



MEDIA RELEASE

13 September 2019

CCCS CONSULTS ON THE APPLICATION BY EMIRATES TO REMOVE ITS CAPACITY COMMITMENTS

1. The Competition and Consumer Commission of Singapore (“**CCCS**”) is conducting a public consultation from 13 to 24 September 2019 for interested parties to provide feedback on an application by Emirates to remove its capacity commitments for the Singapore-Brisbane route (“**Undertaking**”), which was provided to CCCS on 28 March 2013, in relation to its alliance with the Qantas Airways Ltd (“**Qantas**”) (together, “**the Parties**”).

Background

2. On 12 October 2012, CCCS received an application for a decision under section 44(1)(b) of the Act as to whether the proposed alliance between Emirates and Qantas (“**the Alliance**”) infringes the prohibition under section 34 of the Competition Act (Cap. 50B) (the “**Act**”).¹ Based on information provided by the Parties and third-party feedback during the public consultation, CCCS had found that the price and capacity coordination between the Parties in relation to two routes operated by both Qantas and Emirates involving Singapore (i.e., Singapore-Brisbane and Singapore-Melbourne) would raise competition concerns.
3. To address the competition concerns raised, the Parties offered to provide CCCS with a voluntary undertaking to maintain and under certain circumstances, to increase seat capacity on the flights operated by the Parties on these two overlapping routes. The capacity commitments are in place for the duration of the Alliance. CCCS found that the capacity commitments would result in an improvement in production of air passenger services and hence, result in economic benefit. On 28 March 2013, CCCS issued a decision approving the proposed alliance between Qantas and Emirates² allowing them to coordinate various aspects of their flight services such as pricing (relating to fares,

¹ 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.

² The full grounds of decision can be accessed [here](#).

rebates, incentives and discounts), scheduling, marketing, planning, operating capacity and airport facilities.

Emirates' Application

4. Emirates has now applied to CCCS to fully remove its capacity commitments in respect of the Singapore-Brisbane route. Emirates has cited overcapacity, declining revenues and rising costs that have resulted in substantial losses on this route for its withdrawal³.
5. Given that the economic benefits from the capacity commitments on the Singapore-Brisbane route are part of the basis for approving the Alliance, CCCS will make an assessment of whether the Alliance continues to benefit from the section 34 exclusion from the Act notwithstanding Emirates' withdrawal from this route.

Public Consultation

6. CCCS is seeking feedback to assist in its assessment of the effects Emirates' proposed withdrawal from the Singapore-Brisbane route might have on air passenger services and air freight services between Singapore and Brisbane and/or other Australian routes. A detailed set of questions in relation to CCCS's assessment can be found in [Annex 1](#). The closing date for submissions is on or before **24 September 2019, 3pm**. If the submission or correspondence contains confidential information, please also provide CCCS with a non-confidential version of the submission or correspondence.
7. CCCS will issue its decision relating to Emirates' application after determining whether to vary or accept the application for variation.
8. More information on the public consultation can be accessed and downloaded from the CCCS website at www.cccs.gov.sg under the section "[Public Register and Consultation](#)".

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³ A non-confidential version of Emirates' application can be found [here](#).

About The Competition and Consumer Commission of Singapore

The Competition and Consumer Commission of Singapore (“**CCCS**”) is a statutory board of the Ministry of Trade and Industry. CCCS administers and enforces the Competition Act (Cap. 50B) which empowers CCCS to investigate and adjudicate anti-competitive activities, issue directions to stop and/or prevent anti-competitive activities and impose financial penalties. CCCS is also the administering agency of the Consumer Protection (Fair Trading) Act (Cap. 52A) or CPFTA which protects consumers against unfair trade practices in Singapore. Our mission is to make markets work well to create opportunities and choices for business and consumers in Singapore.

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

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