

SIA, Tata Group in talks about Vistara, Air India merger

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Singapore : Singapore Airlines Ltd (SIA) said on October 13 that it is in talks with India's Tata Group about a potential merger of Vistara, their joint venture airline, with Air India to give the Singaporean carrier a bigger foothold in South Asia.

"The discussions seek to deepen the existing partnership between SIA and Tata, and may include a potential integration of Vistara and Air India," SIA said in a statement.

"The discussions are ongoing and no definitive terms have been agreed upon between the parties," added Singapore Airlines.

SIA said India had strong domestic and international traffic flows that were expected to double over the next 10 years, which compares to its more mature home market.

The Singaporean carrier has a 49 per cent stake in Tata SIA Airlines, which operates full-service carrier Vistara, while the Indian conglomerate owns the rest.

Tata owns all of Air India after completing its purchase of the previously state-owned Indian national carrier in January.

The Indian airline is rebuilding its fleet and targeting a domestic market share of at least 30 per cent over the next five years.

It is also launching more services to North America.

The SIA statement noted that any deal would need the green light from Singapore's competition watchdog and the authorities in India.

