

Four-Airline Alliance

Singapore Airlines, Air New Zealand, Ansett Australia and Ansett International announced plans for the creation of the largest International alliance of Airlines based in the Asia-pacific region.

The four Airlines have agreed to form a comprehensive alliance to provide their customers with a wider range of service and seamless travel across their networks, which are all based in the region generating the world's fastest growth rates for international travel and tourism.

The four Airlines in the new alliance fly to a combined total of over 200 cities in 47 countries and among them operate a fleet of 223 aircraft.

The four-airline partnership will build on opportunities created by recently strengthened aviation relationships between the governments of Singapore, Australia and New Zealand. The four-airline alliance is designed to generate benefits for passengers by providing:

- 1 Wider choice of flight routes and frequencies offered by each airline;
- 2 Frequent flyer co-operation among the partner airlines;
- 3 Simpler access to ticketing across route networks operated by the partner airlines;
- 4 Improved connections between the partner airlines' flights; and
- 5 Streamlined check-in service with boarding passes issued for all inter-connecting flights operated by partner airlines at initial check- in.

The agreement to form the commercial alliance was signed in Melbourne by Dr Cheong Choong Kong, deputy chairmen & chief executive officer of Singapore Airlines (SIA), James McCrea, managing director of Air New Zealand, Rod Eddington, executive chairman of Ansett Australia, and Craig Wallace, general manager of Ansett International.

Welcoming the agreement, Dr Cheong said: 'SIA has always believed that giving its

customers a better service is what this business is about. This alliance helps us to do just that. By partnering three leading airlines of Australia, SIA will be able to offer its passengers and shippers easier access to a much larger network of destinations, better ground service, and greater choice of products, such as fare packages and improved frequent flyer programs and routing options, among many other things. The synergy's derived from combining the strengths and resources of the four airlines will be good for our customers, and, of course, for our shareholders as well."

McCrea added: 'Air New Zealand's participation in this new alliance will significantly enhance both our customer appeal and our competitiveness in the emerging world market. A close partnership with SIA is exactly the kind of development we hoped would follow our recent investment in Ansett Australia and Ansett International. This new four-way partnership is a perfect complement to the range of international airline alliances we have been developing around the base of our strengthened core operations in the southern pacific region."

For Ansett, Eddington commented: 'Developing a family of strong airline allies in partnership with our bedrock partner, Air New Zealand, is an important part of our plans to restore sustainable Ansett profitability. A close relationship with Singapore Airlines allows us to further develop customer service excellence by offering additional passenger benefits developed jointly with other quality airlines. Simultaneously, we can seek joint efficiencies by working closely with our key airline allies."

Ansett International general manager Craig Wallace said joint code sharing with Air New Zealand since late last year had already offered tangible benefits to his airline's customer base, and joint promotion with Air New Zealand was adding extra bite to Australian inbound tourism. These types of advantages will multiply with our new Singapore relationship, as will joint efficiency opportunities in a wide range of areas such as procurement and the like,' he said.

The alliance agreement allows partner airlines to retain the flexibility to form non-conflicting alliances with other carriers.

From November 1, Singapore Airlines and Air New Zealand will start operating code share services between New Zealand and Singapore. Singapore Airlines will operate flights between Singapore and Auckland, Air New Zealand between Christchurch and Singapore. A seat swap arrangement will enable both airlines to market seats on all these flights to their individual customers.

The four-airline alliance is expected to come into full effect in several months once various governmental and regulatory approvals have been obtained.