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**Subject:**

**Categories:** QFEK

Hi

Please see below comments from the Tourism Industry Association New Zealand (TIA) on the QF/EK Coordination Agreement

- On the face of it, it appears the proposed alliance between Qantas and Emirates will deliver consumer benefits and for that reason, TIA is not opposed to the agreement proceeding. The benefits to consumers, however, will only come to fruition if the two airlines deliver on their commitments.
- With regard to capacity commitments by Qantas and Emirates, other than an expansion of services to and from Adelaide and Perth, the commitment to future capacity is essentially unchanged compared to what it is now. Given that the proposed alliance is for a 10 year period, demand is likely to be very different 10 years from now.
- It is noted in the proposal that the proposed alliance is good for Qantas as it will offer them significant benefits on its international network which is important for Australian and New Zealand tourism interests. However, if the Ministry of Transport was asked to look at the potential impact on the trans-Tasman market as a separate issue, then the alliance between Qantas and Emirates could create a possible duopoly on the route with Air New Zealand and Virgin – both alliances would command more than 95% of the trans-Tasman market.
- Finally, it should be noted that both Qantas and Emirates have provided significant benefits to, and made large investments in the New Zealand tourism market.

I trust this helps.

Regards

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