



6 June 2008

Ms Carol Robertson
Australia-India FTA Feasibility Study
Department of Foreign Affairs and Trade
R G Casey Building
John McEwen Crescent
Barton ACT 0221

Dear Ms Robertson

Re: Australia-India Free Trade Agreement Feasibility Study

Following our attendance at the Australia-India Joint Feasibility Study consultations in Sydney on 30 April, we welcome the opportunity to provide comments on the proposal for a Free Trade Agreement (FTA) with India.

Qantas recognises the potential of the India market, which is Australia's thirteenth largest in terms of overall origin-destination traffic flows and eleventh largest in terms of inbound visitors. For the year to March 2008, over 515,000 passengers travelled between the two countries – a growth of 19.1%. The majority of Australian resident traffic travels to India for leisure purposes – holidays (35%), visiting friends and relatives (40%) – while 20% of passengers list business as their primary purpose.

Qantas has a long-standing relationship with the India market, providing services for over 60 years. Commencing flights in 1947, Qantas operated to Kolkata en route to London and withdrew from the market in 1990 when B747-400 aircraft eliminated the need for two stops between Australia and Europe. Although services were reinstated in 1996, Qantas again withdrew in 2002 due to substantial losses incurred on the route.



Qantas Airways Limited ABN 16 009 661 901
Qantas Centre 203 Coward Street Mascot NSW 2020 Australia
Telephone 61 (2) 9691 3636

Qantas re-entered the market in 2004 and continues to operate three weekly non-stop services between Sydney and Mumbai. This decision recognises the growing trade relationship between the two countries and the significant potential for further growth of the Australia-India market. In 2006 Qantas announced a code share arrangement with Jet Airways, India's largest airline, offering Delhi as a new point on the Qantas network and a greater than daily frequency from Mumbai to Sydney.

Qantas is also interested in investment within the Indian freight market and has previously operated a twice-weekly scheduled freighter service between Mumbai and Sydney via Singapore.

In the Australia-India market Singapore Airlines and Malaysian Airlines are the key competitors and together account for approximately 60% of market share. As India has a range of cities with large urban populations and established international airports, the competitive advantage of Singapore and Malaysian Airlines is based on their ability to connect to multiple Indian ports.

Whilst the Qantas Group has not encountered impediments of note in its activities in the Indian market, there is an opportunity to further pursue visa liberalisation. Qantas has supported improvements to the ability of Indian nationals to obtain Australian visas, such as electronic visa lodgement systems, however the potential exclusion of Australia from the Visa on Arrival scheme is of concern.

The Indian government recently announced plans to introduce Visa on Arrival facilities to citizens of eighteen countries including the United Kingdom, United States and New Zealand from October 2009. When this policy was previously proposed by India in 2002, Australia was also not amongst the select group of nations.

Although the Visa on Arrival policy is said to be offered on the basis of reciprocity, most nations identified as part of the scheme require Indian nationals to hold visas. Australia's exclusion from the visa on arrival list will have a detrimental impact on travel, adding cost and inconveniences to potential business and leisure travellers. For these reasons, Qantas advocates the inclusion of Australia in the Indian Visa on Arrival scheme.

Qantas is in favour of the pursuit of an FTA with India which would stimulate trade and investment flows, having a positive impact on the aviation sector. Our support is qualified, however, by an expectation that aviation market access issues would continue to evolve within the air services arrangements already in place. This is consistent with the treatment of aviation in FTAs which Australia has negotiated with Thailand, Singapore and the United States.

Please do not hesitate to contact me if you would like to discuss any of the foregoing further.

Yours sincerely



David Hawes
Group General Manager
Government and International Relations