

**Application to the Minister of Transport pursuant to Part 9 of
the Civil Aviation Act 1990 for authorisation of the Air New
Zealand and Singapore Airlines Strategic Alliance**

Confidential Information

Air New Zealand Limited (“**Air New Zealand**”) and Singapore Airlines Limited (“**Singapore Airlines**”) (together, the “**parties**” or the “**Applicants**”) claim confidentiality for this Application pursuant to section 9(2)(b) of the Official Information Act 1982.

A Public Version will be provided separately, and information redacted in the Public Version in this Confidential Version is enclosed in square brackets and highlighted yellow (being information which is confidential to the Applicants) or green (being information which is confidential to Air New Zealand) or blue (being information confidential to Singapore Airlines), (the “**Confidential Information**”).

The Confidential Information is commercially sensitive and valuable information which is confidential to the parties (*vis-a-vis* the public and also in some respects *vis-a-vis* each other), and disclosure would be likely to unreasonably prejudice the commercial position of one, or both, of the parties.

The parties request they be notified of any request made under the Official Information Act for release of the Confidential Information, and that the Minister of Transport (the “**Minister**”) seeks their views as to whether the Confidential Information remains confidential and commercially sensitive at the time responses to such requests are being considered.

This request for confidentiality is not intended to constrain the Minister and the Ministry of Transport (the “**Ministry**”) from disclosing information to other Government departments for the purpose of seeking relevant expert advice. However, the Applicants request that the Minister ensure any such departments maintain the same full confidentiality as requested above.

1. EXECUTIVE SUMMARY

- 1.1 Air New Zealand and Singapore Airlines seek authorisation from the Minister to continue to implement their Alliance ("**Alliance**") through the Strategic Alliance Agreement ("**SAA**").
- 1.2 The purpose and rationale of the Alliance has not materially changed since it was first authorised in 2014 (the "**2014 Authorisation**"). For Air New Zealand, it enables efficient, sustainable growth of its Pacific Rim network through the operation of services between New Zealand and Singapore, providing the best option for Air New Zealand customers to connect into South Asia and South East Asia, and throughout Europe. [REDACTED]. For Singapore Airlines, the Alliance continues to provide increased network reach into New Zealand and increased flow through its Singapore hub, ultimately assisting Singapore Airlines in sustaining its unique position serving two entry points from New Zealand to Singapore and the world.
- 1.3 The Alliance has never been more critical as it is today. As is widely known, the outbreak of COVID-19 severely impacted the global economy, with the aviation and tourism sectors especially hard-hit. The Alliance was no exception. In response to the outbreak and the measures taken by each of the New Zealand and Singaporean governments, the parties were forced to suspend Alliance services from 29 March 2020, only resuming two years later on 27 March 2022. While the aviation industry and the Alliance has navigated the most severe impacts of the pandemic, the broader operating environment continues to be challenging. Labour shortages, fleet constraints, global supply chain issues, fuel costs, high inflation, and high interest rates are affecting both airlines and passengers alike in the form of constrained capacity, reduced connectivity and higher fares.
- 1.4 In the face of these persistent challenges and a still uncertain operating environment, the co-ordination made possible through the authorisation of the Alliance is critical to re-building capacity, restoring connectivity and re-invigorating tourism between New Zealand and the destinations served by Singapore Airlines' expansive network to the continued benefit of the New Zealand consumers and public. Beyond the recovery, the Alliance will continue to be essential to continue to unlock the significant public benefits that the Alliance consistently achieved pre-COVID-19.

Summary of Alliance

- 1.5 For nearly 10 years, since the Alliance was authorised in 2014 and re-authorised in 2018, the Alliance has driven significant public benefits for the New Zealand public:
- (a) **Improved connectivity:** the Alliance provides Air New Zealand customers with access to an unparalleled network into South East Asia, India and Europe. The Alliance is focussed on improving existing connection times, filling connection gaps to key Alliance markets, and balancing connectivity for both the inbound and outbound journey, all of which have resulted in shorter overall journey times for passengers;
 - (b) **Increased capacity and passenger volumes:** the Alliance has resulted in increased capacity between New Zealand and Singapore with the introduction of the third bank between Auckland and Singapore occurring prior to Covid, as anticipated. Going forward, the Alliance will facilitate and support the restoration of capacity between New Zealand and Singapore. Complementing Singapore Airlines' operation of twice and once daily services to Auckland and Christchurch in Northern Winter 2023 ("**NW23**"), Singapore Airlines will be (for part of NW23) (i) upgauging its SQ285/286 services between Auckland and Singapore from an A350 to an A380, and (ii) introducing an additional three services each week between Christchurch and Singapore;
 - (c) **Lower fare seat inventory:** the increased capacity and metal neutral features of the Alliance has continued to provide greater availability of lower fare inventory on travel between New Zealand and Singapore. Together with a greater incentive for both parties to lower SPA rates for connecting journeys, the Alliance has contributed to more competitive pricing on Alliance services. This is demonstrated by average fares remaining flat throughout the period of the Alliance;

- (d) **Continued services to Christchurch:** despite some concerns expressed by third parties at the time of the 2014 application with regard to Christchurch, the Alliance has maintained services to Christchurch. While, for the reasons set out in paragraphs 3.5 and 5.16 below, Air New Zealand has not continued its seasonal service between Christchurch and Singapore (which it commenced in November 2019 and operated for one season prior to the pandemic), Singapore Airlines has retained its year -round services and as stated above, currently plans to introduce an additional 3 services per week in NW23;
 - (e) **Loyalty and premium customer benefits:** Air New Zealand customers have earned significantly more Airpoints Dollars travelling between New Zealand and Singapore, as well as beyond Singapore on Singapore Airlines' services, arising from enhancements in the loyalty programmes along with Alliance capacity growth. The Alliance also focused on improving the customer experience, particularly for passengers connecting through Changi Airport;
 - (f) **Stimulation of tourism:** the Alliance has resulted in Air New Zealand and Singapore Airlines, together and in partnership with Tourism NZ and other third parties, focussing on increasing tourism to New Zealand from key Alliance markets. By 2019, visitors to New Zealand arriving via Singapore on Alliance operated services had increased by around [REDACTED] per annum compared to 2014, contributing an additional [REDACTED] to the New Zealand economy each year;
 - (g) **Retaining New Zealand Inc. profile and presence:** New Zealand is small in scale and geographically isolated. Large international competitors have a significant presence in the markets served by the Alliance. Qantas, and its alliance partner Emirates, in particular, are able to leverage on the much larger market in Australia to sustain their international services. Air New Zealand needs to be able to offer the same (or a higher) degree of integrated service that Qantas and other carriers to Australia are able to offer. The Alliance is essential to allowing Air New Zealand to compete with Qantas and other long haul carriers operating to/from Australia from/to Alliance markets – this, in turn, ensures that New Zealand continues to have a presence and profile in long-haul markets to drive trade and tourism.
- 1.6 The realisation of these benefits was significantly disrupted by the pandemic and the resulting suspension of Alliance services for the two years between March 2020 and 2022. As a result, the analysis of the benefits achieved by the Alliance during the re-authorisation set out in this application is split into two parts:
- (a) an assessment of the historic performance of the Alliance from the date of the last reauthorisation application (the **2018 Application**) until the pandemic, being between January 2018 and March 2020 ("**Pre-covid Period**"); and
 - (b) an assessment of the performance of the Alliance during the "post-covid" period, being the period beginning March 2020, following the imposition of covid travel restrictions ("**Post-covid Period**").
- 1.7 As the industry recovers from this disruption, the Alliance will remain critical to delivering significant public benefits to New Zealand which could not be delivered absent the Alliance. Importantly, the Alliance has already been integral in supporting the restoration of connectivity, capacity, passenger volumes and tourism between New Zealand and Singapore and the world.
- 1.8 The benefits outlined above have been achieved without any detrimental impact on competition:
- (a) [REDACTED];
 - (b) **A significant increase in overall seat capacity between Singapore and New Zealand:** from the beginning of the Alliance to the year prior to the pandemic, there was an increase of [REDACTED] overall seat capacity to New Zealand compared to the pre-Alliance period. This increased capacity has included]:

- (i) **new and expanded services to New Zealand:** the Alliance has not disincentivised other carriers from launching new services or expanding existing services to New Zealand from Alliance markets. Since the Alliance was approved, three carriers (Philippine Airlines, Emirates (Bali) and AirAsia X) have entered the New Zealand – South East Asia market, and Malaysia Airlines, Thai Airways and Jetstar have all expanded services to New Zealand.
- (ii) **the introduction of substantial additional capacity by Qantas:** Qantas has introduced additional services into Singapore as part of a strategy to focus on Asia. Pre-Covid, these additional services supported the new trans-Tasman services that feed into the same. Qantas has also launched a Perth-London service from 2018, non-stop services to India following the pandemic, and has announced the launch of a Sydney-Perth-Rome service from 2023; and
- (iii) **key hub carriers strengthening their service offering.** Emirates and Qatar Airways have both commenced direct services from New Zealand to their hubs in Dubai and Doha respectively. Additionally, Chinese carriers are increasing their focus on re-establishing services to and from New Zealand, including expanded services from Guangzhou to Christchurch by China Southern Airlines and Hong Kong to Christchurch by Cathay Pacific.

While some of the capacity has yet to return post-pandemic, the parties consider that capacity will increase as the recovery continues.

- 1.9 The above demonstrates that prior to COVID-19, the Alliance was operating in a significantly more competitive environment than in the period prior to the Alliance, and that this competition is well on the way to returning. Notwithstanding the increase in competition, Alliance capacity increased prior to COVID-19. This increased capacity has given passengers travelling between New Zealand, Singapore and key Alliance markets more travel options than when the Alliance first commenced.
- 1.10 Given the substantial benefit arising from the Alliance, and the lack of any material competitive detriment, the parties request that the Minister of Transport authorises the Alliance for a further term of at least five years. This period is consistent with the term of the 2018 authorisation and provides the parties with sufficient certainty and confidence to continue to make significant investment in the Alliance. A five year term recognises that these investment decisions can only be justified with a long-term view to stimulate and guide recovery and growth post-pandemic.

2. THE ALLIANCE

Background

Parties

- 2.1 Air New Zealand is New Zealand's national flag carrier, and offers air services in New Zealand and internationally. The Air New Zealand Group operates a global network that provides air passenger services and cargo transport services to, from, and within New Zealand. Pre-pandemic, Air New Zealand flew more than 17 million passengers every year, with 3,400 flights per week.¹ As at 31 March 2023, Air New Zealand operated 105 aircraft (with another 12 on order).²
- 2.2 The New Zealand Government owns approximately 52% of Air New Zealand, with the remainder owned by private investors. Air New Zealand is listed on the New Zealand and Australian stock exchanges.
- 2.3 Singapore Airlines is a Singapore based airline, with its hub at Singapore's Changi Airport, where it is the largest operator. As at 31 March 2023, the Singapore Airlines Group³ comprises 195

¹ Air New Zealand "Company Profile" accessed on 1 March 2023 via <https://www.airnewzealand.co.nz/corporate-profile#:~:text=Before%20COVID%2D19%2C%20we%20flew,New%20Zealand%20to%20the%20world%27.>

² Air New Zealand Group Fleet Disposition as at 31 March 2023.

³ Including wholly owned subsidiary Scoot Pte Ltd.

aircraft, with a passenger network covering 109 destinations in 36 countries.⁴ Singapore Airlines is a public company listed on the Singapore stock exchange.

2.4 Both Air New Zealand and Singapore Airlines are members of the Star Alliance.

The Alliance

2.5 As the Ministry is aware, the SAA (a confidential copy attached at **Schedule One**) provides for varying levels of coordination between the parties in relation to:

- (a) the “**Alliance Sectors**” being sectors operating directly between Singapore and New Zealand (Auckland to Singapore, and Christchurch to Singapore); and
- (b) the “**Alliance Routes**”, which comprise a journey between “Covered Jurisdictions” that **includes** an Alliance Sector.

2.6 Subject to certain exceptions, the SAA provides for reciprocal codesharing, joint pricing and revenue management, joint sales and the optimisation of connection times for both Alliance Sectors and Alliance Routes. Further cooperation is provided for in relation to the Alliance Sectors, including revenue sharing, capacity coordination and, to the extent practical, harmonising the customer experience.⁵ A more detailed description of the coordination provided for in the SAA is set out in the parties’ 2014 Authorisation application (the “**2014 Application**”).

2.7 The current Alliance schedule is set out in Figure 1 for the Northern Hemisphere winter and summer periods.

Figure 1: Current Alliance schedule

NW23 Flight Schedule				
	SQ281	SIN 08.45	AKL 23.35	Daily
SIN to AKL	NZ283	SIN 18.25	AKL 09.35*1	Daily
	SQ285	SIN 22.25	AKL 13.20*1	Daily
AKL to SIN	SQ282	AKL 01.20	SIN 06.45	Daily
	NZ284	AKL 11.05	SIN 16.40	Daily
	SQ286	AKL 15.15	SIN 20.55	Daily
SIN to CHC	SQ297	SIN 19.50	CHC 10.40*1	Daily
	SQ295	SIN 22.00	CHC 12:50*1	2.4.7
CHC to SIN	SQ298	CHC 12.00	SIN 17.40	Daily
	SQ296	CHC 14.20	SIN 20.00	1.3.5

⁴ Singapore Airlines additionally owns a 49% stake in Vistara, a joint venture airline owned in partnership with Tata Sons Private Limited (**Tata**). Singapore Airlines and Tata have recently agreed to merge Vistara with Air India, a Tata owned airline group which includes the low-cost carriers Air India Express and AirAsia India. The parties are targeting completion of the merger by March 2024, which would give Singapore Airlines a 25.1% stake in the Air India group.

⁵ As required by the SAA, the parties only coordinate to those Covered Jurisdictions where that is permitted under the existing competition law of the relevant jurisdiction (which the parties periodically review) or where the required regulatory approvals have been obtained.

NS23 Flight Schedule

	NZ281	SIN 08.50	AKL 22.25	Daily
SIN to AKL	NZ283	SIN 18.40	AKL 08.15*1	Daily
	SQ285	SIN 22.45	AKL 12.20*1	Daily
	NZ280	AKL 23.55	SIN 06.40*1	Daily
AKL to SIN	NZ284	AKL 10.05	SIN 16.50	Daily
	SQ286	AKL 14.10	SIN 21.00	Daily
SIN to CHC	SQ297	SIN 19.50	CHC 09.30*1	Daily
CHC to SIN	SQ298	CHC 10.50	SIN 17.40	Daily

2.8 In September 2020, a decision was made to suspend the Singapore-Wellington Service.

Commercial rationale

2.9 The commercial rationale for the Alliance has not materially changed since the 2014 Application, being to increase the number of passengers travelling on the parties' combined services. Setting aside the COVID-19 affected period, the Alliance has achieved substantial capacity increases to date – capacity in the final year of the Alliance (all services) prior to the pandemic was 45%⁶ higher than immediately pre-Alliance. Both parties see the Alliance as important to supporting the ongoing rebuild of international operations as the aviation industry recovers from COVID-19. More specifically:

- (a) For Air New Zealand, the Alliance continues to provide the opportunity for efficient, sustainable growth of its Pacific Rim network through the re-establishment of services between New Zealand and Singapore. [REDACTED]. Many of the key Alliance markets, in particular in South East Asia and India, are particularly fragmented, with small streams of traffic originating from a number of different sub-markets amongst and within different countries. As described in further detail below, the ability to access these markets via Singapore has allowed Air New Zealand to significantly grow its profile in these markets.
- (b) For Singapore Airlines, the Alliance continues to provide increased network reach into New Zealand and behind and beyond markets e.g. the Pacific Islands, and a consequent increase in feed into its broader network. Singapore Airlines has maintained its long commitment to the New Zealand market for more than 45 years, having launched services to Auckland in 1976, Christchurch in 1986 and the (now closed) Singapore to Wellington service in 2016. The Alliance has also enabled the parties to improve and increase frequencies on the Singapore to Auckland route.

2.10 Being able to compete effectively with other carriers remains a strong commercial driver for the Alliance. Qantas/Emirates continues to be Air New Zealand's strongest direct competitor, with Qantas's home market of Australia positioned between New Zealand and the key Alliance markets, making it ideally suited to compete with Air New Zealand and Singapore Airlines. The Alliance also competes with aggressive hub carriers in the Middle East and Asia, exerting significant competitive pressure on the hub model that Singapore Airlines relies on, as well as other foreign carriers, including from key Alliance markets.

⁶ Based on the parties' ASK data. Pre-alliance period is the year up to the introduction of the A380 by Singapore Airlines in October 2014.

- 2.11 More detail on the continuing commercial rational for the Alliance is set out in each party's confidential submission.

2018 re-authorisation application

- 2.12 The Alliance was initially authorised in 2014 and was subsequently re-authorised by then Minister of Transport in September 2018, each for a five-year period, with the last re-authorisation purported to end on 28 March 2024. As part of the re-authorisation, the parties committed to continuing to show that the Alliance provides real benefits to consumers and that it has not had a negative impact on competition.

3. AUTHORISATION SOUGHT

- 3.1 The Minister has the discretion to authorise the Alliance under section 88(2) of the Act. Section 88(2) provides that “the Minister may...specifically authorise all or any provisions of a contract, arrangement, or understanding made between two or more persons in respect of international carriage by air” including in relation to the fixing of tariffs or capacity. Sections 88(3) and (4) of the Civil Aviation Act 1990 (**CAA**) provide specific reasons for the Minister to decline reauthorisation (which are subject to an override in section 88(5) if the Minister believes that to decline reauthorisation would have an undesirable effect on international comity).
- 3.2 The Applicants believe that the Alliance meets the test for authorisation and that the Minister should exercise his discretion to reauthorize the Alliance pursuant to section 88 of the Act for a further period.
- 3.3 The Applicants seek reauthorisation of the Alliance for a period of at least five years until [24] March 2029. This term is consistent with the period for which authorisation was granted in 2018 and is necessary to provide the parties with sufficient certainty and confidence to continue to invest in the Alliance Sectors, together with other activity in smaller Alliance markets. Any lesser period would not facilitate public benefits and will instead result in regulatory uncertainty and ultimately reduced choice for consumers – particularly in the wake of the pandemic recovery.
- 3.4 As previously advised, the regulatory approval received from the Competition and Consumer Commission of Singapore (“**CCCS**”) was for an unlimited period of time, although the Competition Act 2004 allows the CCS to reconsider the authorisation in the event of a material change in circumstances. On 28 May 2018, the parties notified the CCCS of the signed amendment (“**Amendment**”) to the SAA between Singapore Airlines and Air New Zealand which relates to the revenue sharing mechanics under the SAA, but does not constitute a material change in circumstances. On 3 July 2018, the CCCS acknowledged the parties’ views that the Amendment does not change the nature or scope of cooperation nor constitute a material change in circumstances.
- 3.5 [REDACTED]. However, the Alliance is still able to ensure the year-round daily operation of CHC-SIN operated by Singapore Airlines and as above, Singapore Airlines currently plans to introduce an additional 3 CHC-SIN services per week in NW23.

4. COUNTERFACTUAL

- 4.1 The parties’ commercial strategy absent the Alliance is covered in each party’s confidential submission. Key points as per the 2014 and 2018 Applications and which were included in the public versions of the Ministry’s analysis of the 2014 Application (the “**2014 Analysis**”) and the 2018 Application (the “**2018 Application**”) remain:
- (a) cooperation between the parties would revert to the pre-Alliance cooperation i.e. reduced connectivity and passenger benefits consistent with the Star Alliance;
 - (b) [REDACTED]. Further details on Air New Zealand’s plans absent the Alliance are set out in its confidential submission;
 - (c) [REDACTED]. Further details on Singapore Airlines’ plans absent the Alliance are set out in its confidential submission.

5. CONSUMER BENEFITS

- 5.1 In the more than eight years since it was first authorised, Air New Zealand and Singapore Airlines have together delivered real and substantial benefits to consumers as a result of the Alliance. This includes substantial increases in capacity and new services between New Zealand and Singapore, competitive Alliance fares to, from and via Singapore, increased connectivity to the Singapore Airlines network, and increased marketing and exposure of New Zealand in key South and South East Asian markets. Many of these benefits were identified in the Ministry's 2018 Analysis.
- 5.2 However, the realisation of these benefits was disrupted from early 2020 onwards. As has been well documented globally and highlighted above, international aviation networks have been impacted by the COVID-19 pandemic in an unprecedented manner, and the Alliance network is no exception. In light of government-imposed border controls and international travel restrictions, Alliance services were fully suspended from 29 March 2020.
- 5.3 Against this background, the parties have split the assessment of the relevant benefits in Section 5 into two parts, being:
- (a) an assessment of the historic performance of the Alliance during the Pre-covid Period, being the period from the date of the 2018 Application until the pandemic in March 2020; and
 - (b) an assessment of the performance of the Alliance during the Post-covid Period, being the period from the beginning of pandemic in March 2020 onwards.
- 5.4 The parties also include a summary of the benefits during the term of the 2014 Authorisation (January 2014 to 2018) at the beginning of the section.
- 5.5 In the parties' submission, the continuation of the Alliance is necessary to achieve the Alliance's objectives and desired consumer benefits which could not otherwise be achieved without the Alliance. As the impacts of the pandemic are still being felt, the Alliance is important to supporting the ongoing rebuild of international operations by both Air New Zealand and Singapore Airlines going forward.

Benefits during the term of the 2014 Authorisation

- 5.6 For the Minister's benefit, as a summary and as outlined in the 2018 Application, during the term of the 2014 Authorisation, the Alliance delivered substantial benefits to New Zealand and to each party's customers:
- (a) **Greater capacity:** the Alliance resulted in increased capacity between New Zealand and Singapore by 26% during the term of the 2014 Authorisation (as confirmed by the Ministry's 2018 Analysis);
 - (b) **Continued services to Christchurch** despite some concerns expressed by third parties at the time of the 2014 application with regards to Christchurch, the Alliance maintained services to Christchurch;
 - (c) **Improved connectivity:** the Alliance provided Air New Zealand customers with access to an unparalleled network into South East Asia, India and Europe. The Alliance is focussed on improving existing connection times, filling connection gaps to key Alliance markets, and balancing connectivity for both the inbound and outbound journey, all of which resulted in shorter overall journey times for passengers;
 - (d) **Increased availability of lower fare inventory:** the increased capacity and metal neutral features of the Alliance resulted in a greater availability of lower fare inventory on travel between New Zealand and Singapore. Together with a greater incentive for both parties to lower SPA rates for connecting journeys, the Alliance contributed to more competitive pricing on Alliance services during the term of the 2014 Authorisation.

- (e) **Loyalty and premium customer benefits:** Air New Zealand customers earned significantly more Airpoints Dollars travelling between New Zealand and Singapore, as well as beyond Singapore on Singapore Airlines' services, arising from enhancements in the loyalty programmes along with Alliance capacity growth. The Alliance also focused on improving the customer experience, particularly for passengers connecting through Changi Airport.
- (f) **Tourism benefits:** the Alliance resulted in Air New Zealand and Singapore Airlines, together and in partnership with Tourism NZ and other third parties, focussing on increasing tourism to New Zealand from key Alliance markets. By 2018, visitors to New Zealand arriving via Singapore on Alliance operated services had increased by around [REDACTED] per annum compared to 2014, contributing an additional [REDACTED] million to the New Zealand economy each year.

Benefits from 2018 – present

A. Increased capacity

Pre-covid Period

- 5.7 Despite a marked increase in competition, the Alliance continued to substantially increase capacity between New Zealand and Singapore over the Pre-covid Period. Capacity had increased by 45% for all Alliance services by the end of the Pre-covid Period, compared to pre-Alliance levels.

Auckland to Singapore

- 5.8 In the 2018 Application, the parties submitted that a further increase in capacity on the Auckland – Singapore service would occur from November 2018, following the launch of the Air New Zealand operated Boeing 787-9 Dreamliner aircraft. The service was expected to operate daily during the peak season from November to March, and five times a week for the remainder of the year, adding more than 165,000 seats a year to the route, a further increase of up to 40% more seats over and above that already added since the commencement of the Alliance.
- 5.9 As anticipated Air New Zealand introduced this additional service and capacity substantially increased accordingly over the Pre-covid Period as illustrated by Figure 2 below. Figure 2 also illustrates the impact of the COVID-19 pandemic on Alliance services (i.e. the significant reduction in capacity from 2020 onwards).

Figure 2: [REDACTED]⁷

- 5.10 Figure 2 demonstrates that the Alliance has led to a substantial increase in capacity on the Auckland to Singapore route. As set out in Figure 2 above, capacity further increased in 2019 (from the commencement of the new Auckland to Singapore service in November 2018) and, putting aside the decline during the pandemic, is recovering toward pre-covid levels. Over the course of the pandemic, Singapore Airlines maintained its operations on the Auckland – Singapore route. This meant the Alliance continued to have a presence during this period and has contributed to a faster recovery than in other markets.

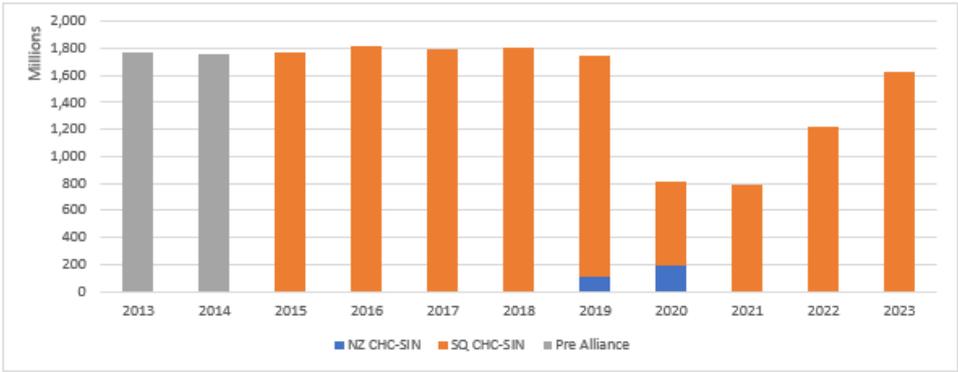
Christchurch to Singapore

- 5.11 In the 2014 and 2018 Applications, the parties stated that they did not expect the Alliance to result in any further immediate expansion of capacity on Christchurch services, although Christchurch would be well placed to gain from many of the benefits achieved by the Alliance.

⁷ Data is based on calendar year (although the Alliance commenced on 6 January 2015) and 2014 capacity includes Singapore Airline's ungauged SQ285/6 service, which commenced shortly after the Alliance was authorised in 2014. The slight dip in 2016 reflects the fact that due to operational constraints Air New Zealand first operated a B772 aircraft to Singapore as an interim measure pending arrival of the slightly smaller B789.

- 5.12 As set out in the 2014 Analysis and the 2018 Analysis, the Singapore – Christchurch service plays an important role in providing the South Island access to international markets. Prior to the pandemic, Christchurch saw significant increases in international arrivals, driven by the new entry of services offered by competitors to the Alliance and an increase in demand for existing services. For example, China Southern Airlines increased frequency on its Guangzhou – Christchurch service to once daily (during peak periods), and Emirates increased capacity on its daily one stop service from Christchurch to Dubai (via Sydney) in November 2016 when it introduced an A380 to the route.
- 5.13 Christchurch Airport’s international passenger arrivals grew 8.5% in May – June 2019 on the previous year, compared to a national arrivals decrease of 5.8% over the same period.⁸ The continued operation of Christchurch to Singapore capacity through the term of the Alliance, means the Minister can be comfortable that the Alliance has not had an adverse impact on services to Christchurch, but in fact a positive one.
- 5.14 As part of the authorisation process in 2014, the CEOs of both Air New Zealand and Singapore Airlines signed a letter to the Minister reiterating the importance of Christchurch to the Alliance, and the potential for the Alliance to provide a better foundation for existing links between Christchurch and the market beyond. The CEOs’ letter stated that the Alliance would support the Christchurch to Singapore route by incentivising Air New Zealand to encourage its passengers to use the service, and provide Singapore Airlines with increased traffic flows to and through the Christchurch route. This has been achieved through a variety of measures. Singapore Airlines has continued to codeshare to additional Air New Zealand domestic sectors from Christchurch and to/from Australia and the Pacific Islands. This has resulted in a [REDACTED] increase in Alliance flows onto the Christchurch to Singapore service to/from domestic sectors.⁹
- 5.15 As illustrated by Figure 3 below, the parties roughly maintained capacity on the Christchurch service from the commencement of the Alliance to the end of the Pre-covid Period.

Figure 3: Alliance capacity on Christchurch to Singapore (ASKs)
[Source: Alliance data]



5.16 [REDACTED].

Singapore – Wellington

5.17 As a result of the pandemic, the operational capacity of Singapore Airlines has changed following the changes to its overall fleet and network demands. Consequently, Singapore Airlines, like other network airlines, has made a holistic assessment of risk and evaluated the options available across its network in making the decision to end the Singapore to Wellington service (via Canberra). One of the considerations is that [REDACTED].

⁸ Christchurch Airport, “2019 Annual Review” accessed 31 March 2023 via <https://www.christchurchairport.co.nz/globalassets/about-us/who-we-are/financial-reports/2019-annual-review.pdf>.

⁹ Air New Zealand has built up cross metal sales since the commencement of the Alliance. Singapore Airlines has also been included in Air New Zealand’s sale incentive schemes, and trade and corporate deals.

- 5.18 More generally, the Wellington catchment in terms of origin and destination traffic is relatively small. To the extent that any such services may become viable in the future, we do not believe the Alliance makes them any less likely.

Post-covid Period

- 5.19 As the Ministry is aware, the pandemic has had an unprecedented impact on international aviation networks, and has significantly impacted the parties. Government restrictions halted nearly all international traffic to New Zealand from early 2020 to 2022. Although demand is returning, IATA forecasts that global international passenger traffic will not recover to pre-pandemic levels until 2025.¹⁰
- 5.20 [REDACTED].
- 5.21 As set out in further detail in Section 6 below, the Alliance's market share temporarily increased across all relevant markets during the Post-covid Period. This is because the Alliance rebuilt capacity on its New Zealand to Singapore routes at a faster rate than some of its competitors. This has been an important benefit to New Zealand consumers, and has ensured that there remain options for New Zealanders to connect to the world, at a time where some options previously available have ceased to exist.
- 5.22 Although capacity between New Zealand to Singapore is lower than it was immediately prior to the pandemic, it remains materially higher than it was pre-Alliance, and continues to recover.

B. Premium customer handling, lounge and FFP benefits

Pre-covid Period

- 5.23 The 2018 Analysis recognised that the Alliance provides additional benefits over and above existing Star Alliance arrangements with respect to frequent flyer programmes and lounge access. These benefits continued to grow over the Pre-covid Period. For example:
- (i) Air New Zealand passengers travelling on Alliance Sectors accrued [REDACTED] more Airpoints in the final year of the Pre-covid Period compared to 2014. Air New Zealand passengers travelling on Singapore Airlines' operated services accrued an additional [REDACTED] Airpoints Dollars over the course of 2019, compared to the year prior to commencement of the Alliance. This is due to both a more favourable accrual rate, accruals for each party on the other's lower tier inventory and an increased number of Air New Zealand passengers travelling on Singapore Airlines' services.
 - (ii) Passengers travelling on Air New Zealand's Auckland to Singapore service accrued around [REDACTED] Airpoints Dollars on Air New Zealand's Auckland to Singapore service in 2019, compared to around [REDACTED] Airpoints Dollars in the first year of the Alliance.
- 5.24 Overall, Air New Zealand Airpoints members are earning substantially more Airpoints Dollars on services to and via Singapore than they were immediately prior to the Alliance. These benefits would not have been obtained in the absence of the Alliance.

Post-covid Period

- 5.25 As a direct result of the government enforced border and travel restrictions and the associated drop in demand, the number of Airpoints earned by Air New Zealand passengers travelling on Alliance Sectors decreased by [REDACTED] in 2020, and by a further [REDACTED] in 2021. However, Air New Zealand expects this decrease will be temporary. Already, there are strong signs of recovery, with the number of Airpoints earned on Alliance services recovering to

¹⁰ IATA, *Air Passenger Numbers to Recover in 2024*, (Press Release, 1 March 2022). Available here: <https://www.iata.org/en/pressroom/2022-releases/2022-03-01-01/>.

[REDACTED] in 2022, or [REDACTED] of its 2019 peak. The Parties expect this figure to continue to increase to pre-pandemic levels as demand recovers.

- 5.26 Air New Zealand has continued to enhance customer services for Alliance passengers since the pandemic. For example, it has extended the hours it offers its dinner buffet at the Auckland International Lounge, with the buffet now offered until 1:30am (compared to 10pm previously). This will benefit customers travelling on Singapore Airlines' daily 1:20am Northern Winter service and Air New Zealand's 11:55pm Northern Summer service on the Auckland – Singapore route.

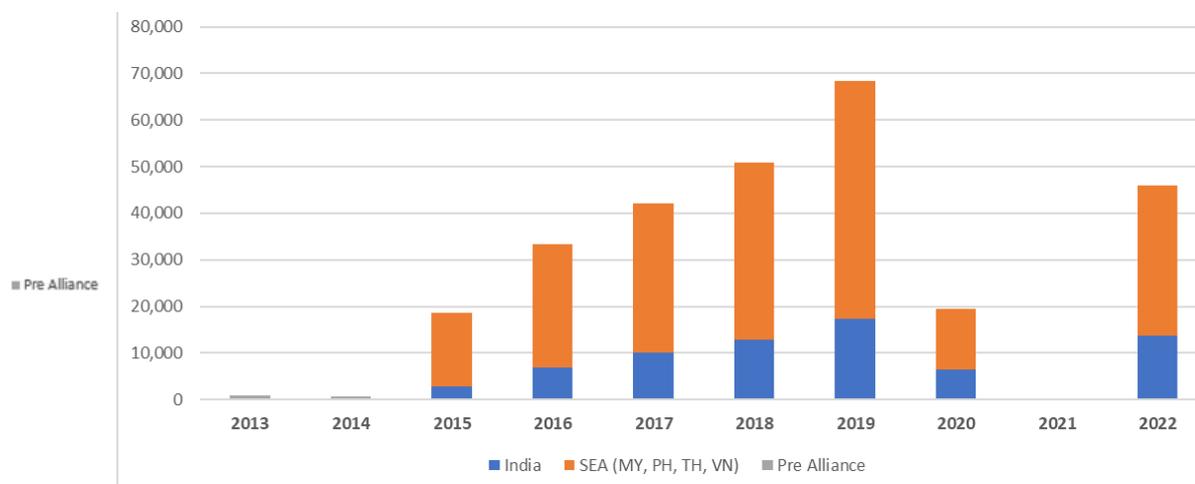
C. **Greater online connectivity**

Pre-covid Period

- 5.27 As outlined in its 2018 Analysis, the Ministry recognised that the Alliance facilitated greater connectivity for passengers by combining the parties' networks and in both its 2014 Analysis and 2018 Analysis, the Ministry accepted that the cumulative effect of Air New Zealand gaining access to a greater number of markets was a "significant" public benefit of the Alliance.
- 5.28 The Codeshare Agreement entered into by the parties under the Alliance continues to provide passengers with better connectivity and access than what would be available absent the Alliance. This connectivity enables Air New Zealand passengers to access markets which would otherwise be very difficult to access in the absence of the Alliance. In particular, the Codeshare Agreement opens up access to Europe, South and South East Asia region, an area which is characterised by a number of small and fragmented markets, many of which cannot be sustainably served on a direct basis, whether due to the size of the market and/or their distance from New Zealand. The Alliance provides customers with the ability to travel between New Zealand and these markets to/from all parts of New Zealand.
- 5.29 In the year prior to COVID-19, approximately [REDACTED] Air New Zealand ticketed customers benefited from the Codeshare Agreement and connected onto Singapore Airline's beyond network – over 40,000 of which connected into the South East Asian Priority Markets. This compares to a total of [REDACTED] Air New Zealand passengers connecting to Singapore Airlines beyond network in the year prior to the Alliance (with less than 1000 connecting into South East Asia on Singapore Airlines). The Alliance has also facilitated connections made by Singapore Airlines ticketed passengers onto Air New Zealand's domestic and regional network, with an additional [REDACTED] passengers connecting to the domestic network in 2019 compared to 2014.
- 5.30 As the Ministry identified in its 2014 Analysis, increased connectivity to a market creates a strong incentive for Air New Zealand to invest its marketing and distribution resources there. In the year prior to the Alliance, less than [REDACTED] Air New Zealand ticketed passengers travelled between New Zealand and India, Malaysia, Philippines, Thailand and Vietnam.¹¹ As a result of the Alliance, Air New Zealand has increased its marketing presence in these regions (see tourism section further below). These activities combined with the access to Singapore Airlines' distribution network, has resulted in significant year on year increases in Air New Zealand's sales to these regions up to the end of the Pre-covid Period, as set out in Figure 4 below.

¹¹ Air New Zealand data based on Air New Zealand ticketed non-directional passengers.

Figure 4: Air New Zealand ticketed passenger numbers for India and South East Asia
 [Source: Air New Zealand data]



- 5.31 Connectivity into these markets further improved when Air New Zealand began operating its additional Auckland – Singapore services in November 2018. With the added service, the parties agreed to re-time existing services to ensure the Alliance connects well into three different banks of connecting services at Singapore. This coordination has resulted in shorter northbound and southbound connections across South East Asian, Indian and European services. Air New Zealand considers the third bank connection was an important factor in the steep increase in passenger numbers to India and South East Asia during 2019.
- 5.32 The value that passengers place on the Alliance services and flight schedules is demonstrated by the increase in cross metal sales throughout the period of the Alliance. As previously accepted by the Ministry, cross metal sales represent a consumer benefit as they are evidence that passengers are taking advantage of scheduling benefits to improve their journey. In 2019, the number of cross metal sales by Air New Zealand for services operated by Singapore Airlines between Singapore and New Zealand increased by approximately 30% compared to the first year of the Alliance [REDACTED]. The number of cross metal sales by Singapore Airlines on Air New Zealand's Singapore – Auckland services continued to be strong with approximately 100,000 sold in 2019.

Post-covid Period

- 5.33 The number of passengers using Alliance services to connect to the other parties' beyond networks has recovered quickly in 2022 following the reopening of the New Zealand border in March, and is expected to continue to increase in response growing demand.
- 5.34 To put this into perspective, while just [REDACTED] Air New Zealand ticketed customers connected to Singapore Airline's beyond network in 2021, this number has recovered to approximately [REDACTED] in 2022. Similarly, less than [REDACTED] Singapore Airlines passengers connected into Air New Zealand's domestic network in 2021, which quickly re-built to 40,000 in 2022. Likewise, Cross-metal sales also substantially recovered in 2022, with a total of [REDACTED] cross-metal sales made by Air New Zealand on Singapore Airline's Singapore to New Zealand services, and nearly [REDACTED] made by Singapore Airlines on Air New Zealand's Singapore services. The parties expect this strong performance to continue over the coming years.

D. More lower fare seat inventory

Pre-covid Period

- 5.35 At the time of the 2014 and 2018 Applications, the parties' position was that the Alliance was likely to result in a greater availability of low fares on the Auckland to Singapore sector, as the additional capacity would make more seats available in each fare class, including the lower fare classes. The Ministry's 2018 Analysis was consistent with this view. In 2015, following the

commencement of the Alliance, the number of tactical fares sold on the Auckland to Singapore sector increased by 35% compared to the previous year, and sales of lower mid fares increased by 20%. Low fare classes continued to account for a significant portion of total sales over the Pre-covid Period. In 2018 and 2019, 50% of all fares sold to customers in priority markets on Air New Zealand operated flights between Auckland to Singapore were lower-mid fares, while 26% of Air New Zealand's fares were sold as tactical fares on the route.

- 5.36 In addition, at the time of the previous applications, the parties' position was that the Alliance would lead to better seat management due to the increased capacity, and more competitive SPA rates. As part of the implementation of the Alliance, the parties moved from a fixed rate SPA to a 'straight rate prorated' arrangement. The effect of this arrangement has been to significantly reduce the prorated amount each party pays to the operating carrier for connecting services. The Ministry's 2018 Analysis considered that the Alliance reduces "double marginalisation" between the parties, which ordinarily occurs between two cooperating carriers that individually set prices on the portion of the itinerary that they operate with their own aircraft, maximising their own "mark-up" based on demand on that segment. The Ministry (correctly in the parties' view) agreed that reducing double marginalisation contributes to lower fares.
- 5.37 Figure 5 below demonstrates that, despite inflation, the Alliance has not led to an increase in average Alliance fares across all O/Ds from January 2015 to the end of the Pre-covid Period.¹²

Figure 5: [REDACTED]

- 5.38 This constant pricing is attributable to many factors, including in particular the additional capacity offered by competing services in the Pre-covid Period. However, in the parties' view, the increased capacity and coordination offered as a result of the Alliance is instrumental in these prices.
- 5.39 As set out in the 2018 Application, in 2015/16 Air New Zealand commissioned a major economic study of all of its alliance activity (the "**BLS Report**"). The BLS Report provided compelling evidence that prices for international JV connecting fares (excluding the Tasman) are 8.8% to 11.6% lower than traditional interline fares. The BLS Report found that connecting fares on Air New Zealand's revenue share Alliance services are indistinguishable from online fares, indicating that the Alliance partners operate as though they were a single airline, providing substantial fare benefits to customers who make international connecting trips to/from New Zealand (which accounts for around 75% of total passengers on Alliance services). The BLS Report found that the closeness of cooperation was the key to these lower fares, i.e., the ability of Air New Zealand and its partners to offer the most efficient, lowest, connecting fares would not be realised outside of a revenue sharing Alliance. In the parties' submission, the findings of the BLS Report continue to hold true.

Post-covid Period

- 5.40 As above, COVID-19 has impacted international aviation networks in an unprecedented manner and the industry continues to suffer from its ongoing impacts. Labour shortages, fleet constraints and backlogs with aircraft manufacturers mean the global supply chain continues to be stretched due to the pace of the rebuild. Alongside high inflation and fuel costs, this has contributed to elevated airfares across the industry, including on Alliance services in the Post-covid Period.
- 5.41 However, as is the case with carriers worldwide, an increase in fares can be seen universally across the parties' international routes (i.e., including those outside the Alliance).
- 5.42 Accordingly, the parties consider that an increase in fares would have occurred on services between New Zealand to Singapore in the absence of the Alliance due to a number of factors outside of the parties' control. Most notably, the financial impact of the pandemic has coincided with high fuel prices (including as a result of the war in Ukraine) and high inflation, which has

¹² For Alliance routes (NZ/SIN). Pro-rated fares.

created significant pricing pressures. That said, the parties do not anticipate these “price shocks” to have a long-term effect on pricing in the aviation industry and in any event, the parties consider the Alliance continues to facilitate lower fares on the New Zealand to Singapore route than would prevail in the absence of the Alliance, noting the increased capacity and reduced double marginalisation effects outlined above. (Indeed, as a result of the Alliance, capacity between New Zealand and Singapore held up well during the pandemic relative to many other routes.)

- 5.43 As far as predicting the Alliance’s potential impact on fares when pandemic-related and other disruptions mean that fares in recent years have no reliable predictive value, the parties believe the Ministry can take considerable comfort from the long history of competitive pricing on Alliance routes. This is evidenced by the analysis above, is consistent with what economic theory would predict in relation to an Alliance such as this, and there are no factors which should cause the next Alliance period to be any different in terms of competitive fares than it has delivered from its inception.

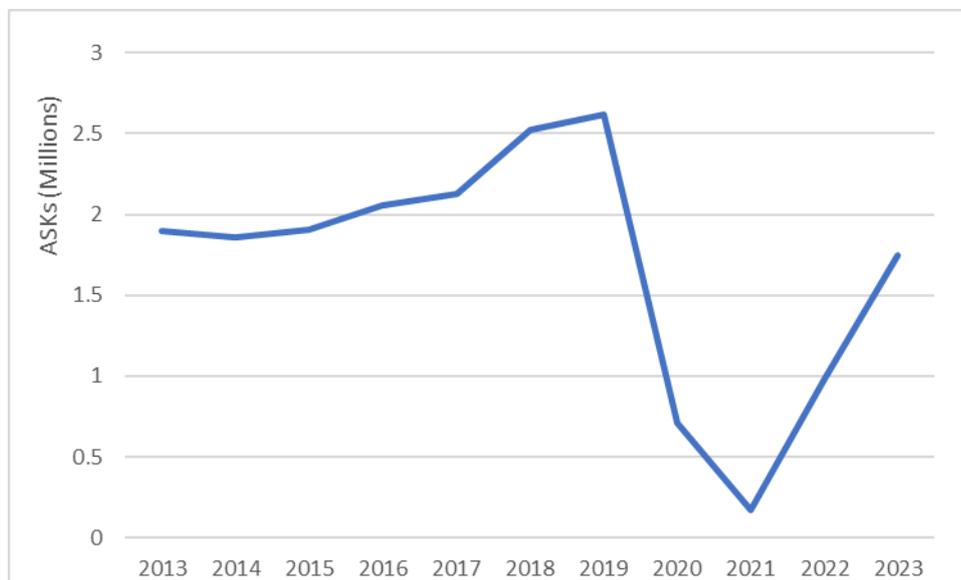
E. Competitive response from other carriers

Pre-covid Period

- 5.44 The 2018 Application provided details of the unprecedented increases in competition for travel to New Zealand that coincided with the creation of the Alliance. This made the Alliance's simultaneous increases in capacity all the more noteworthy.
- 5.45 Prior to the pandemic, competing carriers continued to aggressively increase capacity between New Zealand to Singapore, in competition with the Alliance. Figure 6 below demonstrates the consistent increases in capacity from one-stop carriers between New Zealand and Singapore until 2019.

Figure 6: Capacity of one-stop carriers between New Zealand and Singapore from 2013 to 2023¹³

[Source: OAG Analyser/AirportIS]



- 5.46 The New Zealand to Europe market continued to be highly competitive, while competition in the South East Asian and Indian markets have strengthened. As is set out in further detail in the competition section below, there was additional capacity and new entry from a number of carriers

¹³ Figure 6 charts the total capacity of the following one-stop carriers between New Zealand and Singapore from 2013-2023: China Airlines, Cathay Pacific, China Southern Airlines, Philippine Airlines, Malaysia Airlines, Jetstar, Qantas and Thai Airways International.

into Priority Markets in Europe, South East Asia and India during the Pre-covid Period. For example:

- (a) Emirates launched Bali to Auckland services in June 2018. Both Emirates and Qatar Airways have a strong presence in the Indian market;
- (b) Philippine Airlines launched a Manila to Auckland one-stop service via Cairns in August 2016, which was upgraded to a non-stop widebody service in November 2016;
- (c) Air Asia X launched a daily widebody service from Kuala Lumpur to Auckland via Gold Coast in March 2016 (which was suspended at the beginning of the pandemic);
- (d) Chinese carriers feeding into Europe, including China Southern Airlines, China Eastern Airlines and Air China, have steadily grown capacity between Shanghai, Beijing and Guangzhou and New Zealand. In addition, new connections have been established with Chengdu, Xi'an and Shenzhen.
- (e) Jetstar launched services to Ho Chi Minh City via Melbourne and Sydney in May 2017.¹⁴

Post-covid Period

- 5.47 The global reduction in the number of services offered by carriers internationally saw an immediate decrease in the number of services competing with the Alliance following the pandemic. This resulted in a corresponding increase in the Alliance's market shares, but only because the Alliance strived to maintain capacity on Alliance services to the extent possible (whereas other carriers reduced capacity). Maintaining capacity at a higher rate than competitors is a key benefit of the Alliance over the Post-covid Period, as it has ensured that consumers continue to be serviced by regular flights from New Zealand to Singapore, allowing New Zealanders to remain connected to the world. This is a clear benefit from the Alliance.
- 5.48 Despite the impact of covid, competition remains strong across the Alliance Routes. [Various carriers have returned to the New Zealand market post-pandemic, including:
- (a) China Southern Airlines (Auckland to Guangzhou);
 - (b) Air Asia X (Auckland to Kuala Lumpur (via Sydney));
 - (c) Emirates (Auckland to Dubai);
 - (d) Hainan Airlines (Auckland to Shenzhen);
 - (e) Malaysian Airlines (Auckland to Kuala Lumpur);
 - (f) Qatar Airways (Auckland to Doha); and
 - (g) China Airlines (Auckland to Taipei (via Brisbane)).]

5.49 The parties expect the number of services competing with the Alliance to steadily increase as the industry continues to recover from the pandemic.

F. Stimulation of tourism

Pre-covid Period

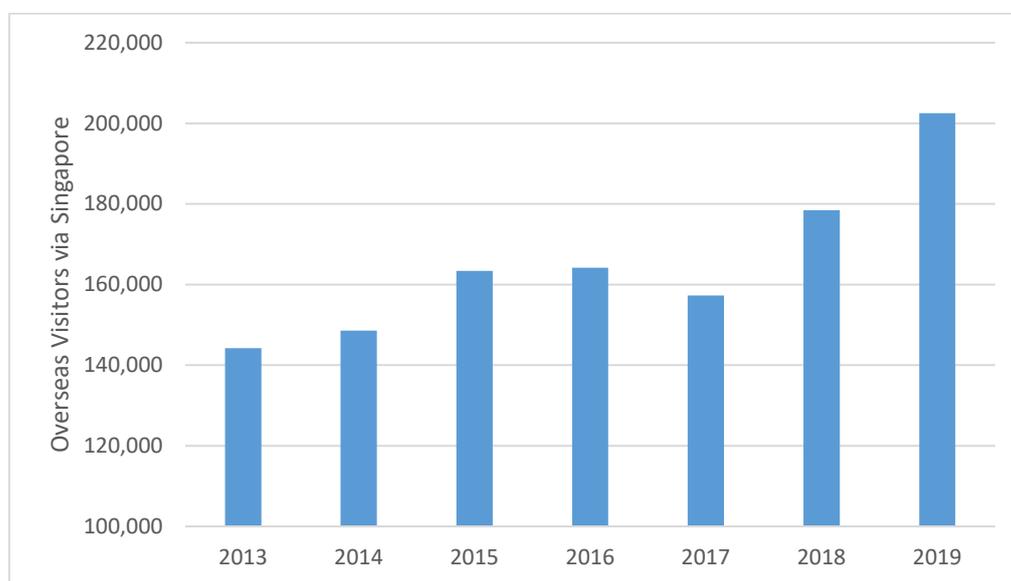
- 5.50 In its 2018 Analysis, the Ministry concluded that the Alliance had likely contributed to increased tourism to New Zealand. The Ministry noted that a combination of the marketing activities undertaken by the parties, the increased international capacity and the increased connectivity

¹⁴ Jetstar, "Read, Set, Pho: Jetstar takes off to Vietnam", accessed 15 May 2023 via <https://newsroom.jetstar.com/ready-set-pho-jetstar-takes-off-to-vietnam/#:~:text=Flights%20from%20Melbourne%20to%20Ho,to%20government%20and%20regulatory%20approval.>

provided by the Alliance makes New Zealand a more attractive place for tourists to visit. As set out below, the Alliance continued to help grow New Zealand’s tourism industry over the Pre-covid Period.

- 5.51 Both parties, together with government and trade partners, have invested heavily in marketing New Zealand as an Alliance destination over the course of the Alliance. Immediately upon the implementation of the Alliance, Air New Zealand opened a local sales office in Singapore. Air New Zealand has a sales team based in Singapore (excluding airport operations staff), since August 2014 and throughout the Post-covid Period, tasked with selling New Zealand as a destination to Singapore, India and South East Asia.
- 5.52 During the Pre-covid Period, Air New Zealand undertook a number of activities on its own, with Singapore Airlines, and with tourism bodies and industry partners, to increase the profile of New Zealand in India and South East Asia. As well as each party’s own marketing activity, Air New Zealand and Singapore Airlines are party to a marketing memorandum of understanding to collaborate and jointly develop and promote the Alliance. This agreement facilitates activities on a range of platforms, including social media and programmatic display advertising, to increase passenger revenue and to enhance the effectiveness of each party’s marketing investments. Attached as Schedule Three are examples of joint marketing undertaken by the Alliance prior to the pandemic pursuant to the agreement, including campaigns in Singapore, Malaysia and India.
- 5.53 These marketing efforts have contributed to the rising number of passengers travelling to New Zealand on Alliance services prior to the outbreak of COVID-19. Visitors to New Zealand on Alliance services through Singapore, has increased materially in each year of the Alliance to the beginning of the pandemic, as demonstrated in Figure 7 below. In 2019, there were 54,000 more visitors to New Zealand on Alliance services compared to the year prior to the Alliance. Based on the Ministry of Business, Innovation and Employment’s average spend of \$3,580 per visitor in the year ended March 2020, this brought an additional ~\$180 million to the New Zealand economy in 2019.¹⁵

Figure 7: Visitors arrivals to New Zealand via Singapore
 [Source: Stats NZ closest port of flight data]



- 5.54 As set out in the 2018 Application, the Alliance has also stimulated travel to regions outside the main centres served, due to the increased incentive that the Alliance creates for Air New Zealand to both open up its domestic network to Singapore Airlines travellers, and to accommodate Air New Zealand customers travelling on Alliance services. As part of the implementation of the Alliance, the parties agreed to expand the number of New Zealand domestic services on which Singapore Airlines could codeshare (up to 41 domestic sectors and selected international destinations, compared to five domestic ports and selected trans-Tasman services), as well as

¹⁵ Ministry of Business, Innovation and Employment *International Visitor Survey*, March 2020.

agreeing on reduced rates for these domestic services. [These codeshare arrangements continue to be in place.]

- 5.55 Prior to the pandemic, the Alliance had increased the number of travellers on Alliance Sectors that travel beyond the Auckland and Christchurch gateways to other destinations throughout New Zealand, a direct benefit to regional New Zealand. In 2019, [REDACTED] Singapore Airlines customers connected to Air New Zealand’s domestic and regional network, an increase of [REDACTED] on the year prior to the Alliance.

Post-covid Period

- 5.56 The Alliance has continued to invest in initiatives to support New Zealand’s tourism industry throughout the devastating effects of COVID-19. The co-ordination facilitated by the Alliance has incentivised greater investment in marketing initiatives during this difficult period than would have been likely in the counterfactual. The parties consider that this investment has been important in supporting the recovery of tourism to New Zealand, and that continued investment will be required over the coming years.
- 5.57 As described above, the parties entered into a memorandum of understanding to jointly develop and promote the Alliance and New Zealand as a tourist destination prior to the pandemic. This arrangement has been used to facilitate the recovery of passenger numbers between Singapore and New Zealand since in the Post-covid Period. Figure 8 sets out the financial commitments made by the parties under this agreement during this period:

Figure 8: Parties spend under the Alliance Marketing Memorandum of Understanding FY2021-23

Year	Committed Amount	
	Air New Zealand	Singapore Airlines
FY2021	[REDACTED]	[REDACTED]
FY2022	[REDACTED]	[REDACTED]
FY2023	[REDACTED]	[REDACTED]

- 5.58 The parties have launched a number of marketing campaigns to boost New Zealand's profile. Attached as Schedule Two are examples of joint marketing campaigns undertaken by the Alliance during the Post-covid Period.
- 5.59 Air New Zealand’s broader marketing and development activity dramatically decreased as a result of and through the course of the pandemic, with limited marketing activity taking place during the March 2020 through June 2022 period. [REDACTED]

6. COMPETITION CONSIDERATIONS

- 6.1 The Alliance has provided, and continues to provide, Air New Zealand and Singapore Airlines with the ability to offer a compelling customer proposition in competition with many other international carriers who have invested in New Zealand. The Alliance facilitates public benefits that would not occur in the counterfactual and will allow the parties to continue to deliver these public benefits as the aviation industry recovers from the effects of the pandemic.
- 6.2 The Alliance is inherently pro-competitive and will not result in any adverse impact to consumers in circumstances where travellers to and from New Zealand have a range of travel options, and substantially more than when the Alliance commenced in 2015. While the aviation industry is in recovery mode, there remain a number of fierce competitors which discipline the operations of the Alliance.

6.3 We set out below an analysis of competition in each of the relevant markets, including in the Pre- and Post-covid Periods.

New Zealand to Singapore

6.4 Absent the benefit of the Singapore Airlines' feed as part of the Alliance, [REDACTED]. The vast majority of passengers on Air New Zealand operated services connecting to destinations beyond Singapore on Singapore Airlines' services [REDACTED]. This means the lack of connectivity (which has historically meant Air New Zealand cannot justify such direct services) would remain a fundamental issue.

6.5 In any event, the Alliance has not affected the overall level of competition on the route. In its 2018 Analysis, the Ministry found that declining authorisation would be unlikely to improve competition on this route. This was on the basis that "point-to-point traffic between New Zealand and Singapore is low and in the short term is unlikely to support the entry of a competing airline." The reasons on which this finding was based continue to hold – with less than 25% of traffic being point-to-point. The Ministry also considered that although new entry was possible, any new airline is likely to find it difficult to compete with Singapore Airlines in the absence of the Alliance, making it unclear whether new entry would be any more likely in the counterfactual.

6.6 Furthermore, the Ministry considered there was little evidence that the Alliance's market position has had an adverse effect on consumer welfare, despite the parties' being the dominant carriers on the route. The Ministry highlighted the positive impacts of the Alliance on capacity, average fares, and the continued competitive constraint posed by one-stop carriers. Again, nothing has changed that would undermine the Ministry's 2018 Analysis in this respect.

6.7 Against this background, the parties set out an analysis of competition between New Zealand and Singapore in the Pre- and Post-Covid Periods.

Pre-covid Period

6.8 Up until the pandemic, the Alliance faced continued one stop competition from:

- (a) Qantas/Emirates (via Australia);
- (b) Cathay Pacific (via Hong Kong);
- (c) China Southern Airlines (via Guangzhou);
- (d) Korean Airlines (via Incheon);
- (e) Malaysia Airlines (via Kuala Lumpur);
- (f) Thai Airways (via Bangkok).
- (g) Air China (via Beijing);
- (h) China Eastern Airlines (via Shanghai);
- (i) Jetstar (via Melbourne);
- (j) Philippine Airlines (via Manilla);
- (k) Fiji Airways (via Fiji); and
- (l) China Airlines (via Taipei).

6.9 In its 2018 Analysis, the Ministry noted that competition from airlines offering one-stop alternatives to the Alliance helped constrain Alliance fares on Singapore to New Zealand routes. As set out in Figure 5 above, the average fares of the Alliance on the Auckland Singapore route had remained

constant over the course of the Alliance, prior to this trend being interrupted by pressures associated with COVID-19.

- 6.10 The Ministry noted in its 2018 Analysis that it is not in the parties' interests to reduce capacity on the route in an attempt to artificially increase fares, as Singapore Airlines (and to an extent, Air New Zealand) rely on the route to feed international traffic beyond Singapore. The parties confirm that such capacity reduction has not occurred in practice. On the contrary, the parties have substantially increased capacity over the course of the Alliance. As set out in section 5 above, capacity had increased by 45% in 2019 for all services between New Zealand and Singapore, compared to pre-Alliance levels. Once the effects of the pandemic subside, the parties expect capacity to return to levels substantially above those seen prior to the Alliance.
- 6.11 The steady market share of the Alliance on the Auckland to Singapore route demonstrates the continued strong competition the parties face. Despite the Alliance resulting in a greater number of travellers between New Zealand and Singapore and substantially lower fares on the service, the market share carried by the Alliance remained relatively steady at around [REDACTED] up until the pandemic, since the initial boost to market share (from around [REDACTED]) arising from the increase in capacity on Auckland to Singapore.

Post-covid Period

- 6.12 COVID-19 has resulted in a material, but temporary increase in the Alliance's market share on the New Zealand to Singapore route. As capacity offered by other carriers essentially halted on the route, the Alliance's market share jumped to [REDACTED] in 2021. The increase in the Alliance's market share over this period reflects the parties' commitment to providing continued services to New Zealanders over the Post-covid Period, whereas many other carriers ceased offering services. The Alliance's market share has steadily fallen to [REDACTED] as other carriers have returned to the route, and the parties expect its share will continue to decline as services return to pre-pandemic levels.
- 6.13 Average fares on the New Zealand to Singapore route have risen following the impact of the pandemic. The parties consider this increase in fares is attributable to a "perfect storm" of capacity shortages, unusually high inflation and steep increases in fuel costs. The parties do not consider the increase in fares is a result of the Alliance, in particular given the increase in fares between New Zealand and Singapore are not inconsistent with the parties' increases in fares on other services, as set out at paragraph 5.42 above. More generally, the parties consider the Alliance continues to facilitate lower fares on the New Zealand to Singapore route than would prevail in the absence of the Alliance.

New Zealand to Europe / United Kingdom

- 6.14 The Ministry considered the New Zealand to Europe market to be "well-served" and strongly competitive in its 2018 Analysis. The parties consider that this continues to be the case, and that competition has remained strong across all relevant markets.
- 6.15 In terms of the New Zealand to London route specifically, the Ministry considered the Alliance was sufficiently competitively constrained at the time of the 2018 Application. Competition has increased since the 2018 Application, with the following carriers currently operating on the route:
- (a) China Southern Airlines (Guangzhou);
 - (b) Emirates (Dubai);
 - (c) Qatar Airways (Doha);
 - (d) Malaysia Airlines (Kuala Lumpur);
 - (e) Cathay Pacific (Hong Kong);
 - (f) Air China (Beijing);

- (g) Korean Air (Incheon);
- (h) American Airlines/British Airways (Los Angeles);
- (i) China Eastern Airlines (Shanghai);
- (j) Latam Airlines (Santiago);
- (k) China Airlines (via Taipei).

6.16 In addition to the above, the following new services will soon be launched:

- (a) Qantas (via New York), from June 2023;
- (b) Delta Air Lines (via Los Angeles) – from the 2023 Northern Winter; and
- (c) United Airlines (via Los Angeles and San Francisco) – from the 2023 Northern Winter.

6.17 Many carriers have also expanded their existing services since the commencement of the Alliance. The introduction of the non-stop Auckland to Doha service by Qatar Airways in February 2017, and the non-stop Auckland to Dubai service by Emirates in March 2016, has had a significant impact on the competitive environment on this route. The introduction of a Perth to London non-stop service by Qantas in March 2018 provided additional competition to the market.

6.18 [REDACTED] carried the majority of New Zealand to Europe/United Kingdom traffic, with [REDACTED] and other carriers carrying the balance. Market shares for each carrier since the beginning of the Alliance are set out in Figure 9 below.

Figure 9: Carriers’ market shares for New Zealand to Europe/United Kingdom¹⁶

Airline	Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Qantas / Emirates	[REDACTED]									
Alliance										
Qatar Airways										
Cathay Pacific										
China Southern Airlines										
Other										

6.19 As demonstrated in Figure 9, [REDACTED] market share has increased following the pandemic (although it [REDACTED]), while [REDACTED] share has materially reduced. The parties consider these movements are transitory and expect market shares to return to pre-pandemic levels in the coming years. [REDACTED] has been driven by a number of factors, including a lack

¹⁶ Please note, the data in this figure has been rounded (and therefore some of the percentages may not add to 100%).

of non-stop services to Dubai and Doha which has reduced the one-stop capacity to Europe for Emirates and Qatar Airways. In addition, COVID-19 restrictions in Hong Kong and China have reduced connecting capability for both Cathay Pacific and China Southern Airlines. However, the market is already showing signs of a return to pre-pandemic conditions, with Emirates and Qatar Airways already announcing the resumption of one-stop services to Europe via Dubai and Doha and capacity on routes to Hong Kong and China also recovering.

- 6.20 Figure 10 sets out the Alliance’s market shares in each major European market (including the United Kingdom). [REDACTED].
- 6.21 Subsequent increases in the Alliance’s market share to each major European market are representative of the immediate impact of COVID-19 on the capacity of other carriers. The Alliance reduced capacity at a lesser rate than other carriers, and saw a corresponding (and temporary) increase in its market share. As set out in Figure 10 below, as other carriers have once again increased capacity on the major routes, the temporary increase in the Alliance’s market share has corrected. [REDACTED].

Figure 10: Alliance market shares for individual Europe markets

Country	Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
United Kingdom	[REDACTED]									
France										
Germany										
Italy										
Netherlands										
Spain										
Switzerland										

South East Asia

- 6.22 On South East Asian markets beyond Singapore, the Alliance continues to compete with other international airlines that fly from New Zealand to their hubs in Asia and Australia.
- 6.23 Prior to the pandemic, this included well established airlines such as:
- (a) Qantas/Emirates (which offers one to two stop options via Australia to various destinations in South East Asia);
 - (b) Malaysia Airlines and AirAsia X (via their hubs in Kuala Lumpur);
 - (c) Thai Airways (via its hub in Bangkok);
 - (d) Philippine Airlines (via its hub in Manila) and
 - (e) Cathay Pacific (via its hub in Hong Kong).

- 6.24 Competition on routes to South East Asia is particularly intense, and increased over the course of the Alliance prior to the pandemic. Since the Alliance was approved, three new carriers (Philippine Airlines, Emirates (Bali) and AirAsia X) entered the New Zealand to South East Asia market. Additionally, Batik Air Malaysia (formerly known as Malindo Air) has announced it will be launching services to Auckland from Kuala Lumpur via Perth from August 2023. In addition to new entry, Malaysia Airlines, Thai Airways and Jetstar all increased services pre-COVID-19:
- (a) AirAsia X started daily services between Kuala Lumpur and Auckland, by extending its Gold Coast service in March 2016;¹⁷
 - (b) Philippine Airlines launched a service between Auckland and Manila in December 2015, operating four flights per week with a stopover in Cairns;¹⁸
 - (c) Thai Airways introduced daily flights on its Bangkok to Auckland from November 2017;¹⁹
 - (d) Malaysia Airlines increased its capacity by approximately 2 million ASKs on its Auckland to Kuala Lumpur routes. Malaysia Airlines is currently operating eight flights per week, up from the seven it offered prior to the pandemic;
 - (e) Jetstar launched services to Ho Chi Minh City via Melbourne and Sydney in May 2017, as set out above.
- 6.25 Following the pandemic, Thai Airways and Philippine Airlines have ceased flying from New Zealand to South East Asian markets. The parties consider these carriers are likely to re-enter the market in due course, once the impacts of COVID-19 subside.
- 6.26 As with the New Zealand to Europe/United Kingdom services, [REDACTED] are the largest carriers on New Zealand to South East Asian routes, with [REDACTED] and other carriers carrying the balance. Figure 11 sets out market share for the South East Asia region.

Figure 11: Alliance market shares for South East Asia²⁰

Airline	Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Qantas / Jetstar / Emirates	[REDACTED]									
Alliance										
Malaysia Airlines										
Thai Airways										
Philippine Airlines										
Air Asia X										
Others										

¹⁷ Auckland Airport, *AirAsia X to land in Auckland in March*, accessed 14 April 2023, available at <https://corporate.aucklandairport.co.nz/news/latest-media/2016/airasia-x-to-land-in-auckland-in-march>.

¹⁸ Stuff, *Philippine Airlines lands at Auckland Airport for the first time*, accessed 14 April 2023, available at <https://corporate.aucklandairport.co.nz/news/community-news/2015/philippine-airlines-touches-down-at-auckland-for-the-first-time>.

¹⁹ Auckland Airport, *Auckland Airport welcomes increased flights on Bangkok to Auckland route*, accessed 14 April 2023, available at <https://corporate.aucklandairport.co.nz/news/latest-media/2017/auckland-airport-welcomes-increased-flights-on-bangkok-to-auckland-route>.

²⁰ Please note, the data in this figure has been rounded (and therefore some of the percentages may not add up to 100%).

- 6.27 Following a spike during COVID-19 restrictions, the Alliance's market share has already dropped to levels similar to pre-Alliance levels. The parties expect the Alliance's market share will continue to decrease as other carriers continue to increase capacity to pre-pandemic levels.
- 6.28 Competition also remains strong in each Priority Market in South East Asia. As set out in Figure 12 below, the Alliance's market shares have [REDACTED] in each Priority market over the course of the Alliance.

Figure 12: Alliance market shares for South East Asia Priority Markets

[Source: Statistics New Zealand data]

Priority market	Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Malaysia	[REDACTED]									
Philippines										
Thailand										
Vietnam										

India

- 6.29 Competition on the New Zealand to India route has increased over the course of the Alliance, as travel continues to grow to and from India. Figure 4 above demonstrates the rapid growth in Air New Zealand ticketed passenger numbers to India and South East Asia prior to the pandemic, and the rapid recovery of passenger numbers following COVID-19.
- 6.30 As demonstrated in Figure 13 below, the Alliance's market share was trending downwards prior to the pandemic, as competition with the Alliance intensified from both established and new international airlines, including:
- (a) Thai Airways (Bangkok)²¹;
 - (b) China Southern Airlines (Guangzhou);
 - (c) Qantas/Jetstar/Emirates (via Australia and Dubai);
 - (d) Cathay Pacific (Hong Kong);
 - (e) Korean Air (Incheon);
 - (f) Qatar Airways (Doha);
 - (g) Malaysia Airlines (Kuala Lumpur);
 - (h) China Eastern Airlines (Shanghai);
 - (i) Hong Kong Airlines (Hong Kong);²² and
 - (j) Air India (India).

- 6.31 The Ministry considered there was adequate competition on the route from other carries in its 2018 Analysis. The Ministry also considered that regardless of whether it is acting in alliance with Air New Zealand, Singapore Airlines is likely to continue to hold a large market share of the New

²¹ Thai Airway's Bangkok to Auckland service was suspended during the pandemic.

²² Hong Kong Airlines ceased flying in May 2019.

Zealand to India market, given its ability to serve a number of destinations in India through its hub. The parties consider both of these propositions continue to hold.

- 6.32 The parties also consider the passenger profile on the New Zealand to India route encourages substantial ongoing competition from one-stop carriers. Passengers are generally more willing to travel on indirect services, even if this results in a substantially longer journey time. Competition from one-stop carriers is steadily increasing, with Air India having launched daily services from Delhi to both Sydney and Melbourne, and Qantas having launched two new direct services to India following the pandemic, being services between Melbourne to Delhi and Sydney to Bangalore three times per week.
- 6.33 Given the significant level of competition on the New Zealand to India route, Air New Zealand would have a very limited presence in this market but for the Alliance.
- 6.34 The Ministry acknowledged in its 2018 Analysis that although it would be technically possible for Air New Zealand to operate direct flights to India, the passenger profile may make direct services uneconomic, and not competitive with the numerous alternative one-stop carriers. The Ministry cited the difficulties direct carriers have faced in competing with one-stop carriers to Australia as evidence for this proposition.

Figure 13: Alliance market shares for India

[Source: Statistics New Zealand data]²³

Airline	Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Alliance	[REDACTED]									
Malaysia Airlines										
China Southern Airlines										
Thai Airways										
Hong Kong Airlines										
Qantas / Jetstar / Emirates Alliance										
Others										

- 6.35 Following the pandemic, Thai Airways and Hong Kong Airlines have ceased flying from New Zealand, while China Southern Airlines did not connect to India in 2021/2022 due to pandemic restrictions. The parties consider these carriers are likely to re-enter the market in due course, once the impacts of COVID-19 subside.

[REDACTED]

- 6.36 [REDACTED].
- 6.37 [REDACTED].

²³ Please note, the data in this figure has been rounded (and therefore some of the percentages may not add to 100%).

6.38 [REDACTED].

6.39 [REDACTED].

6.40 [REDACTED].

6.41 [REDACTED]:

(a) [REDACTED].

(b) [REDACTED].

(c) [REDACTED].

(d) [REDACTED].

6.42 [REDACTED].

6.43 [REDACTED].

6.44 [REDACTED].

7. NO LEGAL REASONS FOR THE MINISTER REFUSING TO AUTHORISE THE ALLIANCE

7.1 Under Part 9 of the Act, the Minister is required to take into account a number of factors in making a decision as to whether to grant, or to decline to grant, authorisation of provisions in contracts, arrangements, and understandings relating to international carriage by air.

7.2 In its 2014 Analysis and 2018 Analysis, the Ministry accepted that the Alliance did not violate any of the prohibitions set out in sections 88(3) and 88(4) of the CAA, and that the agreements were capable of being authorised under the CAA. The Parties do not consider that there have been any material changes to the Alliance that would warrant a change to these conclusions. However, we comment below on some of the observations in the Ministry's 2018 Analysis.

Section 88(3)

7.3 Section 88(3) requires the Minister to ensure that the granting of authorisation will not prejudice compliance with any relevant international convention, agreement, or arrangement to which the Government of New Zealand is a party.

7.4 As set out in the 2018 Analysis, the SAA covers services under a large number of current and potential future bilateral and multilateral air services agreements.

7.5 As confirmed by the Ministry in its 2018 Analysis, the requirements under the Act for Air New Zealand to be licensed to offer code-share services, and the associated provision precluding licences from being granted where this would be contrary to an agreement, will ensure that the granting of authorisation will not prejudice compliance with the relevant international agreements and arrangements.

7.6 In addition, the SAA also provides that any cooperation is subject to the parties maintaining the necessary regulatory approvals and consents, so even if the proposed cooperation did fall outside a relevant ASA (now or in the future), the parties would adapt their conduct accordingly.

Section 88(4)

7.7 Section 88(4) allows the Ministry to decline to give authorisation where any of a number of factors apply. In its 2018 Analysis, the Ministry found that there were no provisions in the SAA or Implementing Agreements that fell within any of the prohibitions in section 88(4) of the Act. Nothing about the Alliance has changed to alter this conclusion:

- (a) **Market pressures:** In its 2018 Analysis, the Ministry confirmed the SAA and Implementing Agreements do not include any provisions that provide for their enforcement through fines. The Ministry considered there are provisions that could act as a disincentive for Air New Zealand to pursue opportunities with other carriers, but that Air New Zealand is free to pursue other commercial objectives with clarity around the potential consequences of doing so.²⁴ Nothing has changed to undermine this conclusion.
- (b) **Commission regimes:** no provision of the SAA has the purpose or effect of breaching any commission regime.
- (c) **Discrimination:** The SAA does not unjustifiably discriminate between consumers of international air services in the access they have to competitive tariffs.
- (d) **Exclusionary effect of tariffs:** the SAA does have a number of restrictive provisions, including exclusivity obligations. However, all of these obligations relate to capacity, not tariffs, and neither party is excluded from operating any international route of its own accord. Nor has the SAA, through the setting of its tariffs (or otherwise), had an exclusionary effect on other airlines from operating any international route.
- (e) **Section 90 approvals:** the SAA does not have the purpose or effect of preventing any party from seeking approval in terms of section 90 of the Act, for the purpose of selling international carriage by air at any other tariff so approved
- (f) **No penalty for withdrawal:** the Ministry's conclusion in the 2014 and 2018 Analysis was that no penalty is payable when a party withdraws from the Alliance, as explicitly stated in clause 9.4(d) of the SAA. The initial term of the agreement is five years, following which either party may terminate by 12 months' notice (with effect from the end of the IATA season in which notice expires), with earlier termination in certain circumstances. All implementing agreements cease upon termination of the Agreement, also without penalty.

Section 88(5) – International comity

7.8 The Applicants note the Ministry's conclusion in the 2014 and 2018 Analysis that declining authorisation would not have an undesirable effect on international comity.

8. Conclusion

8.1 In light of the substantial benefits that will result from the Alliance, and the lack of material competitive detriment in each of the relevant markets, the parties consider the Alliance meets the test for authorisation. The parties consider the Alliance should be reauthorised for a period of five years.

²⁴ The parties note that the SAA was amended to resolve the Ministry's concerns regarding the application of s 88(4) in its 2014 Analysis, and that the Ministry accepted these amendments as satisfactory.

Schedule One: Confidential copy of the SSA

[REDACTED]

Schedule Two: Marketing Initiatives in the Pre-covid and Post-Covid Periods

Pre-covid Initiatives

Set out below are examples of joint marketing undertaken by the Alliance at the time of the 2018 Application. As the materials show, the Alliance has led to a greater focus by Singapore Airlines on New Zealand as a destination in its own right, rather than as part of wider Australasian or Pacific campaigns.



Book the early bird special fares for a scenic New Zealand holiday with Air New Zealand and Singapore Airlines. Together, we provide you direct access to Auckland, Christchurch and Wellington and seamless connections to over 20 domestic destinations within New Zealand.

Travel to Auckland/Christchurch/Wellington

From **₹68,000*** return

airnewzealand.com.sg
singaporeair.com

Redeem a complimentary S\$20 Changi Dollar Voucher in transit, for shopping, dining or lounge access at Singapore Changi Airport.

*Fare shown is per person for travel in Economy Class on Singapore Airlines/SilkAir flights from India and on Air New Zealand or Singapore Airlines from Singapore. Fare includes all associated taxes and surcharges. Minimum 2 persons to book and travel together on the itinerary. Sale is valid from 10 January till 28 January 2017, for travel from 1 March till 30 November 2017. Fare shown is correct as on 2 January 2017. Actual prices may vary due to currency fluctuations and vary between cities in India. For travel within New Zealand, special fares are available with Air New Zealand. Special fares are also available for individual travel. Book online or contact your travel agent or local Singapore Airlines or SilkAir or Air New Zealand office. Other conditions apply.

Overview

Landscapes

Wildlife

Adventure

Coast

Culture

Heritage

Are you still convinced? We're about to introduce you to the world's most incredible country, where snow-capped mountains, subarctic starfish, kiwi and sea lions, boiling mud pools, glimmering glaciers and coral reefs with glow-worms await...

100% PURE NEW ZEALAND
www.newzealand.com

AIR NEW ZEALAND

SHEEP

READ MORE >

www.government.nz

Post-covid Initiatives

1. FY23 Alliance Campaign: Singapore to NZ

Campaign Dates: 20 May – 10 June 2022

Description: This Alliance campaign aims to highlight New Zealand's appeal as a holiday destination and accelerate recovery of travel to New Zealand from the Singapore market on Singapore Airlines and Air New Zealand services through promotional fares.

Campaign objectives:

- Drive demand & conversion for New Zealand on Alliance services during holiday period June – September 2022
- Facilitate bookings recovery between Singapore and New Zealand
- Achieve return on investment of 15:1 (equivalent to 453 tickets sold to New Zealand, Media cost per acquisition of \$330)

The banner is divided into three horizontal panels. The top panel shows a woman in a winter hat and jacket in a snowy mountain landscape with the text "WHAT'S THE ONE THING YOU MUST DO IN NEW ZEALAND?". The middle panel shows a man in a vineyard with the text "TASTE OUR WORLD FAMOUS WINES" and "100% PURE NEW ZEALAND", with a location pin for "Craggy Range HAWKE'S BAY". The bottom panel features an airplane in flight, a purple circle stating "Sale ends 10 Jun", and the text "SINGAPORE - AUCKLAND (non-stop) Economy Round-trip from S\$ 988* per person". The Air New Zealand logo and "A STAR ALLIANCE MEMBER" are also present.

WHAT'S THE ONE THING YOU MUST DO IN NEW ZEALAND?

Craggy Range HAWKE'S BAY

TASTE OUR WORLD FAMOUS WINES

100% PURE NEW ZEALAND

Sale ends 10 Jun

SINGAPORE - AUCKLAND (non-stop)

Economy Round-trip from S\$ 988* per person

AIR NEW ZEALAND

A STAR ALLIANCE MEMBER

* Includes airport taxes and charges. Travel period and terms apply.

2. FY 2023 Alliance Campaign – Malaysia

Campaign Dates: 9 June – 30 June 2022

Description: This Alliance campaign aims to highlight New Zealand’s appeal as a holiday destination and accelerate New Zealand’s travel recovery out of the Malaysian market on Singapore Airlines and Air New Zealand through promotional fares.

Target customers:

- Priority 1 – Independent professionals between the age of 24 years old and above who are willing to spend at least \$2500 on a holiday trip (excl. airfare)
- Priority 2 – Travellers who like researching and value experiences more than money
- Priority 3 – Spontaneous travellers avoid sightseeing, packages and guided tours

Screenshot of a social media post from Singapore Airlines. The post features a grid of four promotional images for New Zealand travel. Each image has a caption and a "Book Now" button. The captions are: "Explore stunning", "Savour world-class cuisines", "Experience a winter", and "Bringing New Zealand closer".

A collection of promotional banners for the "Malaysia to Auckland (via Singapore)" flight. The banners feature the Air New Zealand and Singapore Airlines logos, the flight route, and the price "from MYR 4,488*". Each banner includes a "BOOK NOW" button and a note that "Terms and Conditions apply".

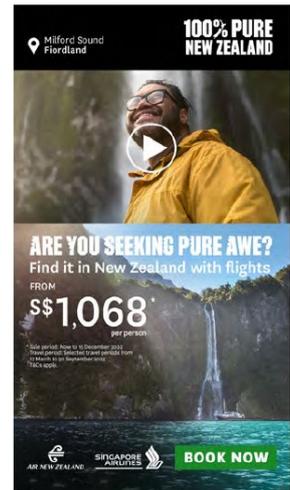
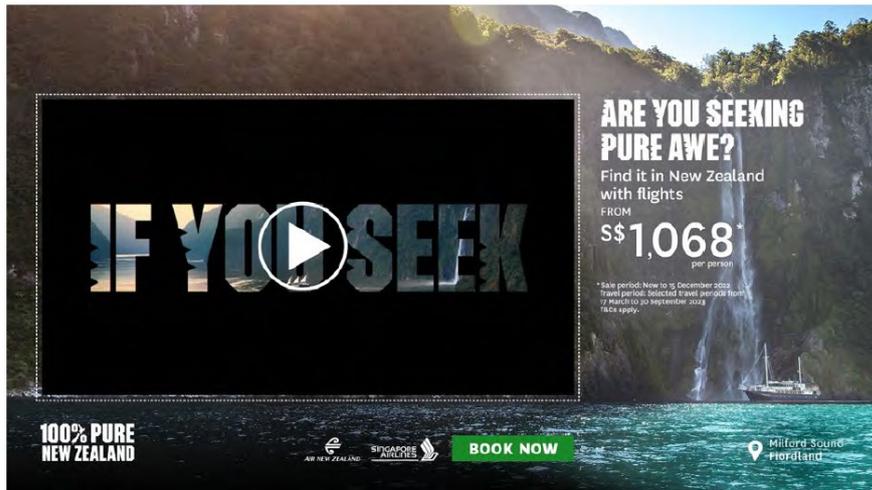
3. **FY23 Alliance Campaign: Singapore to New Zealand**

Campaign Dates: 21 November – 12 December 2022

Description: This Alliance campaign aims to grow brand love and appeal for New Zealand as holiday destination and accelerate New Zealand's travel recovery out of the Singapore market on Singapore Airlines and Air New Zealand through promotional fares.

Campaign objectives:

- Drive demand & conversion for New Zealand on Alliance services from February until June 2023
- Facilitate bookings recovery between Singapore and New Zealand
- Achieve a return on investment of 15:1 (equivalent to 527 tickets sold to New Zealand)



4. FY23 Alliance Campaign: India to NZ

Campaign Launch Date: 13 January – 5 February 2023

Description: This Alliance campaign aims to highlight New Zealand’s appeal as a holiday destination and to accelerate New Zealand’s travel recovery out of the Indian market on Singapore Airlines and Air New Zealand through promotional fares.

Campaign objectives:

- Drive demand & conversion for New Zealand on Alliance services during the summer holiday period mid-May – early July
- Facilitate bookings recovery between Singapore and New Zealand
- Target a return on investment of 15:1

