

MEDIA RELEASE

8 August 2024

CCCS consults on the potential release of Qantas Airways and Emirates from capacity commitments on the Singapore-Brisbane and Singapore-Melbourne routes

 The Competition and Consumer Commission of Singapore ("CCCS") is inviting public feedback from 8 August to 19 August 2024 on the release of Qantas Airways Limited ("QF") and Emirates ("EK") (the "Parties") from capacity commitments on the Singapore-Brisbane ("SIN-BNE") and Singapore-Melbourne ("SIN-MEL") routes, and the release of QF from capacity commitments on the SIN-MEL route.

Background

- 2. On 28 March 2013, CCCS issued a conditional <u>clearance decision</u> for the proposed alliance between the Parties (the "**Alliance**") after they provided CCCS with a voluntary undertaking to maintain minimum weekly seat capacities for passengers on the SIN-BNE and SIN-MEL routes (the "**Undertaking**"). Under the Alliance, the Parties will coordinate on various aspects of their flight services such as pricing (relating to fares, rebates, incentives and discounts), scheduling, marketing, planning, operating capacity and airport facilities across the global networks of both Parties across routes from Australia to Europe, via Singapore and Dubai.
- 3. On 22 October 2019, CCCS released EK from its capacity commitments on the SIN-BNE route following a request by EK in connection with its withdrawal from the route.

The Parties' request

4. The Parties have requested to either (i) terminate the Undertaking entirely while keeping CCCS's 2013 conditional clearance decision in force; or (ii) to vary the Undertaking by removing the Parties' capacity commitments on the SIN-MEL and SIN-BNE routes, and committing only to notify CCCS of any future actual operational overlap on routes between Australia and Singapore, and to provide, upon request, further information to CCCS about whether any new capacity requirements should be introduced to the Undertaking.¹

- 5. The Parties have informed CCCS that the Undertaking is no longer relevant or necessary for the following reasons:
 - a. Emirates will be terminating its operations on the SIN-MEL route, resulting in no operational overlap between the Parties to or from Singapore;
 - b. The Alliance has not caused any harm to competition but has instead delivered and will continue to deliver consumer benefits; and
 - c. The highly competitive nature of services to and from Singapore, with competition from Singapore Airlines Group and the entry of Turkish Airlines, will continue to constrain the Parties.

Public Consultation

- 6. CCCS is inviting feedback to assist in its assessment of the effects of releasing the Parties from the Undertaking, including the capacity commitments on the SIN-MEL and SIN-BNE routes. If released, CCCS's 2013 conditional clearance decision on the Alliance will correspondingly cease to be in effect and the Parties will no longer be able to benefit from the immunity granted by CCCS's clearance with respect to the Alliance.
- 7. More information on CCCS's consultation can be found in <u>Annex 1</u>. The closing date for submissions is **19 August 2024, 5 p.m**. If the submission or correspondence contains confidential information, please also provide CCCS with a non-confidential version of the submission or correspondence.
- 8. CCCS will issue its decision relating to the Parties' request after considering any feedback received from the public consultation.
- 9. More information on the public consultation can be accessed and downloaded from the CCCS website at <u>www.cccs.gov.sg</u> under the section <u>"Public Consultation"</u>.

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About The Competition & Consumer Commission of Singapore (CCCS)

¹ A non-confidential version of the Parties' request can be found <u>here</u>.

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 2004 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 2003 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 businesses and consumers in Singapore.

For more information, please visit <u>www.cccs.gov.sg</u>.

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