



MEDIA RELEASE

21 June 2021

CCCS Consults on the Proposed Commercial Cooperation between Singapore Airlines Limited and All Nippon Airways Co., Ltd.

The Competition and Consumer Commission of Singapore (“**CCCS**”) is seeking public feedback from 21 June 2021 to 12 July 2021 on the proposed joint venture framework agreement on cooperation between Singapore Airlines Limited (“**SIA**”) and All Nippon Airways Co., Ltd. (“**ANA**”) (the “**Proposed Commercial Cooperation**”).

2. CCCS received a joint application for decision from SIA and ANA (collectively, the “**Parties**”) on the Proposed Commercial Cooperation and has accepted the application as complete as of 2 June 2021. CCCS is now assessing whether the Proposed Commercial Cooperation would infringe section 34 of the Competition Act (Cap. 50B), which prohibits agreements or concerted practices by undertakings which prevent, restrict or distort competition within any market in Singapore.

The Parties

SIA

3. SIA is a Singapore-based airline offering scheduled air passenger services to 67 destinations in 32 countries and territories using a fleet of 127 aircraft, as at January 2020. It is a public company listed on the Mainboard of the Singapore Exchange Securities Trading Limited. The principal activities of SIA comprise (through itself and its subsidiaries) the provision of scheduled international air passenger and air cargo transportation services, engineering services, training of pilots, air charters, and tour wholesaling and related services.

ANA

4. ANA is a Japan-based airline offering scheduled air passenger services to 98 destinations, comprising 50 domestic and 48 international airports, with a fleet of 253 aircraft, as at March 2020. ANA is a publicly listed company on the Tokyo, Osaka and London stock exchanges. The principal activities of ANA (through itself and its subsidiaries) comprise the provision of scheduled international air passenger and

cargo air transportation services, engineering services, training of pilots, flight catering services as well as trading and sales operations (such as retail sales at airport stores).

The Proposed Commercial Cooperation

5. Pursuant to the Proposed Commercial Cooperation, which was entered into on 31 January 2020, the Parties agree to cooperate on scheduling, pricing, sales and marketing, and other commercial areas (including expanded code-sharing and special prorated arrangements) to bring about a metal-neutral¹ alliance in respect of their services between Japan and Singapore.

6. The Proposed Commercial Cooperation will extend to the Parties' subsidiaries, SilkAir (Singapore) Private Limited (which is in the process of being integrated into SIA), Air Japan Co., Ltd. and ANA Wings Co., Ltd.

7. The Parties have submitted that they overlap on eight routes in the provision of air passenger transport services between Japan and Singapore on a direct or one-stop basis (the "**Overlapping Routes**").² The Parties also submitted that the relevant routes for the purposes of the competitive analysis should be limited to the Overlapping Routes.

8. The Parties have submitted that the Proposed Commercial Cooperation is unlikely to result in any adverse effects on competition as:

- a. the increment in the combined passenger share of the Parties on five³ out of eight of the Overlapping Routes is minimal;
- b. the Parties will continue to face intense competition from competitors on the Overlapping Routes that are direct routes; and
- c. the existing low barriers to entry on the Overlapping Routes would facilitate entry by potential competitors.

¹ Refers to a cooperative arrangement between airlines in which partners jointly plan and manage capacity, pricing, and inter-airline financial settlement, so that all participating airlines share equally in the profits, such that the airlines become effectively indifferent to which plane or 'metal' carries a passenger.

² The overlapping direct routes comprise Singapore-Haneda and Singapore-Narita. The overlapping one-stop routes comprise Singapore-Komatsu ("**SIN-KMQ**"), Singapore-Toyama ("**SIN-TOY**"), Singapore-Sendai and Singapore-Sapporo New Chitose. The overlapping routes comprising both direct and one-stop flights include Singapore-Fukuoka ("**SIN-FUK**"), Singapore-Osaka ("**SIN-KIX**") and Singapore-Nagoya ("**SIN-NGO**").

³ These are the SIN-FUK/KIX/NGO/KMQ/TOY routes.

9. In addition, the Parties submitted that the Proposed Commercial Cooperation is expected to result in significant consumer and economic benefits and efficiencies, such as:

- a. an enhanced air travel product in the form of increased number of itinerary options available for travellers, potentially increased frequencies or capacity on routes, or the introduction of new services between Japan and Singapore;
- b. expanded virtual networks of the Parties' respective air passenger services, thereby providing an increased number of offerings to passengers;
- c. more competitive fares through the reduction of double marginalisation and better fare combinability;
- d. significant benefits to corporate account customers;
- e. benefits to both Parties' frequent flyer programme members; and
- f. improved connectivity for both Japan and Singapore, better utilisation of both Parties' assets and combined efforts to recover from the devastating effects of COVID-19, with consequential benefits to the aviation and tourism industries of both Japan and Singapore.

Public Consultation

10. CCCS is seeking public feedback in relation to the Proposed Commercial Cooperation. The closing date for submissions is 12 July 2021.

11. More information on the public consultation can be accessed and downloaded from the CCCS website at www.cccs.gov.sg under the section "[Public Consultation](#)". If any submission contains confidential information, please also provide CCCS with a non-confidential version of the submission.

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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 (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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