Travel Industry Update
February 19, 2021

**Air France-KLM plunges to huge loss in pandemic-hit year**

- Air France-KLM plunged to a 7.1 billion euro ($8.5 billion) loss in 2020 as the global pandemic grounded planes and halted travel plans worldwide causing a 67% slump in passenger numbers at the French-Dutch aviation giant.
- Both the French and Dutch governments pledged billions in support last year to help the carriers survive the brutal downturn in air traffic caused by the coronavirus.

**Airlines Still Don’t Know When Passengers Will Return**

- Experts say that tourists could come back in the spring or summer but that more profitable business travelers could stay away for a year or longer.
- Air travel has recovered somewhat in recent months, but it remains deeply depressed compared with 2019, and no one knows when business will return to more normal levels. Two essential moneymakers for airlines — corporate and international travel — are likely to stay sidelined for another year and possibly much longer.
- Before the pandemic, business travel accounted for about 30 percent of trips but 40 to 50 percent of passenger revenue, according to Airlines for America, an industry association. And those customers aren’t expected to return in great numbers any time soon.
- The four largest U.S. airlines — American, Delta, United and Southwest Airlines — lost more than $31 billion last year, and the industry overall is still shedding more than $150 million each day, according to an estimate from Airlines for America.
- Airlines for America does not expect passenger numbers to recover to 2019 levels until at least 2023. And airlines might have to wait even longer if the economic recovery falters because of the spread of coronavirus variants or a delay in vaccinations.

**Ireland to Require Travelers From 20 Countries to Quarantine in Hotels**

- Irish government officials have approved a plan to require a hotel quarantine for travelers arriving from countries including Brazil, Austria, the United Arab Emirates, and 17 African nations.
- Visitors will be required to remain in quarantine for 14 days and take several COVID-19 tests during their stay. However, travelers may be able to exit quarantine after 10 days with a negative COVID-19 test, The Irish Times reports.
- Quarantine violations could be met with stiff penalties. For example, a first violation could be met with a €4,000 (nearly $5,000) fine or a month in prison, while a third offense could carry up to six months in jail and a €5,000 (approximately $6,000) fine, TheJournal.ie reports.
• Of course, sneaking out of quarantine may not be so easy. The Irish government is expected to hire private security firms to manage quarantine facilities and escalate issues to local police.
• The legislation is expected to take effect next month, and Irish officials have said they could potentially expand the list of countries. It’s not yet clear how much the quarantine — which is aimed at reducing the transmission of coronavirus variants — will cost, the BBC reports.

**U.S. Travel Ban: EU Told To Find A Way To Open Borders To Americans Or Lose Billions In 2021**

• The European Tour Operators Association (ETOA) is the trade association for better tourism in Europe with over 1,200 members serving 63 origin markets. It announced today that the EU needs a solution for welcoming back non-essential travelers from the U.S. or it would risk losing billions of dollars again in 2021.
• Tom Jenkins of ETOA said that potential U.S. and Canadian visitors are being pushed away because it isn’t clear yet when they might be able to return and under what conditions. “Europe is viewed as a single destination by long-haul visitors: it is what they think of and is their goal when planning a trip. So there has to be a coordinated response from the Schengen area to define what it takes for business to resume,” he said in a press release.
• The Chairman of the Canadian Tour Operators Association (CATO) Brett Walker added that what was needed was an immediate, coordinated, and fully transparent tourism recovery plan, threatening that the situation would become even more dire without one.
• “The next 90 days will likely determine if there any safe and meaningful return of North America travellers to Europe this summer,” Walker said. “The greater and the longer the uncertainty, the more likely Europe will see the same decline of North American spending, between 90-95% for 2021 as was the case in 2020,” he added.