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ETIHAD AIRWAYS AND PHILIPPINE AIRLINES LAUNCH NEW AGREEMENT

Etihad Airways and Philippine Airlines (PAL) today announced a strategic partnership agreement that marks a new era of cooperation between the two flag carriers.

The agreement covers codeshare flights, loyalty programmes, airport lounges, joint sales and marketing programmes, a Philippines domestic air pass, cargo, and the coordination of airport operations to provide a better customer experience at their Abu Dhabi and Manila hub airport bases.

Etihad Airways' President and Chief Executive Officer James Hogan said the broad scope of the commercial agreement reflected the strength of the relationship between the airlines and the close ties between the United Arab Emirates and the Philippines.

"This new partnership builds on the success of our original codeshare agreement and reflects the mutual respect, trust and goodwill that have built up over time – not only between the airlines but also between our governments.

"What is particularly significant about the new commercial arrangements is that our millions of customers are the winners. From a greater choice of passenger and freight codeshare destinations, to reciprocal loyalty programme benefits, and more efficient terminal operations – this is a truly customer-centric proposition."

PAL President and Chief Operating Officer Ramon S. Ang said: "This new agreement is one of the ways by which PAL hopes to further build its global network. By harmonising our products, we get to offer our passengers much wider and better travel options all over the world while boosting economic activity for both our countries through trade and tourism."

Initially, the airline partners will place their respective 'PR' and 'EY' codes on each other's Manila-Abu Dhabi flights to operate a combined total of 19 weekly flights between the two capitals. Etihad Airways will also place its 'EY' code on Philippine Airlines flights from Manila to 20 destinations throughout the Philippines in the first phase, increasing to 28 during 2014.

Members of Philippine Airlines Mabuhay Miles Frequent Flyer Programme and Etihad Airways Etihad Guest will enjoy reciprocal loyalty programme benefits including miles earn and redemption, priority check-in and boarding, baggage handling and lounge access across both networks.

The agreement also extends the use of Etihad Airways premium lounges in Abu Dhabi and London Heathrow to Philippine Airlines business class customers and Mabuhay Miles Million Miler, Premier Elite and Elite members when travelling on Philippine Airlines' Manila-Abu Dhabi and Manila-London Heathrow flights. This comes into effect from 1 August for the Abu Dhabi lounges and 1 November for London Heathrow.

On the cargo front, the airlines have signed a letter of intent for an extensive capacity agreement based on the bellyhold of all passenger services between Abu Dhabi and Manila, as well as connecting airfreight into Africa, Australia, the Middle East and South East Asia. The airlines will work on the joint development of value-added cargo products such as priority and pharmaceuticals across their combined networks.

They are also developing a joint air pass scheme which will enable overseas visitors to purchase an international flight to Manila and up to three additional sectors on Philippine Airlines' domestic network. This will enable travellers to visit more of the Philippines and provide a significant boost to the local tourism industry. The air pass is expected to go on sale by 1 September 2014.

Etihad Airways operates two flights daily between Abu Dhabi and Manila using a Boeing 777-300 aircraft with 28 seats in business class and 384 in economy class.

PAL's five weekly flights utilise its new Airbus A330-300 aircraft which features a modern, two-class cabin configured into economy, with a separate premium economy cabin, and a new business class. The PAL A330 carries 368 passengers: 323 in economy; 27 in a premium economy; and 18 in business class.

Both airlines have business class seats that convert to full-flat beds and offer full service in economy class.

The comprehensive new commercial agreement follows the signing of a memorandum of understanding between the airlines in Abu Dhabi on 28 April, 2014.

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