



FOR IMMEDIATE RELEASE

5 February 2014

CCS CONSULTS ON THE PROPOSED STRATEGIC ALLIANCE BETWEEN SINGAPORE AIRLINES LIMITED AND AIR NEW ZEALAND LIMITED

1. The Competition Commission of Singapore (“CCS”) is seeking feedback on the Proposed Strategic Alliance between Singapore Airlines Limited (“SIA”) and Air New Zealand Limited (“Air NZ”), (individually a “Party” and collectively “the Parties”).
2. CCS received a notification for decision on 30 January 2014, with regard to the Proposed Strategic Alliance between SIA and Air NZ. The Proposed Strategic Alliance relates to the provision of international air passenger transport services, with a specific focus on the Singapore origin and destination (“O&D”) city pairs affected by the Proposed Strategic Alliance.
3. The notification is made in relation to Section 34 of the Competition Act which 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.
4. The purpose of the Proposed Strategic Alliance is to improve the services offered by the Parties by, *inter alia*,:
 - i. expanding the Parties’ networks through code-sharing and offering a wider choice of journey options to passengers;
 - ii. provide passengers with greater network and loyalty benefits than would be currently available under existing arrangements; and
 - iii. provide service enhancements for passengers such as seamless transfers, improved access to lounge facilities, improved recovery times in the event of a disruption, and improved benefits accrual and redemption by members of each Party’s respective frequent flyer schemes when travelling on the other Party’s services.

5. The Parties envisage that the Proposed Strategic Alliance will result in significant consumer and economic benefits, and efficiencies. These include:

- i. potential increase in capacity offered on the Auckland to Singapore O&D city pair;
- ii. enhance customer experience by ensuring a constant end-to-end product offering;
- iii. better connectivity to points beyond each of Auckland and Christchurch and beyond Singapore;
- iv. greater number of seats available in each fare class, including lower fare classes; and
- v. reinforce Singapore's status as an air-hub.

6. SIA is a full service airline offering scheduled passenger services to more than 62 destinations in Asia, North America, Australia, Europe and Africa, as at 1 January 2014. SIA is listed on the Singapore Exchange. Air NZ is New Zealand's national flag carrier and offers scheduled passenger services in New Zealand and internationally on a network of 54 domestic and 34 international routes. Air NZ is listed on the New Zealand and Australian stock exchanges. Both Air NZ and SIA are members of the Star Alliance.

Public Consultation

7. CCS is inviting public feedback in relation to the Proposed Strategic Alliance.

8. More information on the public consultation can be accessed and downloaded from the CCS website at www.ccs.gov.sg under the section "Public Register and Consultation". The closing date for submissions is on or before **26 February 2014**. If the submission/correspondence contains confidential information, please also provide CCS with a non-confidential version of the submission or correspondence.

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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