Travel Industry Update
February 5, 2021

**Airlines Record Historic 66 Percent Drop in Demand in 2020**

- Global air passenger traffic plummeted by a record 66 per cent last year during the Covid-19 pandemic, the International Air Transport Association (IATA) reported on Wednesday in Geneva.
- The year-on-year decrease in the month of December amounted to 85 per cent for international routes and 70 per cent for domestic flights.
- The industry group measures traffic as the total amount of kilometres flown by passengers.
- "Our forecast is for traffic to return to half of 2019 levels in 2021," IATA chairperson Alexandre de Juniac told a press conference.
- "But the proliferation of restrictions on travel that we have seen since the beginning of the year could make even that modest outlook very challenging," he added.
- Booking levels in December were 70 per cent lower than one year ago.
- Last year, 1.8 billion people travelled by air, down from 4.5 billion in 2019.

**American Airlines will Issue 13,000 New Furlough Notices Friday**

- American Airlines will issue 13,000 new furlough notices on Friday with travel demand stagnating and government aid set to expire at the end of March.
- After warning employees about the possibility of more furlough notices last week, Fort Worth-based American told employees in a letter Wednesday that it plans to issue 13,000 new Worker Adjustment and Retraining Notices on Friday. Those notices are legally required 60 days before any company makes major workforce reductions.
- “As we closed out last year with the successful extension of the Payroll Support Program (PSP), we fully believed that we would be looking at a summer schedule where we’d fly all of our airplanes and need the full strength of our team,” said the letter from CEO Doug Parker and President Robert Isom to employees. “Regrettably, that is no longer the case.”

**Hawaiian Airlines warns more layoffs to come**

- Hawaiian Airlines may have to lay off hundreds of workers once again despite hopes of making a comeback.
- In a notice to the labor department, the airline said it was able to bring back workers with the additional cares funds it was receiving. That money runs out at the end of March, however.
- In the notice, Hawaiian Airlines said:
“Despite our ongoing cost-saving efforts and changes to our business to generate more revenue, the company does not anticipate that is will be able to retain all employees beyond March 31.”

- Hawaiian said it is planning to furlough 647 flight attendants and 99 pilots effective April 1. It plans to furlough an additional 64 workers, on June 1, mainly ramp and customer service agents on the neighbor islands.
- Some workers that just returned to work received warn notices.

**Korean Air ends year with $213 million operating profit**

- While most of the airlines report huge losses amid COVID-19 pandemic, the biggest South Korean air carrier Korean Air reported an operating profit in 2020.
- Despite ending the year with a net loss, Korean Air announced it navigated through the COVID-19 crisis with an operating profit of 238.3 billion won ($213 million) on February 4, 2021.
- Following the financial report, Korean Air had significantly reduced a net loss from 568.7 billion won ($508 million) in 2019 to 228.2 billion won ($203 million) in 2020. As for the airline’s overall sales in 2020, they decreased by 40%. In particular, passenger ticket sales fell by 74%, as compared to the previous year.
- However, the cargo business enhancement tipped the balance and made operating profit possible, as the airline fully utilized its fleet of 23 freighter aircraft and increased cargo capacity by 25% compared to 2019. The airline also used idle passenger planes for 4,500 cargo operations.

**Singapore Airlines posts $106 million third-quarter loss as passenger numbers plunge 98%**

- Singapore Airlines Ltd on Thursday posted a S$142 million ($106.36 million) net loss in the third quarter as passenger numbers plunged by 97.6% due to the pandemic, though its cargo business held up better given a tight freight market.
- The loss compared with the prior year’s S$315 million profit in the quarter ended Dec. 31. Revenue fell 76.1% to S$1.07 billion.
- The bottom line loss was slimmer than its S$331 million operating loss due to a tax credit. Broker UOB Kay Hian had expected it to report a core loss of around S$470 million for the quarter, excluding any impairment charges, while UBS had forecast a net loss of S$330 million.
- Singapore Airlines operated around 19% of its pre-pandemic passenger capacity in December and said it expected to reach around 25% of normal levels by the end of April as it adds flights to its schedule despite the spread of more transmissible variants of the coronavirus.

**Emirates’ Self Check-In Screens Are Now Fully Touchless**

- UAE carrier Emirates has upgraded its self-check-in facilities to become fully touchless. The change comes as the airline looks to improve its contactless journey through Dubai International Airport as the world continues to cope with the COVID-19 pandemic.
• Passengers using the 16 check-in kiosks can control the apparatus using a mobile device to scan a QR code displayed. The passenger can then check-in, receive their boarding pass, choose seats, and drop their bag without touching the screen.
• The bag tags will be printed off by the machine and can be taken and attached to the bags before sending them on their way. Passengers may still be prompted to scan their passport on the device. However, with careful finger placement, touching the machine itself can still be avoided.

French government shuts down Caribbean, Polynesian islands

• The French government, fearing the spread of deadlier and more contagious variants of the Covid-19 coronavirus, has closed the borders of its overseas territories indefinitely, including those in the Caribbean and French Polynesia.
• Caribbean destinations that fall into that category are St. Barts, St. Martin, Martinique and Guadeloupe.
• The French government took this action "independently of the will of our local authorities [desire] to keep St. Barts open," said Nils DuFau, president of the St. Barts Tourism Board. The island was among the first in the Caribbean to reopen to visitors back in late June.
• French Polynesia, which includes the islands of Tahiti, Bora Bora and Moorea, has also temporarily halted inbound tourism, citing "the resurgence of Covid-19 cases around the world."

Maui County makes Covid exposure app mandatory for visitors

• Travelers to Maui County -- which includes the islands of Maui, Lanai and Molokai -- will be required to download a smartphone application that alerts them to possible exposure to the coronavirus as part of a series of measures the county recently adopted to help fight the spread.
• The county has mandated the use of the state's AlohaSafe Alert app, which notifies users if they were in proximity of someone who later tests positive for Covid-19, or a similar service for all arrivals. The new rule applies to both interisland and transpacific travelers as well as critical infrastructure workers.
• Travelers entering Maui County must show airport screeners that they have downloaded the app in order to bypass quarantine; those who have not done so will be asked to download it. If someone does not have a mobile device, just one person in their party has to have downloaded the app, and travelers under the age of 18 are exempt from the requirement.
• The AlohaSafe Alert app, which uses the Google-Apple exposure notification system (GAEN), launched on Maui in December and was rolled out statewide in January. Travelers to Maui may also download and use other GAEN systems if they prefer. Travelers who are not registered with a GAEN system prior to arrival will be subject to a 10-day mandatory quarantine.
• Additionally, in a change from previous policies, interisland travelers to Maui must now upload their Covid-19 test results to the state's Safe Travels application prior to their departure. Prior to the new regulations, only those arriving from outside the Islands had to upload their results before departure.
**Playbooks released for Tokyo Olympics**

- Sportsmanship, long considered a hallmark of the quadrennial Olympic Games, will have to take a different form as new rules will prohibit the customary handshakes, high fives, and hugs at the world’s largest athletic event. The changes, published today in the International Olympic Committee’s first official “playbook” for the Tokyo 2021 summer games, which were deferred from 2020 after the COVID-19 pandemic struck, offer a first glimpse at what the massive sports festival will look like in the age of the coronavirus.
- It will look spare, it appears, from a brief review of the book. Aside from discouraging physical contact, rules also state that spectators should support athletes only by clapping and should refrain from cheering, chanting, or singing.
- Athletes, meanwhile, will not be allowed to watch their teammates and competitors at the venues, unlike in previous games. They also will not be allowed to use public transportation unless granted permission, should not visit tourist areas, shops, or restaurants, and must wear face masks at all times “except when eating and sleeping.”
- The playbook is directed at mitigating the risk of COVID-19 brought by the Tokyo games, which the International Olympic Committee has insisted will take place this year. Prime Minister Yoshihide Suga yesterday extended Japan’s state of emergency until early March.
- The Olympic torch will be lit on June 23 and will burn until August 8.

**These U.S. Cruise Lines Will Require Passengers Be Vaccinated Before Boarding**

- The policy will go into place starting July 1.
- Starting July 1, the American Queen Steamboat Company and its sister company Victory Cruise Lines will require all guests and crew to be vaccinated against COVID-19 for all sailings, the companies announced on their websites.
- In addition to the vaccine, both cruise lines will require guests to get a COVID-19 test prior to embarking, wear masks on board, and undergo temperature checks. The ships have also implemented several safety measures, including using electrostatic fogging to disinfect public spaces twice each day and adding UV-C light to all main air handlers.