



MEDIA RELEASE

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ACCC proposes to re-authorise Qantas-American Airlines alliance

The ACCC is proposing to re-authorise the alliance between Qantas Airways Limited (ASX: QAN) and American Airlines Inc. for a further five years.

The alliance enables Qantas (and Jetstar) to cooperate with American Airlines on Trans-Pacific routes between Australia/New Zealand and the United States, Canada and Mexico.

“The ACCC considers the public benefits from this alliance are likely to continue under this re-authorisation,” ACCC Commissioner Sarah Court said.

“Passengers travelling on Trans-Pacific routes could benefit through enhanced products and services, including a greater likelihood of increased capacity and new routes; increased connectivity and improved schedule choice. Loyalty program benefits and improved lounge access, cost savings and efficiencies are also likely to be a result.”

The ACCC considers that the extent to which these public benefits are likely to be realised depends on the rate of recovery in demand for Trans-Pacific services following the COVID-19 pandemic. The greater the demand for these services, the greater the public benefit that is likely to be realised.

Authorisation will allow the two airlines to coordinate on a range of matters, including marketing and sales, freight, pricing, scheduling, distribution strategies including agency arrangements, yield and inventory management, frequent flyer programs, lounges, joint procurement and product and service standards.

“The alliance is unlikely to result in any significant public detriment, because the ACCC considers that American Airlines would be unlikely to operate its own Trans-Pacific services (or materially expand its Trans-Pacific capacity and frequency) in the absence of its alliance with Qantas,” Ms Court said.

The ACCC has also granted interim authorisation to allow the airlines to continue their alliance beyond 18 March 2018, when their current authorisations ([91502 and A91503](#)) are due to expire.

The ACCC is now seeking submissions from interested parties in relation to the draft determination. The draft determination and more information on how to make a submission are available on the ACCC public register at [Qantas & American Airlines](#).

Background

The ACCC first authorised an alliance between Qantas and American Airlines for five years in 2011 and re-authorised the alliance in 2016.

Qantas and American Airlines have sought authorisation from the ACCC because the alliance involve conduct that would risk breaching the *Competition and Consumer Act 2001*.

Notes to editors

ACCC authorisation provides statutory protection 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 likely public benefit from the conduct outweighs any likely public detriment.