



Australian
Competition &
Consumer
Commission

GPO Box 3131 Canberra ACT 2601
23 Marcus Clarke Street Canberra ACT
tel: (02) 6243 1111 fax: (02) 6243 1199
www.accc.gov.au

NEWS RELEASE

ACCC AUTHORISES ALLIANCE BETWEEN VIRGIN AUSTRALIA AND SINGAPORE AIRLINES

The Australian Competition and Consumer Commission has granted authorisation for Virgin Australia and Singapore Airlines to enter into an integrated network aviation alliance.

"The ACCC considers that the alliance is likely to lead to increased competition for international air passenger services," ACCC chairman Rod Sims said.

Under the alliance, the airlines will cooperate on all aspects of their Australia – Singapore services and any international and domestic connecting routes, including joint pricing and scheduling and joint marketing and sales.

"The ability to offer a comprehensive international and domestic network, along with enhanced frequent flyer and lounge products, is likely to be attractive to both corporate and government passengers," Mr Sims said.

The ACCC view is that the alliance is unlikely to be significantly anti-competitive in any of the relevant markets. The parties currently compete on a limited number of routes where competitor airlines are in a position to constrain the alliance's price and service decisions.

While noting Singapore Airlines' shareholding in Tiger Airways Holdings, the ACCC considers that the alliance is unlikely to lessen Tiger Airways Australia's incentive to compete in the domestic market.

Authorisation provides immunity from court action for conduct that might otherwise raise concerns under the competition provisions of the *Competition and Consumer Act 2010*. Broadly, the ACCC may grant an authorisation when it is satisfied that the public benefit from the conduct outweighs any public detriment.

The ACCC's determination will be available from the public register on the ACCC website, www.accc.gov.au.

Media inquiries

Mr Rod Sims, chairman, (02) 6243 1108 or 0408 995 408

General inquiries

Infocentre: 1300 302 502

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