

# WEEKLY BRIEFING

1 March 2024

## ECONOMIC, POLITICAL AND SOCIAL UPDATE

### **Mortgage approvals at 15 month high as overall borrowing rose**

Mortgage approvals in the UK have surged to their highest level since October 2022, which could indicate a potential end to the recession declared in the later half of 2023. The Bank of England reported a total of 55,200 approved mortgages in January, up from 51,500 in December, while the interest rate on new mortgages dropped to 5.19% from 5.28% the previous month. Overall borrowing also increased, reaching £1.9bn in January, compared to £1.3bn in December. This rise is attributed to a rebound in retail sales, with a 3.4% growth recorded in January, suggesting a potential economic recovery despite a recent contraction in GDP. UK Economist at Capital Economics, Ashley Webb said "January's money and credit figures suggest the drag on consumer spending and the housing market from higher interest rates is easing, which suggests an economic recovery, at least in some sectors, has already begun".

### **Hundreds of homes with RAAC concrete are to be evacuated in Aberdeen**

Following the discovery of potentially hazardous concrete panels in Aberdeen's Balnagask area, around 500 homes, including 299 council properties, are recommended for evacuation after an inspection by independent structural engineers revealed the presence of reinforced autoclaved aerated concrete (RAAC) panels. Aberdeen City Council received the structural engineers' report on February 22 advising the urgent relocation of council tenants to alternative accommodation. Aberdeen City Councillor Miranda Radley said: "This is an incredibly difficult situation for everyone living in a RAAC affected property, but the council will be doing everything we can to support our tenants during this hugely challenging time".

## **UK Supermarket giant Sainsbury's is set to cut roughly 1,500 jobs in cost cutting plan**

Sainsbury's announced plans to cut approximately 1,500 roles as part of a cost-cutting initiative aimed at restructuring its operations, including a shift towards prioritising food over general merchandise and clothing in its supermarkets. The strategy, aimed at saving £1bn over three years, involves increased automation and reallocating resources to enhance business investment. Many of the affected employees are hoped to be redeployed within the company. Job cuts will primarily occur in store support, contact centre operations, in-store bakeries, and general merchandise fulfilment. Sainsbury's CEO Simon Roberts emphasised the necessity of these decisions to focus on customer priorities and ensure future growth, expressing support for affected employees during the transition.

## **TRADE UPDATE**

### **Government reluctant to push back on relaxing airport liquids restrictions**

The government is resisting pressure to push back its 1 June deadline for UK airports to complete the installation of 3D scanners at security and end restrictions on liquids in cabin bags despite fears of it causing “turmoil” this summer. An aviation source confirmed “some airports will be ready, others won’t – and it’s not surprising given the scale of the challenge.” Most of the UK’s largest airports – Heathrow, Gatwick, Manchester and Stansted – have sought extensions or “alleviations” of the deadline. Only Luton is understood to be ready for 1 June.

### **Early Easter fails to dent late sales but prices remain high**

This year’s early Easter break (over a week earlier than last year) has failed to dent late sales but travel agents warned prices remained high and the weather could pose a challenge in European resorts. The Advantage Travel Partnership cited continued strong late sales but noted high prices and potential challenges linked to the weather and availability. Agencies are noting destinations further afield such as The Canary Islands, The United Arab Emirates and the Caribbean are selling well despite high flight prices, but stressed agents were having to work harder and price-match to convert sales.

### **Poll reveals extent holidaymakers rely on Foreign Office advice**

A new poll, commissioned by tour operator Experience Travel Group (ETG) and The Specialist Travel Association (Aito), has revealed the extent to which holidaymakers rely on Foreign Office guidance when selecting a holiday destination. The study showed around three quarters (74%) of consumers would turn down a free holiday if the destination was deemed unsafe in advice given by the FCDO, and 78% of those surveyed ranked safety and security as their top priority when booking a holiday.

### **Adventure sector set for strong year but booking windows continue to shrink**

Adventure travel operators should prepare for “a powerful year ahead” as demand continues to rise for adventure-style holidays, according to new research. Data specialist Spike Insight’s survey of 150 adventure travel suppliers reveals tailor-made tours have seen the fastest growth in popularity, reported by 46% of respondents. However, a shortened booking window is a concern for operators. Almost two-thirds (62%) of suppliers said booking windows had shrunk, with bookings mainly made just two to six months before departure and just 3% reporting bookings made more than 12 months in advance.

## **AIRLINE UPDATE**

**Easy Jet** – EasyJet claims it will become the first UK airline to launch direct flights to Italy’s Amalfi coast this summer, a move that will open up new package holiday opportunities for agents. The carrier confirmed it will launch flights to Salerno’s Amalfi Coast airport, a former military airport, in July when the airport opens to commercial services for the first time.

**Lufthansa City Airlines** - New Lufthansa offshoot City Airlines is to serve Birmingham and Manchester as part of its launch network this summer. Founded last year by the German airline group, City Airlines will run short and medium-haul routes from hubs in Munich and Frankfurt whilst also operating feeder flights for Lufthansa, with flights available to book from the end of April.

**Ryanair** - Ryanair will be forced to trim summer schedules as it confirmed that expected deliveries of new Boeing aircraft deliveries will fall short, revealing that Boeing expects to deliver just 40 of the 57 planned B737 Max 8 aircraft that were due to join the fleet before the end of June. Ryanair's current summer schedule was based on receiving a minimum of 50 new aircraft.

**Wizz Air** - Wizz Air has hit back at Which? after the consumer champion rated it as the worst short-haul airline operating from the UK last year. The budget carrier fared the worst overall, marking its second consecutive year at the bottom with a customer score of 44%. However, the airline has argued that Which? surveyed just 124 Wizz Air customers, but spoke to significantly more from other airlines.

## TOUR OPERATORS, TRAVEL AGENCIES, OTA UPDATE

**Inghams** - Inghams' rebranding last spring has helped broaden the appeal of its summer walking holidays, according to the boss of parent company Hotelplan UK. Chief executive Joe Ponte pointed to the "renaissance" of walking that developed during Covid lockdowns, adding: "I think it is going to go from strength to strength – experiencing a destination rather than observing it."

**Riviera Travel** - Riviera Travel has released its "biggest-ever" programme of Christmas and New Year cruises for December 2025, six of which will have optional extended land stays, following "positive feedback and demand from guests and agents" after the programme was introduced in 2023.

**Scott Dunn** - Scott Dunn has picked Swords Travel to promote its portfolio of luxury holidays in the UK market, marking the first of a potential series of trade moves. The luxury operator said the new partnership forms part of its blossoming commitment to work more closely with UK travel advisors.

## SOCIAL UPDATE

### **Instagram experiments with 'Friend Map' location display**

Instagram has confirmed it is working on a new 'Friend Map' live location display in the app. Similar to Snapchat's 'Snap Map', Instagram's Friend Map will allow users to see previous locations of where their friends have been, including a live location as to where they are now. Posts and stories that have a location tagged will be added to the map. This feature can be accessed by an opt-in basis, also allowing users to select which of their friends can see their locations. Instagram has introduced this feature to encourage more interaction and engagement between users by discussing where they are and places they have visited, for example, recommendations of places worth visiting.

### **TikTok shares insights into marketing on their platform**

TikTok has published a marketing guide on their platform outlining key strategies to engage audiences and promote products and services. For example, for audience interaction, the report outlines that 70% of TikTok users feel more connected to brands they interact with and engaging with users is an effective way to maintain your current audience as well as reaching new customers. The guide also includes statistics on app marketing engagement, how users responded to campaigns and user media consumption habits.

## MICE UPDATE

### **Beyond Borders – check out ICCA's digital snapshot of how business events are shaping the world**

ICCA has published its digital report exploring the significant global impact of business events across 60-plus years: Beyond Borders – How Associations Business Events Bring the World Together. Using video interviews, data, and animated graphs, Beyond Borders features expert opinion and analysis from inside and outside the international associations meetings industry. It is an approach that has used ICCA's expertise and reach in the industry for a report that includes contributory input from key figures from IMEX, ASAE, Oxford Economics, the Associations, CVBs, government, and the political lobby. ICCA uses its stats to show the rise of business meetings and events and the impact they have made in our countries, cities, and communities. The report is as much about what comes next as what has come before and leading experts from both inside and outside the meetings industry share their thoughts about what the coming 12 to 18 months might entail. The report reveals what they have to say in short interviews about The World Economy, The Economic Value of our Industry, Advocacy on the Political Stage, Growing Industry Talent, Association Meeting Trends and Social Sustainability.

## LIGHTER NOTE

A New York medical school surprises students with free tuition after a \$1Billion donation from widow Dr Ruth Gottesman. Read more [here](#)