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Ministry of Transport
PO Box 3175
WELLINGTON

By Email: airservices@transport.govt.nz

Kia ora

Application for reauthorisation of the Air New Zealand and Singapore Airlines Strategic Alliance

Tourism Industry Aotearoa (TIA) welcomes the opportunity to comment on the application from Air New Zealand and Singapore Airlines Strategic Alliance to re-authorise the Strategic Alliance between the two airlines.

Tourism Industry Aotearoa

TIA is the peak body for the tourism industry in New Zealand. With around 1,300 members, TIA represents a range of tourism-related activities including hospitality, accommodation, adventure and other activities, attractions, retail, airports and airlines, transport, as well as related-tourism services.

TIA has prepared the overall tourism industry strategy since 2014 and in so doing has achieved alliance with the Government's own strategy for tourism. One activating Government and the other activating industry.

In this strategic setting, aviation connectivity has been a strong central workstream and this has guided TIA's position in favour of New Zealand gaining more connectivity with the world.

TIA is currently resetting the industry strategy for the post-COVID operating environment. This document – *Tourism 2050 a Blueprint for Impact* – will be released in the coming weeks.

The draft Blueprint sets out a prosperous tourism future assessed against an economic, community, visitor and environmental framework. Within this, there are clear indications of the importance of aviation connectivity towards achieving the wider set of objectives.

Nature of the Agreement

TIA supported the 2018 re-authorisation of the original Strategic Alliance. In our submission we noted the increased connectivity to Southeast Asia, improved on-links to Europe, Middle East and Southeastern Asian markets, and the benefits of more seats and more choice for visitors.

While the period since has been much disrupted by COVID, TIA does not see any indications that the Strategic Alliance has reduced competition. Rather, the pre-COVID period saw growth of air connectivity to many if not all Asian countries with air connections to New Zealand. We also saw strong connectivity from the Alliance to Christchurch and a new route to Wellington via Australia (although this route has not recommenced). Over the three years pre-COVID, international arrivals to Wellington

from Asian markets increased by 46% and airfares to/from Wellington and Asia reduced, with both shifts attributable to the Singapore Airlines service.

On this basis, TIA is supportive of the Strategic Alliance.

We do wonder what can be done within the agreement (or future reauthorisations) to cement specific national interest gains for New Zealand. For instance, this could include scope to operate to multiple airports as and when it is viable to do so.

From TIA's perspective, the servicing of a range of destination cities is very important and leads to new opportunities for these cities and surrounding regions, and increased options for residents of these places for outbound travel. Having different itineraries around the country is important for travel patterns and dispersal around the country that will be different to itineraries with Auckland as the starting point. Having different entry and exit points for international services provides more options for travellers, and more diverse and distributed itineraries.

On another point about the process, ideally the Ministry of Transport would have its analysis available around the nature of the Strategic Alliances that are seeking reauthorization prior to industry consultation. Having access to this analysis would be important for submitters to form a more informed view. Making such a change would be a positive improvement to the process and provide more transparency.

If you have any queries about this submission, please contact Bruce Bassett at § 9(2)

Ngā mihi,



Rebecca Ingram
Chief Executive Officer