



Travel Industry Update

December 9, 2020

American expands preflight testing to all U.S. destinations with travel restrictions

- American Airlines said on Tuesday it is expanding preflight COVID-19 testing for all U.S. destinations that have travel restrictions.
- The test, priced at \$129 which includes a medical professional virtually assisting and express shipping both ways, will be available for purchase for passengers traveling on or after Dec. 12.
- In collaboration with at-home testing partner LetsGetChecked, American said it will provide testing for travel to cities, states and territories currently under COVID-19 travel restrictions, including Puerto Rico.

JetBlue puts raises, paid parental leave on hold to cut costs in 2021 as Covid hinders travel rebound

- JetBlue is planning to cut costs further next year as coronavirus cases continue to stymie a travel recovery.
- Executives will continue to take reduced pay into 2021 and the airline will hold off on raises and paid parental leave, according to a memo.
- The airline said nonunion employees are safe from furloughs through “at least” Sept. 30, 2021.

United Cuts International Services In 2021 Including To London

- As the new year approaches, United Airlines is set to reduce many of its international services as demand remains low. United’s January 2021 schedule will be half of its January 2020 schedule. Many of the suspended routes won’t resume until summer 2021. Instead, the airline will focus on markets that are set to recover faster.
- The airline is blaming a recent spike in the number of COVID-19 cases in the US and ongoing travel restrictions for a dip in new year bookings. As a result, United is cutting many routes to Europe and Asia while adding a few routes closer to the US for leisure travelers looking for some winter sun.

Qatar Airways adds Seattle, announces frequent flyer pact with Alaska Airlines

- Qatar Airways is headed to the Pacific Northwest.
- The airline will add service to Seattle (SEA) and launch a frequent flyer partnership with that city’s hometown carrier — and soon-to-be fellow Oneworld member — Alaska Airlines.

- Qatar Airways' Seattle service will begin March 15 with four weekly flights to its hub in Doha (DOH). The airline will fly the route with 283-seat Airbus A350-900 aircraft configured with 36 "Qsuite" business-class seats. Flight time is scheduled at just over 14 hours in each direction, covering a distance of 7,411 miles.
- Seattle becomes the second U.S. destination announced by Qatar Airways in as many months. The carrier announced in October that it would add San Francisco (SFO), where a schedule of four weekly flights is set to begin next Tuesday (Dec. 15).

Ryanair Thinks easyJet And Wizz Could Merge To Make A New Airline Group

- Consolidation in European aviation is seen by many to be the only way forward. Too many airlines have too little of the market share, in stark contrast to markets such as the US. Ryanair's CEO Michael O'Leary talked about consolidation this week, saying that he believes Wizz and easyJet could team up to create Europe's fifth major airline group.
- The shape of European aviation post-COVID is something that is highly debated around the continent right now. Many aviation experts believe the market to be over-ripe for consolidation, with far too many airlines for the demand available. This is a notion that is set to become exacerbated by lower than usual demand, as it is predicted to be for some years.

SARS didn't prepare the hospitality industry for the prolonged impact of COVID-19

- A virulent virus, worried travellers and a tourism sector on the brink. Sounds like 2020? In fact, this was the experience in a few global cities in 2002 and 2003.
- Toronto was one of them. The city's battle against a deadly virus — and the struggle for the rehabilitation of its damaged tourism sector — offers lessons for cities wondering how they will navigate a post-COVID world. And even plan for the next crisis, whenever it arrives.
- Hotels, as places of refuge, pleasure, business and also contagion, are important places to explore how the tourism sector pilots its way through pandemics. The experience with SARS offers sobering lessons for Toronto and urban tourist destinations globally.
- How are the tourism crises of 2002-03 and today similar, and how do they differ? Both public health crisis resulted in sudden, dramatic declines in hotel occupancy. However, while all travel came to a sudden stop globally in 2020, the 2002-03 events centred on a few cities, with Toronto, Singapore and Hong Kong under the microscope.
- Hotel occupancy rates in these cities recorded steep declines, as travellers headed elsewhere, businesses suspended events and worried airlines and public health authorities explored protocols such as the now-ubiquitous face masks.
- The collapse in travel in winter 2020 occurred at a point when the overall economy and the travel sector were in robust shape and recording record profits. In 2002-03, circumstances were very different. Global travel had slowed due to the Iraq War. Increasing documentation requirements and lingering concerns over security after 9/11 reduced cross-border traffic between Canada and the United States.
- Both SARS and COVID-19 have had a severe impact on tourism and travel. Hotels are barometers of Toronto's economic condition, and reveal the unequal impacts pandemics have on employment. Marginally employed people — immigrants and low-income workers — are over-represented among hotel workers. They lose their jobs quickly in the face of reduced demand.
- Toronto's experience with SARS suggests that once a place appears safe, reassured travellers return — with some coaxing and a lot of co-ordinated planning.

- In 2003, good news for the tourism sector arrived quickly. In fact, by late 2004, hotels were recording pre-SARS occupancy levels. It seemed as if the sector had dodged a bullet. But it had also dodged a critical opportunity to reflect on how new technologies and standards might reduce the impact of a future pandemic. And this is perhaps where the comparison proves most illuminating.
- The hotel sector faces dramatically different conditions today. It is in the midst of a global pandemic affecting all sectors of the economy. SARS resulted in far fewer deaths, over a shorter period of time, in a small number of major cities.
- While the story of hotels' recovery is inspiring, the pace was so fast that few paused to ask if larger lessons would be learned: What vulnerabilities might have been disguised in the rush to restore Toronto's dynamic tourism sector? How could new technologies, systematic contingency planning and early detection systems might have become integrated into hotel management post-2003?
- The greatest lesson of SARS may be how, amid the excited focus on recovery and a return to normalcy, so little thought was given to structurally prepare for the prospect of future crises. We need to keep these lessons in mind as we plan our emergence from COVID-19, and the resumption of travel.

The Newest Hotel Amenity? Virus-Scrubbed Air

- Hotels, and even some cruise ships, are installing state-of-the-art filtration systems that claim to tackle the coronavirus where it is believed to be the most dangerous: in the air.
- With the new air-scrubbing campaigns, hotels are following airlines, many of which have hospital-grade, high-efficiency particulate air (HEPA) filters that are said to be over 99 percent effective in capturing tiny virus particles, including the coronavirus.

Survey: Business travelers becoming less comfortable about traveling

- Business travelers are becoming less comfortable with resuming travel, according to a new survey from industry advocacy group Travel Again, even as multiple potential Covid-19 vaccines have been publicly reported as apparently effective.
- Between Oct. 20 and Nov. 20, a period when new Covid-19 cases spiked in the U.S., the percentage of business travelers reporting they have made reservations for traveling on an airplane or staying at a hotel fell from 15% to 9%.
- Travel Again from Nov. 17 to 19 surveyed 267 U.S.-based travelers, 51% of whom self-reported as business travelers.
- About 39% of respondents in November said they would travel domestically in the next 90 days if asked by their company, a drop from 53% in October. With regards to traveling internationally during that same timeframe, 25% in November reported they would, a fall from 31% in October.
- When Travel Again asked business travelers to select among a menu of options that would increase their confidence in traveling again, mask requirements and frequent cleaning were the most frequently selected at 84% and 83% respectively. Travelers were not specifically asked if the vaccines had increased their confidence.
- About 70% of business travelers said they would be willing to take multiple Covid-19 tests before and during travel and share their results to resume traveling without restrictions.
- Even after the pandemic passes, there be permanent effects on the airline industry's business travel volume, according to a report by aviation revenue research firm IdeaWorksCompany and sponsored by CarTrawler, a mobility solutions provider.

- The report is based on an analysis of industry, government and academic sources, predictions from travel industry experts and feedback from 15 industry executives.
- IdeaWorksCompany estimates the airline industry permanently will lose 19% to 36% of their business travel volume due to workers becoming accustomed to using online conferencing technology as a replacement for business travel. At the moment, business travel is at 15% of its pre-pandemic level, according to IdeaWorksCompany, which expects that figure eventually to reach at least 64%.
- The company estimates that business travel for sales and securing clients will stay relatively consistent with pre-pandemic levels, at 80% to 100% trip of pre-Covid trip volume, because "being there" remains an attribute for sales. The firm expects travel for intracompany meetings to see a 40% to 60% dive from pre-pandemic levels because in-person activity would be condensed to fewer events. IdeaWorksCompany also expects technology suppliers to create products, such as virtual reality goggles for meetings, to eliminate the need for trips for meetings.
- A prime candidate for technology replacement are customer support trips, like trips made after the "sale is made," the volume of which the company projects will decline 20% to 30% from pre-pandemic levels, with trips for professional services for clients and research expected to drop 30% to 50%. Travel for conventions and trade shows could decline 10% to 20%, according to IdeaWorksCompany, due to the move to virtual events.
- The company expected travel for technical equipment support will stay largely consistent with pre-pandemic levels, with the large majority of the projected 20% to 40% drop, attributed to non-in-person support. Travel by commuters by air could drop from 40% to 60%, according to the company.
- As a share of business travel based on business trip purpose, sales and securing clients will form the largest share of airline traffic for the foreseeable future at 25%, according to the report. Intra-company meetings and conventions and trade shows each would comprise 20%. Professional services for clients and research, technical equipment support, and support of existing customers would each take up 10% of airline traffic. Commuting by air would make up 5%, according to IdeaWorksCompany.

Analysis: Leisure & Hospitality Unemployment Double the National Average

- The latest unemployment figures prepared for the U.S. Travel Association by Tourism Economics paint a dire picture: the travel-dependent Leisure & Hospitality industry is suffering from a 15% unemployment rate—nearly double the national level.
- Any early signs of a modest recovery for the sector—which accounted for 11% of all pre-pandemic employment in the U.S. yet has suffered 35% of all pandemic-related job losses—have been effectively extinguished. The Leisure & Hospitality industry resurged slightly in September with 413,000 new jobs, but declined precipitously over the past three months, adding only 31,000 jobs in November.
- Earlier estimates from Tourism Economics indicated that 50% of all direct travel jobs will be lost by the end of December without federal relief—an additional loss of 948,000 jobs and a total loss of 4.5 million direct travel jobs.
- “Every day that passes without relief makes it harder to bring back the jobs that were lost,” said U.S. Travel President and CEO Roger Dow. “We know that both sides of the political aisle largely agree on the measures necessary to sustain and restore the travel industry, and we urge lawmakers to pass a relief package without delay before year’s end.
- “Not only will a relief package go a long way in protecting vulnerable travel industry jobs, but it’s the will of the American people for Washington to come together and get a deal done.”

- Full unemployment report available [here](#).

U.S. Covid-19 travel restrictions state by state

- This story was current at the time of last publication on December 7 and will be updated periodically. However, you should still check with the official state websites before you commit to travel plans.
- With cases of Covid-19 reaching new heights in the United States, some states are having to adapt rapidly with their rules and regulations, especially in recent weeks.
- If you wish to travel to another state, it is important to be updated on the latest statewide regulations. While some US states have no restrictions on travel, all their sites have important Covid-19 safety information, including possible face mask mandates in public settings. States without travel restrictions might still have mask mandates.

U.K. to Allow Quarantine Exemption for Some Business Travelers

- The U.K. government has announced an exemption from quarantine for business travelers arriving in England who "deliver significant benefit" to the U.K. economy, beginning 4 a.m. on Dec. 5.
- It said that individuals "undertaking specific business activity which would deliver a significant benefit to the U.K. economy—including activity that creates or preserves 50-plus U.K. jobs – will no longer need to self-isolate when traveling or returning from non-exempt countries."
- The government added that individuals only would be exempt when undertaking the specific business activity and only would be able to meet with others as required by that specific activity.

Paris Air Show 2021 Canceled Due to Pandemic

- The 54th Paris Air Show, scheduled for June, has been cancelled because of the coronavirus pandemic, the organizers announced in a statement published on Monday.
- The "inevitable decision" had been made in view of the international health situation and the number of visitors that such an event would generate, the Salon International de l'Aeronautique et de l'Espace de Paris wrote in the statement.

Royal Caribbean: More than 150,000 people applied for test sailings

- Royal Caribbean International said that more than 150,000 consumers have so far expressed interest in taking part in the line's simulation sailings.
- Royal last month invited past guests to apply to be on the test sailings that the CDC is requiring that cruise ships perform before being certified to enter service. The company asked that people who were interested in the prospect sign up at a site called "Volunteer of the Seas."
- "The participation in and sentiment of the comments and conversations on the Volunteers of the Seas group has been incredibly motivating," the line said in a statement. "It's refreshing to be reminded of all the people out there who are excited about the possibility of sailing and eager to come onboard a Royal Caribbean International ship again."

- Michael Bayley, CEO of Royal Caribbean, was quoted as saying that the line's Pinnacle passengers, those at the top of its Crown & Anchor loyalty program, would be the first to be invited on its trial cruises.

Cruise ships that restarted in Europe over the summer are shutting back down

- The comeback of cruising that began over the summer in Europe started to stall in October as coronavirus cases surged. And now it's in full reversal mode.
- Two of the biggest lines to restart limited sailings in Europe in recent months — MSC Cruises and Costa Cruises — this week said they would pause all voyages in the coming days due to growing travel restrictions brought on by higher coronavirus case counts.
- The cancellations at the two lines come in the wake of new COVID-related travel restrictions in Italy announced on Wednesday. The new restrictions include a complete ban on travel between Italian regions from Dec. 21 through Jan. 6. The Italian government also is forbidding its residents from leaving their home towns on Christmas Day, Dec. 26 and New Year's Day.
- The Italian government is hoping that a complete stop of travel over the holiday period, when many Italians have time off from work, will help stop the spread of the new coronavirus in the country. New COVID cases began surging in Italy in early October and remain high, though they have started coming down in recent weeks.

Royal Caribbean Cruise Ship In Singapore Reports COVID-19 Case

- On its third cruise since resuming service, Quantum of the Seas has reported a positive COVID-19 case and has been forced to return to Singapore.
- Close contacts of the case have been placed in quarantine, while the remaining passengers and crew will remain onboard the ship until contact tracing is complete -- at time of writing this is still ongoing.
- Angie Stephen, Managing Director of Royal Caribbean, Asia Pacific confirmed that those passengers not traced to the affected guest will have a normal rapid test at the end of the cruise, adding that the "goal is to take care of the COVID guest first."
- Those passengers can then go home and go about their daily activities including going to work, but have been advised to monitor their health for the next 14 days.
- "One guest aboard Quantum of the Seas tested positive for coronavirus after checking in with our medical team," the line said in a statement.
- "We identified and isolated all guests and crew who had close contact with this guest, and each of those individuals have subsequently tested negative for the virus.
- "The ship is returning to port today local time in accordance with government protocols and will debark guests after a review of contact tracing is completed.
- "We are in communication with the Singapore government and appreciate their guidance as we work together to protect the health and safety of our guests and crew.
- "We worked closely with the government to develop a thorough system that tests and monitors all guests and crew and follows public health best practices. That we were able to quickly identify this single case and take immediate action is a sign that the system is working as it was designed to do."