



MEDIA RELEASE

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CCS CLEARS THE EMIRATES-QANTAS ALLIANCE WITH UNDERTAKING BY PARTIES ON SEAT CAPACITY

The Decision

1. The Competition Commission of Singapore (“CCS”) has cleared the proposed alliance between Emirates and Qantas Airways Limited, after the Parties provided CCS with a voluntary undertaking to increase seat capacity for passengers flying *to* and *from* Singapore on the routes involving Singapore-Melbourne and Singapore-Brisbane. With the undertaking, CCS finds that the proposed alliance will result in net economic benefit to Singapore.

Proposed Alliance

2. Under the proposed alliance, which is scheduled to take effect from 1 April 2013, the Parties will coordinate their network, scheduling, pricing, marketing, purchasing, customer service, frequent flyer programs and resourcing decisions in their passenger and freight operations globally for an initial term of ten years.

3. CCS conducted a public consultation and received feedback from the Civil Aviation Authority of Singapore, Changi Airport Group, Vital.Org, Air France, Thai Airways, Singapore Aircargo Agents Association and SIA Cargo. CCS finds that some parts of the proposed alliance will raise competition concerns for the Singapore market, in particular, the price and capacity coordination between the Parties on the Singapore-Melbourne and Singapore-Brisbane routes, which are currently served by both airlines.

The Voluntary Undertaking

4. To address CCS’ concerns, the Parties have provided a voluntary undertaking to provide a combined total of 8,246 seats weekly on each of the Singapore-Melbourne and Singapore-Brisbane routes. In addition, CCS may require the Parties to increase the seat capacities if the Parties’ load factors and route profitability cross a certain threshold for any given 12 month period. CCS has assessed that the undertaking will preserve the state of competition on these two routes by alleviating any concern that the proposed alliance may reduce seat capacities. The undertaking will result in an increase in the number of seats supplied by the Parties dedicated to passengers flying *to* and *from* Singapore as a point of origin or destination along these two routes.

5. The Parties have agreed to appoint an independent auditor, at their own costs, to monitor their compliance with the undertaking. CCS reserves the right to investigate the proposed alliance should the Parties fail to comply with their undertaking.

Public Register

6. Further information on the application and CCS’ Grounds of Decision will be made available in due course on CCS’ Public Register at www.ccs.gov.sg.



About The Competition Commission of Singapore (CCS)

CCS is a statutory board established under the Competition Act (Chapter 50B) on 1 January 2005 to administer and enforce the Act. It comes under the purview of the Ministry of Trade and Industry. The Act empowers CCS to investigate alleged anti-competitive activities, determine if such activities infringe the Act and impose suitable remedies, directions and financial penalties.

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

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