

# WEEKLY BRIEFING

8 September 2023



## ECONOMIC, POLITICAL AND SOCIAL UPDATE

### **Rishi Sunak makes 'historic' G20 visit to India**

Rishi Sunak has arrived in Delhi for the G20 summit - a meeting of leaders from the 19 biggest economies in the world plus the European Union. He is the first prime minister of Indian heritage to visit the country. No 10 say the "historic" visit will be "a powerful reminder of the living bridge between the two countries". The prime minister will meet Indian Prime Minister Narendra Modi, where it is likely they will talk about a UK-India free trade agreement. There is increasing optimism that a deal can be reached soon. India's Finance Minister Nirmala Sitharaman said she hoped it would be done before the end of the year however Downing Street has refused to be drawn on a timescale and Mr Sunak said a deal "is not a given".

### **No bids for offshore wind in government auction**

No new offshore wind projects have been bought by developers at a key government auction, dealing a blow to the UK's renewable power strategy. Results showed no bids for new offshore wind farms, but there were deals for solar, tidal and onshore wind projects. Firms have argued the price set for electricity generated was too low to make offshore wind projects viable. The government said a "global rise" in inflation impacting supply chains had "presented challenges for projects".

It said while offshore and floating offshore wind projects did not feature on the agreed deals list, the outcome was "in line with similar results in countries including Germany and Spain". The technology has been described as the "jewel in the UK's renewable energy crown", but firms have been hit by higher costs for building offshore farms, with materials such as steel and labour being more expensive. The UK is a world leader in offshore wind and is home to the world's largest four farms, supporting tens of thousands of jobs, which provided 13.8% of the UK's electricity generation last year, according to government statistics.

### **Gas prices jump as strikes in Australia begin**

Natural gas prices have jumped after strike action kicked off at two major liquefied natural gas (LNG) facilities in Australia. The walkouts, in a row over pay and

conditions, are taking place at Chevron's Gorgon and Wheatstone plants in Western Australia. The US energy giant's two plants account for more than 5% of global LNG capacity. On Friday, wholesale gas prices in the UK rose by about 10%. "Prices are up this morning... but in a rather moderate way," said analysts at Engie EnergyScan. "We have not yet reached the stage of a drop in supply". Australia is one of the world's largest exporters of LNG, along with Qatar and the US, and its supplies have helped to cool global energy prices after Russia began cutting its supplies of natural gas to Europe.

### **UK rejoins EU science research scheme Horizon**

The UK is to rejoin the EU's flagship scientific research scheme, Horizon, the government has announced. UK-based scientists and institutions will be able to apply for money from the £81bn (€95bn) fund from today. Associate membership had been agreed as part of the Brexit trade deal when the UK formally left the EU in 2020. However, the UK has been excluded from the scheme for the past three years because of a disagreement over the Northern Ireland Protocol. Prime Minister Rishi Sunak said: "With a wealth of expertise and experience to bring to the global stage, we have delivered a deal that enables UK scientists to confidently take part in the world's largest research collaboration programme. "We have worked with our EU partners to make sure that this is the right deal for the UK, unlocking unparalleled research opportunities, and also the right deal for British taxpayers."

## **TRADE UPDATE**

### **Consumers defy budget squeeze with early bookings and all-inclusives**

Consumers are looking to save money by booking earlier than usual for 2024 – and opting for more all-inclusive holidays, according to sales trends seen by Advantage Travel Partnership members. Its sales figures also show that UK travellers are continuing to prioritise travel despite the cost-of-living crisis.

The consortium said this trend for more early bookings was a shift away from patterns prompted by the pandemic, when constant changes to travel restrictions meant clients often left decisions to the last minute to avoid COVID-19 disruption.

### **Spending with agents continues to grow**

Consumer spending with airlines and travel agents continued to grow last month despite the summer season starting to draw to a close, according to new data from Barclays. Spending with airlines grew by 32.1%, while travel agents saw a further uptick of 3.7% in August.

Meanwhile, new data from Lastminute.com suggests the draw of late all-inclusive bookings was continuing to drive fresh summer sales, with bookings surpassing 2022 levels. It comes after spending with travel agents rebounded in July after slowing significantly in June following multiple months of growth.

### **Burnt-out grandparents driving a late sales boom**

Burnt-out grandparents tired of looking after grandchildren post-summer holidays are driving a late sales boom, claims Not Just Travel. According to booking figures from the homeworking agency, sales among over-55s since 1 September have jumped by 34% year-on-year – with the company breaking its August sales record halfway through the month.

Not Just Travel reported 42% of bookings over the last two weeks have been to long-haul destinations, while the group's August cruise sales were up 41% year-on-year with 56 the average age of its cruise customers.

### **Airlines in firing line as Government plots crackdown on 'Drip Pricing'**

A clampdown on hidden fees and so-called "drip pricing" has been announced by the government to help customers cut the costs of living. Commissioned by the prime minister in June as part of the government's aim to support people with the cost of living, research published will inform the consultation of where "drip pricing" harms consumers most. "Drip pricing" is where the price paid at checkout is higher than originally advertised due to extra, but necessary, fees and occurs in more than half of providers in the entertainment (54%) and hospitality (56%) industry, and almost three quarters across transport and communication (72%) sectors.

### **UK Government to reject advice to halt airport expansions**

Prime minister Rishi Sunak is expected to reject advice from the government's climate advisers to halt the expansion of airports. According to The Telegraph, the government will reject the Climate Change Committee's (CCC) formal recommendation that all airport expansions should be paused. Ministers are reported to believe airport growth will have a key role in boosting the UK's global links and helping grow the economy.

Bristol and Southampton are among those preparing to up their capacity after legal challenges against their expansions failed, while London City, Gatwick and Heathrow look to embark on expansion projects.

## AIRLINE UPDATE

**Air Canada** - Air Canada will put on extra services to London and Manchester from Toronto next summer and has brought forward the start of its seasonal Edinburgh service. The carrier will operate Toronto-Heathrow four times a day from April to October and fly six times a week to Manchester from June to September. Its seasonal Edinburgh schedule, meanwhile, will get under way earlier than usual on 1 March, operating through to January.

**EasyJet** - EasyJet has launched four new winter routes from three UK airports to France, Switzerland and Austria. Two new routes from Stansted to Geneva and Zurich will both start on 16 December and operate twice a week throughout winter, offering more choice for customers looking for ski breaks to the Alps.

**Jet2** - Jet2.com and Jet2holidays have announced plans to significantly expand its operations from Edinburgh airport. The growth from the airline and operator includes four new routes, extra summer and winter capacity, as well as an additional aircraft coming into operation next summer. The airport will benefit from new Monday and Friday services to Rome from 8 March as well as additional Wednesday flights to Malta from 1 May.

**RyanAir** - Ryanair is boosting capacity by 1.6 million seats over the festive period. The extra seats are being offered across 660 routes throughout the budget airline's network. The aim is to meet "strong demand" for travel between December 15 and January 8 next year, according to the carrier.

## TOUR OPERATORS, TRAVEL AGENCIES, OTA UPDATE

**EasyJet holidays** - EasyJet holidays is poised to expand its city break programme with the ongoing cost of living squeeze failing to dampen UK travellers' appetite to explore Europe's capitals and cultural hotspots. This comes as EasyJet holidays reported it is on track to double its passenger numbers to two million this year.

**Titan Travel** - Titan Travel is continuing to grow its touring programme by launching in Australia. Titan will be partnering with Ascend Travel Group to offer agents across Australia access to its 85 worldwide itineraries to sell alongside their own travel product and flights.

**TUI** - Tui's marketing boss says the operator "absolutely" wants to compete in the same space as rivals as it rolls out plans to work with more independent travel agents. The operator is expanding its trade team and ramping up its support in a bid to engage with third party agents following a decision to broaden its distribution further.

**Virgin Voyages** - Virgin Voyages has added 19 new ports and 27 new itineraries to its schedule, including a series of new voyages from Portsmouth. Available through April 2025, the new offerings feature a return to the UK following strong consumer demand, new ports of call in Australia and new stops in the Caribbean.

## SOCIAL UPDATE

### **Instagram adds new comment reply option**

Instagram is testing a new way to interact with post replies. After experimenting with the feature over the past few months, Instagram is now live testing the capacity for users to share comments from any public post or Reel to their Instagram Story. When users swipe left on a comment, they'll see a new option to share it in this way. The comment will then be featured in a new sticker type, which can be placed anywhere within the story frame. This addition will provide more prompts for clips, by providing the capacity to highlight interesting comments within new videos and drive engagement.

### **Threads launches initial test of keyword search**

Meta's Threads app is adding another key feature, with the Threads team to begin testing keyword search with users in Australia and New Zealand from this week. Keyword search on Threads will show users all of the posts that mention those chosen terms, in addition to the current search results, which only return relevant usernames. This is a key update and functional addition that is required to bring UI into parity with other social apps.

## MICE UPDATE

### **UK Think Tank confirms IBTM World as latest partner**

UK industry Think Tank, The Business of Events (TBOE), has announced IBTM World as its latest partner. The partnership's stated aim is to enhance the landscape of the business events industry on a global scale. As part of the agreement, TBOE will

take on a key role in coordinating the Destinations stream on the Impact Stage at IBTM World's Barcelona event, set to take place 28-30 November 2023. Organisers are aiming to make the Impact Stage a focal point where "the most pressing topics concerning the role of events in shaping destinations and economies" will be explored. The stage will feature discussions, panels and presentations led by industry experts, all contributing to the collective effort of enhancing the impact of events on destinations worldwide.

## LIGHTER NOTE

Paws up time for 'longest-serving' Hertfordshire fire dog. [Click here](#) for the full story.