Q&A with Virgin Atlantic Airways

Summarised from a <u>BritCham Shanghai webinar</u> on 12 April 2022

On 12 April, BritCham Shanghai organised a webinar and we are honoured to gather representatives from the UK government and various industry sectors to advise members and the wider community on the questions are mostly asked recently, as well as share the advanced experience, knowledge and lesson learnt from the current lock-down.

In this difficult and challenging time, we appreciate the efforts the British Consulate has been taken to support British nationals here in Shanghai; and our many member companies that support each other in our community. We also thank our individual members for their patience.

In the following weeks, BritCham Shanghai will continue to collect useful information and arrange sharing sessions to support.

Below we have summarised some of the questions and answers from Virgin Atlantic Airways (VS).

Q: What's the background since Dec 2020? Why don't the UK/China have direct flights yet? What are the current routes to China?

VS: In December 2020, a travel ban has been issued by the Civil Aviation Administration China (CAAC) to restrict any direct service between China and the UK. This is due to the spike of the Delta Virus quickly spreading out in the UK. Since then, all the direct passenger services between mainland China and the UK have been suspended. For Virgin Atlantic, the last scheduled passenger service was on 26 December 2020. After the travel ban has been implemented, there was no direct passenger service available between mainland China and the UK in the past 15 months.

Many passengers choose to depart from Hong Kong, but this is a one-direction service, meaning you can only fly from Hong Kong to the UK. The back route is still restricted. There are some other alternatives flying from Shanghai and transferring via another European city to the UK in both directions, such as Helsinki and Stockholm. But this approach will cost more flight time and bring additional COVID tests to complete during the transfer cities.

During this period, Virgin Atlantic keeps the operating schedule of the cargo-only service from Shanghai to the UK. The cargo service worked pretty well from both directions, and we worked very hard to maintain the cargo-only service in the past 15 months.

Meanwhile, we also worked with key stakeholders to operate the passenger charter services from the UK to Shanghai for both employees and Chinese students. We gained huge support. The demand is huge, but we have to work step by step. Working on one charter flight can take about 1 or even 2 months to get approved. We need to liaise with China and Shanghai government authorities, and the Pudong ground handling agencies. If it is a UK inbound flight, we also need to work with the Shanghai Center for Disease Control and Prevention (CDC).

The priority now is on how to reinstate the passenger service. In the past 15 months, we have been working with the CAAC, the Chinese Embassy in the UK and the Department for Transport

in the UK (DFT) to reinstate it as soon as possible. Here we want to express our sincere appreciation to BritCham for its Position Paper 2021, in which travel has become the top priority, as people feel there is a huge impact on their life and investment in China without the direct flight.

Q: What were the issues or challenges during the trial flights?

VS: There were two opportunities to reinstate the passenger service last year and early this year.

In August 2021, we received approval from CAAC to restore the direct passenger service. But it was suspended at the final stage due to the spike of positive cases in the UK. At that time, the daily cases could hit 20,000.

Another opportunity was in February 2022, we received the CAAC's confirmation on the trial flights. But once again the trial flight was suspended at the last minute due to the COVID situation on both sides in February. But we kept working with the authorities and in March, Virgin Atlantic got the final approval to operate two trial flights on 15 March and 28 March on behalf of the UK carriers. The Chinese carriers also planned two trial flights at the same time. If all trail flights were run successfully with no more than 5% confirmed positive cases identified upon each arrival, CAAC will formally confirm the restoration of regular direct passenger service.

As the UK carrier, we really put a huge effort to make sure the trial flights run successfully. Unfortunately, we have to stop the second trial flight after the first one was run on 18 March 2022.

There were both health and safety concerns that we could not easily overcome. The key challenge was the extremely strict restrictions. According to CAAC, flight crew to China must not have any COVID history, which is hard to achieve, since the majority of people in the UK have got COVID already. In this way, the number of crew resources we could operate on this route is very limited.

In addition, the COVID nose tests upon arrival quite often hurt the crew and the quarantine hotel facility in Pudong was not ideal. We need to make sure that our crew have proper sleep and rest to ensure the safety of the next day's flight operation.

One more thing to mention, due to the close of Russian airspace, the usual flying time has been extended by around 2 hours on both ways. If our crew cannot rest well overnight, this would bring safety concerns during the flight operation.

In terms of all these factors mentioned, we had to stop the second trial flight. We've sent detailed feedback to DFT and CAAC to see how we can work and address them together.

Q: Could you estimate when we could see a return of direct flights?

VS: For Virgin Atlantic, we are very committed to the reinstation of direct flights between the UK and China. We know that people have been stuck for more than 1 year and the huge demand for business travel and family reunion on both ways. But we have to make sure our operations

meet a certain level of standards and this is a key thing to consider. As long as these concerns have been addressed, we will definitely put push the direct flight to move forward.

Q: If direct flights were reinstated, would indirect flights (via connection) no longer be viable?

VS: The Chinese Embassy in the UK has issued some restrictions mentioning that once the direct passenger service is reinstated, all the indirect services will be suspended.

But in our conversation with DFT and CAAC on the trial flights, this question was also discussed and there is no final answer yet. This hints that if the direct flight is reinstated, the suspension of direct flight may not happen immediately.

In this way, we think that the Chinese Government may still enable some level of flexibility in the indirect service due to the huge demand.

Q: What's the current airline service situation in Shanghai during the COVID outbreak? What about the flights to the US and other European cities?

VS: Based on the information we have received, by this Monday 11 April, it seems all European carriers had to stop their services to Shanghai this week. The recovery time is still pending as the carriers need to evaluate the whole situation. The key challenge is that after the flights land in Shanghai, there will be very limited ground handling capabilities for both inbound and outbound flights as many staff are still being locked in their compound and not able to come to the airport.

We do hope things can get better in the upcoming weeks. Lastly, we think that the quarantine restriction in China is the key bottleneck to international flights. If the regulations can be improved in the future, we might see much easier travel operations and experiences between countries. We all look forward to that day coming shortly. Virgin Atlantic will keep working closely with the Chamber and government authorities and facilitate the process as much as possible.

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