

WEEKLY BRIEFING

26 April 2024



ECONOMIC, POLITICAL AND SOCIAL UPDATE

Labour pledges to renationalise most rail services within five years

Labour aims to renationalise most passenger rail services within five years through the establishment of Great British Railways (GBR) to take over contracts from private firms gradually. Despite criticism, Labour asserts the plan's potential long-term savings for taxpayers and improvements in transparency, including a best-price ticket guarantee. Industry stakeholders express varying views, with some advocating for a mixed public-private approach, while others see it as a step towards complete public ownership.

First-time buyers face their toughest challenge in 70 years

First-time buyers face their toughest challenge in 70 years, relying on dual incomes or parental support amid soaring house prices and rising mortgage rates, per a Building Societies Association report. The decline in home ownership among young people is exacerbated by unaffordable deposits and mortgage payments. Urgent reforms are needed to address the pressing needs of first-time buyers, especially in rural areas where locals are priced out by second-home buyers.

18 countries including US release letter offering 'immediate and prolonged Gaza ceasefire'

A letter signed by leaders from 18 countries including the US, urges Hamas to release hostages held in Gaza for over 200 days. It proposes an immediate and prolonged ceasefire in Gaza in exchange for the captives' freedom. The signatories stress the importance of international concern for both the hostages and the civilian population in Gaza. Israel is reportedly considering a ground offensive in Gaza while families of Israeli hostages push for negotiations.

TRADE UPDATE

Government pledges to guard against air fare hikes as it unveils SAF mandate

The government is to consult on a support scheme for sustainable aviation fuel (SAF) to alleviate potential air fare increases and encourage production. The Department for Transport (DfT) wants the SAF Mandate to become law by January 2025. However, legislation is needed for a revenue certainty mechanism and there may be little time before the election to introduce it. SAF is currently two to five times more expensive than conventional kerosene, and the DfT said its plan would help manage prices “and minimise the impact on fares”. The government has committed to “achievable” targets that will see around 1.2 million tonnes of SAF supplied to the UK airline industry each year.

WTTC highlights ‘urgent need’ to embrace AI technology

The World Travel & Tourism Council (WTTC) has released two reports about artificial technology which it said highlight the “urgent need” for businesses in the sector to embrace AI as a “strategic priority”. One looks at risks, safety and governance while the other explores global strategies, policies and regulations. They were launched as part of the WTTC’s participation in the UN General Assembly in New York. Julia Simpson, WTTC president and chief executive, said “In a rapidly evolving landscape, AI emerges as a catalyst for positive change”. However, the WTTC said challenges such as AI-skilled workforce shortages in the travel and tourism sector persist.

ABTA’s finances continue to recover post-pandemic, figures show

ABTA has bounced back financially after shaking off the impact of the pandemic, new figures show. For the year ending 30 June 2023, ABTA made a £2 million profit after tax, compared with £296,000 in 2021/22 during the pandemic. During the latest financial year, ABTA lost £228,000 on its trade association activities but made £2.3 million on its insurance activities. In the 2022/23 year, there were only two failures of ABTA members and no calls on shortfall insurance. The association also ran 42 conferences and events attracting 1,819 delegates, turning over £896,000.

French air traffic control strike off but disruption still forecast

French air traffic controllers called off a planned strike on 25 April which was expected to ground more than 2,000 flights and cause delays or cancellations to another 1,000 due to fly over France. However, airlines have still warned of flight disruption including cancellations and delays due to the controllers’ SNCTA union withdrawing notice of the strike late on Wednesday. Airlines for Europe (A4E), which represents carriers including easyJet, British Airways parent IAG and the Lufthansa Group, warned of “significant disruption”, saying the travel plans of thousands of passengers remain in question following the late notice.

AIRLINE UPDATE

British Airways - British Airways is introducing a third non-stop daily service between Heathrow and Chicago, with extra flights starting from 11 May. The airline has also moved its departures from Terminal 5 to Terminal 3 at Chicago O’Hare International Airport, a move which aims to give departing BA customers an “enhanced travel experience”, with dedicated check-in desks and improved connections within the American Airlines network.

Jet2 - One month after announcing the launch of flights and holidays from Bournemouth, Jet2.com and Jet2holidays have reported a “truly phenomenal” response. The sister brands said they have since seen strong and sustained demand with thousands of flights and holidays booked from the new UK airport base.

Wizz Air - Wizz Air returned to profit in the past financial year despite having 45 aircraft grounded at the end of March due to engine issues. The airline says the year was “underpinned by sustained demand for air travel and active management of ongoing external issues, including the GTF engine recall”. Total capacity is expected to be “roughly flat” year-on-year for the 2024-25 financial year.

TOUR OPERATORS, TRAVEL AGENCIES, OTA UPDATE

Barrhead Travel - Barrhead Travel has reported a fantastic month of sales for touring and adventure trips, with bookings so far this year up by 150% compared with 2023. The agency, which set up a touring and adventure division at the start of last year, allocated April as its focus month for the sector. The company organised training, consumer events and market campaigns to help boost awareness and sales.

G Touring - G Touring has seen its most successful start to a calendar year on record with sales from its brands Just You and Travelsphere, in part due to the increase in long-haul destination bookings. Trade’s average order value was nearly 20% higher than direct sales, thanks to long-haul destination bookings making up three of the top five destinations sold.

Royal Caribbean - Royal Caribbean Group has reported its best wave season in its history and is in a record booked position. The company said it experienced a record wave period from both a demand and pricing standpoint, as well as greater onboard consumer spend than in any years prior, which it attributed to “greater participation at higher prices”.

SOCIAL UPDATE

Threads is growing in user numbers

Meta has reported that Threads has surpassed 150 million monthly active users. Launched in July last year, with a steady growth in users, the platform has become the fastest growing social media site of all time, with 30 million sign-ups in the first 24 hours. One reason for Thread’s steady user growth is that the platform is always looking for ways to develop and improve user experience, for example, they are currently testing a post auto-archiving option and a recent search results feature. The app’s main competitor, X, has reported they have 250 million daily active users, approximately 100 million more than Threads. However, it has been reported that X is seeing a 13% decline in daily active users over the past year, meaning that it’s possible Threads could overtake the platform very soon.

Pinterest shares insight into Summer travel trends

Pinterest has provided a new overview of rising travel trends within their app. The platform is reporting to have received over one billion travel-related searches and over 10 billion travel saves in one year. Pinterest reports that since last year, 'adventure travel' is growing in popularity, which includes searches for "scuba diving photography" (+60%), "mountaineering" (+40%), "adventure camping" (+44%), and "caving" (+40%). Nature retreats are another rising travel trend, with popular searches including "glamping aesthetic" (+260%), "wellness retreat aesthetic" (+90%), "cabin in the mountains" (+180%) and "national park" (+250%). Finally, road trips have been another frequent search. Since last year, "comfy road trip outfit" had a search increase of 250%, "what to bring on a road trip" with 66%, and "road trip snacks" receiving a rise of 65%.

MICE UPDATE

The Business of Events and ICCA launch Global Advocacy Alliance

The Business of Events has collaborated with the International Congress and Convention Association (ICCA) to introduce the Global Advocacy Alliance. Scheduled to run during the ICCA Plenary at IMEX Frankfurt on Monday 13 May, this initiative will convene 200 industry leaders to foster dialogue and share best practices in advocating for the event sector to governmental bodies at local, regional, and national levels. Supported by Gevme, the session will feature insights from industry leaders from politics, destinations, consortiums, convention bureaux, and venues. The ICCA Global Advocacy Alliance aims to equip participants with practical knowledge and tools to effectively champion the interests of the event sector, thereby facilitating its growth and recognition. The culmination of this initiative will be a toolkit designed to aid stakeholders in advocating effectively to governments.

LIGHTER NOTE

Conservation actions have saved critically endangered species such as cuban crocodiles and saiga antelopes - read more [here](#)