Travel Industry Update
July 24, 2020

Southwest Airlines backtracks on a full schedule by year-end as recovery stalls

- Dallas-based Southwest plans to fly about 25% less than it flew at the end of 2019 by December, CEO Gary Kelly said during the airline’s second quarter earnings call on Thursday. The flight reductions are still in the works and will be loaded in its schedule over the coming weeks.
- “And, if demand is like it is today, that won’t be enough,” Kelly added in a dour note on the outlook. “We’ll have to be smaller.”
- Data from trade group Airlines for America (A4A) shows net passenger bookings — new reservations minus cancellations — for U.S. domestic travel have held steady at down roughly 80% year-over-year since the beginning of July.
- Despite having to delay plans to resume a full schedule, Southwest plans to continue serving all of the U.S. cities on its route map, including Hawaii.
- In addition, Kelly said the nearly 17,000 staff that took voluntary early departure packages or extended unpaid leave are enough to allow it to avoid pay cuts or furloughs through the end of the year.

‘New Alitalia’ should debut at the end of the year with fewer planes and employees

- Italian government presented plans to relaunch flag carrier with only 6,500 of its more than 10,000 employees and only 70 aircraft, compared to more than 110 today.
- The new plan is more aggressive than the previous one, which provided for a fleet of 93 aircraft, but which was rejected by the European Commission for not taking into account the panorama of the air sector after the Covid-19 crisis, which shows a 40% lower demand than before.
- The most controversial point of the proposal involves employees. The new airline is expected to absorb only 6,500 of the more than 10,000 people employed, who would be rehired on different terms.
- According to the Italian government, the goal is for the new Alitalia to start operating between October and November this year, considered strategic for the carrier to be able to prepare for the summer of 2021, the time of highest revenue in air transport in Europe.

British Airways owner to raise up to 2.5 billion euros with share issue

- British Airways owner IAG is set to issue shares at the end of the summer in a bid to raise up to 2.5 billion euros ($2.88 billion) to keep the business afloat and avoid a government bailout.
- IAG which also owns Iberia and Aer Lingus, renewed a 750 million pound ($955 million) partnership multi-year deal with American Express on Friday.
Airlines Push For Testing To Restore US-Europe Travel

- A group of major airlines has written a letter to US and European Union leaders asking for a US-EU testing program to allow travel to resume between the two regions.
- Chief Executives of airlines including International Airlines Group (IAG) - which owns British Airways, Aer Lingus and Iberia, as well as American Airlines, United Airlines, and Lufthansa wrote to the US and European governments on Tuesday.
- The letter did not suggest whether this would be a test on arrival or whether travelers would have to have proof of a negative test beforehand. This could prove difficult given the long wait times for tests in many areas of the US. Covid-19 testing is already being used by many countries to allow tourism and travel to restart.
- The route between New York and London is known as the most profitable in the world, and airlines rely heavily on transatlantic flights to remain profitable. Although a smattering of these flights remains, they are often empty and certainly not full of the high yield business travelers they once were. For many US and European airlines, they have little hope of any recovery until the transatlantic market starts to revive.

Amtrak passengers now face removal from trains for not wearing masks

- Amtrak on Thursday joined U.S. air carriers in tightening face mask requirements, saying passengers could be removed or banned from its trains for non-compliance.
- The railroad service had begun requiring face masks in May, but had allowed passengers to remove them when seated alone. Now, passengers can only remove their masks when they’re in private rooms, an option only available on the company’s long-distance trains.

IHG Joins Marriott, Hyatt in Requiring Guests to Wear Face Masks

- Beginning July 27, InterContinental Hotels Group (IHG) will require guests to wear face coverings while occupying indoor common areas of its hotels in the U.S. and Canada.

Hilton EventReady with CleanStay delivers event experiences that provide peace of mind from start to finish.

- Designed to create event experiences that are clean, flexible, safe & socially responsible, Hilton EventReady with CleanStay provides curated solutions for every step of your event planning process, from redesigned event spaces and innovative technology resources to inspiring food & beverage with thoughtful presentations.
- Elevated procedures for cleanliness and sanitation.
- Completed EventReady Room Checklist provided to planners.
- Hilton CleanStay Event Room Seal is applied once the room is properly cleaned, set and EventReady.
- Hilton is offering flexible contract terms and space options for events.
- Creative and customized event sets that respect physical distancing guidelines.
- Inspiring food and beverage menus: thoughtfully served, timely and versatile.
**Airbnb expands COVID cleaning protocol program and designation to 50 countries and regions**

- Airbnb is now making its “Enhanced Cleaning Protocol” available to hosts in 50 countries and regions – up from just 12 that were part of the launch in mid-June.
- The company says it is working with a cleaning and hygiene technology company, Diversey, which has endorsed the protocol and is developing more solutions for the future.
- Hosts - including those that share private rooms - who complete a quiz and attest to the Enhanced Cleaning Protocol receive a special highlight on their listing to let guests know they have committed to the routine.
- Airbnb says since it is seeing wide adoption of the protocol by hosts, beginning in August it will deactivate the ability to automatically create a 72-hour buffer between bookings.
- Hosts that still want to have a vacancy period between bookings will have to do so manually.