



PERTH AIRPORT

19 December 2014

Dr Richard Chadwick
General Manager, Adjudication Branch
Enforcement and Compliance Division
Australian Competition & Consumer Commission
23 Marcus Clarke Street
CANBERRA ACT 2601

Via E-mail: adjudication@acc.gov.au

Dear Dr Chadwick

QANTAS – CHINA EASTERN AIRLINES JOINT VENTURE APPLICATION A91470 & A91471

Thank you for providing Perth Airport Pty Ltd (PAPL) the opportunity to comment on the proposed joint venture between Qantas Airways Limited (Qantas) and China Eastern Airlines.

China is an important market for Western Australia, and Perth Airport has experienced strong growth over the past 5 years (average 13% per annum) with 136,000 two-way passengers in the past 12 months between Perth and China. China Southern Airlines entered the Perth market in November 2011 and this service has been a key stimulus to both the inbound and outbound markets from China.

PAPL continues to engage with a number of Chinese airlines to commence direct services to Perth and PAPL believes there is a strong prospect of increased frequency to China in the short term. PAPL welcomes the opportunity to explore a direct service from Shanghai to Perth by either Qantas or China Eastern Airlines.

PAPL agrees with Qantas' position that the two airlines together will be able to offer improved products and travel offerings and support growing trade, tourism and corporate links between Perth and China. PAPL's view is the cooperation between the Qantas and China Eastern Airlines will have no material impact on competition in the Perth market during the term of the proposed joint venture.

On this basis, PAPL supports the joint venture between Qantas and China Eastern Airlines. Please advise if PAPL can be of further assistance.

Yours faithfully

Scott Norris
**EXECUTIVE GENERAL MANAGER
COMMERCIAL SERVICES**