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Our ref:

## By email

Dear Sir / Madam

Application for minor variation by Singapore Airlines and Deutsche Lufthansa (Applicants) – Authorisations A91542 & A91543 – interested party consultation

The Australian Competition and Consumer Commission (**ACCC**) has received an application from Singapore Airlines and Deutsche Lufthansa for a minor variation to authorisations A91542 & A91543, which were granted to the Applicants on 20 June 2016 (**Authorisation**) (the **application for minor variation**).

A minor variation is a variation to an authorisation that does not involve a material change in the effect of the authorisation. To grant a minor variation to an authorisation, the ACCC must be satisfied that the variation would not be likely to result in a reduction in the extent to which the benefit to the public of the authorisation outweighs the detriment to the public caused by the authorisation.

The ACCC would like to invite you to comment on the application for minor variation. A copy of the application for minor variation is available on the ACCC's website:

<u>Authorisation register</u>

A summary of the authorisation process including how to make a submission to the ACCC is located here: <u>Authorisation guidelines</u>

## The Authorisations

In November 2016 the ACCC granted authorisation for Singapore Airlines and Lufthansa to coordinate their operations between Singapore Airlines home markets (Singapore, Australia, Indonesia and Malaysia) and Lufthansa's home markets (Germany, Austria, Belgium and Switzerland).

The ACCC considered that the arrangements would be likely to result in public benefits, primarily in the form of enhanced products and services, operational and other efficiencies; and increased competition in international air passenger transport markets. The ACCC considered that the arrangements were likely to result in little, if any, public detriment.

The ACCC authorised the conduct for five years.

## Proposed minor variation to A91542 & A91543

Scoot Tigerair Pte Ltd is a wholly owned subsidiary of Singapore airlines and operates "Scoot". Scoot is positioned in the market as a low cost carrier. Scoot was not originally a part of the arrangements and was therefore not named as a relevant subsidiary in the original application for authorisation. The Applicants now wish to include Scoot in the arrangements and therefore seek to vary the authorisation.

The Applicants submit that the variation is minor because:

- There will not be a change to the corporate groups involved in the authorised conduct.
- There will not be a change to the nature of the authorised conduct.
- There will not be a change to the geographic regions subject to revenue sharing under the authorised conduct.
- There will only be a minor addition regarding Australian destinations, being Coolangatta (other Australian destinations serviced by Scoot are also served by Singapore Airlines).

## **Request for submissions**

The ACCC invites you to make a submission on the likely public benefits and the likely effect on competition, or any other public detriment, from the proposed variation.

If you intend to provide a submission, please do so by **7 September 2018**.

Submissions, including oral submissions, will be placed on the ACCC's public register subject to any request for exclusion. Please see the ACCC's publication <u>Guidelines for excluding information from the public register.</u>

The ACCC expects to make a decision about the proposed variation in September 2018.

This letter has been placed on the ACCC's public register. If you wish to discuss any aspect of this matter, please do not hesitate to contact Luke Griffin on 02 6243 1114.

Yours sincerely

Gavin Jones Director

Adjudication