



14 January 2025

International Air Services Commission
GPO Box 594
Canberra, ACT 2601

By email: contact@iasc.gov.au

Dear Sir/Madam

Re: Virgin Australia Capacity Allocation

Thank you for the opportunity for the European Australian Business Council (EABC) to make a submission in relation to Virgin Australia's application to the IASC for capacity allocation.

The EABC is a peak business association of leading Australian and European companies, industry associations and chambers of commerce which promotes the trade and investment relationship between Australia and Europe. The Council has worked closely with Virgin Australia for many years as a member and partner.

The views expressed in this submission should not be taken as representing the views of any individual organisation or entity within the Council's membership.

Travel services for both business and leisure, and air cargo, are of critical importance to Australia-Europe trade and investment flows. As a whole, annual trade between Australia and the European Union and the United Kingdom is valued at close to \$A140 billion, and total two-way investment stocks now stands in excess of \$A3 trillion (Source: DFAT).

This enormous economic relationship requires much-needed additional capacity for passenger and freight movements, including increased diversity of fast and efficient connections to a wider range of European ports (among other regions).

The withdrawal of European carriers serving the Australian market has historically led to an increased concentration of services provided by carriers based in traditional hubs in Asia, and the rapid development of new services through hubs in the Middle East.

Virgin Australia's application for additional capacity and codeshare arrangements represent an extension of the now well-established practice of alliances by Australian airlines serving the international market, adding much-needed capacity and competition.

The EABC made a similar submission in support of Virgin Australia's application to the ACCC for a new integrated alliance with Qatar Airways, noting that:

- the proposed Virgin-Qatar partnership will significantly stabilise and strengthen the competitive market for international travel.
- as a significant global hub, Doha and Qatar Airlines provide an important and in-demand connection between Australia and Europe
- access to high-quality, regular services for business and tourism travel between Australia and Europe will be significantly enhanced by the proposed partnership

We welcome the decision by the ACCC of 29 November 2024 to grant interim authorisation to the Virgin-Qatar alliance, and are pleased to further support the application now before the IASC for capacity allocation.

Thank you for your consideration of this submission.

Yours sincerely,



JASON COLLINS
Chief Executive Officer

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