

TRANSPORTATION

Where do we go from here?

What plans are being made in the transportation sector? What changes we are likely to see and how will these affect our industry?

Niko Ek - Regional General Manager Europe, SAS

Richard Stone - Head of Field Sales, Global Sales, DFDS

Cameron Jones - Chief Commercial Officer SilverRail

Lauri Helke - CEO, OnniBus, Finland

Clive Stacey - Owner, Discover the World

THE SITUATION TODAY Discover the World - Specialist to the region with charter to Kirkenes, many of the team furloughed the remainder dealing with changes and preparing for next year. 75% of clients remain loyal and are postponing their trips. **Scandinavian Airlines** - Now 10,000 staff have been released, operating on a minimum level. Many flights still operating within Scandinavia. No international flights. **DFDS** - Most staff furloughed, out of 9 passenger routes, five are in the Nordic. Only OSL-CPN has been suspended since 03/3/20 all others operating mainly freight. **Onnibus** - Running at around 17% of normal capacity since Helsinki has been isolated from the rest of Finland. **SilverRail** - Still operating rail in Sweden but with a reduction of 75% of capacity. No leisure business

Routes and capacity

DFDS - Freight has always been bigger than leisure, currently switching vessels to different routes. Now adapting to new operational changes. Do not envisage any significant changes to operations but anticipate a different 'mix' of traffic in the future

SAS - Will be downsizing operations, currently running at 10% capacity. 2020 and 2021 will be both difficult years, there may be some recovery in 2021 but do expect any significant return to normality until 2022. Major routes will open first followed by the big European cities, there will be still demand for leisure routes but these will be greatly reduced - it will take time to understand the new demand

SilverRail - There will be a bigger focus on domestic travel. Expect a spike in the summer but then a fall in the autumn as a possible second covid infection phase appears. Expect a fall in business travel and commuter traffic as people adapt to the new normal.

Discover the World - As an operator, very reliant upon the airlines and the actions of the UK and Scandinavian Governments. It could be that the UK travellers are ready to visit but they may not be allowed in.

Hygiene & distancing

Onnibus - Run 89 seat double decker buses so up to now social distancing has not been a problem. Action has so far been taken to protect the drivers by isolating them with all passenger access being done by the rear door

DFDS - Covid has forced everyone to re-evaluate and adopt new procedures. There has been an increase in deep-cleaning and attention to touch points. Freely available hand-sanitizers and masks. Changes to dining arrangements, offering take-away food, staggered seating and kiosks instead of shops. Changes to embarkation and disembarkation. This will all become normal

SAS - Will follow all regulations. No decisions have been made about social distancing arrangement in-flight or removing the centre seat for example. SAS have a lot of smaller aircraft so this wouldn't work on those. Avoiding contact between crew and passengers, removing all in-flight items, no food-water only. New arrangements at the airport & gate

SilverRail - Estimate it will take two years but technology can help; in China they operate a traffic-light system of red, orange and green indicating health and ability to travel. This could be adopted

Prices

Discover the World - People will be scared to travel initially and will need coaxing back. Its possible travel will become a luxury item and many people will not be able to afford it. Have already seen a trend from group to FIT and feel that this will continue

DFDS - Do not anticipate any real changes in pricing strategy although the mix of traffic will change. Recovery is also dependent on coordination between Governments, it is hoped that there will be more coordination as we come out than there was when we went into lockdown. The challenge will be how to coax people back to travelling, but to do this in a sustainable way. Sustainability is the key

Onnibus - There will be less competition as many traditional operators were already loss-making and so will be forced to reduce their operations. Domestic coach operation will be one of the first sectors to recover.

SilverRail - Trains are a utility and so the Governments will get behind the train operators and train networks to get the country going again. There will be a lot of consolidation, many companies are just not going to make it through all of this. Generally it is expected that prices will go up.

SAS - There will be much less capacity in the market as there are a lot of airplanes on the ground. In the longer term this could be an opportunity for some new players to enter the market. Prices could go up depending on lack of capacity and limited supply. Talking to agents around the world they see business travel significantly reduced and leisure travel replaced by 'travel with a purpose' - there will no longer be so many weekend city-breaks. Also that digitalisation has moved on apace during the crisis. Such technology would eventually have been adopted but we have just got here quicker. In the same way it has forced the airlines to adapt to sustainable challenges and so could be regarded as a positive for aviation. The sustainable changes required of the aviation industry would have taken a long time to get to the same place.

