



Joint Business between Malaysia Airlines Berhad and Japan Airlines Co. Ltd.

Reference Number	:	MAVCOM/ED/CC/DIV4/2022(4)
Application	:	Individual Exemption under section 51 of Act 771 (renewal application)
Applicant	:	Malaysia Airlines Berhad
Receipt of Application	:	18 May 2022
Summary of Application	:	<p>Malaysia Airlines Berhad (“MH”) is seeking to renew the individual exemption granted to MH and Japan Airlines Co. Ltd. (“JL”) (collectively, the “Parties”) for their metal neutral joint business partnership in respect of all scheduled air passenger services between Malaysia and Japan operated by MH and JL (“Joint Business”). The Joint Business applies to non-stop services operated by the Parties between Malaysia and Japan (“Direct Routes”), as well as services on routes within Malaysia and Japan, connecting to or from the Direct Routes. The individual exemption was granted by MAVCOM on 9 December 2019 for a period of three (3) years and will expire on 8 December 2022.</p> <p>The Joint Business includes cooperation between the Parties in the following areas:</p> <ul style="list-style-type: none">(a) Revenue-sharing;(b) Network planning and schedule coordination;(c) Pricing coordination;(d) Inventory management coordination;(e) Joint sales;(f) Service and product cooperation;(g) Joint marketing; and(h) Frequent flyer agreement.



	<p>The Parties submit that the Joint Business has resulted in the following economic and social benefits to the Malaysian economy and Malaysian travellers:</p> <ul style="list-style-type: none"> (a) Increased travelling options through maintaining reasonable capacity and improved scheduling; (b) Better corporate account offerings and benefits; (c) Better accessibility through expanded code-sharing; (d) More attractive fare options due to pricing, inventory, sales and marketing coordination; (e) Seamless customer experience; and (f) Improved disruption management through coordination of procedures and offering more options for bookings and re-accommodation. <p>The Parties submit that the Joint Business will provide additional expected benefits to consumers and to both countries' aviation industry and tourism sectors, including:</p> <ul style="list-style-type: none"> (a) expedited resumption of flight frequencies up to pre-COVID-19 levels between Malaysia and Japan, resulting in more flight options for customers; (b) better network connectivity; (c) coordinated Frequent Flyer actions to provide greater benefits to customers; (d) improved airports lounge offerings through joint products and services; and (e) better services arising from cost savings. <p>The Parties also provide that the benefits and efficiencies which can be achieved through the Joint Business outweigh any potential detriments to competition, and there are adequate competition constraints from competitors within the Malaysia – Japan market.</p>
Reference	: <u>MAVCOM's Decision granting an Individual Exemption to the Parties' Joint Business dated 9 December 2019</u>



Consultation	: <p>MAVCOM welcomes any party to submit written feedback on the individual exemption application regarding the Joint Business between MH and JL.</p> <p>Any written feedback shall be titled “Joint Business between Malaysia Airlines Berhad and Japan Airlines Co. Ltd.” and submitted to MAVCOM by email to competition@mavcom.my by 1 July 2022.</p> <p>If the feedback contains confidential information, the party submitting the feedback shall clearly identify the confidential information and provide a non-confidential version of the feedback (with the confidential information removed and replaced by the word [“CONFIDENTIAL”]). “Confidential information” refers to trade, business or industrial information that belongs to any person, that has economic value and is not generally available to or known by others.</p>
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