



MEDIA RELEASE

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ACCC re-authorises Qantas-American Airlines alliance

The ACCC has re-authorised the alliance between Qantas Airways Limited (ASX: QAN) and American Airlines Inc for a further five years.

The alliance enables Qantas (and Jetstar) to cooperate with American Airlines on Trans-Pacific routes between Australia/New Zealand and the United States, Canada and Mexico.

“The ACCC considers the public benefits from this alliance are likely to continue under this re-authorisation,” ACCC Commissioner Stephen Ridgeway said.

“Passengers travelling on Trans-Pacific routes are likely to benefit through enhanced products and services, including a greater likelihood of increased capacity and new routes, increased connectivity and improved schedule choice. Loyalty program benefits and improved lounge access, cost savings and efficiencies are also likely to be a result.”

The ACCC accepts that the extent to which these public benefits are likely to be realised depends on the rate of recovery in demand for Trans-Pacific services following the COVID-19 pandemic. The greater the demand for these services, the greater the public benefit that is likely to be realised.

Authorisation will allow the two airlines to coordinate on a range of matters, including marketing and sales, freight, pricing, scheduling, distribution strategies including agency arrangements, yield and inventory management, frequent flyer programs, lounges, joint procurement and product and service standards.

“The alliance is unlikely to result in any significant public detriment. The ACCC considers that American Airlines would be unlikely to operate its own Trans-Pacific services or materially expand its Trans-Pacific capacity and frequency without its alliance with Qantas,” Mr Ridgeway said.

Further information is available on the ACCC public register at [Qantas & American Airlines](#).

Background

The ACCC first authorised an alliance between Qantas and American Airlines for five years in 2011 and re-authorised the alliance in 2016.

Qantas and American Airlines have sought authorisation from the ACCC because the alliance involves conduct that would risk breaching the Competition and Consumer Act 2010 (CCA).

Notes to editors

ACCC authorisation provides statutory protection from court action for conduct that might otherwise raise concerns under the competition provisions of the CCA.

Broadly, the ACCC may grant an authorisation when it is satisfied that the likely public benefit from the conduct outweighs any likely public detriment.

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