



**FOR IMMEDIATE RELEASE**

**08 August 2014**

**CCS ISSUES A CLEARANCE DECISION ON SCOOT-TIGER  
AIRWAYS PROPOSED COOPERATION**

1. The Competition Commission of Singapore (“CCS”) has cleared the notification for decision received from Scoot Pte. Ltd. (“Scoot”) and Tiger Airways Singapore Pte. Ltd. (“Tigerair Singapore”)(together, the “Parties”). The notification relates to the application of section 34 of the Competition Act to the proposed cooperation between the Parties (“Proposed Cooperation”).

2. The Proposed Cooperation would allow the Parties to coordinate in relation to, among others, scheduling, pricing, sales and marketing, service policies, and other matters to improve the overall quality of service offered to passengers on the Parties’ respective operations.

3. After reviewing the submissions provided by the Parties and various stakeholders, CCS agrees with the Parties that they operate largely complementary networks of flights. Although some parts of the Proposed Cooperation would raise competition concerns, these would be offset by a resulting net economic benefit (“NEB”)<sup>1</sup> to Singapore passengers and therefore the Proposed Cooperation is excluded from the Section 34 Prohibition.<sup>2</sup>

4. Examples of such benefits assessed by CCS are improvements in scheduling and efficiency on routes, expanded connectivity across the Parties’ networks and expansion of the Parties’ existing networks. In arriving at this conclusion, CCS considered the significance of fifth freedom air traffic rights between Singapore and various destinations within the Parties’ networks in bringing about an increase in passenger numbers.

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<sup>1</sup>Under section 35 of the Act, an agreement with a NEB can be excluded from the Section 34 Prohibition of the Competition Act if such an agreement contributes to improving production or distribution or promoting technical or economic progress but which does not impose on the undertakings concerned restrictions which are not indispensable to the attainment of these objectives, and does not afford the undertakings concerned the possibility of eliminating competition in respect of a substantial part of the goods and services in question.

<sup>2</sup>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 fall within the Section 34 Prohibition. By operation of section 35 of the Competition Act (read with paragraph 9 of the Third Schedule of the Act), the Proposed Conduct, within the relevant markets, is excluded from the Section 34 Prohibition of the Competition Act.

5. In an aviation market study on airline cooperation agreements concluded earlier this year, CCS found that previous cooperation agreements between airlines that were granted antitrust immunity by CCS have resulted in a NEB, particularly in terms of the increase in passenger numbers. Nonetheless, each airline cooperation agreement would need to be examined on a case-by-case basis. Details of the findings of the market study can be found [here](#).

6. Further information on the Parties and the analysis of the decision will be made available on CCS's public register at a later date.

### **About Competition Commission of Singapore**

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](http://www.ccs.gov.sg).

### **For media clarification, please contact**

Ms. Lim Le-Anne  
Senior Assistant Director  
Strategic Planning Division  
Competition Commission of Singapore  
Email: [lim\\_le-anne@ccs.gov.sg](mailto:lim_le-anne@ccs.gov.sg)  
DID: 6325 8304 / 9478 8824

Ms. Teo Hwee Leng  
Assistant Director  
Strategic Planning Division  
Competition Commission of Singapore  
Email: [teo\\_hwee\\_leng@ccs.gov.sg](mailto:teo_hwee_leng@ccs.gov.sg)  
DID: 6325 8126