

WEEKLY BRIEFING

26 January 2024



ECONOMIC, POLITICAL AND SOCIAL UPDATE

Next UK government faces historic challenge to curb debt

The next UK government will find it harder to cut public debt than any administration since the second world war. According to new research from the Institute for Fiscal Studies, the next UK government will by one measure have a tougher job getting public debt to decline as a share of gross domestic product than during any previous parliament since 1951. The findings came as Labour leader, Sir Keir Starmer, accused the Conservatives of “trying to salt the ground” by leaving the next UK government on a trajectory of painful spending cuts and poor public finances with its promises of tax cuts ahead of the general election. Both the Conservatives and Labour claim they will achieve that goal in a bid to keep the public finances on solid ground.

King Charles has been admitted to hospital for treatment

King Charles visited the Princess of Wales hospital early this morning ahead of his own scheduled treatment for an enlarged prostate at the London Clinic private hospital. King Charles had made his problem public as a way of sending a message to other men to get their prostates checked. Following the disclosure, the NHS website saw a surge in searches about enlarged prostates. A statement from Buckingham Palace said the King was “delighted to learn that his diagnosis is having a positive impact on public health awareness”. It is not yet known how long King Charles will remain in hospital.

Council tax bands in England should be overhauled to fix a crisis in council funding

The Northern Powerhouse Partnership (NPP) states that the decades-old property valuations underpinning the bands should be redone to make them more fair. The NPP wants Chancellor Jeremy Hunt to commit to a national revaluation in March's budget as the government says it has no plans for a nationwide band revaluation. In a letter to Mr Hunt, NPP's chief executive Henri Murison, said the Treasury should carry out a revaluation of all homes in England before the next general election.

The NPP's suggested overhaul would also include higher bands for expensive foreign-owned properties, to level the field between richer and poorer councils.

A regular drug-checking service, aimed at saving lives, is set to launch for the first time in the UK.

The Loop, a harm-reduction charity in Bristol, will be offering a monthly drop-in drug testing service combined with health advice from Saturday 27th January. Licensed by the Home Office, it will focus on dependent, frequent and problematic use. It is hoped the new scheme will reduce drug-related medical incidents, overdoses and hospital admissions. Professor Fiona Measham, founder of The Loop, said that "after 12 years of preparations, evaluations and negotiations, it is fantastic that we can start the UK's first regular drug checking service. It could not come at a more important time, the adulteration risks of the illegal drug market have never been greater". The free-to-access service will run over the last weekend of every month, aiming to reduce the consumption of adulterants and contaminated drugs and the risk of poisoning and overdose, while signposting service users to support services.

TRADE UPDATE

Agencies predict payday boost for family bookings amid slight sales dip

Travel firms saw sales dip last week as families continued to hold off booking. However, agents and operators said bookings remained higher than the same week last year and predicted pay day would spur families to book at the end of the month or in February. The Advantage Travel Partnership said the slight decrease in sales last week compared with the previous two weeks reflected a similar pattern in January 2023, when bookings recovered in the fourth week. Barrhead Travel's president Jacqueline Dobson said: "With payday on the horizon, we're predicting a busy weekend with a real buzz across our network."

The luxury travel landscape continues to thrive amid global uncertainty

In the face of continued global uncertainty and market volatility, the future of the luxury travel and hospitality sector remains a challenging one, but those brands and services that allow individuals to enjoy the human qualities of travel will find a way forward. As reported by Bain & Company, the experiential luxury sector has grown by 5-6% annually over the past five years, and it is projected to grow to a value of \$1.2 trillion by 2025.

Optional airline fees excluded from government clampdown on drip pricing

Optional fees such as airline seats and luggage upgrades for flights will not be included in a new government clampdown on so-called drip-pricing. The exemption was disclosed as the Department for Business and Trade (DBT) unveiled plans to introduce new laws covering hidden fees, fake reviews and shop labelling. Mandatory fees must be included in the headline price at the start of the shopping process. Government research suggests that drip pricing is widespread and occurs in more than half of providers in the entertainment (54%) and hospitality (56%) industries, and almost three quarters across the transport and communication (72%) sectors.

AIRLINE UPDATE

Ryanair - Ryanair claimed the crown as the leading airline group in Europe for the ninth year running in 2023 as the overall number of low cost carrier flights rose by 21% year-on-year. Total flights in European airspace increased by 10% to 10.2 million, reaching 92% of pre-pandemic 2019 levels, new data from air traffic management organisation Eurocontrol show.

Wizz Air - Wizz Air's annual passenger carryings rose by almost a third last year to reach a record 60.3 million. The 32% increase came as the eastern and central European budget carrier added almost 100 new routes and took delivery of 32 new Airbus A321neo aircraft. Capacity from the UK increased by 23% with the introduction of more than ten new routes, with operations from seven airports.

American Airlines - American Airlines produced record revenue of almost \$53 billion as it recorded an "exceptionally strong" performance in 2023. The airline and its regional partners operated nearly two million flights last year, with an average load factor of 83.5%. The British Airways transatlantic partner achieved its best-ever fourth-quarter and full-year flight completion factor, with the lowest number of cancellations annually since the merger with US Airways in 2013.

TOUR OPERATORS, TRAVEL AGENCIES, OTA UPDATE

On the Beach projects this summer to exceed record 2023

On the Beach Group is concentrating on competitive pricing and volume growth to capture market share as it forecasts summer business being "significantly ahead" of a record 2023. In a trading update, the OTA revealed growth in peak period total transaction value (TTV) of 27% year-on-year. The company said "Following its best ever summer, the group began FY24 with a record forward order book and significant momentum".

EasyJet holidays outlines expansion plans and trade activities

EasyJet holidays is planning to recruit “two or three” more trade distribution managers to support more activities for agents, including a ‘Big Juicy Fam’. The operator has seen “a number of record-breaking sales days” this month, with trade sales accounting for their biggest share yet of overall performance. Natasha Marson, head of trade distribution, could not reveal details of the fam trip but said: “We’re about to start ramping up our communication on that. We’ve got a great concept. It’s very creative.” Agents who make bookings in January and February 2024 are automatically entered into a draw to win one of 20 places available.

Incredible Journeys reports 65% hike in peak period sales

Incredible Journeys, the specialist touring and adventure brand of dnata Travel Group UK, has reported that bookings in the peak sales period have grown 65% year-on-year. The surge in sales follows the release of the brand’s Little Book of Incredible Journeys, featuring 32 curated tours for the trade, along with details of exclusive booking incentives and supporting marketing materials. As well as the 65% year-on-year sales growth, the brand said 64% more agents are choosing to book with the brand.

Riviera Travel reports trade sales growth of 50%

Riviera Travel has reported that trade sales so far during this wave period are up 50% on last year. The river cruise and escorted tour specialist attributed the growth to greater engagement with agents and its focus on strengthening its trade team. Vicky Billing, head of trade and partnerships said, “These results are testament to the hard work we have put in to build our trade partnerships and demonstrate what a brilliant job travel agents are doing to spread the word about Riviera”.

SOCIAL UPDATE

Users can now cancel in-progress Stories uploads on Instagram

In the latest version of the Instagram app, users now have an option to halt a Stories upload mid-process, which could be a valuable way to catch errors or issues before they get made viewable. With this new update there’s now a button within the Stories upload flow that enables users to stop a Story from going live after they have hit “Share”.

TikTok is testing 30 minute uploads

Some TikTok users are now seeing the option to upload 30 minute long videos in the app. TikTok has been steadily increasing its maximum post limit for years, with the platform originally starting at 15 seconds per clip, then 60 seconds, [3 minutes](#) and [5 minutes](#), before extending to [10 minutes](#) in 2022.

Douyin, which is TikTok in China, expanded its upload limit to 30 minutes in 2022 and has seen a strong response to this update, which is why TikTok is now looking to implement the same. This update will provide broader monetisation potential, based on pre and mid roll ads, which can then be attributed back to creators directly.

MICE UPDATE

UK Conference and Meeting Survey 2024 invites data from UK venues

UK conference and meeting venues are being encouraged to take part in the UK Conference and Meeting Survey (UKCAMS). The 2024 UKCAMS research asks UK venues to provide data on their conference and meeting business during the calendar year 2023. The questionnaire covers the regular questions on the volume and value of the sector but also includes important questions on trends and key issues such as venue sustainability practices and policies, AI activity in the business events sector, and international business trends. UK conference and meeting venues which take part in the 2024 research will receive a complimentary, personalised summary report enabling them to benchmark their performance in 2023 against other comparable venues. VisitBritain is sponsoring the UKCAMS research. The results are expected to be published in June.

LIGHTER NOTE

[Lighter note:](#) A resident woke up to find his doorbell camera had captured footage of a flock of sheep taking refuge from poor weather conditions in his back garden overnight