

WEEKLY BRIEFING

10 March 2023

ECONOMIC, POLITICAL AND SOCIAL UPDATE

Schools and football help UK economy rebound

The UK economy grew by 0.3% in January as school attendance picked up and Premier League football returned after the World Cup, official figures show. Gross domestic product (GDP) - a key measure of all the activity of firms, governments and individuals - bounced back from a sharp fall in December, where postal and rail strikes, along with a spike in winter flu led to unusually high absences from school. In January, a pause in industrial action by Royal Mail workers meant that activity by the postal industry and courier services jumped by 6.4%. The education sector grew by 2.5% following a fall of 2.6% in December. Activity in arts, entertainment and recreation also grew, mainly due to football as Premier League football returned to a full schedule following fixtures being postponed in December 2022 for the Fifa World Cup. The data comes ahead of the Budget next Wednesday, where Chancellor Jeremy Hunt will outline the government's plan to boost UK economic growth.

Small boats: France to get more money, says James Cleverly

Foreign Secretary James Cleverly has said that France will get more money to stop small boats crossing the Channel ahead of an Anglo-French Summit. Mr Cleverly has travelled to Paris with Prime Minister Rishi Sunak to meet French President Emmanuel Macron, where they are set to discuss small boat crossings as well as the conflict in Ukraine. Cleverly said the two countries would be discussing how to fund joint efforts but wouldn't speculate on the outcome of those talks. Last year, the UK agreed to pay France £63m a year to increase surveillance of French beaches. The British government believes money sent to France to step up patrols has been well-spent and wants to go further. Earlier this week Mr Sunak unveiled his plans to deter people from making the crossing, where those entering the country illegally would be removed from the UK within 28 days and blocked from returning or claiming British citizenship in the future. Those arriving on the UK's beaches would either be returned to their home country, or another "safe third country" like Rwanda.

HS2 line between Birmingham and Crewe delayed by two years to cut costs

The Birmingham to Crewe leg of high speed railway HS2 will be delayed by two years to cut costs, with the government suggesting that Euston station's opening could also be delayed as an "affordable" design is worked on. Transport secretary Mark Harper blamed soaring prices and said he was "committed" to the line linking London, the Midlands and North of England. The government hopes that the delays will allow it to spread the cost over a longer period of time, making it more affordable by reducing annual expenditure. Chancellor Jeremy Hunt, who will outline his Budget next week, wants debt to fall as a percentage of GDP within five years - a target explicitly set by the Prime Minister. HS2 trains are scheduled to carry the first passengers between Old Oak Common station in West London and Birmingham, between 2029 and 2033.

King Charles grants Prince Edward Duke of Edinburgh title

Prince Edward has been named the new Duke of Edinburgh, Buckingham Palace has announced. The title, granted by King Charles III on the prince's 59th birthday, makes Prince Edward the Duke of Edinburgh almost two years after the death of his father, Philip, who held the title for more than 70 years. The title remains associated with the Duke of Edinburgh awards scheme, which has been running activities, training and challenges for young people since 1956. At the end of last year, Parliament fast-tracked a change in law to add Prince Edward and his sister Princess Anne to the "counsellors of state" who can act on behalf of the King.

TRADE UPDATE

Holidaymakers To Up Holiday Spend This Year Despite Cost Of Living Squeeze

Travellers will spend more on their holidays this year despite the economic downturn and cost of living squeeze, new data has revealed. Global management consultancy AlixPartners found inflation and interest rate rises have not dampened projected spending patterns, with 85% of the 2,700 respondents polled intending to spend the same or more on travel in 2023 compared with 2022. Just under half (41%) said they were intending on spending more this year than they did in 2022, while 57% stated they would still travel as planned even if costs came in higher. Only 14% plan to reduce their travel spending to below 2022 costs or not travel at all should price rises necessitate a reassessment of travel plans. Of those willing to spend more on travel in 2023, an increase of 10-30% appeared to be the price premium that consumers were most comfortable with. More than 80% of respondents, who had previously travelled for leisure purposes in 2022, said they had already decided to travel internationally or domestically this year, with just 10% still undecided and even fewer not intending to travel. UK consumers were most likely to travel internationally, with 89% saying they intended to holiday abroad.

UK to Introduce US-Style Esta Visa Waiver Scheme This Autumn

The UK is to introduce its Electronic Travel Authorisation (ETA) scheme for inbound visitors in October, extending it worldwide during 2024. The ETA will first be a requirement for Qatari visitors, followed by Bahrain, Kuwait, Oman, Saudi Arabia, the United Arab Emirates and Jordan from February. The Home Office said the scheme “will strengthen security at the border and improve travel for visitors to the UK”. The scheme’s introduction comes after the European Union laid out plans for the European Travel Information and Authorisation System (Etias) for UK visitors following Brexit, which will be introduced in 2024, costing €7. The US also requires a similar Electronic System for Travel Authorization (ESTA) for all UK visitors costing \$21. The new scheme will replace the current Electronic Visa Waiver (EVW) Scheme which requires visitors to the UK from Gulf states to pay a higher cost for a single-use visit. British and Irish nationals will not need an ETA to travel to the UK. As is currently the case, individuals arriving in the UK via Ireland will still be subject to UK immigration requirements, including the need to have an ETA. Those who legally reside in Ireland will not need an ETA when travelling to the UK from within the Common Travel Area.

Strike Action To Hit Border Force Operations on 15 March

The government has warned travellers arriving in the UK could face longer waiting times at border control on 15 March, as strike action takes place. It said the Public and Commercial Services (PCS) union has announced Civil Service industrial action will affect Border Force operations on that day – which sees the chancellor Jeremy Hunt deliver his Budget. Disruption could continue during the following morning until about 7am. The proposed strike action will affect international arrivals at all UK air and maritime ports, as well as those travelling to the UK from UK border controls in Calais, Dunkirk and Coquelles in northern France. The government advises travellers arriving during the proposed industrial action to “be prepared for longer wait times” and encourages passengers who are eligible to use eGates to do so if these are available.

Air Travel Edges Closer To 2019 Levels, Latest IATA Figures Show

Global air travel reached 84% of 2019 levels in January, but international traffic still lags further behind, new IATA figures reveal. IATA said international traffic stood at 77% of January 2019 levels last month despite a strong recovery “led by carriers in the Asia-Pacific region”. Domestic travel has now all but reached 2019 levels, sitting at 97%. Willie Walsh, IATA director general, said: “Air travel demand is off to a very healthy start in 2023. The rapid removal of COVID-19 restrictions for Chinese domestic and international travel bodes well for the continued strong industry recovery from the pandemic throughout the year. “And, importantly, we have not seen the many economic and geopolitical uncertainties of the day dampening demand for travel.” IATA said European carriers had seen a 60.6% traffic increase last month versus January 2022. Capacity rose 30% and load factors 14 percentage points to 75%.

Heathrow Flights ‘hardest Hit’ By Snow and Ice Disruption

Heathrow was the worst affected major airport as a result of snow and ice across much of the UK on Wednesday. The London hub saw 69 flights – 12% of the total – cancelled up until 4.30pm yesterday, according to data from aviation analytics firm Cirium. Heathrow also recorded one of the highest number of delays among the top five, with only 8% of flights departing on time. Gatwick also faced disruption, with 6% of flights cancelled – equating to 15 – and only 4% of services departing on time, according to the analysis of bad weather disruption as the UK recorded its coldest March temperature since 2010. Edinburgh airport saw 5% of flights cancelled with less than half (44%) departing on time. Stansted and Manchester avoided heavy snowfall, with 99% of flights operating as scheduled from both airports. Bristol airport, which was forced to shut its runway due to heavy snow on Wednesday morning, reported ongoing disruption to flights into the evening.

AIRLINE UPDATE

Pegasus Airlines - Pegasus Airlines plans to raise capacity by 20% this year as new aircraft are delivered. The fleet size of the Turkish budget carrier is set to exceed 100 with the introduction of new generation aircraft. The expansion follows passenger carryings rising by a third to 26.9 million last year over 2021 as turnover grew by 139% year-on-year to €2.45 billion to deliver a net profit of €431 million. The revenue figure grew by 41% over pre-pandemic 2019. The airline has evacuated 152,950 people with 785 evacuation flights from zones in Turkey hit by last month’s earthquakes and carried 111 tonnes of aid. Almost 127,000 people, including rescue workers, have been flown to the region.

Cathay Pacific - Cathay Pacific suffered increased losses last year in the face of stringent Hong Kong COVID-19 travel curbs. The group posted an annual loss of HK\$6.5 billion (\$834.4 million) against HK\$5.5 billion in 2021. However, the carrier said its performance in the second half of 2022 saw a “marked improvement” as the COVID-19 situation in Hong Kong improved and restrictions were adjusted from 1 May ahead of quarantine rules being lifted in September. Cathay Pacific carried 2.8 million passengers in 2022, an average of 7,682 per day, which was 291.1% more than in 2021. The load factor of 73.6% compared with 31.1% in 2021.

Qatar Airways - Qatar Airways will resume services from Birmingham airport in July, after the operation ended in early 2020 amid the pandemic. The airline will offer daily flights from Birmingham to its Doha hub, Hamad International Airport. Ten other destinations will also see services resume this year: Beijing, Buenos Aires, Casablanca, Davao, Marrakesh, Nice, Osaka, Phnom Penh, Ras Al-Khaimah and Tokyo Haneda. Seven new destinations will launch in 2023, which are Chittagong, Juba, Kinshasa, Lyon, Medan, Toulouse and Trabzon. Meanwhile, 35 current destinations will see frequency increases, including Gatwick, which increases from seven weekly flights to 10. It will go up to 14 weekly flights for the peak summer season. Heathrow will increase from 42 weekly flights to 45.

Delta - Delta has outlined its strategy to reach its net-zero emissions target by 2050. It includes scaling the sustainable fuel market, innovating its fleet for the future, addressing single-use plastics and encouraging net-zero supply chains. Delta chief sustainability officer Pam Fletcher first shared the strategy with the airline’s more than 90,000 employees in late February. The reduction of fossil fuels and an evolution to sustainable aviation fuel (SAF) are at the forefront of Fletcher’s mid-term strategy. Delta’s sustainability strategy also accounts for near-term goals, including minimising its impact from single-use plastic, transitioning to electric ground service equipment and encouraging vendors in its supply chain on their own sustainability plans.

Play - Icelandic low-cost airline Play will launch flights from Glasgow in May. The carrier will begin four flights a week from Glasgow International to Iceland’s main Keflavik airport on 26 May, marking the airline’s first Scottish route. Play will go head-to-head with Icelandair, which flies five times a week from Glasgow. Play’s Iceland fares lead in at £69 one way. It will also offer connections to New York’s Stewart airport, Boston, Baltimore/Washington and Washington Dulles from £169 one way. A connection to Toronto will start in June. Play will operate from Glasgow this summer on Monday, Wednesday, Friday and Sunday, but the Wednesday frequency will cease in the autumn. The airline uses Airbus A320neo aircraft with 180 seats.

TOUR OPERATORS, TRAVEL AGENCIES, OTA UPDATE

Dnata - Dnata Travel Group has confirmed it is to shut down its Sunmaster OTA as part of a “simplification of its portfolio”. The company said customers with existing Sunmaster bookings would have them fulfilled by sister brand Travel Republic. Sunmaster was established in 1993 and offers “cheap flights, hotels and transfers” through its website sunmaster.co.uk. Its head office is in Halifax and it sold packaged holidays under Travel Republic’s Atol licence.

easyJet Holidays - The operator said extra packages to favourite winter destinations, including Portugal, Athens and Palma have been added. Its winter 2024 range now includes more than 2,000 hotels in more than 60 destinations. Beach package prices include 23kg of luggage per person and transfers. New packages include seven nights’ all-inclusive at the Xperience St.George Homestay in Sharm el Sheikh for £580pp, travelling from Bristol on 6 December 2023. The operator also has seven nights at the four-star Puerto Palace in Tenerife on a half board basis for £505pp, travelling from Belfast on 20 March 2024.

Tui - Tui has added a further 150,000 seats to its winter 2024 schedule from the UK. It comes as the carrier predicts demand for winter sun bookings to increase following a positive start to the year, with north African destinations proving particularly popular. Additional routes include a new flight to Boa Vista from Birmingham, weekly flights to Sid from Glasgow, Birmingham and East Midlands and a new weekly flight to Sharm El Sheikh from Manchester, Gatwick and Newcastle. Following the addition of Marsa Alam as a new winter destination with two weekly flights from Gatwick, the company has added 80,000 more seats to the town for the winter season.

Jet2holidays - Jet2holidays has introduced the Algarve to its dedicated golfing break programme. Five hotels in the Portuguese region have been added by the operator which introduced golf trips to Antalya in Turkey in November. Half price golf carriage is being offered until April 6 to encourage agents to make bookings. Flexible durations of between three and seven nights are available including rounds of golf. Flights to Faro operate from ten UK airports.

Travelsphere - Travelsphere has launched its 2023 festive holiday collection, with an early-bird saving of up to £100 per couple. The range includes holidays focusing on the Christmas markets of Krakow, Prague and Vienna, in addition to itineraries to Portugal, Italy, Spain, Austria, Jordan and Canada. Travelsphere's Prague Christmas Market itinerary departs on December 4, with prices starting from £699 per person, while its Vienna Christmas Markets holiday is a four-day trip costing from £899. The operator has also launched an eight-day Andalucian Christmas holiday, departing on 20 December.

Intrepid - The range of women-only trips is being expanded by Intrepid Travel including its first dedicated expeditions in Pakistan and Nepal. The tours are led entirely by female leaders that aim to break down barriers for female travellers. The 12-day Pakistan itinerary first departs from Lahore on 17 September at a lead-in of £3,040 per person. Travellers will learn about life looks for both women living in Pakistan's capital of Islamabad and in the remote communities of the Hunza Valley. Intrepid tour leader Aneeqa Ali is the founder of The Mad Hatters, a female-led travel company focused on empowerment, engagement and connection.

If Only - Luxury tour operator If Only has partnered with tourism board Florida Keys & Key West to launch a trade marketing campaign for March and April. The initiative aims to raise awareness of the destination and inspire bookings by training agents about the destination and its key attractions. If Only is providing agents with marketing materials to inspire their customers, including email marketing content and social media offers. The agent making the most bookings during March and April can win a £250 voucher. To support agents, If Only is offering a six-night luxury trip from £2,639, visiting Marathon, Duck Key, Key West and Miami.

SOCIAL UPDATE

Twitter to introduce 10,000-character long-form tweets

Twitter Blue subscribers can currently post tweets that are up to 4,000 characters long. However, Elon Musk has said that users will soon be able to publish longer tweets of up to 10,000 characters. This new function means that users will take longer to read a tweet, allowing Twitter to insert an ad and create new means for creator monetisation in the app. This is part of a strategy to extend the Twittersphere and stop creators having to link out of the app for users to be able to see their content.

TikTok launches 'Keyword Insights'

TikTok's Creative Center has added a new feature called 'Keywords Insights' which allows marketers to ascertain the keywords and phrases that are performing best in ads on the platform. The new function allows users to see information such as the click through rate of the word, how often it has been used and whether it was used in text or voice over. This new feature can be used to create more meaningful creatives and learn what works on the platform as well as capitalising on emerging trends.

MICE UPDATE

Convention bureaux launch impact toolkits to create local level legacy

Planners looking to increase the positive impact - or legacy - of a conference on a host city are being helped by convention bureaux and venues through the launch of impact toolkits, dedicated legacy teams and legacy 'how to' guides'. Both ACC Liverpool and Glasgow Convention Bureau have announced the launch of legacy-creation initiatives to encourage event planners to generate long-term positive impacts through their events. Glasgow Convention Bureau has also created a dedicated Positive Impact and Legacy Team to support conference organisers who want to positively impact the wider public. The creation of the Legacy Team comes in response to ICCA's Global Associations Meeting Protocol study which found that associations want convention bureaux to, 'work closely with associations to help them achieve their legacy objectives'. ACC Liverpool's new Legacy Toolkit will facilitate knowledge building around legacy and aims to drive stronger engagement between organisers, venues, local communities and stakeholders.

LIGHTER NOTE

Lighter note

Hero dogs from rescue operations in Turkey get first class seats on airliners flying them home, find out more [here](#)