



Australian  
Competition &  
Consumer  
Commission

GPO Box 3131 Canberra ACT 2601  
23 Marcus Clarke Street Canberra ACT  
tel: (02) 6243 1111 fax: (02) 6243 1199  
[www.accc.gov.au](http://www.accc.gov.au)

# NEWS RELEASE

## ACCC PROPOSES TO GRANT CONDITIONAL AUTHORISATION FOR AN ALLIANCE BETWEEN QANTAS AND EMIRATES

The Australian Competition and Consumer Commission has issued a draft decision proposing to grant authorisation, subject to a condition, for five years for an alliance between Qantas Airways Limited and Emirates. Under the alliance, the two airlines will cooperate on passenger and freight operations across their networks.

“The ACCC considers that the alliance is likely to result in material, although not substantial, benefits to Australian consumers,” ACCC Chairman Rod Sims said.

“The ACCC is of the view that the main benefit arising from the alliance is an improved product and service offering by the two airlines to their customers. This includes increased customer access to each others’ flights, destinations and frequent flyer programs.”

“The alliance is likely to result in some public detriments through its effect on competition where Qantas and Emirates currently offer overlapping services. In most of these regions, there are factors which are likely to mitigate the public detriment, including continuing competition from a number of established airlines.”

“However, on the overlapping routes between Australia and New Zealand, the ACCC is concerned that the alliance may have an increased ability and incentive to reduce or limit growth in its capacity in order to raise airfares. Therefore, the ACCC is proposing a condition to restrict the ability of the alliance in this regard.”

“Given the dynamic nature of the aviation industry, the limited extent of public benefits and the significant role of the trans-Tasman capacity condition in the ACCC’s decision, the ACCC considers it appropriate to review this authorisation earlier than the ten years requested by Qantas and Emirates. In the circumstances, the ACCC proposes to grant authorisation for five years,” Mr Sims said.

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.

The ACCC will now invite further submissions from the applicants and interested parties in relation to the draft determination prior to making a final decision on whether to authorise the conduct. The applicants or interested parties may also request that a conference be held to make oral submissions on the draft determination.

Further information, including the application, public submissions and ACCC decisions can be found at [www.accc.gov.au/AuthorisationsRegister](http://www.accc.gov.au/AuthorisationsRegister).

### Media inquiries

Mr Duncan Harrod, media unit, (02) 6243 1108 or 0408 995 408

### General inquiries

Infocentre: 1300 302 502

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