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Michelle Toh

① 12 min read

Airlines add flights to Hong Kong but the aviation hub won't be back to normal anytime soon

Cathay Pacific at breaking point in Hong Kong

03:08 - Source: CNN

Hong Kong CNN Business —

International airlines are scrambling to add more flights to Hong Kong as the city <u>ends two</u> and a half years of quarantine measures, leading to a surge in demand for travel.

The new measures took effect Monday. Now, instead of having to isolate in a hotel room at their own expense for three nights, tourists and business travelers can return home or to other accommodation, as long as they monitor their health for three days, including taking rapid Covid tests.

Airlines are seeing a huge surge in interest as a result. Cathay Pacific (<u>CPCAY</u>), the city's flag carrier, has set up a virtual "waiting room" to get onto its website. Customers are told they can "queue" to be put through to Cathay's booking platform, after which they will have 30 minutes to buy tickets.

Cathay said Friday that it would add more than 200 flight services in October to regional and long-haul destinations, with increased capacity in particular on routes to the Japanese cities of Tokyo, Osaka and Sapporo.

The news brings some much-needed relief to the carrier, which was forced to slash capacity to as little as <u>2% of pre-pandemic levels</u> during the global health crisis. "As Hong Kong's home airline, we are fully committed to rebuilding the connectivity of the Hong Kong aviation hub," it said in a <u>statement</u>.

Lufthansa also told CNN Business on Monday that it would increase its capacity from Hong Kong, with daily service between the city and Frankfurt starting this winter season.

"We welcome the relaxation for travelers. This will absolutely increase the demand for travel to and from Hong Kong," Christoph Meyer, Lufthansa's general manager of sales for Hong Kong, Macao and South China, said in a statement.

But he cautioned that "restrictions for non-locally based air crews remains," referring to the need for staff not based in Hong Kong to still quarantine in hotels.

Meyer described the requirement as "a major concern" for airlines looking to increase flights to Hong Kong.

British Airways and Japan Airlines (<u>JAPSY</u>) also plan to increase service to the southern Chinese city. On Friday, BA announced that "its first passenger flight from London to Hong Kong since December 2021 will take to the skies on 5 December."

"The flight will operate four times per week until 18 December, followed by a daily service from then onwards," the company said in a statement.

The airline <u>suspended its service</u> to Hong Kong last year over arduous quarantine requirements for its crew.

Japan Airlines will ramp up capacity between Tokyo and Hong Kong, starting Oct. 31.

More than two years of border restrictions had crippled Hong Kong's role as a global aviation hub.

International Air Transport Association Director General Willie Walsh said last week that China's zero-Covid policy had "devastated" Hong Kong.

"Hong Kong has lost its position as a global hub and will struggle to regain it because other hubs have taken advantage of it," he said.

Friday's news puts Hong Kong back on "the right track," said Dr. Kam Hung Ng, assistant professor of aviation engineering at the Hong Kong Polytechnic University.

He told CNN Business that Hong Kong still had advantages that could allow its aviation industry to recover to pre-pandemic levels, "or even more."

Hong Kong's location allows it to serve as an international transit and logistics gateway for many Asian destinations, as well as mainland China.

"This is not the thing that can be easily changed," said Ng, noting that the city is also an important part of China's Greater Bay Area, an economic zone that connects Guangdong province with other territories.

Once travel restrictions are fully removed, "the demand will come back," he predicted.

But there are still two major hurdles that lie ahead for carriers.

Airlines need more staff as many pilots retired or left the industry during the pandemic, said Ng. Even if those staffers return, they will need to be retrained, which could take two or three weeks per person, he added.

Then there is the need to literally dust off old aircraft. Several airlines, such as Cathay Pacific, have sent their planes to be stored in other countries during the pandemic, so they will need to be brought back to do "all the maintenance checks again before serving the public," noted Ng. "It takes time."

He said that could mean a lead time of roughly six months for some airlines to get all their aircraft checked and ready to fly again.

That's why many passengers won't see a return to normal anytime soon.

Australia's Qantas (QABSY) said Monday it was not changing plans to restart flights to Hong Kong in January 2023.

Korean Air told CNN Business that it had already increased frequency of flights between Seoul and Hong Kong in July, when previous quarantine measures in the Chinese city were reduced. The airline will likely maintain its current level for the near future, according to a spokesperson.

A spokesperson for Singapore Airlines told CNN Business it would be flexible in any adjustments to its service of two daily return flights to Hong Kong.

Similarly, American Airlines (AAL) said that "we're constantly reviewing our global network, but don't have any news to share about resuming Hong Kong service."

United Airlines told CNN Business on Tuesday that it was "evaluating the market demand and operating environment to determine when it's right for us to resume flight operations to Hong Kong."

KLM, the Dutch carrier, said that it had never stopped flying to Hong Kong, though it currently only operates one inbound flight a week via Bangkok. This winter, that will rise to two flights per week, also connecting through the Thai capital, it told CNN Business.

"We're looking into possibilities to fly directly" to Hong Kong again, a spokesperson said.

Xie Xingquan, IATA's regional vice president for North Asia, welcomed the lifting of quarantine in Hong Kong but warned of the challenges ahead for businesses.

"The entire aviation value chain in Hong Kong needs to be prepared for a surge in travel from pent up demand, similar to what we have seen in other markets as soon as quarantine measures are lifted," he said in a statement shared with CNN Business.

"Having the required manpower is key to avoiding the problems seen in European and US airports," he added.

There have been <u>chaotic scenes</u> in recent months at airports in Europe and the United States, with severe flight cancellations, delays and long passenger lines. The problem has largely been <u>caused by</u> high travel demand and inadequate staffing, and has in some cases forced airports to cut their capacity.

— CNN's Tom Booth contributed to this report.