



ACCC ALLOWS JETSTAR'S ASIAN BRANDS TO COORDINATE

16 February 2018

The ACCC has decided to re-authorise the continued coordination of three Qantas (ASX: QAN) Asian-based joint ventures: Jetstar Asia, Jetstar Pacific and Jetstar Japan.

The Jetstar joint venture airlines are also seeking to coordinate with their shareholding airlines Qantas, Japan Airlines and Vietnam Airlines, on passenger and cargo services within Asia.

The decision continues an ACCC authorisation made in 2013.

By coordinating, the Jetstar-branded airlines are able to operate as a single fully integrated organisation on matters such as flight scheduling, sales and marketing, and pricing.

"The ACCC considers that continuing this coordination should lead to public benefits, such as better products and services, and more convenient flight times for consumers," ACCC Commissioner Roger Featherston said.

"This conduct is likely to result in little, if any, lessening of competition. Our view is the joint venture airlines would be unlikely to compete directly with each other or their owners in the absence of the proposed coordination."

The re-authorisation does not extend to allowing coordination between the owners of any of the joint venture airlines.

Further information, including the application, public submissions and ACCC's decision can be found at the <u>ACCC Authorisations Register</u>.

Background

The Qantas Group has established these joint ventures because the international regulatory environment makes it impossible for the Qantas Group to wholly or majority own airlines outside Australia. The joint ventures are:

- Jetstar Asia based in Singapore, a joint venture between the Qantas Group and a Singapore citizen
- Jetstar Pacific based in Vietnam, a joint venture between the Qantas Group and Vietnam Airlines
- Jetstar Japan a joint venture between the Qantas Group and Japan Airlines.

Authorisation provides immunity from court action for conduct that might otherwise raise concerns under the competition provisions of the *Competition and Consumer Act 2010*.

Broadly, the ACCC may grant an authorisation when it is satisfied that the public benefit from the conduct outweighs any public detriment.

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