Travel Industry Update
July 29, 2020

Spirit Airlines says 20% to 30% of workers at risk of furloughs

- Spirit Airlines is preparing to inform unions on Friday that 20-30% of workers may be furloughed in October, becoming the first low-cost U.S. carrier to detail potential job cuts due to the coronavirus pandemic.
- Workers at risk of being furloughed include pilots and flight attendants.
- “It’s now clear that the demand increase we saw in June was an outlier, and the downward trend will continue,” CEO Ted Christie said.
- The airline’s expected daily cash burn of more than $100 million each month, over the next several months, “is not sustainable,” he added.

After dismal earnings report, Hawaiian Airlines expected to move ahead with layoffs

- The company says it must move forward with layoffs after losing more than $100 million in its 2nd quarter earnings report.
- During a call with investors on Tuesday, the airline’s president Peter Ingram wouldn’t reveal an exact number of potential layoffs, but says employees will be notified soon.
- “Having to shrink the company that our team has worked so painstakingly to build is heartbreaking, but it is essential to preserve the viability, competitiveness, and success of our business over the long-term,” he said.
- Ingram says he expects the airline will be 15 to 25-percent smaller by next summer.

Singapore Airlines slumps to $817 million quarterly loss as pandemic hits demand

- Singapore Airlines Ltd warned passenger capacity may remain at less than half of pre-pandemic levels by its March 2021 year-end after slumping to a S$1.12 billion ($817 million) first-quarter net loss due to a sharp decline in demand.
- The net loss compared with a S$111 million profit a year before. Revenue plunged 79.3% to S$851 million during the quarter, the airline said on Wednesday.
- The number of passengers carried dropped 99.6% in the first quarter from a year earlier, with the airline filling just 10.2% of the seats on offer, though cargo held up better due to high freight demand.
- Singapore Airlines plans to operate around 7% of its normal passenger capacity in August and September. The airline has no domestic network and is wholly dependent on international demand at a time when many borders remain effectively closed.
Amtrak now allows business class passengers to reserve Acela seats

- Amtrak has begun expanding reserved seating options for Acela business class customers beginning Monday, August 3.
- The new perks will come at no additional cost, but will allow travelers to view and select their seats before traveling, including available spots in the Quiet Car.
- The preview tool will also allow travelers to see how full their train will be in order to gauge social distancing and personal risk comfort levels.
- “Reserved seating is one of several new initiatives we are undertaking in support of expanded health and safety protocols,” Amtrak President and CEO Bill Flynn said in a press release announcing the new feature. “By providing customers with an easier and safer boarding process that limits people moving through the trains trying to find a seat, we are able to meet customer expectations for safer travel.”
- Amtrak currently offers window seats only while Acela operates at a reduced capacity, for the sake of social distancing; aisle and rear-facing table seats will be blocked off on customer seat maps.
- Passengers traveling together with companions or in groups will be assigned seats in separate rows; however, they can choose to sit together while on board. Amtrak staff can also help modify customer seat assignments.
- The reserved seating feature will remain even after the COVID-19 pandemic, and will also be available onboard the new Acela trains which debut in 2021.

Disney World and Universal have banned certain types of face coverings

- As local governments and the Centers for Disease Control and Prevention (CDC) continue to modify and update health and safety guidelines, Disney has also been updating its official policy on face coverings for guests and its cast members at Walt Disney World and Disneyland Resort.
- A new clarification has been added to Disney’s guidelines, specifying that “face coverings containing valves, mesh material or holes of any kind are not acceptable face coverings.”
- Universal Orlando Resort also updated their face covering guidelines banning masks with exhalation valves and mesh or holes of any kind.

IATA Believes Aviation Industry Won’t Bounce Back Until 2024

- The International Air Transport Association (IATA) announced experts believe it will take until 2024 for the airline industry to return to pre-pandemic levels.
- IATA chief economist Brian Pearce revealed Tuesday the inability for the United States and other countries to contain the ongoing coronavirus outbreak has caused the organization to push back its prediction by one year, to 2024.
- The IATA believes the industry is struggling due to renewed outbreaks, weak consumer confidence and constrained travel budgets for companies and individual passengers. In a recent study, data found only 62.9 percent of domestic flights were full and 38.9 percent for international travel.