Travel Industry Update
July 27, 2020

**American Airlines warns 20,000 could lose jobs, flight attendant staffing will be very different**

- Jill Surdek, American Airlines SVP of Flight Service sent a memo to flight attendants offering details of what they should expect come Oct. 1
- Many flight attendants — even those with long-term seniority — will be placed on reserve duty, meaning that they’ll be placed “on call” for any trip.
- With limited international flying expected through next year, there’ll be less opportunity for those exciting trips.
- Many trips for flight attendants will be four-day, grueling domestic hops with lots more flights per day and shorter layovers.
- The memo also warns of displacements to other bases, meaning that crew might need to commute or move to another city. Lastly, the letter mentions that masks will be mandatory for the seeable future.
- In the letter, AA says it was hoping to see a rebound in air travel by October when the CARES Act that helped bailout the airlines expires. Growing outbreaks of the coronavirus in the United States appear to have delayed that rebound at the very least. They say passenger revenue was down 80% in June 2020 compared to June of 2019.
- The airline tells employees that it will support the various unions representing employees at the company in their efforts to get the bailout extended.
- There are active talks with the U.S. congress to do more CARES-style funding to avoid these layoffs.

**Ryanair’s revenue plunges 95% in ‘most challenging’ quarter**

- Revenue at Ryanair plunged 95 per cent during the first quarter of the year as it reported a first quarter loss of €185 million compared to net profit of €243 million during the same period last year.
- The airline, in a quarterly update, said the period had been “the most challenging” in its 35 year history.
- Ryanair said that as of now it expects full year traffic for 2021 to fall by 60 per cent from 149 million to just 60 million.
- Revenue fell by 95 per cent from almost €2.2 billion to just €125 million as traffic dropped 99 per cent to just 500,000 passengers.

**Korean Air becomes latest carrier to stop selling most first-class seats**

- Korean Air has removed first-class inventory from most of its long-haul flights through 2021.
• Only certain flagship routes, like those from Seoul (ICN) to Los Angeles (LAX) and New York (JFK) still show first-class seats for sale. The rest of the Korean Air long-haul route network no longer has availability, even if the route is slated to be operated by a jet that features a first-class cabin.
• It’s unclear what exactly Korean plans to do with its planes that are equipped with a first-class hard product. Even if the airline doesn’t sell the cabin, it could offer the seats as a buy-up upgrade for business class passengers, or it could let elite frequent flyers assign them for free. Of course, the carrier could also decide to reinstate first-class availability on flights if it determines that there’s adequate demand.

**Emirates is trying to limit layoffs by offering workers unpaid leave, and it reveals a weakness in the company's unusual business model**

• Emirates will offer four months of unpaid leave to pilots and flight attendants, part of an apparent effort to delay or avoid further layoffs.
• The eligible employees would take four months off between August and November, and would still receive benefits, including lodging.
• Emirates cabin crews represent 15 nationalities on average, and most foreign employees rely on the airline for the visas that let them live in Dubai. Losing a job usually means losing that visa, and returning to a native country where the aviation job market may be small, or nonexistent.
• Because it flies exclusively international flights, Emirates has been one of the hardest hit airlines by the downturn in travel due to the pandemic.

**British tourists disappointed by UK U-turn on travel corridor with Spain**

• British tourists have been left disappointed by a UK government decision that requires all people returning from Spain to self-isolate for 14 days.
• In a surprise announcement made by the British government on Saturday, the previous travel corridor between the UK and Spain ended with immediate effect.
• The abrupt reversal followed a rise in the number of coronavirus cases in Spain, where authorities reported more than 900 new infections on both Thursday and Friday.

**WTTC Warns Blanket Travel Restrictions Could Halt COVID-19 Recovery**

• The World Travel & Tourism Council (WTTC) is warning that a return to country-wide border closures and blanket travel restrictions could derail the industry's recovery, stalling global economic growth.
• As a result, the organization is urging governments around the world to respond to spikes in COVID-19 cases with regional and local measures.
• WTTC said it also supports the opening of city to city "air corridors" connecting global financial centers like London and New York that would jumpstart business travel. According to WTTC research, business travelers account for $1 in every $3 spent in New York and £1 out of every £4 spent in London.
• WTTC is also asking European countries to adopt more consistent travel rules and requirements across the board to clear up confusion among visitors. The organization’s research shows that every 2.7 percent increase in travelers would generate or recover at least one million travel and tourism jobs.