

# WEEKLY BRIEFING

6 October 2023



## ECONOMIC, POLITICAL AND SOCIAL UPDATE

### Since pandemic, UK economy grew faster than expected

New figures show that the UK's economy has grown faster since the start of the pandemic than initially thought. Earlier this month, the ONS announced that "richer data" from its annual survey shows that the UK economy growth rate was larger than previously estimated in the final three months of 2021 compared to pre-pandemic levels. The revised data indicates that the UK economy growth rate outpaced Germany by 0.2% and France by 1.7%. Responding to the new data, Chancellor Jeremy Hunt said: "We know that the British economy recovered faster from the pandemic than anyone previously thought and data out today once again proves the doubters wrong." However, Ruth Gregory, deputy chief UK economist at Capital Economics, said the latest ONS release "changes very little." "The data leaves the economy still only 0.6% above its level a year ago." This echoes other analysts who have suggested that the UK is still suffering from poor economic growth.

### Cost of national debt hits 20-year high

The interest the government pays on national debt has reached a 20-year high as the rate on 30-year bonds reaches 5.05%. The UK debt currently sits at around £2.59 trillion, which is more than double what was seen from the 1980s through to the 2008 financial crisis. But today's debt is still low compared with much of the last century and the size of the economy. Global central banks, including the US Federal Reserve and the Bank of England, have warned that interest rates will stay "higher for longer" to continue bringing down inflation. Additionally, the government's official economic forecaster, the Office for Budget Responsibility (OBR), has warned that public debt could soar as the population ages and tax income falls.

## **UK & Ireland sole bidder for Euro 2028 after Turkey withdraws**

The UK and the Republic of Ireland will now bid unopposed for the UEFA European Football Championship 2028 after Turkey withdrew to focus on a joint bid with Italy for Euro 2032. Turkey agreed to merge their Euro 2032 bid with Italy in July and this has now been approved by UEFA. In April, 10 grounds were selected for the UK and Republic of Ireland's bid, including Glasgow's Hampden Park, Cardiff's Principality Stadium, Dublin's Aviva Stadium and Wembley Stadium in London. Two unbuilt stadiums, Belfast's Casement Park and Everton's Bramley-Moore Dock, have also been included in the bid. The Republic of Ireland, Northern Ireland and Wales haven't yet hosted a major tournament.

## **TRADE UPDATE**

### **WTTC adopts sustainability theme for global summit**

The theme of the World Travel & Tourism Council's annual summit has been unveiled as 'Building Bridges to a Sustainable Future'. The 23rd global event takes place in the Rwandan capital on Kigali on November 1-3, the first time it has been held in Africa. Sessions will include resilience and sustainable growth, the growing impact of AI and understanding new and emerging markets. WTTC predicts that the travel and tourism sector will contribute more than \$300 billion to Africa's economy by 2033 and jobs in the sector will grow to reach more than 36 million.

### **Gatwick second runway 'would enable more long-haul flights'**

Many additional slots created by bringing a second runway into use at Gatwick would support long-haul services, according to the airport. These would include "high-spending" markets such as the US, Middle East and Asia. Regular use of the northern runway for departures would raise capacity to around 75.6 million passengers and 382,000 air traffic movements in 2038. A report by Oxford Economics highlights that international visitors arriving via Gatwick are likely to increase from 5.6 million in pre-pandemic 2019 to nine million in 2038, 1.6 million more than without the second runway. The proposal for the second runway is currently under review and if approved, it could be in use as early as 2025.

### **Extreme weather won't dent interest in top-selling destinations, say operators**

The bosses of three of the largest tour operators do not think destinations affected by extreme weather this summer will suffer a long-term dip in demand. Speaking at Travel Weekly's Future of Travel Conference, easyJet holidays chief executive Garry Wilson said he was confident three of the destinations heavily impacted by adverse conditions in recent months would be among the most-booked in 2024.

## AIRLINE UPDATE

### **BA reaches 'agreement in principle' on pilots' pay**

British Airways said it has reached an "agreement in principle" for a pay deal with its pilots that will run until 2027. A British Airways spokesperson said: "We are pleased that we have now reached an agreement in principle for the pilot pay award 2023-27. "The British Airline Pilots' Association (Balpa) will now ballot its members on the agreement in principle. "The pay offer builds on a number of pay and reward changes made in 2022 to support colleagues throughout the business at a time of ongoing cost-of-living pressures."

### **EasyJet instigates weekly offers on flights and holidays**

A 48-hour flash sale of winter flights and package holidays has been initiated by EasyJet in the first of a series of weekly offers to consumers. The first 'Orange Drop' revealed on Tuesday sees a 15% discount on flights and holidays booked in a short window. The offer covers 550,000 seats on selected flights from the UK to more than 120 destinations between November 1 and January 31, 2024.

### **Booking.com tipped to overtake Jet2 and Tui in ATOL list by 2026**

A leading industry advisor has predicted Booking.com will be the biggest ATOL holder in "two to three years" despite the UK top-two Jet2Holidays and Tui extending their lead in the September ATOL renewals. White Hart Associates head of travel, Chris Photi, made the forecast at the recent Travel Weekly Future of Travel Conference. However, Jet2Holidays and Tui added almost 1.4 million carryings from October. Whilst Booking.com suffered a blow to its ambition to sell more holidays, or what it calls 'connected trips', when the European Commission blocked its acquisition of flight platform eTraveli last week.

## TOUR OPERATORS, TRAVEL AGENCIES, OTA UPDATE

### **Inspire targets luxury market with website, magazine and gift card**

Cheshire-based travel business, The Inspire Group, has developed a website dedicated to luxury holidays, branded Luxury Collection by Inspire. The retailer said the new standalone website has been driven by the demand for upmarket holidays over the past year. Customers can book via the new website, which features hotels, cruises and high-end package holidays to luxury resorts and destinations around the world. The site also offers exclusive deals and promotions that Inspire has agreed with luxury suppliers and business partners.

### **Barrhead Travel credits cruise bookings for 'exceptional' year**

Barrhead Travel's record-breaking year has been fuelled by cruise bookings, the agency's annual conference heard. Cruise achieved 69% growth overall compared with 2019, with the mainstream sector growing by 80%, the luxury sector by 104% and river cruises by 16%. Barrhead Travel president Jacqueline Dobson said: "We've been focusing on cruise within our branches and we've trained all our staff. The value that cruise offers is just fantastic."

### **Flight Centre offers add-on benefits to encourage bookings**

A range of benefits are being offered as add-ons to consumers to encourage booking through Flight Centre agencies. Benefits include lost baggage tracking and cover, waivers for cancellations and changes in fees, and a family bonus where every paying adult will have the associated benefits apply to children under the age of 12 travelling with them. The items bundled together in the 'Captain's Pack' offer extra value because each item would be more expensive if purchased separately, according to the company.

## **SOCIAL UPDATE**

### **Both Meta and TikTok testing ad-free subscriptions**

New EU Digital Services Act (D.S.A.), will impact Meta's ability to personalise a user's experience based on their activity. As such, Meta is exploring ad-free subscriptions in the EU, to prevent users receiving non-relevant ads which could undermine user experience whilst also allowing the platform to create revenue. According to the Wall Street Journal, the subscription would be around \$14 a month, or \$17 a month for Facebook and Instagram. Furthermore, new code seen in the TikTok app also suggests that this app is also testing an ad-free subscription offering for \$4.99 per month.

### **Meta is looking into new options to rekindle interest in Threads**

Sign ups to Threads has significantly slowed since its meteoric launch on 5th July, where it gained 100 million users in five days. In the subsequent months, only 32 million more users have registered with usage currently at 6 minutes per user, per day. Meta is reportedly now looking to increase traffic to Threads by getting high profile creators to post to the app more regularly. Meta has also been utilising the reach of Instagram by placing alerts in users' feeds which show trending topics on Threads as well as experimenting with a new display feature, where a user's most recent thread will also appear on their Instagram profile.

## MICE UPDATE

### **IBTM World exceeds 2019 exhibitor levels**

Organisers of IBTM World said they have already sold 85% of exhibiting space for this year's event, with numbers significantly ahead of both this time last year and 2019. Regionally, The Americas has grown extensively year-on-year, with Mexico, Costa Rica and Los Angeles returning for the first time since 2019. From Asia, Jakarta will make its debut, and Hong Kong and Macao are both back with a bigger presence than in previous years. From the MENA region Jordan, Morocco and Abu Dhabi have considerably increased their stand space. This year Morocco has also invested in sponsorship and will host a "special activation" at the event's Hosted Buyer Lounge. In Europe, Antwerp will have a larger presence than previously alongside its new convention bureau, while France and Paris will take larger stands to promote opportunities around the 2024 Summer Olympic Games in Paris. Barcelona will also be strongly represented, as will London, which will launch a new campaign designed to inspire attendees, as well as a practical guide on 'How to Do London', where it will give tips on organising an event after Brexit.

## LIGHTER NOTE

Baby beaver born in London for first time in 400 years. Read more [here](#).