



MEDIA RELEASE

5 March 2007

CCS Issues Its Notice of Decision on the Qantas-Orangestar Cooperation Agreement

1. The Competition Commission of Singapore (“CCS”) has today released its final notice of decision on the Qantas-Orangestar Cooperation Agreement (“Agreement”)¹, following a two-week public consultation which commenced on 13 February 2007. During the public consultation, the CCS received a submission from a member of the public.
2. The CCS had earlier published its view that the Agreement is likely to bring about improvements and cost savings in the operations of Qantas and Orangestar, resulting in benefits to consumers in Singapore. The Agreement is also likely to improve Singapore’s air connectivity, and increase employment and demand for services related to the aviation industry in Singapore. Any anti-competitive detriments arising from cooperation are likely to be mitigated by the competitive presence of other airlines, and are outweighed by the benefits flowing from the Agreement.
3. The CCS has considered the feedback received during the public consultation. It is still of the view that the Agreement is excluded from the Act under the net economic benefit exclusion in the Third Schedule of the Act².
4. A copy of the notice of decision on the Qantas-Orangestar Cooperation Agreement and the feedback received during the public consultation are available on the CCS’ website at www.ccs.gov.sg.

About the Competition Commission of Singapore

The CCS is a statutory body established under the Competition Act (Cap 50B) on 1 January 2005 to administer and enforce the Act. Its mission is to promote healthy competitive markets that will benefit the Singapore economy based on sound economic principles applied objectively and consistently. For more information, visit www.ccs.gov.sg.

For media clarification, please contact:

Ms Chin Yen Yen
Senior Assistant Director, Corporate Communications
Competition Commission of Singapore
Email: chin_yen_yen@ccs.gov.sg
DID: 6325 8216

Notes to Editor:

1. The Qantas-Orangestar Cooperation Agreement, which Qantas and Orangestar entered into on 21 April 2006, allows them to coordinate their flying operations and activities, including network and scheduling decisions, sales and marketing initiatives, price and inventory decisions, and the sharing of expertise. On 25 April 2006, the Agreement was notified to the CCS for a decision on whether it infringes section 34 of the Act. Please refer to CCS website at www.ccs.gov.sg for more details.

2. Section 34 of the Competition 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 unless they are excluded or exempt in accordance with the provisions of Part III of the Act. Section 46 of the Act provides that, if the CCS has made a decision that the Agreement has not infringed the section 34 prohibition, the CCS 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 circumstances 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.