

## UK Office April 2020 TDC Report

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### Tour Operators

- **360 Private Travel** - We spoke to Zia Bapuji, Supplier Partnerships Director at 360 Private Travel. The business operates as an invite-only, high-end luxury travel concierge service. Zia advised that eight members of the head office team have been furloughed for the foreseeable future; the business's luxury travel consultants are all self-employed individuals that are continuing to work to support their customers, however, it is an extremely difficult period; bookings with values exceeding £100k are being lost. One significant difference for this operator is the customer is more willing (perhaps able?) to leave any monies paid to 360 with the operator and defer it to another trip later in 2020 or 2021. Zia noted that many suppliers (hotels, airlines) are no longer offering refunds and will only provide credit notes, which means the business/its consultants will be at a loss in situations where the customer wishes to cancel for a full refund.
- **Ocean Holidays** - We spoke to Lisa Airey, Commercial Manager. Lisa advised the business is currently working week-to-week dealing with upcoming bookings making amendments or cancellations. The majority are amending trips to the end of 2020 or 2021 but there are some cancellations, and this is of concern to the business because of the hit to cash flow. They have contacted all customers due to travel up to the middle of June and expect to have spoken to those travelling up to 30 June within the next couple of days. There are weekly calls to assess business and the majority of staff have now been furloughed until at least the 31<sup>st</sup> May (commencing 1<sup>st</sup> April), including Lisa, Muna Abanour and Colleen Creevy. On a brighter note they are still receiving some booking enquiries, all for 2021/22, (there had been approximately 120 the day previously) but this is significantly lower than average. All paid marketing is frozen, they will work with us directly to restart plans as and when the time is right on our planned co-op marketing campaign.
- **American Holidays** - We spoke with Dee Burdock, Product Manager. Dee advised that everyone is currently working from home and they are concentrating on still postponing or cancelling customers' holidays that had already been booked due to the lockdown and inability to travel to the US at present. All marketing has been suspended for the foreseeable future and of course all internal, external meetings and trainings have been postponed until further notice due to the lockdown.
- **Gold Medal/Travel 2** - We received an email from Harriet Hudders to outline some changes to the Gold Medal and Travel 2 partnerships team in the UK over the next couple of months. Last week dnata Travel Group informed all of its UK employees that it will be utilising the UK Government's Job Retention Scheme to furlough a proportion of its workforce during the months of April and May. Staff who are required to maintain the key specific operational functions essential to supporting agents and customers with bookings have been ring-fenced. This action has been taken to safeguard jobs in response to the COVID-19 pandemic's unprecedented impact on all of the group's brands, and

ensure those brands are well positioned to welcome affected team members back to resume their responsibilities and recover full operations in the future.

- **Virgin Holidays** - We had call with James Killick who advised he was officially furloughed from 1<sup>st</sup> – 30<sup>th</sup> April. He is scheduled to return on the 1<sup>st</sup> May and all staff who are working in April will be furloughed in May. VHols and Virgin Atlantic are working with skeleton staff. Once demand begins to rebound, staff will be returned to work. I told James that we are here to support him and VHols as much as possible and that we will be ready to assist (training, marketing, sales, etc.) as and when they are ready.
- **Vacations to America** - We spoke with Andrew Pickering who advised he would be furloughed from the 1<sup>st</sup> April. They have a small team of staff remaining who are working with existing clients a combination of re-booking and cancelling.
- **Stella Travel Services (Dnata)** - We had an update from Jonathan Couch who advised that they are now working with skeleton staff in the USA team and that most of the teams who work for this dnata brand have been furloughed until the 31<sup>st</sup> May.
- **American Holidays** - Dee Burdock provided us with a further update this month and has advised the sales team are still contacting clients and that there are more incoming calls from customers in relation to what their options are going forward. For the most part they are issuing credit notes to customers to use for a future date obviously working within the airline terms and conditions for re-booking. Some of their trade partners (some escorted tours and rail tours) are only providing a future credit to their passengers so they have to work within these parameters also. Dee believes for the most part it was easy enough to get clients who were booked to on city breaks and at a certain price point to rebook for later in the year - some amended bookings have been made from September onwards and they had for their March departures, more than 50% rebook. For more complex itineraries and obviously larger revenue bookings (as this was their main family holiday) it was a much harder process for their clients to determine when next they could travel so most of them are sitting as credits. Some Easter departures have been pushed back to Christmas but there was limited availability at that time anyway and the prices were a bit higher so hard for people to pay more. March proved to be a challenge mainly due to the fact that they had people in transit when the travel ban was announced and with it being over the weekend could not cancel outside cancellation penalties but she feels April will be a bit easier as they will have more time to manage what they will be up against.
- **If Only** - Caroline Waters, Product & Commercial Executive, advised currently the 'on the road' Sales Team are furloughed. Management have advised they will continue to furlough in stages; Product are still working in April, but that may change in May however, it is still to be confirmed.
- **On the Beach** - We emailed Mark White, Senior Purchasing Manager for long-haul west, and he advised that he is still working full time for the time being and preparing for the hopeful upturn that will come in the next few months. No update on marketing, however, we did not have any planned campaigns with this operator. Mark is keen to continue receiving the destinations updates from our side.

- **Funway Holidays** - We emailed Nick Talbot and Malcolm Davies for a market update from a Funway Holidays perspective and received e-mails advising that they have both been furloughed until further notice.
- **Tour America** - We have spoken with Veronica Flood, Marketing Manager who advised that since mid-March they have a team working remotely from home. They have almost completed rearranging April departures and are now working on May and June departures. They are offering to move clients to a future date of travel up until 31 Dec 2021 or they can apply for a refund less their booking deposit however they won't lose the deposit again this can be used against a future booking. This is their general offering however each booking needs to be checked as there may be restrictions if their flights are already issued or if it involves a cruise. They still have queries coming in via social media and their website but it is minimal and she believes this will continue to be the trend over the coming weeks. Their priority is to try and keep as many bookings/clients as they can and she thinks they are doing this by having such a flexible rebooking policy.
- **Flight Centre** - We spoke with Liz Cairns, Head of Partnerships and Product Marketing and asked for her general feedback from a Flight Centre perspective. Liz advised that they had made some additional and major changes to protect their business with many staff being furloughed and that at the moment their core focus is on repatriation although she thinks that Flight Centre are nearly through with this and that they will then work on rebooking customers who have had to postpone their trips. They are currently working on their marketing plans for once the corner has been turned. Initial plans are for May this year but partnered campaigns are on hold until September. Liz is currently working on plans from Sept 2020 – June 2021. Since last week the group have secured \$900 Million investment to see them through this troubling time.
- **Premier Holidays** - We spoke to Heidi Blades who advised she is continuing to work full-time however a number of employees have been furloughed with more to follow. Marketing has been suspended for the time being and they are dealing with amendments and cancellations at this time.
- **Platinum Travel** - We spoke with Ciara Foley, the owner of Platinum Travel in Ireland and she advised in regards to business that without a doubt it is an exceptionally challenging time and they are trying their best to remain positive and innovative as much as they possibly can. They have a team of 6 who all work from home before the pandemic so they are very lucky to have low overheads from the outset which helps. However, trading has come to a complete and utter standstill and all their time is focused on dealing with client's queries. For the most part 80-85% of people are rebooking which is excellent. They are rebooking for the end of 3Q and all of 4Q and then into 2021. Most clients are very understanding and patient and understand about credit notes over refunds etc. However, there are a few that are a little demanding and challenging, it has been tough on this front but they are getting through them. Very little enquiries for 2021 yet, but Ciara thinks they are just a little too early at the moment. The only bookings for 2021 really are those that have re-scheduled. However, they do anticipate more as the weeks go by and as more positive news comes out from the government & countries worldwide. She hopes they will be able to ride the tide and they will certainly be doing their best. They know all their peers & colleagues in the Irish & UK industry are in the same boat. Ciara was a guest on The Travel Lounge pod cast with Ed Finn & Sarah Slattery. They

discuss the Irish travel situation for about 20 minutes, and then Ciara as their guest, discusses the industry, the US and their options when it is time to travel again. The link to the podcast is here: <https://www.buzzsprout.com/989476>. They discussed the open spaces, road trips, national parks etc. as these will hopefully be inviting for consumers away from the hustle & bustle of cities. On this note, Ciara has said that she could showcase the beaches of St. Pete/ Clearwater during slightly quieter off-season times as a safe destination to go to through their company messages. As such we have sent over imagery, logo and video assets for Ciara to utilise in the future.

- **Travelbag** - We emailed Suzanne Harvey Head of Product at dnata (B2C – Travelbag & Netflights) who started off by saying that everyday seems to bring something new and challenging and for them to then have to work around. She advised the following: They have cancelled down all of the April bookings and issued credit notes. From that, if the customer still does not want to amend then they request a refund. They legally have to give refunds but this will take a while to action as they have to ensure they are getting the money back from suppliers. For May they are doing week by week and calling out to all customers to try and get a handle on what people want. They have as of yesterday (21<sup>st</sup> April) worked 1-7<sup>th</sup> of May and early signs would suggest people want to rebook but they aren't sure where or when yet. They are finding it is split down the middle ½ requesting a refund and ½ amending or at least say they will. What is being amended is all for 2021, people are playing it safe. They are averaging about 10 brand NEW bookings a day. All travelling Oct 20 onwards. Main areas are the Maldives, Thailand and Dubai. For the USA they have had a few enquiries but it seems with the US, people are more nervous. Their purchasing team are working hard on going out to secure offers / check hotels are open and concentrating on rebooking protection on the rates. They are rolling over as many contracts as they can to 2022 so that they can be ahead of the game. They are not doing any outdoor marketing at the moment but they did at the weekend put out something on Social Media to see how people reacted which was positive considering how upset people are at the industry. They have from that yesterday sent out an email about 2021 just with a few teaser deals to see what comes of it. They are weeks away from doing anything big though. Their retail stores (A total of 9 retail units around the UK) are closed but they have a good number of sales agents working from home. They already had some home workers and so they were quite lucky they had a handful of people able to ease the pressure while they worked on getting all staff set up to work remotely from home.
- **USAirtours/TravelPlanners** - We spoke to Linda Dixey, Product & Partnerships Manager for a general update. Linda advised they have had to furlough many of their staff and are down to a team of 35 working remotely from home due to UK restrictions as of the end of March. All of the managers that are still working are currently working with their suppliers to obtain rates etc. for 2021 and beyond. She advised that 50% of bookings they had for March and April were cancelled by consumers but that 50% had re-booked for later in 2020 and beyond into 2021 where possible. In advance of May and June the sales team have been calling customers and 78% of their clientele are switching with only 22% cancelling. All marketing activity has been placed on hold and will be addressed after the UK lockdown period has been eased. Linda did say that even without any marketing or advertising over the Easter holidays in the UK they were taking some new bookings for 2021 and as they now have 2022 on sale in certain destinations, holidays were also being booked for then.

- **Sunway Holidays, Ireland** - We spoke with Barry Hammond, Product Manager at Sunway Holidays in Ireland. Barry said he thinks it would be fair to say that they have become good administrators at this point, that's really the bottom line at the moment, all staff are all in an admin role at the moment. Very much so, a day to day task is tidying up current bookings as they try to salvage what they can of existing reservations – They are trying to see if they can push clients out to the end of 2020 and into 2021. The general feeling (especially around people that were travelling/due to travel in April and May and now going into June) is to try and obtain a refund, the option to push to a future date isn't gaining much traction for them. The complete uncertainty that surrounds them is the biggest factor now for example, if people travel again when restrictions ease (And what those easing of restrictions will be for tourists are still very much unclear), could there be a second wave of Covid 19, will tourists be stranded again if it spreads again and scrambling to get home, and Barry can see why people would think that, it happened so quickly only a few weeks ago that people would be concerned about travelling overseas at this moment. Quite simply – People could find themselves (Like everyone and many other jobs, on reduced day/hours) OR some/a lot of people out of work, so he guesses people are ring fencing their finances and priorities. Holidays are a luxury still up in the air. For people who have already booked/future travel, he believes they'll wait it out and see what happens over the coming weeks as his feeling is that Covid 19 isn't going to go away anytime soon. It will be determined by mindset, governments/airlines new policies, authority etc., Barry said a lot will change over the coming months but the exact details are anyone's guess for now. So, for Sunway's future travel, they will be doing well to see many booking in Q3/Q4 for anywhere in 2020 and for travel in 2021, they have to factor in that they actually can't book anything beyond April 2021 anyway as the GDS systems they use only allow them to book up to 9 to 10 months in advance of today's date with Airlines, so they are not getting anything in the way of future bookings just yet. He believes there will be a genuine demand for travel again and perhaps once there is a blanket consensus and directive on travel, restrictions fully lifted and when WHO directives are firmly in place, but until then, he thinks 'there will be a continuing scar on our industry for a time as we accept some new norms in all walks of life ... time is a great healer as they say and time is what we need to adapt and build our new future, but they will and we will all be hopefully at workshops, trade shows and FAM's sooner rather than later'.
- **Trailfinders** - We emailed Rachel Webb the new Florida Product Manager at Trailfinders (TF) and she advised that all TF staff have been working from home for approximately 4 weeks now, it's not something TF have done before but they all seem to be working well and continuing to run the company on a day to day basis remotely outside of their head office in Kensington, London. TF took the decision to cancel all holidays departing in April and May globally, not just the US, and they are actively encouraging their clients to re-book their cancelled holiday, rather than completely cancel. On the whole, they've seen quite a positive reaction to this strategy and Florida has seen a good level of interest so far. As a company they have the ability to guarantee out of range flights for their clients which further helps to put them in a strong position. They have been working with their hotel and receptive partners to encourage them to release their 2021 contracts early, or simply roll-over the 2020 rates, and again they have seen many positive results but have also found that many of their contacts at hotels have been furloughed. They are also asking their partners to extend strong, stand-out offers for Q4 2020 and into 2021 so that they entice as many clients as possible to commit to booking now, see the great value offered and help the recovery process. Their clients want to travel and they will react

positively when they see great value for money - but suppliers and destinations are in greater competition than ever. Without strong offers, their suppliers will lose out on the recovery business to those suppliers who are. With regards to marketing activity, they have paused campaigns with their partners and instead are sending e-blasts to their database which highlight different destinations and the strongest stand-out offers they have negotiated in each.

### **Meetings/Training/Events**

- **Visit Florida Partner Event** – We have been advised that the summer sailing event that we had confirmed our partnership on has now been cancelled and that the Visit Florida UK office will be looking to use that budget for something else trade focused when the time is right to do so. They will keep us updated as soon as any firm plans start to arise.
- **Visit Florida UK & Ireland Office** - We spoke with Gill Standeven, Account Director at Visit Florida's UK & Ireland office and she provided us with the following updates. All tour operator co-op marketing activity in the UK and Ireland that had commenced before the UK lockdown was put in place has now been paused for the time being and they are currently discussing the possibility of funds being ring fenced into their next fiscal year budget if things do not improve before the end of June. Gill advised that the UK office is currently having in-house conversations with their head office regarding strategic planning and they are now in the process of offering any of the tour operators that they had started activity with to re-submit alternative plans for the marketing funds they had been allocated based on the current situation. Visit Florida UK & Ireland office are constantly in contact with their trade partners and the Visit Florida creative team in the US are looking at possibly promoting inspirational news to keep Florida forefront in people's minds.
- **United Airlines** - We spoke with Lesley Roberts who advised that all the sales & marketing teams are working from home. They are hearing of more and more airlines, and indeed travel companies, temporarily furloughing staff/putting staff on reduced hours. United Airlines have not announced anything about their UK team being furloughed or having to reduce their hours but will keep us posted if and when this happens. As for United, of course it was very welcome news for the US carriers that the US govt bail-out was agreed last week. They are obviously operating a much-reduced schedule at the moment. International flying is down approximately 96% for April and down by around 70% for US domestic but as we might expect, loads on the (domestic) flights that are operating are low. The international flights that are operating are busy but essentially with customers just trying to get home. They have an LHR-EWR and LHR-IAD flight operating at present. They are staying in regular contact with their tour operator accounts and continuing to try to monitor the mood of the market. Very few new bookings are coming through at this stage and customers who are rebooking are looking at post-summer, so autumn at the earliest if not later in the year/early next year. Their policy for rescheduled/cancelled flights is basically rebook or a deferred refund 12 months after original ticket issue date.
- **Holiday Taxis** - We spoke to Simon Miles, Commercial Manager for Holiday Taxis. 60% of the workforce has been furloughed until the end of May. Simon is still working

full time and the priorities are amending/cancelling existing bookings and renegotiating contracts to reduce rates across the board. Holiday Taxis are planning to aggressively go after business with big discount messages when stay at home restrictions are lifted and travel bans begin to change.

- **Brand USA** - We emailed with Ava Mehta to understand what activity Brand USA are currently undertaking. Ava advised they have created a specific page on the Brand USA website which is kept up to date with their messaging points and contains all the current information (<https://www.thebrandusa.com/coronavirus-updates>). It also includes details of their consumer messaging - the Virtual Road Trip is running on their Instagram (Visit the USA) and Facebook (Visit the USA UK) channels currently and follows a journey around the USA. They are also promoting their GoUSA TV app which has some fantastic content to take consumers (and agents too!) on armchair adventures throughout the USA. Ava has also confirmed she is receiving the updates from us and has been sharing these accordingly. Ava said, "Thank you. These are really useful to see what is taking place in destination."
- **Visit USA UK Association** - We emailed Pamela Newman and she advised that Visit USA UK are all working as usual, but they are working remotely. They are planning to do something with members' Blog contents, virtual experiences and Spotify lists over the coming weeks and so have asked that we keep sending updates, news snippets and content as much and as often as possible.
- **Visit USA Ireland Association** - We received an update from Tony Lane, Executive Director of the VUSA Ireland committee with the following detail: "While these are testing times, it is crucial to highlight the determination, drive, and energy that people in the Irish travel sector have shown to adapt and brave this crisis. Across the industry, people are rising to the challenges to ensure business continuity and are planning for a time in the near future when normal travel to the United States has resumed. On our behalf, we remain 100% committed to our mission to promote travel to the United States. By persevering with our activities in a manner that is appropriate for the current climate, we hope to help our members hit the ground running when the market recovers." Additionally, Tony's email included overviews on several key markers – What is happening now: The Irish Government was quick to react to COVID-19 and is following the Korean model for addressing this crisis. Extensive social distancing protocols are currently in place across the country and a high level of testing/contact tracing is being conducted. The goal of these measures is to slow down the spread of the virus, to reduce pressure on the health service and to save lives. The Irish Government has been praised by the World Health Organization (WHO) for its response to this crisis. Tentative indications are that strategy is working, with infection rates beginning to plateau. To date, there have been 6,574 confirmed cases of COVID-19 in Ireland with 263 related deaths. The median age of deaths in Ireland is 81. Effects on Irish Travel Trade: The effects of the COVID-19 crisis on the Irish travel trade has been stark. The Irish Department of Foreign Affairs and Trade is advising against all non-essential travel overseas until further notice. On the 14<sup>th</sup> March, the US expanded a travel ban on European countries to include Ireland. This ban is in place until the 12th April but will likely be extended. The popular J1 US student visa programme has also been suspended. Passenger traffic at the state's largest transatlantic gateway, Dublin Airport, is currently down 95%. The future: The Irish Government has put in place a significant package of financial measures to assist businesses and workers during these challenging times. The economy was

performing well before COVID-19 (total employment and fastest-growing economy in Europe at 5.6%) and it is hoped that these measures will help it to recover quickly and rapidly restore consumer confidence. Many industry representatives, including the ITAA, have been lobbying the Department of Transport, Tourism & Sport and the Commission for Aviation Regulation for additional ways to further help the sector. It is being reported that the Department of Transport, Tourism and Sport is in the process of finalising proposals to alleviate financial pressures with a view to protecting jobs and travel agent/tour operator businesses.

## **TRADE LIAISON**

- **THG Holidays** – Stam Tzafos, Product Manager USA contacted us to request new imagery as well as general area copy as he is currently working on adding in details to their new website.
- **Travelbiz Ireland** – Don Shearer, Publisher and Managing Director advised he would include details of the Virtual Tours and the #BrighterDaysAhead campaign on their online portal that is shared with the Irish travel trade after we had sent them details regarding these.
- **Selling Long-Haul** – Sally Parker, Publisher at Selling Travel a UK trade publication has advised that she has forwarded details of the Virtual tours and VSPC Spotify Playlist to her editorial team for them to include the details in the digital and e-magazine format that is being sent out to trade personnel including tour operators, airlines and travel agents and this was uploaded and live on the 15<sup>th</sup> April.
- **Flight Centre** – Liz Cairns, Head of Partnerships and Product Marketing in the UK contacted us for new imagery and video footage which has duly been sent for her to utilise.
- **Visit USA Ireland** – Tony Lane, Executive Director of the Visit USA Committee in Ireland has advised that they will be featuring details of the #BrighterDaysAhead campaign on the website and on their social media platforms to keep the Irish consumers and travel trade updated on our destination and the efforts being made to keep VSPC forefront in people's minds.
- **Tour America/Experience Kissimmee/Visit St. Pete/Clearwater** – We are currently waiting on the final analysis campaign report to be sent to us. Tour America had in the meantime sent us the invoice and asked if we would be able to send this to Brand USA as soon as possible due to the current circumstances and economic climate. This was duly sent but we have been advised that this will not be able to be processed until we have proof of activity having been placed and run. This has now been received and sent to Brand USA to process payment. Tour America are working remotely and do not have access to their internal PC Drive so will be sending a full campaign analysis report once restrictions have been lifted in Ireland and they are able to go back to their office.
- **Platinum Travel, Ireland** – We sent Ciara Foley, Managing Director/Owner of Platinum Travel video, logo and image links for them to utilise in the coming weeks on their

website and social channels that she had requested after she had received our bi-weekly e-newsletter.

- **Newmarket Holidays** – We received an email from Mandy McGlade Product Manager at Newmarket Holidays to say she is leaving the company and that Richard Harrington will be furloughed until further notice.
- **Virgin Atlantic Trade Partners Team** - We have received an email from the Virgin Atlantic Trade Partners Team advising that they have decided to close the Virgin Atlantic Trade Partners desk from Friday 3 April 2020 and to thank us all for our support in the past.
- **Visit USA UK Association** – Due to Covid-19, Visit USA UK has postponed its next two major events of 2020 until 2021. The Media Marketplace & Media Awards will now be held on the 28<sup>th</sup> June 2021, similarly the Visit USA Independence Ball will now take place on 1<sup>st</sup> July 2021.
- **UK Office Weekly Updates (Trade & Consumer)** – We have continued with the collection of trade and consumer feedback from both our trade partners as well as collation of trade & consumer media articles (consumer media feedback received from Rooster PR) and sending these back to VSPC on a weekly basis.
- **Visit USA Ireland** – We have signed up for the Q2 Visit USA Committee meeting being held by teleconference on the 19<sup>th</sup> May.
- **UK Office Weekly Newsletters** – We have continued to send bi-weekly email updates to our travel trade partners and trade press contacts promoting things such as the Brighter Days Ahead campaign and to continue to offer our assistance to these partners if needed. We have been advised by both tour operators and our trade press contacts that they are very much enjoying the e-newsletters and that these are being very well received.
- **UK/Ireland & Scandinavia Sales Plan FY21** – Completed the FY21 Sales Plan and submitted this to the VSPC team.
- **VSPC Gulf to Bay Brochures** – The new Gulf to Bay brochures have been received at the UK mailing house.
- **Gold Medal Travel** – Allison Cockburn, Senior Partnerships Manager advised us that she would be including details of our virtual videos to all of their independent travel agencies in their trade newsletter due to be distributed this month.
- **Ad Campaign Document Update** – We updated the ad budget document with regards to the status of our co-op marketing campaigns as per Katie’s request.
- **Hays Travel** – We have been advised that the retail chain has furloughed “the majority” of staff to utilise UK government financial support during the Coronavirus pandemic.

- **Visit USA UK** – The Visit USA Association in the UK posted details on their social media platforms of the peaceful sounds of our award-winning beaches after we had sent details of these links on our e-newsletter.
- **Discover America Scandinavia** – We have provisionally signed up to attend the Discover America Malmo (Sweden) trade show on the 29<sup>th</sup> September and the Gothenburg (Sweden) trade show to be held on the 5<sup>th</sup> October 2020.
- **Charitable Travel** – We provided Melissa Tilling, CEO of Charitable Travel with video footage and logos to be included on their website. Charitable Travel are a new start up Fundraising Futures Community Interest Company. Social enterprise Charitable Travel launched this month offering travel agency and tour operator services and donating a share of its income to charities that partner with it. The Charitable Travel brand has been developed by the not-for-private-profit social enterprise Fundraising Futures CIC. It will offer an array of worldwide holidays, hotels, flights and ancillary products.
- **IPW** – We have been advised that IPW has now been cancelled and will be re-scheduled to be held in Las Vegas in May in 2021. We have proceeded to cancel hotel bookings etc.
- **Ocean Holidays** – scheduled training for 08<sup>th</sup> April postponed to 24<sup>th</sup> June (tentative) due to Covid-19
- **If Only** – scheduled training for 15<sup>th</sup> April postponed until further notice
- **Travel2** – scheduled training for 15<sup>th</sup> April postponed until further notice
- **American Sky** – scheduled training for 21<sup>st</sup> April postponed until further notice
- **Visit USA Ireland** – Cork and Dublin roadshows postponed tentatively until October 2020. Details to be discussed on the 19<sup>th</sup> May conference call which we will be participating in.

## **ENQUIRIES:**

Telephone/website enquiries for information and/or literature: 32

## **MARKET INTELLIGENCE**

**01<sup>st</sup> April 2020, source: TravelMole**

### **Coronavirus closure forces SeaWorld to furlough 90 percent of workers**

SeaWorld Entertainment will temporarily stand down most of its workforce due to the global outbreak of covid-19. In a SEC filing it said about 90% of workers will be furloughed from April 1. "The furloughed employees will not receive compensation from the company during the furlough period after March 31, 2020; however, subject to local regulations, these employees will be eligible for unemployment benefits," it said. "The furlough period is uncertain at this time due to the temporary park closures and will be reassessed as business conditions dictate." SeaWorld closed all theme parks in mid-March, including SeaWorld,

Busch Gardens and Sesame Place. "We will announce ride openings and new launch dates after we resume normal operations," SeaWorld added.

**02<sup>nd</sup> April 2020, source: Sky News**

### **Coronavirus: Aviation giants lobby for Virgin Atlantic bailout.**

Airbus has raised fears for the collapse of Virgin Atlantic amid the COVID-19 pandemic in a letter obtained by Sky News' [Mark Kleinman](#). Britain's biggest airport and some of the aviation industry's biggest manufacturers are mounting a frantic lobbying campaign to secure taxpayer support for Virgin Atlantic Airways. Sky News has learnt that Airbus, Rolls-Royce Holdings and Heathrow Airport have this week written separately to Grant Shapps, the transport secretary, to urge the government to "do all it can to support Virgin in these extremely difficult times". In one letter, John Harrison, general counsel and UK chairman of Airbus, warned that Virgin Atlantic's "collapse could have an extremely negative impact on the A330 [aircraft manufacturing] programme". "As you will be aware, all wings for these aircraft are designed and manufactured in the UK, and orders from airlines like Virgin are vital for the continuation of our business," Mr Harrison wrote. Similar messages are understood to have been communicated by Heathrow and Rolls-Royce, both of which are also significant customers of Virgin Atlantic. One industry source said the letters had been written at the instigation of the British airline. The Airbus executive's warning represents one of the first signs that Virgin Atlantic regards the coronavirus pandemic as an existential threat. The carrier recently received a capital injection amounting to more than \$100m from Sir Richard Branson's Virgin Group. It is now seeking support from the government in the form of several hundred million pounds of credit facilities and guarantees against payments being held back by credit card companies. Discussions are continuing between the airline and Whitehall officials this week. Peter Norris, Virgin Group's chairman, last month urged Boris Johnson to establish an industry-wide support package that could cost in the region of £7.5bn. Virgin Atlantic has asked staff to take eight weeks of unpaid leave, grounded most of its fleet and announced that its chief executive would take a pay cut for several months. One challenge for the government in deciding whether to extend special support to the company lies in the fact that its two largest shareholders are Sir Richard and Delta Air Lines, the big American carrier. Last week, Rishi Sunak, the chancellor, indicated that state aid would be available "only as a last resort" and after the support of broader government schemes and companies' existing shareholders had been pursued. He added that help would only be afforded to companies which had demonstrated their value to the wider UK economy and to competition in the aviation sector. As a privately-owned company, Virgin Atlantic may find it difficult to raise equity unless it was prepared to find a new investor at a distressed valuation. In his letter to Mr Shapps, which was copied to Mr Sunak, Airbus said Virgin Atlantic had played an important role in working towards the decarbonisation of Britain's aviation industry. Mr. Harrison added that it was "important for UK passengers to have access to a market that has choice and competition". "Virgin has a vital role in ensuring this remains the case, and also contributes to the tourism industry in the UK through Virgin Holidays," he wrote. Sky News revealed this week that ministers had hired a leading accountancy firm to advise them on rescue requests from airlines and airport-owners that could cost taxpayers billions of pounds. The aviation industry has warned that it is running out of time to secure funding that would keep some of its most prominent players aloft as the coronavirus outbreak creates the biggest crisis in its history. EasyJet is also regarded as a likely candidate to require taxpayer's support if the effective shutdown of the aviation industry lasts for longer than three months. On Monday, easyJet grounded its entire fleet and said it would furlough thousands of staff. A spokesman for the DfT said: "The aviation sector is important to the UK economy, and firms can draw upon the unprecedented package

of measures announced by the chancellor, including schemes to raise capital, flexibilities with tax bills, and financial support for employees. "We are continuing to work closely with the sector and are willing to consider the situation of individual firms, so long as all other government schemes have been explored and all commercial options exhausted, including raising capital from existing investors." Tim Alderslade, the chief executive of lobbying group Airlines UK, described the situation facing airlines as "grave" and said the government was "not doing enough on some of the cross-industry measures they could be putting in place to prop up the sector in the here and now, and to stimulate demand once we enter the recovery stage". Airlines also want ministers to underwrite hundreds of millions of pounds in regulatory and air traffic control charges as they seek to navigate through the escalating coronavirus crisis. Virgin Atlantic declined to comment.

**2<sup>nd</sup> April 2020, source: Travel Weekly**

### **BA to furlough 36,000 staff**

As many as 36,000 British Airways staff are set to be furloughed after the coronavirus pandemic forced the grounding of most flights. A deal is reported to have been reached with the Unite union covering up to 80% of the workforce. Those affected are expected to receive some of their wages through the government's coronavirus job retention scheme, which covers 80% of salary capped at a maximum of £2,500 a month. They include cabin crew, ground staff, engineers and those working at its head office near Heathrow, but no staff are expected to be made redundant. The decision will affect all staff at Gatwick and London City after the airline suspended its operations at both airports until the crisis is over. The carrier has been negotiating with the Unite union for more than a week. The two sides have reached a broad deal but are yet to sign on some details, according to the BBC. A spokesman for the airline would only say that "talks continue". BA has already reached a separate deal with its pilots who will take a 50% pay cut over two months. Many staff at Virgin Atlantic have had their jobs suspended for two months and crews at easyJet are out of work for three months. BA has been running government repatriation flights this week to get hundreds of British nationals' home from Peru, after the country went into lockdown. It is one of several UK-based airlines that has agreed to run further rescue flights in the coming weeks as hundreds of thousands of people are still stuck in other parts of the world. Parent company, International Airlines Group (IAG), is in a better financial position than some of its competitors. The group has made healthy profits in recent years. But the airline's expected decision to suspend such a large number of workers gives a sense of how hard UK aviation has been hit by travel restrictions, designed to stem the spread of the pandemic. With future bookings cancelled for the foreseeable future, airlines have been haemorrhaging cash. Iata has warned that airlines could incur losses of almost \$40 billion over the next three months. The airline trade association said carriers were burning through their cash reserves fast, mainly because of the multi-billion-pound cost of refunding tickets for cancelled flights.

**2<sup>nd</sup> April 2020, source: Travel Daily**

### **IATA president "We are looking at a devastating net loss of USD39 billion"**

The International Air Transport Association (IATA) has released new data which shows airlines may burn through USD 61 billion of their cash reserves during the second quarter ending 30 June 2020, while posting a quarterly net loss of USD39 billion. The analysis is based on the impact assessment IATA released last week, under a scenario in which severe travel restrictions last for three months. In this scenario, full-year demand falls by 38% and full-year passenger revenues drop by USD252 billion compared to 2019. The fall in demand would be the deepest in the second quarter, with a 71% drop. The impact will be driven by the following: **Revenues** are expected to fall by 68%. This is less than the expected 71% fall

in demand due to the continuation of cargo operations, albeit at reduced levels of activity. **Variable costs** are expected to drop sharply—by some 70% in the second quarter—largely in line with the reduction of an expected 65% cut in second quarter capacity. The price of jet fuel has also fallen sharply, although we estimate that fuel hedging will limit the benefit to a 31% decline. **Fixed and semi-fixed costs** amount to nearly half an airline's cost. We expect semi-fixed costs (including crew costs) to be reduced by a third. Airlines are cutting what they can while trying to preserve their workforce and businesses for the future recovery. These changes to revenues and costs result in an estimated net loss of USD39 billion in the second quarter. On top of unavoidable costs, airlines are faced with refunding sold but unused tickets as a result of massive cancellations resulting from government-imposed restrictions on travel. The second quarter liability for these is an eye-opening USD35 billion. Cash burn will be severe. And IATA estimates airlines could burn through \$61 billion of their cash balances in the second quarter. Alexandre de Juniac, IATA's director general and CEO, said: "Airlines cannot cut costs fast enough to stay ahead of the impact of this crisis. We are looking at a devastating net loss of USD39 billion in the second quarter. The impact of that on cash burn will be amplified by a USD35 billion liability for potential ticket refunds. Without relief, the industry's cash position could deteriorate by USD61 billion in the second quarter." Several governments are responding positively to the industry's need for relief measures. Among countries providing specific financial or regulatory aid packages to the industry are Colombia, the United States, Singapore, Australia, China, New Zealand and Norway. Most recently Canada, Colombia, and the Netherlands have relaxed regulations to allow airlines to offer passengers travel vouchers in place of refunds. "Travel and tourism is essentially shut down in an extraordinary and unprecedented situation. Airlines need working capital to sustain their businesses through the extreme volatility. Canada, Colombia, and the Netherlands are giving a major boost to the sector's stability by enabling airlines to offer vouchers in place of cash refunds. This is a vital time buffer so that the sector can continue to function. In turn, that will help preserve the sector's ability to deliver the cargo shipments that are vital today and the long-term connectivity that travelers and economies will depend on in the recovery phase," said de Juniac.

**2<sup>nd</sup> April 2020, source: Irish Times**

### **Are holidays booked for July & August going to happen?**

When will this nightmare end? That is the question many, if not all, Irish people – and people across the world – have been asking themselves in recent days, as the coronavirus crisis has continued to worsen. The most pressing concern is now and will remain, obviously, one of public health, while the economic and societal impacts of the Covid-19 pandemic are also being keenly felt globally. But there is another question many people are asking. "When will I be able to travel again, and is there any chance I will be able to take the summer holiday I have booked and paid for?" The short and very simple answer to both of those questions is: no one knows for sure. The Department of Foreign Affairs continues to warn all Irish citizens against non-essential travel off the island of Ireland "until further notice", a blanket warning that is utterly unprecedented. Airlines, hotels and tour operators all over the world are facing a crisis of unimaginable scale while those of us who have booked flights and holidays for the weeks and months ahead are staring at calendars and wondering if those trips are fading into the mist. Ryanair has grounded almost all its flights until the end of May at the earliest. Aer Lingus by contrast is playing a game of up-in-the-air chicken with its passengers by only cancelling flights in short blocks which enables it to avoid refunding some impacted passengers. Of course, it is not only the travelling public wondering what will happen next and when the sector will return to normality – or at least whatever normal becomes when the crisis passes. **Mary McKenna has operated Tour America for 25 years** and up until early

in March, her business was doing well. “Then suddenly everything fell apart,” she says. “We’re not getting any income and my staff are working remotely and have been putting in such long hours just to get people home from the US. No money is coming in and we still have all of our overheads. It’s pretty dire,” she says flatly. “Being honest, I think it will be September and October before things start getting back to normal,” she suggests. “I’d like to think there is a possibility it could be July or August, but I don’t know. What I am more sure of is that when it does come back to normal I think people will start travelling again very quickly.” She says we will have to wait several weeks before an accurate picture will emerge. “I don’t think it will be possible to anything definitive for at least a month. We will have to see what’s happening in Italy before we know what’s going to happen everywhere else.” McKenna says that when Italy passes the coronavirus peak and starts coming out the other end of its nightmare, “that might give us give us some indications but as it stands I’d be hopeful for September or October.” John Cassidy of Cassidy Travel has been in the travel trade for more than 35 years and says that to get any sense of when things might start returning to normal we will “have to look beyond Ireland towards Spain, Portugal, Greece and Italy and other markets”. He points out that “people will not travel until they know it is safe. There are so many questions, not least about the nature of this particular pandemic and if it will have the capacity to return.” He says the really crucial thing when it comes to recovery in the travel sector is what happens everywhere. “The Department of Foreign Affairs isn’t looking beyond May, so realistically we can’t see what’s going to happen after that. “Maybe if this thing goes away as fast as it came, things might get up and running sooner rather than later and we might be telling a different story in June but as of now... I don’t think anybody will really know anything until the end of April.” Despite the lack of anything close to clarity he remains hopeful that things may be “back up and running in June. And my other hope is that we will all have spent so much time trapped in our homes that when it ends we will be desperate to get away. Maybe with the economic impact of the crisis people will be going on fewer holidays but many will still want to travel.” The President of the Irish Travel Agents Association (ITAA) Pat Dawson is not so optimistic. “I think planes will be ready to fly in July but the big problem then will be when the borders in other countries will open.” He points out that Spain is among the biggest markets for Irish holiday makers with 2.4 million packages from Ireland to Spain sold each year. “The lingering question will be is it safe to travel there and elsewhere. Honestly, I think it will be August or September and that is going to be with the wind behind us. October is the new July,” says travel writer and publisher of the TravelExtra magazine Eoghan Corry. He points out the undeniable reality that Ireland will only recover its appetite and ability for overseas travel when other countries do likewise. “We will hopefully be in a better position than some countries but we will all move at the pace of the slowest part in the chain,” he says. How soon many Irish people travel again “depends on how fast Spain or and the other major markets recover,” believes Corry.

**2<sup>nd</sup> April 2020, source: TTG**

### **Saga assesses impact of potential six-month suspension of all travel operations**

The over-50s specialist made the admission in a trading update issued on Thursday (2 April) assessing the likely longer-term impact of the Covid-19 crisis, which the group believes will be followed by “a slow recovery”. More than 2,300 Saga staff have transitioned to home working, while “almost all customers” overseas have now been repatriated. Efforts to rebook customers are ongoing across Saga’s tour operator and cruise businesses. Elsewhere, delivery of Saga’s second new-build ship Spirit of Adventure, which had been due in August, could be delayed, the group has been advised by shipbuilder Meyer Werft. Saga group chief executive Euan Sutherland said that while the firm’s travel business had been “significantly impacted”,

the group had “acted quickly” to ensure the health and wellbeing of customers and staff. However, the group on Thursday confirmed it had considered scenarios for an extended suspension of cruise and touring operations, “including full cancellation of all travel departures over six months, followed by a slow recovery. Saga is ready to start sailing as soon as the travel advice changes,” said Sutherland. “Today, we have outlined some prudent planning scenarios to investors – they are not a prediction as to when travel will resume.” Steps to protect the group’s balance sheet and improve liquidity include drawing down £50 million from an outstanding credit facility, which boosted cash resources to £92 million as of the end of March. Cost-saving measures introduced in February have freed up £15 million, although this is likely to be at least “partially offset” by £10 million in expected redundancy costs this year. The group, which also contains a profitable insurance arm, also expects to recoup £23 million from the sale of its motorcycle insurance business Bennetts. “We have significant available liquidity and can consider a range of further mitigating actions across the group,” said Sutherland. “Saga is a strong brand with loyal customers, and where we offer really differentiated products, underpinned by excellent service, our businesses do well and have the potential to do better. “Organisationally, the group had become inefficient, lost its tight focus on customers and had underinvested in digital, data and brand. We have started the work to make the changes necessary for us to be able to deliver the truly differentiated products and services our customers expect from us. “Against the backdrop of Covid-19, the outlook is uncertain, but we remain confident the Saga brand, and our insurance and travel businesses, have a successful future ahead.”

**3<sup>rd</sup> April, source: TravelMole**

### **BA joins fight against Covid - 19**

British Airways is joining the response against Covid-19 with a company-wide taskforce who will bring their skills and expertise to communities across the UK. After cutting its flying schedule by 90%, BA said it was in the position of having thousands of cabin and flight crew with more time available 'and an appetite to volunteer'. It has agreed with unions this week to furlough around 36,000 staff, including cabin crew. "Their advanced first aid qualifications, combined with their natural passion for looking after people, means that they can bring both technical training and natural kindness to a range of desperately needed roles for a range of organisations, including the NHS," said BA. Other teams in the airline specialise in the logistics that sit behind getting 800 flights a day to 200 destinations around the world and those skills can also benefit the community-at-large, it said. Louise Evans, BA's director of external communications and sustainability, said: "We've had an overwhelming response to our request for volunteers from across British Airways to help in the community fight against coronavirus. "We're part of the fabric of Britain and we want to play our role in these unprecedented times. Thanks to the nature of our business, we can contribute a unique set of skills from advanced first aid training, to experience caring for and reassuring people to managing complex logistics - all of which can deliver real care within the community." The airline has been in talks with a number of organisations in order to deploy its volunteers most usefully. These include the NHS via their Helpforce team, which organises volunteers for the NHS and could involve working at the Nightingale hospitals being set up in London, Manchester and Birmingham" as well as transporting patients and NHS workers. British Airways is also pairing volunteers who have first aid training and clinical skills with St John Ambulance to support their emergency response units within the community. Similarly, members from that same highly skilled crew community can apply to volunteer with the London Ambulance Service to take 999 or 111 calls, triaging the caller and placing them in a clinical queue to speak to a qualified medical professional. The airline already has a partnership with the British Red Cross providing vital support for their UK

response work and will be encouraging more colleagues to sign up to their Community Reserve Volunteer network to provide practical assistance in local communities. Right now, the British Red Cross is mobilising volunteers across the UK to support the response Covid-19 by, for example, helping out at local foodbanks and supporting NHS hospitals. Volunteers from around the airline will be encouraged to reach out to older and more vulnerable people with help, for example via Age UK, be that collecting a prescription, dropping-off food or helping to combat loneliness with a daily phone call for a chat, said BA. The airline also has ongoing relationships with a number of food bank providers where volunteering duties for staff could include sorting and packing food donations, collecting supplies from supermarkets and delivering food to people in greatest need. British Airways is also donating it's on board wash bags, socks and blankets to various NHS Trusts. Its flying crew have joined crew from other airlines to set up Project Wingman at the Whittington Hospital in North London, where NHS workers are welcomed into a mini first-class lounge for a cup of tea and a chat during or after a busy shift. Money that British Airways' customers and colleagues have raised through Flying Start, the airline's partnership with Comic Relief, is also being used towards a Covid-19 response, which is enabling Comic Relief to reach out across their network to communities hardest hit and most in need, such as those who are experiencing domestic violence or homelessness. Organisations wishing to request help from British Airways can contact [community.branch@ba.com](mailto:community.branch@ba.com).

**3<sup>rd</sup> April 2020, source: TravelMole**

### **Agents plead with ABTA to extend balance payment deadline**

An independent agent has posted an open letter to ABTA on social media asking for it to bring in an industry-wide temporary 30-day balance deadline date for the coming months. Andy Tomlinson, managing director of Midlands-based Sutton Travel, said the move would help 'buy us all a little bit of time and let our clients know that we understand their current predicaments'. He said the change should also be extended to non-ABTA 'friends and colleagues' at Global, TTA, and similar non-ABTA agency groups. Advantage Holidays has already moved its balance deadline to 28 days before departure for all departures up until July 31. "We will continue to monitor and extend this where necessary," said head of Advantage Holidays Lee Ainsworth. "These are unparalleled times and, as such, agents need unparalleled flexibility for their clients and a temporary change to current payment terms - and cancellation charge deadlines/bands - for departures in June and July would buy us all a little bit of time and to let our clients know that we understand their current predicaments," said Tomlinson in his open letter. He said many agents were still having to help customers stranded overseas, rebook clients who've just had their Easter holidays cancelled, and assist those bookings departing over the next few weeks. "Therefore, a delay in balance deadline dates would give agents some breathing space for the bulk of summer month balance collections, which are starting to fall overdue now," he said. Tomlinson warned that if tour operators refuse to extend the balance payment deadline, there is a danger many clients will cancel their holidays. "If we can delay the balance payment, it is going to help agents and operators hold on to those bookings," said Tomlinson. "I know, from my 30 years working in the travel industry, that for most holidays, the tour operators don't need to pay for hotels or seats until 30 days before departure, so I think they could introduce this additional flexibility given the circumstances we're in." Tomlinson's Facebook post quickly attracted messages of support from other frustrated agents. One agent said balance payments were her 'biggest headache' while another said ABTA needs to help 'NOW before there is nobody to help'. One agent said she has four bookings to cancel tomorrow for end of June July 'as there is no customer confidence to pay' then she has August to worry about and 'hundreds in September'. She added: "ABTA, if you're listening, Andy is right, give us all a fighting chance." Other

comments on industry social media forums highlight the stresses and challenges currently being faced by agents on the frontline, especially with many of them left holding the fort while other staff members have been furloughed.

**4<sup>th</sup> April 2020, source: TTG**

### **BA cabin crew Coronavirus fears on long-haul flights**

Unions have demanded airlines do more to minimise the exposure of staff, and BA has insisted it has taken steps to reduce contact between customers and crew, with personal protective gear such as masks and gloves available. However, pilots and cabin crews from BA have accused the airline of being slow to take action to protect them from the virus, according to the BBC. One pilot reportedly said equipment was not always accessible and that staff sometimes travelled “shoulder-to-shoulder” on buses at airports. The airline is still operating some flights to destinations including New York, which has seen more than 6,000 deaths as a result of Covid-19 and is now the epicentre of the US. In a statement, BA said: “We follow all the guidance from the UK government and global health authorities, including Public Health England and the World Health Organisation. “We have taken several steps to greatly reduce contact between customers and crew, and personal protective equipment is available to them. Like other forms of transport, we are keeping vital links open – repatriating customers and ensuring key supplies like medicines and food are flown in. Our teams are doing an amazing job.” In-flight services on a number of airlines including BA has been greatly reduced to minimise person-to-person contact, with passengers now given a packed lunch and drink when they board the plane. Social distancing is also difficult to maintain on some flights. One pilot operating a domestic flight with a UK-based airline out of Manchester reportedly refused to take off until he was given a bigger aircraft. BBC News says it has also learnt Public Health England has suggested every other seat on an aircraft should now be left empty to enable social distancing. It’s a suggestion that could prove incredibly costly for any repatriation flights organised by the Foreign Office, though, and may not be feasible for airlines which have suffered a sharp decline in business in recent weeks.

**5<sup>th</sup> April, source: TTG**

### **FCO extends non-essential travel ban for ‘indefinite period’**

In a social media video posted at 10.30pm on Saturday (4 April), the FCO said: “We now advise against all non-essential global travel – indefinitely. The situation is changing rapidly. Travellers could face severe disruption and be unable to return to the UK.” It follows a strengthening of the FCO travel [advice on 17 March](#), warning UK nationals against all non-essential travel worldwide for 30 days – effectively ending all outbound leisure travel from the UK. The move was later backed up on 23 March by [foreign secretary Dominic Raab urging](#) British travellers abroad to return home while commercial flights were still operating and international routes open. Commenting on the updated advice, an Abta spokesperson told *TTG*: “Although the advice has now changed for an indefinite period, this is now in essence the same as any ‘all but essential’ travel advice and it could be removed at any time. As such there is no change to the advice for members and customers in this regard. Travel companies can still look at imminent departures and decide how far in advance they will begin to offer alternative arrangements/ refunds or equivalent options.”

**5<sup>th</sup> April 2020, source: Travel Trade Outbound Scandinavia**

### **Vouchers instead of refunds**

Airlines are calling on the European Commission and governments to sanction the issue of vouchers in place of refunds to consumers with millions owed for cancelled flights. Aviation lobby group Airlines UK has written to the UK government asking that airlines be legally

allowed to offer vouchers instead of cash refunds as required under European rules on delays and cancellations. EC Regulation 261 on air passenger rights stipulates that airlines refund consumers for cancelled flights within seven days. However, the volume of cancellations is heightening the risk of carriers falling into insolvency. IATA estimated the value of global airline refunds owed this week at \$35 billion following mass flight cancellations due to coronavirus travel restrictions. The airline association reported carriers are burning through cash at such rate they stand to haemorrhage \$61 billion in cash reserves in the three months to June. IATA warned: "The risk is airlines run out of cash before the recovery arrives." It estimates the average carrier had sufficient cash to operate for two months without revenue at the start of the year. In Europe, balance sheet liquidity ranges in sufficiency between zero and seven months, but with the median point below two months. IATA director general Alexandre de Juniac said: "Airlines cannot cut costs fast enough to stay ahead of this crisis. "The impact on cash burn will be amplified by a \$35 billion liability for ticket refunds." De Juniac noted several governments including the Netherlands "have relaxed regulations to allow airlines to offer passengers travel vouchers in place of refunds. "We welcome the actions of regulators who have relaxed rules to permit airlines to issue travel vouchers in lieu of refunds, and we urge others to do the same. "These governments have taken an extraordinary measure in extraordinary circumstances. It will provide a vital buffer for airlines to keep operating. I cannot stress how important that is. "It will enable airlines to preserve the cash they need to keep cargo operations running and preserve their ability to be fully operational when we can safely re-start the industry. He called on governments "that have not yet stepped up to act fast".

**5<sup>th</sup> April 2020, source: TravelMole**

### **FCO 'indefinite' travel ban prompts fear of mass cancellations**

Travel agents fear the Government's decision to extend its global leisure travel ban will cause further fear and confusion among holidaymakers and prompt more cancellations. The Foreign & Commonwealth Office (FCO) announced this weekend that it was extending its advice to avoid all but essential travel anywhere in the world for an indefinite period. It had earlier announced, on March 17, that Britons should avoid all non-essential travel for a month, effectively until April 16, forcing travel companies to cancel holidays at least until then. The latest update from the FCO has left travel agents wondering if this means that all future bookings must be cancelled since the Government hasn't indicated when it's safe for holidays to resume. ABTA has attempted to reassure members that the FCO update doesn't mean all holidays must be cancelled. In a statement, it said: "Although the advice has now changed for an indefinite period, this is now in essence the same as any 'all but essential' travel advice and it could be removed at any time. As such there is no change to the advice for members and customers in this regard. "Travel companies can still look at imminent departures and decide how far in advance they will begin to offer alternative arrangements/refunds or equivalent options." Nevertheless, agents are concerned the FCO update could lead to some customers demanding refunds. Posting on the Facebook group Travel Gossip, one agent wrote: "It opens the doors to mass cancellations for the rest of the year now surely?? The government need to really get on this, our industry needs guidance now." While many agents insisted that the FCO advice doesn't change the status quo as there has never been a definite date to when travel restrictions will be lifted, some agreed that it will cause further unease amongst customers who might be looking to book or re-book for travel in 2020 or 2021. "I think customers will panic and the chances are start demanding full refunds instead of vouchers and refusing to book for 2021. Situation still the same but now nothing to hold back the panic and demands. Its opening flood gates. We all know the reality is it's always been an unknown date when travel will resume but now we have nothing to

fight them off with and no order to the process." Another wrote: "It opens up the door to mass cancellations for all of 2020 as no definitive date mentioned. Expect calls for rest of years travel now." Rory Boland, editor of Which? Travel, said: "While it is right the government extends its advice, the FCO's decision to make the time period indefinite will cause a huge amount of confusion for anyone who has foreign travel booked in the months ahead. "The travel warning should be extended to a definitive date, which can be reviewed if needed, so that travellers have some much-needed clarity around refunds, rebooking or claiming on insurance. "The government, travel sector and insurers must work together to ensure that any emergency measures introduced in response to this crisis include strong guarantees or protections to prevent consumers from losing their money if a travel firm fails."

**6<sup>th</sup> April 2020, source: Travelbiz**

### **EasyJet founder warns company will 'run out of money by around August'**

The founder of EasyJet has warned that the budget airline will "run out of money by around August", as he renewed calls to cancel a £4.5bn (€5.1bn) aeroplane order. Stelios Haji-Ioannou also called on the company to oust its chief finance officer, Andrew Findlay, as he demanded the firm cancel its multi-billion-pound contract with Airbus. It comes days after the businessman, who is EasyJet's biggest shareholder, requisitioned a meeting of the company's shareholders to decide whether to remove another director from the company board. In a statement, Mr Stelios said: "Terminating the Airbus contract is the only chance current shareholders have to maintain any value in their shares. "If EasyJet terminates the Airbus contract, then it does not need loans from the UK taxpayer and it has the best chance to survive and thrive in the future with some injection of additional equity provided for by the markets. "But if EasyJet stumbles along whilst taking UK taxpayers' money as loans only to pass it on to Airbus, it will have to raise fresh equity anyway in the next three-six months - reducing the value of our current shareholdings to close to zero. "For the avoidance of doubt, I will not inject any fresh equity in EasyJet whilst the Airbus liability is in place."

**7<sup>th</sup> April 2020, source: TTG**

### **Jet2 hoping to resume flight and holidays programme in June**

The decision will be kept under constant review, in line with government guidance. Jet2 confirmed the decision to agents in an email sent to trade partners on Tuesday (7 April). It initially announced plans to suspend all Jet2.com flights until at least 1 May on 19 March, owing to local travel restrictions in many of the destinations it serves. The update comes despite the Foreign Office updating its global travel advice at the weekend to advise against all non-essential travel worldwide for an "indefinite" period. "In view of the ongoing uncertainty caused by the Covid-19 pandemic, we have taken the decision to recommence our flights and holidays programme on June 17," said a Jet2 spokesperson. "We are keeping this decision under constant review, in line with guidance from Governments and the relevant authorities. Our commitment to working in partnership with independent travel agents has never been stronger, and we are contacting agents with a number of options for customers, including rebook options. All of these options are designed to help agents look after their customers, so agents do not need to contact us until we are in touch." The airline and operate added it recognised the unprecedented events brought on by Covid-19 had had a "huge impact" on its agent partners, and said it wanted to thank them for their "loyalty, understanding and patience. Although these are difficult times for everyone, the sun will come out again. When it does, our teams will be there to take customers on holiday once again."

**7<sup>th</sup> April 2020, source: TravelMole**  
**See IATA's open letter to travel agents**

IATA CEO and director general Alexandre de Juniac has written an open letter to travel agents about the 'dark days' for the industry why regulators must ease requirements for cash refunds and allow airlines to issue vouchers instead. Here's what he said: "The global airline industry is going through its gravest crisis. The COVID-19 pandemic and resulting government ordered border closings and mobility restrictions have brought air transport to a standstill. One-third of the global fleet is parked, and we estimate that revenue from passenger ticket sales will fall 44% this year compared to 2019. There simply is no precedent for what our members and you, our travel agent partners, are experiencing. As the operator of industry financial settlement systems that in normal times process more than \$1.25 billion in industry funds every day, IATA faces the enormous responsibility of maintaining the security and integrity of these systems during a period when far more cash is exiting than is coming in. At the same time, we know that our members and business partners rely on us to recognise the extraordinary challenges they are facing and to show as much flexibility as possible under the circumstances. We are doing our best to meet these expectations without risking the viability of the systems that are the financial backbone of the industry. For travel agents, this means we're allowing settlements to be made a bit later, without penalties. While remittance periods have been kept in accordance with BSP Calendars, we are taking a flexible approach and preliminary figures confirm this, showing that default rates in 2020 are a bit below the year-ago period, despite the stresses on the system in 2020. Further, we are allowing agents to continue selling using secure methods even when they are late with remittances. We also recognise that in today's environment, when it may be difficult to impossible to get audited financial statements, or arrange a financial guarantee, we are offering to extend deadlines for these statements by up to a month. IATA continues to welcome your suggestions on how we can be more responsive in these areas. However, on the issue of airlines withholding ticket refunds in the BSP, or issuing vouchers in lieu of refunds, I'm afraid that the message I have to deliver is not one that will provide comfort. Our industry is experiencing a critical liquidity crisis. Most airlines are spending more cash in reimbursing their passengers than they receive in new booking revenues. We recently estimated the industry's liability in this area at \$35 billion. In this context, airlines' most urgent need is to keep their remaining liquidity to pay salaries and face their fixed costs. It is practically impossible for industry players to find sufficient financial means to keep the air travel value chain operating in the short time that airlines have before facing bankruptcy. In this context, we believe the best answer for both airlines and travel agents is for regulators to ease requirements for cash refunds and allow airlines to issue vouchers instead. These vouchers can be managed through the IATA Billing and Settlement Plan (BSP) using processes and procedures that already exist today. This would remove the pressure that is currently on agents to issue cash refunds at a time when airlines are making decisions based on their own need to preserve cash. IATA is willing to engage in open and collaborative discussions with the travel agency community represented in the Passenger Agency Programme Global Joint Council to formulate a structure for these vouchers that will bring value for airlines, travel agents and consumers. We are grateful that regulators in Canada, Colombia and the Netherlands have recognised the necessity of this approach and we hope others will do the same. While I know that this is not the answer that you want to hear, it's important that you understand that IATA is working hard to find a solution to this problem that will enable us to endure and move forward. People want to travel, for the horizons it broadens and the connections it enables and maintains. These are dark days for our industry, but we are resilient, and we will get through them, together."

**7<sup>th</sup> April 2020, source: TravelMole**

**EasyJet boosts cash reserves to £2.3 billion**

EasyJet expects to boost its cash reserves to around £2.3 billion before the end of this week after securing £600 million from the Covid Corporate Financing Facility. The airline has also issued an utilisation request to fully draw down on its \$500 million Revolving Credit Facility, which is secured against its aircraft assets. In a statement released to the London Stock Exchange this afternoon, the airline said: "Given the possibility of a prolonged grounding easyJet will continue to consider further liquidity and funding options." EasyJet has reached an agreement with pilots' union BALPA to furlough its flight crew from April 1, and last week it reached agreement to furlough its cabin crew and training instructors. The airline, which has now grounded all of its fleet, will release a trading update in the second half of April and make a half-year results announcement on June 30. CEO Johan Lundgren said: "We remain absolutely focused on ensuring the long-term future of the airline, reducing our costs and preserving jobs, to make sure easyJet is in the best position to resume flying once the pandemic is over. "We are pleased that we have now reached agreement with both Unite and BALPA regarding furlough arrangements for UK-based easyJet pilots and crew. "Our current priority is to safeguard short term liquidity, so we have borrowed from the CCF and drawn down on our Revolving Credit Facility in order to increase our liquidity in the event of a prolonged grounding of the fleet. "The CCF provides businesses with access to funds at the commercial rates which were available before the coronavirus crisis and any UK company that had an investment grade rating before the crisis can apply for this funding."

**7<sup>th</sup> April 2020, Ireland's Travel Trade Network**

**More than 6m jobs at risk in EU and 1m in UK – WTTC**

Gloria Guevara, President and Chief Executive, World Travel & Tourism Council (WTTC), has urged EU authorities and the UK Government to implement flexibility around consumer refunds to alleviate the unbearable pressure on the travel and tourism sector. Research conducted by WTTC shows that 75 million travel and tourism jobs are at risk globally due to the Covid-19 pandemic, with at least 6.4 million losses across the EU, and one million in the UK. WTTC says that this important measure will have a profound effect to reduce the damaging situation that the majority of tour operators and travel agents, online and offline, are facing due to the previously unimaginable impact of the Covid-19 pandemic. WTTC is calling for exceptional flexibility around the existing Package Travel Directive requirements, which are not appropriate or fit for purpose in the present crisis circumstances and should be suspended at least until August. Consumer protection will be unaffected, but travel agents and tour operators will have more time to refund those customers choosing to cancel their existing bookings. The current 14-day timeline for refunds is putting enormous burdens on businesses in the travel and tourism sector and will lead to major bankruptcies. These, in turn, will lead to more claims by consumers on credit card firms and, ultimately, government-bonded schemes. Gloria Guevara added: "This measure should be implemented immediately and help lift the already crushing financial pressure on travel and tourism organisations and save the millions of livelihoods that depend on them."

**8<sup>th</sup> April 2020, source: TravelMole**

**Jet2 cancels holidays and flights until at least mid-June**

Jet2 has cancelled all flights and holidays until at least June 17 due to the coronavirus pandemic. Anyone due to travel before this date is now being contacted to make alternative plans. It told customers who have booked through On the Beach, loveholidays or another online agent to get in touch with the OTA directly. "We will be contacting all affected customers to discuss their options, one of which is rebooking to a later date," it said. "We are

contacting customers and dealing with all existing queries in departure date order, which we believe is the fairest way to handle this. "The number of calls we have been receiving is unprecedented, so you do not need to make contact with us." It added: "Although these are difficult times for everyone, the sun will come out again." The announcement came after the FCO imposed a global ban on non-essential travel for an 'indefinite period'. A ban had originally been put in place until April 16.

**8<sup>th</sup> April 2020, source: TravelMole**

### **Save Future Travel campaign launched after Govt. fails to relax refund rules**

ABTA is calling on members to back a campaign launched today to put more pressure on the Government to protect the travel industry. It is asking members to visit its new campaign website, [savefuturetravel.co.uk](http://savefuturetravel.co.uk), and send an electronic letter to their local MPs appealing for action. ABTA claims Government intervention is needed to prevent travel companies collapsing, which will cost the taxpayer £4.5 billion in refunds that the Air Travel Trust Fund can't cover, and hundreds of thousands of jobs. Chief executive Mark Tanzer said: "ABTA has been doing all it can on behalf of the industry to make it clear to Government the devastating impact this crisis is having and to provide workable solutions to help them to do what it takes to support us." ABTA first asked ministers to relax the Package Travel Regulations three weeks ago in order to give travel companies more time to refund clients for cancelled holidays, but so far, the government has not responded, even though ABTA is claiming that the alternative is 'mass travel company failures'. One of the biggest fears for travel companies is that clients denied cash refunds for cancelled holidays within the seven days stated in the Package Travel Regulations will attempt chargebacks from their credit cards, with potentially catastrophic consequences for some businesses. As part of its Save Future Travel campaign, ABTA is asking the Government to intervene in the financial sector to 'ensure a proportionate response'. It said it has 'serious concerns about the way in which Section 75 of the Consumer Credit Act (1975) is being implemented, with banks and credit card companies seemingly adopting an overly permissive approach to the application of chargebacks'. It has also warned that merchant acquirers, which process credit card payments, are varying terms, typically by restricting the flow of payments to the sellers, through increased retentions and security demands. "This is happening at the very moment the changes can least be accommodated by businesses with reduced cash flow," said ABTA. Airlines refusing to issue refunds for cancelled flights is 'one of the main contributory factors to this extreme cash crisis', it added. "This is not only a breach of the airline's contract with either the customer or the travel company, but also a breach of their obligations under EU regulation 261/2004 (air passenger rights)," it said. As part of its Save Future Travel campaign, ABTA is also asking the Government to amend its Coronavirus Job Retention Scheme, which currently only applies to furloughed staff, leaving companies who still need staff to work to pick up 100% of the wage bill. Following criticism from businesses that they are struggling to obtain Government-backed loans via their banks, ABTA wants assurance that loans for both small and large companies will be 'accessible in practice and uniform in approach'. Tanzer added: "The Chancellor promised UK businesses that he would do 'whatever it takes' to help the country get through this pandemic, and we need the Government to act. "This crisis has created extraordinary difficulties for everyone, in ways that none of us could ever have predicted. Many sectors have been hit hard but few have been hit as hard as travel. The changes that we have asked for are reasonable, as has been shown by other governments taking similar action." The Travel Network Group has also given its members access to template letters to lobby MPs, having supported ABTA and the CAA in their conversations with the Government about the need for changes to the PTRs. "A decision from the Government should be imminent, in order to avoid businesses collapsing in

the short term," said CEO Gary Lewis. He said TTNG has taken a number of other initiatives designed to help members at this challenging time. "To take some pressure off our members, we have recently launched an initiative whereby members are sending us details of their customers' travel insurance policies and we will carry out the research on their behalf, so as to understand if their customers can claim from their travel insurance under the cancellation cover," he said. He said the support team is already helping more than 60 members with the research.

**8<sup>th</sup> April 2020, source: Travel Weekly**

### **Tui extends suspension of beach and cruise programme**

Tui has extended the suspension of its beach and cruise programmes following updated FCO advice. It also confirmed the launch of Tui River Cruise scheduled for last month will now take place on November 26. The operator's beach holidays up to and including May 14 have been suspended, while Marella Cruise itineraries up to and including May 31 will no longer operate. A statement from the company said: "We will keep a close eye on our programme and continue to amend and adapt timings in line with the latest global travel advice. "We will update our customers as soon as we can of any changes to their holidays. We, like other travel companies, want to travel again as soon as we possibly can and will do so in line with government advice." Tui said changes in ways of working and the closure of its retail stores had impacted response times, and said it understood that customers may be "frustrated" if they are unable to make contact. The statement added: "Customers who have a booking impacted by these changes will be able to amend their holiday to any other Tui package holiday on sale for free via manage my booking on our website. Customers who booked in retail should wait for us to contact them to discuss their options." Meanwhile, Tui Group has confirmed a state aid bridging loan of €1.8 billion from the German government announced on March 27. Fritz Jousen, chief executive, said: "Our employees are rightly proud of Tui's success in recent years and they should continue to be in the future – after this crisis we must bridge this unprecedented global situation. "The German Government has acted quickly to support jobs and companies during these exceptional times. We are now preparing intensively for when our operations can resume after the coronavirus crisis and firmly believe people will continue to want to travel and explore other countries and cultures in the future.

**8<sup>th</sup> April 2020, source: Travel Daily**

### **British Airways furlough sad but necessary step, says GlobalData**

Following the news that 36,000 British Airways (BA) staff are expected to be furloughed as a result of the coronavirus (COVID-19), GlobalData said it is an important step. Nick Wyatt, head of research and analysis in travel and tourism at GlobalData said: "These reports come as no surprise and are just the latest in a growing line of furlough announcements. It is incredibly sad to hear news of temporary job losses but this is a necessary step for BA." "The decisions it is taking now focus on securing future existence rather than improving current operational strategy. Mass flight suspensions mean that current operations are minimal and airlines are burning through cash rapidly. This is a difficult decision, but a necessary one. BA has already announced a temporary cessation of all Gatwick operations and this expected furlough is necessary as it tries to safeguard its future," he added. Few industries have experienced COVID-19 disruption to the extent that airlines have and even the largest airlines are now in a fight for survival.

**8<sup>th</sup> April 2020, source: Travolution**

**On the Beach slashes costs and extends £50 million credit facility**

UK OTA On the Beach has slashed monthly costs to £2 million as it prepared the business to take no future bookings until up to September 2020. In a trading update to the City today, the Manchester based firm announced it has extended a revolving £50 million credit facility with its bank to December 2023. As part of a stress testing of the business, the agent has also reset all covenant liabilities for all periods up to and including June 2021. Founder and chief executive Simon Cooper will forgo his salary and other board members have agreed to a voluntary 20% reduction in salaries and fees and no bonuses will be awarded in the current financial year. On The Beach said it has run “theoretical stress tests” that are not an expectation of future trading but which are based on the following assumptions:

- There will be no bookings taken between now and the end of September 2020 across the travel industry for travel on any dates in the future;
- All flight programmes will be cancelled until the end of September 2020;
- All forward bookings until the end of September 2020 will have to be cancelled. All OTB customers will be refunded in cash within 14 days of the receipt of cash refunds from airline providers
- In the event of airline failure, monies paid for flights would be available via chargeback, as was the case with Thomas Cook Group and Monarch Travel Group;
- Concerns over the financial viability of any airline would lead to that airline being taken off sale by OTB;
- Although bookings would return slowly once airspace reopens, bookings would remain at a significantly reduced level until at least the end of March 2021.

On The Beach said in the above scenario, it would end the half year 0f 2021 with “only a limited drawdown of its facilities and significant headroom”. “This headroom would allow the group to take advantage of the multitude of opportunities that these market conditions would present,” the firm added. Because On The Beach operates a trust fund that protects customer money, the above position does not include any customer funds received for untraveled holidays. In the statement On The Beach said because of its asset-light model it has much lower and more flexible operating costs than rivals that commit to airline seats and hotel beds. It claims more traditional travel firms have “infrastructure costs” amounting to 60% to 70% of “aspirational” of future sales without any demand. However, On The Beach says its underlying costs are just 8% of sales, 70% of which is flexible marketing costs which can be dialed down when there is no demand. “If demand falls away completely then the fixed cost base will drop to circa 3% of aspirational sales, or one twentieth of the costs of a similar sized asset heavy operator, the firm said. In addition, due to running a trust account, On The Beach said, unlike many of its online rivals, operators and airlines, it does not rely on cash for forward booking to trade. “Notwithstanding the advantages of the OTB model, the group took early action in February to manage risk and conserve cash,” the company said. “In this environment of limited demand and therefore limited revenue, the group’s marketing costs have reduced to almost nil and the group has taken further actions to limit other non-essential costs meaning that monthly cash costs are now less than £2 million across the entire group. “The group has, however, maintained all costs associated with the delivery of its future strategy.” Simon Cooper, chief executive of On the Beach, said: “The travel industry is prone to shocks: global recessions, natural disasters, terrorist attacks, and major airline failures to name a few. “A closure of airspace was deemed inconceivable during contingency planning for a no-deal Brexit, but we now find ourselves in a position where airspace may be closed for a number of months due to the spread of COVID-19, and the travel industry needs

to brace itself for a potentially prolonged period of significantly reduced, or even zero revenue. “On the Beach was created with an asset light model to ensure its survival in the inconceivable market conditions in which we now find ourselves. “Unlike the majority of larger tour operators, online travel agents and airlines, all OTB customer funds are held in a ring-fenced trust account so that if the scenario above prevailed and all forward bookings were to seek a refund of their prepaid holiday monies, in the main this could be facilitated without impacting group cash. “This is not the case across the industry where customer funds are often held on balance sheet and if refunds were requested en masse, the funds would not be available. “Against the backdrop of the impossible market conditions in which we find ourselves, the resilience of On the Beach’s asset-light and flexible business model becomes clear. “The benefits of using a trust account structure (as opposed to the use of customer funds for working capital), become obvious, for consumer protection, for the financial stability of the business, and ultimately for the protection of the taxpayer. “It would appear obvious that, as an industry, we need to reflect on financial protection and on how we can make our industry robust enough to withstand future shocks.” Cooper added: “In the days leading up to the closure of airspace, we were able to put a detailed plan in place to ensure that we are best placed to deliver operational and customer service excellence throughout this difficult time. “As a technology company, we are also well placed to facilitate remote working for all of our staff. “I am hugely proud of the efforts of everyone at OTB and would like to praise the dedication of my colleagues who have been working around the clock to provide the very best level of support for our customers. “Whilst the coming months will continue to present a huge challenge, I look forward to the multitude of opportunities which lie ahead.” On The Beach further announced it is suspending full year guidance “until such time that the overall impact of COVID-19 on the Group becomes clearer”. It will not be declaring an interim dividend in the current financial year to September 30, 2020.

**8<sup>th</sup> April 2020, source: TravelMole**

#### **Norwegian plans debt restructure to survive pandemic**

Norwegian is to hold an extraordinary meeting on May 4 to discuss a debt restructuring to ensure it meets criteria for a Norwegian Government guarantee scheme. The airline has already grounded nearly all of its fleet and laid off around 90% of its staff to help survive the coronavirus crisis. It is hoping to get Nkr3 billion in state funding by putting certain measures into place, including converting parts of its liabilities towards lessors, banks and other creditors into shares, converting some of all bonds into shares, and a private stock placement. "The proposed measures are necessary in securing the next tranches of the Norwegian government state guarantee program that will release NOK 3 billion. They are also necessary for the future of the company by strengthening the company's balance sheet," said CEO Jacob Schram. "We will over the next weeks engage in dialogue with the bond holders, lessors and other creditors, with the intent of converting substantial debt to equity. This will create a platform which will enable Norwegian to return to the skies as an even better and stronger company to the benefit of the travelling public, our dedicated colleagues and current shareholders. We have already started working on building the future 'New Norwegian' and that work will continue with full force the coming weeks."

**9<sup>th</sup> April 2020, source: Travelmole**

**While it's impossible to predict exactly when the coronavirus crisis will be over, what is clear is that our lives won't be the same. We asked experts in the industry to predict how travel will be different when we're out the other side. This is what they had to say.**

### **James Thornton, CEO Intrepid Group**

Travel has been so accessible to most of us for so long and it now feels like a luxury. We expect travellers will put a lot of thought into where they go next and how they travel on their post Covid-19 trips. We predict isolated, 'clean' destinations will recover fast. Whilst we've been confined to four walls, stunning landscapes like New Zealand's South Island feel like a world away. Places like Norway and some of its neighbours are leading the way with their management of Covid-19. They also offer some stunning and isolated destinations, where travellers can get away from it all. If 2020 proves to be a year we spend a lot of time indoors, then 2021 will be about getting outdoors and getting active so cycling and walking are likely to be popular. We predict there will be lots of people looking to fulfill BIG bucket list travel experience - with Antarctica being at the top of that list - and that people will be looking for reasons to celebrate in 2021, including trips that are focused around local festivals such as the Rio Carnival trips we run. Following the Covid-19 outbreak, we think that consumers will be much more aware of where they go and how this impacts the environment. Because of this, it's likely that travellers will consciously choose more under touristic destinations, such as Nicaragua or Greenland as well as opting for trips that involve low impact travel such as cycling, hiking and train trips. There may also be a rise in demand for community-based tourism, as travellers look for authentic travel experiences and the chance to see first-hand how tourism can benefit communities at grassroots level following the outbreak.

### **Julia Lo Bue-Said, CEO of The Advantage Travel Partnership**

As social distancing measures relax, and the country returns to a degree of normality we will learn that the experience of living through a global pandemic will have fundamentally changed us forever. We are now beginning to realise that travel is no longer the right of the fortunate but a luxury to be protected and celebrated. Once we begin the slow re-entry into 'normal' life we will be changed travellers with different priorities. Whilst there will no doubt be a desire to travel in many of us, we will, I suspect, remain cautious. Our motivations will have profoundly changed and our choices will be influenced by different factors. Our economic circumstances may have significantly altered so understanding how the pipeline of monies are protected will be front of mind as well as the importance the role of a local, human travel agent plays - someone they can talk to and engage with; someone who cares, will be more important than ever before. Someone the post pandemic traveller can count on will be a critical factor as the experience they have faced during the crisis and how their booking agent dealt with them will without question place the human travel agent in the best possible position to service future bookings. The post-pandemic traveller will want more reassurance, more personal recommendations and we will weigh up the risk to our health and safety with more gravity than ever before. Travel agents are working so hard for their customers right now whether that's helping them with repatriation or trying to provide them with refunds. Their role to inspire us with holiday choices in the future will be even more important.

### **Chris Webber, head of marketplace at icelolly.com**

The travel industry is well versed in dealing with challenges, ranging from terrorism and ash clouds to 'no deal' Brexit uncertainty - but we are living in unprecedented times. It is therefore reassuring that the Government is supporting the major airlines and cruise companies with funding. They are critical to the growth of the industry. While summer 2020 is optimistic, we believe that the nature and timing of holidays will change. Given the current school closures, it is probable that the school summer term may be extended. October half term, Winter Sun and Easter 2021 will all be significant. The timing and strength of the rebound will be based on how freely we can travel around the world. The UK may exit

lockdown, but other countries may be on a different trajectory. Global Economic Forecasts from McKinsey, Moody's, Goldman Sachs and Morgan Stanley all predict an economic recovery within 2-3 quarters and a rebound in 2021. Most cruise companies and Tour Operators expect a recovery by Sept/Oct 2020, suggesting that, when lockdown restrictions ease and the UK is through the peak, consumers will start to think about their travel plans again. We imagine that domestic travel will be the first sector to return. The scale of outbound travel will be dictated by the opening of other countries and how they deal with the virus.

**Lynn Narraway, managing director UK and Ireland, Holland America Line**

There is no doubt that recent events have hit the cruise industry particularly hard and we have been headline news for all the wrong reasons. However, throughout the past few weeks we have also been inundated with supportive comments from passengers who have recently sailed with us and who are looking forward to sailing with us again. We have been complimented on the unfailing service and care given to those on board during recent sailings and these are the things that help set the cruise industry apart and will continue to do so in the future. Our clients have told us they are really looking forward to travelling far and wide later this year and in 2021; booking iconic experiences that they can look forward and plan for - such as Alaska's glaciers and wildlife; the fascinating cultures of Canada & New England; the Caribbean's warm winter sun and beaches.

**Tom Jenkins, CEO of ETOA**

The natural reaction is to assume that the future will be a product of the current situation. It won't. We are facing a unique crisis produced by government reaction to the threat posed to their health services. This will pass. Mass gathering will return. Theatres, cinemas and football matches will become crowded. Tourism will start again. We will be then be facing clients whose basic impulses will not have changed. They will still want to travel, to see the sights they have heard about, appreciate accommodation and enjoy the culture of a different location. Some will still want to increase their chances of melanoma by lying on a beach. So, what the industry provides will not change. How it does so will be the product of the transition period. It is possible that consumers may develop a taste for under-visited domestic tourism locations. We may see a fashion for wearing face masks. Queues may look longer. There will be resistance to destinations and types of tourism that were associated with Covid-19. Some companies, crippled by the current crisis, will struggle to survive. We will undoubtedly see some spectacularly eye-catching prices to kick-start demand. It will be a golden period for the fast-moving entrepreneur.

**Debbie Hindle, chief executive travel Four Communications**

After any crisis people initially look to the reassurance of the familiar and the known. So once people can start travelling again we expect strong domestic and regional travel to neighbouring countries. But we're also expected a strong surge of repeat travel to longer-haul destinations as people look to go back to places that have good memories, friends or family.

So past guests will be a very important target audience for all travel organisations. In the short-term we know that holiday search interest was 40% down in March and we expect those deferred travel searches will be pushed into summer. We're also seeing a clear current rise in 2021 related travel searches as people look to escape next year, so long-term advance planning could become much more important for brands and destinations in the future.

**Carrie Kwik, executive director Europe for the Singapore Tourism Board**

We expect that the initial travel sentiment after Covid-19 will be one of caution. However,

there will also be pent-up demand for travel and a keenness to explore the world again once things settle down and travellers feel safe. Hence, destinations like Singapore, which can show how we are keeping our community and visitors safe will help to instil confidence in travelling amongst our future visitors. In Singapore, we have always valued our reputation as a safe destination with a high level of cleanliness. We recently launched SG Clean, a certification programme to rally business establishments across Singapore - including our tourism and lifestyle establishments - to take all the necessary precautions to get certified as 'SG Clean'. This will also be a signal to future visitors that our attractions, hotels, restaurants and bars are providing a safe environment for all to enjoy. The urge to reconnect with friends and loved ones after a long separation is also a strong motivator for travel. We will continue to welcome both new and repeat visitors to ignite their passion for exploration and come together to celebrate life's important moments in Singapore.

### **Amanda Hills, president MMGY Hills Balfour Europe and Middle East**

Given the unique nature of COVID-19, it is an interesting process to predict the longer-term future impact on consumer behaviour and sentiment towards travel. What we do know from previous crisis experience is that the UK and Europe house some of the world's most resilient~markets, with consumers who both bounce-back quickly, and are long accustomed to travelling overseas for both leisure and business travel. We see opportunities across the sector for brands and destinations that are brave now and continue the conversation with their customers in this important planning and inspiration phase of the consumer booking process - we see further growth potential for the wellness sector and nature breaks as a result of consumers both needing a holiday after a period of intense stress, but also as a result of pausing and resetting, reconsidering and recalibrating as to what is important in their lives. Consumers will emerge from this having redefined their comfort zones, and this could lead to a surge for off the beaten track, final frontier travel and 'YOLO' type adventures, as travellers seek braver, life affirming trips. The industry needs to be ready with value added offers and packages that can launch as soon as the travel pause is safely lifted.

### **Avi Meir, TravelPerk co-founder & CEO**

Even when lockdowns in Europe are over and we start to travel again, countries will test [for Covid-19] at the border. Some countries will not even take the chance of testing at the border. Especially if you're coming from an outbreak hotspot. Entrance will be refused unless you have a certificate of immunity due to the fact that you've recovered from an infection or because you've been vaccinated (once there's vaccines available). Wristbands with barcodes like those in the movie Contagion are a very real prospect. "Certainly, in the short-term, travel will become more defined by purpose. Any business travel will need to be strictly validated as an economic activity, with companies tightening the numbers of employees who travel for them. This may mean temporary visas and more documentation that you'll need to take with you when travelling. A very [influential paper from Imperial College London](#) speculates that governments will need to turn lockdown measures on and off in order to keep demands on healthcare systems at a manageable level. This means there will be windows of opportunity to travel that last only weeks or even days. Even with airlines desperate to get airborne again, seats will be limited and we could see dramatic increases in pricing during those windows. Along with hand sanitizer travel packs, it's a pretty easy prediction to make that a lot more people will travel with masks. In the same way that companies like Away have made luxury, fashionable travel baggage, we will most likely see 'desirable' travel masks worn by Instagram influencers. Even those who have recovered from Covid-19, and have built up immunity (if the virus doesn't mutate too much) won't want to travel with a cold. The current situation and the conviction with which the world is adopting

social distancing will make it socially unacceptable to travel with a cold or any symptoms. The looks you will get if you cough or sneeze at an airport or on a plane will be scathing. I predict that social stigma will put a lot of people off, resulting in the potential for more no-shows on travel days. Domestic travel will recover first (there's no border control) and for most countries that means taking a train. Not only will we be able to get back on tracks (ha, a pun) first, we'll also be more secure about it. Trains are less crowded, have windows that open, and also are much more environmentally friendly. Once the lockdowns we see in Europe now are lifted, I predict people will rush to take a train, just because they can. Once we're flying again, airlines will start boasting about their filtration systems. Some have already started emailing customers about their current systems in a bid to stop people cancelling. By the end of the year, it'll be a question many people will be asking—how safe is the air onboard?

**11<sup>th</sup> April 2020, source: TTG**

### **Aviation 'at risk of being left behind' without more government support**

In a joint letter, the trade body representing the aerospace industry, ADS Group, alongside Airlines UK and the Airport Operators Association outlined a range of measures they wanted to see introduced by Westminster to help companies “before [they] face difficult decisions affecting their workforces. UK airlines have grounded hundreds of aircraft and UK airports are operating at minimal capacity. Requests for ticket refunds are outnumbering new flight bookings, our tourism industry lies dormant as visitors rightly stay at home and aerospace manufacturing faces challenges to sustain jobs and cash flow for the duration of this crisis,” the letter said. It warned those current “dramatic impacts” of the crisis were “likely only the start” and predicted passenger demand returning slowly as consumers regained the confidence to travel and movement restrictions were lifted. Ensuring the aviation and aerospace sectors can “quickly and fully recover” when restrictions are lifted, means the sector can also support the UK’s wider economic recovery, the groups said. “Not only are 1.6 million jobs and £92bn in GDP dependent on aviation, aerospace and the tourism sectors, aviation is also one of the engines of the UK economy, enabling other businesses to reach customers, trade goods and build new relationships,” the letter added. “ADS, Airlines UK and the AOA welcome the steps taken so far by the UK government to support businesses. However, further urgent steps and better coordinated actions are urgently needed to support our industries and thus the UK’s future recovery.” As part of the joint action, the groups are calling on the government to:

- Extend the business rate relief measures already taken for retail, leisure and hospitality to include aviation, as the Scottish government has done.
- Swiftly extend the Job Retention Scheme beyond May and allow for more flexibility, enabling UK aviation and aerospace businesses to avoid unwanted redundancies, safeguard our staff’s regulatory compliance and scale up operations in the coming months.
- Make financial support schemes available to all businesses, amend the current caps on lending to boost accessibility and be better suited to the needs of our sectors, and ensure flexibility is built into the support to ensure it can be repaid in line with the sector’s recovery.
- Work internationally to ensure a coordinated approach is taken to the lifting of travel restrictions and other related measures to boost consumer confidence. Other countries are acting decisively, with unprecedented financial support for airports and airlines in the US, Australia, France, Norway and many other countries.

Without clear steps by the UK government, including those outlined above, the UK aviation, aerospace and travel sectors are at risk of being left behind in the recovery. The groups said the UK's communities and visitors would "see their fortunes restored more rapidly" if aviation can quickly recover from the impact of the pandemic and a sharp bounce back would also help the country's economic aims once its full exit from the EU has been finalised. "The UK government has an opportunity to make both those things possible, if it acts decisively now," they urged.

**13<sup>th</sup> April 2020**

### **Travel leaders call for 'flexible approach' on furlough scheme**

The government will reimburse businesses 80% of a furloughed employee's wage as part of the scheme, which was announced on 20 March, but it has proved difficult for the travel industry to benefit from because those staff members are not allowed to work while agencies are inundated with queries. Speaking during TTG's Keep Your Business Alive seminar last week, The Travel Village Group chief executive Phil Nuttall said agents should be seen as "frontline" workers. "The sales team has the relationship with the customer... it's counterproductive at this time [to furlough them]." Farina Azam, partner and travel lead at Kemp Little, advised there was "hope [the scheme] will change". Tanzer agreed "a much more flexible approach" was needed, "particularly as we move into... a recovery phase". "[Government] is engaging. The dialogue is there but sometimes the action is not as quick as we'd like," he said.

**14<sup>th</sup> April 2020, source: TTG**

### **One in three agents report sales despite crisis**

In a survey of 416 travel agents across the UK & Ireland, almost one in three (32%) had made a sale in the week ending 10 April, despite high street premises being closed and the majority of retail staff believed to be on furlough. However, 75% said sales were down from the previous week – and 58% said they had received no customer enquiries at all. Destinations booked were mainly long haul, with US destinations New York and Las Vegas regularly cited alongside Canada, Mauritius, the Maldives, Australia and the Caribbean. Cruises were also booked, including a Mediterranean cruise in December 2020, a small ship cruise in Alaska and a yacht cruise in Croatia. Most travel was booked for 2021 including seven out of 10 reporting sales for next summer and beyond, although 47% also reported making sales for later this year. One agent had booked a flight from Canada to the UK for a British doctor who wanted to return to help the NHS. Almost six out of 10 (57%) of holidays booked were at a level of more than £1,000 per passenger. Sandals, Gold Medal and Travel 2 and Railbookers were all regularly name checked as suppliers that many agents had heard from in recent weeks - while others mentioned included P&O and Cunard. One agent praised JTA for having helped with a booking out of hours on Good Friday, while another said the same supplier had been "fantastic with answering the 'what if' questions my customers have". Jet2holidays was praised for its decisive decision on cancelling up until June, its constant communication and for refunding and not giving vouchers, as well as for an Easter egg game last week. "Jet2holidays' policy of amending holidays has been so straightforward and has really helped agents," said one respondent. Viking Cruises and Scenic River Cruises also came in for strong support for keeping agents fully up to date and helping customers with cancellations and refunds. The biggest concern of travel agents last week was customer cancellations and the difficulty of obtaining refunds.

**14<sup>th</sup> April 2020, source: TravelMole**

### **Heathrow consolidating to two terminals**

Heathrow will consolidate operations into Terminals 2 and 5 over the coming weeks. The airport said March passenger numbers were down 52% year-on-year, as the UK entered lockdown. Many of the 3 million journeys made were repatriations, following travel restrictions across various markets as well as the Foreign and Commonwealth Office's advice against all but essential travel. Heathrow Airport said that the situation is expected to continue as initial forecasts show passenger demand in April down 90%, with 'lasting and significant industry-wide effects' predicted. CEO John Holland-Kaye said: "Heathrow continues to serve the nation by keeping vital supply lines open, and helping people get home. Now is the time to agree a common international standard for healthcare screening in airports so that when this crisis recedes, people can travel with confidence and we can get the British economy moving again." Heathrow said it is working closely with Public Health England to implement measures to ensure passenger safety. These measures include the provision of hundreds of hand sanitiser dispensers, additional cleaning and sanitation procedures as well as signage and floor stickers to remind passengers to socially distance. Team members are on hand to help manage queues and ensure safe and adequate spacing between passengers. It said: "Heathrow is ready to work with Government and industry on science and research to develop measures for rapid health screening of passengers prior to travel. The airport is looking to develop processes which will help provide future passengers peace of mind when flying but wants to ensure there is an international consensus for common measures - so the benefits of global travel can be realised to support the economic and social recovery from Covid-19."

**14<sup>th</sup> April 2020, source: TravelMole**

### **Wizz Air slashes 1,000 jobs**

Wizz Air has announced 1,000 job losses, equivalent to 19% of its workforce. In addition, other employees have been furloughed and the remaining workforce have had salaries cut. Pilots, cabin crew and office staff have seen pay cut by 14% on average for the year, while top execs will lose 22% of their pay. The airline said traffic was down 34% year-on-year in March and it is currently operating at just 3% of its pre-coronavirus capacity. It has lost more than £60 million between March and May. Chief executive József Vradi said: "First and foremost, I would like to thank our people for their tremendous support to passengers and communities across all countries during these unprecedented times. "They have risen to the challenges facing Wizz Air and the industry with grace and determination, especially when it comes to performing repatriation flights for citizens stranded by Covid-19 across the world and delivering key medical supplies to help our countries, communities of caregivers and their patients."

**15<sup>th</sup> April 2020, source: Travel Daily**

### **How to plan for holidays once non-essential travel ban is lifted**

As we near to a month of social isolation after the long Easter weekend, many may be yearning for the feeling of sand between their toes or the hit of heat after stepping off of a plane in an exotic climate. Despite some saying that this moment could take longer to come than we would like, now could be the time to start budgeting for travel. This comes amidst news today that flight carriers could double prices once the non-essential travel ban has been lifted. This is due to service providers being barred from filling planes and enforcing some social distancing measures. Furthermore, there is an expectation that there will be a rush amongst potential travellers, allowing carriers to raise prices for desirable destinations. Matt Crate, managing director of WeSwap, shared some top tips to budget for your next holiday:

**Choose how to travel** - With the news that carriers could double prices today, some flight providers and even water-based options may see an opportunity to book future holidaymakers in now. Compare your options diligently and be prepared to travel at less desirable times to get a better price: **Destination, destination, destination** - Some national carriers will be working with travel boards to make their countries and regions attractive to potential travellers, so there may be deals to be had there. Furthermore, there will be a lot of demand for already popular destinations such as Florida or Paris, but looking further afield to less popular holiday destinations may present more cost-effective options for many families looking to get away once this period has passed: **Begin budgeting now** - The travel market is very fluid at the moment, so trying to get the best possible deal for a specific time can be tricky. However, there are some things that will still be the same. Exchanging travel money to Euros or Dollars now, setting hotel and flight budgets or even beginning to budget for your holiday spend would be a great use of time and an incentive to look ahead to your next getaway: **Compare the comparison sites** - With many of us with extra time on our hands at home, internet window shopping can be very appealing, but a great use of time can be to compare the comparison sites. There are still great deals to be had when booking in the future, so check out all the sites and even visit the carriers' websites directly as you could save you hundreds off of your next venture. In short, there are still lots that holidaymakers can be doing to prepare for their 2020 holidays. Just make sure that all holidays booked during this period are protected in case you can't travel then, but there are still great deals to be had, so spend time doing your research and get ready to travel again!

**15<sup>th</sup> April 2020, source: TravelMole**

### **Travel and tourism staff praised for 'quiet heroism' in face of pandemic**

The World Travel & Tourism Council (WTTC) has praised millions of people around the world in the travel and tourism sector for lending crucial help to combat the coronavirus pandemic. It said staff employed by WTTC members have volunteered time and expertise, putting their own lives on the line, to provide essential relief efforts in their local communities. This has ranged from furloughed airline cabin crew, including those with British Airways, easyJet, TUI and Virgin Atlantic, being deployed to help in hospitals, to operating additional flights for medical cargo, luxury hotels opening their doors to provide free rooms to healthcare workers or helping with grocery shopping and running errands for the elderly self-isolating. WTTC president & CEO Gloria Guevara said: "WTTC wants to pay tribute to the millions of amazing coronavirus heroes throughout the global Travel & Tourism sector for selflessly going the extra mile to help their communities to overcome and combat the Covid-19 pandemic threat. "We recognise their quiet heroism and phenomenal dedication through using their incredible people skills developed during their normal working lives and wealth of experience to step up and offer essential help and assistance to those on the front line fighting this terrible virus. "Whether it's tending to the sick, opening hotels for health workers or manning foodbanks, they, like countless others have risen to the challenge and shown with their hearts and actions that we are stronger together and we will win this battle." Hotel giants like Hilton have teamed up with American Express to launch their Rooms for Responders initiative, offering free accommodation to more than a million healthcare professionals across 10 medical associations fighting the Covid-19 pandemic. Meanwhile, Carnival has offered a number of its cruise ships to act as floating hospitals to treat patients suffering from less-critical, non-coronavirus-related conditions. In the US and Spain, Room Mate has also offered up hotels in New York, Madrid and Barcelona, to be transformed into temporary hospitals to help in the Covid-19 fight. United Airlines has offered free flights to New York and California to medical personnel. Spanish flag carrier Iberia is working with the Spanish Federation of Healthcare Technology Companies (Fenin)

and the Oesía Group to bring medical supplies from China to fight COVID-19. In China, Trip.com has donated more than three million surgical masks to more than 25 countries around the world. WTTC added that the travel and tourism sector has 'faced near collapse and a battle for survival' due to the extensive travel restrictions and lockdowns ordered by governments across the world to stop the spread of the pandemic. Latest WTTC research reveals up to 75 million travel and tourism sector jobs are at risk globally.

**16<sup>th</sup> April 2020, source: TravelMole**

**UK government extends lockdown for further three weeks**

Foreign secretary Dominic Raab confirmed the government's decision during Thursday's daily coronavirus briefing (16 April). Raab said the decision was based on the latest scientific and medical advice, and stressed it was important for the UK to "take the right steps at the right time" to suppress the virus and avoid a second wave. Any changes to social distancing measures now would risk a "significant increase" in infections said Raab and would risk a second peak that could undo any progress made so far and require a longer period of lockdown. He added relaxing social distancing measures early would be just as likely to do more damage to the economy.

**16<sup>th</sup> April 2020, source: TravelMole**

**Saga cancels holidays until June**

Over 50s specialist Saga Holidays has cancelled all departures up to June 1. Clients due to travel up to the end of June can postpone their trips and transfer to another holiday from September 2020 to December 2021 without incurring any cancellation fees or penalties. The operator is also offering credit of £100 per person off any river cruise, ocean cruise partner or European holiday and £200 per person off any long-haul holiday. In a message posted on the company's website, Saga Holidays managing director Chris Simmonds said: "I would like to thank you for your patience and understanding during these unprecedented times. The support we have seen from all of our guests has been greatly appreciated and we are looking forward to the future when we can welcome you back onto another Saga Holiday with us."

**16<sup>th</sup> April 2020, source: Travolution**

**Skyscanner poll offers 'glimmer of optimism' over future bookings**

A glimmer of optimism has emerged over future travel bookings with new data suggesting many consumers think it will be safe to take trips abroad by the autumn. Global polling by flight search firm Skyscanner of more than 7,500 people found that 75% believe it will be safe for overseas travel within six months. For UK travellers, the belief that it will be safe to travel again within that period rises to 84%, backed by evidence of a spike in searches for Christmas travel. However, the level of optimism is lower in the Americas at 60% and just 51% in the Asia Pacific region – both hit hard by the coronavirus pandemic. Skyscanner strategic partnerships commercial director, Gavin Harris, said: "Travellers and travel providers are facing an undefined period of unprecedented uncertainty. "Our travel insight data reflects this with travel interest and demand down across the board. "Comparative analysis of the top searched destinations in the run up to the UK lockdown being announced reveals long-haul destinations replaced popular European Easter destinations particularly in Spain. "This is likely due to people returning to their home countries and is supported by a large increase in the share of one-way travel from the UK throughout March. "But there is optimism for future, with over three quarters UK travellers believing that it will be safe to travel abroad again within six months. "It's too early to assess the impact of the updated FCO guidance issued this week and uncertainty will remain until there is clarity on when travel bans will be lifted."

**16<sup>th</sup> April 2020, source: Travelbiz**

**EasyJet says it can survive a lengthy fleet grounding**

Airline plans to sell six aircraft, says bookings for winter ahead of last year - British low-cost airline easyJet said it would be able to survive a lengthy fleet grounding during the coronavirus pandemic due to the steps it had taken to shore up its finances. The airline said that it had the ability to shrink its fleet through leases and planned to sell six old aircraft, giving it flexibility depending on the shape of future demand. Looking to the future, it also said that bookings for winter are well ahead of the equivalent point last year. Airlines across the world are battling to stay afloat at a time when lockdowns and travel bans have brought air travel to a near-halt and as deep uncertainty remains over the pace of an eventual recover. EasyJet said that given the level of continued uncertainty, it was not possible to provide financial guidance for the remainder of the full 2020 financial year. “However, we continue to take every step necessary to reduce cost, conserve cash burn, enhance liquidity, protect the business and ensure it is best positioned for a return to flying,” it said. With its various funding initiatives, it expects to have generated total additional liquidity of around £1.85-1.95 billion (€2.21-€2.24 billion), leading to a notional cash balance of about £3.3 billion. EasyJet forecast a first half to March 31st headline loss before tax of £185 million to £205 million. That would be an improvement on a loss of £275 million in the same period last year. – Reuters

**17<sup>th</sup> April 2020, source: Travelbiz**

**Irish aircraft lessor AerCap could be offered shares in Norwegian Air**

The troubled airline plans to swap its debts for equity in the business. Irish aircraft lessor AerCap could be offered shares in [Norwegian Air](#) under the troubled airline’s plans to swap its debts for equity in the business. Norwegian intends offering creditors, including aircraft lessors, shares in the airline to satisfy the terms of part of a €265 million state aid package aimed at getting it through the Covid-19 crisis, which has grounded air travel. Dublin-based AerCap has leased 11 craft to Norwegian, so as a result could be offered shares in the company under the proposal, along with other creditors including banks and bondholders. AerCap did not comment on Thursday. Industry analysts have questioned how creditors are likely to respond to Norwegian Air’s offer given its shares have lost more than 70 per cent of their value so far this year. Credit Suisse analysts [Neil Glynn](#), [Arthur Truslove](#) and [Hannah Burrows](#) said in a note recently that it would be “interesting” to see if creditors accepted the deal in light of Norwegian’s share price performance and given that they did not normally invest in airline equities. Companies such as AerCap buy craft and lease them to airlines, earning revenue from the rent the carriers pay. The lessors can repossess planes if airlines fail to pay the rent. It is understood that AerCap could take back its 11 craft if it were to refuse the shares-for-debt deal and Norwegian were unable to continue paying for them. Norwegian Air did not comment. The Scandinavian carrier said recently that the debt-for-equity conversions would release cash for a Norwegian government guarantee scheme. Alongside that Norwegian intends issuing new shares to raise further cash. However, both moves would reduce the holdings of existing shareholders, who have seen the value of their investment collapse this year as coronavirus has grounded air travel. Headquartered in Dublin and listed on the [New York Stock Exchange](#), AerCap is one of the world’s biggest aircraft lessors.

**17<sup>th</sup> April 2020, source: TTG**

**ABTA slams UK Transport Secretary’s summer holiday booking comment**

Speaking on BBC Radio 4’s *Today* programme about a possible resumption of activity after the UK lockdown, Grant Shapps said: “I won’t be booking a summer holiday at this point, let’s put it that way.” It will be a blow to those in the travel industry hopeful of a resumption

of travel in time for summer, after the Foreign Office advised against all but essential international travel “indefinitely”. An Abta spokesperson said: “It was a thoughtless comment and not based on any facts about what we know today about the future of the pandemic... it shows complete disregard for the UK travel industry, the hundreds of thousands of people it employs and the struggle it is facing in this current crisis. “It would be better if the government focused on taking the necessary steps to support the sector rather than undermining confidence in it.”

**17<sup>th</sup> April 2020, source: TTG**

### **UK government extends furlough scheme to end of June**

Chancellor Rishi Sunak said the move would give businesses "the certainty they need" during the coronavirus crisis. Announcing the move on Friday (17 April), Sunak said the scheme would be kept under review – and could yet be extended further if necessary. The government’s job retention scheme allows businesses to furlough, or stand down, employees with the government paying 80% of their wages up to a maximum of £2,500 per month in grants. The scheme was originally open for three months, backdated from 1 March through 31 May. This has now been extended to 30 June. It comes after the government on Thursday (16 April) announced it was extending the UK’s coronavirus lockdown measures for "at least" another three weeks.

**17<sup>th</sup> April 2020, source: TTG**

### **‘Post-Coronavirus boom could mask reluctance to travel’**

That was the prediction from Travel Trade Consultancy director Martin Alcock, speaking during TTG’s ‘Keep Your Business Alive’ virtual seminar, predicting tourism will experience a “W-shaped” recovery. He said an initial post-pandemic bookings boom could mask a more widespread reluctance to travel, which will take longer to overcome. This could impact takings into 2021, he explained. “Immediately after the [lockdown ends], you will see a surge in interest as people look to make up for lost time – missed Easter holidays or maybe missed summer holidays – but that could mask a slightly longer-term problem. It’s going to depend on the depth of that economic recession.” He also stressed different client demographics would respond in different ways, and destinations will reopen in stages and at their own pace. “Assuming one homogeneous recovery where everybody starts travelling again like they did before is a mistake,” he said. For example, the older demographic who are historically big spenders but are more at risk from Covid-19 may struggle to obtain travel insurance and may be put off booking. Alcock predicted destinations that rely heavily on tourism and are relatively successful in containing the virus would reopen more readily than places that saw greater numbers of fatalities. “I don’t think we should underestimate the changes in our buying behaviour attitudes that might result from a [lockdown] of [this] scale,” said Alcock. “It’s dangerous to think we will all just go back to what we did before. When lockdown is over, will we go straight to jumping into group tours, boarding large cruise ships and heading to busy resorts? Or are we more likely to want to avoid crowds?” However, Alcock stressed the travel industry was resilient enough to weather the pandemic, and he encouraged firms to “hustle like mad” through the storm.

**19<sup>th</sup> April 2020, source: TT Outbound Scandinavia**

### **SAS opposite to many other airlines**

American and Air Canada have extended ‘Elite Status’, Delta gives free rebooking. Opposite a majority of airlines, SAS is doing everything to keep its money in the bank. The airline has decided not to extend points expiring (when SK is not flying), nor the bonus level of flying. The new initiative which SAS has installed is to deny their frequent flying members the

ability to buy more than 5,000 points in the SAS shop per week. Even though the airline has more than 4,000,000 members, it seems SAS during the corona-crisis is doing all it can to expel their members. It will also cost the member a Life-Time Gold, if the member now is on 8 years and only need this year to achieve Life-Time Gold. If the member loses this year, they will have to start all over.

**20<sup>th</sup> April 2020, source: TTG**

### **ABTA 'hopeful' of government action to ease refund crisis**

The association's head of public affairs, Luke Petherbridge, told *TTG* that if the matter was brought before ministers swiftly, a new temporary "refund credit note" (RCN) regime – championed by Abta – could be formalised "within weeks". It comes amid national press reports suggesting the government may, at last, be ready to offer the sector additional financial support, and to guarantee Atol-protected credit notes, as per Abta's calls. According to the *Sunday Telegraph*, transport secretary Grant Shapps – who was last week lambasted by the travel sector for what Abta described as a "thoughtless" remark about not rushing to book a summer holiday – and business secretary Alok Sharma are in the process of finalising a deal for travel, with support from the CAA. **Tanzer:** 'Extraordinary times call for extraordinary measures'. A "bespoke" package of measures for the travel sector has been rumoured since chancellor Rishi Sunak's initial "coronavirus Budget" on 11 March, and in light of the subsequent financial support measures announced since the coronavirus crisis deepened, albeit without clarity on the scale and breadth of the measures – with airlines in particular seeking respite. Former health secretary Jeremy Hunt, responding to a letter from constituent Gemma Antrobus, owner of Haslemere Travel, earlier this month hinted at a "tailored support package" for travel, with Shapps taking the lead. "Due to the complexity of the sector, a one-size-fits-all approach doesn't seem to be appropriate and a more tailored support package is required," said Hunt in response to Antrobus's letter, sent as part of Abta's Save Future Travel campaign. Abta chief executive Mark Tanzer last week accused the government of "dragging its feet" on the refund crisis facing travel, with several European nationals already having amended their interpretations of the EU Package Travel Directive to allow refunds to be delayed, while a leading industry consultant warned it may take company failures to alert ministers to the scale and urgency of the issue. A statement provided to *TTG* last week by the government's Department of Business, Energy and Industrial Strategy (Beis), the department responsible for the Package Travel Regulations, suggested movement on the issue was unlikely. A leading travel lawyer, meanwhile, told *TTG* they felt that given the delay in Beis acting to date, they were doubtful the department would step in.

**20<sup>th</sup> April 2020, source: TTG**

### **Norwegian subsidiaries in Scandinavia go bankrupt**

Pilots and cabin crew in Scandinavia are employed by subsidiaries in the Norwegian Group, and the board of those companies say they have been "left with no choice" but to apply for bankruptcy amid the ongoing coronavirus crisis. There are 1,571 pilots and 3,134 cabin crew working for Norwegian Pilot Services Sweden, Norwegian Pilot Services Denmark, Norwegian Cabin Services Denmark and Norwegian Air Resources Denmark who are affected. "We have done everything we can to avoid making this last-resort decision and we have asked for access to government support in both Sweden and Denmark," said Jacob Schram, Norwegian's chief executive. "Our pilots and cabin crew are the core of our business and they have done a fantastic job for many years. It is heart-breaking that our Swedish and Danish pilot and cabin crew subsidiaries now are forced to file for bankruptcy, and I'm truly sorry for the consequences this will have for our colleagues." He said they are "working

around the clock" to face the challenges brought on by the Covid-19 pandemic, and there are not "efficient" enough furlough schemes in Sweden or Denmark. This comes as Norwegian's flight operations have been cancelled. About 700 pilots and 1,300 cabin crew based in Norway, France and Italy are not affected.

**20<sup>th</sup> April 2020, source: TTG**

### **IATA calls for immediate aviation support**

In a joint statement released with the International Transport Workers' Federation (ITF), Iata asked authorities around the world to coordinate with each other, offer immediate financial and regulatory relief to airlines and adapt legislation to assist the industry, as well as prioritising the safety of health workers. They stressed the aviation industry's contribution to keep supply chains open and repatriating citizens. "Airlines are facing the most critical period in the history of commercial aviation," said Alexandre de Juniac, Iata's director general and chief executive. Some governments have stepped in to help, and we thank them. But much, much more is needed. Direct financial support is essential to maintain jobs and ensure airlines can remain viable businesses. And when the world is ready to start travelling again, the global economy will need aviation at its best to help restore connectivity, tourism and global supply chains." Stephen Cotton, ITF's general secretary, added: "Bold decisions are required to invest in the future of airlines and protect the jobs and livelihoods of the transport workers who will lead the economic recovery when Covid-19 has been contained."

**21<sup>st</sup> April 2020, source: TravelMole**

### **Consumer backlash to ABTA chief's direct plea for support**

Holidaymakers who have been denied immediate refunds for trips cancelled due to the coronavirus have reacted angrily to a letter from ABTA chief executive Mark Tanzer asking for their support. While some travel agents said the letter, published in the Telegraph and on its website today, would help explain to clients why they weren't receiving cash refunds within the 14 days stipulated in the Package Travel Regulations, customers accused ABTA of breaking the law. The letter attempts to explain to holidaymakers why companies are unable to provide immediate refunds and clarify the new framework ABTA has developed to protect their money. It calls on consumers for their support to prevent the collapse of travel companies, pointing out that if they do fail, it will take even longer for them to get their money back. However, there was little sympathy for ABTA's position on social media, with one user responding to the letter saying: "If I held on to customers money, I would be arrested." Another wrote: "ABTA encourages breaking some of their rules like the 14-day refund reg. & the T Companies do this. But it also says on their website to give customers 2/3 weeks' notice of cancellation b4 departure date. Thousands of us are not getting that me included. ABTA get your act together." Others accused ABTA of 'sticking two fingers up to the law', of failing to acknowledge the financial plight of the customers, 'forgetting' to apologies to customers for the lack of refunds and one said the letter was 'too little too late'. One user, a supporter of the rival ['It's Right to Refund' campaign](#), went so far as to claim Tanzer was 'unfit to self-regulate this industry'. In the letter, Tanzer said: "*The coronavirus crisis is creating extraordinary difficulties for everyone, in ways that none of us could ever have predicted. International travel has been brought to a complete standstill by government measures to contain the pandemic and this has led to hundreds of thousands of holidays being affected. Here, I want to write to customers of ABTA Members specifically to explain the current situation with refunds for holidays that aren't going ahead as planned as a result of the pandemic, and to ask for your support. Many customers have rebooked their holidays for a future date, but I completely understand why those who have asked for a refund may*

*feel frustrated and concerned at the amount of time it is taking. In normal circumstances the rules to provide a refund for a package holiday within 14 days work well. But these are not normal circumstances and the 14-day refund rule is impossible for the majority of companies to stick to. Many travel agents and tour operators are unable to provide immediate cash refunds because they have not yet received money back from airlines and hotels around the world that may have temporarily closed. It's in nobody's interests for normally healthy travel businesses to go under. As well as the loss of thousands of jobs, the Government-backed ATOL financial protection scheme would be overwhelmed by a large-scale failure of businesses and it would take many more months for customers to get a refund. The European Commission, which is responsible for the relevant regulations, has advised Member states to find "flexible solutions" to demands for refunds on cancelled holidays during the crisis. Many other European countries with similar challenges have already taken action to support businesses while protecting customer rights. Despite our pleas for support, the UK Government has so far failed to act. For this reason, to provide some order to the chaos brought about by the current crisis, ABTA has developed temporary guidelines for dealing with refunds for its Members and their customers, where Members are financially unable to provide an immediate cash refund. These are based on a system of financially-protected Refund Credit Notes where the customer's fundamental right to a refund for a package holiday is preserved, as set out by law. This type of system is similar to those introduced in many other countries and is the framework under which ABTA will guide its Members and hold them to account. Notwithstanding the issuing of Refund Credit Notes, ABTA's expectation is that Members should refund customers as soon as they are able to. This crisis will pass, and I'm sure, like me you want to ensure that when it does, we have a healthy and competitive travel industry able to provide you with the choice of holidays that you deserve."*

**21<sup>st</sup> April 2020, source: ITTN**

### **ABTA Provides Further Industry Guidance on Refunds**

In the UK, ABTA – The Travel Association has published further guidance for Members and customers on holiday amendments and refunds, as the industry continues to wait for the UK Government to provide clarity and support from its side. ABTA has developed additional guidance for Members on refund protection, including the use of Refund Credit Notes. This guidance sets out standardised rules for Refund Credit Notes to ensure that travellers are protected, particularly around insolvency. The guidance makes it clear what information should be included in a Refund Credit Note. It also reiterates that Refund Credit Notes are not the same as vouchers, which do not come with financial protection. The guidance is available on the Member zone of ABTA's website, [abta.com](http://abta.com). ABTA's website now also includes updated information for customers on why delays to refunds for package holidays may be occurring, what the organisation is asking the Government to do, and what a Refund Credit Note is. This includes clarifying that Refund Credit Notes preserve a customer's right to a refund for a package holiday and that they come with the same financial protection as the original booking. The information also makes it clear what should be included in a Refund Credit Note, in line with ABTA's guidance to Members. There is also a useful FAQ that is designed to answer the many questions that concerned customers may have, whose holidays have been affected because of this crisis. A Refund Credit Note entitles customers to rebook a holiday at a future date or receive a cash refund at the expiry date of the note at the latest (if the original booking was for a package holiday). The expiry date is based on a travel company's financial protection arrangements, which will vary by company. It also retains the financial protection that came with original booking. Meanwhile, the UK industry continues to respond to ABTA's call to action to support its 'Save Future Travel' campaign. In the

week since the campaign launched, nearly 24,000 letters have been sent and ABTA is in contact with a number of MPs about the campaign, who have been inundated with messages from supporters. It is important that any replies from MPs are shared with ABTA's Public Affairs team at [savefuturetravel@abta.co.uk](mailto:savefuturetravel@abta.co.uk). In addition, 55 travel firms have so far shared their logos to give additional support to the campaign, these can be seen here: [www.savefuturetravel.co.uk/campaign-supporters](http://www.savefuturetravel.co.uk/campaign-supporters) Mark Tanzer, ABTA Chief Executive, said: "In the absence of any help or information from the Government, ABTA is continuing to provide guidance to help businesses affected by the pandemic who have not received money back from suppliers and who are not in a position to provide refunds in 14 days. It is important that ABTA Members understand and adhere to the rules around Refund Credit Notes as this will really help to prevent confusion and provide reassurance to customers. "Many other European countries have already taken action to help travel businesses while preserving consumer protection, while the UK Government continues to drag its feet. "It is essential that as an industry we keep up the pressure on decision-makers in Government to provide help. We have seen an overwhelming response to our 'Save Future Travel' campaign. Thank you to those that have supported the campaign and if you have yet to visit the website please do. Dozens of firms have pledged their support and are listed on the website, which is vital for audiences to see – we must continue to stand together."

**22<sup>nd</sup> April 2020, source: Travelbiz**

### **Taoiseach hopes to be able to lift some restrictions by May 5**

The Taoiseach has said he hopes to be able to announce the lifting of some of the Covid-19 restrictions by May 5. Leo Varadkar said a plan is being prepared that will set out step-by-step how the economy and society will reopen. He said the aim is to focus on areas with the most benefit to society but the least risk. "What we want to do is open up areas of the economy and society that will have the most benefit to our economy and society but the least risk, in public health terms," he said, speaking on RTÉ's Prime Time. Mr Varadkar said they are watching "very closely" other countries who have begun easing restrictions - such as Denmark and Germany. "We'll be able to see how they got on. We'll have two or three weeks of data from them before we make that decision." However, Mr Varadkar added that a number of factors must be considered before any restrictions are lifted: "We need to look at three things," he said. "Is the rate of the increase in the virus improving? It is at the moment, that could change though. "Are the hospitals...will they have the capacity to deal with the surge if things go wrong? That looks good right now. "And then do we have the testing and tracing in place - that's not quite there yet. "But they're the three things that have to go in our way, if you like." Yesterday, it was announced that a further 44 people with the virus have died, bringing the death toll to 730. It was also announced that more than 9,000 people who tested positive for Covid-19 in Ireland have now recovered, official figures indicate. Statistics from the Department of Health show that 8,377 people have recovered in the community while 856 of those in hospital have also recovered. The figures, which are the most up to date available, are based on an analysis of the confirmed cases when the overall total stood at 15,186. The number of confirmed infections had risen to 16,040 today, with 388 new cases confirmed in the previous 24 hours. Meanwhile, the Health Minister is meeting the Irish Nurses and Midwives Organisation about the coronavirus pandemic today. Simon Harris says he hopes to discuss some 'practical approaches' that can be taken to help the sector. The current restrictions started on Friday, March 27. They mandate that everyone should stay at home, only leaving to:

- Shop for essential food and household goods;
- Attend medical appointments, collect medicine or other health products;

- Care for children, older people or other vulnerable people - this excludes social family visits;
- Exercise outdoors - within 2kms of your home and only with members of your own household, keeping 2 metres distance between you and other people
- Travel to work if you provide an essential service - be sure to practice physical distancing
- Mass public gatherings outlawed until end of August

**22<sup>nd</sup> April 2020, source: TTG**

**Steve Witt: “If everyone got a refund it would be like a run on the banks”**

We’ve been told to think about how our actions have ramifications on the wider society. This is true of the current situation where customers are demanding refunds for their cancelled trips. If everyone was given a refund, it would be like a run on the banks, and the operators or airline would go under very quickly. It would mean thousands of customers would not be going on their booked holiday at any time – in the near or far future. It has taken the big players such as Tui, British Airways or Virgin Atlantic many years to get to where they are and they can’t be replaced quickly. It would take years for other players to step into their role. These are exceptional times. Travel operators and airlines aren’t being dishonest, it’s that they are in very difficult situation and need to survive. The sheer number of people contacting the companies is overwhelming. A lot of their staff are furloughed and so with much smaller customer service teams, customers aren’t getting responses. Customers have a legal right to their money, but firms are holding firm, simply for survival. Parliament should ultimately be changing the law to protect the industry but it isn’t currently meeting and so is unable to pass new laws. Abta is encouraging travel companies to offer interim "refund credit notes". By accepting a credit voucher or rebooking, the customer may be forfeiting their legal rights, but they are doing the right thing for themselves, other customers, travel companies and their thousands of staff. By holding the line, the customer is helping the supplier to survive the crisis, so they can take that holiday at a later date. We support both sides as we can see what is best for everyone. We are finding that once we explain the situation to our customers, the large majority of them are happy to be issued a voucher or rebook as they know their money is protected and it’s the best solution for them and the industry. *Steve Witt is co-founder of homeworking firm Not Just Travel.*

**23<sup>rd</sup> April 2020, source: TTG**

**Delta ‘not in a position to invest further in Virgin Atlantic’**

Delta owns a 49% stake in Virgin Atlantic, with the other 51% retained by Richard Branson’s Virgin Group. Branson had proposed selling 30% of his share to Air France-KLM but decided late last year to retain his controlling stake. However, Virgin Atlantic has been hit hard by the coronavirus pandemic, leading to Branson’s carrier seeking support from the UK government. In an open letter to employees this week, **Branson said without state intervention, Virgin Atlantic was at risk of collapse**. He said any cash received from the government would not be "free money" and would instead be provided on a commercial basis, citing the £600 million commercial loan granted to easyJet under the government’s Covid Corporate Financing Facility. While easyJet appears to be the first major carrier to benefit from the fund, Virgin is understood to have been the first to make an application for support, but was told – according to the Financial Times – by the government to rethink its bid. Delta, meanwhile, has been awarded a \$5.4 billion US government grant to cover its wage bill during April, May and June, and is seeking a further \$4.6 billion in government loans. It posted a quarterly pre-tax loss of 607 million on Wednesday (22 April), which chief executive Ed Bastian revealed came despite the carrier halving its operating costs over the

past month to \$50 million a day after placing nearly 40,000 employees on voluntary unpaid leave and grounding the majority of its fleet. Delta now expects revenues for the three months to June to plummet 90% year-on-year and in a CNBC interview, Bastian said this would likely impact its ability to offer Virgin Atlantic any support. "We are not in a position to invest any more in Virgin Atlantic," said Bastian, adding Delta was already at the ownership cap of 49% and any cash in the business would be required to protect itself first and foremost. "I trust Virgin will work through its challenges with the government and with Richard," said Bastian, who also stressed that if Virgin Atlantic did have to enter administration, he was confident Virgin brand would re-emerge in aviation.

**27<sup>th</sup> April 2020, source: TTG**

### **ABTA may revoke membership if refunds refused**

Speaking during *TTG*'s latest **Keep Your Business Alive** virtual seminar on 23 April, Simon Bunce, head of legal services, said operators unfairly withholding customer cash "aren't just doing damage to themselves but to the reputation of the industry, and that's not right". He stressed refusing refunds "has never been Abta's position" with reimbursements granted as part of its credit note scheme, which the body continues to ask government to ratify. Under the Package Travel Regulations in their current guise, clients are entitled to a refund within 14 days of a booking's cancellation (although Abta is asking for this amount of time to be lengthened). Bunce called on agents with "real concerns" over operators' conduct to report them to Abta. "The vast majority of companies in the industry are managing this in a really good way in the most appalling conditions," he told *TTG* editor Sophie Griffiths. "[But] there are a handful out there who are refusing to give refunds." Questioned as to what enforcement measures Abta would take, Bunce said stripping membership was the final step of its code of conduct procedures. He said under Abta's code, operators should refund "without undue delay", admitting the term was a "beautifully vague legal phrase". He added: "We're having problems coming up with a clear and reasonable plan for paying those refunds because that could depend company by company. There's very much a range between 'we will pay you in 14 days' and 'we will pay you in six months. "Some companies can't make those refund payments at any time over the next three or four months for operational reasons. Some are saying 'we won't pay refunds until 31 March next year' [as it fits their financial bonding]. To those, we are saying that does not work – that's not paying without undue delay."

**27<sup>th</sup> April 2020, source: TTG**

### **Airlines urge government to extend furlough scheme**

Airlines UK, the trade body for UK registered airlines, has written to the chancellor Rishi Sunak seeking an extension, with a slow recovery for air travel forecast. EasyJet and British Airways are among the carriers to have capitalised on the scheme so far, with BA having furloughed in excess of 30,000 staff. In its letter, Airlines UK warned a return to normality for international aviation would be "gradual", and that aviation was facing a "cliff-edge post-June" once the furlough scheme lapses on 30 June. The group said the government should consider reviewing the scheme on a sector-by-sector basis as some parts of the economy recover at a faster pace than others. Iata has stressed recovery in air travel will be slow with European air traffic currently down 90%. Elsewhere, the BBC reports an all-party group of 20 MPs is seeking a government bailout for aviation, underpinned by stringent environmental commitments and conditions. The Unite union, meanwhile, has set out a "radical" blueprint for the future of aviation, in which it says government should be able to inject cash into airlines to preserve vital connectivity, both for travel and economic prosperity, and to save jobs. Like the MPs calling for a bailout, the measures would require commitments on the environment and corporate practices. Earlier this month, easyJet became the first UK airline

to tap the government's Covid Corporate Financing Facility, to the tune of £600 million, while Wizz Air has confirmed it is eligible to draw cash from the scheme. Jet2.com parent Dart Group is currently seeking to establish its eligibility. Virgin Atlantic is seeking state support, but it is unclear at this stage what avenue it is pursuing. The government is understood to have knocked back its first application. Sunak has previously warned airlines to look for assistance from its existing shareholders and the private sector before approaching government.

**27<sup>th</sup> April 2020, source: TTG**

**Trailfinders boss brands ATOL scheme 'flawed from its inception'**

Gooley, owner and executive chairman of the agency chain, said the scale of the coronavirus crisis "cannot absolve us from discharging our warranty". He said: "When I put this promise in place from our start-up in 1970, I could never possibly have envisaged the global shutdown of travel we are presently experiencing. "However, the sheer scale of the crash cannot absolve us from discharging our warranty." He went on to say 36 airlines had "made calls on our pledge" over the years, predicting that "several more failures are waiting in the wings". Gooley said what had enabled Trailfinders to offer this guarantee was that Trailfinders adopted escrow accounting from the outset – whereby funds are held in trust while two or more parties complete a transaction. "We have never regarded money paid to us for future travel as ours to spend on our general running expenses," he said. "I enshrined this into a formal trust account in 1993 and built up sufficient cash reserves to cover our travellers where they are not otherwise protected." He described Trailfinders as "almost alone in this". "Much of the industry relies on using these pipeline monies as a matter of course rather than capitalising sufficiently to be able to ride any downturn in their particular market," he said. "I have campaigned for years to successive governments to make escrow accounting mandatory. The simple silver bullet to reduce the constant stream of failures and the magnitude of the misery when they do. "Even bookies are obliged to set aside all wagers until the result is known. "The Atol scheme was flawed from its inception and asks the taxpayer and the better managed to pay for the stream of failures." He went on to describe Abta as a "spent force". "There are signs that this crisis has finally exposed the shortcomings of protecting the traveller," concluded Gooley.

**29<sup>th</sup> April 2020, source: TTG**

**'BA's announcement is a major warning to other airlines'**

An early shout from IAG, the ultimate owner of BA, claimed it had the cash reserves to weather Covid-19 and the dramatic decline in traffic. Warning shots to others that government support would distort competition are certainly valid on a global basis. Some airlines will be artificially stronger in the new world as a result of support not offered to others. But such comments can also force your hand, or indeed 12,000 redundancies. Since the Willie Walsh era, BA has been ruthless in its business management. It has always acted in the interest of its shareholders and made all of those horrible tough calls ahead of others; that is why it has been so profitable in recent years. **Yesterday's announcement** may be seen by many as too early a call but if maintaining shareholder confidence is important, especially if you need to seek access to cash, then it is a huge statement of intent. It is also of course a major warning ahead of any support that may (or indeed may not) be offered to other UK airlines. Quite how this will play out for BA will be interesting. The continued operation of the B747-400 and A380 has to be under threat; the B747 fleet was already slated for retirement in the next few years. The network "jewel" of transatlantic services will certainly be protected but some short-haul markets from Heathrow may be lost. As for Gatwick; the long-haul programme could backfill those slots vacated at Heathrow and the Gatwick short-

haul programme be completely dropped. It's a serious option for consideration. A by-product of that could see easyJet ramping up its Gatwick position at the expense of Stansted as well; everything is up for grabs! The bigger issue is of course, the expected 12,000 redundancies. Skilled valuable resources such as those likely to be released, would in normal times snap up roles almost immediately. For flight deck crew, vacancies in major Asian airlines will become available in time; there are always adverts for such roles in normal times. The problem is that these are not normal times and those skills could just be lost. This would be a huge blow to the wider concept of the UK as a centre of aviation excellence. BA and IAG will not have made this decision lightly, the tone of **the letter from Alex Cruz to his staff yesterday** was that of a man letting his team down; he is actually a decent guy doing a decent job with quite frankly a crap set of cards to play at the moment. What he is doing is saving the long-term business at the expense of the short-term damage; that is what a CEO has to do. My only slight doubt is if he and BA have jumped too early. No one knows what the full long-term damage will be, no one knows how demand will ultimately pick up and I've seen some quite encouraging sentiment around travel in August and September. Iata's recent sentiment survey suggests 61% of those surveyed would travel within two months of travel and 89% would wait six months or so. It just maybe that British Airways has jumped the gun a bit. But as I said, BA is ruthless at times such as these, however hard that is for everyone concerned. Similar actions could well follow across other major European carriers in the next few weeks, after all, BA has always claimed to be ahead of the competition. Sad times indeed. *John Grant is partner at MIDAS Aviation*

**30<sup>th</sup> April 2020, source: TTG**

### **BA 'could pull out of Gatwick post-pandemic'**

According to BBC News, the admission came in a memo written by the head of BA's Gatwick hub. BA's operation at Gatwick is around the fifth of the size of its Heathrow programme. BA announced at the end of March **it would suspend its Gatwick flight programme** owing to Covid-19. Gatwick, meanwhile, **has consolidated its operations in its South Terminal**, and shut its North Terminal. **In a separate letter to pilots**, reported by Sky News, BA said it could not rule out suspending its Heathrow operation as well due to the reduction in flights owing to coronavirus. The letter revealed **BA is planning to cut more than 1,000 of its more than 4,300 pilots** as part of **a restructuring and redundancy programme set out by parent IAG on Tuesday** (28 April) which could result in the airline shedding up to 12,000 employees. *TTG* has approached BA for comment. Gatwick said the matter was for BA. Pilots union Balpa, meanwhile, told *TTG* the matter "was on its list of questions" for BA.