

Janet,

I have no commercial or political interest in the Air New Zealand / Qantas proposal, however I take issue with an argument put forward in the media that Air New Zealand is too small to compete against global competitors.

Approximately 15 months ago I holidayed in Iceland. Iceland shares a number of similar geographic features with New Zealand, the most interesting being that it is roughly at least 3 hours flying time from its trading partners. Going from what I could read in my inflight magazine, Icelandair (www.icelandair.com) appeared to be a successful profitable airline. If Icelandair is able to exploit its home country's geographical isolation to be a successful airline, I see no reason why Air New Zealand can't do the same.

In studying the proposal I would ask that you spend a small period of time investigating how Icelandair can turn its geographical isolation into profit whilst Air New Zealand cannot.

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