

5. **Joint Venture between All Nippon Airways Co. Ltd. And United Airlines Ltd.**

Reference Number	:	MAVCOM/ED/CC/DIV2/2017(1)
Application	:	Individual exemption under section 51 of Act 771
Applicant	:	All Nippon Airways Co. Ltd
Receipt of Application	:	20 January 2017
Summary of Application	:	<p>All Nippon Airways Co., Ltd. (“NH”) and United Airlines, Ltd (“UA”) had sought for an individual exemption for a joint venture arrangement in respect of scheduled air passenger services between North America and Malaysia via transpacific routes.</p> <p>The joint venture is governed by a Transpacific Joint Venture Agreement (“JVA”) entered into by NH and UA, which has already been implemented in markets between Singapore, Japan, North America, South America and the Caribbean.</p> <p>Under the JVA, the Parties aim to achieve metal neutrality where all passenger revenue from the routes operated under the JVA are redistributed to each Party. Through the JVA, the Parties engage in: joint pricing, revenue management and sales, in addition to coordinated marketing, frequent flyer programmes, airport operations, and information technology.</p> <p>The objective of the JVA is to enhance and provide greater options of scheduled air passenger services on routes between cities in Asia and North America.</p> <p>The Application provides that the joint venture would give rise to the following benefits for Malaysian travellers:</p> <ul style="list-style-type: none"> (i) fare reduction; (ii) maintenance and expansion of network; (iii) improvement in the quality of online connecting services via Narita Airport; (iv) expansion of fare products; (v) cooperation in relation to frequent flyer programmes (“FFP”) allowing travellers to enjoy seamless FFPs; (vi) expansion of offerings to corporate clients for their one-stop shopping; and (vii) increased operating efficiencies and cost reduction. <p>The Application also provides that the benefits above are proportionate to the detrimental effects of the JVA.</p>

Application Timeline	:	Date	Progress Update
		20 January 2017	Receipt of application
		11 May 2017	Issuance of the Final Decision
		7 August 2018	Publication of the individual exemption order in the <i>Gazette</i> .