

# WEEKLY BRIEFING

24 November 2023



## ECONOMIC, POLITICAL AND SOCIAL UPDATE

### **UK pledges £30m of extra aid funding for Gaza**

The UK has pledged a further £30m of aid funding for Gaza as a four-day pause in fighting between Israel and Hamas begins. It comes as the foreign secretary, Lord David Cameron, is set to meet with aid agencies delivering UK-funded humanitarian support to the Gaza Strip.

Lord Cameron will also discuss supporting the Palestinian Authority - in the West Bank - including through training and capacity building, and look towards a long-term political solution to the crisis.

The ex-PM met with senior Israeli politicians, including Prime Minister Benjamin Netanyahu, on Thursday.

### **Speculation grows around the next election**

Chancellor of the Exchequer Jeremy Hunt's autumn statement tax cut has fuelled speculation Rishi Sunak could be gearing up for an election in the first half of 2024. UK general elections - where all 650 Members of Parliament (MPs) are elected to the House of Commons - have to be held no more than five years apart. The next election must therefore take place by 28 January 2025: five years from the day the current Parliament first met (17 December 2019), plus the time required to run an election campaign.

### **UK inflation might not fall as quickly as some are hoping, the governor of the Bank of England has warned.**

Andrew Bailey told MPs that Bank policymakers were more worried about the pace of price rises remaining high than financial markets appear to be. Speaking to the Treasury Committee he said the Bank was concerned over the "potential persistence" of inflation.

Inflation fell to 4.6% in October from 6.7% in September, according to official figures. That drop - measured by the Consumer Prices Index (CPI) - prompted the government to claim it had met its inflation target early, having pledged to bring down the level to below 5.4% by the end of the year.

## TRADE UPDATE

### **Trade confident of strong January sales as optimism for 2024 remains**

Travel agents are confident of strong January sales but say a second peak season may be needed to avoid heavy discounting in next year's lates market. Companies cited the continued importance of holidays in household spending, easing inflation and talk of tax cuts as reasons for optimism ahead of the 2024 peak season.

Speaking at Hays Travel's Retail Conference in Portugal, [chair Dame Irene Hays forecast 2024 would be "the year of two peaks"](#), with a second sales push to offload extra capacity, offset discounting and hold prices. She made the case for a second peak season based on evidence consumers were holding on to money for longer because of economic uncertainty, and increased capacity.

### **Mixed response from travel and tourism bosses to chancellor's autumn statement**

Bosses in the travel and tourism sector have issued mixed responses to the autumn statement, delivered this week by chancellor Jeremy Hunt. The business rates discount is part of a support package worth £4.3 billion over the next five years aimed at helping high streets – but there is a 6.7% increase to headline business rates. Mark Tanzer, Abta chief executive, said: "The extension of business rates support will benefit many travel agents and it's encouraging that the government has listened to our calls in that area. "While travel has seen a good recovery since the pandemic, many businesses still see the impact of Covid on their balance sheet as they face large debt repayments. This continued support will help companies as they continue to recover, especially as businesses are operating against the backdrop of high inflation and increased costs.

### **Border force chief sees end to passport desks and airport queues**

The boss of Border Force has signaled the end of traditional passport control in the UK. Phil Douglas, Border Force director general, said new technology meant the way passport control operated was about to change with the advent of Electronic Travel Authorisation (Eta). "Etas are very important; I really envisage in the next two to three years passport desks falling away," he said, adding Border Force was "looking to procure" new-generation e-gates. Currently, the UK lags behind some nations in adopting biometric technology, with Dubai airport already allowing facial recognition for 50 nationalities.

**AIRLINE UPDATE**

**British Airways** - British Airways is piloting new digital technology to enable issues like lost baggage to be resolved in-flight. Sean Doyle, British Airways chief executive, said new technology would allow cabin crew to inform passengers mid-flight if their bag did not make a connection. They would be told where their luggage was and when it would be delivered.

**Singapore Airlines** - New Virgin Australia flights to Uluru will dovetail "seamlessly" with Singapore Airlines' schedule from the UK in 2024. The two direct services to the Red Centre from Melbourne and Brisbane will launch on 6 June and 7 June respectively. It will be the first time Virgin Australia has ever operated Uluru flights from Brisbane and Melbourne. The carrier did operate Sydney-Uluru flights before the pandemic. The new flights dovetail with Singapore Airlines services from London, providing "excellent connectivity" to the Red Centre from the UK.

**Emirates** - Emirates has underlined the importance of its UK operation, revealing it makes more money from its Heathrow flights than it does from its entire west Asian network. The airline's president Sir Tim Clark told the Airlines 2023 conference on the 20th November that Heathrow's six Airbus A380 flights a day "were all full". "The profit Heathrow generates is more than we get out of west Asia – India, Pakistan, Sri Lanka – so you can see why it's so important." Clark said the UK had been one of the first markets to recover after Covid and was "resilient to the fare levels we have in place". While admitting these were high, he added: "I'm not saying they are going to last forever."

**Hainan Airways** - The north of England is poised to gain a daily air service to China's capital Beijing next summer. Hainan Airlines will increase its four-times-weekly Manchester-Beijing route to daily from June 2024, almost doubling capacity between the two cities. Hainan will operate the route on a daily frequency between June and September next year. The route was established in 2016, and benefits from Hainan's partnership with Loganair, offering onward regional connections to Scotland, the Isle of Man and Newquay via a single ticket.

## TOUR OPERATORS, TRAVEL AGENCIES, OTA UPDATE

### **Luxury focus helps drive October bookings at Travel Counsellors**

Travel Counsellors saw luxury holiday sales go up by almost a third year-on-year in October. The £21 million figure achieved contributed to a total sales rise of almost 16% to £81 million against the same month last year. The luxury segment has seen overall growth of 30% throughout the company's financial year. Southeast Asia, Africa and Australia and New Zealand are the regions where this luxury travel trend has been most noticeable, according to the company.

Meanwhile, the top five winter holiday destinations were reported to be Mauritius, Maldives, Barbados, Thailand and Vietnam. Greece and long-haul destinations such as Singapore and Las Vegas are emerging as highly popular choices among customers for next summer.

### **TUI reveals first location for new upmarket hotel brand**

The five-star resort in Zanzibar will be the first to operate under a new The Mora moniker as The Mora Zanzibar. Tui said the brand name derived from the Latin word for "pause" and would blend "laid-back, contemporary luxury" with "highly tailored and flexible service". It added the brand was positioned to target a growing "high income" customer segment that more readily invests in experiences rather than goods. The Mora Zanzibar will become the first Tui property in the destination acquired via its global hotel fund. This portfolio will feature 12 hotel brands, "powered by a global distribution platform". New acquisitions will come via investment partnerships, as well as management and franchise agreements.

### **Belfast's Travel Solutions sets out expansion plans following stellar 2023**

Northern Irish operator Travel Solutions has spelled out its expansion plans following 20% growth in turnover this year. Travel Solutions will increase capacity for its summer charter programme by up to 15% and offer a raft of new options, including Venice and Menorca from Belfast.

Travel Solutions has also recruited five new staff over the past year, with plans to add several more. "We've had a great year, thanks to great destinations and great loyalty from our travel agency partners and our clients," said owner and managing director Peter McMinn. "That's why we have made the commitment to increase our capacity by up to 15% from our summer charter business, and our new destinations for 2024, bringing more holiday choice to Northern Ireland."

### **Hays Travel hires 148 cabin crew ahead of peaks**

Hays Travel has taken on 148 cabin crew to train as agents in its retail stores to help cope with the busy peaks period. The independent agency chain said recruiting staff for its high street branches had proved to be a problem and vacancies across its network needed to be filled before Christmas. "We had to think creatively about how we could recruit to help us in January," said Dame Irene Hays, chair of Hays Travel, during the chain's retail conference in Portugal. "We thought about cabin crew who do not fly in winter – they often finish after October half-term and then go on training courses before Easter when they start flying again, which is a perfect fit for us."

## **SOCIAL UPDATE**

### **Instagram will now enable users to download publicly posted Reels**

This week, Instagram announced that all users can now download publicly posted Reels in the app, after initially rolling out the option to users in the U.S. in June. Users will now see a "download" option in the Reels "share" display if a creator has enabled downloads of their clips. Publicly posted Reels will be downloaded by default, though creators can switch it off if they'd prefer people didn't use their clips. The downloaded Reels will be displayed with an Instagram logo and the creator's handle overlaid on the clip so that they are credited. Whilst this isn't a huge change, it will facilitate more engagement, in new ways, which could help to boost exposure potential for Reels creators and businesses.

### **X is bringing post headlines back to link previews in-stream**

Elon Musk has announced that URL previews on X will include the post headline once again. X removed post headlines and preview text back in October to make posts more aesthetic, but this has had a significant impact on how publications and users shared links in the app. Unless talked about in the post, no one knows what the link is about and whether it's relevant to them, so the move to bring back this element is well received for businesses, creators and consumers alike.

## MICE UPDATE

### **'Regulate AI in events' say 63% of association professionals**

The white paper, authored by The Hague & Partners Convention Bureau and Ottawa Tourism, has identified that 63 per cent of global association buyers are either 'very concerned' or 'slightly concerned' about the ethical implications of using AI in event organising. Of particular concern for the respondents is the usage and retention of the data obtained by technology companies through AI, with 13 per cent of the respondents purporting not to trust AI technology providers. As one possible solution, 52 per cent of the respondents are in favour of an International Standard (ISO) to cover the use of AI in events. A further 29 per cent said 'maybe' such a standard should be created; just seven per cent were against a AI standard.

## LIGHTER NOTE

### **A man who bought a pool table as one of his first purchases after winning the lottery has won a medal at the European championship.**

Neil Jones got a place in the England team after putting in "thousands" of hours on the table, particularly during the COVID lockdowns. The practice paid off and he bagged a bronze at the blackball championships earlier this month after captaining the B1 team. Mr Jones, a former tiler who used to sing part-time in clubs, had just £13 in his pocket when he won £2.4m in 2010. Find out more [here](#).