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Press Release

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SAS will complain on the Competitions Authority's decision to ban the use of the frequent flyer programme on Norwegian domestic routes

SAS will lodge a complaint to the Minister of Labour and Government Administration as a result of today being informed that the Competition Authority has resolved to intervene against SAS EuroBonus programme and Braathens Wings programme. The decision states that SAS, Braathens and Widerøe are prohibited from offering its passengers the earning of frequent flyer points on Norwegian domestic flights from 1 May 2002 to 1 May 2007. SAS will request to be exempt from carrying out the changes whilst the complaint is dealt with by the Ministry. SAS will also request that the Ministry await the decision from the Nordic and European co-operation between the Competition Authorities, which has been implemented or is planned to be implemented in relation to these issues.

SAS is disappointed over the decision and the fact that Norwegian authorities have elected to enforce distinctively Norwegian rules that will unilaterally affect the SAS Group and Norwegian passengers. The decision is, in SAS' view, unfounded as the frequent flyer programme is of no importance for the establishment of competition within Norwegian aviation in terms of the existing market situation. In addition, the decision can be directly detrimental for SAS Group and thus constitute a threat to the maintenance of the present offer in the market on the marginal routes.

-The consequence of such interference in the Norwegian frequent flyer programme is that SAS' position is impaired as against international competitors. International competition within aviation exists and one cannot isolate the Norwegian aviation market. Each and every international player can use its frequent flyer programme within its domestic markets, SAS demands that competition is based on equal terms, says Marketing Director in SAS Airline Norway, Merete Møystad.

- It is essential that Norwegian companies can build upon the loyalty of its customers in its own domestic market as long as their competitors are entitled to do so in their own domestic markets. Norway can no longer exclude itself from this reality without it affecting Norwegian companies as opposed to our foreign competitors, states Commercial Director in Braathens, Freddy Eriksen.

MMI's research in autumn 2001 shows that such an intervention would be contrary to the customers' wishes. The report shows that 75% of the customers are of the opinion that an intervention against the EuroBonus programme would distort competition.

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