

# NZEGO

NEW ZEALAND EXPORT ORCHID  
GROWERS ASSOCIATION INC

P.O. BOX 8094  
KENSINGTON  
WHANGAREI

13<sup>TH</sup> February, 2003

Commerce Commission  
P.O. Box 2351  
WELLINGTON

Dear Sir,

## RE PROPOSED SHAREHOLDING BY QANTAS IN AIR NEW ZEALAND

As our name suggests, we represent commercial orchid growers. We are the only such organisation in New Zealand, and our members account for some 70 to 80% of the total annual production of orchids.

With no local market to speak of, 99% of our orchid cut-flower production is exported. While our industry may be regarded as small in revenue terms (circa NZ\$ 39M C.I.F 2002), we are big consumers of airfreight, spending around NZ\$ 14M to ship half a million cartons overseas annually.

It is obvious that as an industry we are very dependent on airfreight, and our members object to the proposed acquisition of Air New Zealand shares by Qantas on the grounds that it will lead to a less competitive airfreight market. We expect the outcome will be higher freight rates, less choice and possibly less available freight-space.

We believe that in the debate over the future of our national carrier, freight is often overlooked in favour of the more high profile passenger service. To our knowledge Air New Zealand has given no public assurances that freight rates will not rise following this deal.

Furthermore, since the withdrawal of United Airlines from New Zealand, it is even more imperative that everything possible is done to maintain competition, so that those whose export enterprises depend on airfreight are not priced out of business.

Should there be any public hearings, we wish to appear and present submissions in support of our concerns.

We ask that you please acknowledge receipt of this letter.

Yours sincerely,

Lars Larsen.

Chairman NZEGO