



MEDIA RELEASE

27 December 2017

CCS Consults on the Proposed Joint Venture between CAE International Holdings Limited and Singapore Airlines Limited

The Competition Commission of Singapore (“**CCS**”) is conducting a public consultation from 27 December 2017 to 10 January 2018 to invite interested parties to provide feedback on the proposed transaction through which CAE International Holdings Limited (“**CAE**”) and Singapore Airlines Limited (“**SIA**”) will create a full function joint venture company (the “**JV**”) that will establish, develop and operate a commercial flight training centre in Singapore to offer type-rated, recurrent, and conversion pilot training, for B744, B777, B787 and B737MAX (the “**Boeing Aircraft Types**”), and possibly, other Boeing aircraft platforms (the “**Proposed Transaction**”).

2. CCS received a notification from CAE and SIA (collectively, the “**Parties**”) for a decision on the Proposed Transaction on 19 December 2017. CCS is assessing whether the Proposed Transaction would infringe section 54 of the Competition Act (Cap. 50B), which prohibits mergers that have resulted, or may be expected to result, in a substantial lessening of competition within any market in Singapore.

The Parties

3. CAE is registered and incorporated in Canada, and is an indirectly wholly-owned subsidiary of CAE Inc., a limited liability company incorporated and domiciled in Canada and publicly listed on the Toronto and New York stock exchanges.

4. CAE functions as an investment holding company of the CAE Inc. group of companies (the “CAE Group”). The CAE Group designs, manufactures and supplies simulation equipment, provides training, and develops integrated training solutions for defence and security markets, commercial airlines, business aircraft operators, helicopter operators, aircraft manufacturers and for healthcare education and service providers. The CAE Group offers a range of flight training devices based on the same software used on its simulators. The CAE Group also operates a global network of training centres with locations around the world.

5. SIA is a limited liability company incorporated and domiciled in Singapore, and is a subsidiary company of Temasek Holdings (Private) Limited, which is incorporated in Singapore. SIA is listed on the Singapore Stock Exchange.

6. The principal activities of the SIA (through itself or its subsidiaries) consist of passenger and cargo air transportation, engineering services, training of pilots, air charters and tour wholesaling and related activities.

The Proposed Transaction

7. The Parties submit that the JV will be jointly controlled by SIA and CAE, based in Singapore, and will operate a joint commercial fixed wing flight training centre for the Boeing Aircraft Types. The JV will primarily support the training needs of SIA and its wholly-owned airline subsidiaries in Singapore, as well as third party airlines and other customers in respect of the JV training devices.

8. According to the Parties:

- a. CAE and SIA overlap in relation to aircraft pilot training services at a general level. The relevant product markets for the purpose of this notification are that for the provision of commercial aircraft pilot training services for the Boeing Aircraft Types, and the relevant geographic markets would at least be regional (i.e. the Asia Pacific region).
- b. The market for the provision of aircraft pilot training services is highly competitive, given the multitude of suppliers including aircraft manufacturers, airlines and independent third parties; surmountable barriers to entry; low switching costs of customers; and the ability of customers to multi-source or self-supply.

Public Consultation

9. CCS is inviting public feedback in relation to the Proposed Transaction.

10. 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 **10 January 2018**. If the submission/correspondence contains confidential information, please also provide CCS with a non-confidential version of the submission or correspondence.

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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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