



THE TRAVEL AGENTS' ASSOCIATION OF NEW ZEALAND
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News Release

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TRAVEL AGENTS WELCOME PACIFIC BLUE DOMESTIC SERVICES

The news that Pacific Blue is entering the domestic aviation market is welcome news for consumers who have faced over priced fares for too long. The Travel Agents Association of New Zealand (TAANZ) believes that the new services will stimulate competition and grow the overall market leaving consumers as clear winners.

Paul Yeo, chief executive of TAANZ said, "We're very happy with the announcement by Pacific Blue as it will definitely bring prices down across the board, something that is long overdue. Recently released research shows that domestic airfares in New Zealand have been rising at levels well above the Consumer Price Index whereas international fares have been falling. Both Air New Zealand and Qantas have been profiting handsomely from this market so this will give everyone a reality check. We think there's room for prices to fall and still remain sustainable so that airlines can keep some profitability and at the same time give consumers a good deal"

Mr Yeo said, "Whilst this is good news for those travelling between Auckland, Wellington and Christchurch it doesn't relieve the pressure for provincial destinations who will still bear the brunt of high fares. We're looking forward to Pacific Blue's future decision to possibly open up new routes once they become established here."

"We're expecting the introductory fares announced today to be matched and possibly even bettered by the competition. Once everything settles down the end result should still be lower average fares on the three main trunk routes. With a range of competing airfares now available on these routes travel agents' are well positioned to be able to give their customers the widest available choice with a single point of contact."

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The Travel Agents Association of NZ was founded in 1962. It represents over 500 travel agencies throughout the country who employ 3,500 staff and who carry out over \$3 billion worth of travel business annually.