Cooperation	[X]	[X<0-10)%

Table 17: Market share figures for SIN-GOI vv (inclusive of airlines flying direct and indirect flights)

SIN-GOI

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Carrier	Pax carried from 1 Apr 2022 - 31 Mar 2023	
	Passenger count	Passenger share (%)
AI	[X]	[X 10-20]%
IX	[X]	[X 0-10]%
UK	[X]	[X 0-10]%
SQ	[X]	[X 0-10]%
MI	[X]	[X 0-10]%
TR	[X]	[X 0-10]%
6E	[X]	[X 60-70]%
Others ²¹¹	[X]	[X 0-10]%
Grand total	[X]	[X 90-100]%
Summary		
SIA Group Combined	[X]	[X 0-10]%
Integrated Entity (AI + Vistara)	[X]	[X 20-30]%
Post Cooperation	[X]	[X 30-40]%

Table 18: Market share figures for SIN-IXZ vv (inclusive of airlines flying direct and indirect flights)

SIN-IXZ		
Carrier	Pax carried from 1 Apr 2022 - 31 Mar 2023	
	Passenger count	Passenger share (%)
AI	[X]	[X 40-50]%
IX	[X]	[X 0-10]%
UK	[X]	[X 0-10]%
SQ	[X]	[X 40-50]%
MI	[X]	[X 0-10]%
TR	[X]	[X 0-10]%
Grand total	[X]	[X 90-100]%
Summary		
SIA Group Combined	[X]	[X 40-50]%
Integrated Entity (AI + Vistara)	[X]	[X 40-50]%
Post Cooperation	[X]	[X 90-100]%

Table 19: Market share figures for SIN-LKO vv (inclusive of airlines flying direct and indirect flights)

SIN-LKO		
Carrier	Pax carried from 1 Apr 2022 - 31 Mar 2023	
	Passenger count	Passenger share (%)
AI	[X]	[X 20-30]%
IX	[X]	[X 0-10]%

²¹¹ Airlines aggregated under others comprises of airlines with a [X] passenger share. The airlines are: QR – [X 0-10]% and G8 – [X 0-10]%.

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UK	[X]	[X0-10]%
SQ	[X]	[X0-10]%
MI	[X]	[X0-10]%
TR	[X]	[X0-10]%
6E	[X]	[X50-60]%
FD	[X]	[X0-10]%
Others ²¹²	[X]	[X0-10]%
Grand total	[X]	[X90-100]%
Summary		
SIA Group Combined	[X]	[X0-10]%
Integrated Entity (AI + Vistara)	[X]	[X30-40]%
Post Cooperation	[X]	[X30-40]%

Table 20: Market share figures for SIN-PAT vv (inclusive of airlines flying direct and indirect flights)

SIN-PAT		
Carrier	Pax carried from 1 Apr 2022 - 31 Mar 2023	
	Passenger count	Passenger share (%)
AI	[X]	[X20-30]%
IX	[X]	[X0-10]%
UK	[X]	[X10-20]%
SQ	[X]	[X0-10]%
MI	[X]	[X0-10]%
TR	[X]	[X0-10]%
6E	[X]	[X60-70]%
Others ²¹³	[X]	[X0-10]%
Grand total	[X]	[X90-100]%
Summary		
SIA Group Combined	[X]	[X0-10]%
Integrated Entity (AI + Vistara)	[X]	[X30-40]%
Post Cooperation	[X]	[X30-40]%

Table 21: Market share figures for SIN-VNS vv (inclusive of airlines flying direct and indirect flights)

SIN-VNS		
Carrier	Pax carried from 1 Apr 2022 - 31 Mar 2023	
	Passenger count	Passenger share (%)
AI	[X]	[X0-10]%

²¹² Airlines aggregated under others comprises of airlines with a [X] passenger share. The airlines are: G8 – [X0-10]% and EK – [X0-10]%.

²¹³ Airlines aggregated under others comprises of airlines with a [X] passenger share. The airlines are: KB – [X0-10]%.

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IX	[X]	[X0-10]%
UK	[X]	[X10-20]%
SQ	[X]	[X0-10]%
MI	[X]	[X0-10]%
TR	[X]	[X0-10]%
6E	[X]	[X60-70]%
G8	[X]	[X10-20]%
Grand total	[X]	[X90-100]%
Summary		
SIA Group Combined	[X]	[X0-10]%
Integrated Entity (AI + Vistara)	[X]	[X10-20]%
Post Cooperation	[X]	[X20-30]%

Table 22: Market share figures for SIN-IXC vv (inclusive of airlines flying direct and indirect flights)

SIN-IXC		
Carrier	Pax carried from 1 Apr 2022 - 31 Mar 2023	
	Passenger count	Passenger share (%)
AI	[X]	[X0-10]%
IX	[X]	[X0-10]%
UK	[X]	[X70-80]%
SQ	[X]	[X0-10]%
MI	[X]	[X0-10]%
TR	[X]	[X0-10]%
6E	[X]	[X20-30]%
Grand total	[X]	[X90-100]%
Summary		
SIA Group Combined	[X]	[X0-10]%
Integrated Entity (AI + Vistara)	[X]	[X70-80]%
Post Cooperation	[X]	[X70-80]%