QANTAS EYES EXPANSION OF PARTNERSHIP WITH EMIRATES

News / Airlines

Australian carrier **Qantas** is looking at ways it can **expand** its **partnership** with **Emirates**, such as on new routes into Australia, its chief executive told Reuters on Thursday.

“We would like to see Emirates flying into more Australian destinations, which they’re keen on,” Alan Joyce said on the sidelines of the Capa World Aviation Summit in Helsinki.

“We think it’s working so well, there has to be more we can do,” he said. Qantas will also discuss with Emirates the best way to use slots at London Heathrow when two slots leased to British Airways revert to Qantas at the end of 2017.

The Australian carrier agreed to an alliance with Emirates in 2012 as part of its turnaround, switching its hub for European flights to Dubai - Emirates’ base - from Singapore and coordinating on pricing, sales and schedules.

Under Mr Joyce’s strategy to cut costs, trim capacity and raise fares, Qantas announced a return to full-year profit in August.

Qantas has ordered eight 787-9 Dreamliner jets and has options for a further 15, plus other

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purchase rights. The planes have the range to reach Europe, Mr Joyce said.

“It opens up European markets direct from Australia so that’s an exciting opportunity in the long-term.”

However, the Dreamliners will first be used to replace 747s currently serving South Africa and routes to South and North America, Mr Joyce said. A decision on whether to exercise the options, which would be for deliveries from 2019, will be made only if a business case for routes can be made.

Australia’s decade-long mining boom has turned to bust as demand for mineral commodities to fuel industrial expansion in China has waned.

Mr Joyce said he expects the downturn in the resources sector, which accounts for 12 per cent of its corporate traffic, to last for another 18 to 24 months.

To combat the downturn, Qantas has been using smaller aircraft from its charter business on routes serving the mining industry in the west of Australia and putting the more expensive aircraft on routes to Singapore and the eastern coast of Australia, where the financial and infrastructure industries are performing better.

The resources decline has seen the Australian dollar weaken but Mr Joyce said he was happy with the current exchange rate because it was making the country’s manufacturing sector more competitive and attracting more tourists.

08 OCTOBER 2015

SOURCE: THE NATIONAL
ARTICLE LINK:
https://ids.50skyshades.com/news/airlines/qantas-eyes-expansion-of-partnership-with-emirates

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