

**COVID
changes
everything in
Travel**



Travel is a quickly changing landscape

LIVE UK races to expand booster rollout amid Omicron fears
14,041 viewing this page

How can I tell if I have Omicron? | Can the NHS boost the booster programme?

Summary

- NHS England is to issue detailed guidance to hospitals, pharmacists and GPs about expanding the Covid booster vaccine rollout.
- The government plans to offer all eligible adults in England a booster by the end of January in response to the new Omicron variant.
- Ni has also announced extra vaccination clinics, while Scotland and Wales have said their booster programmes will be ramped up.
- A total of 22 cases of Omicron have been confirmed in the UK so far - 13 in England and nine cases in Scotland linked to a single event.
- Health Secretary Sajid Javid is urging people to be "sensible" around Christmas parties and consider taking rapid tests.
- Meanwhile, Europe continues to battle rising Covid cases as travel bans take effect to slow the spread of Omicron.
- In Australia, police have arrested three people who broke out of a Covid quarantine compound in the middle of the night.

Live Reporting
Edited by James Clarke

10:02
Brits must now be fully jabbed to enter Spain

Some important news now for winter sun-seekers - Brits travelling non-essential reasons such as tourism will require a certificate of today.

Related Stories

- Javid: No need to change Christmas plans
- PM: All adults to receive booster by end of January
- 'Wear face-cove contact to previ

New restrictions in England

Face coverings compulsory in shops and on public transport

entering the UK to take a PCR test and until they receive a negative result

Omicron Variant Sends Policy Makers Scrambling as Science Lags Behind

Researchers are evaluating Covid-19 variant's mutations and tracking infections to evaluate Omicron threat

Police officers patrolled a departure hall at Narita Airport in Japan on Tuesday after the country closed its borders to foreigners. TORU HANAI/BLOOMBERG NEWS

By [Gabriele Steinhauser](#) and [Brianna Abbott](#)
Updated Nov 30, 2021 5:04 pm ET

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Business

Pfizer, BioNTech Say Third Dose Neutralizes Omicron Variant

updated 17 minutes ago

U.K. Travel and Leisure Stocks Slide on Restrictions Report

Scientists Discover Harder-to-Detect Version of Omicron

Pfizer Shot Provides Partial Omicron Shield in Early Study

THE CORONAVIRUS PANDEMIC

f | t

It's been about two years since an outbreak of a new strain of coronavirus was first reported in Wuhan, China. Declared a pandemic by the World Health Organization in March 2020, it has now infected more than 250 million people worldwide.

What you need to know

Last updated: 1 Dec, 5:47PM

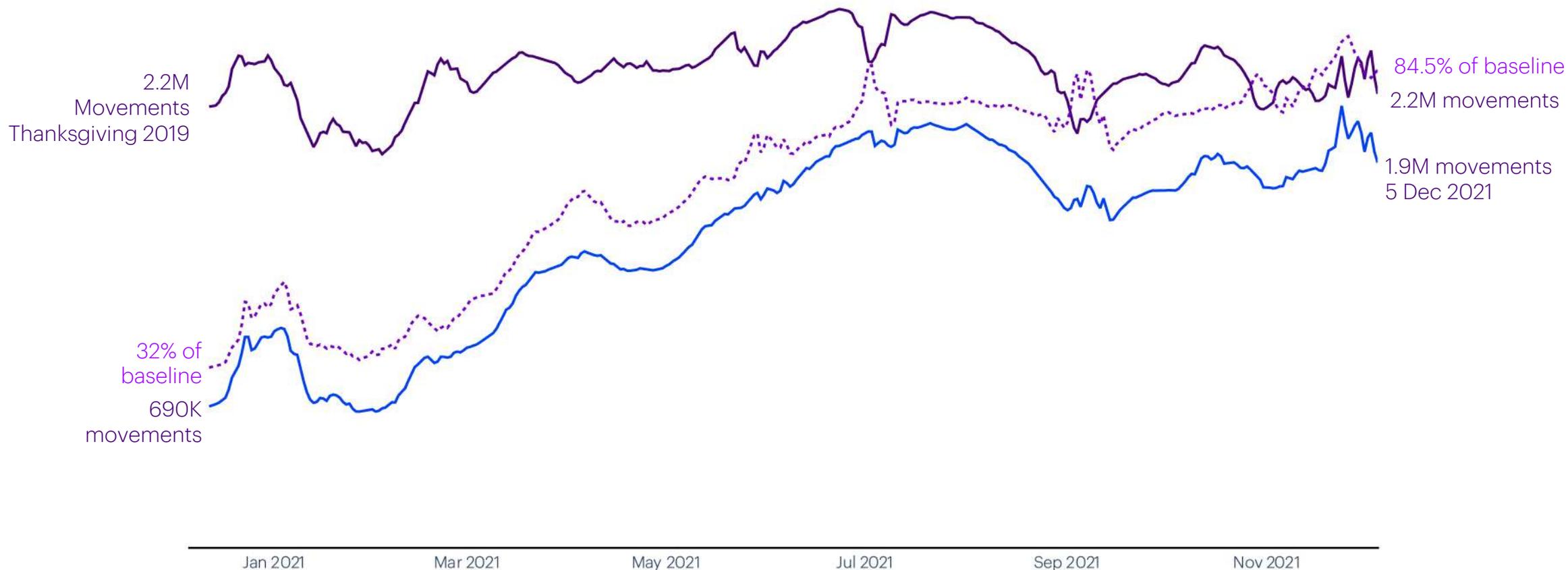
- NEW** What Asian countries are doing to fight the Omicron variant
- NEW** Omicron could greatly reduce efficacy of Covid-19 vaccines: Hong Kong expert
- NEW** China reports 91 local Covid-19 cases, highest in nearly a month



The opening of US borders and holiday traffic lifted overall US recovery to 89.5% of pre-COVID at Thanksgiving

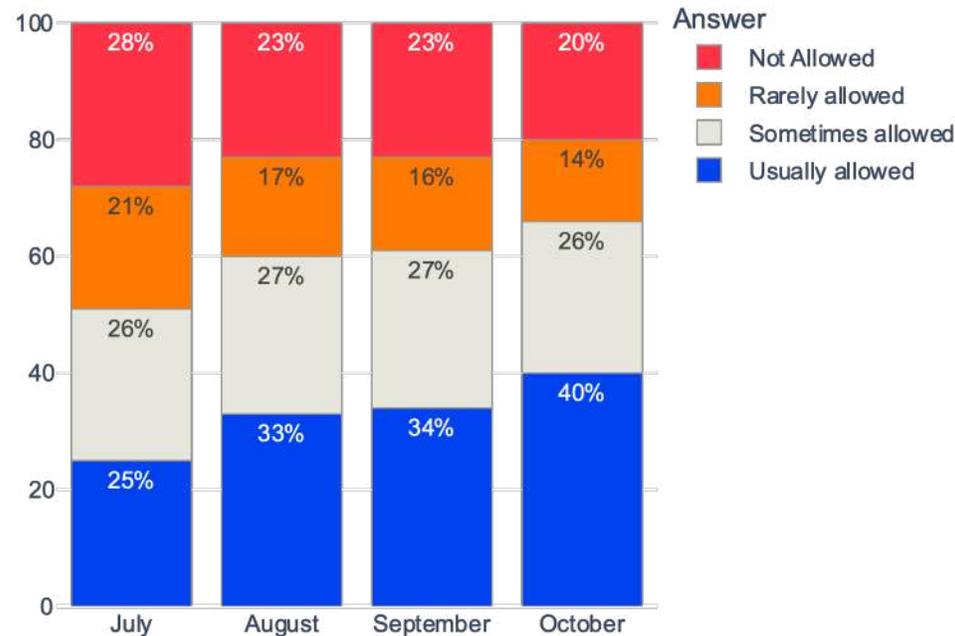
US TSA Checkpoint Movements

7-day moving average vs comparable pre-covid baseline

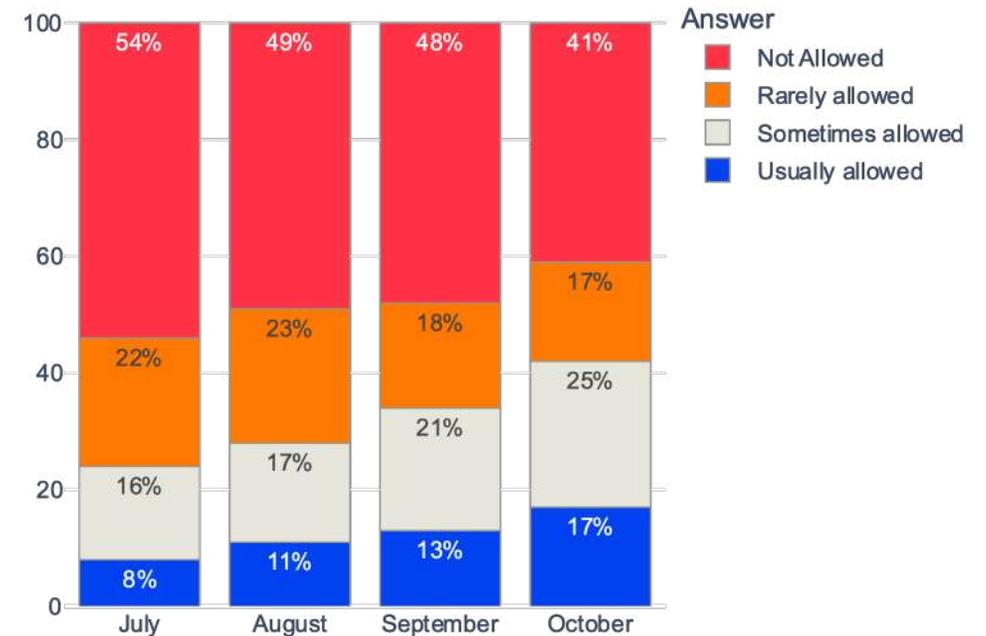


Through October, business travel sentiment and policies were trending positively

Non-essential domestic business trips

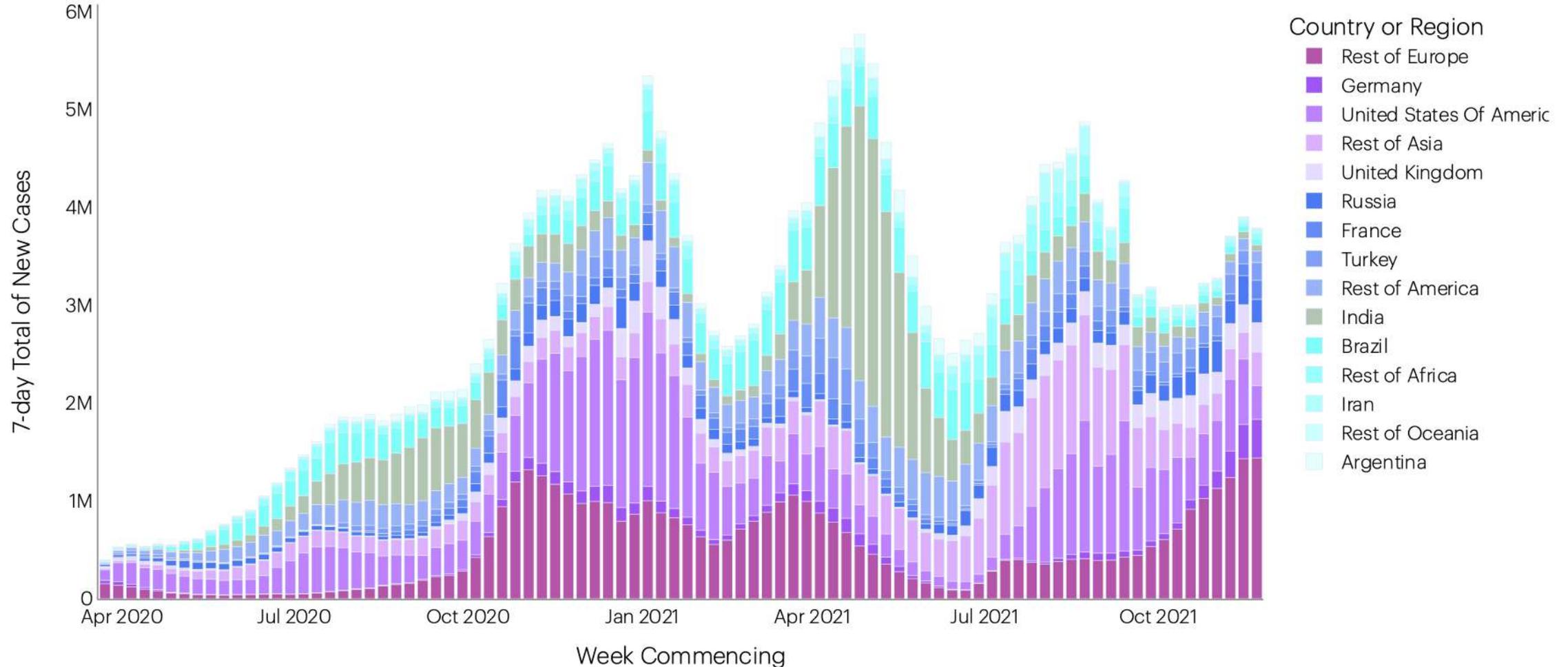


Non-essential international business trips



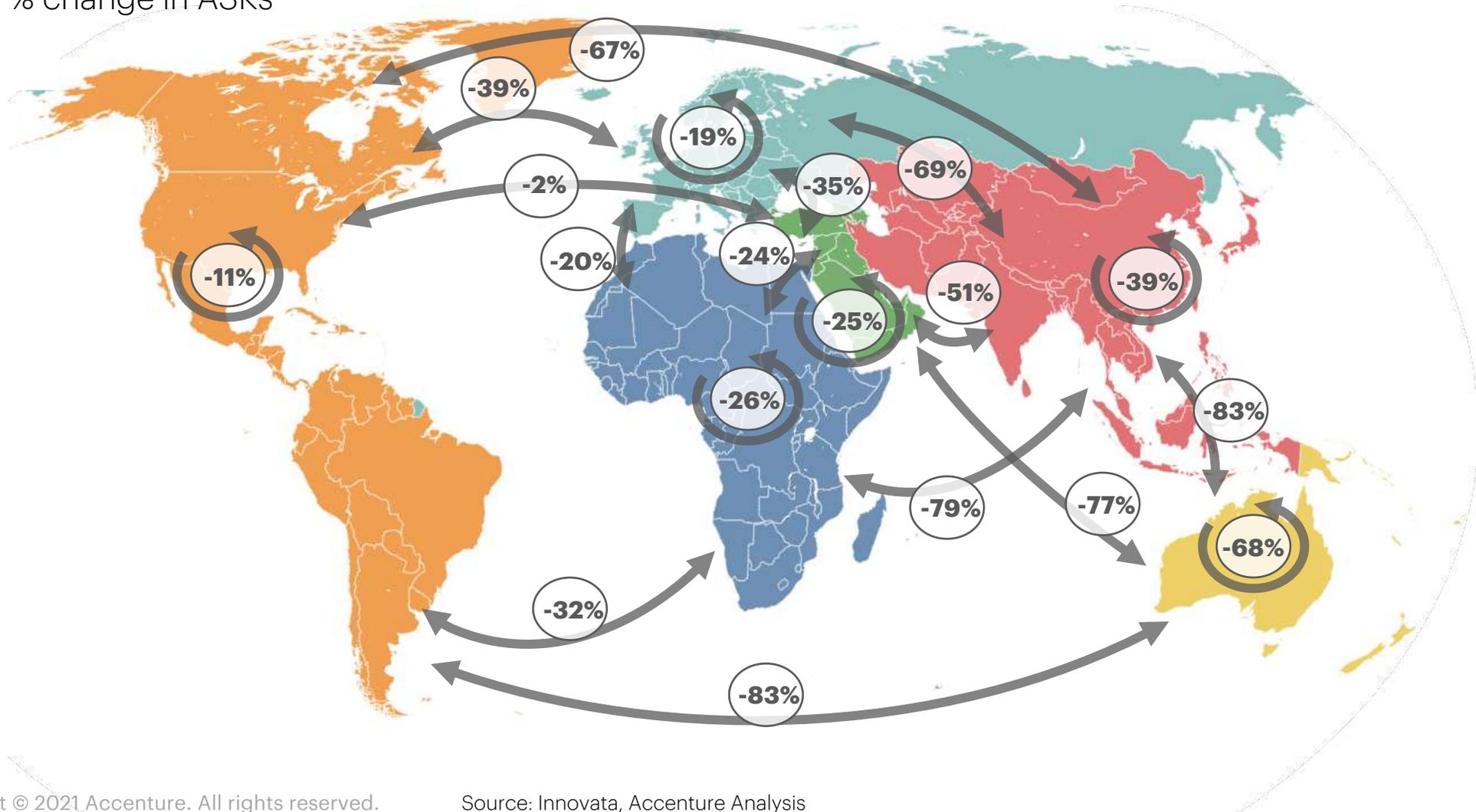
Were we learning to live with COVID...

Global: Total New COVID Cases per Week



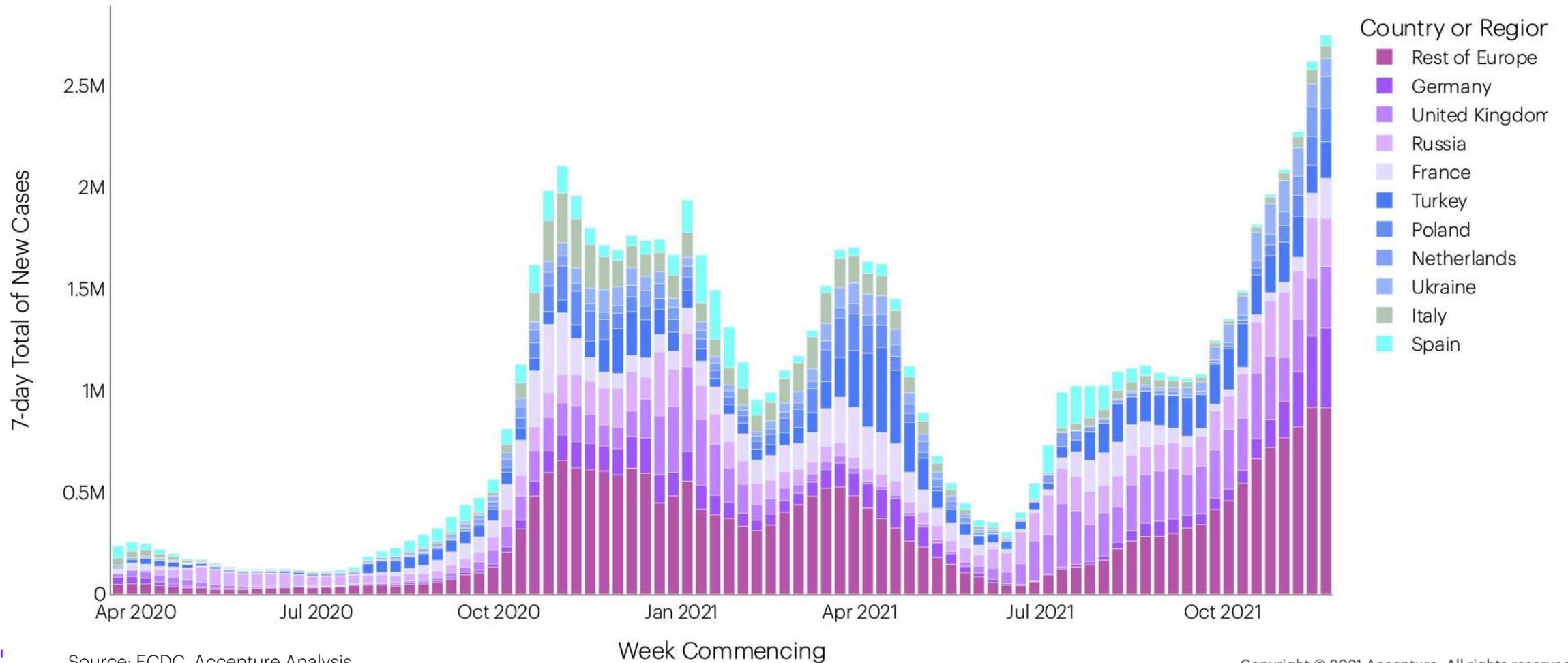
World-wide scheduled capacity was 65% of pre-COVID levels

Scheduled capacity change for week of 15 November
% change in ASKs



Even in Europe, with all time highs of cases, capacity was only off 20%

Europe: Total New COVID Cases per Week



European and US carriers were ramping up December capacity

Published change in capacity

2021 vs 2019 change by month, in seats as of 15 Nov

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
American Airlines	-41%	-42%	-31%	-24%	-20%	-11%	-10%	-12%	-13%	-9%	-4%	-6%
United Airlines	-48%	-47%	-45%	-45%	-41%	-33%	-23%	-20%	-17%	-17%	-14%	-13%
Delta Air Lines	-32%	-32%	-32%	-29%	-26%	-24%	-22%	-23%	-18%	-19%	-13%	-16%
Emirates	-67%	-68%	-67%	-62%	-61%	-68%	-61%	-59%	-54%	-51%	-42%	-38%
Southwest Airlines	-44%	-46%	-32%	-28%	-23%	-12%	-10%	-7%	-8%	-9%	-9%	-13%
China Southern Airlines	-22%	-38%	2%	6%	8%	-14%	-4%	-27%	-4%	-5%	-15%	5%
Qatar Airways	-48%	-45%	-44%	-44%	-42%	-45%	-38%	-34%	-33%	-32%	-32%	-29%
China Eastern Airlines	-16%	-34%	-5%	-1%	-2%	-6%	-5%	-35%	-15%	-7%	-16%	-7%
Lufthansa	-81%	-86%	-83%	-78%	-76%	-68%	-53%	-49%	-50%	-43%	-38%	-31%
Air China LTD	-20%	-34%	-8%	1%	1%	-7%	1%	-27%	-11%	-7%	-21%	2%
Ryanair	-80%	-94%	-94%	-88%	-84%	-47%	-19%	-7%	-6%	-2%	8%	8%
British Airways	-81%	-89%	-87%	-86%	-84%	-79%	-72%	-68%	-56%	-49%	-45%	-38%
Turkish Airlines	-56%	-57%	-51%	-44%	-53%	-37%	-16%	-13%	-17%	-15%	-20%	-9%
Air Canada	-78%	-85%	-88%	-86%	-85%	-80%	-71%	-57%	-52%	-50%	-46%	-37%
Air France	-55%	-60%	-64%	-63%	-60%	-49%	-31%	-27%	-42%	-39%	-28%	-23%
Aeroflot	-59%	-59%	-54%	-44%	-36%	-23%	-19%	-17%	-18%	-24%	-28%	-23%
Cathay Pacific Airways	-91%	-93%	-96%	-95%	-95%	-92%	-92%	-88%	-87%	-87%	-88%	-84%
LATAM Airlines Group SA	-45%	-49%	-51%	-59%	-54%	-46%	-39%	-36%	-30%	-28%	-22%	-16%
Singapore Airlines	-79%	-77%	-76%	-74%	-72%	-69%	-66%	-66%	-65%	-65%	-60%	-55%
All Nippon Airways Co. Ltd.	-22%	-27%	-57%	-49%	-55%	-57%	-54%	-44%	-47%	-48%	-39%	-31%
KLM Royal Dutch Airlines	-51%	-60%	-63%	-60%	-57%	-49%	-29%	-25%	-29%	-27%	-25%	-20%
EASYJET UK LIMITED	-87%	-91%	-92%	-89%	-87%	-77%	-52%	-38%	-43%	-40%	-41%	-31%
Alaska Airlines	-36%	-29%	-25%	-20%	-19%	-18%	-19%	-19%	-14%	-17%	-17%	-20%
Etihad Airways	-65%	-61%	-62%	-61%	-60%	-61%	-63%	-62%	-59%	-56%	-54%	-52%
Qantas Airways Ltd.	-61%	-58%	-45%	-35%	-29%	-29%	-52%	-75%	-75%	-75%	-64%	-40%
JetBlue Airways	-53%	-46%	-38%	-34%	-21%	-14%	-13%	-12%	-13%	-14%	-14%	-8%
Korean Air Lines	-77%	-75%	-75%	-73%	-72%	-70%	-68%	-69%	-69%	-67%	-67%	-66%
Hainan Airlines	-19%	-49%	-24%	-15%	-16%	-30%	-15%	-42%	-28%	-31%	-28%	-24%
Saudi Arabian Airlines Cor.	-46%	-49%	-51%	-47%	-44%	-39%	-30%	-34%	-31%	-29%	-28%	-25%
IndiGo	-9%	-6%	-5%	-12%	-4%	-60%	-34%	-22%	-15%	-10%	0%	1%
Japan Airlines Co., Ltd.	-50%	-68%	-60%	-48%	-51%	-51%	-44%	-45%	-48%	-41%	-30%	-20%
Thai Airways Internationa.	-96%	-94%	-93%	-93%	-94%	-94%	-91%	-92%	-91%	-95%	-90%	-88%
Iberia	-54%	-61%	-62%	-56%	-53%	-42%	-30%	-22%	-28%	-32%	-22%	-19%
Spirit Airlines	-21%	-24%	-14%	-11%	-4%	-5%	4%	5%	5%	6%	6%	11%
Air India Limited	-45%	-40%	-37%	-33%	-45%	-58%	-54%	-43%	-42%	-38%	-36%	-32%
EVA Air	-87%	-92%	-91%	-87%	-87%	-89%	-86%	-88%	-90%	-91%	-91%	-90%
Sichuan Airlines	-1%	-28%	14%	9%	16%	9%	8%	-8%	4%	6%	-4%	16%
Ethiopian Airlines Group	-32%	-33%	-34%	-34%	-31%	-29%	-31%	-31%	-31%	-29%	-32%	-26%
Xiamen Airlines	-5%	-20%	9%	7%	5%	4%	3%	-16%	-8%	-12%	-12%	8%
Asiana Airlines	-74%	-71%	-65%	-61%	-61%	-64%	-61%	-67%	-68%	-65%	-64%	-62%
Wizz Air	22%	-79%	-74%	-73%	-65%	-30%	6%	7%	-2%	-3%	-7%	7%

2022 schedules signaled ambition to recover 2019 levels

Published change in capacity

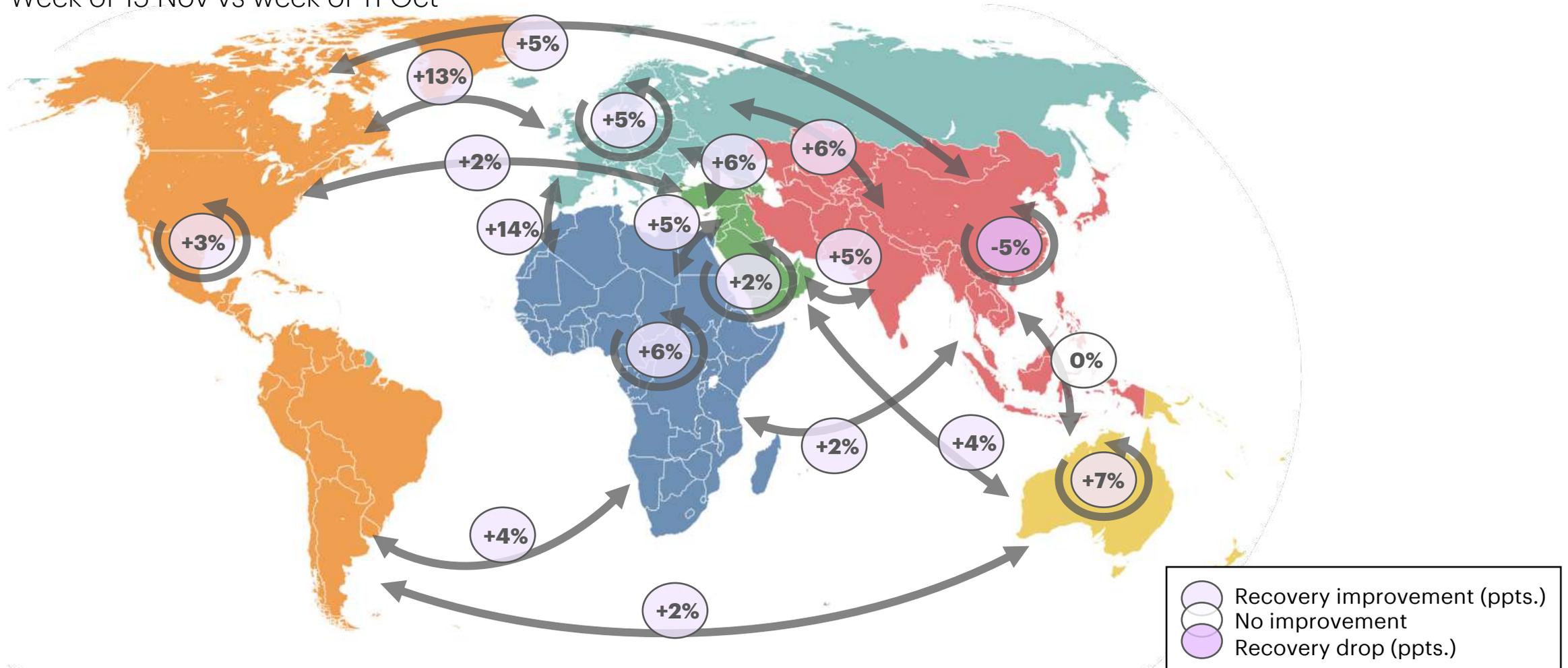
2022 vs 2019 change by month, in seats as of 15 Nov

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
American Airlines	-5%	-3%	16%	19%	16%	15%	16%	14%	18%	17%
United Airlines	-7%	-3%	-3%	2%	2%	-2%	-1%	0%	3%	0%
Delta Air Lines	-9%	-9%	-5%	-1%	-1%	-4%	-4%	-4%	4%	2%
Emirates	-34%	-33%	-33%	-21%	-10%	-29%	-27%	-28%	-26%	-25%
Southwest Airlines	-10%	-4%	-4%	-21%						
China Southern Airlines	7%	5%	12%	15%	15%	14%	4%	2%	8%	8%
Qatar Airways	-23%	-21%	-20%	-15%	-11%	-13%	-13%	-15%	-14%	-14%
Lufthansa	-36%	-34%	-25%	2%	-1%	0%	-1%	1%	-3%	0%
China Eastern Airlines	-2%	-5%	-2%	-24%	-25%	-26%	-30%	-31%	-27%	-27%
Ryanair	19%	18%	22%	20%	19%	18%	19%	17%	19%	14%
British Airways	-28%	-17%	-15%	-11%	-12%	-11%	-12%	-11%	-11%	-12%
Air China LTD	5%	4%	6%	-6%	-7%	-7%	-11%	-11%	-9%	-8%
Air Canada	-16%	-8%	-7%	0%	2%	1%	-2%	-2%	0%	2%
Turkish Airlines	-11%	-14%	-9%	18%	11%	7%	9%	8%	7%	10%
Air France	-13%	-3%	-1%	7%	9%	5%	6%	11%	-3%	-9%
Aeroflot	-24%	-24%	-24%	-31%	-29%	-25%	-24%	-25%	-25%	-31%
Cathay Pacific Airways	-28%	20%	24%	20%	25%	21%	19%	17%	22%	23%
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KLM Royal Dutch Airlines	-16%	-8%	-6%	2%	0%	0%	-1%	0%	0%	1%
EASYJET UK LIMITED	-34%	-26%	-17%	-6%	-8%	-10%	-10%	-9%	-9%	-6%
Alaska Airlines	-9%	-8%	-6%	-3%	7%	13%	13%	12%	20%	21%
Etihad Airways	-50%	-48%	-41%	-8%	-7%	-10%	-15%	-16%	-13%	-10%
Qantas Airways Ltd.	-14%	-12%	-7%	7%	2%	5%	0%	3%	3%	0%
JetBlue Airways	0%	4%	-2%	6%	5%	9%	12%	12%	15%	7%
Hainan Airlines	-25%	-32%	-22%	-23%	-24%	-26%	-28%	-29%	-27%	-26%
Korean Air Lines	-57%	-58%	-50%	-13%	-14%	-14%	-15%	-15%	-14%	-8%
Saudi Arabian Airlines Cor..	-16%	-15%	-13%	-5%	-8%	-8%	-3%	-6%	0%	2%
IndiGo	26%	26%	25%	21%	19%	20%	17%	18%	16%	5%
Japan Airlines Co., Ltd.	-10%	0%	1%	0%	1%	1%	0%	-1%	-1%	-1%
Thai Airways Internationa..	-82%	-82%	-77%	-51%	-50%	-50%	-51%	-51%	-51%	-51%
Iberia	-17%	-18%	-18%	-13%	-15%	-17%	-18%	-14%	-17%	-17%
Spirit Airlines	22%	25%	29%	28%	-6%					
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EVA Air	-52%	-52%	4%	2%	1%	-2%	12%	-6%	-5%	-6%
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Ethiopian Airlines Group	-15%	-14%	-13%	-3%	-3%	-7%	-9%	-8%	-8%	-7%
Xiamen Airlines	22%	11%	2%	-99%	-99%	-99%	-100%	-100%	-100%	-100%
Asiana Airlines	-51%	-46%	-37%	-5%	-7%	-8%	-8%	-9%	-10%	-9%
Wizz Air	47%	48%	46%	16%	16%	9%	8%	4%	4%	11%

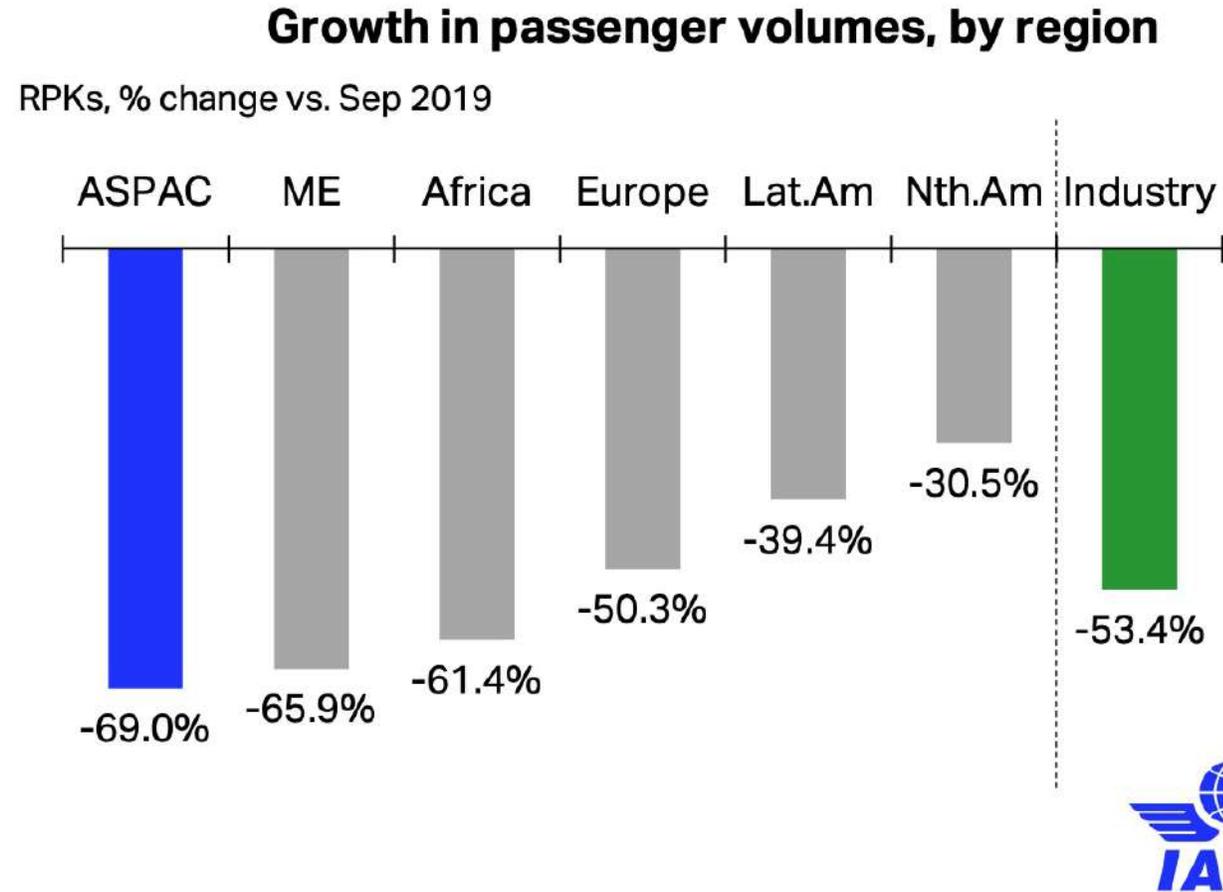
Intra-Asia was the only region without month on month recovery

Scheduled capacity recovery change

Week of 15 Nov vs week of 11 Oct



Asia Pacific has been the slowest area to recover, while North and Latin America were stronger

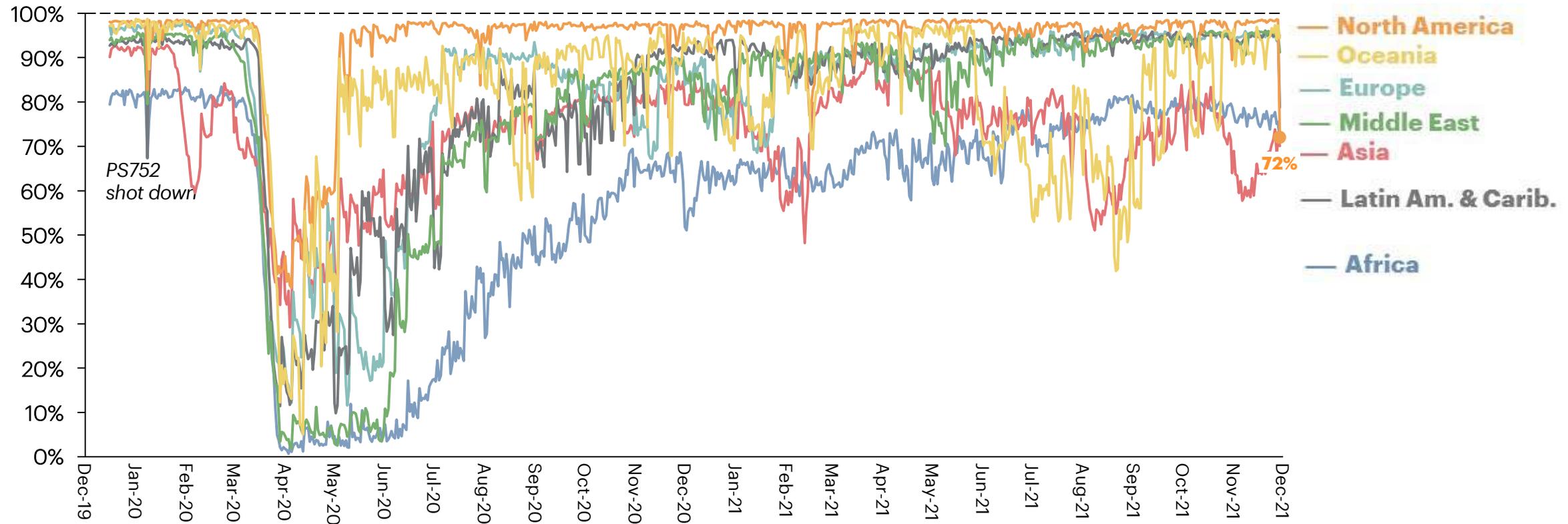


Omicron variant led to drop of c. 30 ppts in schedule reliability in North America

In-flight ADS-B signals received

Narrowbody and widebody fleets

% of schedule flights for which a signal was received



Adjusting the flight path

Storms on flight path

- !! Border closures
- !! Lower demand with less business mix
- !! Increasing fuel prices and taxes
- !! Sustainable fuel availability

Course corrections

- ✓ Reduce flying & furlough
- ✓ Ask for help
- ✓ Grow Cargo LF and charge more
- ✓ Control capacity deployment
- ✓ Cut costs
- Cut more costs & raise prices
- Sell more services



**Repair
balance sheets**

After losing \$137B in 2020 (after 80B+ of non-reimbursable support), how are airlines performing in 2021?

Q3 2021 Profits

Ryanair
Alaska

Nearing Profitability

Wizz Air
Southwest
jetBlue

Required a Reboot

Alitalia
Avianca
Aeromexico
Malaysian
LATAM
Norwegian
Philippines
South African Airways
Thai
Virgin Atlantic
Virgin Australia
..and others

Still Face Significant Challenges

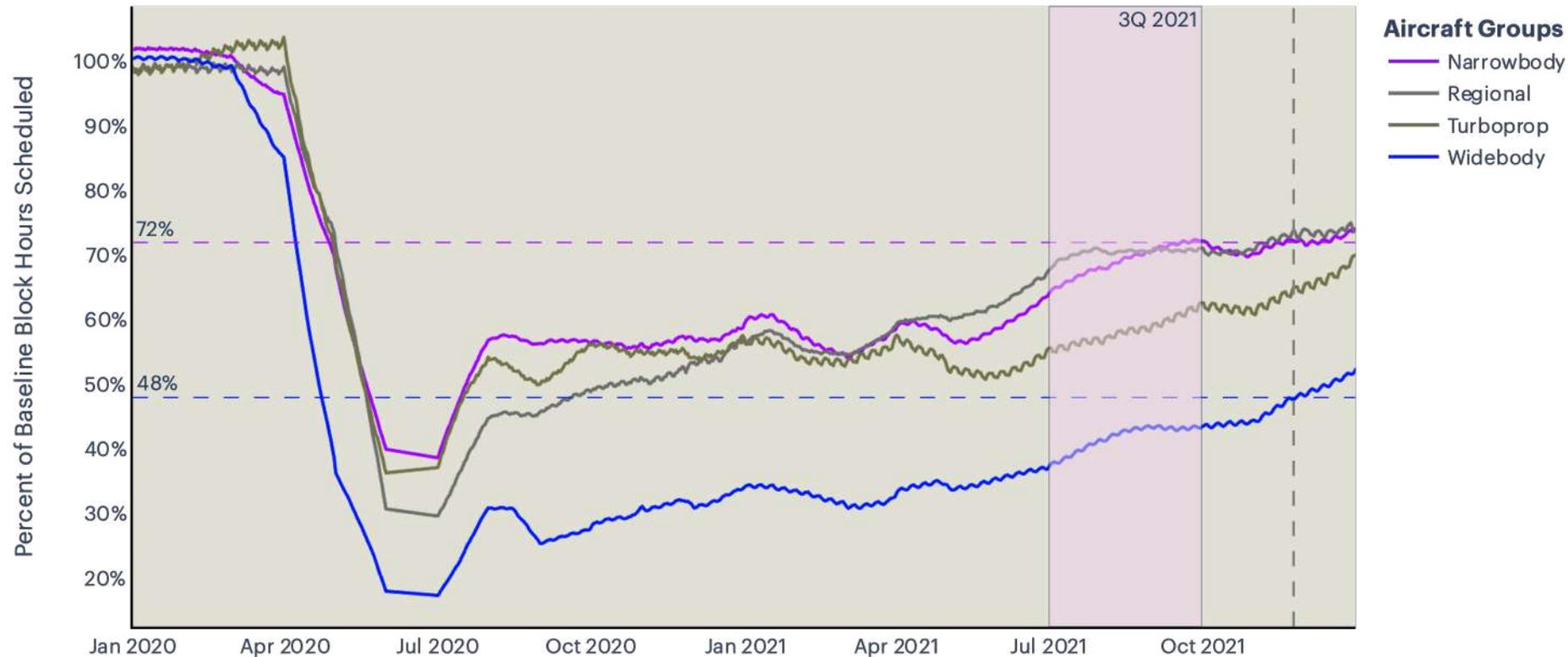
Every other carrier

How much further improvement is required to bring the airline industry to break even?

USD impact on profitability	Current Capacity (50% for 2021)	80% Capacity Recovery	100% Capacity Recovery
Overall demand drop, net of capacity reductions			
Revenue impact of new business travel mix			
Air Cargo tailwind	75B		
Impact of 1-time grants and government furlough support			
Sustainable cost reduction efforts			
Expected Industry Op. Profit	-55B		
Incremental COVID debt service			
Impact of carbon taxes			
Inflationary increases in airports, ATC, & OEM agreements			
Further improvement needed			
Target Industry Operating Profit to service debt	\$40B		

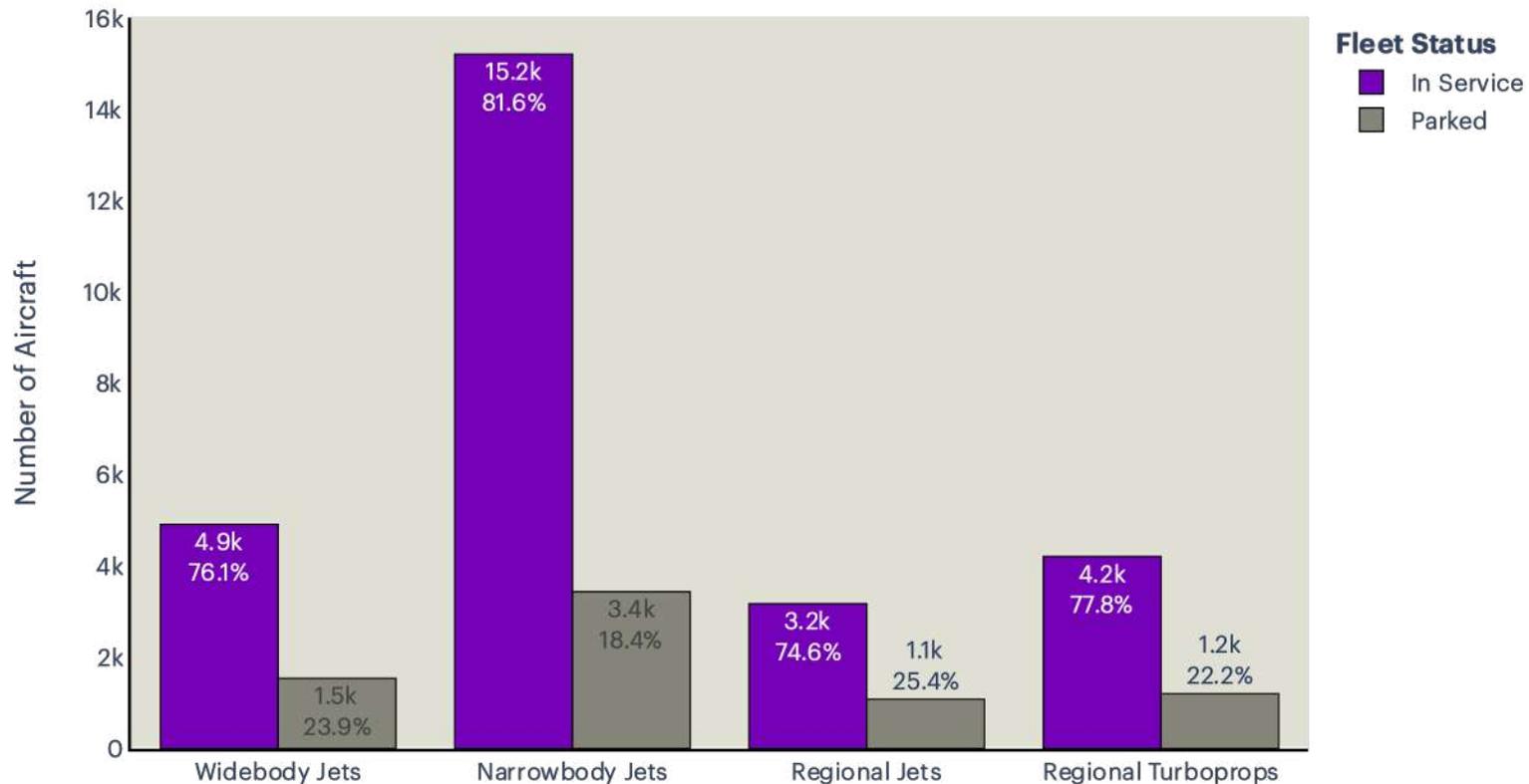
Global block hour recovery is heavily weighted towards narrowbody aircraft

Global Schedule Recovery as of November 24



3/4 of each category in the global fleet is in service

Global Fleet Status as of November 24



- The parked aircraft are on average 4 to 6 years older than in service aircraft
- Parked widebodies are approximately **15 years old**
- Parked narrowbodies are approximately **17 years old**
- Available supply and demand will remain out of balance for a long while as significant numbers of aircraft are “standing by”



How much further improvement is required to bring the airline industry to break even?

USD impact on profitability	Current Capacity (50% for 2021)	80% Capacity Recovery	100% Capacity Recovery
Overall demand drop, net of capacity reductions	-\$135B	-\$30B	0B
Revenue impact of new business travel mix	-55B	-65B	-85B
Air Cargo tailwind	75B	65B	45B
Impact of 1-time grants and government furlough support	50B		
Sustainable cost reduction efforts	20B	30B	40B
Expected Industry Op. Profit	-55B	-20B	0B
Incremental COVID debt service	+10B	+10B	+10B
Impact of carbon taxes	TBD	TBD	TBD
Inflationary increases in airports, ATC, & OEM agreements	TBD	TBD	TBD
Further improvement needed	85B+	70B+	50B+
Target Industry Operating Profit to service debt	\$40B	\$40B	\$40B

Limited ability to drive significant yield improvements until demand fully back

Business traffic mix is down 50% from pre-COVID levels

More widebody capacity will bring supply and demand more in balance

Fuel efficient aircraft, impact of operational efficiency improvements, durable contract renegotiations

\$200B incremental debt, 2% interest, 25 years

~20-30% further efficiency improvements

Similar to pre-COVID industry profits, limited ability to fund transition to net zero



The addressable value chain does not have \$50B - \$70B in further efficiency improvements

Immediately obvious material efficiency opportunities

- (**<\$15B**) Air space and navigation improvements
 - Has proven politically difficult
 - Long lead times
 - Significant capital investments
- (**<\$5B**) Airline support services organisations
 - Significant scope for BPO opportunities
 - Full scale industry value

Longer term efficiency opportunities

- (**<\$15B**) Further digitization and automation of airport and customer service processes
 - Underway, hugely complicated involving multiple partners
 - Cloud dependent
 - Airport infrastructure dependent
- (**<\$2B**) Electrification of airport and cargo ground equipment
 - Significant capital investment required from value chain
 - Long payback periods

Every Existing Airline Now Wishes They Were More in The Cloud

CEOs wish...



... they had the business capabilities to better **differentiate in a disrupted world**



... they had stronger and more integrated **e-commerce** systems



... they were more **digital** and **data driven**



... they had **modernized their IT**



... they were better at **virtual collaborative working**



... they had a more **agile operating model** enabling **cross functional / cross BU working**



... they had a more **variable cost structure**



... they used more **automation and AI**

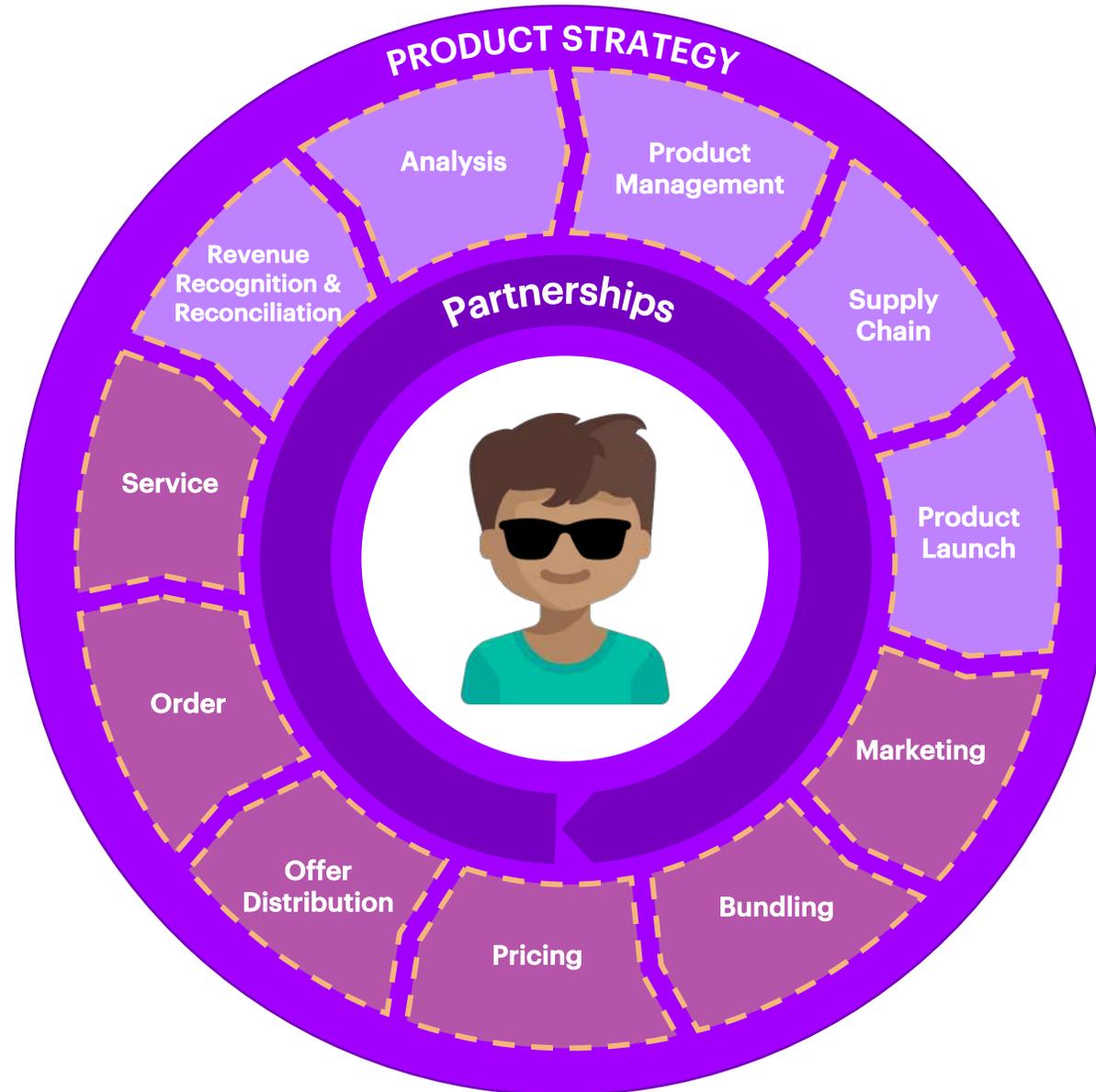


... they were more connected to **travelers** and **guests**



... they had richer industry **ecosystem collaboration**

Airlines are reinventing around customers and orders

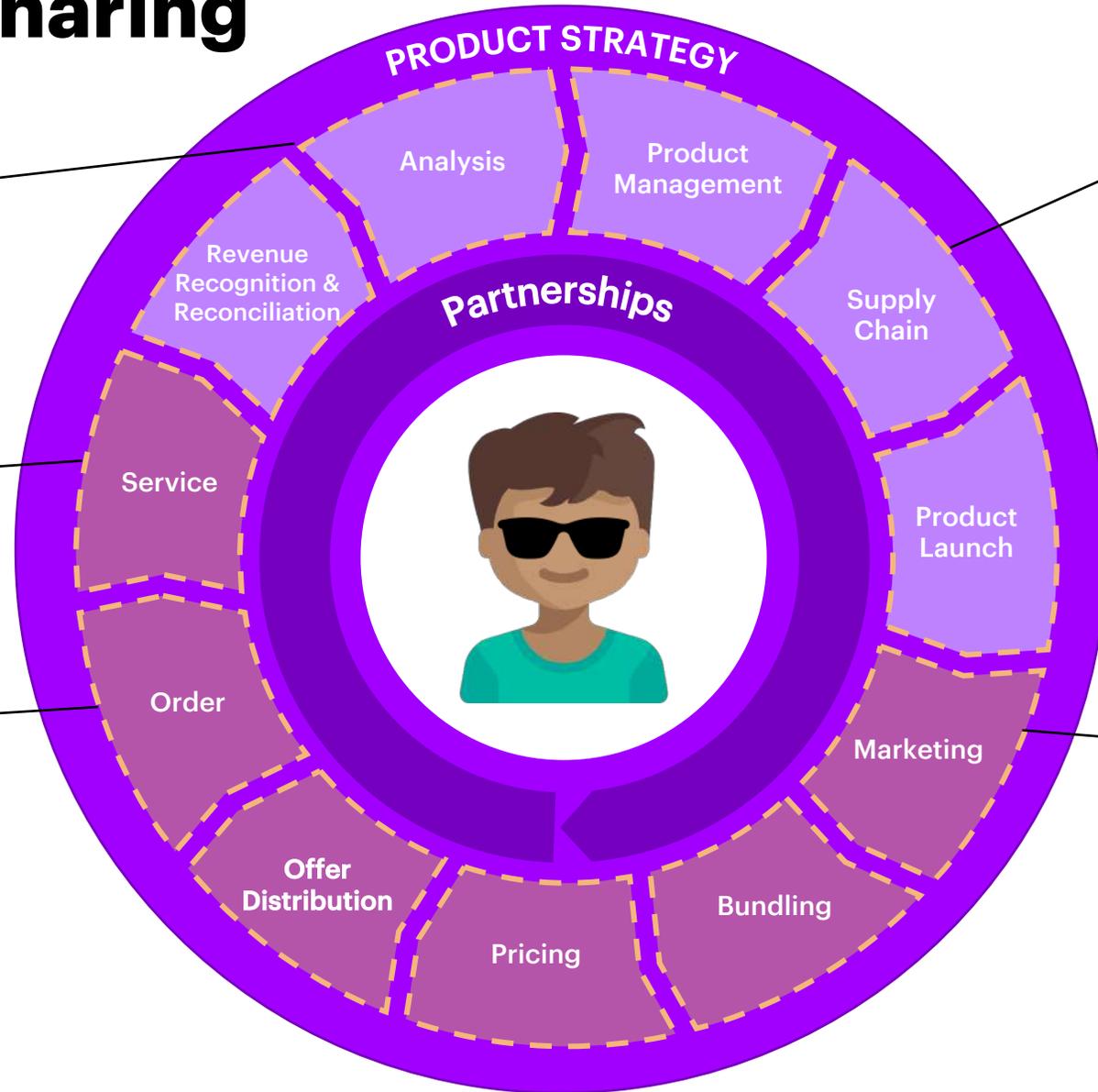


Value chain partners need to digitally re-invent with win/win risk sharing

Collaborate with data to improve services

Adopt aligned incentives, new procedures, and technology to commercially extend airline to gate & baggage management processes. Develop & deliver more "productized" services.

Integrate special handling touch & recognition services into airline order management process



Support extended "in-the-moment" retail extensions for airlines & airports

Link incremental services & touch points with airline marketing messaging & communication