

ABSTRACT

Alliances and partnerships within the airline industry are common practices done by its players. Behind the merger and acquisition, there are usually some underlying motives that cause this event to occur. In this research, the study will focus on the Indonesian airline market. Recently, the government-stated owned enterprise, Garuda Indonesia Group, merged with a private-owned company named Sriwijaya Air Group.

This research analyzes the external effects of mergers and acquisitions between two Indonesian airline groups; Garuda Indonesia Group and Sriwijaya Air Group. The research will be based on the previous literature about mergers and acquisitions in the airline industry as well as the motives of the mergers and acquisitions itself. The study will highlight some effects of the post-mergers and acquisitions in the Indonesian market after the duopoly competition arises. At the end of the research, researcher will illustrate the future Indonesian domestic aviation and the competition will be.

Keywords: Airline Mergers and Acquisitions, Airlines Industry, Domestic Airline Industry, Domestic Flights, Garuda Indonesia Group, Sriwijaya Air Group