

WEEKLY REPORT

19 January 2024



ECONOMIC, POLITICAL AND SOCIAL UPDATE

Surprise uptick in prices dampens rate cut hopes

The annual rate of inflation crept up from 3.9% in November to 4% in December, reversing a recent downward trend and reducing the likelihood that borrowing costs will come down in the coming months. Today's Consumer Prices Index (CPI), from the Office of National Statistics (ONS) shows that CPI rose by 0.4% last month, the same rate of increase as December 2022. The ONS said the largest upward influence on changes in both the CPI and CPIH came from rising prices for alcohol and tobacco. These were offset by falls in the cost of food and non-alcoholic drinks. Before Christmas, the Bank of England, which is tasked by the government to keep long-term UK inflation at 2%, left interest rates on hold at a 15-year high of 5.25%. The next Bank Rate announcement will be on 1 February, with commentators increasingly sceptical about the likelihood of a reduction in interest rates.

Chancellor signals tax cuts are on the way

Chancellor Jeremy Hunt says he wants to cut taxes at the spring budget this year, declaring that doing so will be the quickest route to getting the economy growing again. Hunt said that while he has yet to see the fiscal numbers ahead of the March event, he is hopeful of reducing taxes. "I look around the world and I see that the parts of the world like the United States, like Asia, that are growing the fastest, have the most dynamic economies, tend to be places with lower taxes," he said. "So my priority in the budget will be growth - because if I can grow the economy, that will mean that then we have more money for the NHS, we can relieve the pressure on families, we can invest in our brilliant armed forces", he added.

Rishi Sunak urges House of Lords to back Rwanda bill

Prime Minister Rishi Sunak has urged the House of Lords to back his Rwanda legislation after winning Commons approval for it. Speaking in Downing Street on Thursday, Sunak said passing the bill was "an urgent national priority". It passed in the Commons with a comfortable 44-vote majority, and although in the end, only 11 Conservative MPs voted against the legislation as a whole, Mr Sunak still suffered his biggest rebellion since becoming prime minister when around 60 backed changes they said would toughen up the legislation. Peers are due to begin debating the Rwanda bill before the end of this month.

Conservatives heading for 'electoral wipeout', according to YouGov survey

The Conservative party is heading for an electoral wipeout on the scale of their 1997 defeat by Labour, the most authoritative opinion poll in five years has predicted. The YouGov survey of 14,000 people forecasts that the Tories will retain just 169 seats, while Labour will sweep to power with 385 - giving Sir Keir Starmer a 120-seat majority. There is also bad news for the Scottish National Party, which is predicted to lose almost half of its seats to Labour, retaining only 25. The poll will add to pressure on Rishi Sunak to pivot his agenda, and will also be studied closely by Tory MPs who believe a change of leader before this year's election is the only way to avoid disaster.

TRADE UPDATE

Holidays being booked eight months ahead 'to secure best prices'

According to new data from luxury operator Elegant Resorts, people are booking holidays at least eight months in advance to try and lock in the best prices. However, spending and holiday duration is also up for this year over 2023. The average booking period has increased from 156 days to 242 days in 2024. This data shows that people now tend to book their holidays eight months in advance to try and secure better prices, the operator said. The average booking value has increased by 9% over the past year from £22,200 to £24,600, while holidaymakers tend to holiday for longer periods of time to make up for the price increase.

Cruise and holiday expenditure both end 2023 on a high

A breakdown of spending trends for last month by Lloyds Banking Group shows outlay on cruises rising by 27% year-on-year. People spent more on booking holidays last month, with cruises up by more than a quarter compared to December 2022, new data reveals. Money spent on holidays rose by 11% in the month, outstripping restaurants. Lloyds Bank payments director Gabby Collins said, "It seems people were driven to book more getaways to escape the UK's wet weather - it was cruises that topped the list in December, with spending more than a quarter up on this type of break compared to the year before."

Music tourism expected to drive European traveller demand in 2024

Amadeus Travel Trends 2024 finds many are also looking to combine music and travel this year, with a boom in concert and festival attendance in 2023 tapping into a desire for connection. A new research project, carried out by YouGov for Amadeus finds that 48% of Brits have previously travelled to attend a concert or festival (spending at least one night away from home). When it comes to how much a traveller would spend, British travellers were the most frugal. 58% of British music fans who had previously embarked on a trip to see a concert or festival would like to spend less than £300 in the future.

AIRLINE UPDATE

Emirates - Emirates Airlines announced that it is looking to recruit 5,000 new cabin crew staff in a bid to boost its ranks by 25%. This recruitment drive is targeted towards fresh graduates, individuals with some hospitality or customer service experience, and those looking for a career involving global travel.

Ryanair - Ryanair has confirmed new summer 2024 routes from Stansted and Luton. The airline will launch flights from Stansted to Basel, Dubrovnik, Sarajevo, Tirana and Slovakia's Poprad Tatry. The carrier will also launch services from Luton to Palma and Treviso, near Venice.

Qantas - Qantas is set to begin flights between Singapore and Darwin again, reopening the link to the Northern Territory destination after 18 years. Flights will start on 9 December and connect in Singapore to the QF1 to Heathrow. The initial service will be five times a week, with plans to move to daily flights from March 2025. Qantas had previously turned the route over to its budget brand Jetstar, which will continue to operate to Singapore.

Wizz Air - Wizz Air confirmed this week the resumption of routes to Tel Aviv from Luton airport and five other points in Europe. Flights to Israel have been suspended since last autumn due to the Israel-Gaza conflict. Services will also run from Budapest, Bucharest, Sofia, Krakow and Rome Fiumicino.

TOUR OPERATORS, TRAVEL AGENCIES & OTA UPDATE

Hays Travel announced post-covid profit of £52 million

Hays Travel Group has more than tripled its profits following the industry's post-COVID bounceback, the firm's latest accounts reveal. Group profit after tax was £40.2 million, compared with £12.9 million in 2021/22, a result which Hays said "exceeded expectations". Figures were helped by foreign exchange sales of £405 million, which produced a £21.5 million contribution. Dame Irene Hays, owner and chair of Hays Travel, said: "Our 2022-23 results show good growth in all areas of the business and a significant factor was the speed with which consumer confidence returned post-pandemic".

Travel Counsellors, Advantage and Barrhead announce record sales

Travel Counsellors, Advantage Travel Partnership and Barrhead Travel have reported record sales over the past week, with Travel Counsellors hitting £7.5 million in revenue in a single day. Travel Counsellors global sales director, Jim Eastwood, said: "Blue Monday certainly has seemed to create added urgency as customers and clients eagerly booked their travel plans beforehand." Both Advantage and Barrhead announced that Saturday 13 January saw sales up over 20% compared with the previous week.

Sustainable Journeys to put 'sustainability first and destination second'

Mellisa Tilling, founder of the newly launched tour operator Sustainable Journeys has promised that the venture will "put sustainability first, and the destination second," but has confirmed that sales will be direct-to-consumer. Tilling has also said that the new operators are targeting independent travellers who "want control over what they do. Our goal is to offer fantastic holidays with sustainability baked in," she added.

Cruise Plus records best sales week in its history

Dnata Travel Group UK brand Cruise Plus has reported the best sales week in its history, topping the previous record set in January 2023. Cruise Plus said it has achieved a further record with its best-ever sales week. The brand also said the number of agents booking with Cruise Plus has increased by more than 35% compared to the same week last year. The Mediterranean, Caribbean, Australia and New Zealand have been the most-booked destinations, the brand said, followed by Asia and Alaska.

SOCIAL UPDATE

New tools launched for WhatsApp's Channels

Channels, WhatsApp's broadcast messaging feature, has added new features including in-stream polls, to promote engagement and ascertain group sentiment. Further additions are voice notes, providing a creative way for admins to connect with their audience, increasing the channel admin limit to 16, and allowing channel updates to be used as a status update.

Instagram users now able to make custom stickers from post images

Instagram has added a new "create a cutout sticker" feature, where users can cut out parts of a still image to make a sticker for Stories and Reels. This feature is located in the three dots menu and when clicked, Instagram will pick out the focus of the image which can then be converted into a sticker. This presents more creative options for users and Meta has also added this feature to Whatsapp. However, in order to use this option, the still image must be posted publicly and its creator has to enable permissions allowing others to use their content to make cut outs.

MICE UPDATE

Cvent makes two acquisitions to boost appointments and lead capture offer

Global meetings, events, and hospitality technology provider, Cvent has announced two acquisitions that aims to boost its event marketing and management platform offering. It has acquired Jiffenow, a B2B and group appointments scheduling solution and iCapture, a lead capture solution that has been active on the market for nearly 12 years. Jiffenow's technology will enable Cvent to offer clients better networking options and help maximise time on the trade show floor. As well as improving the number and quality of appointments, the Jiffenow technology will facilitate conversations to be tracked and actioned after the event ends. iCapture's solution should give Cvent more intelligent and efficient lead capture onsite. The combination of the appointments, networking and lead capture, Cvent hopes, should lead to faster and more efficient conversion of leads with greater visibility.

LIGHTER NOTE

Walkers across the UK have been sharing stunning images of a rare weather phenomenon, known as a "snowbow", which is formed when light is refracted through snowflakes in the air. See pictures of the snowbow sightings [here](#).