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30 November 2012

Mr Mark Basile
Adjudication Branch
Australian Competition & Consumer Commission
23 Marcus Clarke Street
CANBERRA ACT 2601

By email: mark.basile@accc.gov.au

Dear Mark

**Qantas Airways Limited and Jetstar Airways Pty Ltd
Authorisation Applications A91314 & A91315**

We refer to your email dated 27 November 2012 and your telephone conversation with Sar Katdare on 28 November 2012.

Please find enclosed a confidential response to questions 1, 3 and 4 of your request for further information. We also enclose a public version of the response (with confidential information redacted) to be placed on the Commission's public register.

We anticipate being able to respond to question 2 early next week.

Please let us know if there is any further information we can provide to assist the Commission.

Yours faithfully

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**RESPONSES TO THE COMMISSION'S REQUEST FOR
FURTHER INFORMATION DATED 27 NOVEMBER 2012**

1. On page 8 you note that Vietnam airlines and JAL do not have any overlapping routes. Our understanding is that Japan Airlines and Vietnam Airlines both operate services between Ho Chi Minh – Tokyo and Hanoi – Tokyo. Similarly, it appears that China Eastern and Vietnam overlap on Vietnam – Shanghai routes. Can you please confirm the overlap between the FSA combinations?

In our letter to the Commission of 1 November 2012, we stated that the Proposed Conduct **does not** involve coordination as between any of the following FSAs:

- (a) Qantas;
- (b) JAL;
- (c) Vietnam Airlines; and
- (d) China Eastern Airlines.

We included the following list of routes on which the above FSAs overlap (but will not coordinate on):

- (a) **Tokyo (Narita) to Sydney** – operated by each of JAL and Qantas;
- (b) **Shanghai (Pudong) to Sydney** – operated by each of China Eastern Airlines and Qantas;
- (c) **Tokyo (Haneda) to Shanghai (Hongqiao)** – operated by each of JAL and China Eastern Airlines;
- (d) **Osaka (Kansai) to Shanghai (Pudong)** – operated by each of JAL and China Eastern Airlines;
- (e) **Nagoya to Shanghai (Pudong)** – operated by each of JAL and China Eastern Airlines; and
- (f) **Tokyo (Narita) to Shanghai (Pudong)** – operated by each of JAL and China Eastern Airlines.

The list below shows additional routes on which the above FSAs overlap (but will not coordinate on):

- (a) **Hanoi to Shanghai (Pudong)** – operated by each of Vietnam Airlines and China Eastern Airlines;
- (b) **Ho Chi Minh to Shanghai (Pudong)** – operated by each of Vietnam Airlines and China Eastern Airlines;
- (c) **Hanoi to Tokyo (Narita)** – operated by each of Vietnam Airlines and JAL; and

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(d) **Ho Chi Minh to Tokyo (Narita)** – operated by each of Vietnam Airlines and JAL.

Market share data (capacity in calendar year 2011) for the above four routes is set out below.¹

Hanoi – Shanghai (Pudong)		
Carrier	Calendar Year 2011	
	Total Capacity	Market Share
Shanghai Airlines	30,356	16.43%
China Eastern Airlines	23,384	12.65%
Vietnam Airlines	131,066	70.92%
Total	184,806	100%

Ho Chi Minh – Shanghai (Pudong)		
Carrier	Calendar Year 2011	
	Total Capacity	Market Share
Shanghai Airlines	71,520	27.61%
China Eastern Airlines	53,720	20.73%
Vietnam Airlines	133,840	51.66%
Total	259,080	100%

Hanoi – Tokyo (Narita)		
Carrier	Calendar Year 2011	
	Total Capacity	Market Share
JAL	167,900	45.45%
Vietnam Airlines	201,528	54.55%
Total	369,428	100%

Ho Chi Minh – Tokyo (Narita)		
Carrier	Calendar Year 2011	
	Total Capacity	Market Share
JAL	167,900	26.92%
All Nippon Airways	156,950	25.16%
Vietnam Airlines	298,846	47.92%
Total	623,696	100%

¹ All data from DiioMi.

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[REDACTED – COMMERCIAL IN CONFIDENCE]

4. We note that you have claimed confidentiality over all the market share tables at appendices 2, 3 and 4. I expect this claim relates to the fact that it may identify routes on which a Jetstar entity intends to operate, and not that the market share data itself is confidential.

Appendices 2, 3 and 4 were marked confidential on the basis that they may identify routes on which a Jetstar LCC intends to operate.

Where a Jetstar LCCs' proposed operation on a particular route is already in the public domain, the Applicants have no objection to the Commission using the market share data in its determination.