

Singapore Airlines denies stake raise in Air India

- A Monitor Desk Report

Date: 18 June, 2023



Dhaka: When the Tata Group announced the merger of Air India with Vistara in November 2022, Singapore Airlines' stake in the merged entity was decided to be 25.1 per cent. However, a report on June 16 claimed that SIA could gradually increase its stake to 40 per cent. Nevertheless, Singapore Airlines categorically denying the report, as per latest updates.

As per reports, a Singapore Airlines' representative said, "The story dated June 16, 2023, is incorrect. There is no change in SIA's position from the November 2022 announcement. The regulatory approval process for the merger of Air India and Vistara is underway, and we have nothing further to add."

The report cited sources saying the Tata Group had engaged in initial talks with Singapore Airlines regarding this and that Air India was said to be keen on it, as it would mean more access to SIA's expertise in operating a successful airline.

It may be mentioned here that SIA already has a significant stake in an Indian carrier—Vistara. The airline is a joint venture between the Tata Group and Singapore Airlines while SIA owns 49 per cent of the Indian carrier.

Any merger deal and a foreign airline's investment must be green-lighted by the competition commissions of the countries involved. The Tata Group and SIA both already approached the Competition Commission of India for its nod for the eventual integration of Air India and Vistara.

The CCI will examine whether the combined entity will have enough competition on certain key routes. In case, it is unconvinced about certain aspects of the merger, the CCI will prescribe remedial steps to iron out those issues.

The CCI's nod is one of many things required for the eventual merger of Air India and Vistara. According to the current timeline, the integration will be finalised sometime in early 2024.

It is reported that the Tatas will eventually control a full-segment airline (joint product of Air India and Vistara) and a low-cost carrier (joint product of AirAsia India and Air India Express).

- T