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Adjudication
Australian Competition and Consumer Commission
GPO Box 3131
Canberra ACT 2601

Your reference

Our reference

ACW/ACW/381719/1
AUM/1214566561.1

7 December 2016

By Email : adjudication@acc.gov.au

Dear Adjudication

APPLICATION FOR AUTHORISATION - ETIHAD AND AIR SERBIA

We act on behalf of Etihad Airways PJSC and Air Serbia AD (together, the **Applicants**).

The Applicants seek authorisation from the Australian Competition and Consumer Commission (**ACCC**) in respect of the activities described in the attached application. We submit the following documents on behalf of the Applicants:

- Form A - Application for Authorisation;
- Form B - Application for Authorisation;
- Submission in Support (Public version); and
- Submission in Support (Confidential version).

We have paid the lodgement fee of \$9,000 and received a receipt for this payment numbered 1847986270.

We request that the ACCC exclude the confidential version of the submission in support from the public register under s89(5) of the *Competition and Consumer Act 2010* (Cth), treat it as exempt under the *Freedom of Information Act 1982* (Cth) and otherwise treat that version as confidential. This is because the confidential version contains the Commercial Co-operation Agreement, which is confidential to the Applicants as it contains terms agreed between them which are commercial in confidence.

DLA Piper Australia is part of DLA Piper, a global law firm, operating through various separate and distinct legal entities.

A list of offices and regulatory information can be found at www.dlapiper.com

Please feel free to contact Simon Uthmeyer on the number below should you have any questions regarding the application.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Alec White'.

ALEC WHITE
Senior Associate
DLA PIPER AUSTRALIA

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Alec.White@dlapiper.com

A handwritten signature in black ink, appearing to read 'S. Uthmeyer'.

SIMON UTHMEYER
Partner
DLA PIPER AUSTRALIA

Direct +61 3 9274 5470

Simon.Uthmeyer@dlapiper.com

Form A

Commonwealth of Australia

Competition and Consumer Act 2010 — subsections 88 (1A) and (1)

EXCLUSIONARY PROVISIONS AND ASSOCIATED CARTEL PROVISIONS: APPLICATION FOR AUTHORISATION

To the Australian Competition and Consumer Commission:

Application is hereby made under subsection(s) 88 (1A)/88 (1) of the *Competition and Consumer Act 2010* for an authorisation:

- to make a contract or arrangement, or arrive at an understanding, a provision of which would be, or might be, a cartel provision within the meaning of Division 1 of Part IV of that Act and which would also be, or might also be, an exclusionary provision within the meaning of section 45 of that Act.
- to give effect to a provision of a contract, arrangement or understanding that is, or may be, a cartel provision within the meaning of Division 1 of Part IV of that Act and which is also, or may also be, an exclusionary provision within the meaning of section 45 of that Act.
- to make a contract or arrangement, or arrive at an understanding, where a provision of the proposed contract, arrangement or understanding would be, or might be, an exclusionary provision within the meaning of section 45 of that Act.
- to give effect to a provision of a contract, arrangement or understanding where the provision is, or may be, an exclusionary provision within the meaning of section 45 of that Act.

(Strike out whichever is not applicable)

PLEASE FOLLOW DIRECTIONS ON BACK OF THIS FORM

1. Applicant

- (a) Name of Applicant:
(Refer to direction 2)

A91563 Etihad Airways PJSC (**Etihad**).
Air Serbia A.D. (**Air Serbia**).

- (b) Description of business carried on by applicant:
(Refer to direction 3)

Etihad provides international air transport services from a hub in Abu Dhabi.

Air Serbia provides international air transport services from its hub in Belgrade, Serbia.

- (c) Address in Australia for service of documents on the applicant:

Simon Uthmeyer
Partner
DLA Piper
Level 17, 140 William St
Melbourne Victoria 3000
simon.uthmeyer@dlapiper.com

2. Contract, arrangement or understanding

- (a) Description of the contract, arrangement or understanding, whether proposed or actual, for which authorisation is sought:

(Refer to direction 4)

Commercial co-operation agreement between Etihad and Air Serbia (**Co-operation Agreement**). Further details are contained in the attached submission.

- (b) Description of those provisions of the contract, arrangement or understanding described at 2 (a) that are, or would or might be, exclusionary provisions and (if applicable) are, or would or might be, cartel provisions:

(Refer to direction 4)

Provisions providing for co-operation between Etihad and Air Serbia in relation to various matters including pricing. Further details are contained in the attached submission.

- (c) Description of the goods or services to which the contract, arrangement or understanding (whether proposed or actual) relate:

International air transport services. Further details are contained in the attached submission.

- (d) The term for which authorisation of the provision of the contract, arrangement or understanding (whether proposed or actual) is being sought and grounds supporting this period of authorisation:

The duration of the partnership, or, alternatively, a period of not less than 10 years. Further details are contained in the attached submission.

3. Parties to the proposed arrangement

- (a) Names, addresses and descriptions of business carried on by other parties or proposed parties to the contract or proposed contract, arrangement or understanding:

Not applicable.

- (b) Names, addresses and descriptions of business carried on by parties and other persons on whose behalf this application is made:

(Refer to direction 5)

Not applicable.

4. Public benefit claims

- (a) Arguments in support of application for authorisation:
(Refer to direction 6)

Refer to attached submission.

- (b) Facts and evidence relied upon in support of these claims:

Refer to attached submission.

5. Market definition

Provide a description of the market(s) in which the goods or services described at 2 (c) are supplied or acquired and other affected markets including: significant suppliers and acquirers; substitutes available for the relevant goods or services; any restriction on the supply or acquisition of the relevant goods or services (for example geographic or legal restrictions):

(Refer to direction 7)

Refer to attached submission.

6. Public detriments

- (a) Detriments to the public resulting or likely to result from the contract arrangement or understanding for which authorisation is sought, in particular the likely effect of the contract arrangement or understanding, on the prices of the goods or services described at 2 (c) and the prices of goods or services in other affected markets:

(Refer to direction 8)

Refer to attached submission.

- (b) Facts and evidence relevant to these detriments:

Refer to attached submission.

7. Contracts, arrangements or understandings in similar terms

- (a) This application for authorisation may also be expressed to be made in relation to other contracts, arrangements or understandings or proposed contracts, arrangements or understandings, that are or will be in similar terms to the abovementioned contract, arrangement or understanding:

- (b) Is this application to be so expressed?

Yes.

- (c) If so, the following information is to be furnished:

- (i) description of any variations between the contract, arrangement or understanding for which authorisation is sought and those contracts, arrangements or understandings that are stated to be in similar terms:

(Refer to direction 9)

This application also applies to contracts, arrangements or understandings contemplated by the Co-operation Agreement in order to give effect to that agreement.

- (ii) Where the parties to the similar term contract(s) are known — names, addresses and descriptions of business carried on by those other parties:

(Refer to direction 10)

Not applicable.

- (iii) Where the parties to the similar term contract(s) are not known — description of the class of business carried on by those possible parties:

Not applicable.

8. Joint Ventures

- (a) Does this application deal with a matter relating to a joint venture (See section 4J of the *Competition and Consumer Act 2010*)?

No.

- (b) If so, are any other applications being made simultaneously with this application in relation to that joint venture?

Not applicable.

- (c) If so, by whom or on whose behalf are those other applications being made?

Not applicable.

9. Further information

- (a) Name, postal address and telephone contact details of the person authorised by the applicant seeking authorisation to provide additional information in relation to this application:

Simon Uthmeyer
Partner
DLA Piper
Level 17, 140 William St
Melbourne Victoria 3000
simon.uthmeyer@dlapiper.com

Dated 7 December 2016

Signed by/on behalf of the applicant

A handwritten signature in black ink, appearing to read 'S.J. Uthmeyer', with a horizontal line drawn underneath.

.....
(Signature)

Simon James Uthmeyer
Partner
DLA Piper

Form B

Commonwealth of Australia

Competition and Consumer Act 2010 — subsections 88 (1A) and (1)

AGREEMENTS AFFECTING COMPETITION OR INCORPORATING RELATED CARTEL PROVISIONS: APPLICATION FOR AUTHORISATION

To the Australian Competition and Consumer Commission:

Application is hereby made under subsection(s) 88 (1A)/88 (1) of the *Competition and Consumer Act 2010* for an authorisation:

- to make a contract or arrangement, or arrive at an understanding, a provision of which would be, or might be, a cartel provision within the meaning of Division 1 of Part IV of that Act (other than a provision which would also be, or might also be, an exclusionary provision within the meaning of section 45 of that Act).
- to give effect to a provision of a contract, arrangement or understanding that is, or may be, a cartel provision within the meaning of Division 1 of Part IV of that Act (other than a provision which is also, or may also be, an exclusionary provision within the meaning of section 45 of that Act).
- to make a contract or arrangement, or arrive at an understanding, a provision of which would have the purpose, or would or might have the effect, of substantially lessening competition within the meaning of section 45 of that Act.
- to give effect to a provision of a contract, arrangement or understanding which provision has the purpose, or has or may have the effect, of substantially lessening competition within the meaning of section 45 of that Act.

(Strike out whichever is not applicable)

PLEASE FOLLOW DIRECTIONS ON BACK OF THIS FORM

1. Applicant

- (a) Name of Applicant:
(Refer to direction 2)

A91564 Etihad Airways PJSC (**Etihad**).
Air Serbia A.D. (**Air Serbia**).

- (b) Short description of business carried on by applicant:
(Refer to direction 3)

International air transport services from a hub in Abu Dhabi.

Air Serbia provides international air transport services from its hub in Belgrade, Serbia.

- (c) Address in Australia for service of documents on the applicant:

Simon Uthmeyer
Partner
DLA Piper
Level 17, 140 William St
Melbourne Victoria 3000
simon.uthmeyer@dlapiper.com

2. Contract, arrangement or understanding

- (a) Description of the contract, arrangement or understanding, whether proposed or actual, for which authorisation is sought:

(Refer to direction 4)

Commercial co-operation agreement between Etihad and Air Serbia (**Co-operation Agreement**). Further details are contained in the attached submission.

- (b) Description of those provisions of the contract, arrangement or understanding described at 2 (a) that are, or would or might be, cartel provisions, or that do, or would or might, have the effect of substantially lessening competition:

(Refer to direction 4)

Provisions providing for co-operation between Etihad and Air Serbia in relation to various matters including pricing. Further details are contained in the attached submission.

- (c) Description of the goods or services to which the contract, arrangement or understanding (whether proposed or actual) relate:

International air transport services. Further details are contained in the attached submission.

- (d) The term for which authorisation of the contract, arrangement or understanding (whether proposed or actual) is being sought and grounds supporting this period of authorisation:

The duration of the partnership, or, alternatively, a period of not less than 10 years. Further details are contained in the attached submission.

3. Parties to the proposed arrangement

- (a) Names, addresses and descriptions of business carried on by other parties or proposed parties to the contract or proposed contract, arrangement or understanding:

Not applicable.

- (b) Names, addresses and descriptions of business carried on by parties and other persons on whose behalf this application is made:
(Refer to direction 5)

Not applicable.

4. Public benefit claims

- (a) Arguments in support of authorisation:
(Refer to direction 6)

Refer to attached submission.

- (b) Facts and evidence relied upon in support of these claims:

Refer to attached submission.

5. Market definition

Provide a description of the market(s) in which the goods or services described at 2 (c) are supplied or acquired and other affected markets including: significant suppliers and acquirers; substitutes available for the relevant goods or services; any restriction on the supply or acquisition of the relevant goods or services (for example geographic or legal restrictions):

(Refer to direction 7)

Refer to attached submission.

6. Public detriments

- (a) Detriments to the public resulting or likely to result from the authorisation, in particular the likely effect of the contract, arrangement or understanding, on the prices of the goods or services described at 2 (c) and the prices of goods or services in other affected markets:

(Refer to direction 8)

Refer to attached submission.

- (b) Facts and evidence relevant to these detriments:

Refer to attached submission.

7. Contract, arrangements or understandings in similar terms

This application for authorisation may also be expressed to be made in relation to other contracts, arrangements or understandings or proposed contracts, arrangements or understandings, that are or will be in similar terms to the abovementioned contract, arrangement or understanding.

- (a) Is this application to be so expressed?

Yes.

- (b) If so, the following information is to be furnished:
- (i) description of any variations between the contract, arrangement or understanding for which authorisation is sought and those contracts, arrangements or understandings that are stated to be in similar terms:
(Refer to direction 9)

This application also applies to contracts, arrangements or understandings contemplated by the Co-operation Agreement in order to give effect to that agreement.

- (ii) Where the parties to the similar term contract(s) are known — names, addresses and descriptions of business carried on by those other parties:

Not applicable.

- (iii) Where the parties to the similar term contract(s) are not known — description of the class of business carried on by those possible parties:

Not applicable.

8. Joint Ventures

- (a) Does this application deal with a matter relating to a joint venture (See section 4J of the *Competition and Consumer Act 2010*)?

No.

- (b) If so, are any other applications being made simultaneously with this application in relation to that joint venture?

Not applicable.

- (c) If so, by whom or on whose behalf are those other applications being made?

Not applicable.

9. Further information

- (a) Name and address of person authorised by the applicant to provide additional information in relation to this application:

Simon Uthmeyer
Partner
DLA Piper
Level 17, 140 William St
Melbourne Victoria 3000
simon.uthmeyer@dlapiper.com

Dated 7 December 2016

Signed by/on behalf of the applicant

A handwritten signature in black ink, appearing to read 'S.J. Uthmeyer', with a horizontal line drawn underneath the signature.

.....
(Signature)

Simon James Uthmeyer
Partner
DLA Piper

Public Register Version



**PROPOSED COMMERCIAL PARTNERSHIP BETWEEN
ETIHAD AIRWAYS PJSC AND AIR SERBIA A.D.**

Submission in support of the Application for Authorisation

1 EXECUTIVE SUMMARY

Authorisation sought for the Etihad/Air Serbia Partnership Etihad Airways PJSC (**Etihad**) and Air Serbia A.D. (**Air Serbia**) (together referred to as the **Applicants**) seek authorisation to make, and to give effect to, the commercial co-operation agreement annexed in Annexure A (**Co-operation Agreement**), which they have agreed, subject to regulatory approval, in order to implement a commercial partnership (**Partnership**) for the purpose of closely co-operating in relation to the provision of international air travel services.

In August 2013, a new strategic partnership was announced which would transform Jat Airways into Air Serbia. Etihad Airways acquired a 49% share in Serbia's national airline with the Government of Serbia retaining 51%. The management team then undertook a significant cost restructuring program and the airline was rebranded and resized.

The co-operation the subject of the Partnership is similar to the co-operation the subject of the commercial partnership between Etihad and Air Berlin in respect of which authorisation was granted on 25 July 2012 pursuant to authorisation numbers A91307 and A91308 and the commercial partnership between Etihad and Alitalia in respect of which authorisation was granted on 30 January 2015 pursuant to authorisation numbers A91468 and A91469.

Etihad and Air Serbia seek authorisation to enter into and give effect to the Co-operation Agreement and, inter alia, to engage in the following activities in relation to passenger travel and cargo services in accordance with the intent of the Partnership:

- Work together on a co-operative basis, including reaching agreements where desirable, in respect of:
 - route and schedule co-operation;
 - pricing and fare product development;
 - marketing, distribution, dealing and sales representation including consolidation of sales offices and joint travel agent and corporate account dealing; and
 - processes and working arrangements,(together the **Pricing, Scheduling and Marketing Activities**).
- Work together on a co-operative basis, including reaching agreements where desirable, in respect of:

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- freesale codesharing;
- reciprocal preferred fare pro-ration;
- staff travel, staff exchange and staff training programmes;
- reciprocal lounge access;
- product development including seamless product innovation;
- joint airport representation and handling including seamless full service transfer products at airports; and
- joint procurement,

(together the **Co-operative Activities**).

The Partnership foresees the generation of significant public benefits including that Air Serbia will be able to offer services to Australia, through connections from Abu Dhabi (on flights operated by Etihad) in more seamless and efficient manner. Further, by taking advantage of cost efficiencies in respect marketing, distribution, dealing and sales representation Air Serbia will be able to offer customers improved pricing and seating inventory.

No adverse effect on competition

Currently, Air Serbia does not operate flights on sectors to or from Australia. Operation of its own flights to and from Australia is not economically viable for Air Serbia. Air Serbia is a relatively small airline with twenty one (21) aircraft in total. Air Serbia only has one (1) wide body aircraft (A330-200), and that is currently dedicated solely for operations between Belgrade and New York. Air Serbia currently offers services on routes to and from Australia through a code share agreement with Etihad.

In consequence, the Partnership would not adversely affect competition in any relevant market.

The Partnership will promote competition in the market for air services between Serbia and Australia

The Partnership would allow Etihad and Air Serbia to better compete in relevant markets, including market(s) for air transport services between Australia and Serbia, by allowing those carriers to offer enhanced products and services for consumers in both Serbia and Australia and take advantage of cost savings and efficiencies.

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Public benefits

The Partnership would deliver significant public benefits immediately, including in the form of:

- **New and enhanced products and services:**
 - improved quality of services including through more convenient scheduling and enhanced operational co-ordination;
 - enhanced reciprocal access to Etihad and Air Serbia airport lounges, frequent flyer and premium guest programmes; and
 - ability to jointly develop and promote new products for the Serbian and Balkan markets, e.g. the existing joint European AirPass product;
- **Cost savings and efficiencies**
 - cost savings from efficiencies arising from the co-ordination of distribution, marketing, dealing and sales representation, including the consolidation of sales offices.
- **Promotion of competition**
 - the above cost savings, efficiencies and new and enhanced products and services will allow Etihad and Air Serbia to offer an integrated service that can better compete with rival airlines operating in the same markets including Qantas, FlyDubai/Emirates and Qatar Airways, among others.
- **Stimulation of tourism to Australia:**
 - the creation of new online itineraries from Air Serbia's home market in Serbia to Etihad's Australian destinations will promote tourism flows from Serbia to Australia; and
 - enhanced promotion and distribution of services to Australian destinations through Etihad's and Air Serbia's respective global networks.

Interim authorisation requested

Etihad and Air Serbia should be able to engage in the Pricing, Scheduling and Marketing Activities, and the Co-operative Activities, as soon as possible. The Applicants are seeking an interim authorisation for the following reasons:

- the Partnership is clearly pro-competitive and has no adverse effect on competition;
- a partnership of a similar nature has already been

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approved (Etihad / Air Berlin and Etihad / Alitalia);

- scheduling and marketing typically occurs in blocks of approximately 6 months so interim authorisation is likely to allow many of the benefits of the Partnership to be realised a season earlier; and
- in order for the Applicants and the travelling public to realize the full benefits of the Partnership, including in respect of routes to and from Australia, the Applicants require the ability to undertake the Partnership Activities.

Given this urgency, and the fact that the Partnership will not result in any detriment but will immediately create public benefits, including in respect of routes to and from Australia, the Applicants seek interim authorisation as soon as possible pending a final authorisation determination to undertake the:

- Pricing, Scheduling and Marketing Activities; and
- Co-operative Activities,

(together the **Partnership Activities**).

Term of final Authorisation

The Applicants submit that on the basis that the parties to the Partnership have completely different geographic hubs and cannot reasonably be expected to both operate flights on the full route between Australia and Serbia, the ACCC should authorise the Partnership and Partnership Activities for a period of at least 10 years. That period would be equivalent to the period of authorisation for the partnerships between Etihad and Air Berlin and between Etihad and Alitalia.

2 THE FIRST APPLICANT – ETIHAD



Overview of operations

- 2.1 Etihad Airways, the national airline of the UAE, has in just over ten years, established itself as a successful airline operator having won numerous industry awards including the 'World's Leading Airline' at the World Travel Awards in 2013. Set up by Royal (Emiri) Decree in July 2003, Etihad commenced commercial operations in November 2003 from its base in Abu Dhabi (the capital of the UAE). In 2015, Etihad carried 17 million revenue passengers. As at October 2016, Etihad had a fleet of 122 aircraft, and operated flights to 112 destinations in over 60 countries. Please refer to Annexure B for Etihad's international passenger network as at October 2016.
- 2.2 Australia is a key market for Etihad. The airline is committed to growing its presence in Australia, and becoming an airline of choice for Australian corporate and retail customers.
- 2.3 Etihad commenced services to and from Australia with flights to Sydney in March 2007, Brisbane in September 2007, Melbourne in March 2009 and Perth in July 2014. As at November 2016, Etihad operated 39 services per week from destinations in Australia direct to Abu Dhabi as shown in the table below.

Destination	Services per week as at November 2016	Commenced services
Sydney	11	Mar, 2007
Brisbane	7	Sep, 2007
Melbourne	14	Mar, 2009
Perth	7	July, 2014

- 2.4 Etihad's Australian head office is in Sydney. It also has offices in Melbourne, Perth and Brisbane. It maintains premises in cities around Australia, including a dedicated aircraft maintenance facility at Sydney International Airport and a call-centre in Sydney.

Etihad's business model and strategy

- 2.5 Etihad is a full service network carrier operating from a hub in Abu Dhabi, the capital of the United Arab Emirates.
- 2.6 Although not a member of any global alliance, Etihad has a strong portfolio of partnerships, bilateral relationships and affiliate relationships with other carriers including equity partnerships, codeshare arrangements and interline agreements.

PUBLIC REGISTER VERSION

2.7 In 2010, Etihad entered into a commercial partnership with Virgin Blue Airlines under which those two carriers agreed to cooperate on pricing and scheduling of services across their respective networks. The ACCC granted authorisation in respect of that partnership in February 2011, noting that:

'Virgin Blue and Etihad currently do not directly compete on any routes, nor are they likely to directly compete in the future. In light of this, the ACCC considers that the Alliance is unlikely to result in any public detriment.'¹

2.8 This partnership allows those carriers to offer a joint global network of more than 100 destinations which, as at November 2016, included 39 destinations in Australia.

2.9 In 2012, Etihad entered into a commercial partnership with Air Berlin to co-operate in respect of various routes, including between Australia and Germany, through joint pricing, joint route and schedule co-ordination and joint marketing, distribution and sales representation. The ACCC granted authorisation in respect of Etihad's commercial partnership with Air Berlin in July 2012 for a period of 10 years.² In its decision, the ACCC concluded that the Etihad Air Berlin partnership was likely to result in:

2.9.1 public benefits in the form of enhanced products and services and the promotion of competition and that it may result in some stimulation of tourism; and

2.9.2 no public detriment.³

2.10 In 2014, Etihad entered into a commercial partnership with Alitalia to co-operate in respect of various routes, including between Australia and Italy, through joint pricing, joint route and schedule co-ordination and joint marketing, distribution and sales representation. The ACCC granted authorisation in respect of Etihad's commercial partnership with Alitalia on January 2015 for a period of 10 years.⁴ In its decision, the ACCC concluded that the Etihad Alitalia partnership was:

2.10.1 likely to result in public benefits in the form of enhanced products and services, cost savings and efficiencies, and that it may result in some stimulation of tourism and promotion of competition; and

2.10.2 likely to result in little if any public detriment.⁵

2.11 As at October 2016, Etihad has 51 codeshare arrangements and 197 interline agreements.⁶

2.12 Etihad's current codeshare agreements are with Aegean Airlines, Aerolineas Argentinas, Aer Lingus, Air Astana, airBaltic, airberlin, Air Canada, Air Europa, Air France, Air Malta, Air New Zealand, Air Serbia, Air Seychelles, Alitalia, All Nippon Airways, American Airlines, Asiana Airlines, Avianca Airways, Avianca Brazil, Bangkok Airways,

¹ Authorisation No A91247 & A91248 Virgin Blue Airlines and Others (3 February 2011) at page ii.

² Authorisation No A91307 and 91308, Etihad and Air Berlin (25 July 2012).

³ Authorisation No A91307 and 91308, Etihad and Air Berlin (25 July 2012) at [3.32] - [3.34].

⁴ Authorisation No A91468 and A91469, Etihad and Alitalia (30 January 2015) at [3.43].

⁵ Authorisation No A91468 and A91469, Etihad and Alitalia (30 January 2015) at [3.13] - [3.27] and [3.35].

⁶ <http://www.etihad.com/Documents/PDFs/Corporate%20profile/Fast%20facts/oct-2016-en.pdf>

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Belavia, SN Brussels Airlines, China Eastern Airlines, Czech Airlines, Darwin Airline, Flybe, Garuda Indonesia, Gol Linhas Aereas Inteligentes, Hainan Airlines, Jet Airways, JetBlue Airways, Kenya Airways, KLM Royal Dutch Airlines, Korean Air Lines, kulula.com, Malaysia Airlines, Middle East Airlines, NAS Air, Niki, Pakistan International Airlines, Philippine Airlines, Royal Air Maroc, SAS, Siberia Airlines, SNCF, South African Airways, SriLankan Airlines, TAP Portugal, Turkish Airlines, Vietnam Airlines and Virgin Australia.

- 2.13 Through strong relationships with both its codeshare and interline partners, Etihad is able to offer an enhanced and expanded network to its own customers. In return, partners can access the depth of Etihad's network.

3 THE SECOND APPLICANT – AIR SERBIA



Overview of operations

- 3.1 Air Serbia is based in Serbia and operates flights providing international air transport services for passenger and cargo from its home hub of Airport Nikola Tesla in Belgrade, Serbia to 36 destinations (44 in summer) in 28 countries in Europe, the Mediterranean, the Middle East and the United States. It is a member of the International Air Transport Association (IATA). Please refer to Annexure C for Air Serbia's international passenger network as at November 2016.
- 3.2 During the 2016 summer, Air Serbia operated more than 788 flights per week.
- 3.3 Currently, Air Serbia does not operate flights to or from Australia. Air Serbia is a relatively small airline with twenty one (21) aircraft in total and operation of its own flights to and from Australia is not economically viable. Air Serbia only has one (1) wide body aircraft (A330-200). That aircraft is currently dedicated solely to flights between Belgrade and New York. Air Serbia does not own or operate aircraft capable of flying nonstop between Serbia and Australia.
- 3.4 Air Serbia currently offers air transport services on routes to and from Australia through a code share agreement with Etihad.

Air Serbia's business model and strategy

- 3.5 Air Serbia strives to be the first choice for air travel to, from and within the Balkans.
- 3.6 Air Serbia is hubbed at Belgrade's Nikola Tesla Airport and operates a fleet of 11x Airbus A319/A320/A330 aircraft, 4x Boeing 737 aircraft and 6x ATR 72 turboprops as at November 2016.

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- 3.7 Air Serbia is a member of EAP Partners along with Etihad and 6 other carriers, being airberlin, Alitalia, Air Seychelles, Etihad Regional, Jet Airways and NIKI.
- 3.8 As at November 2016, Air Serbia has 18 code share agreements with Adria Airways, Aeroflot, Air Berlin, Air China, Air France, Alitalia, Bulgaria Air, Etihad Airways, Etihad Regional, KLM Royal Dutch Airlines, Aegean Airlines, LOT Polish, TAROM, Air Baltic, Air Europe, El Al Israeli Airline, Air Seychelles and NIKI.

4 THE PARTNERSHIP

Proposed Partnership

- 4.1 The Applicants are seeking authorisation to establish an integrated network partnership pursuant to which the Applicants will be granted the authority to:
- 4.1.1 undertake the Pricing, Scheduling and Marketing Activities to give effect to the Partnership including in relation to services between points in Serbia and points in Australia via Abu Dhabi; and
 - 4.1.2 undertake the Co-operative Activities to give effect to the Partnership.
- 4.2 In August 2013 a new strategic partnership was announced which would transform Jat Airways into Air Serbia. Etihad Airways acquired a 49 % share in Serbia's national airline with the Government of Serbia retaining 51%. The management team then undertook a significant cost restructuring program and the airline was rebranded and resized.

Agreements

- 4.3 Subject to applicable laws and regulatory approvals in Australia, on 28. November 2016, Etihad and Air Serbia entered into the Co-operation Agreement. That Co-operation Agreement is subject to relevant clearances being obtained under applicable laws.
- 4.4 A copy of the executed Co-operation Agreement is included in Confidential Annex A.

Scope of the Partnership

- 4.5 In accordance with the Co-operation Agreement, the Applicants propose to implement the:
- 4.5.1 Pricing, Scheduling and Marketing Activities; and
 - 4.5.2 Co-operative Activities.

Co-operation on services to Australia

- 4.6 In order to provide air transport services on routes between Serbia and Australia without a partner, Air Serbia would have to operate its own aircraft on a sector between Australia and an international intermediary hub airport such as Abu Dhabi. This would require a substantial investment including, for example, the acquisition of new aircraft. In consequence of a variety of factors including the investment required, the relatively small size of the market for international air transport between Serbia and Australia and the need for air rights in respect of flights from other countries, such a service to Australia in the absence of a partnership would not be financially viable for Air Serbia.

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- 4.7 For reasons including those set out above, it is not viable for Air Serbia to commence operating its own flights to Australia. In consequence, in order that Air Serbia can offer services to customers on routes to and from Australia, it makes commercial sense for Air Serbia to co-ordinate with Etihad in order that customers can fly between Serbia and Abu Dhabi on either an Air Serbia or Etihad operated flight and connect with a flight operated by Etihad between Abu Dhabi and Australia.
- 4.8 However, in order to compete with other airlines that offer services between the same locations, Air Serbia and Etihad need to maximise efficiencies, minimise costs and offer high quality services including, for example, convenient scheduling and connection times. The Partnership will enable the Parties co-operate more closely, enabling them to achieve cost efficiencies by using each others infrastructure and co-ordinating in a variety of areas including marketing, distribution, dealing and sales, to develop new products and to increase the quality of existing products by, for example, co-ordinating scheduling and permitting reciprocal lounge access. In consequence, the Partnership will allow Etihad and Air Serbia to better compete with other airlines and, thus, provide benefit to consumers.

Commercial Context

- 4.9 There are a large number of carriers that offer services between Australia and Serbia. For example, one stop services are offered by the following carriers:
- 4.9.1 Qatar Airways offers services between Belgrade and each of Melbourne, Adelaide, Sydney and Perth via Doha. Both flights are operated by Qatar Airways.
- 4.9.2 Qantas offers services between Belgrade and each of Melbourne and Sydney via Dubai. The flights between Belgrade and Dubai are operated by Emirates' subsidiary, Fly Dubai.
- 4.9.3 Emirates and Fly Dubai, the subsidiary of Emirates, offer services between Belgrade and each of Sydney, Melbourne, Perth, Adelaide and Brisbane via Dubai. The flights between Dubai and points in Australia are operated by Emirates.
- 4.9.4 Virgin Australia offers services between Belgrade and each of Melbourne, Sydney and Perth via Abu Dhabi. The flights between Abu Dhabi and Belgrade are operated by Etihad.
- 4.9.5 Etihad and Air Serbia offer services between Belgrade and each of Sydney, Melbourne, Perth, Adelaide and Brisbane via Abu Dhabi. The flights between Abu Dhabi and points in Australia are operated by Etihad.
- 4.10 There are many other carriers that offers services between Australia and Serbia involving two stops including:
- 4.10.1 Singapore Airlines offers services between Belgrade and each of Melbourne, Adelaide, Sydney, Brisbane and Perth via Singapore and Munich. The flights between Munich and Belgrade are operated by Lufthansa or Lufthansa Cityline.

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4.10.2 Thai Airways offers services between Belgrade and each of Melbourne, Adelaide, Sydney, Brisbane and Perth via Bangkok and Munich. The flights between Munich and Belgrade are operated by Lufthansa or Lufthansa Cityline.

4.11 Furthermore, market share data demonstrates that there is competition on the routes between Australia and Serbia. For example, in addition to the services provided by Etihad and Air Serbia, MIDT data for the period November 2015 to October 2016 records that for tickets booked in Australia, Qatar Airways had 21% market share on the route between Sydney and Belgrade, 31% share on the route between Melbourne and Belgrade, 6% share on the route between Brisbane and Belgrade (where Emirates had a 7% market share) and 39% on the route between Perth and Belgrade. The MIDT data is contained in Annex D.

Etihad's commercial rationale

4.12 Etihad's strategy is to continue to build strong bilateral partnerships with other airlines whilst making targeted acquisitions/investments, in order to build an international route network providing greater connectivity to passengers whilst improving the operating efficiency of the aircraft of the equity partners operating the route network. Etihad and its equity partners face significant competition from larger airline alliances and independent carriers.

4.13 Etihad has adopted a network strategy to expand its reach and provide customers with access to more services and destinations through codeshare partnerships.

4.14 For Etihad, the Partnership will enhance its position and brand in Australia, particularly in respect of the large Serbian and former Yugoslav Diaspora and corporate entities which have commercial relationships with Serbian companies.

4.15 Etihad's core rationale for entering the Partnership is:

4.15.1 to expand its successful network of services globally and to improve its presence and brand recognition within Serbian community;

4.15.2 to improve its offering to travellers by increasing connection possibilities and frequencies on international destinations;

4.15.3 to offer reciprocal lounge and frequent flyer benefits to Air Serbia passengers;

4.15.4 to build on Air Serbia's existing network in Europe; and

4.15.5 to offer a more competitive product in order to compete more effectively with competitors, including, with respect to Australia, Qantas, Emirates and Qatar Airways.

4.16 The Partnership is likely to enhance Etihad's revenues and reduce costs by integrating networks and improving synergies.

Air Serbia's commercial rationale

4.17 It is currently difficult for Air Serbia to offer competitive services on routes between Serbia and Australia because it does not operate flights to or from Australia, the cost of using code share flights to Australia is high and its sales distribution network is small.

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- 4.18 The Partnership is likely to enhance Air Serbia's revenues and reduce costs by providing more competitive product, both in terms of price and quality and improving synergies between the Parties. This is explained in more detail below.
- 4.19 Air Serbia's commercial rationale for entering the Partnership is:
- 4.19.1 to improve its presence and brand recognition in Australia;
 - 4.19.2 to take advantage of Etihad's existing network and sales and distribution in the UAE and Australia, making the sales and distribution model of Air Serbia more effective and efficient, including by creating more efficient inventory alignment;
 - 4.19.3 to allow Air Serbia to participate in the Corporate Dealing model of Etihad Airways, a new concept for Air Serbia in Australia. Air Serbia may also participate in joint analysis of Sales and Forward Bookings data, which could be important for both parties to further prospect for revenue opportunities;
 - 4.19.4 to achieve cost efficiencies through means including reduced sales costs through the removal of General Sales Agent (GSA) commission, co-location of Air Serbia staff within the Etihad Airways Sydney office, joint marketing activity, promotional material and greater online presence and potential for joint fare filing ex the Australian market;
 - 4.19.5 to achieve incremental revenue growth through broader distribution and quicker speed to market, stronger corporate proposition through combined network offering, improved access to joint inventory and the inclusion of Serbia in Etihad major campaigns such as Earlybirds and Global Sales;
 - 4.19.6 to offer a more competitive product in order to compete more effectively with other global network carriers, including eradicating the current 24-72 hours lag in Air Serbia's fares to market, jointly messaging and marketing special fares or offers such as earlybirds, tactical fares and frequent flyer promotions (both carriers are in Etihad Guest), ensuring Serbian language skills are present for the entire journey from Australia to Serbia, including the transfer experience at Abu Dhabi and providing better service to codeshare customers;
 - 4.19.7 to jointly develop and promote new products for the Serbian and Balkan markets which have been underdeveloped over the last two decades, including development of Joint Air Passes, Stop-Over offers and Open Jaw fares into/out of Europe; and
 - 4.19.8 to allow Air Serbia and Etihad Airways to pool resources to promote destination Serbia and Balkans, giving the Australian travelling public greater knowledge of these amazing destinations. The parties could also jointly work together on projects such as support for the newly formed Australian Serbian Chamber of Commerce.

Applicants are a good strategic fit

- 4.20 Importantly both airlines are a good strategic fit for each other and the Partnership facilitates competition for the following reasons:

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- 4.20.1 Etihad has an equity stake in Air Serbia, and thus has a fiduciary and pecuniary interest as a shareholder in helping ensure its success through efficiencies, cost savings and enhanced services, among other things.
- 4.20.2 prior to the Partnership there is minimal competitive overlap between Etihad and Air Serbia. For example, unlike Etihad, Air Serbia does not operate flights to or from Australia;
- 4.20.3 the Partnership allows Etihad and Air Serbia to provide an improved product in order to compete with other carriers that offers services on the same routes; and
- 4.20.4 each airline fills an important strategic need of the other and consequently each is committed to a deep and lasting partnership.

Why a Partnership is necessary to achieve the commercial objectives

- 4.21 Only by entering into the Partnership can Etihad and Air Serbia achieve their pro-competitive commercial objectives.
- 4.22 A partnership relationship is essential to enable both carriers to align their schedules and frequencies to attract the required customer segments in the right markets and to take advantage of the synergies and benefits outlined above. The Partnership enables both carriers to benefit from each other's strong brands in their home markets - providing confidence for their customers to utilise these services.

Authorisation sought

- 4.23 Etihad and Air Serbia submit that the ACCC should authorise the Partnership for the duration of the Partnership or, alternatively, for a period of no less than 10 years.

Interim authorisation is necessary and procompetitive

- 4.24 The Applicants are seeking interim authorisation to give effect to the Partnership pending the outcome of the ACCC's final decision on authorisation.
- 4.25 The Partnership will result in no detriment, as it does not materially diminish competition. Air Serbia does not operate flights to or from Australia and can currently offer services to consumers in Australia only through the use of a codeshare agreement. As the Partnership will immediately generate significant public benefits, interim authorisation should be granted.
- 4.26 The ACCC's Guide to Authorisation states that it will grant interim authorisation only in special circumstances where there is some sort of urgency.
- 4.27 In assessing an application for interim authorisation, the ACCC considers:
 - 4.27.1 the degree to which the arrangements appear to be anti-competitive;
 - 4.27.2 the level of urgency of the request;
 - 4.27.3 the impact (if any) on the relevant markets;
 - 4.27.4 the possible harm to the applicant if the request for interim authorisation is denied;

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- 4.27.5 the possible harm to other applicants (such as customers or competitors) if the request for interim authorisation is granted or denied; and
- 4.27.6 any other possible benefits or detriments to the public.
- 4.28 Given the lack of or potential for competitive overlap between Etihad and Air Serbia on sectors to or from Australia (since Air Serbia is not intending to operate flights to Australia), there would be no lessening of competition as a result of implementation of the Partnership.
- 4.29 In contrast, the Applicants would suffer detriment if interim authorisation was not granted. In particular, the Applicants intend to implement the Co-operation Agreement upon receiving all necessary clearances under applicable laws. As such, any delay in receipt of approval from a regulator may delay the Applicants from achieving the benefits, including public benefits that will arise from the Partnership.
- 4.30 For commercial reasons, it is imperative that Etihad and Air Serbia are able to engage in the Pricing, Scheduling and Marketing Activities and Co-ordination Activities as soon as possible. Scheduling and marketing typically occurs in large blocks (for example, for an entire summer or winter season) and the absence of interim authorisation may prevent the benefits from the Partnership from accruing for an entire season. As such, interim authorisation would allow those benefits to accrue in respect of routes including routes to Australia. The inability to take advantage of these benefits would be commercially costly for both carriers and for the travelling public.
- 4.31 The ACCC is familiar with this industry and has granted final authorisation for similar relationships in the past, including the partnerships between Etihad and AirBerlin⁷ and Etihad and Alitalia⁸, which involved similar issues. Given this, the ACCC ought to readily be able to assess whether it considers there are likely to be any detriments arising from the proposed Partnership.
- 4.32 The Partnership will result in considerable public benefits in terms of connecting services between points in Serbia and points in Australia. These benefits will begin to accrue immediately upon the Applicants commencing the Pricing, Scheduling and Marketing Activities and Co-ordination Activities.
- 4.33 A decision by the ACCC to grant interim authorisation will not prejudice the final authorisation. In order to grant interim authorisation, it is not necessary for the ACCC to decide whether the Partnership satisfies the authorisation test.
- 4.34 The Applicants consider that there are clear benefits and no detriments associated with this Partnership. Interim authorisation would not have a significant impact on or permanently alter the market structure or dynamics. There would, therefore, be no long-term adverse implications of such a decision.

⁷ Authorisation No A91307 and 91308, Etihad and Air Berlin (25 July 2012).

⁸ Authorisation No A91468 and A91469, Etihad and Alitalia (30 January 2015).

5 FRAMEWORK FOR ANALYSIS OF COMPETITIVE EFFECTS AND PUBLIC BENEFITS ARISING FROM THE PARTNERSHIP

Relevant markets

- 5.1 The practical starting point for considering market definition in an authorisation context is to examine the services that will be provided by the Applicants.
- 5.2 As noted above, the Partnership provides a platform for Air Serbia to supply more competitive international air transport services between points in Serbia and points in Australia through Abu Dhabi. The Partnership also enhances Etihad's presence in the supply of international air transport services between points in the Middle East/Asia - Serbia/Europe and facilitates the supply of international air transport services between points in those countries and beyond (both domestically and internationally).
- 5.3 The Applicants therefore submit that the public benefits and competitive effects arising from the Partnership be considered within the supply of international air transport services between Australia and Europe and, in particular, between Australia and Serbia.

International air passenger transport services

- 5.4 For the purposes of the analysis of the Partnership, whether the product markets are defined narrowly (business passengers separate from leisure passengers) or more broadly (both types of passengers considered together) does not alter the competitive assessment. Furthermore, cargo services are even more competitive than passenger services such that the assessment as to whether there exist any anti-competitive detriments does not need extend beyond passenger services.

Counterfactual

- 5.5 In weighing the public benefits and detriments, the ACCC must apply the 'future with and without' test. The ACCC must compare the likely future if authorisation were granted (the factual) with the likely future if the authorisation were not granted (the counterfactual).
- 5.6 The most likely counterfactual is that, without authorisation, the Applicants would not proceed with the Partnership.
- 5.7 Absent the Partnership, Air Serbia would not be in a position to compete effectively in the markets for international air transport services between points in Serbia and points in Australia, because it would not operate flights to or from Australia (for the reasons set out in paragraphs 4.6 and 4.7), would not have distribution and marketing channels of sufficient scale and reach to compete effectively with other carriers of the inability to have its own full functioning sales infrastructure in Australia and would face a significant time lag in Air Serbia's fares being available to customers in Australia.

6 COMPETITIVE EFFECTS

No competitive detriment

- 6.1 Absent the Partnership, Air Serbia would not be able to effectively compete in the market(s) for the provision of services on the routes between Serbia and Australia.

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- 6.2 Therefore, the Partnership will not give rise to any lessening of competition in the market(s) for the provision of services on the routes between Serbia and Australia.
- 6.3 Furthermore, the Partnership will not give rise to any lessening of competition in any other market(s), including between Australia and Europe. In this regard, we note that the ACCC has previously authorised similar co-operation agreements between Etihad and Air Berlin⁹, and between Etihad and Alitalia¹⁰. Air Serbia is focussed on different markets from each of Alitalia and Air Berlin. For example, in respect of routes to and from Australia, MIDT data for the period November 2015 to October 2016 (contained in Annex D) shows that:
- 6.3.1 there were only 3 destinations in respect of which Air Serbia had a market share of above 8%, being Belgrade, Sarajevo and Podgorica;
 - 6.3.2 neither Alitalia nor Air Berlin had any significant market share to any of those destinations;
 - 6.3.3 more generally, those three carriers largest market shares are to different cities. Specifically, Alitalia tends to have larger market shares on routes to cities in and around Italy, Air Berlin tends to have larger markets shares on routes to cities in and around Germany and Air Serbia tends to have larger market shares on routes to cities in and around the Balkans.
 - 6.3.4 Thus, each of the aforementioned partnerships are complementary in nature, and compete in different markets and for different consumers. Simply stated, air travel from Australia to Serbia, is not substitutable for air travel from Australia to Germany or Australia to Italy. There is no cross-elasticity of demand.

The Partnership will enhance competition in the Australia-Serbia market

- 6.4 To the contrary, the Partnership will enhance competition in the market(s) for air transport services between Australia and Serbia by allowing Etihad and Air Serbia to provide a higher quality service and reduce costs in order to better compete with other carriers that offer services on those routes.

7 PUBLIC BENEFITS

What are public benefits and how should they be assessed?

- 7.1 The *Competition and Consumer Act 2010* (Cth) does not define 'public benefit' but the Tribunal has defined it as 'anything of value to the community generally, any contribution to the aims pursued by the society including as one of its principal elements (in the context of trade practices legislation) the achievement of the economic goals of efficiency and progress'.¹¹
- 7.2 The direct beneficiaries of the Partnership will include existing and potential passengers on international services to and from Australia, and the Australian tourism industry, as

⁹ Authorisation No A91307 and 91308, Etihad and Air Berlin (25 July 2012).

¹⁰ Authorisation No A91468 and A91469, Etihad and Alitalia (30 January 2015).

¹¹ *Victorian Newsagency* (1994) ATPR 41–357 at 42,677.

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well as the Applicants themselves. More broadly, the competition and efficiency enhancing effects of the Partnership are of value to the community generally.

Overview of public benefits under the Partnership

7.3 The Partnership will result in significant public benefits, namely:

- 7.3.1 New and enhanced products and services with the creation of new online itinerary options that provide convenient options for passengers travelling between Serbia and Australia;
- 7.3.2 cost savings and efficiencies;
- 7.3.3 promotion of competition on routes between Australia and Serbia; and
- 7.3.4 stimulation of tourism to Australia.

New and enhanced products and services

7.4 The Partnership will increase the quality of the services available to passengers. For example, it will allow Etihad and Air Serbia to offer better connection times (eg reduced layover times), more convenient scheduling, better inventory availability and other benefits of online connections that are valued by consumers including:

- 7.4.1 the increased likelihood of making the connecting flight in the event of a delay on a journey sector;
- 7.4.2 the increased ability to purchase flexible fares with quicker speed to market by Air Serbia;
- 7.4.3 reciprocal lounge access and frequent flyer programs;
- 7.4.4 reduced likelihood of luggage being lost; and
- 7.4.5 additional value add services, which consumer surveys consistently show are correlated with airline satisfaction for consumers including arising from staff exchanges and improved training programs.

7.5 The Partnership will also allow more effective distribution and marketing of products and services in Australia including:

- 7.5.1 Air Serbia will be able to leverage the broader reach of Etihad's distribution and sales activity in Australia. This will eradicate the current 24-72 hours lag in Air Serbia's fares being available to consumers in Australia;
- 7.5.2 Inventory alignment can be improved;
- 7.5.3 Air Serbia and Etihad may together be able to extend special offers to a broader range of destinations; and
- 7.5.4 Joint marketing will allow a combined Air Serbia and Etihad to have better access to marketing intelligence to understand what services Australian consumers value.

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- 7.6 The Partnership will allow Etihad and Air Serbia to develop new products such as the existing joint European AirPass which offers greater convenience for consumers.

Cost savings and efficiencies

- 7.7 The Partnership will allow cost efficiencies through means including reduced sales costs through the removal of Air Serbia General Sales Agent (GSA) commission, leveraging operational synergies including co-locating Air Serbia and Etihad Airways staff, improved load factors as a result of improved products and more effective marketing, undertaking joint marketing activities which will be more efficient through economies of scale and improved understanding of customer needs, utilising joint promotional material and undertaking joint fare filing in respect of Australia.

- 7.8 The ACCC has previously recognised that partnerships of this type can result in cost savings and efficiencies that result in public benefit.¹²

- 7.9 Furthermore, it is likely, as a result of the competition on relevant routes, including that described in paragraph 4.11, that cost savings will be passed onto consumers.

Promotion of competition

- 7.10 The Partnership, including through the improved services, efficiencies and cost savings identified above, will allow Etihad and Air Serbia to compete more effectively against other carriers and thus stimulate further competition in the international passenger air services markets.

- 7.11 Australian consumers will benefit from such improved competition including through better services and lower prices.

- 7.12 The ACCC has previously recognised that partnerships of this type may result in public benefit through the promotion of competition.¹³

Stimulation of tourism to Australia

- 7.13 Providing a well timed, efficient, coordinated schedule with minimal layover times has historically resulted in increased traffic in the vast majority of markets. As a consequence, this will likely have the effect of stimulating tourism in both Australia and Serbia.

- 7.14 Further, the Partnership will enable both Air Serbia and Etihad to leverage the distribution and marketing strength of each carrier, their brand strengths and their existing relationships with passengers, to promote these new and improved services.

- 7.15 Increased passenger numbers on these services will have a direct benefit for tourism to Australia. Increases in tourism are clear public benefits. The ACCC has previously acknowledged that 'there is a public benefit in increased tourism resulting from increased capacity and lower fares'¹⁴ within aviation markets. Similarly, the Tribunal has previously

¹² Authorisation No A91468 and A91469, Etihad and Alitalia (30 January 2015) at [3.20].

¹³ Authorisation No A91468 and A91469, Etihad and Alitalia (30 January 2015) at [3.25].

¹⁴ Authorisation Determination No. Authorisations A91151, A91152, A91172 and A91173, Virgin Blue Airlines and Others (10 December 2009) at [4.137].

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found that 'increased tourism has a benefit for the general community as a result of the funds that will be injected into the community from increased travel'.¹⁵

- 7.16 This will enable itinerary options to destinations within Australia previously unavailable without the inconvenience and costs associated with switching airlines. Under the Partnership, Etihad will use its global marketing and distribution strength to promote these services and the Australian destinations that can be accessed through them. This will improve the ease and attractiveness of travel to destinations in Australia beyond the major international gateways. This will have a direct and beneficial impact on regional tourism in Australia.
- 7.17 The combination of the creation of a new service and intensive marketing of the destination can actually generate tourism from a source population to a particular destination. This would particularly benefit regional economies around destinations served under the Partnership, such as the Gold Coast in relation to flights from Serbia to Brisbane.
- 7.18 The strong link between the development and growth of tourism destinations and aviation services has been shown in a number of case studies. In fact, it has been noted that the addition of a single international flight can have a discernable impact on tourism numbers and employment.
- 7.19 The role that strong partnerships play in drawing more tourism traffic feed from around the world has been noted in the academic literature.
- 7.20 Australian Bureau of Statistics data shows that the number of visitors inbound from Serbia to Australia in the 12 months to September 2016 was 4,636 with year on year growth of 4.7%. The equivalent growth in the number of visitors outbound from Australia to Serbia was 8.3%. This data is set out in the table below..

	Oct 15 - Sep 16	Oct 14 - Sep 15	Change (YoY)
INBOUND VISITOR	4,636	4,420	4.7%
OUTBOUND RESIDENT	16,398	15,036	8.3%

8 CONCLUSION

- 8.1 For the reasons set out in this Submission, it is submitted that:
- 8.1.1 Etihad and Air Serbia are not in any real sense competitors and there will be no loss of potential competition in the market for international air passenger services as a result of the Partnership or the Partnership Activities;
- 8.1.2 the Partnership and the Partnership Activities will promote competition in the relevant markets for international air passenger transport services;
- 8.1.3 the Partnership will result in significant and substantiated public benefits in the form of enhanced products, cost savings and efficiencies, the promotion of

¹⁵ ACCC, Determination: Virgin Blue and Delta Airlines Authorisation Application A91151, A91152 and A91153 (10 December 2009) at [4.137].

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competition for international air travel between Serbia and Australia and increased tourism in Australia; and

8.1.4 on this basis, the ACCC should grant the application for interim and final Authorisation.

8.2 The Partnership would lead to immediate and substantial public benefits as soon as the parties are able to engage in the Partnership Activities, including on routes between Australia and Serbia. Furthermore, the Partnership would not result in any public detriment. In consequence, interim authorisation should be granted as soon as possible in order to allow the public benefits to accrue without delay.

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CONFIDENTIAL ANNEXURE A - WHOLE DOCUMENT REMOVED

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ANNEXURE B – ETIHAD'S INTERNATIONAL NETWORK



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ANNEXURE C – AIR SERBIA'S INTERNATIONAL NETWORK



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ANNEXURE D - MIDT DATA FOR TICKETS BOOKED IN AUSTRALIA FOR ETIHAD, AIR SERBIA, ALITALIA AND AIR BERLIN



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Largest 20 destinations by market size ex Sydney

Etihad

Dest	Market Size	EY share	OA1		OA2		OA3		OA4		OA5	
BEY	74,220	59.8%	EK	23.9%	QR	13.5%	QF	1.8%	VA	0.4%	RJ	0.4%
LHR	184,694	12.2%	QF	21.5%	BA	13.3%	SQ	11.1%	EK	7.4%	QR	7.2%
AUH	25,362	88.4%	VA	8.9%	KL	1.1%	AZ	0.4%	QR	0.4%	JU	0.2%
DUB	29,312	40.7%	EK	30.1%	QF	14.7%	VA	4.6%	BA	4.5%	LH	1.0%
ATH	33,952	30.0%	QR	28.4%	EK	25.8%	QF	4.9%	SQ	4.0%	A3	1.7%
FCO	43,424	19.4%	EK	25.4%	QF	12.7%	CX	11.8%	SQ	7.6%	QR	7.3%
CDG	50,281	15.8%	SQ	14.6%	EK	12.4%	QF	12.2%	QR	9.6%	CX	8.6%
BEG	12,408	52.0%	QR	20.9%	JU	15.5%	OS	2.5%	VA	2.3%	EK	1.8%
MAN	19,793	31.4%	EK	17.9%	QF	13.1%	QR	12.1%	CX	8.1%	SQ	4.8%
TXL	8,071	48.7%	QF	8.1%	BA	6.2%	VA	5.8%	LH	5.6%	QR	4.9%
AMS	27,058	14.5%	SQ	15.4%	EK	14.2%	CX	12.0%	QF	11.0%	KL	10.0%
CAI	9,231	42.0%	EK	27.0%	QR	17.5%	QF	8.5%	RJ	2.4%	VA	1.8%
VCE	9,727	33.9%	EK	38.7%	QR	9.0%	QF	7.6%	LH	2.6%	BA	2.0%
MXP	15,507	21.3%	EK	18.7%	SQ	13.6%	QF	12.4%	CX	10.5%	TG	10.2%
EDI	6,231	48.6%	QR	22.9%	BA	8.8%	VA	5.7%	QF	4.3%	LH	2.6%
AMM	7,434	39.8%	EK	24.9%	QR	13.6%	RJ	10.7%	QF	10.0%	VA	0.3%
IST	14,129	20.0%	SQ	38.7%	EK	12.2%	QR	11.4%	TK	6.7%	QF	5.3%
MUC	11,757	22.3%	EK	17.5%	QF	15.5%	SQ	12.4%	QR	11.8%	TG	8.6%
FRA	17,663	14.3%	QF	13.0%	SQ	12.3%	TG	12.3%	LH	12.2%	CX	9.3%
MAD	11,664	18.5%	EK	27.3%	QF	15.5%	QR	14.0%	VCX	9.6%	BA	4.6%

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Largest 10 destinations by market size ex Sydney

Air Serbia

Dest	Market Size	JU share	OA1		OA2		OA3		OA4		OA5	
BEG	12,408	15.5%	EY	52.0%	QR	20.9%	OS	2.5%	VA	2.3%	EK	1.8%
SKP	6,976	2.3%	EK	41.3%	TK	17.3%	OS	13.7%	EY	10.3%	LX	10.3%
TGD	410	31.7%	EY	44.6%	TK	13.9%	QR	3.9%	VA	2.4%	OS	2.2%
SJJ	1,616	4.9%	EK	25.6%	OS	19.9%	SQ	13.9%	QR	8.9%	TK	8.8%
BNX	187	37.4%	EY	52.4%	VA	7.0%	QR	2.1%	JQ	0.5%	ZL	0.5%
AUH	25,362	0.2%	EY	88.4%	VA	8.9%	KL	1.1%	AZ	0.4%	QR	0.4%
SPU	3,402	1.7%	LH	24.3%	QR	18.1%	SQ	15.2%	EK	9.0%	EY	7.8%
DBV	1,191	3.2%	QR	27.0%	OS	13.9%	SQ	11.6%	EK	9.6%	EY	9.3%
LJU	480	3.8%	LH	27.5%	SQ	18.3%	EY	12.1%	EK	8.3%	OS	7.5%
ZAG	762	0.2%	QR	56.6%	EK	10.9%	OS	9.7%	LH	8.5%	BA	4.2%

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Largest 10 destinations by market size ex Sydney

Alitalia

Dest	Market Size	AZ share	OA1		OA2		OA3		OA4		OA5	
FCO	43,424	0.8%	EK	25.4%	EY	19.4%	QF	12.7%	CX	11.8%	SQ	7.6%
MXP	15,507	0.9%	EY	21.3%	EK	18.7%	SQ	13.6%	QF	12.3%	CX	10.5%
VCE	9,727	1.2%	EK	38.7%	EY	33.4%	QR	9.0%	QF	7.6%	LH	2.3%
AUH	25,362	0.4%	EY	88.4%	VA	8.9%	KL	1.1%	QR	0.4%	JU	0.2%
CTA	1,637	4.5%	EY	48.3%	EK	12.3%	TG	9.4%	QF	9.3%	SQ	8.2%
SUF	793	4.0%	EY	52.1%	TG	14.3%	SQ	11.0%	EK	7.2%	QF	4.8%
ATH	33,952	0.1%	EY	30.1%	QR	28.4%	EK	25.8%	QF	4.9%	SQ	4.0%
BCN	16,588	0.2%	EK	36.7%	QF	22.2%	QR	14.2%	SQ	13.4%	BA	3.5%
NAP	555	4.7%	EY	37.7%	LH	20.4%	QF	13.0%	EK	5.4%	SQ	4.3%
CDG	50,821	0.0%	EY	15.8%	SQ	14.6%	EK	12.4%	QF	12.2%	QR	9.6%

PUBLIC REGISTER VERSION

Largest 10 destinations by market size ex Sydney

Air
Berlin

Dest	Market Size	AB share	OA1		OA2		OA3		OA4		OA5	
TXL	8,071	2.6%	EY	48.7%	QF	8.1%	BA	6.2%	VA	5.8%	LH	5.6%
HAM	2,298	1.6%	EK	36.6%	QF	24.4%	BA	8.3%	LH	7.8%	LX	4.6%
AUH	25,362	0.1%	EY	88.4%	VA	8.9%	KL	1.1%	AZ	0.4%	QR	0.4%
FRA	17,663	0.2%	EY	14.4%	QF	13.0%	SQ	12.3%	TG	12.3%	LH	12.2%
MUC	11,757	0.3%	EY	22.3%	EK	17.5%	QF	15.4%	SQ	12.4%	QR	11.8%
KRK	973	2.9%	LH	51.1%	EY	11.1%	EK	9.7%	LX	6.9%	AY	5.1%
HEL	4,105	0.6%	AY	72.9%	QF	10.6%	BA	4.1%	EY	2.7%	CX	1.8%
PRG	5,980	0.4%	EK	26.0%	SQ	14.4%	KE	13.7%	QF	11.4%	BA	6.4%
DUS	3,689	0.6%	EY	35.5%	QF	18.5%	EK	17.5%	CX	10.1%	SQ	5.7%
ARN	5,730	0.3%	EK	28.1%	TG	18.9%	QF	17.2%	QR	7.5%	BA	6.2%

PUBLIC REGISTER VERSION

Largest 20 destinations by market size ex Melbourne

Etihad

Dest	Market Size	EY share	OA1		OA2		OA3		OA4		OA5	
LHR	151,989	13.9%	QF	22.0%	BI	17.7%	QR	10.0%	SQ	9.0%	EK	6.7%
AUH	17,181	92.4%	VA	3.7%	KL	1.6%	QR	0.8%	AZ	0.5%	JU	0.4%
ATH	37,803	38.0%	QR	28.6%	EK	18.0%	QF	9.3%	A3	1.7%	SQ	1.6%
DUB	21,889	53.4%	EK	26.9%	QF	11.0%	VA	2.7%	KL	1.1%	BA	1.0%
FCO	42,285	25.4%	EK	23.6%	QF	12.9%	CX	9.7%	QR	8.5%	TG	7.9%
CDG	42,631	20.7%	EK	14.3%	QR	13.7%	SQ	12.9%	QF	11.4%	TG	7.0%
BEY	21,699	34.3%	QR	35.3%	EK	27.4%	WY	0.7%	RJ	0.6%	VA	0.4%
MAN	15,475	34.6%	QF	14.1%	EK	13.5%	QR	13.3%	CX	7.5%	SQ	4.0%
BEG	9,895	47.0%	QR	30.9%	JU	15.6%	EK	1.7%	LX	1.2%	VA	1.2%
AMS	25,592	18.7%	EK	17.2%	SQ	14.4%	QF	11.1%	CX	9.4%	KL	8.5%
DEL	85,611	4.8%	AI	23.8%	TG	19.5%	SQ	19.4%	CZ	11.8%	QF	4.2%
TXL	7,108	55.3%	QR	12.0%	QF	7.6%	LH	4.2%	SQ	3.4%	AB	2.6%
MXP	14,620	22.7%	EK	17.5%	TG	13.1%	SQ	12.3%	QF	11.8%	QR	9.7%
IST	16,424	19.9%	SQ	32.4%	QR	25.0%	EK	10.6%	QF	4.9%	TK	4.0%
VCE	9,423	32.9%	EK	35.5%	QR	14.7%	QF	10.9%	LH	1.4%	SQ	1.1%
EDI	6,557	46.9%	QR	37.9%	QF	4.4%	VA	3.2%	LH	1.7%	SQ	1.0%
FRA	15,364	18.0%	TG	14.9%	QF	14.3%	QR	11.3%	EK	10.6%	SQ	10.5%
MUC	10,511	23.7%	QR	17.9%	TG	15.5%	EK	13.8%	QF	13.0%	SQ	9.4%
MAD	10,175	23.7%	EK	28.5%	QR	16.6%	QF	13.5%	CX	10.1%	LX	1.5%
JFK	31,248	5.4%	QF	68.7%	VA	7.1%	CX	6.0%	AA	5.7%	EK	2.7%

PUBLIC REGISTER VERSION

Largest 10 destinations by market size ex Melbourne

Air Serbia

Dest	Market Size	JU Share	OA1		OA2		OA3		OA4		OA5	
BEG	9,895	15.6%	EY	47.0%	QR	30.9%	EK	1.7%	LX	1.2%	VA	1.2%
SKP	7,800	3.7%	EK	40.6%	TK	17.6%	EY	14.5%	OS	10.0%	LX	6.7%
TGD	559	34.7%	EY	37.4%	QR	15.0%	TK	7.3%	VA	3.4%	EK	1.8%
SJJ	1,842	8.1%	EK	37.3%	QR	14.5%	SQ	8.7%	LX	8.6%	OS	7.8%
SKG	3,001	2.5%	QR	33.9%	EY	23.7%	EK	13.8%	A3	7.1%	SQ	5.8%
AUH	17,818	0.4%	EY	92.4%	VA	3.7%	KL	1.6%	QR	0.8%	AZ	0.5%
TIA	849	6.4%	TK	36.0%	EY	35.3%	LH	7.3%	SQ	3.7%	AZ	3.3%
ZAG	6,711	0.5%	QR	77.1%	EK	5.9%	LH	4.5%	OS	2.7%	EY	2.4%
LJU	427	7.7%	EY	29.5%	SQ	17.6%	LH	17.3%	OS	4.5%	QF	4.0%
DBV	825	3.4%	QR	35.0%	EY	12.6%	SQ	11.9%	EK	10.9%	LH	7.0%

PUBLIC REGISTER VERSION

Largest 10 destinations by market size ex Melbourne

Alitalia

Dest	Market Size	AZ Share	OA1		OA2		OA3		OA4		OA5	
FCO	42,285	0.8%	EY	25.4%	EK	23.6%	QF	12.9%	CX	9.6%	QR	8.5%
CTA	1,986	4.9%	EY	51.4%	EK	11.7%	TG	10.8%	QF	8.4%	QR	2.8%
MXP	14,320	0.7%	EY	22.7%	EK	17.5%	TG	13.1%	SQ	12.3%	QF	11.8%
AUH	17,181	0.5%	EY	92.4%	VA	3.7%	KL	1.6%	QR	0.8%	JU	0.4%
VCE	9,423	0.8%	EK	35.5%	EY	32.9%	QR	14.7%	QF	10.9%	LH	1.4%
SKP	7,800	0.6%	EK	40.6%	TK	17.7%	EY	14.5%	LX	6.7%	JU	3.7%
SUF	909	5.4%	EY	60.0%	TG	12.5%	EK	7.3%	SQ	7.0%	QF	5.6%
REG	559	6.1%	EY	54.2%	TG	13.8%	EK	10.6%	SQ	5.9%	QR	4.7%
CDG	42,631	0.1%	EY	20.7%	EK	14.3%	QR	13.7%	SQ	12.9%	QF	11.4%
TIA	849	3.3%	TK	36.0%	EY	35.3%	LH	7.3%	JU	6.4%	SQ	3.7%

PUBLIC REGISTER VERSION

Largest 10 destinations by market size ex Melbourne

Air
Berlin

Dest	Market Size	AB Share	OA1		OA2		OA3		OA4		OA5	
			Carrier	Share	Carrier	Share	Carrier	Share	Carrier	Share	Carrier	Share
TXL	7,108	2.6%	EY	55.3%	QR	12.0%	QF	7.6%	LH	4.2%	SQ	3.4%
HAM	2,023	2.9%	EK	40.2%	QF	25.8%	LH	8.0%	LX	5.6%	SQ	3.7%
DUS	3,511	1.1%	EY	36.5%	EK	23.2%	QF	21.5%	CX	7.2%	SQ	3.5%
FRA	15,364	0.2%	EY	18.0%	TG	14.9%	QF	14.3%	QR	11.3%	EK	10.6%
VIE	5,919	0.5%	EY	21.8%	EK	20.6%	QR	20.3%	QF	17.2%	OS	9.6%
PRG	4,614	0.5%	EK	35.1%	QF	22.1%	SQ	19.2%	EY	5.5%	LH	4.2%
MUC	10,511	0.2%	EY	23.7%	QR	17.9%	TG	15.5%	EK	13.8%	QF	13.0%
STR	604	2.8%	EY	50.5%	QR	12.0%	LH	8.3%	QF	7.6%	BA	6.3%
BUD	6,979	0.2%	QR	32.8%	EK	25.8%	SQ	18.0%	QF	8.3%	EY	3.4%
AUH	17,181	0.1%	EY	92.4%	VA	3.7%	KL	1.6%	QR	0.8%	AZ	0.5%

PUBLIC REGISTER VERSION

Largest 20 destinations by market size ex Brisbane

Etihad

Dest	Market Size	EY share	OA1		OA2		OA3		OA4		OA5	
LHR	74,808	15.8%	SQ	23.5%	EK	16.8%	QF	11.1%	CX	11.0%	BA	5.6%
AUH	9,713	90.0%	VA	6.8%	KL	2.1%	AF	0.3%	AB	0.3%	JU	0.3%
DUB	13,862	29.8%	EK	46.0%	QF	14.3%	VA	3.4%	BA	1.5%	SQ	1.3%
MAN	13,181	29.7%	EK	34.5%	QF	9.7%	SQ	9.4%	CX	4.2%	VA	3.8%
CDG	21,588	16.9%	EK	23.9%	SQ	20.7%	QF	10.0%	CX	8.4%	AF	3.6%
FCO	17,613	19.5%	EK	38.4%	QF	11.0%	SQ	10.0%	CX	7.5%	TG	5.7%
ATH	7,452	35.5%	EK	40.6%	QF	8.9%	SQ	3.3%	QR	2.6%	A3	2.0%
BEG	3,375	63.2%	JU	13.2%	EK	7.4%	QR	5.8%	LX	2.5%	CX	2.4%
TXL	3,079	54.9%	LH	6.6%	SQ	5.9%	VA	5.8%	QF	5.6%	AB	3.8%
EDI	2,938	56.4%	QR	14.8%	VA	6.3%	LH	4.4%	BA	3.9%	EK	3.5%
AMS	13,462	11.7%	EK	28.4%	SQ	24.6%	QF	10.8%	CX	6.4%	CZ	3.2%
GRU	3,041	50.0%	LA	21.3%	QF	11.3%	NZ	9.5%	EK	7.2%	DL	0.2%
VCE	4,734	28.0%	EK	53.5%	QF	6.8%	LH	2.5%	LX	2.5%	SQ	2.2%
MUC	5,320	24.7%	EK	25.8%	SQ	16.5%	QF	12.7%	TG	8.1%	LH	3.9%
FRA	7,538	16.6%	EK	18.2%	SQ	16.2%	LH	13.9%	QF	11.4%	CX	6.9%
MXP	5,863	19.7%	EK	28.9%	SQ	17.5%	QF	11.0%	TG	8.0%	CX	7.5%
IST	3,061	23.6%	SQ	37.0%	EK	20.9%	TK	6.6%	QF	5.8%	KE	2.2%
MAD	4,686	13.2%	EK	49.4%	QF	16.7%	CX	7.0%	LX	2.7%	QR	2.0%
NBO	2,027	29.0%	EK	34.5%	SA	11.0%	QR	7.3%	QF	6.9%	TG	5.1%
BEY	1,150	47.5%	EK	43.3%	QF	5.5%	QR	3.0%	VA	0.7%		

PUBLIC REGISTER VERSION

Largest 10 destinations by market size ex Brisbane

Air Serbia

Dest	Market Size	JU share	OA1		OA2		OA3		OA4		OA5	
BEG	3,375	13.2%	EY	63.2%	EK	7.4%	QR	5.8%	LX	2.5%	CX	2.4%
AUH	9,713	0.3%	EY	90.0%	VA	6.8%	KL	2.1%	AF	0.3%	AB	0.3%
SJJ	720	2.1%	EK	46.1%	OS	14.6%	TK	12.4%	LX	9.9%	SQ	7.5%
TGD	47	31.9%	EY	59.6%	TK	4.3%	QF	2.1%	OS	2.1%	-	-
LJU	170	8.8%	LH	33.5%	EY	15.3%	SQ	14.7%	EK	7.1%	QF	5.3%
SPU	518	2.5%	LH	26.4%	EK	24.3%	SQ	13.1%	OS	9.1%	EY	8.7%
FCO	17,613	0.1%	EK	38.4%	EY	19.5%	QF	11.0%	SQ	10.0%	CX	7.5%
TXL	3,079	0.4%	EY	54.9%	LH	6.6%	SQ	5.9%	VA	5.8%	QF	5.6%
OTP	729	1.7%	LH	21.9%	QR	20.4%	EK	16.7%	OS	8.5%	EY	8.0%
DBV	309	3.2%	SQ	21.0%	EK	17.8%	LH	14.6%	OS	11.0%	EY	7.8%

PUBLIC REGISTER VERSION

Largest 10 destinations by market size ex Brisbane

Air
Berlin

Dest	Market Size	AB share	OA1		OA2		OA3		OA4		OA5	
TXL	3,079	3.8%	EY	54.9%	LH	6.6%	SQ	5.9%	VA	5.8%	QF	5.6%
DUS	1,621	1.7%	EK	29.4%	EY	28.7%	QF	18.6%	CX	6.7%	SQ	5.2%
AUH	9,713	0.3%	EY	90.0%	VA	6.8%	KL	2.1%	AF	0.3%	JU	0.3%
HEL	2,455	0.8%	AY	76.6%	QF	8.0%	EY	4.7%	SQ	2.2%	LH	1.7%
FRA	7,538	0.3%	EK	18.2%	EY	16.6%	SQ	16.2%	LH	13.9%	QF	11.4%
MUC	5,320	0.3%	EK	25.8%	EY	24.7%	SQ	16.5%	QF	12.7%	TG	8.1%
BUD	3,981	0.3%	EK	39.3%	SQ	25.7%	LH	6.3%	QR	6.0%	EY	4.5%
STR	210	4.8%	EY	36.7%	LX	16.7%	LH	15.2%	SQ	12.9%	BA	5.2%
CPH	4,288	0.2%	EK	29.7%	SQ	28.4%	QF	14.8%	TG	6.0%	SK	4.4%
HAM	1,241	0.6%	EK	44.4%	QF	19.4%	LH	9.3%	SQ	6.0%	LX	5.1%

PUBLIC REGISTER VERSION

Largest 20 destinations by market size ex Perth

Etihad

Dest	Market Size	EY share	OA1		OA2		OA3		OA4		OA5	
LHR	65,733	15.5%	QR	27.8%	EK	16.8%	SQ	15.0%	QF	7.9%	MH	7.5%
DUB	20,570	44.2%	EK	36.8%	QF	10.7%	VA	4.3%	QR	1.4%	KL	0.7%
AUH	9,459	93.6%	VA	3.1%	QR	1.0%	KL	0.8%	AZ	0.7%	9W	0.3%
MAN	18,301	26.6%	QR	37.8%	EK	23.0%	QF	5.6%	SQ	3.7%	VA	1.2%
JFK	13,087	25.2%	CX	26.6%	EK	20.1%	QF	14.3%	VA	5.5%	DL	2.1%
EDI	6,073	40.9%	QR	53.5%	VA	2.5%	LX	0.7%	QF	0.4%	KL	0.3%
FCO	13,689	17.0%	EK	33.9%	QR	30.6%	QF	9.3%	SQ	7.0%	AZ	0.7%
CDG	14,714	15.7%	QR	24.4%	EK	20.4%	SQ	19.2%	QF	10.2%	MH	2.0%
BEG	3,186	51.6%	QR	38.7%	JU	4.0%	EK	3.5%	VA	0.8%	TK	0.6%
MXP	4,858	21.1%	QR	28.7%	EK	26.4%	SQ	12.0%	QF	8.4%	VA	1.2%
TXL	2,204	44.9%	QR	33.9%	SQ	5.1%	QF	4.8%	EK	3.0%	LH	2.2%
VCE	4,293	21.2%	QR	43.5%	EK	26.2%	QF	4.8%	SQ	1.5%	AZ	1.1%
ZRH	3,799	21.5%	SQ	23.4%	EK	23.2%	QR	12.5%	QF	10.1%	LX	5.3%
MUC	3,710	20.5%	QR	29.4%	EK	23.1%	SQ	14.1%	QF	10.0%	LH	1.2%
LAX	25,105	3.0%	VA	33.5%	QF	32.4%	DL	10.1%	CX	8.2%	AA	3.7%
GRU	1,694	42.8%	EK	31.2%	QR	17.8%	QF	2.8%	LA	2.5%	SA	1.5%
FRA	4,427	15.9%	QR	23.0%	SQ	22.7%	EK	17.2%	QF	11.3%	LH	6.9%
ATH	5,340	12.3%	QR	50.1%	EK	25.6%	QF	7.5%	SQ	1.3%	A3	0.9%
MAD	3,552	17.3%	QR	33.8%	EK	31.6%	QF	11.1%	CX	1.2%	VA	1.1%
VIE	2,211	23.7%	QR	31.9%	EK	27.0%	QF	11.8%	SQ	2.1%	LH	1.0%

PUBLIC REGISTER VERSION

Largest 10 destinations by market size ex Perth

Air Serbia

Dest	Market Size	JU share	OA1		OA2		OA3		OA4		OA5	
BEG	3,186	4.0%	EY	51.6%	QR	38.7%	EK	3.5%	VA	0.8%	TK	0.6%
AUH	9,459	0.3%	EY	93.6%	VA	3.1%	QR	1.0%	KL	0.8%	AZ	0.7%
TGD	123	7.3%	EY	73.2%	QR	16.3%	TK	2.4%	EK	0.8%	-	-
PRG	2,001	0.3%	EK	50.6%	SQ	24.9%	QF	11.0%	EY	4.3%	LH	2.1%
LHR	65,733	0.1%	QR	27.8%	EK	16.8%	EY	15.5%	SQ	15.0%	QF	7.9%
VIE	2,211	0.2%	QR	31.9%	EK	27.0%	EY	23.7%	QF	11.8%	SQ	2.1%
SKP	1,885	0.2%	EK	60.4%	TK	18.2%	QR	11.5%	EY	6.2%	SQ	1.5%
SPU	1,690	0.1%	QR	67.2%	EK	12.8%	LH	6.6%	SQ	6.3%	EY	4.3%
WAW	1,751	0.1%	QR	45.8%	EK	34.8%	QF	7.4%	KL	2.9%	LH	2.6%
KBP	159	1.3%	EY	20.1%	KL	18.9%	LH	17.6%	TK	17.0%	SQ	5.7%

PUBLIC REGISTER VERSION

Largest 10 destinations by market size ex Perth
Alitalia

Dest	Market Size	AZ share	OA1		OA2		OA3		OA4		OA5	
FCO	13,689	0.7%	EK	33.9%	QR	30.6%	EY	17.0%	QF	9.3%	SQ	7.0%
AUH	9,459	0.7%	EY	93.6%	VA	3.1%	QR	1.0%	KL	0.8%	9W	0.3%
VCE	4,293	1.1%	QR	43.5%	EK	29.4%	EY	19.6%	QF	8.0%	SQ	7.0%
MXP	4,858	0.9%	QR	28.7%	EK	26.4%	EY	21.1%	SQ	12.0%	QF	8.4%
CTA	442	6.8%	EY	48.9%	EK	16.5%	QR	12.4%	QF	8.8%	SQ	5.0%
TLV	723	3.0%	LY	21.3%	TK	13.5%	LX	13.4%	LH	11.5%	QR	9.1%
SUF	132	13.6%	EY	45.5%	QR	15.9%	EK	11.2%	SQ	10.6%	QF	1.5%
PMO	405	4.2%	EY	49.1%	QR	24.0%	EK	10.6%	QF	6.2%	SQ	4.7%
REG	134	11.2%	EY	47.8%	QR	14.2%	EK	11.2%	SQ	9.7%	QF	6.0%
BRI	100	15.0%	EY	32.0%	EK	22.0%	QR	21.0%	SQ	6.0%	QF	4.0%

PUBLIC REGISTER VERSION

Largest 10 destinations by market size ex Perth
Air
Berlin

Dest	Market Size	AB share	OA1		OA2		OA3		OA4		OA5	
			Carrier	Share	Carrier	Share	Carrier	Share	Carrier	Share	Carrier	Share
TXL	2,204	0.9%	EY	44.9%	QR	33.9%	SQ	5.1%	QF	4.8%	LH	2.2%
FRA	4,427	0.2%	QR	23.0%	SQ	22.7%	EK	17.2%	EY	15.9%	QF	11.3%
STR	175	1.7%	EY	66.3%	QR	11.4%	LH	3.4%	LX	3.4%	VA	2.9%
BUD	3,310	0.1%	QR	38.3%	EK	31.4%	SQ	21.8%	QF	3.2%	EY	1.3%
CPH	2,833	0.0%	EK	33.4%	QR	25.0%	SQ	19.4%	QF	12.0%	EY	2.2%
VIE	2,211	0.1%	QR	31.9%	EK	27.0%	EY	23.7%	QF	11.8%	SQ	2.1%
DUS	1,280	0.1%	EK	36.3%	EY	34.7%	QF	20.2%	SQ	5.4%	VA	0.7%
PRG	2,001	0.1%	EK	50.6%	SQ	24.9%	QF	11.0%	EY	4.3%	LH	2.1%
SPU	1,690	0.1%	QR	67.2%	EK	12.8%	LH	6.6%	SQ	6.3%	EY	4.3%
AUH	9,459	0.0%	EY	93.6%	VA	3.1%	QR	1.0%	KL	0.8%	AZ	0.7%