



MediaRelease

A.C.C.C. NOT TO OPPOSE PROPOSED JOINT BID BY QANTAS AND AUSTRALIA POST FOR STAR TRACK EXPRESS

The Australian Competition and Consumer Commission will not oppose the proposed joint bid by Qantas Airways Limited and Australian Postal Corporation for Star Track Express, ACCC Chairman, Mr Graeme Samuel, said today.

"If their bid is successful, the proposed acquisition will increase the express freight market shares of Qantas and Australia Post, which are the joint owners of Australian Air Express", Mr Samuel said. "However, the presence of other strong competitors is likely to operate as an effective competitive constraint on the merged entity, thereby constraining attempts to raise prices to consumers. In fact, some market participants believe the proposed acquisition is likely to intensify competition in the market".

Australian Air Express and Star Track Express are both involved in the express freight industry, with Star Track primarily focussed on road express services while Australian Air Express provides mainly air express services as well as on-selling express air freight linehaul services to other carriers on a contract basis, meaning that the proposed acquisition is largely complementary.

The ACCC has conducted extensive market inquiries into this proposed acquisition consulting with competitors, customers and other interested parties.

Mr Samuel noted that market inquiries indicated the express freight sector is characterised by innovation and by strong competition between both large national competitors and smaller niche players. This is likely to act as a further constraint on the parties following the proposed acquisition.

On this basis, the ACCC believes that the proposed acquisition is unlikely to result in a substantial lessening of competition.

Further information

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