



## Travel Industry Update

August 14, 2020

### American Airlines prepares to drop some service to smaller cities as expiration of federal aid nears

- American Airlines is preparing to scrap flights serving two dozen small and medium cities as the expiration of federal coronavirus aid that placed restrictions on carriers from cutting service approaches, according to an executive at the airline.
- Carriers are required to maintain minimum levels of service through Sept. 30 under a \$25 billion federal aid package that also prohibited layoffs through the end of the third quarter. American was granted \$5.8 billion in support under the program.
- The new cancellations for up to 30 destinations could show up in fall schedules as early as next week, the American Airlines executive said. Specific destinations have not been named.

### United Airlines to Add Dozens of Nonstop Flights to Popular Florida Spots in November

- United Airlines is adding more than two dozen nonstop flights to Florida this fall even as the state continues to battle high case numbers of COVID-19, the carrier announced Wednesday.
- Starting Nov. 6, the airline will add up to 28 flights to popular Florida destinations like Fort Lauderdale, Tampa, and Orlando. The flights will take off from cities all across the country, including from New York and Boston, both of which have a quarantine order in place for travelers who come from Florida.
- “The addition of these new flights represents United's largest expansion of point-to-point, non-hub flying and reflects our data driven approach to add capacity where customers are telling us they want to go,” United's vice president of Domestic Network Planning, Ankit Gupta, said in a statement. “We look forward to offering customers in the Midwest and Northeast more options to fly nonstop to Florida this winter.”

### Lufthansa halts talks with union on staff cost cuts

- German airline Lufthansa said on Thursday it had walked away from talks with union Verdi over a package to cut staff costs and would only return to the negotiating table if Verdi offers significant labor cost savings.
- Verdi, which is negotiating on behalf of 35,000 Lufthansa ground staff, said the airline was demanding unreasonable pay cuts of up to 23% of employees’ pre-tax salaries.
- “We have decided not to continue the negotiations with Verdi for the time being,” a Lufthansa spokeswoman said. “We do not see any progress at the moment.”

### **Singapore Airlines, SilkAir offer cabin crew early release, retirement**

- National carrier Singapore Airlines (SIA) is offering its cabin crew early release or retirement as it continues efforts to cut costs amid the COVID-19 pandemic.
- Cabin crew members who successfully apply for the early release will get payouts and benefits. They will have until the end of the month to apply. Trainee crew will not be eligible. The outcome of the applications will be made known by the middle of next month.
- SIA has almost 9,000 crew members. The program also applies to its regional arm SilkAir, which has more than 680 crew members.

### **Slow Airline Industry Recovery Pushes Global Oil Demand Forecast Lower**

- The International Energy Agency released its monthly oil market report and revealed it has lowered its 2020 global oil demand forecast by 140,000 barrels per day to 91.9 million barrels per day.
- This is the first downgrade in several months and it comes due to the stalling of mobility as the number of COVID-19 cases remains high, and air traffic staying stubbornly low. 2021 global demand estimate has been revised down by 240,000 barrels per day to 97.1 million barrels per day.

### **UK deals 'devastating blow' to travel industry with French quarantine**

- Efforts to restart Europe's mammoth travel and tourism sector have suffered another major setback, after the UK government added the world's most visited country to its quarantine list.
- Travelers arriving from France will have to quarantine for 14 days starting on Saturday, according to the latest guidance from the UK Department of Transport, which was updated late on Thursday.
- The decision was made after France reported 2,669 new coronavirus infections on Thursday. The UK government will also add the Netherlands, Monaco and Malta to its list.

### **Google Travel adds new pandemic-related travel planning information**

- The COVID-19 pandemic has upended the travel industry, but Google is trying to help by adding new tools to its travel tools that flag pandemic-related information for users, like local COVID-19 case counts and whether the hotel offers free cancellations.
- New additions include “travel trends” that show what percentage of hotels have availability and flights in operation to that area (using data sourced from prior Google hotel and flight booking). These trends join the existing alerts about whether there’s currently a travel advisory for your destination in Google search.
- That information will also appear if you’re using Google Travel when searching for a hotel, flight, or vacation rental. Google Travel is also getting an additional feature that shows if your vacation reservation is offering free refunds — with an additional option to filter your searches exclusively by that criterion.