



MEDIA RELEASE

5 March 2024

Conditional Approval Given After CCCS Accepts Commitments for SIA, Air India and Vistara Airline Transactions

1. The Competition and Consumer Commission of Singapore (“**CCCS**”) has granted conditional approval of the following transactions (collectively, the “**Transactions**”) after accepting commitments from Air India Limited (“**Air India**”), Singapore Airlines Ltd (“**SIA**”) and Tata SIA Airlines Ltd (which operates under the brand name “**Vistara**”) (collectively, the “**Parties**”):
 - (a) Talace Private Limited’s (“**Talace’s**”) acquisition of all shares and voting rights of Air India from the Government of India, along with Air India’s shareholding interest of 100% in the equity share capital of Air India Express Limited and 50% in the equity share capital of Air India SATS Airport Services Private Limited (the “**First Transaction**”);
 - (b) the subsequent agreement between Air India, Talace, Tata Sons Private Limited (“**TSPL**”), Vistara and SIA dated 29 November 2022 (the “**Implementation Agreement**”) resulting in: (i) the merger of each of Talace and Vistara into Air India, with Air India as the surviving entity (the “**Integrated Entity**”); and (ii) SIA acquiring 25.1% of the enlarged equity capital of Air India (the “**Second Transaction**”); and
 - (c) the proposed commercial cooperation between the Integrated Entity and SIA contemplated by the agreement dated 29 November 2022 between TSPL, SIA and Air India, and to be given effect to through a new framework agreement, reflecting SIA’s and the Integrated Entity’s cooperation in the provision of scheduled air passenger transport services between Singapore and India (“**Revised Commercial Cooperation**”).

Background

2. On 30 November 2020, CCCS received a joint application for decision from SIA and Vistara as to whether the proposed commercial cooperation framework between SIA and Vistara in the provision of scheduled air passenger transport services between India and Singapore (the “**Proposed Commercial Cooperation**”) would infringe section 34 of the Competition Act 2004 (the “**Act**”).¹

¹ See CCCS’s media release dated 8 December 2020 “CCCS consults on the Proposed Cooperation between Singapore Airlines Limited and TATA SIA Airlines Limited” here: <http://www.cccs.gov.sg/media-and-consultation/newsroom/media-releases/sia-tata-public-consult-8-dec-20>

3. On 14 December 2021, Talace notified the First Transaction to the CCCS. On 3 June 2022, CCCS completed its Phase 1 review and raised competition concerns with Talace based on information received from Talace and third parties.² Subsequently, on 29 November 2022, Air India, Talace, TSPL, SIA and Vistara entered into the Second Transaction, which would result in, *inter alia*, the formation of the Integrated Entity. The Integrated Entity would replace Vistara as the countersigning party to the Proposed Commercial Cooperation with SIA via the Revised Commercial Cooperation.
4. Taking into consideration information submitted by the Parties and third-party feedback, CCCS has identified some competition concerns in assessing the Transactions. In particular, the Parties possess the majority of the market shares for the carriers offering direct flights on four routes of concern, namely Singapore and New Delhi (and vice versa) ("**SIN-DELvv**"), Singapore and Mumbai (and vice versa) ("**SIN-BOMvv**"), Singapore and Chennai (and vice versa) ("**SIN-MAAvv**"), and Singapore and Tiruchirapalli (and vice versa) ("**SIN-TRZvv**"). Even though a number of competing airlines provide air passenger transport services on these routes, the Parties have sustained substantial market share in recent years. CCCS also found that the price and capacity coordination between the Parties arising from the confluence of the Transactions would significantly restrict competition on the affected routes.

Commitments by Parties

5. To address CCCS' competition concerns, the Parties proposed three (3) sets of commitments (the "**Proposed Commitments**") as follows:
 - (a) commitments by Air India and Vistara³ in relation to the First Transaction (the "**First Transaction Commitments**");
 - (b) commitments by the Integrated Entity and SIA in relation to the Second Transaction (the "**Second Transaction Commitments**"); and
 - (c) commitments by the Integrated Entity and SIA in relation to the Revised Commercial Cooperation (the "**RCC Commitments**").
6. The Proposed Commitments pertain to scheduled air passenger transport services on the SIN-DELvv, SIN-BOMvv, SIN-MAAvv and SIN-TRZvv routes where the Parties will undertake the following:
 - (a) Maintain capacity on the SIN-DELvv, SIN-BOMvv, SIN-MAAvv and SIN-TRZvv routes at pre-COVID-19 (i.e. Calendar Year 2019) levels;

² See CCCS's media release dated 3 June 2022 "CCCS raises competition concerns on the acquisition by Talace Private Limited of Air India Limited" here: <http://www.cccs.gov.sg/media-and-consultation/newsroom/media-releases/talace-air-india-merger-competition-concerns-3jun2022>

³ Commitments by Vistara and Air India were needed to address the competition concern arising from the First Transaction as the acquirer of Air India, Talace, was a fully owned subsidiary of TSPL which owns 51% share in Vistara.

- (b) Appoint an independent auditor to monitor compliance with (a) and submit a written annual report for each report year; and
- (c) Each of the Parties to submit an interim report which monitors their respective compliance with the committed capacity levels for every three weeks of non-fulfilment in a report year.

7. For further details of the Proposed Commitments, please refer to **Annex A**.

CCCS's Assessment of the Parties Commitments

- 8. From 8 December 2023 to 1 February 2024, CCCS conducted a market testing exercise on whether the Proposed Commitments would sufficiently address the competition concerns arising from the Transactions. Most relevant stakeholders did not raise any concerns with the Proposed Commitments save for one who made suggestions to refine the Proposed Commitments.
- 9. After evaluating the feedback provided, CCCS considers the Proposed Commitments sufficient to address the competition concerns arising from the Transactions.

Conclusion

- 10. CCCS has approved the Transactions on 5 March 2024, subject to the Parties' adherence to the **Proposed Commitments**.
- 11. More information can be accessed from the CCCS website at www.cccs.gov.sg under the section "[Public Consultation](#)".
- 12. For more information on the merger review process in Singapore, please refer to **Annex B**.

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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 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 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 www.cccs.gov.sg.

For media clarifications, please contact:

Ms. Grace Suen

Senior Assistant Director (Communications)

Competition and Consumer Commission of Singapore

Email: grace_suen@cccs.gov.sg

Mr. Ng Swee Kang

Assistant Director

Competition and Consumer Commission of Singapore

Email: ng_swee_kang@cccs.gov.sg

ANNEX A

Commitments By Air India Limited And Tata Sia Airlines Limited To The Competition And Consumer Commission Of Singapore (Merger Commitments)

Commitments By Singapore Airlines Limited To The Competition And Consumer Commission Of Singapore (Cooperation Commitments)

Commitments By Air India Limited To The Competition And Consumer Commission Of Singapore (Cooperation Commitments)

Commitments By Singapore Airlines Limited To The Competition And Consumer Commission Of Singapore (Merger Commitments)

Annex B

About the Section 54 Prohibition under the Competition Act & Merger Procedures

Section 54 of the Competition Act 2004 (“**the Act**”) prohibits mergers that have resulted, or may be expected to result, in a substantial lessening of competition in Singapore. CCCS is generally of the view that competition concerns are unlikely to arise in a merger situation unless:

- The merged entity has/will have a market share of 40% or more; or
- The merged entity has/will have a market share of between 20% to 40% and the post-merger combined market share of the three largest firms is 70% or more.

Merging entities are not required to notify CCCS of their merger but they should conduct a self-assessment to ascertain if a notification to CCCS is necessary. If they are concerned that the merger has infringed, or is likely to infringe, the Act, they should notify their merger to CCCS. In such cases, CCCS will assess the effect of the merger on competition and decide if the merger has resulted, or is likely to result, in a substantial lessening of competition (“**SLC**”) in Singapore.

Separately, CCCS has the ability to conduct an investigation into an un-notified merger if there are reasonable grounds for suspecting that the merger infringes section 54 of the Act. In the event CCCS finds that a merger situation has resulted or is expected to result in an SLC, CCCS has powers to give directions to remedy the SLC. For example, CCCS can require the merger to be unwound or modified to address or prevent the SLC, as the case may be. CCCS may also consider issuing interim measures prior to the final determination of the investigation.

Phase 1 and Phase 2 Merger Review

A Phase 1 review entails a quick review and allows merger situations that do not raise competition concerns under the section 54 prohibition to proceed. CCCS expects to complete a Phase 1 review within 30 business days. By the end of this period, CCCS will determine whether to issue a favourable decision and allow the merger situation to proceed. If CCCS is unable, at the end of the 30-day period, to conclude that the merger situation will not result in a substantial lessening of competition, CCCS will inform the merger parties and the merger parties may offer commitments to address the competition concerns. If required by CCCS, the merger parties may file further information and supporting documents as listed in Form M2. Upon receipt of Form M2, CCCS will proceed to a Phase 2 review.

A Phase 2 review entails a more detailed and extensive examination of the merger situation. While the principles of substantive assessment are the same, CCCS will require access to more extensive and detailed information regarding the merger parties and the markets in question. There will also be opportunities for the merger parties to offer commitments to address the competition concerns in Phase 2.

As the Phase 2 review is more complex, CCCS will endeavour to complete a Phase 2 review within 120 business days.

Commitments

Section 60A of the Act states that CCCS may, at any time before making a decision as to whether the section 54 prohibition has been or will be infringed, accept commitments that remedy, mitigate or prevent the substantial lessening of competition or any adverse effect arising from the merger situation. Where CCCS has accepted a commitment, CCCS will make a favourable decision.

Further details can be found in the [CCCS Guidelines on Merger Procedures](#).

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