



# QANTAS AND VIETNAM AIRLINES UNVEIL BIG GROWTH PLANS FOR JETSTAR PACIFIC

News / Airlines



**Qantas and Vietnam Airlines have committed to a long-term expansion of their Jetstar Pacific joint venture that could more than double the size of the Vietnamese low-cost carrier's fleet to 30 over the next five years.**

That would make Jetstar Pacific the largest of Qantas's budget Asian offshoots, ahead of Singapore's Jetstar Asia and Jetstar Japan, which have 18 and 20 aircraft respectively at present. However, Qantas has pointed to the potential to have 50 aircraft at its Japanese arm over the longer term.

Qantas owns 30 percent of Jetstar Pacific, with state-owned Vietnam Airlines holding the majority 70 percent share. Jetstar Pacific has grown from five aircraft in 2013 to 12 aircraft now, operating to 16 domestic and six international destinations.

After a meeting with Qantas chief executive Alan Joyce and Jetstar Group chief executive Jayne Hrdlicka in Sydney to discuss the venture, Vietnam Airlines chief executive Dr Pham Ngoc Minh said he was optimistic about the future of Jetstar Pacific.

"Jetstar Pacific has made significant progress in recent years, cumulating in the low fares airline being profitable for the first nine months of calendar year 2015," Dr Minh said. "With the increased demand for low fares travel in Vietnam, we expect to grow Jetstar Pacific to a fleet of up to 30 aircraft by 2020."

Vietnam Airlines and Jetstar Pacific hold a combined market share of 70 percent in the fast-growing Vietnamese aviation market.

### **Dual-brand Strategy**

Ms Hrdlicka said Jetstar Pacific was a key part of Jetstar's network across the Asia-Pacific region.

"Qantas has successfully implemented a dual-brand strategy in Australia with Jetstar and we are sharing this experience with Vietnam Airlines to do the same with Jetstar Pacific," she said. "We expect to continue to leverage the strengths of Vietnam Airlines, Jetstar and Qantas. This includes Jetstar Pacific accessing the benefits of the Qantas aircraft fleet order with Airbus."

Qantas has 99 next generation A320neo aircraft on order with Airbus for delivery from 2017. In June, the Australian carrier failed to gain regulatory approval for its planned Jetstar Hong Kong venture, which has since been disbanded.

Qantas chairman Leigh Clifford last month said the carrier would consolidate its position at its existing Asian ventures rather than pursue opportunities for the low-cost arm in new geographies like mainland China.

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