Travel Industry Update
June 5, 2020

**British Airways**

- British Airways said its parent company IAG is burning through 178 million pounds ($223 million) a week and could not guarantee its survival.
- The airline is urging unions to engage over 12,000 job cuts.
- British Airways came under heavy attack from lawmakers in parliament on Wednesday, who accused it of taking advantage of a government scheme to protect jobs while at the same time announcing plans to cut its workforce by 28%.
- British Airways and IAG did not attend a meeting with interior minister Priti Patel on Thursday, which was to discuss the UK's new quarantine plans.

**British Airways considering a lawsuit against the UK government; Ryanair will back British Airways**

- Willie Walsh, the chief executive of British Airways owner IAG says the company is considering legal action against the government’s quarantine plans – and, Ryanair, one of BA's biggest rivals says it would support him.
- Walsh says the mandatory 14-day quarantine is “irrational” and will “torpedo” the airline’s chances of flying in July.
- Michael O’Leary, CEO of Ryanair has called the mandatory quarantine “nonsense” and “useless.”

**Hyatt introduces new flexible booking policy**

Full policy available [here](#).

- While there are some exceptions, the new policy allows for a flexible cancellation policy through July 31, 2021.
- Reservations (including Advance Purchase rates) can be canceled at no charge up to 24 hours before scheduled arrival, with some exceptions.
- Reservations can be changed or cancelled through hyatt.com or via the World of Hyatt app.

**Disney will recall some workers soon**

- As Walt Disney World theme parks prepare to reopen next month thousands of Disney cast members will soon be called back to their jobs.
- All full time attractions and custodial employees will be recalled, along with a "high number" of part-time union employees, according to a union rep.
No seasonal workers will return to Disney any time soon. Seasonal workers are typically international college students.

Las Vegas Strip re-opens

- Thursday marked a return to operations at many Las Vegas’ most frequented attractions.
- Casinos held by Wynn Resorts, Caesars Entertainment, MGM Resorts and Las Vegas Sands re-opened.
- Morningstar senior equity analyst Dan Wasiolek estimates it could take until 2023 before Las Vegas revenues return to pre-COVID-19 levels.
- Bookings are off 80% for the quarter, casinos have to operate at 50% capacity and no events are permitted yet.

Study shows most Americans willing to travel before a COVID-19 vaccine is available

- Azurite Consulting released an extensive report on Americans’ willingness to engage in travel activities before the arrival of a vaccine for COVID-19, among other key economic indicators.
- Until there is a vaccine, 38% will not return to a theme park or aquarium; 45% will not return to a casino; 36% will not fly internationally again; 30% will not fly domestically again; and 26% will not stay in a hotel again. A quarter of avid cruisers (those who have taken 3-5 cruises between 2015-2019) say they will never cruise again. The study also finds that more than 90% of both C-suite executives and small-and-medium-sized business owners believe that the pandemic will cause them to permanently reconsider the need for business travel and in-person meetings.
- According to the study, business travel and cruising are not poised for quick returns. However, it is not all doom and gloom for leisure travel advisors: These figures demonstrate a willingness by most Americans to travel before a vaccine is released.
- The survey was based off the responses of 4,500 travelers (3,500 of which are Americans) and was collected from April 17 to April 24.
- Full stats available here.

How other countries feel about returning to travel

- International Visits to the U.S. Are Projected to Decline 54% This Year. Assuming that borders begin to reopen in the second half of 2020, the U.S. inbound travel market will still be hard hit, experiencing a 54% decline in international arrivals this year.
- The heaviest drop will be from Europeans, with 10.8 million fewer tourists arriving on U.S. soil in 2020 (a 68% drop from normal). They are followed by Asian and Canadian visitors, with 8.7 million fewer visitors expected; Mexico, with 8.1 million fewer visitors; and Latin America, with 5.5 million fewer visitors.