



Travel Industry Update

September 2, 2020

Singapore Airlines resumes flights to six cities, passenger capacity to hit 11% of pre-Covid levels by Nov

- Singapore Airlines and regional wing SilkAir have reinstated flights to six cities and increased the frequency of selected services in their passenger network from August to November, SIA said on Monday.
- The six cities are: Cebu in the Philippines, Istanbul in Turkey, Milan in Italy, Perth in Australia, Phnom Penh in Cambodia and Taipei in Taiwan.
- By the end of November, the SIA group's passenger capacity will reach about 11 per cent of its capacity in January before the onset of the Covid-19 outbreak, SIA said.

Qantas CEO rules out dropping all change fees, tips fare increases

- Qantas doesn't plan to follow US airlines in permanently dropping booking change fees, and could even slightly increase some fares to aid with post-COVID recovery, says CEO Alan Joyce.
- Qantas and its low-cost offshoot Jetstar suspended change fees in May to provide passengers with "complete flexibility and certainty to make bookings and adjust them as they need," Joyce remarked at the time. On each airline's lowest fares, those fees would usually amount to between \$55 and \$99.
- However, those change fees will inevitably return, Joyce forecast at today's CAPA Australia Pacific Aviation Summit.
- "We did for the first time give complete flexibility on every airfare during this crisis, but is that going to continue indefinitely? It can't."
- Once passengers have more confidence that their travel plans won't be disrupted by border closures, change fees will return for the lower tier of heavily-discounted fares.
- "I think when certainty comes back, I'm of the view that it's a big part of how we manage (revenue and yield)," Joyce said.
- "There is a product of fares for the corporate market that's completely flexible (but) if every airfare is going to be completely flexible, then your revenue management system I think fundamentally breaks down over the long term."

Qantas CEO: rapid preflight COVID tests could restart overseas travel

- Preflight COVID-19 tests could restart international travel and remove the need for quarantine, Qantas CEO Alan Joyce says, even before a vaccine is widely available.
- "There's some great developments in testing that could resolve the issue of people needing to go into quarantine," he noted at today's CAPA Australia Pacific Aviation Summit.

- Those tests are “potentially super-fast, 15 minutes or so,” Joyce recounted, “to test whether you’re exposed to COVID-19, which means if you pass there’s no need to be in quarantine at the other end.”

High Court in London backs Virgin Atlantic's rescue plan

- Virgin Atlantic’s 1.2 billion-pound (\$1.6 billion) restructuring plan was approved Wednesday by the High Court in London, allowing the international airline to continue rebuilding its operations after the devastation caused by the coronavirus pandemic.
- The deal, which has already been approved by creditors, must now be confirmed in the U.S. courts.
- The airline announced the refinancing package in July to ensure its survival after passenger numbers dropped 98% in the second quarter.

Amtrak tells employees it will furlough 1,950 workers

- Amtrak will furlough approximately 1,950 of its unionized workers as part of cutbacks for fiscal 2021, according to a message sent to workers today and obtained by Trains News Wire. Additionally, approximately 100 managerial positions will be eliminated.
- The largest portion of those, 698 employees, will come from on-board staff represented by the Amtrak Service Workers Council. Other planned cuts, by union:
 - Sheet Metal, Air, Rail and Transportation, 509 employees
 - Brotherhood of Locomotive Engineers and Trainmen, 390 employees
 - Transportation Communications Union, 326 employees
 - American Railway and Airway Supervisors Association, 27 employees
- The two locations which will take the largest hits are Los Angeles, where 236 workers — 203 of them in on-board services — will be laid off, and Chicago, where 171 employees will be furloughed. Of those, 165 are in on-board services. Seattle will lose 129 workers, 86 in on-board services.