

Written evidence submitted by the International Air Transport Association (IATA) (AAS0040)

Background

The International Air Transport Association (IATA) is the trade association for the world's airlines, representing some 290 airlines and 82% of global air traffic. IATA's member airlines include many that operate flights to the UK, including UK airlines British Airways, Virgin Atlantic and DHL Air UK, as well as many foreign-based airlines that serve the UK market. IATA supports many areas of aviation activity and helps formulate industry policy on critical aviation issues to drive a safe, secure, and a sustainable industry. For more information on IATA and its work visit www.iata.org

This document provides written evidence by the International Air Transport Association (IATA) to the House of Commons Transport Committee inquiry on supporting recovery in the UK aviation sector. It sets out IATA's position on what further progress is needed by Government over the coming months to progressively evolve the government's COVID framework, thereby ensuring the necessary conditions are created for a stable and sustained period of recovery for UK aviation.

Introduction

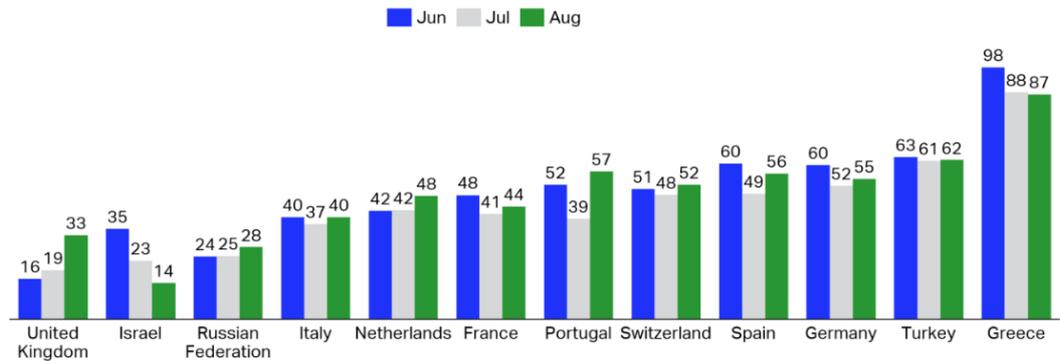
IATA welcomes the progress made by the UK Government in recent months to lift many of the travel restrictions that have been harming the UK travel industry. IATA is pleased that Government has now addressed several of industry's longstanding asks, including the removal of the need for pre-departure tests for passengers with approved vaccines and the introduction of new, simpler, regime from 04 Oct. The United States decision to remove the 212f restrictions from November is also hugely significant. The US is by far Europe's largest international market for passenger revenues (~16%), despite representing only 6% of international passenger numbers of European airlines in 2019 (see table 2).

These changes in policy have had a clear effect in demand and Table 1 below shows that UK ticket sales jumped in August following the policy changes. However, it is also clear to see that the UK's recovery continues to lag much of Europe and airline sales are still over 65% down on 2019 levels.

Whilst the 04 October policy changes are a welcome progression, they cannot be the end of the process, as several barriers to international travel remain. The UK system remains more costly (the need for tests for vaccinated travellers) and complex (a closed market of testing providers, the need to pre-purchase tests, the UK PLF etc) compared to EU counterparts. If the UK is to keep pace with the progressive reopening of travel we are seeing across Europe, it is imperative the UK government continues to work with industry to ease travel restrictions further across the last quarter.

Table 1

Number of international ticket sales to/from selected countries in Jun-Aug 2021, as % of same month in 2019, %

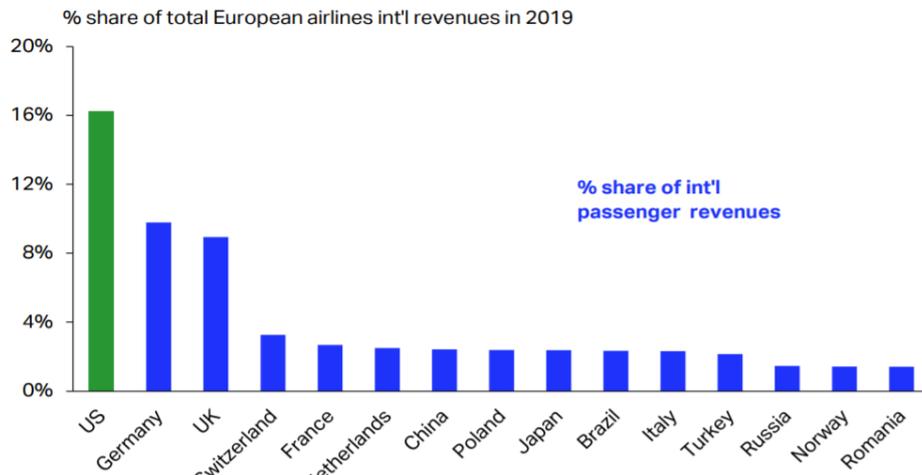


Source: IATA Economics based on data from DDS



Table 2

Reopening US-Europe will bring significant revenues to airlines



Source: IATA DDS

Pathway to a pre-pandemic travel framework

The current policy framework for travel to the UK, whilst significantly improved, is still far from optimal in allowing for free, low cost, unrestricted travel in a post pandemic environment. We have outlined below the further policy and

other changes that IATA believes are necessary to return international travel to as close as possible to pre-pandemic rules.

1. Removal of testing for vaccinated travellers

As Government seeks to take advantage of its wider vaccination policy, it must work to remove testing entirely for vaccinated travellers from non-red list countries. It would also bring the UK in line with other major markets that no longer require a post arrival test.

2. Immediate replacement of PCR testing with low cost, easily accessed antigen testing

Noting that the UK is committed to removing post arrival PCR testing we have yet to see the precise details at the time of writing. Notwithstanding our desire to see testing eliminated for vaccinated travellers we accept that for unvaccinated travellers is likely to be part of a UK regime.

With this in mind, the government needs to work to further lower the cost of tests. Private antigen tests accessed via the Government approved list can still cost upwards of £30 each, whereas in other European countries tests are available for as little as €5 ¹Tests also need to be easier to access. The current requirement of forcing travellers to pre-book tests before travel with limited number of providers should be replaced by an ability for travellers to purchase a test in the UK or abroad and register both the test, and result, with the UK government.

3. Eliminate all testing immediately for short duration trips – less than 2 days

Vaccinated passengers who enter the United Kingdom and leave within 48 hours should not be forced to purchase a day two test and should be immediately exempted from all testing. As it stands now the government acknowledges that passengers do not need to test if they stay less than 2 days, but they are forced to buy a test.

4. Recognise all UK and EMA approved vaccines administered in third countries

The UK's current policy of only recognising people vaccinated in certain countries rather than recognising a vaccine type no matter where it is administered is a complex solution. The UK's ambition should be to either move to a policy (as is the case in other countries including France, Germany and Spain) of recognising the vaccine type or it should openly publish the requirements the UK wishes to see to recognise a 3rd country vaccine programme and actively encourage countries apply using diplomatic channels.

5. Enable UK based minors to receive a full MHRA dose of a vaccination for travel

At present the UK is only routinely offering a single dose of the vaccine to minors under the age of 18. Many 3rd countries are now classifying a fully vaccinated traveller as anyone over 12 years old who has received 2 doses of an approved vaccine. The UK should enable wider access for minors needing to travel and have access to a full dose. Minors should also be able to show proof of vaccination – currently the NHS COVID App to show proof of vaccination is only open to over 16-year-olds.

6. Provide a pathway to allow nonvaccinated travellers to avoid quarantine

Although priority must continue to be given to the facilitation of travel for vaccinated travellers, attention must also be given to the travel pathway for non-vaccinated travellers to avoid quarantine, especially where there is a legitimate reason for a traveller not being vaccinated or for people traveling from area of the world where vaccine availability is low.

We believe this could be achieved developing a process of repeat testing across a defined number of days after arrival that would remove the need to quarantine. This is would also be dependent on driving down the cost of testing as per point 2 above.

7. Remove hotel quarantine for vaccinated travellers

The recent reductions to the red list are welcomed. The notion of a red list should be applied only where there is a high and sustained risk and it is worth noting that some countries (most recently Ireland) have completely dismantled

their hotel quarantine policy. At the very least hotel quarantine should be limited to those red list arrivals who are unvaccinated allowing home quarantine for vaccinated travellers.

8. Radically simplify the UK Passenger Locator Form (PLF)

The UK PLF remains a cumbersome and complex tool for travellers. 18 months into the pandemic it is still only available in English, the wording of the questions for non-native speakers are complex and it remains unclear why certain data is collected. A separate workstream should be initiated that aims to radically reduce and simplify the data collected. The PLF should be offered in multiple languages and have an app-based solution. Work should also be undertaken to ensure that the PLF works with and complements industry solutions such as the IATA Travel Pass.

9. Remove upstream carriers checks

At present carriers are still responsible to performing manual upstream checks to ensure compliance with government mandated checks and face hefty fines for non-compliance. The UK should move to a technology, potentially via the PLF or an advance passenger information solution, that allows for the automatic verification by government of any testing and vaccination evidence that is needed, depending on the country of origin, thereby removing the need for carriers to perform these checks.

10. Enable a joined up, four nations, approach

The four nations should endeavour to establish a more harmonised approach to removing restrictions. Whilst this has improved in recent months, a more sustained and joined up approach would be welcome.

11. Provide a clearer set of travel guidelines to travellers on gov.uk

As the UK government moves to simplify travel, the existing patchwork of advice to travellers is confusing and disjointed. A work stream should be launched to radically simplify the contents of the advice to travellers on gov.uk.

12. Protecting against monopoly provider behaviour

As the UK and international travel recover, the entire aviation value chain needs to play its part in the recovery. We have already seen evidence that, for example, Heathrow Airport (HAL), already one of the most expensive airports in the world, are proposing an increase in per passenger charges in 2022 of 89% versus 2019. Whilst these proposed increases are subject to a CAA process and intervention, Government may need to step in if one element of the value chain tries to abuse its position and behave in a way that could be detrimental to UK recovery and the rebuilding connectivity.

A future looking Aviation Recovery Strategy

As travel and transport start to become normalised it will be important for the UK Government to implement measures to restore confidence in air travel. Communication to passengers, both during travel and before travel by way of mass media, advertising and social media will be essential to show passengers that air travel is safe.

Government should give consideration to a range of incentives to support a restart of travel demand. These could include direct support and destination-based incentives to boost travel and tourism demand including enhanced destination marketing for the UK, as well as investigating visa facilitation matters and potentially simpler and cheaper visa procedures for inbound visitors.

In addition to the shorter- and medium-term measures needed to secure the future of the industry, IATA encourages the government to come forward with a longer-term Industrial Aviation Recovery Strategy to address the policies and actions needed to ensure that the UK aviation industry emerges from the crisis in a strong position, grows back greener, and continues play its role as a cornerstone of the economy and global aviation powerhouse. This could be a cross government involving both Transport and Business Departments and look at how the aviation sector, and airlines specifically, fit into the wider recovery of the UK on the international stage.

Developing an industrial recovery strategy should be done in discussions with airlines to develop the detail of what will be needed to promote a sustained recovery. However, we believe that the list below outlines a set of issues that government should start to consider and discuss with the sector.

Green growth:

- Promoting a move to lower carbon future for aviation must be a priority for both industry and government. Sustainable Aviation Fuels (SAF) are critical part of the industry's efforts to reduce climate impact and we urge the UK Government to look to incentivise greater uptake. There is a significant opportunity to kick-start a UK sustainable fuels industry, delivering thousands of jobs in regions of the UK, and helping deliver the UK's strategic decarbonisation priorities. Delivering these outcomes requires long-term policy stability and financial support for the scaling-up and rollout of sustainable fuel production capacity.
- At IATA's most recent General Meeting (5th October), the association approved a resolution for the global air transport industry to achieve net zero carbon emissions by 2050 so the global airline sector is ready to play its part in delivering greener growth.

Airspace Infrastructure:

- Air Traffic Management (ATM) reform and modernisation in the UK, Europe and globally has been slow, leading to inefficiency leading to increased emissions, rising delays, additional costs to airlines and inconvenience to consumers. This urgently needs to be addressed. It is imperative that governments have appropriate policies and tools to ensure airports and Air Navigation Service Providers (ANSPs) enable airspace modernisation. The recently published UK AMS is supported by IATA as an important and proactive step by the UK. It is important that recent momentum is not lost. Airspace modernisation must remain a priority for Government, ensuring the UK is equipped with adequate airport and airspace capacity, sufficient to meet demand but delivered cost effectively.

Technology & innovation:

- Government must look to promote and incentivise the use of the latest technology in all aspects of the business and fostering innovation in aviation. For airlines this could include the rapid development of new greener technology such as electric, hydrogen and hybrid propulsion.

Fiscal treatment of aviation:

- Easing the tax and fiscal burden on the industry will allow for long term recovery. Taxes in general have negative impacts on the environment, passengers and the economy. The financial impact of a tax on airlines

will limit their ability to invest in newer, cleaner and quieter aircraft and technology, delaying fleet renewal and the associated environmental benefits. A full review of APD and consideration of tax relief for green innovation could be areas of consideration.

Connectivity:

- Before the global pandemic, The UK had the largest level of air connectivity in Europe (measured by the IATA Connectivity Index). As the UK starts to recover economically as the pandemic subsides, it will be important to ensure the UK remains connected globally.
- The Government could take steps to ensure that the UK sector is able to return to having the largest level of air connectivity in Europe. This will bring investment into the UK, speed up our economic recovery and support the government's broader 'build, back, better' and 'levelling up' agendas.

Regulation:

- Government should undertake a root and branch review of aviation regulation with a view to minimising the regulatory burden on the industry. As highly competitive sector, the airline industry is likely to need less regulation than other industry sectors. IATA's smarter regulation initiative seeks to promote partnerships with governments that result in regulation that delivers clearly defined, measurable policy objectives in the least burdensome way through a transparent, objective, and consultative process. Recognizing the existence of excessive red tape, many governments have launched smarter regulation or better regulation initiatives, with a view to cutting unnecessary burdens on consumers and businesses. We urge the UK to do the same.

October 2021

Endnote

¹ <https://www.ah.nl/producten/product/wi498228/acon-antigeen-zelftest>
https://twitter.com/lidl_ireland/status/1390231656813010946?s=11