

WEEKLY BRIEFING

12 January 2024



ECONOMIC, POLITICAL AND SOCIAL UPDATE

Bank of England may cut interest rate sooner after surprise inflation forecast

The Bank of England may be forced to bring forward the date of its first interest rate cut after three leading forecasters issued a surprise update, suggesting the inflation rate will halve to 2% by April. The Oxford Economics consultancy and analysts at Investec and Deutsche Bank have reassessed their outlook for inflation in 2024 and concluded that the consumer prices index (CPI), which dropped to 3.9% in November last year, will fall below 2% within four months.

General election likely to take place on 14 November, says George Osborne

Rishi Sunak is planning a general election on 14 November, according to the former chancellor George Osborne, as the prime minister looks to maximise the amount of time he has to recover the Conservatives' poll deficit before polling day. Speaking on Political Currency, the podcast he hosts with the former Labour cabinet minister Ed Balls, Osborne said he had been told Sunak's team were working towards the date in mid-November as the target for an election.

UK GDP beats forecasts as economy grows 0.3% in November

The UK economy returned to growth in November, aided by a strong month for services and industrial businesses. GDP expanded 0.3 percent in November, up from a 0.3 percent contraction in the previous month, according to the Office for National Statistics released this morning. The figure was above City analysts' expectations of a 0.2 per cent growth over the month.

TRADE UPDATE**Heathrow reports 'busiest ever' December**

Heathrow said the Christmas and New Year festivities helped raise passenger numbers last month, as more than 6.6 million travelled through the airport – bringing the total number of passengers up to 79 million in 2023. Averaging at about 216,000 daily passengers in December, its busiest day over the festive period was Friday December 22, with almost 250,000 passing through the airport.

Global air travel demand 'close to surpassing' pre-pandemic 2019

Global air travel demand topped 99% of pre-pandemic 2019 levels in November, fresh IATA data reveals. International traffic rose 26.4% over November 2022 with the Asia-Pacific region continuing to report the strongest year-over-year rebound at 63.8%. All regions showed improvement compared to the prior year.

Domestic carryings rose by 34.8% year-on-year to end the month 6.7% above the November 2019 level. Growth was particularly strong in China (+272%) as it recovered from the Covid travel restrictions that were still in place a year ago.

Travel agents hail strong start to January sales

Travel agencies are enjoying a strong start to January sales but many predict the best peak trading days are yet to come. Hays Travel, Barrhead Travel and Miles Morgan Travel reported the best day in their trading history on January 6, so-called Sunshine Saturday. Hays Travel described January sales as off to a "flying start" with margins not "compromised" despite good value offers in the market.

Under-35s spearhead aviation's post-Covid revival

Young people aged 18 to 34 are leading aviation's revival compared to other age groups, according to a new consumer trends report from the Civil Aviation Authority. Nearly two-thirds (65%) of young people said they had taken a flight in 2023 compared to less than half (47%) of those aged 55 and over who said they had. This is a 10 percentage point increase from 55% before the Covid-19 pandemic. Before the pandemic, those aged 55 and over were the most frequent flyers, with 58% flying yearly. The findings from the CAA's Aviation Consumer Survey, which details trends in consumer behaviour and attitudes towards flying, gleaned from a survey of more than 3,500 people.

New flight routes to watch in 2024 and beyond

If 2023 was the year the airline sector began to regain its financial footing after the pandemic, 2024 is when confidence should fully return. Fuelled by post-Covid travel boom profits, airlines are optimistic for the year ahead, as illustrated by a snapshot of a few carriers. Virgin will please Manchester agents in 2024 when it begins flying to Las Vegas three times a week from 2 June. Another new route from Heathrow to the Indian technology hub of Bengaluru starts 31 March. Looking ahead, the airline has said its newly launched Dubai and Maldives' services will both increase to a daily service for the 2024-25 winter season, while Barbados will see a record number of flights from the carrier when it goes double daily from Heathrow from 27 October, in addition to four times weekly from Manchester.

AIRLINE UPDATE

JetBlue Chief Executive to step down next month

JetBlue Airways has announced a change of chief executive as the carrier awaits a decision on whether its merger with rival Spirit Airlines can go ahead. Current boss Robin Hayes will step down on 12 February to be replaced by the airline's president and chief operating officer Joanna Geraghty. Geraghty will become the first female chief executive of a major US airline.

EasyJet expands fare bundles distribution

More easyJet fares content is being made available to all Travelport agency customers, including OTAs and TMCs for the first time. A new multi-year distribution agreement confirms that travel retailers using Travelport+ will have access to all the budget carrier's fare types and bundles, including ancillaries, without any agency channel restrictions. The addition of easyJet's Standard Plus fare bundles, including seat selection and large cabin bag, and Essential fare bundles, including seat selection and checked bag, complement existing Standard, Business Inclusive and Flexi rates.

Norse Atlantic sees 77% rise in forward bookings

Long-haul budget carrier Norse Atlantic Airways has reported forward bookings up 77% year-on-year so far in January. The performance came as the airline conducts a strategic review announced in October and cut frequencies on future low demand routes.

TOUR OPERATORS, TRAVEL AGENCIES, OTA UPDATE

Travel Counsellors sets January sales records

Travel Counsellors has reported two consecutive record sales days for this current January peaks selling season. The homeworking agency said it has surpassed £5 million in sales on two consecutive days, on Tuesday and Wednesday (January 9 and 10). Those days are two of the top-10 best sales days in the company's history. In January so far, Travel Counsellors agents have made 14 bookings worth more than £50,000 and 26 have achieved total sales of more than £100,000. One agent has made an £84,000 booking.

Hays Travel acquires Holiday With Us agencies

Hays Travel has acquired the former Holiday With Us Group and its three shops in Cambridgeshire and Lincolnshire. The new branches in March, Spalding and Wisbech will trade as Hays Travel from January 10. The group's first acquisition of 2024 will create new jobs in the region, with the UK's largest independent agency recruiting for staff in all three branches. The deal, for an undisclosed sum, coincides with the peak new year holiday booking period, with [January 6 being the best Saturday in Hays Travel's trading history](#).

Inspiring Travel launches podcast to showcase luxury destinations

Inspiring Travel has launched a new podcast to "take listeners into the extraordinary world of tailor-made luxury travel". Each episode of The Inspiring Travel Podcast hosts a specialist from the operator's team to share first-hand destination insights, in turn "bringing iconic destinations to life". Advisors will share tips on where to eat and drink, what to do and more as they discuss each destination, providing "expert advice and inspiration on holiday hotspots" for consumers and agents. The first four episodes of the series are now live featuring the Caribbean, Italy and New Zealand, with future episodes focusing on cruising, the Maldives and more.

Tui to fund second cohort of trainee pilots – with agents welcome to apply

Tui is seeking applicants for the second year of a funded cadet pilot training scheme – saying that travel agents are welcome to apply. The initiative opens a path for aspiring pilots to achieve their dreams with no upfront costs and very few formal qualifications required. Chosen cadets will be able to enter the aviation sector without having to self-fund their training. Applications are reopening for Tui to find future Boeing 737 pilots four months after the first cohort started their training. The scheme aims to give opportunities to individuals who would not normally have the chance to become commercial pilots.

SOCIAL UPDATE

Instagram tests option to create Stories for friends

Instagram is currently testing a new collaborative feature in Stories, allowing users to create Stories specifically for a friend. Some users are now seeing the option to share their Story directly with a friend using the "Friend's Story" option. When shared in this manner, the recipient can review the Story and, if they approve, add it to their own Story. If the connection decides to share it, the Story will be included in their Stories feed, crediting the original creator. This feature could serve as a practical means for collaborative content creation among friends, potentially enhancing engagement and exposure on the platform. If extended to brands, it could offer a streamlined method for sourcing user-generated content by encouraging fans to submit their content for potential inclusion on brand profiles.

Key App Usage Trends in 2024

The latest "State of Mobile" report by data.ai reveals that in 2023, people spent an average of 5 hours per day on mobile devices, a 6% increase from the previous year. Social media app usage has contributed significantly to this trend. Despite a decline in personal updates, social media engagement has shifted to direct messages. App spending reached over \$60 billion in 2023, with both entertainment and social media categories experiencing substantial growth. TikTok emerged as a leader, becoming the first non-game app to reach \$10 billion in all-time consumer spending, primarily driven by in-app purchases for tipping creators during live streams.

MICE UPDATE

Glasgow reports on record breaking year

Glasgow, Scotland has significantly bolstered its position as an international conference destination, shown by the notable increase in conferences held in the city that garnered record-breaking attendance figures in 2023. In the calendar year January to December 2023, Glasgow hosted over 350 conferences, welcoming over 115,000 delegates who brought over £140m in economic benefit to the city from delegate spend. The European Conference on Educational Research, which took place at the University of Glasgow in August, attracted 4,000 delegates, almost 60% more than they had expected, resulting in the largest gathering of Educational Researchers in Europe. In addition to ECER 2023, the British International Studies Association (BISA) also drew record breaking delegate numbers for its Annual Conference at the Hilton Glasgow. The European Society for Human Genetics (ESHG) returned to Glasgow for the second time in eight years, and it proved to be more popular than any other host destination in the previous 55 years. ESHG attracted almost 4,800 in person registrations, drawn from 90 different countries, delivering more than a 20% increase on expectations.

LIGHTER NOTE

Camera catches mouse-proud rodent tidying man's shed

Welsh Tidy Mouse has been sneaking into 75-year-old Rodney Holbrook's shed in Powys "every night" since early October and tidying his shed. Watch a video of the mouse at work [here](#).