

WEEKLY BRIEFING

22 March 2024



ECONOMIC, POLITICAL AND SOCIAL UPDATE

UK economy to 'bounce back' in 2024, says Sunak

This year will "prove to be the year that the economy bounces back", Rishi Sunak has told the BBC after figures showed inflation fell to its lowest level in almost two and half years. "We have turned a corner after the shocks of the past few years," he said. Figures earlier showed inflation dropped to 3.4% last month as price rises for food and eating out slowed. But despite price rises slowing overall, housing and fuel prices continued to rise rapidly. In the interview with the BBC, the prime minister said things had started to look up. "I do believe that at the start of this year, we have turned a corner after the shocks of the past few years and we are in a new economic moment," he added. Asked if he saw green shoots of recovery for the country, Mr Sunak said businesses and people were "seeing that things have turned."

UK interest rates: Bank boss says cuts 'on the way'

The Bank of England boss has said "we are on the way" to interest rate cuts after they were left unchanged at 5.25%, their highest for 16 years. The Bank still needed to see inflation fall further, but last month's drop to 3.4% was "very encouraging and good news," Governor Andrew Bailey said. But he said rate cuts could come before inflation hits its 2% target. It leaves open the option that the Bank could cut interest rates as early as May, sooner than had been expected. Most economists had predicted interest rates would start to drop in the summer, especially after inflation fell to its lowest level in two and a half years in February. The Bank has kept interest rates high in a bid to slow the pace at which consumer prices have been rising.

Women affected by change in state pension age 'are owed compensation', report finds

The Department for Work and Pensions (DWP) failed to adequately communicate changes to women's state pension age and women affected are owed compensation, the Parliamentary and Health Service Ombudsman (PHSO) has said. A long-awaited report on how women born in the 1950s were affected by increases in their retirement age has recommended they be owed compensation. An investigation by the

Parliamentary and Health Service Ombudsman (PHSO) found that thousands of women may have been adversely impacted by the government's failure to adequately inform them of the change. The findings follow a long-running campaign by the Women Against State Pension Inequality - often known as Waspi women. The group say millions suffered financially as they were not given sufficient warning to prepare for the change to their retirement age.

TRADE UPDATE

Gatwick spells out post-covid recovery as profits and passenger numbers rebound

Gatwick Airport saw passenger numbers reach near pre-pandemic levels in 2023, helped by several new long-haul routes. The airport attracted 40.9 million passengers in the calendar year, compared to 32.8 million in 2022, meaning demand was 88% of 2019 levels, rising to 94% in July and October. Pre-tax profit reached £403.2 million, compared with £263.9 million in 2022. Revenue increased 30.7% to £1 billion, with retail income up 31% to £208 million and car parking contributing almost £133 million. During 2023, Gatwick saw Air India, Delta, Saudia, Air Mauritius, Ethiopian Airlines and China Southern commence new routes.

Growing interest in solo travel revealed by ABTA

A growing appetite for solo travel has been revealed in new data released by ABTA. The association found that 16% of travellers went on holiday by themselves in the 12 months to August 2023, compared to 11% of travellers during the previous 12 months. This was also up on pre-pandemic 2019 figures when 13% of travellers said they had taken a solo holiday in the 12 months to July 2019. Almost one in five (19%) 25-34-year-olds said they had travelled by themselves, the highest of any age group. The biggest year-on-year increase was among those aged 35-44, where solo traveller numbers more than doubled to 13% in 2023 from just 6% in 2022.

Cost of living and unpredictable weather deterring millions from taking the UK Easter break

More than 10 million people remain undecided about taking a domestic break this Easter mainly due to cost of living concerns and unpredictable weather. The figure emerged from VisitEngland's Easter trip tracker survey which indicates that more plan an overnight holiday trip over the long weekend than last year. A total of 11 million say they are planning a UK trip, up from 6.5 million during Easter 2023, and worth £3.2 billion. But a further 10.5 million people surveyed this year were undecided about whether to take an overnight holiday trip in the UK during the Easter weekend. The top reasons for that were around cost-of-living concerns and the unpredictability of the weather.

Private operator sought to reopen Doncaster Sheffield airport

A 125-year lease has been agreed in a “major step” towards reviving flights from Doncaster Sheffield Airport (DSA) following its closure 16 months ago for being financially unviable. The deal with landowners Peel Group follows more than a year of “detailed and complex” negotiations, according to the City of Doncaster Council. The next stage in the process of reopening is the appointment of an operator to manage the airport. The South Yorkshire Mayoral Authority last month said it would make £138 million available to the council to allow it to lease the site back from Peel.

San Antonio revises timeline for UK direct flights

The prospect of a direct service between the UK and San Antonio continues to be “heavily pursued” but its introduction might be more distant than previously hoped, according to the president and chief executive of Visit San Antonio. During IPW in May last year, Marc Anderson said he was targeting the announcement of direct flights “within the next 12 to 18 months”. Giving an update this week, Anderson revealed that the projected timeline had probably been lengthened because of the introduction of a Frankfurt service with Condor from May 17. “I would say right now we’re probably better off focusing on the Condor flight for the next 12 months and then we’ll revisit the UK [flights] in 2025 or 2026,” Anderson said.

AIRLINE UPDATE

Malaysia Airlines - Malaysia Airlines became the official carrier for Manchester United. The strategic, multi-year partnership with the Premier League football club was described by the Asian carrier as “a significant move to enhance its global reach”.

Korean Air - Korean Air has signed a \$13.7 billion deal for 33 new long-haul aircraft. The mix of 27 next-generation Airbus A350-1000s and six A350-900s will supplement the airline’s long-term fleet operations as it gradually retires older aircraft. The fleet renewal is also seen as preparation for the integration of rival Asiana Airlines after the deal was approved by the European Commission last month. The airline can deploy the aircraft on long-haul routes such as Seoul-New York, where it operates two flights a day.

easyJet - easyJet has put more than 18 million seats on sale for next winter. This includes over 10 million seats to and from the UK across 57,000 flights between December 1 this year and March 2, 2025. The budget carrier said “thousands more” package holidays for winter 2024 were also available to book through easyJet holidays.

TOUR OPERATORS, TRAVEL AGENCIES, OTA UPDATE

Newmarket Holidays launches Spring Sale across entire collection

The Spring Sale encompasses Newmarket's entire tour collection, from wish-list adventures to closer-to-home escapes. Customers can take advantage of huge savings across Newmarket Holidays' complete touring collection when booked before April 30th, 2024. The Spring Sale encompasses three separate savings schemes: up to £600 per person off worldwide tours; up to £200 per person off European holidays; and up to £100 off per person on UK & Ireland breaks. Savings are valid on all tour departures running until 2026.

Travel Counsellors remains committed to Holidaysplease, says agency chief

Travel Counsellors has pledged its long-term commitment to Holidaysplease a year after its acquisition, although fewer than half the original number of its agents are still trading under the brand. Travel Counsellors bought the Birmingham-based business, comprising Holidaysplease, The Holiday Franchise Company and its support business, in March 2023. Former directors Charles Duncombe, Richard Dixon and Sonia Dixon left earlier this month. Holidaysplease now has about 30 agents trading under its brand compared with just under 100 a year ago. About 55 have moved across to become travel counsellors, while about 10 have left. There are 50 agencies in The Holiday Franchise Company and 40 support staff.

Travel Counsellors reports record February sales

Homeworking agency Travel Counsellors reported that February 2024 was its best-ever February, thanks in part to a surge in cruise bookings and a 'Fab Feb' incentive. UK leisure travel sales hit £60 million in February, up 20% year on year, making it the best February in the company's 30-year history. Cruise bookings, which now represent nearly 15% of leisure sales at Travel Counsellors, were up by nearly 40% year on year in February. This followed a "bumper" January that saw cruise bookings top £10 million. Jim Eastwood, global sales director, said: "More than 150 Travel Counsellor business owners celebrated their best-ever month in February, and the top five leisure bookings made by individual travel counsellors in February each surpassed six figures."

SOCIAL UPDATE

Instagram is testing longer reels

Instagram is testing longer reel uploads with videos lasting up to three minutes long. The current limit is 90 seconds, and this test expansion will allow users to create and upload long-form video content providing them with more creative freedom.

Instagram has begun testing this feature as it broadens user behaviour and increases engagement. Longer videos will mean more entertainment and more monetisation opportunities for both Instagram and content creators.

LinkedIn enables brands to sponsor any organic post

LinkedIn is enabling businesses to promote content from any user within the app, no longer just its employees. Until now, business pages have been able to use Thought Leader ads to turn posts from verified employees within their organisation into promoted content. With this update, brands can choose to promote content from any user, not just their own employees. LinkedIn explained, "Influential and trusted advocates for brands can be employees, customers and/or industry experts. The expansion of our Thought Leader Ads format to enable brands to showcase voices beyond their employees gives them a new way to reach their target audience with relevant information, like customer testimonials." This new feature is only available to be used for brand awareness or engagement campaigns, and only for single image or video posts. Once users have selected the post they would like to promote, the creator will then get a notification so that they can 'approve' or 'deny'. The post creator will not get paid for having their post included in a Thought Leader campaign at present.

MICE UPDATE

ICCA launches ICCAUni

The International Congress and Convention Association (ICCA) has unveiled an initiative to bridge the gap between the academic world and the business events industry: ICCAUni. The association says the global academic network will offer an unparalleled platform for students to experience the vibrant arena of international business events. The initiative, ICCA says, aims to establish a network of educators and careers advisors across universities and colleges globally. The ICCAUni membership programme will give students an active understanding of what it takes to succeed professionally. Member organisations will get two scholarships – including travel and accommodation – to the ICCA Annual Congress (to be held in Abu Dhabi in October), plus access to ICCA's Business Intelligence database and a 60-plus years library of industry knowledge and insight.

LIGHTER NOTE

A remote UK island now has more Easter eggs than people, thanks to an in-store mistake. Read more [here](#).