

Australian watchdog blocks Qantas-Japan Airlines deal

September 13 2021



Australia's competition regulator has blocked a deal between Qantas and Japan Airlines.

Australia's competition regulator on Monday definitively blocked a pricing, code-sharing and scheduling deal between Qantas and Japan Airlines, saying the arrangement would hurt consumers.

The deal would have seen the two airlines coordinate on how much fares would cost, as well as [flight schedules](#).

The Australian Competition and Consumer Commission ruled the proposal would "remove competition" between two carriers that normally account for 85 percent of flights between Australia and Japan.

It had earlier indicated a rejection was likely, but airlines hard-hit by pandemic travel disruptions had hoped, in vain, for a reprieve.

"The agreement would likely lead to reduced competition as international travel resumes, to the detriment of passengers travelling between Australia and Japan," the watchdog said.

Australia closed its international borders 18 months ago to reduce the spread of the coronavirus. Travel between the country's [major cities](#) has been disrupted repeatedly during that time, hammering the bottom lines of carriers.

Qantas expressed "disappointment" at the decision, saying the deal would have helped "ensure a faster and sustained recovery from COVID".

Australia's borders are expected to slowly reopen for vaccinated travellers from later this year.

Qantas last month reported revenues had fallen Aus\$12 billion (US\$9 billion) in the last financial year as travel dried up.

The company received more than a billion dollars in taxpayer aid and has furloughed thousands of workers.

Citation: Australian watchdog blocks Qantas-Japan Airlines deal (2021, September 13) retrieved 23 April 2024 from

<https://techxplore.com/news/2021-09-australian-watchdog-blocks-qantas-japan-airlines.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.