Travel Industry Update
June 10, 2020

Airline industry will lose $84 billion in 2021, could lose $100 billion by end of 2021

• International Air Transport Association (IATA) forecast that airlines are set to lose $84 billion as the coronavirus pandemic reduces revenue by half to mark the worst year in the sector’s history.
• With most of the world’s airliners currently parked, IATA said revenue would likely fall to $419 billion from $838 billion last year.
• “Every day of this year will add $230 million to industry losses,” IATA Director General Alexandre de Juniac said.
• The average loss amounts to almost $38 per passenger flown.
• In 2021, IATA warned losses could hit $100 billion as traffic struggles to recover and airlines slash fares to win business.
• “Airlines will still be financially fragile in 2021,” De Juniac said, predicting “even more intense” competition.
• Passenger numbers are seen falling to 2.25 billion this year before rising to 3.38 billion in 2021, still more than 25% below 2019 levels.

TSA screenings up for weekend of June 5

• The June 5th weekend was the busiest one for the TSA since March. Over 1.2 million passengers passed through US security checkpoints between Friday and Sunday.
• Here are the daily numbers for last weekend:
  • June 5th: 419,675 passengers
  • June 6th: 353,016 passengers
  • June 7th: 441,255 passengers

TSA Eyes Passenger Self-Screening at Airports

• The Transportation Security Administration (TSA) is looking to develop a passenger self-screening system that’s being compared to the self-checkout kiosks common at many grocery stores.
• Last month, TSA and the Homeland Security Department’s Science and Technology Directorate revealed plans to solicit a third party to develop the enhanced system.
• "A successful solution would lead to a passenger-friendly, intuitive screening process while improving security, accelerating passenger throughput, reducing pat-down rates and reducing the overall level of contact a passenger experiences with other passengers and transportation security officers (TSO)," officials wrote.
• The self-screening system would initially be introduced for passengers enrolled in the TSA PreCheck program, which already allows for expedited screening.
The effort is part of a broader program known as Apex Screening at Speed that seeks to "increase aviation security effectiveness from curb to gate while dramatically reducing wait times and improving the passenger experience."

**Delta to suspend operations in 12 locations as of June 8**

- The US Dept of Transportation has granted airlines, including Delta, exemptions from serving five cities or 5% of those on their map — whichever number was higher — through Sept. 30. The exemptions are also the last that the regulator will grant.
- As a result, Delta announced it will suspend service to the following destinations, as of June 8
  - Aspen, Colorado
  - Bangor, Maine
  - Erie, Pennsylvania
  - Flint, Michigan
  - Fort Smith, Arkansas
  - Lincoln, Nebraska
  - New Bern, North Carolina
  - Peoria, Illinois
  - Santa Barbara, California
  - Scranton/Wilkes-Barre, Pennsylvania
  - Williston, North Dakota
  - Ottawa, Canada
- Delta will re-evaluate service to these U.S. destinations after Sept. 30, when the CARES Act restrictions end.

**American Airlines to reactivate over 140 narrowbody aircraft**

- To cope with a capacity increase that will see the restoration of 55% of its planned domestic flights, the airline will bring back 83 Airbus A320 family aircraft along with 58 Boeing 737s, which had previously been stored around the US.
- American Airlines had parked around 435 aircraft as a result of the pandemic. Along with this, it had permanently retired 105 aircraft, including its Boeing 757s and 767s, as well as older short-haul planes. However, it has pressed ahead with retrofits of new cabins on its 737-800s and its A321s in preparation for a return to service.

**JetBlue plans to fly 50% of its schedule in July**

- JetBlue Airways Corp expects to fly about half of its original schedule in July, up from about 25% to 30% in June.
- The carrier may start flying to some Caribbean destinations in July after discussions in those markets on how to safely reopen.

**Korean Air to started zoned boarding to help with social distancing**

- Passengers seated at the back of the aircraft will board first.
- Each aircraft is being sub-divided into three to four zones depending on its size.
The zone number will be printed on boarding passes so that travellers can check their boarding order.

Passengers with infants or children, the elderly and those needing special assistance will be able to pre-board regardless of the zone number, while rear row passengers board first.

**Singapore Airlines introduces new health and safety measures**

- Passengers travelling with any of the carriers under the SIA Group will receive a “care kit”, meal services will be modified to reduce contact between passengers and crew, and lounges will no longer have buffets.
- Each “care kit” that includes a surgical mask, anti-bacterial hand wipes and a hand sanitizer.
- Passengers can find newspapers, magazines and seat-back literature that have been removed from its aircraft in the e-Library available on the SingaporeAir mobile app.
- Crew will wear face masks throughout the flight and eye goggles “when interacting with customers” and gloves during the meal service.

**Malaysia Airlines Begins To Reinstate International Flights**

- Beginning in July, Malaysia Airlines will resume flights to destinations in Asia, Australia, and Europe.
- On June 7th, the Malaysian government gave the all-clear for citizens to resume interstate travel. Hence, Malaysia Airlines has begun ramping up its schedule for domestic tourism, starting this month.
- The airline will continue to adjust its schedule as necessary, based on demand and travel restrictions.

**Air France receives additional government aid**

- Minister of Economy, Bruno Le Maire, has pledged €15 billion ($17 bn) of support for the French aeronautical sector. The recovery plan includes the €7 billion loan package already granted to Air France-KLM.
- Around 300,000 workers are employed in the French aeronautical industry. Mr. Le Maire said that without the immediate intervention of the government, a third of those jobs would have disappeared. He called on the sector to do everything possible “to avoid forced departures.”