



Joint Venture between Singapore Airlines Limited and Deutsche Lufthansa AG

Reference Number	:	MAVCOM/ED/CC/DIV2/2025(2)
Application	:	Individual Exemption under section 51 of Act 771 (renewal application)
Applicants	:	Singapore Airlines Limited and Deutsche Lufthansa AG
Receipt of Application	:	23 June 2025
Summary of Application	:	<p>Singapore Airlines Limited ("SQ") and Deutsche Lufthansa AG ("LH") (collectively, the "Applicants") have submitted an application ("Application") seeking to renew the individual exemption granted in 2022 for its expanded scope of the joint venture arrangement in respect of scheduled air passenger services in the following Markets:</p> <ul style="list-style-type: none"> (a) Singapore, Indonesia, Malaysia, and Australia (the "Original SQ Markets"); (b) New Zealand, Vietnam, and the Philippines (the "Expanded SQ Home Markets"); (c) Germany, Austria, Belgium, and Switzerland (the "Original LH Markets") (d) Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, France, Greece, Hungary, Iceland, Republic of Ireland, Italy, Kosovo, Latvia, Lithuania, Luxembourg, Malta, Republic of Moldova, Montenegro, Netherlands, North Macedonia, Poland, Portugal, Romania, Serbia, Slovenia, Slovakia, Spain, and United Kingdom (the "Expanded LH Home Markets"). <p>For this summary of application, the Commission will refer to the Markets as per the Commission's approval in 2022, which is as follows:</p> <ul style="list-style-type: none"> (a) the Original SQ Markets and the Expanded SQ Home Markets, will be collectively referred to as ("the SQ Home Markets"), and (b) the Original LH Markets and Expanded LH Home Markets will collectively be referred to as ("the LH Home Markets").

	<p>Notwithstanding MAVCOM's approval of the proposed expanded scope of the joint venture agreement in 2022, the Applicants did not proceed with the execution of the said agreement pending approval from CCCS. CCCS subsequently approved the expanded joint venture agreement on 28 January 2025, following the acceptance of voluntary commitments from the Applicants. Currently, the Applicants are in the process of negotiating amendments to the Framework Agreement to expand the approved scope of the LH Home Markets and SQ Home Markets.</p> <p>Accordingly, the joint venture had been implemented in respect of scheduled air passenger services in the Original LH Markets and the Original SQ Markets pursuant to the individual exemption granted by MAVCOM on 5 December 2022. The individual exemption was granted for a period of three (3) years and will expire on 4 December 2025.</p> <p>The joint venture is governed by a Framework Agreement entered by SQ and LH, which also covers services operated by the subsidiaries of LH, namely, Swiss International Air Lines Ltd., and Austrian Airlines AG, Brussels Airlines SA/NV, Air Dolomiti, Lufthansa City Airlines and Discover Airlines. The Application also covers services operated by SQ's subsidiary, Scoot Pte. Ltd. The objective of the Framework Agreement is to enhance scheduled air passenger services between the SQ and LH Home Markets.</p> <p>The Framework Agreement has been implemented in relation to routes involving Malaysia and the Original LH Home Markets. The Applicants, via an amendment to the agreement, also seek to include the passenger airline subsidiaries of LH and SQ (together, "JV Affiliates"), and to allow for the use of third parties or wet lease partners for traffic between some countries as operating carriers for certain feeder routes and provide intermodal transportation options such as bus and rail connections from hub destinations in Europe.</p>
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	<p>Under the Framework Agreement, the Applicants cooperate in:</p> <ul style="list-style-type: none"> (a) schedule coordination and capacity management; (b) pricing and inventory management; (c) sales; (d) marketing cooperation; and (e) sharing of JV route results. <p>The Applicants submit that the joint venture will give rise to the following significant economic and social benefits to the Malaysian economy and Malaysian travellers:</p> <ul style="list-style-type: none"> (a) Improving connectivity for passengers through expanded virtual networks; (b) Better scheduling which results in benefits to travellers; (c) Wider range of fare products which leads to potentially more competitive fares; (d) Better coordinated offerings for corporate accounts; and (e) Increased passenger, seat capacity, routes, and services. <p>The Applicants also submit that the joint venture is unlikely to lead to any significant reduction in competition, due to the presence of strong competitive constraints exerted by competing airlines between the SQ Home Markets and LH Home Markets and no or negligible barriers to entry or expansion on the focal routes.</p>
Reference(s)	: <u>MAVCOM's Decision granting an Individual Exemption to the Parties' Joint Venture dated 5 December 2022</u>



Consultation	: <p>MAVCOM welcomes any party to submit written feedback on the individual exemption application regarding the joint venture between SQ and LH.</p> <p>Any written feedback shall be titled “Joint Venture between Singapore Airlines Limited and Deutsche Lufthansa AG” and submitted to MAVCOM by email to competition@mavcom.my by 30 July 2025.</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>
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