

OFFICE OF THE COMMISSIONER
Date: 02/12/2010

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- 2 DEC 2010
4:30 pm

Bob
input from TPA
for your personal.
BIA
2/12/10

29th November 2010

Assoc. Prof. Dr Billy Manoka
Commissioner & CEO
Independent Consumer & Competition Commission
P.O.Box 6394
BOROKO
National Capital District

Dear Dr Manoka,

RE: COMMENTS SOUGHT ON AUTHORISATION APPLICATIONS BY AIR NIUGINI FOR ITS CODE SHARING ARRANGEMENT WITH QANTAS AND PHILIPPINES AIRLINES.

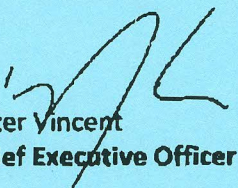
Thank you for your letter of 22nd November 2010 regarding the proposed Code sharing arrangements between Air Niugini and a number of Carriers within the Asia Pacific region.

Whilst we appreciate and understand the merits of such request we are equally mindful that such arrangements do not affect tourism growth and development in the country. Air access as you are aware is a major issue throughout the Pacific Region and where possible we should continue to discourage code sharing arrangements as these arrangements in most cases do not result in reduction in the cost of air travel because of lack of competition.

Air Niugini and Qantas have continued to benefit from the code sharing arrangements and the Port Moresby Australian routes have become a very high yield route for the airlines because of lack of competition.

It is our strongest view that we should not continue to protect the airlines by approving code sharing arrangements as it is detrimental to both business and tourism growth in the country. We should however create an equal playing field and thus encourage move low cost carriers such as Jetstar, AirAsia plus Virgin Blue to consider more flights to PNG.

Yours sincerely,


Peter Vincent
Chief Executive Officer