

COVID-19: Impact on Travel & Hospitality

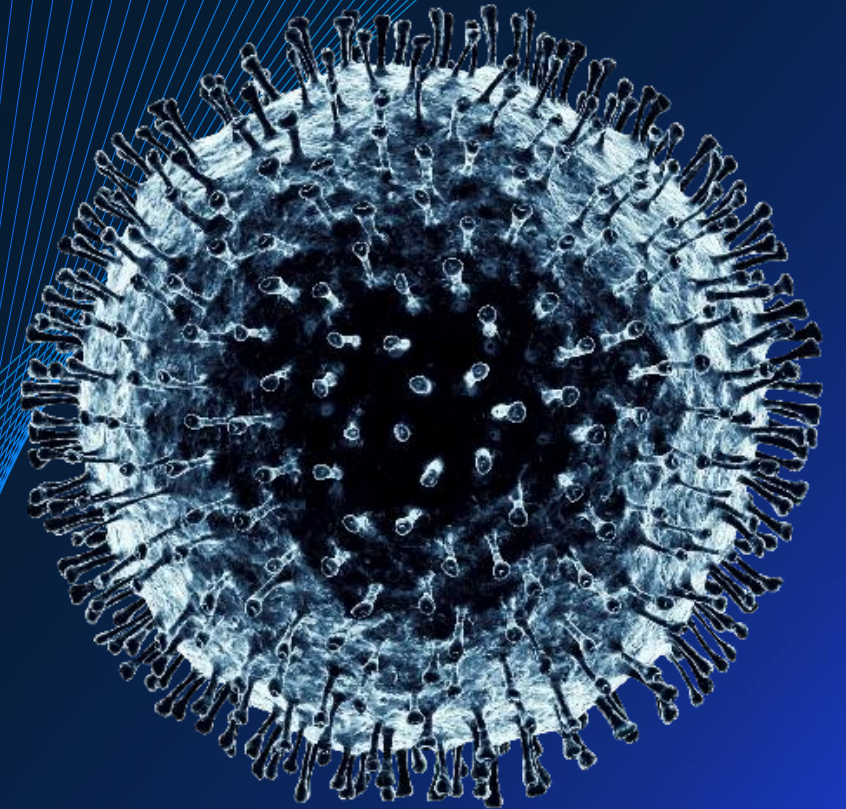
Travel, Logistics, and Infrastructure Practice

Updated: March 25th, 2020

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INSIGHT AND BEST PRACTICES**

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COVID-19 is, first and foremost, a global humanitarian challenge. COVID-19 has affected communities on multiple continents, with over 21,000+ deaths out of over 465,000 reported cases. Thousands of health professionals are heroically battling the virus, putting their own lives at risk. Overstretched health systems mean that countries and territories will need time and help to return to a semblance of normalcy

Solving the humanitarian challenge is the top priority. Much remains to be done globally to respond and recover, from counting the humanitarian costs of the virus, to supporting the victims and families, to developing a vaccine

This document is meant to help with a narrower goal: provide facts and insights on the current situation and its implications on travel. In addition to the humanitarian challenge, there are implications for the wider economy, businesses, and employment. Specifically, this document describes some of those challenges in travel so businesses can navigate through an uncertain situation

[Read more on Mckinsey.com](#)



Executive summary: COVID-19 impact on travel

The impact of the COVID-19 crisis on the travel industry has been severe – this is an unprecedented level of disruption

- An estimated \$355B decline in overall travel spending in the U.S. this year will translate into a total economic loss of \$809B in economic output – this is >6x the impact of 9/11 on travel sector revenue
- In addition, up to 75M jobs in travel and tourism are at risk, according to the World Travel and Tourism Council
- However, there are encouraging signs in China, where strict containment measures and broad government support are driving recovery green shoots (in travel and more broadly)

There is uncertainty around how COVID-19 will evolve, and the long-term impact it will have on the travel industry

- In the near-term, April airline capacity reductions are expected to be in the order of 70-80%
- Going forward, in an optimistic scenario, demand could recover by 2021; a more conservative scenario delays recovery until 2022

Given significant demand shock, cash preservation and optimization is critical

- Many of the larger airlines appear to have sufficient liquidity to cover at least six months of zero-capacity operations – though this requires raising debt against unencumbered assets
- However, even in the best case recovery scenario, airlines are expected to continue to incur losses
- In addition, the human side of the crisis will be significant; 120K+ airline employees have already been laid off or placed on unpaid leave. There are also downstream effects across the value chain – hundreds of thousands of jobs are at risk in areas such as airport operations, aerospace production and maintenance and repair
- In the face of substantial hardship, governments are currently debating their role – and their committed level of support – to the industry (though the specifics will only be known over the coming days and weeks)

Six actions travel companies could consider:

- Care for customers and employees, keeping them safe and supporting them through the crisis
- Manage through the uncertainty of the current crisis (e.g., setting up a nerve center that collects and analyzes real-time information to drive decision making)
- Preserve and optimize liquidity, ensuring access to cash to maintain critical operations
- Prepare for recovery by determining when, where, and how to ramp back up commercial activity
- Build the plan to return assets to service and reintegrate workforce (e.g., employee training and qualifications, asset readiness and maintenance)
- Plan to compete in the new world (e.g., identify scenarios of potential structural changes in travel, such as customer behavior and expectations, industry landscape, and supply/capacity changes)

Contents

1

COVID-19:
Safeguarding
our lives and
livelihoods

2

Scenarios for
near-term
impact

3

Financial
implications

4

Response:
considerations
and next steps

The Imperative of our Time

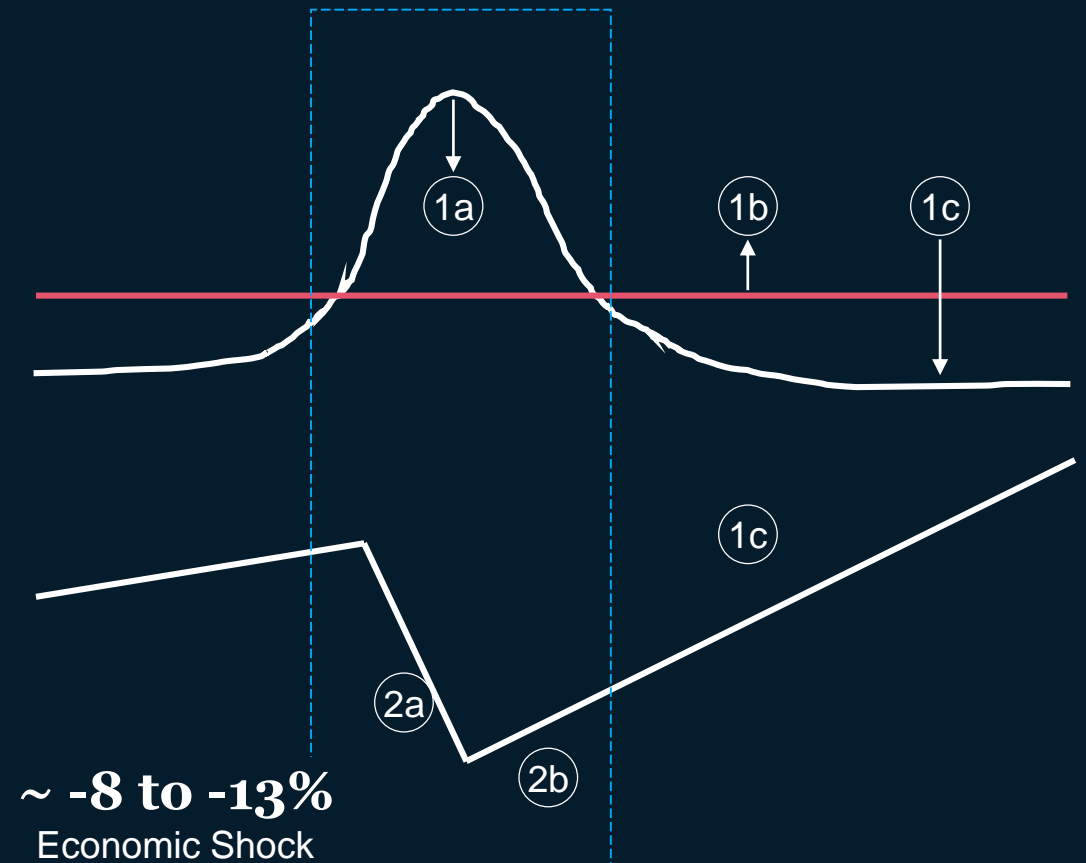
Imperative 1: SAFEGUARD OUR LIVES

- ①a **Suppress the virus** as fast as possible
- ①b **Expand treatment and testing** capacity
- ①c **Find “cures”**; treatment, drugs, vaccines

Imperative 2: SAFEGUARD OUR LIVELIHOODS

- ②a **Support people and businesses** affected by lockdowns
- ②b **Prepare to get back to work safely** when the virus abates
- ②c **Prepare to scale the recovery** away from a -8 to -13% trough

“Timeboxing” the Virus and the Economic Shock



Scenarios for the Economic Impact of the COVID-19 Crisis

GDP Impact of COVID-19 Spread, Public Health Response, and Economic Policies

Virus Spread & Public Health Response

Effectiveness of the public health response in controlling the spread and human impact of COVID-19

Rapid and effective Control of Virus Spread

Strong public health response succeeds in controlling spread in each country within 2-3 months

Effective Response, but (regional) Virus Resurgence

Public health response initially succeeds but measures are not sufficient to prevent viral resurgence so social distancing continues (regionally) for several months

Broad Failure of Public Health Interventions

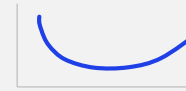
Public health response fails to control the spread of the virus for an extended period of time (e.g., until vaccines are available)

B1



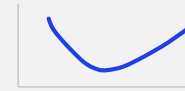
Virus contained, but sector damage; lower long-term trend growth

A3



Virus contained, slow recovery

A4



Virus contained; strong growth rebound

B2



Virus resurgence; slow long-term growth

A1



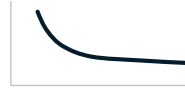
Virus resurgence; slow long-term growth Muted World Recovery

A2



Virus resurgence; return to trend growth Strong World Rebound

B3



Pandemic escalation; prolonged downturn without economic recovery

B4



Pandemic escalation; slow progression towards economic recovery

B5



Pandemic escalation; delayed but full economic recovery

Ineffective Interventions

Self-reinforcing recession dynamics kick-in; widespread bankruptcies and credit defaults; potential banking crisis

Partially Effective Interventions

Policy responses partially offset economic damage; banking crisis is avoided; recovery levels muted

Highly Effective Interventions

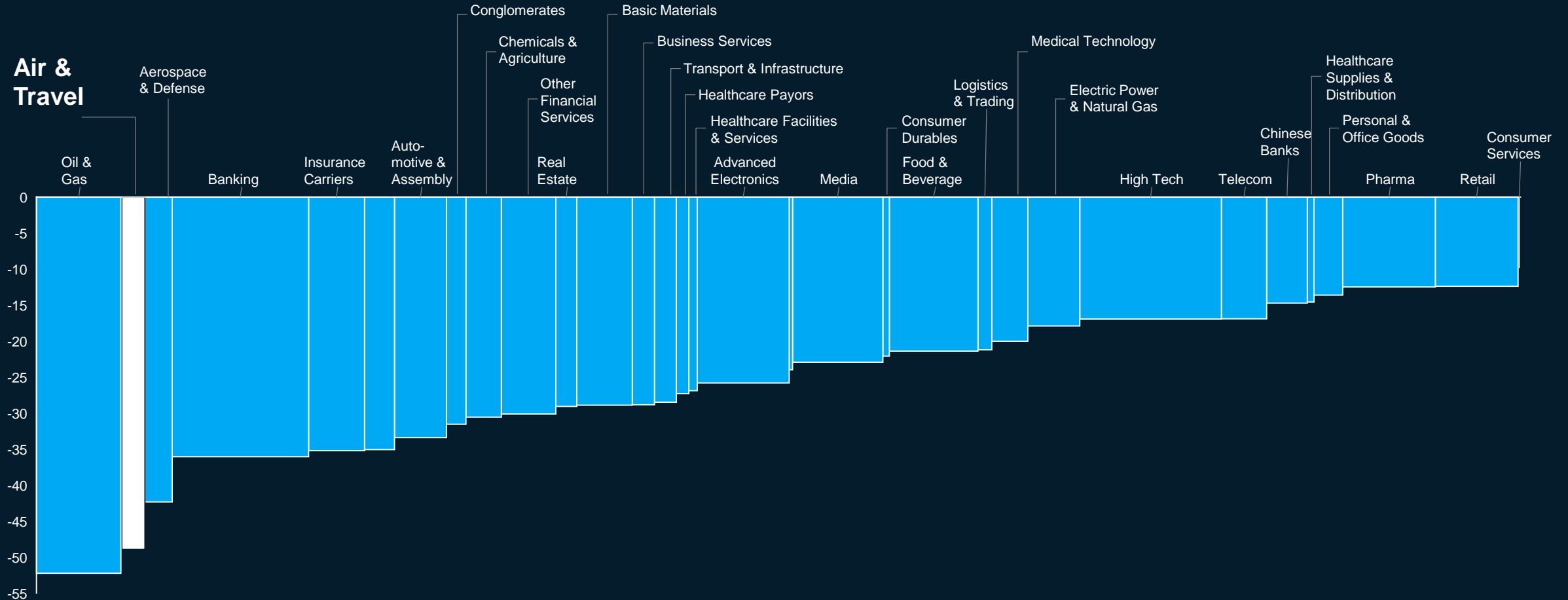
Strong policy responses prevent structural damage; recovery to pre-crisis fundamentals and momentum

Knock-on Effects & Economic Policy Response

Speed and strength of recovery depends on whether policy moves can mitigate self-reinforcing recessionary dynamics (e.g., corporate defaults, credit crunch)

While COVID-19 has eroded investor confidence in most industries, travel has been among the hardest hit

Weighted average year-to-date local currency shareholder returns by industry in percent¹. Width of bars is starting market cap in \$

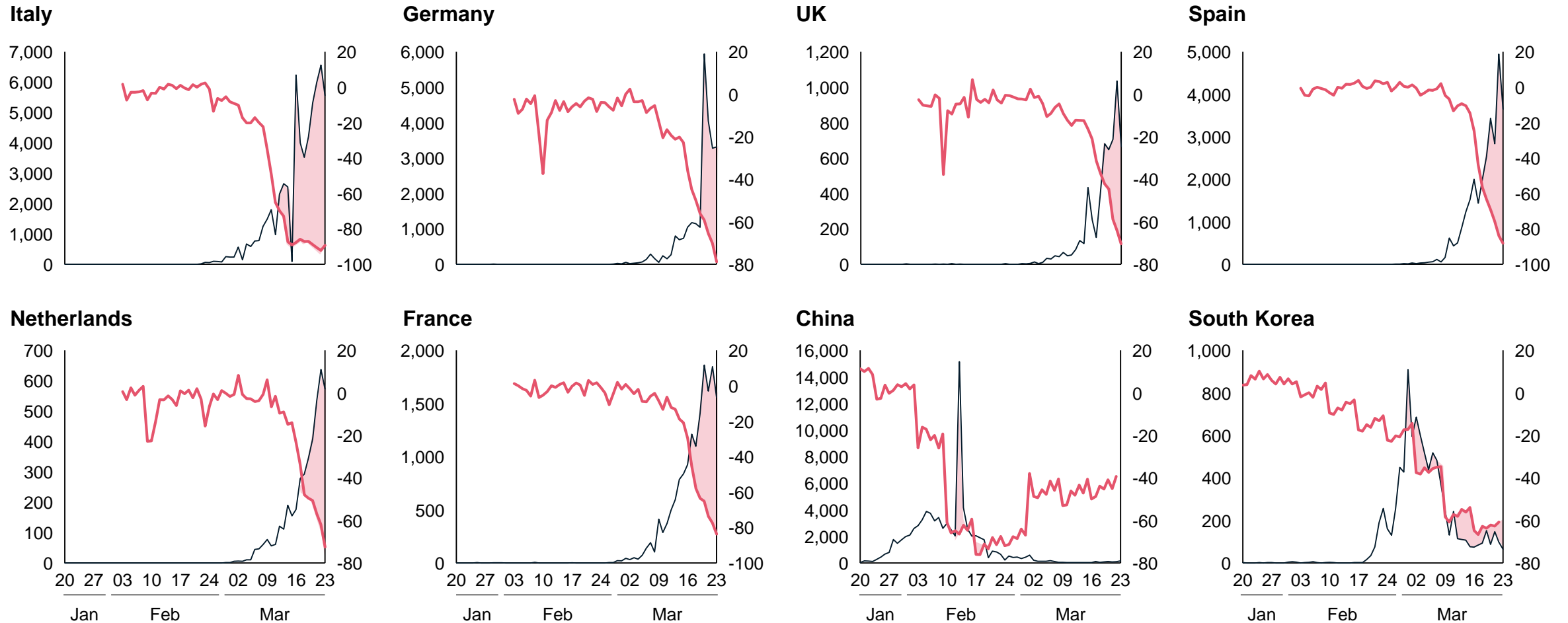


1. Data set includes global top 3000 companies by market cap in 2019, excluding some subsidiaries, holding companies and companies who have delisted since

Relationship between airline capacity and number of new cases

Governments and airlines reduced flights as case counts increased

— Number of new cases — Daily capacity YoY change¹



1. For European countries, the capacity refers to # of actually flight traffic, for China and South Korea, the capacity refers to # of scheduled seats

COVID-19 is an unprecedented crisis

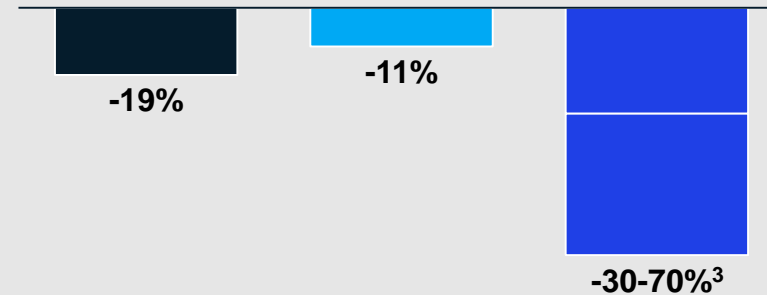
The initial demand shock is worse than 9/11 or the 2008 Financial Crisis

1. For capacity, load factor, and occupancy, YoY change of Sept 2001 | 2. For capacity, YoY change of Feb 2009, for airline load factor and hotel occupancy rate, YoY change of March 2009, for hotel stocks | 3. Based on latest capacity adjustment announced by AA/DL/UA | 4. Based on forecast from United Airlines

■ 9/11¹, YoY change Sept 2000 vs. 2001 ■ 2008 Fin. Crisis², YoY change Feb 2008 vs. 2009 ■ Now, YoY change Mar 2019 vs. 2020

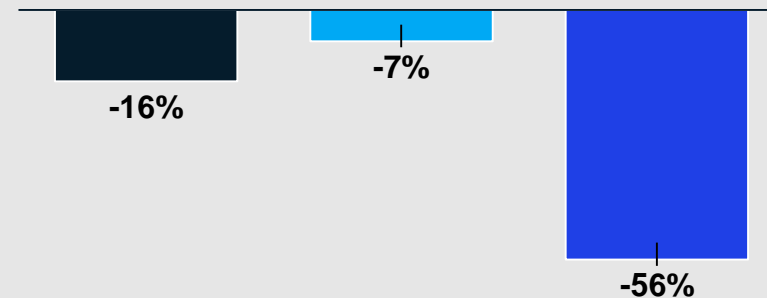
US airline capacity (ASM)

7X bigger drop vs. Fin. Crisis



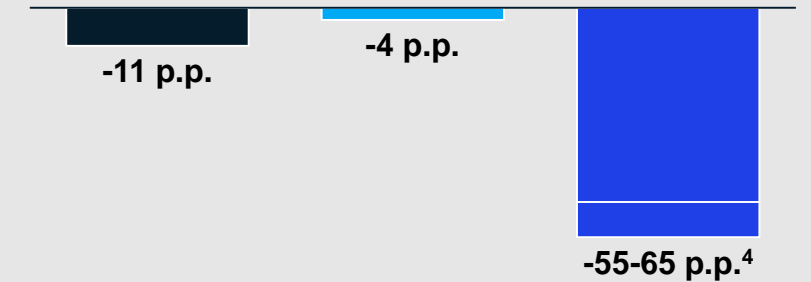
US hotel occupancy

8X bigger drop in occupancy vs. Fin. Crisis



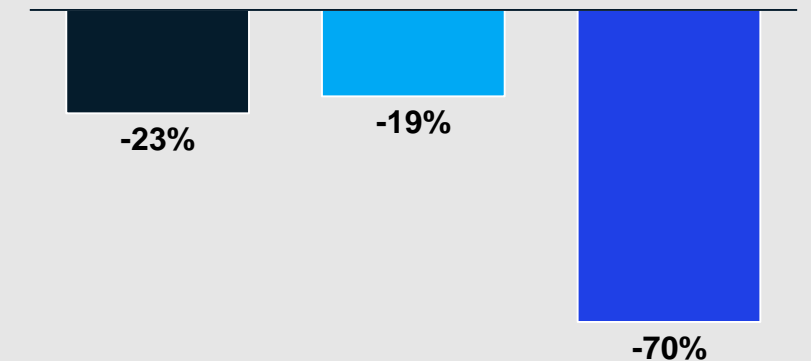
US airline load factor

15X bigger drop vs. Fin. Crisis



US RevPAR

3.5X bigger drop in RevPAR vs. Fin. Crisis



Travel demand continues to decline globally

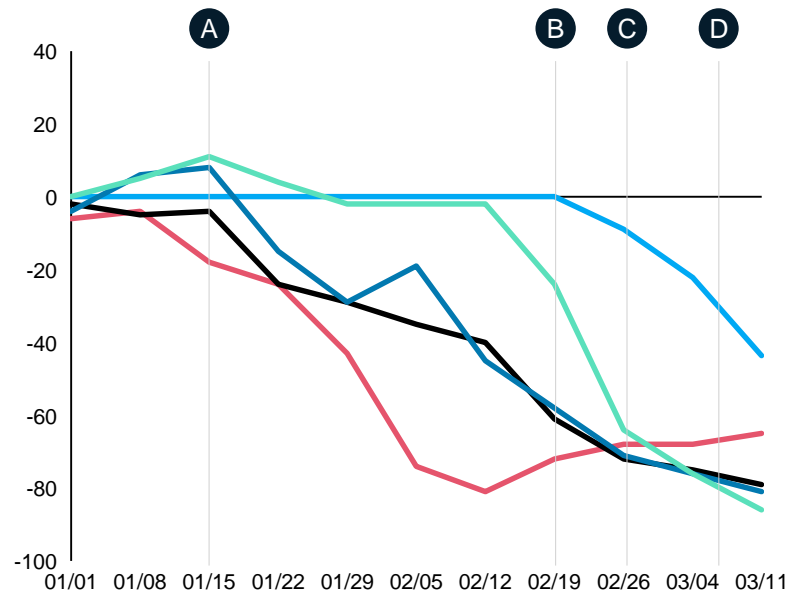
However, China is beginning to see small increases

— US — China — South Korea — Japan — Italy



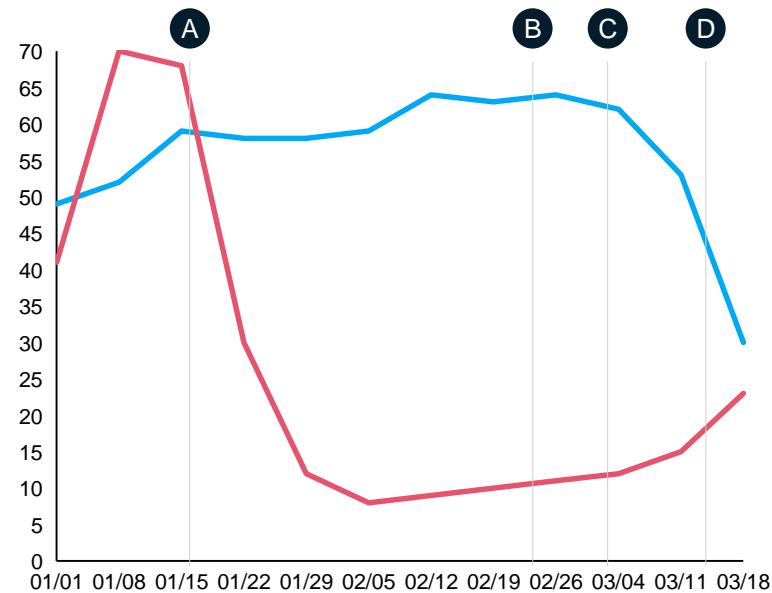
Air travel demand, Jan 1 to Mar 17

% change YoY, 2020 vs. 2019



Hotel occupancy rate, Jan 1 to Mar 23

% occupancy rate



70-80% near-term revenue erosion in air travel

However, China air and hotel demand showing **early signs of recovery** in early March

- A** China announces human transmission and advises against travel to Wuhan
- B** Iran/Italy exceed 100 cases
- C** US exceeds 100 cases
- D** WHO declares pandemic

China is beginning to see travel and broader economic recovery, with government support

Government initiatives to support travel companies:

Consumer confidence



Screening procedures: Implement mandatory temperature check for all visitors, enforced quarantine for all international visitors

Technology-driven protocols: Provide all residents with QR code-based mobile apps to help enforce quarantine and prevent disease spread

Economic/ financial shifts

Great Wall of China's Badaling section reopens to visitors



Tax relief: Waive/reduce property and land tax; reduce utility bills

Stimulate demand: Re-open attractions (e.g., Great Wall), extend weekends, lower attraction ticket prices (Jiangxi); provide coupons (Nanjing)

Financial support: Offer 40B CNY (\$5.6B) credit to support travel companies (Zhejiang); provide 800CNY (\$113) allowance per travel FTE (Shanghai)

70%

Of small retail outlets open as of March 18 (up from 40% in mid-February)

2X

Increase in number of attractions open in China March 18 vs. March 11

+22 p.p.

Increase in domestic flight load factor (up from 40% in Feb)

58%

Of air travel booked in March is for the next 15 days (vs. 38% in January)

95%

Of Starbucks locations back open in China

Contents

1

COVID-19:
Safeguarding
our lives and
livelihoods

2

Scenarios for
near-term
impact

3

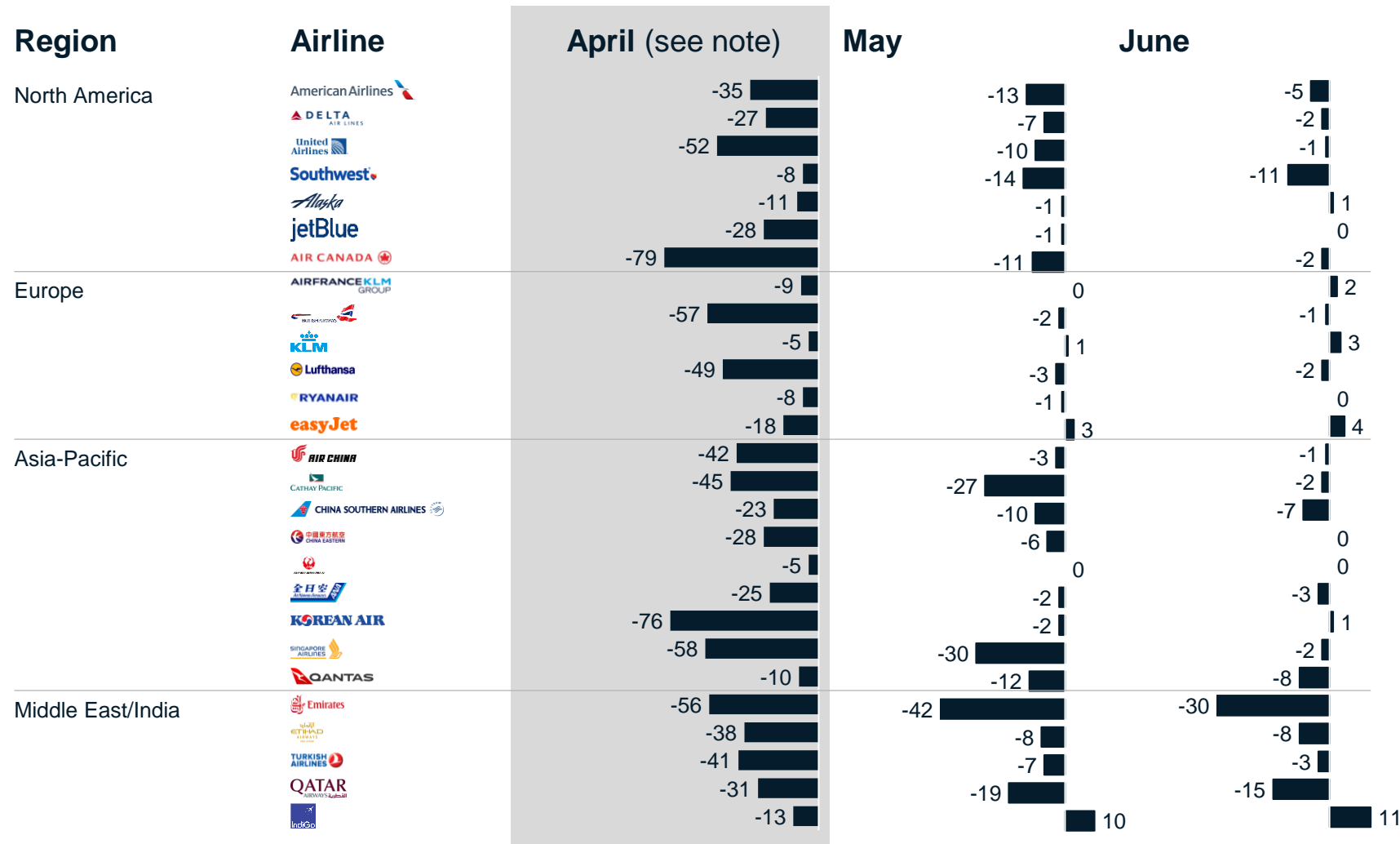
Financial
implications

4

Response:
considerations
and next steps

Airlines have reduced scheduled capacity

% Change in ASK in Jan 9 vs. Mar 23 filings for April-June 2020



Several airlines have **announced total service suspensions**, or are planning to operate at <5% of capacity in April

Airlines have also announced significant reductions in capacity into the summer, but this has **not yet flowed through to schedule filings**

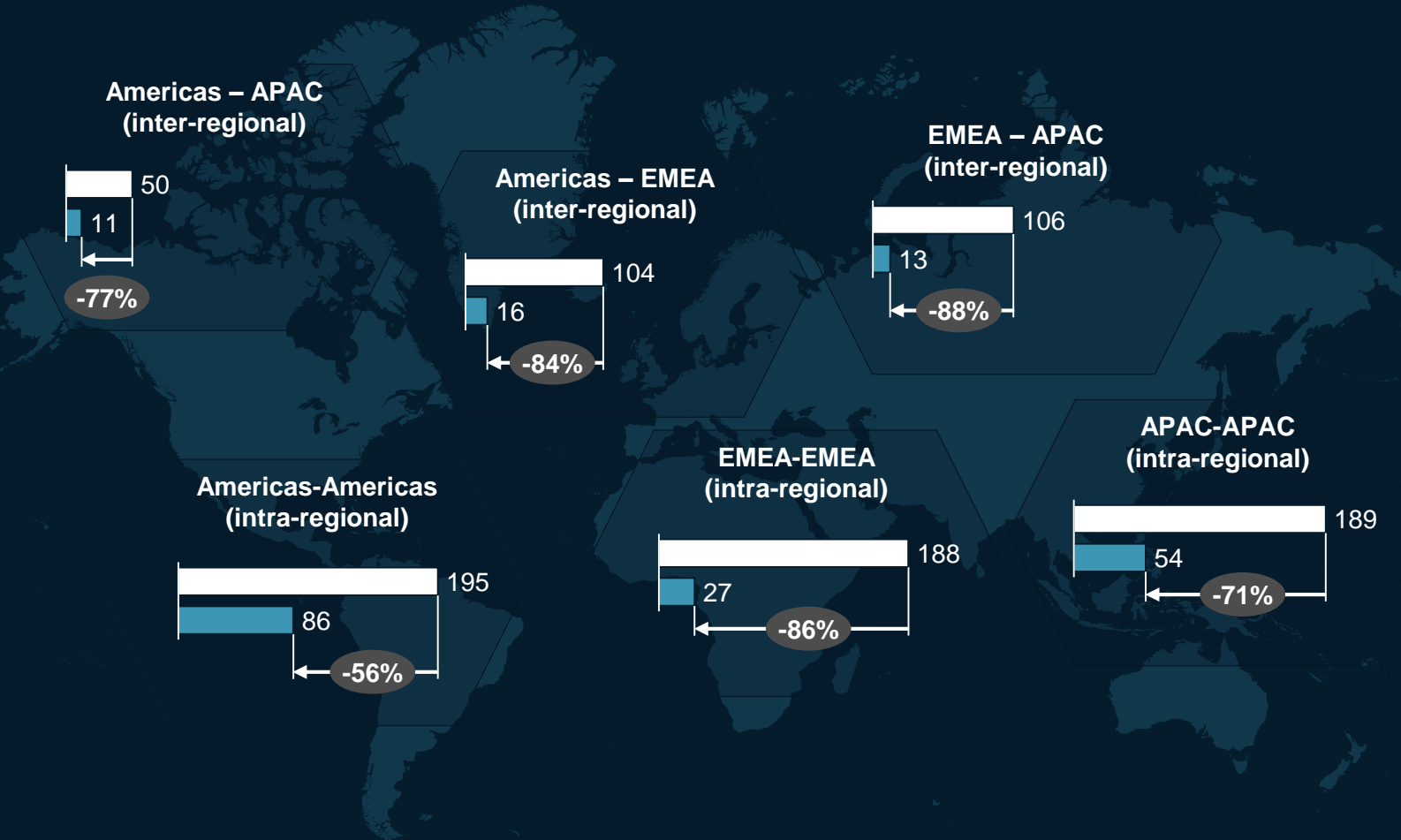
With expanding government restrictions and widespread lockdowns, it is **unclear exactly when capacity will come back**

April capacity expected to decrease by 70-80% from original plans

April ASKs by flow, Jan 13 filing vs. current estimate

Available Seat Kilometers (ASK) capacity, Billions

Originally planned April capacity¹ Current April capacity estimate²



70-80%

Capacity reductions in April

- Flights to and from Europe, Middle East, and Africa were among the hardest hit
- Intra-regional flights within the Americas are least impacted to date

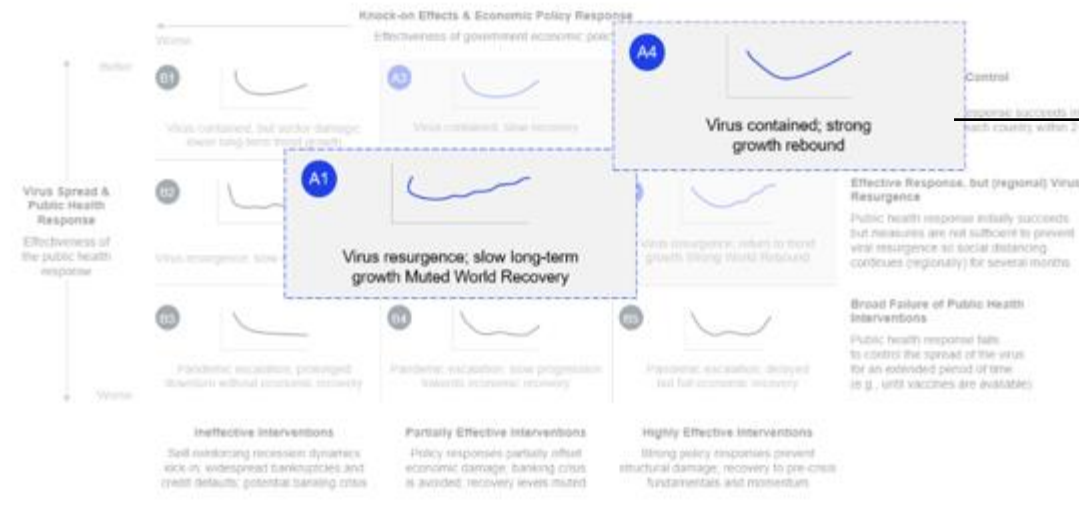
Preliminary analysis as of March 25, 2020; capacity reductions continue to be announced and actual April volumes may be lower

Scenarios for economic impact to airlines

Modeled across six dimensions; each dimension impacts leisure, business, and VFR demand differently

Scenarios for the economic impact of the COVID-19 crisis

GPD impact of COVID-19 spread, public-health response, and economic policies



Airline demand recovery dimensions for scenarios A1 and A4

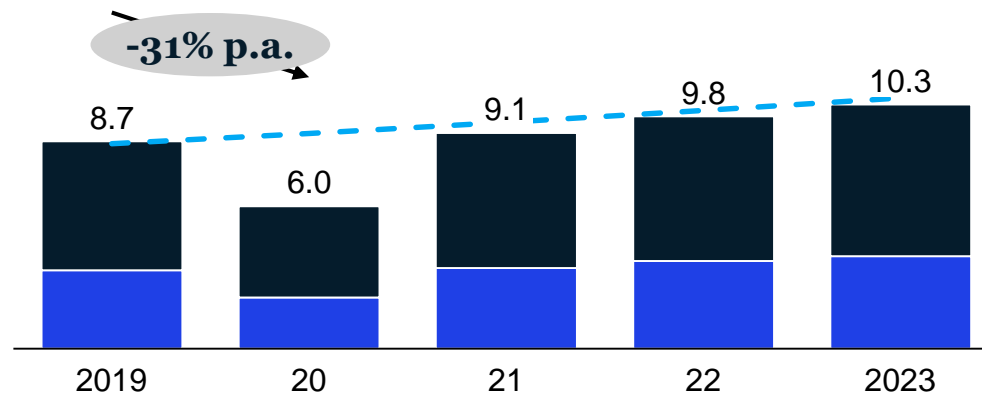


Optimistic scenario assumes demand recovery by 2021; more conservative estimates delay recovery until 2022

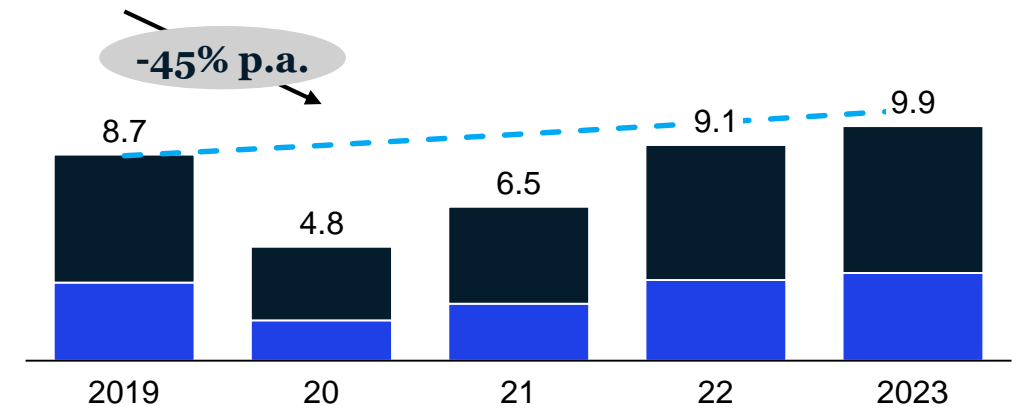
Airline travel demand estimates, Trillions RPKs

■ Inter-regional flows ■ Intra-regional flows - - Pre-crisis RPK trajectory

A4 Virus contained; strong growth rebound Global recovery 2021



A1 Virus resurgence; slow long-term growth, muted world recovery Global recovery 2022



What you have to believe

Rapid and effective **control of virus spread**

Effective interventions

Governments leaning forward on **lifting bans**

Effective yield stimulation **driving demand ramp up** similar to past crises

No lasting change in travel behavior

Airlines able to operationally **ramp up with demand**

Effective response but **virus resurgence requires longer-term mobility restrictions** (e.g., social distancing, lockdowns)

Partially effective interventions

Governments more **conservative on travel bans**

Travelers **emotionally impacted** over longer timeframe, driving **longer recovery** than past crises

Some lasting change in travel behavior, particular business travel partially replaced by communication technology

Significant market stimulation through low fares

Contents

1

COVID-19:
Safeguarding
our lives and
livelihoods

2

Scenarios for
near-term
impact

3

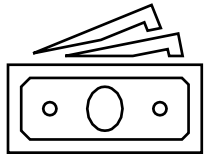
Financial
implications

4

Response:
considerations
and next steps

Airlines have multiple means of accessing liquidity

Assessing airline liquidity



Cash + short term investments are the quickest and easiest form of liquidity

Undrawn credit facilities are available lines of credit pre-negotiated with banks, likely pre-crisis

Unencumbered assets (e.g., aircraft and loyalty programs) can be used as collateral for raising additional debt

External support (e.g., from governments) – not included in analysis that follows

Escalating levels of balance sheet risk

The further a company has to go to maintain solvency, the greater the potential negative impact on its future balance sheet

Many airlines appear to have liquidity to cover 6+ months of zero-capacity operations

However, they would need to obtain additional debt secured against currently unencumbered assets to do so

Coverage at zero capacity operation¹

● Cash + short-term investments² ● Undrawn credit facilities² ● Unencumbered assets³



North American carriers



European carriers



APAC carriers

Carrier	Number of months covered					
	0-2	3-5	6-8	9-11	12-18	19+
[Low cost]						
Southwest	●	●	●	●	●	●
Alaska	●	●	●	●	●	●
JetBlue	●	●	●	●	●	●
United	●	●	●	●	●	●
Delta	●	●	●	●	●	●
Spirit	●	●	●	●	●	●
American	●	●	●	●	●	●

Carrier	Number of months covered					
	0-2	3-5	6-8	9-11	12-18	19+
[Low cost]						
Ryanair	●	●	●	●	●	●
IAG	●	●	●	●	●	●
AFKLM	●	●	●	●	●	●
Turkish	●	●	●	●	●	●
easyJet	●	●	●	●	●	●
Luft Group	●	●	●	●	●	●

Carrier	Number of months covered					
	0-2	3-5	6-8	9-11	12-18	19+
[Low cost]						
China S	●	●	●	●	●	●
China E	●	●	●	●	●	●
Singapore	●	●	●	●	●	●
Cathay	●	●	●	●	●	●
Qantas	●	●	●	●	●	●
AirAsia	●	●	●	●	●	●

Liquidity analysis is a meta analysis of existing industry research and reports on cash, undrawn credit, and unencumbered assets, divided by an assumed burn rate of ~50% of revenue (*this is highly variable by airline, based on cost structure and actions taken to date*)

1. Calculated based on cash + undrawn credit + unencumbered assets divided monthly operating costs at zero capacity. Operating costs based on internal analysis. Assumes forward booking revenue (refunds) to be paid by EOY 2020 | 2. Based on investment analyst estimates and airline reported values | 3. Based on investment analyst estimates and airline reported values for unencumbered assets

Even without a liquidity crisis, many airlines could incur losses

Example airline with \$10B revenue operating with 31% lower RPKs (Scen. A4)

	Typical operations ¹ , \$B	Reduced capacity (scenario A4), \$B	Assumptions and rationale
Revenue	10.0	5.0	Lower load factor Lower yields at 70% of pre-crisis levels
Labor cost	3.0	2.4	Reduced capacity Extended furlough
Aircraft ownership + operation ²	1.0	0.8-1.0	Some early retirement of older aircraft Returning aircraft on operating lease Deferring/cancelling planned orders
Fuel	2.0	1.3	Proportional to capacity cuts Lower fuel prices
Maintenance	1.0	0.8	Lower capacity Long-term contracts Fixed real estate costs
Other	2.0	2.0	Maintained at normal operational level
Earnings before taxes	1.0	(2.3-2.5)	

1. Based on cost structure of select mainline US carriers; cost structure may differ by region and airline operating structure

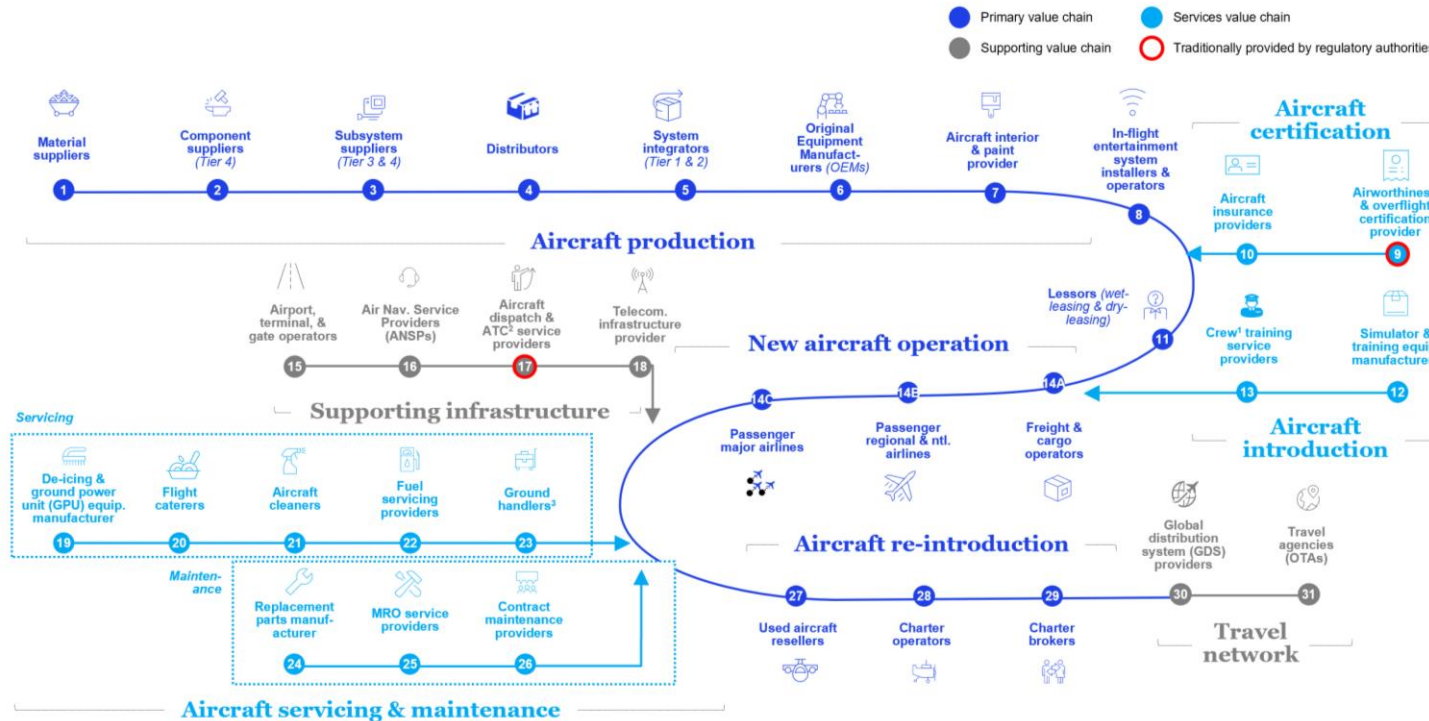
2. Includes landing fees, depreciation, and amortization

Source: Company 10-K, annual earnings reports, company press releases

Although airlines have already put in place cash contingency measures, **they could incur losses in the near-term** in a reduced capacity scenario

Airlines may start looking at **structural cost reductions** to respond

In addition to impact on airlines, there is also significant impact on employees across the travel value chain



Immediate impact to airline and airport employees worldwide

120K Airline employees laid off or placed on unpaid leave in the past month

1,500 Airport employees out of work in the New York metro area

Broader impact across the aviation and aerospace value chain




30%+ Of aircraft deliveries could be at risk in 2020 and 2021

500K+ Aerospace production jobs at risk globally

50% Of MRO jobs being cut at General Electric due to reduced aviation activity

1. Based on Oxford Economics + US Travel Association projection assuming recovery in June

Governments are discussing various types of stimulus packages

		Description	Considerations
	Grants	Direct subsidies to supplement company cash flow	Generally spread evenly to all industry participants; potentially comes with restrictions (e.g., employment level guarantees)
	Loans	Direct financial aid (e.g., loans from government) or guarantees to ensure debt provision from financial institutions	Various structures and / or covenants (e.g., oversight board, time restrictions, or other limits on corporate governance)
	Tax or regulatory relief	Reduction in or waivers of taxes or regulations that travel companies are required to pay/abide by (e.g., landing fees)	Governments typically have more direct control over these measures. Can also incentivize “operating,” as benefit is not collected unless activity takes place

Contents

1

COVID-19:
Safeguarding
our lives and
livelihoods

2

Scenarios for
near-term
impact

3

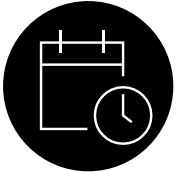
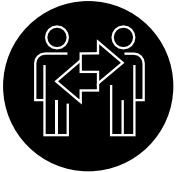
Financial
implications

4

Response:
considerations
and next steps

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- 1 Care for customers and employees**, keep them safe and support them through the crisis
- 2 Manage through uncertainty** by setting up a nerve center with a custom, real-time dashboard
- 3 Preserve and optimize liquidity**, ensuring access to cash to maintain critical operations
- 4 Prepare for recovery** by determining when, where, and how to ramp up commercial activity
- 5 Build the plan** to return assets to service and reintegrate employees to the workforce
- 6 Plan to compete in the new world**, with changing customer behaviour and industry landscape



Appendix A

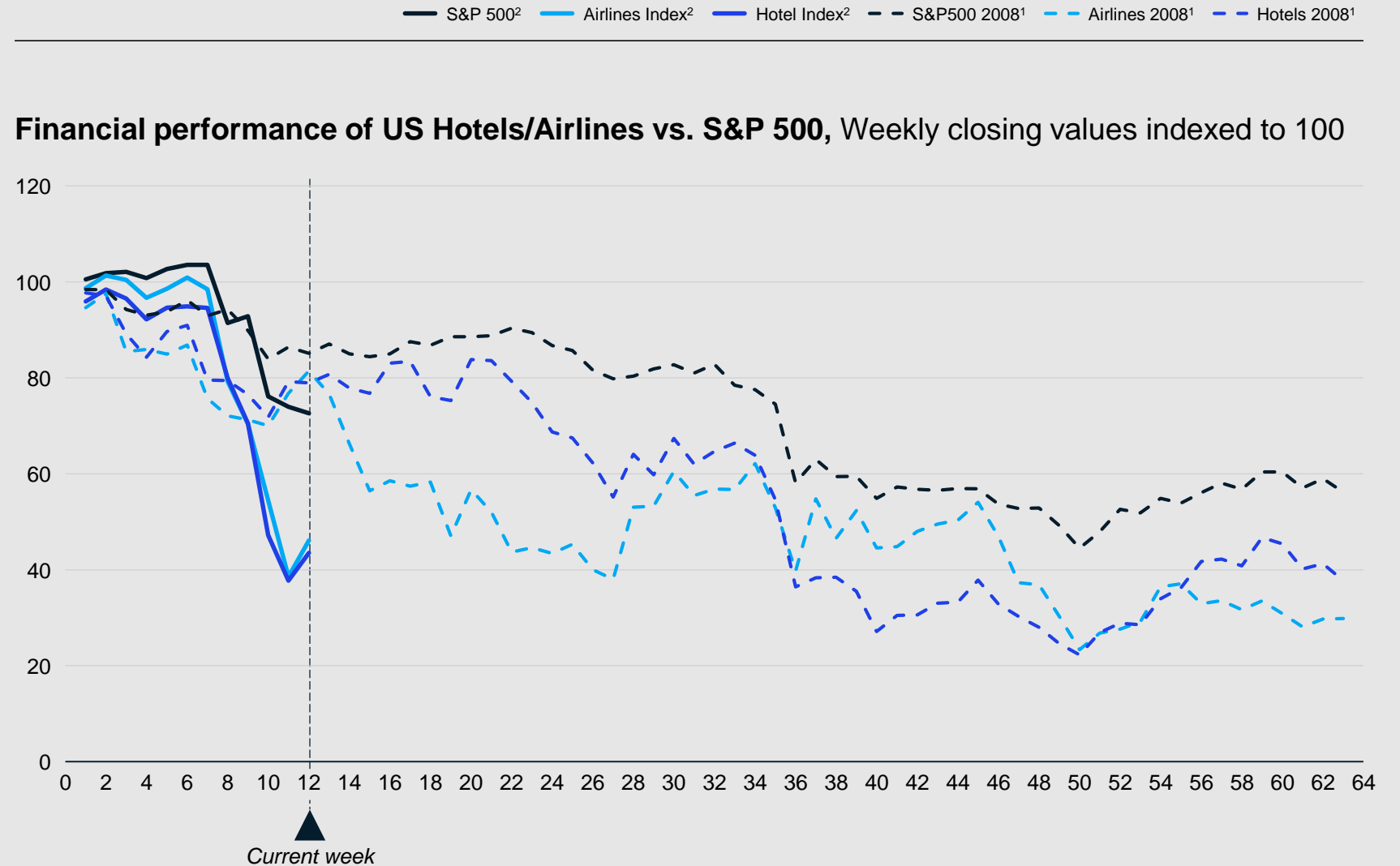
- The situation now and impact on travel
- Government actions and support

Investor confidence in airlines and hotels is weakening

Market seeing larger immediate drop for COVID-19 pandemic compared to the 2008 financial crisis

1. Beginning October 7, 2007
2. Beginning Jan 2, 2020

Source: MarketWatch



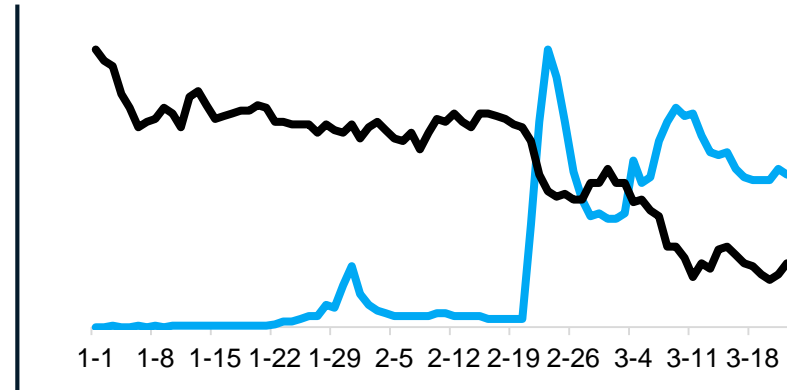
US and European search volume for travel-related terms falling quickly

However, South Korean and Japanese search volumes stay relatively flat

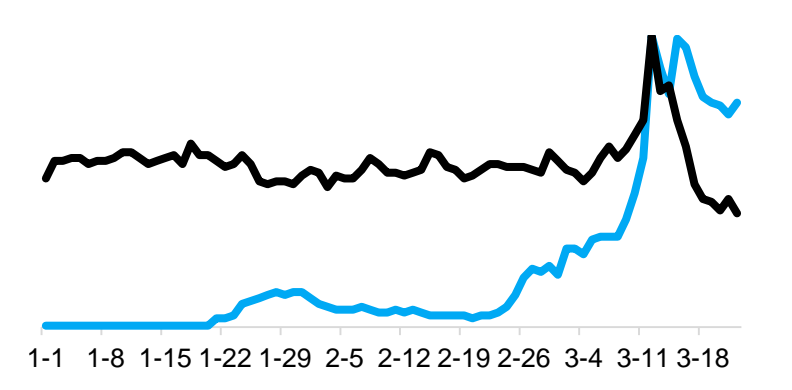
Relative search volume for 'Travel'¹ and 'Coronavirus', Daily volumes from January 1 to March 22

— Travel — Coronavirus 2020

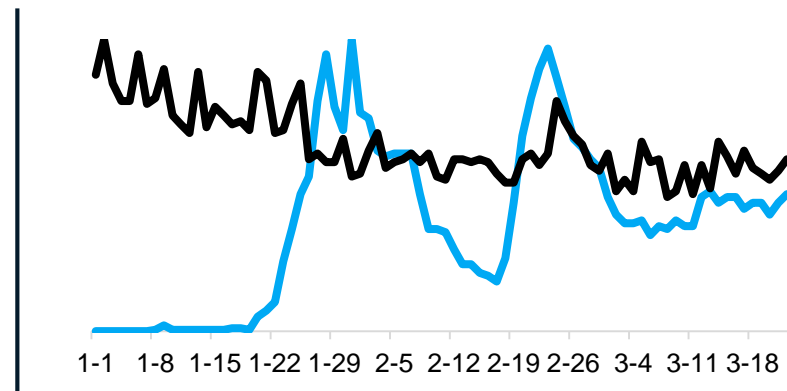
Italy



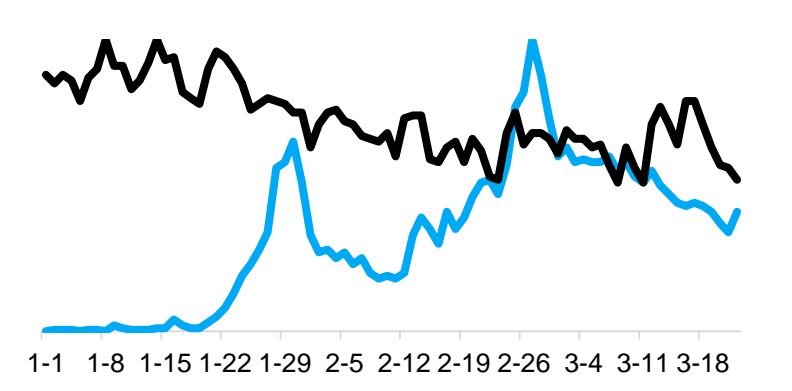
USA



South Korea



Japan



1. Search terms include 'Book Flights' and 'Book Hotels' and similar variations

Globally, governments are taking unprecedented actions

Travel restrictions and shutdowns

110+

Countries with full travel bans
on all foreign visitors

50+

Countries with targeted bans
on visitors from affected areas



Current travel restrictions heavily target affected countries

EU restricts all nonessential travel into the region for at least 30 days

US bars the entry of all foreign nationals who had visited China, Iran and a group of European countries during the previous 14 days

Canada and the US mutually agree to close the US-Canada border to all non-essential travel

Non-essential services are being shut down to increase social distancing

Comprehensive shut-down of non-essential services (e.g., restaurants closed except for deliveries, schools shutdown) in Italy, France, Spain and Australia, as well as 15+ US states

CDC has issued guidelines to restrict or eliminate gatherings of 10+ people

Germany, Canada, restrict movement of 2+ people outside homes

India implements 21-day 'total' lockdown and curfew

1. Includes Hong Kong, SAR China

Airlines have significantly reduced capacity and grounded fleets

As of March 24, 2020

n/a / Reduced by 0-20% Reduced by 20-40% Reduced by >40%

Region	Airline/group	2019 Revenue (\$B)	Cancelled capacity (%)			Region	Airline/group	2019 Revenue (\$B)	Cancelled capacity (%)		
			Short-haul	Long-haul	Fleet grounded				Short-haul	Long-haul	Fleet grounded
Americas	DELTA AIR LINES	\$44.90	70%	80%	600 A/C	Asia-Pacific	ASIANA AIRLINES	\$5.80	79%	25%	
	American Airlines	\$44.50	40%	75%	35%		SINGAPORE AIRLINES	\$12.10	96%	96%	
	United Airlines	\$41.90	60%	100%			JAPAN AIRLINES	\$13.30	30%	20%	
	Southwest	\$22.00	25%	n/a			全日空	\$18.60	30%	60%	
	Alaska	\$8.30	15%	n/a	13%		KOREAN AIR	\$11.80	n/a	80%	69%
	LATAM	\$9.90	40%	90%			CHINA SOUTHERN AIRLINES	\$21.70	73%	73%	
	AIR CANADA	\$13.90	50%	50%			中国东方航空	\$17.30	73%	73%	
	WESTJET	\$4.70	50%	100%			AIR CHINA	\$19.50	68%	68%	
Europe	Scandinavian Airlines	\$4.50	Most	Most		CATHAY PACIFIC	\$14.20	96%	96%	51%	
	LOT	\$1.20	100%	100%	100%	QANTAS	\$12.80	60%	100%	50%	
	IAG	\$28.80	75%	75%							
	easyJet	\$7.90	40%	n/a	100 A/C						
	norwegian	\$4.80	85%	85%							
	RYANAIR	\$9.10	100%	100%							
	Lufthansa	\$42.30	98%	98%	90%						
	AIRFRANCEKLM GROUP	\$31.30	90%	90%	All A380/747s						

Based on press clippings as of March 24, 2020; likely to be outdated as airlines continue to make adjustments to capacity

Airlines with higher proportion of owned aircraft can potentially access additional debt secured against unencumbered assets

Returning aircraft with near-term operating lease maturity can help reduce expenses during capacity cuts

Ownership type of active aircraft¹
in % of total fleet size

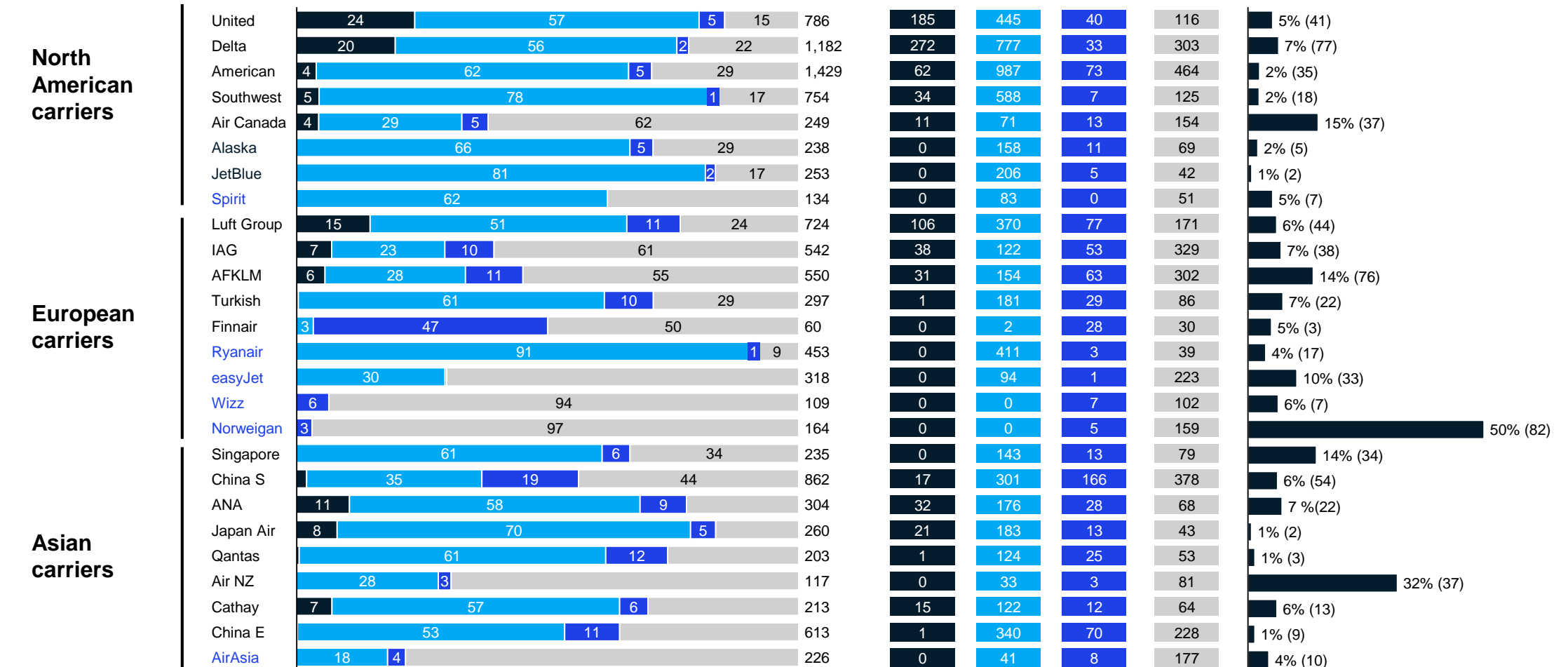
xx Total
Low cost

Owned & >20 yrs
Owned & <20 yrs

Fin. lease
Op. lease

Aircraft by ownership type²
in # of total aircraft

Expiring op. leases in 2020³
in % of total fleet size (# of aircraft)



1. Active and in storage fleet | 2. Carrier aircraft totals include wholly owned regional aircraft; aircraft under operating lease may include those owned by airline group and leased via 3rd party to a wholly-owned subsidiary | 3. Operating leases with expiration dates on or before 12/31/2020




















Source: Fleet analyzer (considering only active and in storage aircraft), as of Mar 2020

Airlines are requesting significant government support

Country			
Actions	<p>UK airlines request:</p> <ol style="list-style-type: none"> 1. Credit facility to provide billions of pounds of liquidity 2. Freeze on air traffic control charges 3. Moratorium on Regulation (EC) 261/2004 passenger protection rights for 4 months 4. Cancellation of air passenger duty for 4 months 5. Government assistance covering employee costs 	<p>US airlines request:</p> <ol style="list-style-type: none"> 1. Worker payroll protection grants of at least \$29B. Airlines commit to refrain from layoffs and furloughs 2. Loans and loan guarantees of at least \$29B. Airlines commit to refrain from stock buybacks and dividends 	<p>Airlines for Europe (A4E) requests:</p> <ol style="list-style-type: none"> 1. Deferment or waiver of fiscal burdens, including EU and national aviation taxes 2. Direct support from EU funds, including the EU Coronavirus Response Investment Initiative 3. Extending EC temporary slot waiver through October 2020 4. Recognizing COVID-19 as an extraordinary circumstance under the Regulation (EC) 261/2004 passenger rights regime

Government interventions focus on liquidity and tax relief

Detailed further on following pages

Categories	Levers	Example countries
Nationalization	Full nationalization of airlines	 
Providing emergency liquidity	Directly compensating workers by government entities	  
	Immediate cash injections	
	Government loans at reduced interest	
	Loan and credit guarantees	   
Easing tax burdens	Waiving fuel excise fees	
	Lowering and deferring capital gains & corporate taxes	 
	Reducing interests on taxes and recovery	
Easing airport management	Suspending 'use it or lose it' rules	 
	Waiving air services charges	
	Discounting facility fees	

Government financial support actions

Nordic countries focus on loan and credit guarantees



Danish government gives **1.5B SEK (\$150M) credit guarantees** to SAS. In addition, Denmark pledges to do what it takes to keep the carrier flying.



Finnish government **guarantees €600M loan** to Finnair. Concerned with employee retention on the long term.



Swedish government gives **1.5B SEK (\$150M) credit guarantees** to SAS. Additional credit guarantees to smaller airlines.



Norway issues **credit guarantees of 6B NOK (\$540M)** to its airlines: up to 3B to Norwegian Air if it meets stringent conditions, 1.5B to SAS, 1.5B to Wideroe and other small airlines.

Countries in Western Europe focus on protecting employees



Employees of Austrian Airlines and Vienna International Airport eligible for **government-backed 'short time work'** scheme. Terms in negotiation.



Government-backed 'short time work' scheme to **pay 60-67% of wages** for Lufthansa and TUI employees to prevent layoffs. Other aid measures being discussed.



Italian government to give **€500M cash injection** followed by other measures worth €3B. Government has declared it **seeks to nationalize Alitalia** pending on EU approval.



Government to compensate **up to 90% of total wages** of KLM employees for 3 months. Reduced KLM interests on taxes and recovery. Temporarily **lowered KLM corporate taxes and capital gains taxes**.

Oceanic countries focus on immediate liquidity



The Australian gov't has given its airlines **A\$715M (\$415M) in waivers**. Fees waived include fuel excises, air services charges and security charges. Backdated to 1 Feb, reimbursing A\$159 (\$90M) for charges already paid



The gov't of New Zealand has offered Air NZ a **NZ\$900M loan (\$510M)** in 2 tranches, available for 24 months. Air New Zealand will cancel 2020 interim dividend and not pay out shareholder distributions while on the loan

Governments have taken action to ease economic impacts on the travel industry during historic crises

Most actions involve direct aid, tax relief, or low-interest loans

	COVID-19 government responses	Previous crisis government responses
North America	<p>US Senate passes bill that would provide airline industry \$61B relief, with \$29B in direct grants and up to \$29B in loans and loan guarantees to passenger/cargo carriers, and \$3B in grants to catering/baggage handling companies; the bill is pending House approval</p> <p><i>Airlines requested \$58B (50-50 grants/zero-interest loans), suspended taxes on fuel and tickets; other requests made by airports (\$10B), aircraft manufacturers (\$60B in liquidity, guaranteed loans), hotels (\$150B), and car rental companies/travel agents (\$100B)</i></p>	<p>US gave \$5B in direct grants, \$10B in loans to domestic airlines, and allowed late tax payments after 9-11</p> <p>US assisted those unemployed by 9-11 attacks with 13-39 weeks of unemployment benefits, heavily centered on travel industry workers</p> <p>US incentivized travel with \$500 individual tax credits, travel industry workforce tax credits, and Federal funding for travel marketing campaigns after 9-11</p>
Europe	<p>EU, FAA suspend requirement that airlines use 80% of their slots or risk losing them to competitors</p> <p>UK provides hotel cash grants of up to £25K per property and 12-mo tax suspension for all retail, hospitality, and leisure businesses</p> <p>Sweden and Denmark announce \$300M in loan guarantees for SAS</p> <p>Norway offers Norwegian Air \$26M in initial government loan guarantees, contingent upon airline raising 10% commercially</p>	<p>EU countries provide carrier/airport relief with market-rate loans and deferred payments for air traffic control services after 2010 volcano</p>
Asia Pacific	<p>China reduces carrier expenses, including fuel discounts and reduced aircraft landing, parking, and navigation fees</p> <p>China spurs travel by giving subsidies and relaxing slot utilization rules</p> <p>Japan approves JPY500B (\$5B) low interest loans for small and mid-size tourism industry firms</p> <p>Australia to refund and waive A\$715M (\$430M) of domestic air traffic control fees, including A\$159M upfront</p>	<p>Hong Kong provides \$1.8B rent reduction and tax rebate relief for businesses after SARS outbreak, focusing on tourism and retail</p> <p>Taiwan provides \$3.7B relief and economic stimulus after SARS, focusing on tourism and retail</p> <p>China grants fee waivers, tax exemptions for all Chinese airlines; provides capital injections of 80K yuan per landing/takeoff for “Big Three” carriers after 2008 financial crisis</p>