Travel Industry Update
June 15, 2020

EasyJet resumes flying

- EasyJet aircraft took to the skies for the first time since March 30 on Monday, as the British carrier resumed a small number of mainly domestic flights after weeks of lockdown.
- Passengers, who under easyJet’s new rules must wear face masks, boarded the airline's first flight from London's Gatwick airport to Glasgow for an 0600 GMT departure.
- Chief Executive Johan Lundgren said the airline was “super excited” to restart flights.
- The airline is starting with a minimal service, flying mainly routes within Britain to cities including Edinburgh and Belfast. It is also resuming some domestic and international routes from France, Switzerland, Italy and Portugal.

Singapore Airlines Group passenger carriage dropped 99.6% in May as COVID-19 continued to severely impact demand

- According to operating results published today, the decline is year over year.
- As border controls and travel restrictions remained in place around the world, overall passenger capacity was also cut by 96.2 per cent and the passenger load factor fell to 8.6 per cent, said the group.
- The airline group’s capacity was 95.6 per cent lower compared to last year's, with only a "skeletal network" of flights in operation, connecting Singapore to 14 metro cities.
- "The number of destinations, as well as the frequencies on some existing services, will be increased in June and July 2020, arising from the resumption of transfers via Changi," said the airline group.

Malaysia Airlines to resume some international flights in July

- As travel restrictions around the world are gradually lifted, Malaysia Airlines has unveiled plans to expand its domestic operations and resume international flights in July.
- The airline has said that it will adjust its network capacity from time to time before normalizing the schedule in October for both domestic and international destinations.
- Passengers are strongly advised to check entry and exit requirements of the country they wish to visit before purchasing their ticket.
Transit agencies, airports and Amtrak will receive nearly 100 million masks to give to passengers

- The federal government will send nearly 100 million cloth facial coverings to airports, transit agencies and Amtrak to be provided to the public, free of charge.
- More than 86 million facial coverings will be sent to the airports, while nearly 10 million will be split among 458 transit agencies and Amtrak.

New cleaning measures could cost hotel industry $9 billion a year

- New cleaning protocols related to Covid-19 could cost the hotel industry up to $9 billion annually, according to a recent report from Hotel Asset Value Enhancement (hotelAVE), a leading hotel asset management company. The firm’s operational efficiency division (“Post Script”) linked the costs to increased cleaning of rooms and public spaces, new supply costs, and reopening expenses.
- The average housekeeper will take an additional 507 minutes to clean check-out rooms to new standards. Hotels with an average length-of-stay (LOS) of under 1.9 nights will see an incremental increase in total payroll. (The average US hotel has 150 rooms, 66% occupancy, and 1.8 day LOS).
- High-touch, non-porous surface such as door knobs, light switches, and remote controls will require added attention. The process to remove and launder terry and bedding will be different, and new processes will require the use of electrostatic equipment to spray soft goods and hard-to-clean areas.
- The Post Script report estimates that public spaces will need as much as 50% more labor to clean. The firm recommends reducing the footprint of public areas and “transforming” complimentary breakfast buffets.
- Hotels will see a projected 30% increase in cleaning supply costs, due to greater frequency of use and more expensive products. The report expects an additional $3.00 per occupied room for in-room personal sanitizers and PPE required for room cleaning. Post Script recommends reducing the amount of in-room terry and removing infrequently used items.
- Hotels will also incur one-time reopening expenses. The average US hotel will have to budget approximately $30,000 for hand sanitizer stations, plexiglass barriers, new signage, floor markers for social distancing, and other products.
- The report also notes that hotels will have to adapt to changing consumer expectations and behavior, with less frequent face-to-face interaction and more technology utilization. Such changes could take the form of mobile check-in and reduced bell staff usage.