



Travel Industry Update

January 20, 2021

[Delta CEO says airline will permanently ban passengers 'who refuse to display basic civility'](#)

- The CEO of Delta Air Lines has announced that the carrier will permanently ban passengers who disrespect fellow customers or crew.
- CEO Ed Bastian laid down the law in a memo sent to employees Friday. The executive revealed that the airline has already added over 800 people to its no-fly list for refusing to wear mandatory face masks during travel, along with news of the company's latest policy.
- "Please know that respect and civility to others on our planes, at our airports, in our workplaces and in our society – even when we have differences of opinion – have always been a requirement for our people and our customers," Bastian wrote. "Those who refuse to display basic civility to our people or their fellow travelers are not welcome on Delta. Their actions will not be tolerated, and they will not have the privilege of flying our airline ever again."
- "As difficult as things are right now, remember that we are getting closer to recovery each day due to your hard work, dedication and commitment to our values," he concluded. "Thank you as we keep climbing together into 2021."

[American Airlines Passengers Can Soon Upload COVID-19 Test Results to New Health Passport Before Travel](#)

- American Airlines passengers traveling internationally will soon be able to use a health passport app, with the capability to upload test results and required documents before boarding.
- The carrier – the first to roll out the technology – partnered with biometric authentication provider VeriFLY to give travelers a streamlined experience, keeping all their documents in one place, American announced last week. The app will be available to passengers worldwide starting Jan. 23.
- Customers can download VeriFLY from the app store, create an account, select their destination, and upload the necessary documents. Travelers will then be issued an activated pass they can use when boarding.

[COVID Pandemic Expected to Cost U.S. Airports an Additional \\$17 Billion](#)

- North America (ACI-NA), the trade association representing commercial service airports in the United States and Canada, released financial projections that show U.S. airports will lose at least \$17 billion between April 2021 and March 2022 because of the prolonged decline in commercial aviation traffic resulting from the COVID-19 pandemic.

These losses are in addition to the \$23 billion U.S. airports are expected to lose between March 2020 and March 2021.

- The latest loss estimate is based on the following estimates:
 - \$11.4 billion in lost airport operating revenue – The steep and prolonged drop in commercial passenger traffic has erased billions in aeronautical and non-aeronautical revenue, all while the cost of operating an airport remains largely unchanged because airports are not allowed to close or relocate terminals during the pandemic.
 - \$3.5 billion for additional operational and infrastructure costs related to COVID-19 – Airports adopted a wide range of new health and safety standards and made substantial investments in new technology, equipment and retrofits to their facilities to slow the spread of COVID. Airports increased cleaning of public areas, upgraded filtration systems, added more hand-sanitizing stations, installed plexiglass barriers, procured personal protective equipment, created space for screenings and quarantine areas and implemented physical distancing measures. These facility upgrades and increased operating expenses are expecting to cost airports \$3.5 billion from April 2021 through March 2022.
 - \$1.6 billion from lost Passenger Facility Charge (PFC) – The drop in passenger traffic has dramatically reduced the collection of user fees that are a critically important funding source for commercial airports in the U.S. This will likely slow or limit critical infrastructure improvement projects.
 - \$500 million from lost Customer Facility Charge user fees – Decreased passenger activity is projected to lower collection of these user fees by \$500 million. CFC fees had become a significant source of funding for rental car facilities.

British Airways-owner IAG buys Air Europa in cut-price 500 million euro deal

- British Airways and Iberia owner International Airlines Group has agreed to buy Spain's Air Europa for 500 million euros (\$606.7 million), after the pandemic cut the price in half and IAG struck a deal to defer payment for six years.
- Under the amended deal, Iberia, which is buying Air Europa on behalf of IAG, will not pay the 500 million euros until the sixth anniversary of the acquisition's completion, the companies said in a statement.
- The COVID-19 pandemic has upended the airline industry since the deal was originally struck in November 2019, bringing most international travel to a halt.
- Air Europa been supported by loans from Spain's state-owned industrial holding company SEPI during the crisis.

EasyJet Holidays sees summer bookings surge 250%

- EasyJet says bookings for this summer with its holidays arm are up 250% on last year, fuelling the airline industry's hopes of pent up demand for when lockdown restrictions ease.
- May is currently proving to be the most popular month for holidays.

Government Support For Air France-KLM Delayed

- The Air France-KLM group is still waiting on additional government support after negotiations have reached a standstill. The group is set to report its annual financial

results on February 18th, and it is looking unlikely that an agreement will have been achieved by the deadline.

- The difficulties of having two governments invested in one group are starting to come to a head. The French and Dutch governments are having a hard time defining the terms of the support package for Air France-KLM. The sticking point appears to be how the loan is divided.

Singapore Airlines hopes to be world's first fully-vaccinated airline

- Singapore's national carrier is hoping to become the world's first airline to get all of its crew members vaccinated against Covid-19.
- Singapore Airlines (SIA) confirmed to CNN Travel that all of their crew members -- including pilots, gate agents, flight attendants and anyone whose job requires contact with the public -- have been offered free coronavirus vaccines by the Singaporean government.
- The country has purchased the Pfizer vaccine, which requires two shots.
- "We are grateful to the Singapore government for making the aviation sector a priority in the country's vaccination exercise," the airline's CEO, Goh Choon Phong, said in a statement that was emailed out to the whole company on January 18.
- "This reflects the sector's importance, and the crucial role we play in both Singapore's economic recovery and the fight against the pandemic."

Thai AirAsia to Furlough 75% of Workforce

- Thai AirAsia will keep only one-fourth of the staff and ask the rest to take a leave-without-pay offer for four months, starting February, as the re-emerging coronavirus outbreak has dealt a heavy blow to the aviation sector.
- Tassapon Bijleveld, executive chairman of Asia Aviation Plc (AAV), the largest shareholder of the airline, said on Monday only 25% of its workforce will be active after this month as the airline is downsizing to match real demand.
- He did not mention the size of the workforce, but according to the latest AAV annual report, it had 5,974 employees in 2019.
- "Before the Covid-19 resurgence, we had 40 planes serving domestic flights. But since the re-emerging of the outbreak, some provincial lockdowns have made it impossible for people to travel and passenger demand has dropped significantly at every airport," said Mr Tassapon.
- The budget airline has 62 aircraft, which has not been fully utilised since the first nationwide lockdown in April last year. It flies only 10 planes now due to the sluggish demand for air travel.

Emirates Begins Offering Pfizer Vaccine To Crew

- Emirates has begun offering vaccinations to its frontline crew and employees. The carrier will offer both the Pfizer-BioNTech and Sinopharm vaccines to tens of thousands of its UAE employees. With this program, Emirates will become one of the first airlines to vaccinate its staff, along with Singapore Airlines.
- Emirates began rolling out two vaccines to its entire UAE workforce yesterday, including all ground handling staff from subsidiary dnata. The carrier will prioritize operational

staff like flight attendants, pilots, and others who come into frequent contact with passengers. Following that, all other staff will have access to the vaccine as well.

- The rollout is in partnership Dubai Health Authority and the Ministry of Health and Prevention, which have set up multiple facilities across the UAE. The facilities are open seven days a week and 12 hours daily to ensure as many staff can be vaccinated daily as possible. The vaccine will be free for all.

U.S. Hotels Tell Joe Biden: Let Us Be Vaccination Centers

- A leading U.S. hospitality industry group has asked the Biden-Harris transition team to consider using hotels as vaccine administration sites in partnership with local and state public health departments.
- “America’s hotels stand ready to work alongside America’s governors as states continue to move forward in administrating the Covid-19 vaccine,” begins a letter sent by Chip Rogers, President and CEO of the American Hotel & Lodging Association (AHLA), to the Biden-Harris transition team. “By quickly mobilizing an existing network of sites, hotels can help strengthen the delivery and distribution of the Covid-19 vaccine in communities across the country to better streamline and build on current state efforts.”
- The group argues that it makes perfect sense for hotels to do double duty as vaccination centers in the coming months. For starters, hotels have tremendous geographical spread, with more than 50,000 hotels in every state, including properties located in cities, suburbs, and rural communities.
- Another plus: Hotels often have large spaces — private rooms, meeting rooms, conference and ballrooms — that make social distancing feasible, and their typical 24-hour operations would allow for round-the-clock vaccination administration.
- Since many hotels are currently running at less than 50% occupancy rates, anyone who might be traveling to receive the vaccine will have access to comfortable and flexible lodging options should they need them, noted the AHLA. In addition, hotels have put in place sanitation and cleanliness protocols during the Covid-19 pandemic, and have refrigeration capabilities to store vaccines.
- “With the next phases of vaccination distribution underway, hotels have the unique capability to help provide additional locations to assist with the administration of the vaccine,” said Rogers. “The industry looks forward to continuing this work in partnership with the public and private sector to support this next phase of recovery.”

EU Looks at Vaccine Certificates to Help Summer Tourism

- The European Union is looking at a common vaccine certificate to help get travelers to their vacation destinations and prevent tourism from suffering another disastrous year due to the coronavirus pandemic.
- European Commission President Ursula von der Leyen said the certificates for individuals who have been vaccinated could be combined with Covid-19 tests for those awaiting shots to allow as many people as possible to travel during the summer, which is vital for warm weather Mediterranean destinations like Greece, Italy and Spain.
- The issue will likely be discussed during a video meeting of EU leaders next week. Europeans have been concerned that residents might be split into two camps — those with vaccine certificates permitting them to travel and others who remain limited in where they can go.

- But von der Leyen said such discrimination is unnecessary because "you can always combine either a certificate or a negative Covid test, if you did not have access to a vaccination so far."
- "So there are possibilities to find a fair and equal balance," she said during a visit to Portugal's capital, Lisbon, on Friday.
- Nations that depend heavily on tourism are worried that a second consecutive summer holiday season impacted by the pandemic would hit their tourism industries even harder than the first one.
- Prime Minister Antonio Costa of Portugal, which holds the EU's rotating presidency and has some of Europe's most popular Atlantic beaches, said that "tourism is particularly important to our economies," hence the need for the most unfettered travel possible.
- "It's essential that when we do move into the next summer that we feel safe and that others feel safe to travel to Portugal and also go to Greece," he said.
- The Greek government came up with the vaccine certificate plan. Greece will be issuing digital vaccination certificates to each person vaccinated against Covid-19.
- Greek Prime Minister Kyriakos Mitsotakis said he had already proposed that the EU adopt such a certificate across the bloc, and von der Leyen said she welcomed the initiative. "We have every reason to be in the first line of the countries fighting so that transportation, the movement of European citizens, can be as free as possible," Mitsotakis told his country's lawmakers. "We believe that this vaccination certificate must obtain a European character, so that the European countries can share, without discrimination, this information in the same way."
- Vaccinations have started across the 27-nation EU, but it is far from clear what proportion of the population will be vaccinated in time for the summer season.

Covid-19 prompts rethink of mass tourism

- The coronavirus pandemic has forced famous tourist destinations to question their business model, though economic realities are likely to stand in the way of major changes.
- Nature has quickly replaced hordes of visitors at sites like Machu Picchu in Peru, where sightings of elusive Andean bears have caused a buzz among conservationists.
- And in Thailand, which has seen a drop in arrivals of more than 83 percent, marine fauna including dugongs, turtles and whale sharks are enjoying a rebound.
- The Thai government has decided to close more than 150 national parks for an average of three months a year and to limit access so that animal and plant life can flourish.
- "From now on, we want quality tourism, we don't want a mass tourist influx into our national parks," said Varawut Silpa-archa, minister of natural resources and the environment.
- Visitor fees might have to rise to compensate for the lost income but "it is the price we have to pay" to preserve natural resources, he told AFP.
- Access to Machu Picchu has also been curbed, and Peruvian authorities are mulling ways to develop a more exclusive model.
- Local mayor Darwin Baca said they hope tourists can be convinced to stay longer, for example with guided visits to natural sites such as waterfalls while waiting to see Machu Picchu.
- The site normally takes in about \$5.5 billion per year according to official estimates.
- Officials in Dubrovnik, Croatia, which typifies the effects of excessive tourism, want to attract tourists to places outside the walls of the cramped medieval city.

Half of Disney's theme parks aren't opening anytime soon

- Florida will continue to be the only place that you can visit a fully owned Walt Disney theme park in the near future. The original Disneyland in California has yet to reopen since closing in the wake of the pandemic more than 10 months ago. Over the weekend, Disneyland Paris announced that it's bumping its second restart date from Feb. 13 until at least April 2.
- Theme parks are a big part of Disney's business in normal times. It's a segment that thrives during busy travel activity and economic expansion, but we're 0-for-2 on that front right now. Disneyland Paris is the only international resort that is fully owned by the media stock giant. Disney has significant but still minority stakes in Hong Kong Disneyland and Shanghai Disney. It doesn't own Tokyo Disney at all, but it does collect royalty and licensing fees and plays a part in designing new attractions.
- Only Tokyo Disney, Disney World in Florida, and Shanghai have stayed open after restarting operations last year. Hong Kong Disneyland closed three times in 2020, and its turnstiles continue to be locked since the final shutdown on Dec. 2. It's waiting for health authorities give it the green light to get going again. Disneyland in California shows no signs of opening anytime soon, and last week it announced that it would be ending its annual pass program and refunding active pass holders.