



Joint Business between Malaysia Airlines Berhad and Singapore Airlines Limited

Reference Number	MAVCOM/ED/CC/DIV2/2024(1)
Application	Individual Exemption under section 51 of Act 771
Applicants	Malaysia Airlines Berhad and Singapore Airlines Limited
Receipt of Application	22 February 2024
Summary of Application	<p>Malaysia Airlines Berhad (“MH”) and Singapore Airlines Limited (“SQ”) (collectively, the “Parties”) have submitted an application (“Application”) seeking an individual exemption for their metal neutral joint business partnership (“Proposed Joint Business”). The scope of the Proposed Joint Business covers all scheduled air passenger services between Malaysia and Singapore operated by MH and SQ.</p> <p>The Proposed Joint Business does not apply to domestic services that have an origin and destination in Malaysia nor to connecting routes outside of Malaysia or Singapore.</p> <p>The current Application reflects the change in the scope of the Proposed Joint Business from the previous application, submitted by the Parties on 12 July 2022 (“2022 Application”). The scope of the Proposed Joint Business in the 2022 Application included the services of MH’s sister company, FlyFirefly Sdn. Bhd. (“FY”), and SQ’s subsidiary, Scoot Tigerair Pte. Ltd. (“TR”). Due to the removal of FY and TR from the scope of the Proposed Joint Business, the 2022 Application has been closed to allow for the new scope to be submitted in the current Application.</p> <p>The Proposed Joint Business includes cooperation between the Parties in the following areas:</p> <ul style="list-style-type: none">(a) Revenue share model;(b) Network planning and schedule coordination;(c) Pricing coordination;(d) Coordination in distribution systems;(e) Inventory management coordination;



- (f) Joint sales;
- (g) Joint marketing; and
- (h) Service and product cooperation.

The Parties submit that the Proposed Joint Business will ensure that the consumer demand for services between Malaysia and Singapore are met and that it will increase the likelihood of a more sustainable provision of capacity. It will also support improved connectivity between Malaysia and Singapore, with consequential benefits to the customers and to both countries' aviation industries and tourism sectors.

The Parties submit that the Proposed Joint Business is expected to bring the following benefits to consumers:

- (a) Increased travelling options;
- (b) Expansion of services and products available;
- (c) Increased network connectivity;
- (d) Harmonised service offerings;
- (e) Additional capacity and improved scheduling;
- (f) More attractive fare options due to pricing, inventory, sales, and marketing coordination;
- (g) Better corporate account offerings and benefits;
- (h) Better accessibility through expanded codesharing;
- (i) Coordinated frequent flyer programmes; and
- (j) Improved disruption management.

The Parties submit that the benefits and efficiencies arising from the Proposed Joint Business will outweigh any potential detriments to competition. The Parties further provide that the Proposed Joint Business is not likely to have the effect of significantly preventing, restricting, or distorting competition



	<p>due to there being adequate competition from competitors within the Malaysia–Singapore market.</p>
Consultation	<p>MAVCOM welcomes any party to submit written feedback on the individual exemption application regarding the Proposed Joint Business between MH and SQ.</p> <p>Any written feedback shall be titled “Joint Business between Malaysia Airlines Berhad and Singapore Airlines Limited” and submitted to MAVCOM by email to competition@mavcom.my by 1 April 2024.</p> <p>If the feedback contains confidential information, the party submitting the feedback shall clearly identify the confidential information and provide a non-confidential version of the feedback (with the confidential information removed and replaced by the word [“CONFIDENTIAL”]). “Confidential information” refers to trade, business or industrial information that belongs to any person, that has economic value and is not generally available to or known by others.</p>