

31 August 2020

Ministry of Transport
PO Box 3175
WELLINGTON 6140

By email: airservices@transport.govt.nz

Restated Joint Business Agreement between Qantas and American Airlines

Tēnā koe,

Thank-you for the opportunity to respond to the application to the Ministry for the Restated Joint Business Agreement between Qantas and American Airlines.

TIA is the peak body for the tourism industry in New Zealand. With around 1,600 members, TIA represents a range of tourism-related activities including hospitality, accommodation, adventure and other activities, attractions and retail, airports and airlines, transport, as well as related tourism services.

In 2015 we submitted in support of the authorisation of the Joint Business Agreement and are **supportive of this application for re-authorisation**.

Tourism 2025 and Beyond

[Tourism 2025 and Beyond](#) is the New Zealand tourism industry's growth framework. It has been created by industry, for industry and keeps the tourism industry's focus firmly on growing our value to individuals, communities, the environment, the economy and our visitors. Its development is led by Tourism Industry Aotearoa.

Tourism 2025 and Beyond was launched in May 2019 and has a vision of 'Growing a sustainable tourism industry that benefits New Zealanders.' It is closely aligned with the New Zealand-Aotearoa Government Tourism Strategy and takes a balanced scorecard perspective to:

- Make sure our visitors are having great experiences
- Make sure our communities are happy with and benefitting from tourism
- Make sure our environment benefits from tourism, and
- Bring economic success.

Connectivity continues to be a key theme of the industry's growth framework. More than 93% of our international visitors arrive in New Zealand on a commercial aircraft. Without strong air connections with international destinations we do not have a tourism industry in New Zealand. Airline alliances such as this one offer the best opportunity to grow sustainable air connectivity that also grow visitor markets in a sustainable way.

Connectivity for the COVID recovery

A vibrant visitor economy has been a central feature of New Zealand's economic success. Prior to the COVID-19 pandemic, tourism was our biggest export earner and supported more than 1 in 7 jobs - almost 400,000 people employed across New Zealand. Total annual tourism expenditure in New Zealand was \$40.9 billion – \$112 million per day. Annual tourism expenditure had increased by \$13.8 billion, or 50%, in the past six years, making tourism New Zealand's biggest export industry, contributing 20.4% of total exports. Tourism generated a direct annual contribution to GDP of \$16.2 billion, or 5.8%, and a further indirect contribution of \$11.2 billion, another 4% of New Zealand's total GDP.

Throughout the pandemic, tourism has undoubtedly been the most impacted industry in New Zealand due to the closure of the border. When the time is right for international travellers to return to our shores, the tourism industry needs strong global connectivity to support the regeneration of the wider industry. Air links are a critical part of facilitating the arrival of those visitors.

The JBA facilitates some of these much-needed connectivity links with one of our biggest markets, North America. A continued Qantas and American Airlines alliance will assist with the rebuild of international tourism in Australia and New Zealand through support for sales in North America itself, and building two ports of entry into New Zealand. We know many North American customers will travel to New Zealand and Australia on the same trip, and more links between the two countries grow this further. It also puts more customers in North America within two flights of New Zealand.

As we did in 2015, **TIA supports the re-authorisation of the Restated Joint Business Agreement between Qantas and American Airlines.**

Thank you for the opportunity to comment on the re-authorisation of the Restated Joint Business Agreement between Qantas and American Airlines.

Nāku nā



Chris Roberts
Chief Executive
Tourism Industry Aotearoa