

# AUSTRALIA-EU FLIGHTS MAY BECOME CHEAPER



European Union is the largest source market of air travelers coming to Australia. In 2007 approximately 4.5 million passengers traveled between Australia and the EU, which makes an average of 43,780 passengers each way per week. Still the two continents lack an open skies agreement that would make the air travel easier. This may change in the upcoming months as Australian Transport Minister Anthony Albanese is going to discuss this issue with EU officials.

According to the minister, the European Commission has been given a mandate to negotiate an EU-wide open skies air services agreement with Australia. This new agreement should replace “outdated bilateral agreements” and create a better environment for competition, allow more flights to operate between the continents and it could also help to lower the air fares between Australia and EU countries. At present there are certain limitations on a number of flights. For example Australian carriers are allowed only three flights per week to Paris. These restrictions could be removed. The minister will also negotiate with his French and German counterparts.

The reality is that carriers like KLM, UTA French Airlines, Alitalia, Lufthansa, Olympic Airlines, Jat Airways have removed from the Australian market because of growing competition from local lower-cost carriers like Singapore Airlines, Malaysia Airlines, Cathay Pacific Airways or Emirates. Currently, only British Airways serve Australia in its own right. The Australian national airline, Qantas serves only London and Frankfurt. It does not fly to Paris, Rome, Athens, and Amsterdam any more. This is mainly because it has not a smaller plane to serve cities smaller than Frankfurt or London. The airline will obtain a 270-seat Boeing 787-9 only in 2012. Moreover Qantas Airways Ltd. announced it will halt a number of international routes, mainly to Asian destinations, to mitigate spiraling fuel costs. Nevertheless, Qantas subsidiary Jetstar Airways" plans to launch European services that would operate through Singapore or Bangkok.

Date: 2008-07-01

Article link: <http://www.tourism-review.com/australia-eu-flights-may-become-cheaper-news959>