

AI-Vistara merger awaits FDI, other approvals

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New Delhi: Singapore Airlines Group on Wednesday (May 15) said the proposed Air India and Vistara merger, which is awaiting foreign direct investment and other approvals, will strengthen its multi-hub strategy and also position it in the fast-growing Indian aviation market. Will do. Let direct participation continue.

The group reported a 24 per cent rise in net profit to S\$2,675 million for FY 2023-24, helped by strong air travel demand.

In a release, the group said it recorded the highest full-year operating net profit in its history as strong demand for air travel drives record passenger revenues and load factors.

Regarding the Air India-Vistara merger, the group said foreign direct investment and other regulatory approvals are pending.

Vistara is a joint venture between Singapore Airlines and Tata, which

also owns Air India. "Once completed, it will give SIA a 25.1 per cent stake in the expanded Air Indi group with a significant presence in all major Indian airline market segments, including domestic. International, full-service and low cost.

"This will strengthen SIA's multi-hub strategy and allow the group to participate directly in this large and fast-growing aviation market," the release said.

The merger, announced in November 2022, was approved by Singapore's Competition Consumer Commission in March. In September 2023, the deal received approval from the Competition Commission of India (CCI), subject to certain conditions. On the outlook, Singapore Airlines Group said air travel demand remains strong in Q1FY2024/25, supported by strong growth in forward bookings to North Asia and Southeast Asia. It said passenger revenue is likely to continue to moderate as airlines add capacity, particularly in the Asia Pacific region.

However, it also noted that the airline industry faces challenges including rising geopolitical tensions, an uncertain macroeconomic environment, supply chain disruptions and high inflation in many parts of the world.

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