

# TRAVEL WEEKLY

## American Airlines CEO laments long visa wait times

Robert Silk

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American Airlines took in \$3.6 billion in revenue from international flights during the third quarter, up 13.5% from 2019. But CEO Robert Isom says the results would have been even better if not for the long delays many inbound travelers are facing in obtaining a U.S. visa.

"There's things that we're doing as a country that are actually hindering recovery of demand internationally," Isom said during American's Q3 earnings call Thursday. "It could be stronger, a lot stronger."

According to a Cato Institute study in July, visa wait times for inbound travelers had ballooned from 17 days on average before March 2020 to 247 days on average. The State Department has blamed those delays on Covid-19 related challenges, including staffing and travel restrictions.

The U.S. Travel Association has identified reducing visa wait times as a top priority. Now American Airlines has, too.

American, he said, has been talking with the State Department as it pushes for a resolution to the situation.

Isom said that pre-Covid, 43% of international visitation to the U.S. came from countries in which visas are required, such as Brazil, India and Mexico.

"It's not like we're limiting ourselves just on airfares and ticket prices and airline revenue, those people spent \$120 billion when they came into the United States," he said about visa travelers in 2019.

Isom expressed his frustration about the visa situation while American reported \$13.5 billion in revenue for the third quarter, a record for the airline in any individual quarter, and in line with analyst expectations, according to the investment site Seeking Alpha. Compared to 2019, American's Q3 revenue was up 13%.

That jump was countered by a 12.9% increase in expenses as fuel prices jumped 82% per gallon.

American reported \$483 million in net income for the quarter, up from \$425 million in 2019, while flying nearly 10% less capacity. Airfare increases and high load factors made up for less capacity.

Like competitors Delta and United, American said the good times have continued into the current quarter. American projects Q4 revenue will be up 11% to 13% from 2019 while flying 5% to 7% less capacity.