

## MEDIA RELEASE

7 November 2014

### **CCS CLEARS THE PROPOSED COMMERCIAL ALLIANCE BETWEEN ETIHAD AIRWAYS PJSC AND JET AIRWAYS (INDIA) LIMITED**

1. The Competition Commission of Singapore (“CCS”) has cleared the notification for decision received on 6 June 2014 from Etihad Airways PJSC (“Etihad”) and Jet Airways (India) Limited (“Jet”) (collectively, the “Parties”). The notification relates to the application of section 34 of the Competition Act (Chapter 50B) (the “Act”) to the proposed commercial alliance between the Parties (“Proposed Commercial Alliance”).
2. Under the Proposed Commercial Alliance, the Parties intend to cooperate on, amongst other things, (i) route and schedule coordination; (ii) pricing; (iii) distribution; and (iv) marketing. For the purpose of assessing the Proposed Commercial Alliance as notified by the Parties, CCS examined the markets for the provision of international scheduled air passenger services and air freight services on the affected Singapore origin and destination city pairs (“Relevant Markets”).
3. After reviewing the submissions provided by the Parties and various stakeholders, CCS finds that the Proposed Commercial Alliance will, by its nature, have the object of preventing, restricting or distorting competition within Singapore. However, given that the Proposed Commercial Alliance has minimal adverse impact on competition in the Relevant Markets, CCS is satisfied that, on the balance, the efficiencies accrued from the Proposed Commercial Alliance outweighs the anti-competitive effect of the Proposed Commercial Alliance and therefore the Proposed Commercial Alliance is excluded from section 34 of the Act.<sup>1</sup>
4. Examples of such benefits assessed by CCS are the economic efficiencies achieved through joint operations and sharing of resources, as well as an expansion of Jet’s existing

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<sup>1</sup> 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 fall within Section 34 of the Act. By operation of section 35 of the Competition Act (read with paragraph 9 of the Third Schedule of the Act), the Proposed Commercial Alliance, within the relevant markets, is excluded from the Section 34 Prohibition of the Competition Act. Under section 35 of the Act, an agreement with net economic benefits can be excluded from the Section 34 Prohibition of the Competition Act if such an agreement contributes to improving production or distribution or promoting technical or economic progress but which does not impose on the undertakings concerned restrictions which are not indispensable to the attainment of these objectives, and does not afford the undertakings concerned the possibility of eliminating competition in respect of a substantial part of the goods and services in question.

network which will enable it to compete in the market segment of intercontinental travel<sup>2</sup> and Europe-Singapore travel.

5. Further information on the application and CCS's Grounds of Decision can be found on the [Public Register](#).

### **About the Competition Commission of Singapore**

CCS is a statutory body established under the Act 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](http://www.ccs.gov.sg).

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<sup>2</sup> Intercontinental travels refer to travels between continents (e.g. Asia to Europe)