

WEEKLY BRIEFING

2 December 2022

COVID-19 UPDATE

People with a confirmed positive test result for COVID-19 have slightly increased in England, by 4%, and Wales, 11%, over the last week compared to previous week. However in Northern Ireland and Scotland people who have tested positive for COVID-19 have decreased. People continue to book for booster vaccinations and flu vaccines.

ECONOMIC, POLITICAL AND SOCIAL UPDATE

Brexit added £210 to household food bills, LSE says

Brexit added £210 to the average household food bill in the two years to the end of 2021, new research suggests. Academics at the London School of Economics (LSE) found that the cost of food imported from Europe went up because of extra red tape and checks. They said that rule changes for items going across the border had pushed food prices up by 6%, or £5.84bn overall. A government spokesperson said that it was cutting costs and reducing red tape for firms. The research noted that UK food producers had faced reduced competition since Brexit. Researchers at the LSE's Centre for Economic Performance (CEP) looked at data, tracking the flow of trade and prices of food products between the UK and the European Union (EU) to work out how shoppers were being affected by the UK's exit. It also found that price rises hit poorest households hardest because they spend more of their pay packets on food.

House prices see biggest fall in two years, says Nationwide

UK house prices saw their biggest monthly fall in more than two years in November as rising interest rates put buyers off, the Nationwide has said. Prices fell 1.4% from October, which was the largest month-on-month fall since June 2020. Annual house price growth saw a "sharp slowdown", the building society said, falling to 4.4% from 7.2% in October. The lender added the housing market looked set to "remain subdued" in the coming months. Earlier this month, the government's official forecaster predicted that house prices will fall by 9% over the next two years as affordability issues weigh on demand. The average property price fell to £263,788 last month from £268,282 in October, the Nationwide said. It said the housing sector was still being affected by the fallout from September's mini-budget, which triggered a rise in mortgage rates and also led lenders to suspend hundreds of mortgage products amid turmoil on the financial markets.

Emergency energy plan not going ahead

National Grid has decided not to activate a scheme on Tuesday to help the UK avoid power cuts after being poised to do so. It would have seen some households offered discounts on their electricity bills if they cut peak-time use. National Grid had been ready to trigger the scheme following a warning that Britain's energy supplies were looking tighter than usual this week. However, it decided that the measure was not required. Alerts are sent out automatically when expected supplies drop below a certain level. But they do not mean that blackouts are likely, or that the situation is critical. National Grid said it was "confident" it would be able to manage margins and "demand is not at risk".

TRADE UPDATE

Booking.com develops sustainable travel programme

Booking.com has developed its travel sustainable programme to provide customers with more "transparent and credible" information to make an informed choice for their choice of accommodation. Celebrating one year since the launch of the programme, the company has introduced levels 1-3 for accommodation which signify the extent to which they have implemented "impactful sustainability practices". Accommodations that have made "huge commitments" towards sustainability are recognised with a certified badge, which is the highest level they can receive. Italy is leading the way in the number of properties which have received a travel sustainable badge, followed by France, Germany, Spain, the US, Brazil, India, the UK, Greece and Poland.

Rwanda to host WTTC 2023 global summit

Rwanda's capital of Kigali is to host the 2023 World Travel & Tourism Council global summit. It will be the first time the event has been held in Africa. Rwanda, home of the International Gorilla Conservation Programme, will showcase the power of sustainable tourism to protect biodiversity and create thriving communities, according to the WTTC. Next year's venue was disclosed as the organisation ended its largest global summit with more than 3,000 delegates attending the event in Riyadh, Saudi Arabia. WTTC president and chief executive Julia Simpson said: "We are incredibly excited that Rwanda will host our next global summit in 2023. "An amazing country famous for its conservation work, Rwanda is building its reputation as a must-see destination."

Hotelbeds projects 30% growth in 2023

Hotelbeds expects growth of 30% above this year's levels over the next 12 months as travellers seek ways to make their trips easier and hassle-free. Rising inflation is not putting people off taking trips as 'revenge travel' following pandemic lockdowns will continue to gain momentum next year, the bed bank's analysis suggests. As people prioritise travel, they are taking advantage of hybrid and remote working to combine business with pleasure, according to the company's predicted trends for 2023. Hotelbeds chief executive Nicolas Huss said: "As we lead increasingly busy lives, we no longer have time to book each element of our travel separately. "We, as consumers, are also very frustrated with the friction that we encounter. The standards for the consumer experience will keep on rising. "That's why frictionless travel will revolutionise the industry and Hotelbeds is taking steps towards this with our one-stop-shop vision.

APT launches Japan and India tours and cruises for 2023/24

APT and Travelmarvel's 2023/24 Faraway Collection will feature river cruise and touring itineraries to Japan and India for the first time. The Faraway Collection includes a luxury and value itinerary for Japan, and a Travelmarvel cruise on the Lower Ganges. It also includes three APT and three Travelmarvel voyages on the Mekong – including the first sailings of APT's new ship, Mekong Serenity.

Flexibility key for 'anxious and budget-constrained' customers

The trade has been told to be ready to adapt offers for budget-conscious and anxious clients as firms predict a flatter peak season and one analyst fears a short-haul pricing "bloodbath". Travel agents and tour operators continue to report strong sales, with latest booking polls also overwhelmingly positive, but acknowledge challenges in the price-sensitive family market. A survey of 2,000 UK consumers by easyJet found 66% of respondents said taking a holiday was the most important 'spend' for next year, with 64% planning to fly abroad in 2023. A poll of 135 operators and agents in The Specialist Travel Association (Aito), found 82% expected business conditions to stay the same or improve over the next six months.

AIRLINE UPDATE

Singapore Airlines and Tata agree to merge Air India and Vistara

Singapore Airlines has pledged to invest US \$250 million to increase its stake in a newly-enlarged Air India group after coming to terms with India's Tata Group to merge Air India and Vistara. SIA and Tata aim to complete the merger by March 2024, subject to regulatory approvals, which would see SIA emerge from the process with a 25.1% stake in the group. Tata currently owns Air India outright, which also operates low-cost subsidiaries Air India Express and AirAsia India, and a 51% stake in Vistara. Vistara was founded in 2013 as a joint venture between SIA and Tata. India's aviation market is the third largest in the world, with passenger traffic expected to more than double over the next 10 years. Together, Air India and Vistara, including subsidiaries, operate a fleet of 218 aircraft serving 38 international and 52 domestic destinations.

Norse Atlantic raises \$30 Million for expansion

Norse Atlantic, the budget transatlantic airline, has raised \$30 million to underpin UK expansion. The carrier has placed 120,000,000 new shares with investors and will offer another 60,000,000 in order to raise funds. "This successful equity raise will allow Norse Atlantic to build on its already strong financial base," said Bjorn Tore Larsen, Norse Atlantic Airways chief executive. He added: "We were already in a much stronger position strategically and financially than many other airlines and we now look forward to growing from strength to strength as we look ahead to our UK summer 2023 operations and wider route network. "Norse has said it will unveil new destinations from the UK in the next few [weeks](#).

BA and American Airlines to share revamped New York JFK terminal

Transatlantic partners American Airlines and British Airways are to start using a revamped Terminal 8 at New York's JFK airport. The two airlines are co-locating operations from December 1st to provide improved connections as part of a \$400 million investment. BA is moving from Terminal 7 to an expanded Terminal 8 as part of a plan designed to transform the airport into a world-class global hub. Terminal 8 will become home for five Oneworld Alliance carriers with Iberia also planning to switch to Terminal 8 on December 1 and Japan Airlines in May 2023. Enhancements of Terminal 8 include five new gates for wide body aircraft, four new aircraft parking positions, and an expanded and upgraded baggage handling system that will together support additional transatlantic flights. The terminal has also been expanded with about 130,000 square feet of additional and refurbished space. Premium passengers will use a new co-branded check-in area providing personalised, concierge-style service.

Ryanair seals sustainable aviation fuel supply deal with Shell

Ryanair has agreed a deal with Shell to supply sustainable aviation fuel (SAF) at more than 200 airports across Europe. The memo of understanding with the global energy group to advance the supply of SAF has a particular focus on the no-frills airline's largest bases such as Dublin and Stansted. While SAF is a key enabler of aviation decarbonisation, it currently accounts for just a small fraction of worldwide jet fuel usage. The agreement with Shell gives Ryanair potential access to 360,000 tonnes – 120 million gallons – of SAF between 2025 and 2030. The carrier has set ambitious targets of 12.5% SAF usage by 2030 and net-zero emissions by 2050.

TOUR OPERATORS, TRAVEL AGENCIES, OTA UPDATE

Thomas Cook owner Fosun confirms commitment to brand

The boss of Thomas Cook's Chinese parent company dismissed speculation that it wants to sell the brand while setting out plans for growth and differentiation. Andrew Xu, executive president of Fosun Tourism Group, made a firm commitment to the brand while [dismissing speculation of a possible sell off](#). Speaking to Travel Weekly sister brand Travolution last week on a visit to the UK, he described its international travel brands as "core assets". Fosun remains a 79% shareholder in the group. The tourism group, which is publicly listed in Hong Kong, acquired the Thomas Cook brand in November 2019 following the collapse of the iconic travel firm. Xu said: "Fosun International has identified Fosun Tourism Group as one of its core assets. Fosun will keep its commitment to us and will absolutely control their holding position in the group."

Caribtours brings direct-sell brands to trade in January

Caribtours plans to introduce content to the trade in January from direct-sell Caribbean specialist Just Grenada Group, acquired in March. The brands include Just Grenada, Just Tobago, Just Bequia, Just Antigua, Just St Lucia, Just Barbados, Just St Kitts & Nevis and Just Slovenia. Chief executive Paul Cleary said: "We are expecting more growth in 2023, partly because we've got so much new product, partly because there is still high demand post-pandemic and partly due to the introduction of this new brand. We're expecting to add about another £4 million onto turnover next year." "We've been expanding our programme in the Bahamas and in Jamaica. Caribbean accounts for probably 60% of our business, so luxury Caribbean has been very strong." "But the biggest area of growth and investment for us is in Europe. Europe has exploded. It was doing incredibly well pre-pandemic but it has gone to new levels."

Mark Duguid appointed managing director of Kuoni UK

The new managing director of Kuoni in the UK market has been named as Mark Duguid, who joins from luxury brand Carrier. Duguid has spent the past six years as managing director of Carrier, which is part of the specialist division of Der Touristik UK and is a sister company of Kuoni. Duguid will report to Francis Torrilla, chief executive of Der Touristik UK who will oversee the Kuoni business as well as specialist brands CV Villas, Carrier, Jules Verne, Journey Latin America and Kirker. It marks a return to the Kuoni brand for Duguid, who previously held the position of commercial director at the operator until he left in 2017 to take up his role at Carrier.

Tui UK hails record Lapland programme

Tui UK's Lapland programme started on Wednesday (November 30), with a record 28,000-plus customers set to travel over this winter period. The operation features flights from six regional airports, including Manchester, Bristol and Birmingham, and the day-trip programme is nearly sold out. The Lapland holiday season began with nine flights departing on Wednesday (November 30) from Manchester, Birmingham, Bristol, Glasgow, Gatwick and Newcastle. Almost 4,000 day-trippers will visit Kittilas Snow Village, followed by a sleigh ride, snowmobile ride and traditional storytelling session and meet Santa in his grotto. Those on longer breaks will stay in hotels including Hotel Snow Princess and Winter Wonderland Hotel and Log Cabins. Richard Sofer, Tui UK's commercial and business development director, said: "Lapland has always been an important destination for us, and even more so because we know the memories made on a trip like that last a lifetime."

Not Just Travel claims Black Friday sales record

Not Just Travel has claimed a 53% rise in Black Friday sales compared to the same day in pre-pandemic 2019. Booking values were up 26% compared to Black Friday 2019, from an average of £3,311 to £4,183. The performance led to the company reporting its busiest November on record. Co-founder Paul Harrison said: "The last few days have been phenomenal. We continue to buck the national trend as our sales are soaring, despite the nation tightening its belt in other areas. "We've experienced the best August, September, October and November in our company's history. "Even factoring in the rise in the cost of holidays since 2019, there are still fantastic deals to be had and our customers are choosing to spend more than ever on holidays."

SOCIAL UPDATE

Snapchat launches new, voice-powered AR experience

Snapchat and New Balance have teamed up to create an AR-focused ad for Christmas. The 'New Balance Lens' uses voiceML (audio prompts), where users reply to a series of questions using their voice. They are then directed to the best products, matching their preferences which have been curated from the answers provided. The AR concept is aimed at creating a more natural interaction by speaking as opposed to typing replies. AR is emerging as an important element in online shopping, allowing customers to make quicker and more beneficial purchases.

YouTube adds quizzes as a community post option

In an effort to increase community interactions, YouTube is testing two new community posts features to allow creators to further engage with their audience. The first is an expansion of visual editing tools for image based posts. The second is the option to add quizzes to community posts, designed to generate more engagement. Whilst it is uncertain how valuable community posts are as a feature, they do allow for more sharing and interaction with an audience in a complimentary way to video uploads.

WhatsApp launches new option to send messages to yourself

WhatsApp has launched a new feature that will allow users to send a message to themselves. Users will now be able to select themselves from the top of their contact list and start composing the message. The app envisions this new 'note to self' option being used for activities such as shopping lists, travel inspiration and keeping on top of appointments.

MICE UPDATE

IACC releases 2022 Meeting Room of the Future report

IACC, the global association representing meetings and conference venues, has released its 2022 Meeting Room of the Future Barometer Report. The report shows the meetings and events industry's recovery continues on a positive trajectory, with venues reporting continued growth in event volume levels. Two-thirds of respondents reported recovery to above half of 2019 volume and one-third reported having surpassed a recovery to 80% of 2019 volume.

When asked about changes they had seen in the adoption of hybrid meetings in the last six months, the most noticeable shift reported by respondents was hybrid elements being added to events at short notice, to accommodate remote speakers.

LIGHTER NOTE

Transatlantic pen pals who live almost 5000 miles apart in Texas and England and have been writing to each other since 1938 make their first video call as they both turn 100. Read more [here](#).