



PUBLIC REGISTER VERSION

23 August 2023

BY EMAIL ONLY

Tony Hilton
Director – Competition Exemptions
Australian Competition & Consumer Commission
tony.hilton@acc.gov.au

Copy: Connie Wu connie.wu@acc.gov.au; Jack Foley Jack.Foley@acc.gov.au

Dear Mr Hilton

Qantas Airways Limited & China Eastern (AA1000624-1) (Application): Response to ACCC Request for Information

Thank you for your email dated 11 August 2023.

The Applicants set out their response below, which replicates the ACCC's questions in the email for ease of reading. Capitalised terms in this submission have the same meaning as set out in the Application.

This response includes material which is confidential to Qantas (highlighted **yellow** below), China Eastern (highlighted in **green** below) or both Applicants (highlighted in **blue** below). A public version of this response will be provided separately.

1. For each city pair route on which China Eastern has operated between Australia and China since January 2019, please provide the following monthly data:
 - a. Average load factor (January 2019 to latest available)
 - b. Total number of passengers flown (January 2019 to latest available).

Please see Confidential Annexure A **[REDACTED MU CONFIDENTIAL]** attached.

For completeness, we have also provided the equivalent data for Qantas in Confidential Table 1 below.

[REDACTED QF CONFIDENTIAL]

2. In relation to Qantas' soon-to-recommence daily Sydney-Shanghai services, please provide information about current bookings and expected capacity utilisation from 29 October 2023 until 31 March 2024.

Please see Confidential Table 2 below.

[REDACTED QF CONFIDENTIAL]



3. The ACCC notes recent news of China’s reinstatement of Australia’s approved destination status and Tourism Australia’s recent \$125m investment in the promotion of Australia as a destination in China. What effect, if any, do the Applicants expect these developments will have on passenger demand for travel between Australia and China in the period from September 2023 to 31 March 2024.

The Applicants welcome the developments noted in Question 3. In the Applicants’ view, both developments will encourage demand particularly in the seasonal holiday periods around 1 October 2023 (China National Day Holiday) and the Chinese New Year (10 February 2024), and help the market restore to pre-COVID levels sooner.

However, it is not expected that these developments will lead to any material change in forecast demand before March 2024.

4. How do the developments described in question 3 impact the capacity the Applicants plan to operate between now and 31 March 2024:

a. on the Sydney-Shanghai route?

[REDACTED QF CONFIDENTIAL]

[REDACTED MU CONFIDENTIAL]

b. on other routes between Australia and China?

[REDACTED QF CONFIDENTIAL]

China Eastern has reinstated operations on Melbourne-Shanghai (10 flights per week, one-way), Nanjing-Sydney (3 flights per week, one-way) and Xi’an-Wuhan-Sydney (3 flights per week, one-way) for the current season.

[REDACTED MU CONFIDENTIAL]

5. Please provide the following monthly data for the period from January 2019:

a. The number of passengers who flew on a China Eastern operated flight between China and Australia and the proportion of these passengers who had a connecting Qantas operated flight as part of the same journey.

Please see Confidential Table 3 below.

[REDACTED JOINT CONFIDENTIAL]

b. The number of passengers who flew with Qantas between Australia and China and the proportion of these passengers who had a connecting flight operated by China Eastern as part of the same journey.

Please see Confidential Table 4 below.

[REDACTED JOINT CONFIDENTIAL]

Please let us know if the ACCC has any questions or requires any further information.

Yours faithfully

Nicole Malone
Head of Competition & Consumer
[REDACTED QF CONFIDENTIAL]