



**Proposed Joint Business between MAB Kargo Sdn Bhd, Qatar Airways Group Q.C.S.C. and IAG Cargo Limited.**

Reference Number	:	MAVCOM/ED/CC/DIV2/2025(1)
Application	:	Individual exemption under section 51 of Act 771
Applicant(s)	:	MAB Kargo Sdn Bhd, Qatar Airways Group Q.C.S.C. and IAG Cargo Limited.
Receipt of Application	:	18 April 2025
Summary of Application	:	<p>MAB Kargo Sdn. Bhd. ("MABK"), Qatar Airways Group Q.C.S.C. ("QR") and IAG Cargo Limited ("IAGC") (collectively, "Applicants") are seeking for an individual exemption for a metal neutral joint business partnership ("Proposed Joint Business").</p> <p>The scope of the Proposed Joint Business covers the Applicants respective cargo operations, initially limited to the joint business territories as follows:</p> <ul style="list-style-type: none"> <li>• Canada</li> <li>• United States</li> <li>• Mexico</li> <li>• EU</li> <li>• UK</li> <li>• Switzerland</li> <li>• Norway</li> <li>• Iceland</li> <li>• Qatar</li> <li>• Saudi Arabia</li> <li>• Bahrain</li> <li>• Oman</li> <li>• United Arab Emirates</li> <li>• Kuwait</li> <li>• India</li> <li>• Pakistan</li> <li>• Bangladesh</li> <li>• Sri Lanka</li> <li>• Maldives</li> <li>• Malaysia</li> <li>• Singapore</li> <li>• Thailand</li> <li>• Vietnam</li> <li>• Indonesia</li> <li>• Cambodia</li> <li>• Philippines</li> <li>• Japan</li> <li>• South Korea</li> <li>• Macau</li> </ul>

	<ul style="list-style-type: none"> <li>• Australia</li> <li>• China</li> <li>• Taiwan</li> <li>• Hong Kong SAR</li> <li>• Brazil</li> <li>• Colombia</li> <li>• Argentina</li> <li>• Kenya</li> <li>• South Africa</li> <li>• Rwanda</li> <li>• Uganda</li> <li>• Brunei</li> </ul> <p>The Applicants submit that the Proposed Joint Business will strengthen the Applicants' competitiveness on global cargo routes by delivering cost efficiencies through the elimination of double marginalization and the realization of scale benefits. It also offers various operational and product enhancements, such as an expanded cargo network and capacity, a unified sales approach, harmonized products, the ability to introduce new services, and coordinated service delivery.</p> <p>The Applicants submit that the Proposed Joint Business will create a seamless end-to-end cargo experience by delivering enhanced service quality, expanded network options, and improved reliability for joint customers. The salient terms of the Proposed Joint Business include revenue sharing, joint pricing and inventory management, schedule coordination for freighter aircraft, capacity management, performance monitoring, revenue planning, product development and alignment, quality control, joint training programs, cost synergies, sales and marketing and exclusivity.</p> <p>The Applicants submit that the Proposed Joint Business is expected to bring significant social benefits as follows:</p> <ol style="list-style-type: none"> <li>a. Improved network density and reach;</li> <li>b. Enhanced connectivity;</li> <li>c. Wider range of products and services;</li> <li>d. Maintenance of quality control and performance levels;</li> <li>e. Cost synergies;</li> <li>f. Streamlined sales and booking experience;</li> </ol>
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		<ul style="list-style-type: none"> <li>g. Integrated customer experience;</li> <li>h. Increased rates options, removal of double marginalization and access to a much broader inventory;</li> <li>i. Extra Benefits for Loyal Customers;</li> <li>j. Promote Malaysia as a premium international hub for cargo;</li> <li>k. Attract International investment, job creation and trade development; and</li> <li>l. Talent development.</li> </ul> <p>In addition, the Applicants submit that any potential detriments to competition arising from the Proposed Joint Business are outweighed by the benefits it offers. This is supported by the presence of numerous well-financed, credible, and sometimes vertically integrated air cargo competitors, as well as the low barriers to entry and expansion in the market, and the relative ease with which customers can switch providers.</p> <p>Moreover, significant countervailing buyer power exists among air cargo service customers, particularly freight forwarders. The Application also highlights the limited overlaps between the Applicants, the relatively small overall cargo flows involved, and the competitive constraints posed by other modes of transport, especially sea freight.</p> <p>The Applicants state that the Proposed Joint Business will not be implemented until the relevant approvals have been obtained from MAVCOM.</p>
Consultation	:	<p>MAVCOM welcomes any party to submit written feedback on the individual exemption application regarding the Proposed Joint Business between MABK, QR and IAGC.</p> <p>Any written feedback shall be titled "Proposed Joint Business Between MAB Kargo Sdn Bhd, Qatar Airways Group Q.C.S.C. and IAG Cargo Limited" and submitted to MAVCOM by email to <b>competition@mavcom.my</b> by <b>25 May 2025</b>.</p> <p>If the feedback contains any confidential information, the party submitting the feedback shall clearly identify the confidential information and provide a non-confidential version of the feedback (with the confidential information removed and replaced by the word ["CONFIDENTIAL"]). "Confidential information" refers to trade, business or</p>



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	industrial information that belongs to any person, that has economic value and is not generally available to or known by others.
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