

WEEKLY REPORT

17 May 2024



ECONOMIC, POLITICAL AND SOCIAL UPDATE

UK economy shows strong growth and emerges from recession

The UK economy demonstrated robust growth at the beginning of the year, marking a significant recovery from recession. Official figures revealed a growth rate of 0.6% between January and March, the highest in two years. Prime Minister Rishi Sunak said the economy had "turned a corner", but Labour said this was no time for a "victory lap". Currently, interest rates still stand at their highest in 16 years, leading to increased costs for borrowing, including mortgages and loans; however, savers have seen improved returns. Recent weeks have witnessed a gradual increase in mortgage rates, with expectations for Bank of England rate cuts in June to be postponed.

Labour outlines election proposals for potential transformation

Labour has outlined its proposed agenda for potential transformation in the UK, should it secure victory in the anticipated upcoming general election. Sir Keir Starmer detailed the party's vision, highlighting its aim to bring about significant changes, which he referred to as the "first steps to change Britain." Key elements of Labour's strategy include a commitment to fiscal responsibility, focusing on borrowing for investment rather than day-to-day spending, with the aim of garnering voter trust in managing public finances. Sir Keir has also pledged to address issues such as long wait times in the NHS and combating people smuggling through the establishment of a Border Security Command. These proposals encompass a wide range of areas, including economic stability, healthcare improvements, and education enhancements, forming the foundation of Labour's electoral platform.

Taylor Swift's 'Eras Tour' set to drive £1 billion boost to UK economy

Pop star Taylor Swift's upcoming 'Eras Tour' is anticipated to inject a staggering £1 billion into the UK economy as the singer prepares to perform a series of shows this summer. According to a recent report by Business Matters, based on a consumer spending analysis by Barclays, it is projected that Swift's UK fans will spend nearly £850 each to partake in the overall experience of attending her concerts. This surge in spending is expected to significantly bolster the UK's experience economy. The majority of this expenditure will be allocated towards accommodation, tickets, transport, and merchandise. Additionally, the report highlights that one in five of the estimated 1.1 million ticket-holders plan to invest in new outfits for the occasion, further contributing to the economic impact of Swift's tour.

TRADE UPDATE

May half-term bookings 'exceeding expectations'

Advantage Travel Partnership members are "exceeding expectations" for May half-term bookings, according to the consortium. Speaking at a media briefing, chief commercial officer Kelly Cookes said May had so far been an "incredibly popular month for bookings". A survey carried out by the consortium of its members suggests the trend of last-minute bookings is continuing for May half-term, with 27% of departures for the period made since the start of March. Spain is currently the top-selling short-haul destination with the Canary Islands, led by Tenerife, in second place, followed by the Balearic Islands in third and Greece in fourth. Long-haul travel currently accounts for 13% of May half-term departures, with the most in-demand destinations Dubai and New York.

Brand USA announces 2024 MegaFam dates

Brand USA has confirmed the dates for this year's annual UK and Ireland MegaFam trip which runs from 25 September to 3 October. The ninth educational trip for 60 agents has been organised in partnership with American Airlines, British Airways and first-time partner Aer Lingus. The group will be split up upon arrival to go on six different tours in Arizona, North Carolina, South Carolina, Florida, Colorado and Michigan, before meeting up for the grand finale in Chicago.

European destinations see 'notable' shift towards shoulder seasons

Tourists holidaying in Europe are increasingly opting for trips during the shoulder seasons rather than in the peak summer period of July and August, new research from the Mastercard Economics Institute shows. The countries with the biggest shift away from peak summer months include Mediterranean hotspots such as Croatia, Greece, Portugal and Italy. However, even more northerly countries such as Denmark, Sweden, Finland and the Netherlands have seen a shift away from peak summer months, according to the Travel Trends report.

Tui upbeat for summer with 'promising' bookings growth

The number of holidaymakers handled by Tui rose by 14% to 2.8 million in the traditionally weaker second quarter of the group's financial year. Europe's largest travel company reported "promising" summer bookings up 5% year-on-year and prices up 4% amid a high demand for package holidays. UK bookings for the summer are currently three per cent higher than this time last year, with 65% of the season sold. The group expects full year revenue to increase by at least 10% and profits by 25% compared to the previous 12 months.

AIRLINE UPDATE

British Airways - Starting from November, British Airways will operate 4 weekly direct flights from London Heathrow, to Jeddah, Saudi Arabia. The new flights will be operated by the Boeing 787 fleet and will boost connectivity to the Kingdom as four weekly flights frequency.

EasyJet - EasyJet chief executive Johan Lundgren is to step down early in 2025 after seven years at the helm of the budget carrier. Chief financial officer Kenton Jarvis, who joined the airline in February 2021, will succeed Lundgren, a former deputy chief executive at Tui, the airline announced. Jarvis will continue in his current role during a transition period and a search for his successor will commence shortly, according to the airline.

Emirates - The Emirates Group just posted a new all-time record airline profit, as well as best ever revenue, and cash balance levels. Both Emirates and dnata saw significant profit and revenue increases in 2023-24. For the financial year which ended in March 2024, the Emirates Group posted a record airline profit of AED18.7 billion (US\$ 5.1 billion), up 71% compared to last year. In the last two years Emirates Group has clawed back all its pandemic era losses.

• TOUR OPERATORS, TRAVEL AGENCIES & OTA UPDATE

Limitless Travel - Disabled-friendly specialist, Limitless Travel is expanding its cruise offering with the launch of four new sailings with Celebrity Cruises for 2025. It kicks off in May 2025 with a Norwegian Fjords & Belgium Cruise on board Celebrity's newest ship to homeport in Southampton, Celebrity Apex. Limitless Travel's CEO and Founder, Angus Drummond, said: "Celebrity Cruises has an excellent reputation in the industry for accessibility aboard their ships. It's a great match."

Not Just Travel - TV presenter Eamonn Holmes has struck a partnership with Not Just Travel and The Travel Franchise which will involve championing the value of booking through agents. Holmes, described as the world's longest-serving breakfast TV anchor, will appear as a keynote speaker at conferences and other events, including Not Just Travel's Seminar at Sea cruise this month in conjunction with Princess Cruises.

Tui - Tui is hoping to expand its retail footprint in the UK as it recognises the benefits of a bricks-and-mortar presence. Group chief executive Sebastian Ebel also said the travel giant is seeing "very good" feedback from third-party retailers following Tui's move to sell via independent agencies as well as its own. Talking after Tui had announced upbeat Q2 figures, and "promising" summer bookings, he said: "We would like to broaden our retail outlet in the UK, not by 100 or 200, but small numbers."

SOCIAL UPDATE

Instagram tests new features to increase engagement

Instagram is testing two new features on its platform, including the option to leave a 'Note' on posts and reels. This new feature allows users to add notes on posts and videos, providing more ways to keep engagement high through user interaction. The social media platform is also testing 'Peek' which would enable users to share an unedited snap of themselves or their life with friends. Similar to the social media platform, BeReal, they can send a quick, one-take image with friends that would

then be displayed in their inbox. This feature comes as a result of the increasing view that many social media users have had enough of the curated and edited portraits that many post online, depicting an idealistic version of themselves. 'Peek' would promote more 'realness' within the app, and promote engagement amongst users.

MICE UPDATE

London crowned Cvent's top MICE destination

London has retained its position as the European city which attracts the most MICE business enquiries via the Cvent Supplier Network. The UK capital is once again number one on the technology platform's annual Top Meetings Destination list for 2023. Barcelona remains second while Madrid has moved up one place to replace Paris in third, compared with the 2022 rankings, after a year in which the Spanish capital hosted 20 major conferences. Berlin takes the fourth spot, ahead of Lisbon in fifth, Amsterdam in sixth and Paris in seventh. Rome (8th), Frankfurt (9th) and Munich (10th) make up the Top 10 Destination list.

LIGHTER NOTE

The Northern lights mesmerised viewers across the UK, Europe, and beyond as sightings extended unusually southward from Ireland and Britain to the Czech Republic and Germany, fueled by a solar storm. More [here](#).