



Headline News

Coronavirus. Billion dollar losses could force wholesalers hotels and airlines out of business, says leading travel Australian agent

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“This is bigger than SARS, bigger than the pilots strike in Australia and bigger than airlines or wholesalers going broke according to Adelaide based retail and business travel agent, Max Najar - and it is not going to go away tomorrow. With more than 40 years experience in the travel industry, Mr Najar is the founder of Axis Travel Centre.

“We will still be feeling the impact until at least June 2020 in my opinion, as many factors have not yet played out. On the cards are a billion dollar series of financial losses, job losses and infrastructure build losses as travellers continue to stay at home.”

Mr Najar says the fallout will include major Australian travel agents and wholesalers, Asian airlines and hotels. “They will either reduce staff or at worst, go broke,” he says.

Cruise ships will amend more Itineraries as Asian ports will close down, he adds.

“Travel insurers will increase premiums and add more conditions.”

The fact the source of the virus is China might be a plus he says - **“there are very few countries in the world that can close down a city, stop travel and build hospitals in two weeks. However you have to think they knew about the virus and its incubation period well in advance. Building the hospitals certainly required thousands of workers - but lots of planning as well - and planning takes time.”**

The travel industry will bounce back he says - we are constantly affected by incidents that we have zero control over. “It is only with good contacts, lots of experience and sensible options that we can help clients through this maze and keep them in-the-know.

“More than ever people need to realise they need more than a telephone number to a call centre, probably in Asia, or an internet address when problems like this occur.

“Nothing has changed, he says. **“Without a decent, qualified travel agent-you are on your own.”**

It’s not just tourism that is suffering. According to mining giant BHP the 2020 coronavirus disease outbreak is a key uncertainty to global growth. ‘If the viral outbreak is not demonstrably well contained within the March quarter we expect to revise our expectations.’”

A report today in BusinessWire says The outbreak of the coronavirus, coupled with record valuations in equity markets, has triggered a global sell-off of high-risk investments and a significant shift in sentiment among global investors. Accompanying the dip is a well-reported surge into traditional safe-haven monetary assets such as gold.

As global investors remain concerned that the virus could become far more globally significant, inflows into gold exchange traded funds are 30% higher than last year. Other low-risk investments have reported similar inflows of capital.

Written by Ian McIntosh