



Travel Industry Update

August 20, 2020

Delta, United to double China flights under new US-Sino accord

- Delta Air Lines and United Airlines will double their flights to China beginning later in August this month under a new accord that increases air service between the U.S. and China.
- Both carriers can fly up to four round-trips per week between the two countries under the new agreement, according to U.S. authorities. Chinese airlines are also able to fly a combined total of eight weekly flights among them.
- Air China, China Eastern Airlines, China Southern Airlines and Xiamen Airlines are the only Chinese carriers flying to the U.S. in August, according to Cirium schedules.
- Travel to China remains restricted. Foreigners are not allowed to enter the country except for a limited number of nationals from select nearby Asian countries, including South Korea.
- U.S. airlines have reported carrying a significant amount of cargo on long-haul flights, including those to China.
- Even with the additional frequencies, air service between China and the U.S. remains far below the up to 52 daily flights airlines flew before the coronavirus pandemic.

Australia's Qantas says international flights 'unlikely' to resume before July 2021

- Australian carrier Qantas Airways announced Thursday that it's "unlikely" to resume international flights before July 2021, as it suffers heavy losses due to the coronavirus pandemic.
- The airline reported a 2.7 billion Australian dollars (\$1.9 billion) loss for the financial year that ended in June, and a 91% drop in profit from the prior year.
- The company said it saw a revenue drop of 4 billion Australian dollars (\$2.9 billion) in the second half of the financial year due to the "Covid-19 crisis and associated border restrictions."
- Qantas Group CEO Alan Joyce said in a statement that the second half of fiscal year 2020 was the "toughest set of conditions the national carrier had faced in its 100 years" but added that the company had the "resilience to deal with them."
- "We've had to make some very tough decisions in the past few months to guarantee our future. At least 6,000 of our people will leave the business through no fault of their own, and thousands more will be stood down for a long time," Joyce said. "Recovery will take time and it will be choppy."

Singapore Air burns through half of cash raised in two months

- Singapore Airlines Ltd. has burned through half of the S\$8.8 billion (US\$6.4 billion) it raised through share sales in just two months, highlighting how carriers' expenses keep incurring even as planes are grounded.
- Of the S\$4.4 billion spent since mid-June, S\$1.1 billion was used for operating expenses, maturing fuel-hedging trades and ticket refunds from canceled flights due to the coronavirus pandemic, the airline said Wednesday. About S\$900 million was spent to service debt and S\$200 million to buy aircraft.
- The airline also used the proceeds to repay a bridge-loan facility of about S\$2 billion that it had taken to cover expenses from March until the fundraising was completed.
- The proceeds spent during the two months to Aug. 14 are almost equivalent to the combined net losses made by Singapore Airlines, Cathay Pacific Airways Ltd. and Qantas Airways Ltd. in the first half. To curb costs, the Singaporean carrier has slashed salaries and put staff on unpaid leave as it operates at less than 10% of capacity.
- Singapore Airlines posted a first-half loss of S\$1.85 billion as the pandemic wiped out passenger traffic. Cathay Pacific lost HK\$9.9 billion (US\$1.3 billion) and Qantas A\$1.96 billion (\$US1.4 billion).

Emirates Airline says it expects to serve 100% of its destinations by summer 2021

- Dubai state carrier Emirates Airline will serve all of its 143 destinations by the summer of 2021, with the frequency of flights depending on demand, said Chief Operating Officer Adel al-Redha.
- That outlook is optimistic compared to Australia's flag carrier Qantas. The airline expects only 50% of international operations to return by the middle of 2022.

More cruise ships are leaving U.S. waters — and CDC coronavirus reporting requirements

- After the cruise industry shut down in mid-March, dozens of ships could be spotted lingering off the Miami Beach coast or moving in and out of PortMiami each day.
- More than five months later, as cruises remain canceled, it's rare to see even one cruise ship floating off the coast. Many have left U.S. waters — and with that, the scrutiny of the country's top healthy agency, the U.S. Centers for Disease Control and Prevention.
- The CDC has banned cruises until Oct. 1; most US-based cruise lines have canceled cruises until Oct. 31. The agency will determine if and when companies can start operating again during the COVID-19 pandemic.
- In early June, the CDC began publishing COVID-19 infection levels for cruise ships using a green, yellow and red grading system based on data the companies reported to the agency, a requirement for ships in U.S. waters and ships planning to enter U.S. waters. When the system debuted, 50 cruise ships were reporting illnesses to the agency. Now, two months later, just 32 are reporting. Cruise traffic at PortMiami has plummeted. Working hours for the International Longshoreman's Association Local 1416, whose workers load goods on and off cruise ships, decreased 68% from April to July.
- Companies that have moved their ships out of U.S. waters say they've done so to more quickly repatriate crew members — thousands of whom still remain trapped on ships without pay waiting to go home — and to renovate ships in Europe.

- Companies' decisions to pull their ships from U.S. waters leave the CDC without a complete picture of ongoing COVID-19 outbreaks on ships.

London's Heathrow Airport unveils new coronavirus testing facility that could reduce quarantine time

- London's Heathrow Airport, the U.K.'s busiest, unveiled a new coronavirus testing facility Wednesday that it says could halve the length of time people have to stay at home after arriving from countries on the British government's quarantine list.
- The government said it wasn't ready to give its backing to the facility but said it was working with airports on how a new testing regime can reduce the 14-day quarantine travelers face when arriving from more than 100 countries, including France, Spain and the United States.
- Over the past few weeks, British tourists have faced travel chaos after the government took countries off its safe list at very short notice. The travel advice to the two most-visited countries, Spain and France, changed at short notice, for example, prompting many travelers to seek to return to the U.K. swiftly to avoid the mandatory quarantine.
- As well as throwing into turmoil the vacation plans of many British families, the sudden changes have rocked the travel industry, which is trying to salvage something from the summer after weeks of lockdown.
- "Testing will not only avoid the 'quarantine roulette' that so many passengers faced in Spain and France, it will also open up flights to key trading partners such as the U.S., Canada and Singapore," Heathrow chief executive John Holland-Kaye said.
- The new facility has been set up by aviation services company Collinson and logistics firm Swissport at Heathrow's Terminal 2. They say more than 13,000 swab tests will be available to passengers each day, with results "within hours." It is proposed that arrivals will then take a second test at home and will be able to leave their 14-day quarantine early if they pass both. Similar double-testing regimes are used elsewhere in Europe, including Germany.
- "All we need now is government buy-in that those with negative tests will be released early from quarantine," said Richard Cawthra, chief commercial officer at Swissport.
- British Health Secretary Matt Hancock said he understood the inconvenience of the quarantine period and insisted that the government was doing what it can to mitigate the time people have to stay at home on their arrival in the U.K. Hancock said a ramp-up in testing in the coming months via a saliva test that would lead to more or less instant results would help.

Passengers arriving at London Heathrow who need to quarantine are still allowed on the London Underground

- As more and more countries are taken off the air bridge list, more and more people returning from holiday will need to quarantine for two weeks.
- The rules are pretty tough - in England if you fail to self-isolate you can be fined £1,000, rising to £3,200 if you don't provide an accurate contact detail declaration.
- The only issue is many people arriving into London Heathrow - especially Londoners - will be planning to get home using the Tube and they're allowed to get on.
- On the government website, under the heading 'How to travel to the place where you are self-isolating', you're told to go straight to the place you're quarantining in and 'only use public transport if you have no other option'.
- The problem is, most Londoners won't have any other option.