



tourism
INDUSTRY
ASSOCIATION NEW ZEALAND

27 July 2012

Bruce Johnson
General Manager - Aviation and Maritime
Ministry of Transport
PO Box 3175
Wellington 6140

Dear Bruce

Air New Zealand and Cathay Pacific alliance and code-share arrangements on the Auckland to Hong Kong route

Further to your e-mail correspondence of 4 July 2012, the Tourism Industry Association New Zealand (TIA) is pleased to provide initial and informal comments on the alliance and code-share arrangements that Air New Zealand and Cathay Pacific propose entering into on the Auckland to Hong Kong route.

The overarching policy position of TIA says that “air connectivity is a crucial pipeline for New Zealand’s visitor industry and that air access should be appropriate to meet potential demand”. The country’s distance from many of its international markets means that air services are critical to New Zealand’s global connectivity. Such services facilitate not only tourism but also support trade and the government’s wider economic agenda.

With visitor growth from points in Asia and the Pacific Rim expected to increase markedly over the next five to ten years, TIA believes the focus for future air services agreements (ASAs) should be with these points. It should also focus on non-stop services as these are likely to grow markets more quickly. The Auckland-Hong Kong route is an example of a non-stop route to Asia that also provides connections to and from third countries, including China and points in Europe and the Middle East.

Having considered the merits of the proposed alliance and code-sharing arrangement between Air New Zealand and Cathay Pacific, TIA supports the arrangement if:

- a. Capacity on the Auckland-Hong Kong route is not impacted
- b. Competitive customer pricing continues
- c. The arrangement results in an overall stimulation of inbound tourism

As this proposal is progressed, the Association would be grateful for an oral briefing in advance of any formal consultation that may occur.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Martin Snedden', with a large, stylized initial 'M'.

Martin Snedden
Chief Executive