

WEEKLY BRIEFING

14 June 2024



ECONOMIC, POLITICAL AND SOCIAL UPDATE

Reform UK overtakes Conservatives in new poll

In a fresh blow to embattled Prime Minister Rishi Sunak, a survey by YouGov for The Times put the Nigel Farage-led party Reform UK at 19%, compared to the Conservatives at 18%. Because of the geography of their support, Reform UK are not projected to win many seats, but they could still cost the Conservatives wins in narrowly contested seats across the country.

The poll was conducted on a sample size of 2,211 adults in Britain between 12 June and 13 June, with Labour on 37%, Reform UK on 19%, the Conservatives on 18% and the Lib Dems on 14%, with the remainder of the vote being split among other parties.

G7 agrees \$50 billion loan for Ukraine from Russian assets

The G7 has agreed to use frozen Russian assets to raise \$50 billion (£39 billion) for Ukraine to help it fight invading Russian forces. U.S. President Joe Biden said it was another reminder to Russia "that we're not backing down", but Moscow has threatened "extremely painful" retaliatory measures.

Also at the G7 summit in Italy, Ukrainian President Zelensky and Biden signed a 10-year bilateral security deal between Ukraine and the U.S. The agreement envisages U.S. military and training aid to Ukraine.

UK economy fails to grow during wetter than average April

The UK economy failed to grow in April after particularly wet weather put off shoppers and slowed down construction. The official data is what most economists had expected and comes after the fastest growth in two years from January to March, ending the recession from the final half of last year.

The Office for National Statistics (ONS) figures show spending on services, which includes everything from hairdressers to hospitality, grew for the fourth month in a row. However, this was off-set by falls in production and in the construction industry.

Tesco says shoppers are buying more as confidence returns

The UK's biggest retailer, Tesco, has said that confidence is beginning to return to shoppers after it reported "strong" sales growth of nearly 5% in the past three months. It saw strong sales in its premium food range, claiming consumers are opting to dine-in more.

Tesco said there had been a "gentle" improvement in consumer sentiment and it was hoping for a boost from a summer of sport, with the Euro 2024 football tournament about to begin. The retailer is planning for strong demand on match days and has observed an uptick in consumer confidence and positivity going into summer.

TRADE UPDATE

Change to liquid rules 'creating uncertainty' heading into summer peak season

Airports have warned that the government's decision to temporarily reintroduce the 100ml liquid rule at a number of UK airports will create "uncertainty" for passengers heading into the peak summer season. Late last week, the Department for Transport (DfT) announced that the so-called "liquid rule" would be reintroduced at six UK airports. The airports affected are London City, Teesside, Aberdeen, Leeds-Bradford, Newcastle and Southend - the six that have already completed the expensive security upgrades that were supposed to bring to an end the rule requiring passengers to carry liquids of only up to 100ml in their hand luggage. The DfT said the measure would only affect "a small number of passengers" and added it didn't come in response "to a specific threat". The government had initially set airports a June 2024 deadline to complete the security upgrades that would help bring an end to the current rule; however, it became clear in the spring most major airports would not be ready to make the transition in full.

London Heathrow and Stansted airports report record-breaking month

Heathrow handled a record 81.5 million passengers in the 12 months to May. The milestone was reached as the airport welcomed 7.2 million passengers last month, a rise of 6.7% and the first time May traffic has exceeded seven million. This summer is expected to see more records broken with an estimated 30 million passengers using the London hub. The European Union was the top destination accounting for almost 2.5 million passengers last month, followed by North America at almost two million.

Meanwhile, Stansted pointed to the May half-term holiday week for boosting the month's passenger levels by 6.3% year-on-year to a record-breaking 2.7 million – surpassing the previous busiest May in pre-Covid 2019 by 143,000 passengers. The 12 month rolling total to the end of May stood at 28.8 million passengers, an increase

of 9.8% on the previous year. The top destinations during the month were Dublin, Istanbul and Edinburgh, with the most popular countries being Spain, Italy and Germany. May also saw the return of British Airways to Stansted, with new services to Ibiza, Nice and Florence. The airport is set to welcome thousands of football fans who will be travelling to the Euros in Germany over the next month.

Manchester airport expects to handle 100,000 Euros football fans

More than 100,000 football fans are expected to fly between Manchester and Germany over the next three weeks for Euro 2024. Supporters of both England and Scotland are set to take advantage of the airport's links to Germany, with the tournament kicking off on Friday. Manchester airport is the only one in the UK outside London with direct flights to every city that could host an England game. Passengers travelling to the tournament will contribute to another busy month after the northwest hub reported its busiest May on record, continuing a record-breaking run going back to October 2023. Manchester airport managing director Chris Woodroffe said: "Football fever has well and truly arrived here at Manchester airport. We've already started to see fans heading out to Germany to take in the spectacle, whether they're looking for England to put an end to all those years of hurt or Scotland to lift a first ever international trophy."

Virgin Hotels to open first London property

Virgin Hotels has confirmed it will take over management of London hotel Mondrian Shoreditch on 1 August. All existing staff at the property on Curtain Road in Shoreditch will be unaffected by the changeover and will remain in their roles. The opening will mark Virgin Hotels' first property in the city, with owner Sir Richard Branson describing the location as "where Virgin's story started". It will also mark the 17th property in the wider Virgin Hotels Collection portfolio, which includes Virgin Hotels and luxury brand Virgin Limited Edition, following the successful launches of Virgin Hotels Edinburgh and Virgin Hotels New York in 2023 and a recently announced Virgin Limited Edition hotel in Kenya. Virgin Hotels London-Shoreditch will form part of a long-term agreement between Virgin Hotels and real estate investment and development firm Reuben Brothers, which owns the property.

AIRLINE UPDATE

EasyJet - EasyJet has added 33 routes from the UK to its winter 2024-25 programme, with "thousands" more package holidays now available. For the first time, the low-cost airline will fly to Tromsø in Norway with twice-weekly departures from Gatwick from 11 November, Manchester from 19 November and Bristol from 5 December. Fares lead in at £78.99. The airline will also operate flights to Strasbourg, another new destination, with thrice-weekly flights from Gatwick from 11 November.

EasyJet - EasyJet will operate a new route from Southend to Tenerife in summer 2025. Package holidays are on sale now with EasyJet holidays. Tenerife joins the line-up of destinations to be served by EasyJet from Southend in 2025, including Alicante, Palma, Malaga, Faro, Paris and Amsterdam.

Etihad Airways - Etihad Airways saw passenger numbers rise by more than a third in the year to May. The UAE airline carried 1.5 million passengers last month and achieved a load factor of 84% despite an increase in capacity as it served 68 destinations from Abu Dhabi. The fleet has expanded by 15 aircraft to 90 over May 2023, with more to be added.

Virgin Atlantic - Virgin Atlantic has confirmed its return to Canada after more than a decade. The airline will launch a daily Heathrow-Toronto service on 30 March 2025, with fares from £490 return. The carrier will also expand its codeshare partnership with Canadian carrier WestJet from October this year, allowing connections from Toronto to destinations including Ottawa and Winnipeg. Confirmation of the new route comes as the carrier prepares to celebrate its 40th anniversary on 22 June. The date commemorates the first departure from Gatwick to Newark in 1984, with fares costing £99 - £311 in today's money.

TOUR OPERATORS, TRAVEL AGENCIES & OTA UPDATE

Classic Collection - Classic Collection has unveiled a new booking platform as it completes the move from two agent-facing brands to a "one brand, one platform" model. The On the Beach-owned operator previously announced a restructure of its trade division to streamline its Classic Collection Holidays and Classic Package Holidays operations and said the single Classic Collection brand will offer "more product choice and booking flexibility". The launch follows face-to-face events with more than 150 trade partners in Manchester, Birmingham, Edinburgh and Belfast, while a further 300 agents were given a preview on a webinar.

Fred Olsen Travel - Fred Olsen Travel has announced the acquisition of Solent World Travel in Lee-on-Solent, taking its retail network to 21 shops. Previously owned by the Advantage Travel Partnership for 11 years, the agency has been operating in the same shop in the seaside Hampshire town for 34 years, under different names. A Fred Olsen spokesperson said Solent World Travel, which will keep its name, is a "perfect fit" for the business as it has a similar customer demographic and product offering and "knowledgeable, service-led staff".

Prestige Travel - Prestige Travel has upgraded its U.S. programme, hoping to mirror its success with Canada, and will support the rollout with new fam opportunities for agents. Its new 164-page Discover the U.S. brochure echoes the format of Prestige's other bespoke long-haul brochures, including Canada, Australia, and New Zealand. It features self-drive tours, escorted tours, rail journeys, cruises, motorhomes, car and motorbike rentals, wildlife viewing and excursions, plus a range of accommodation options.

Scott Dunn – Trade sales at Scott Dunn are converting “at a really good rate” according to the luxury operator's chief executive. Sonia Davies said she was pleased with progress after the firm launched to the trade in all three of its source markets in the U.K., the U.S. and Asia-Pacific. Scott Dunn began selling through U.S. agents last year, following the business's acquisition by Flight Centre Travel Group, and this March started working with its first UK-based agency, Swords Travel. Davies said Scott Dunn was seeing agents coming to the operator for its Explorers kids' club product and expertise in family travel, as well as complex ski and high-end tailor-made trips. The brand has also recently started selling more luxury cruise holidays and said it had mapped out a “two-year growth plan” to increase its volume of sales in the sector.

SOCIAL UPDATE

Instagram testing text overlays in carousel posts

Instagram is trying out new features for multi-image posts, with users now able to add text overlays to individual images in a carousel. The text can be added in the editing section of the app before posting. This feature will be ideal for presentations and displaying information in a more visually engaging way. As well as this, content creators can now choose the format of images within a carousel post. There are three options to choose from, original, portrait and square, giving users more ways to showcase different image types within the display.

TikTok adds image search within TikTok Shop

Expanding its online shopping experience, TikTok has added image search within its in-app shop, allowing for users to search for similar products. TikTok Shop is now the ninth-largest online beauty and wellness retailer in the U.S., and the second-largest in the U.K. With the expansion of its search functionality, users can now tap the camera icon in the search bar of the “Shop” tab in the app, which then enables audiences to take a photo, or use an image in their camera roll, to find similar products. This will enhance product discovery, encourage shopping within the app, and allow users to find a specific product they're looking for on TikTok Shop.

MICE UPDATE

New drone footage as Excel expansion '65 per cent booked for 2025'

New drone footage of the expansion of ExCeL London has been released, as the venue confirmed that more than 65 per cent of available space has already been booked for next year, even before it has finished construction. Interest in the London venue's 25,000 sqm expansion has been 'beyond expectation' according to its executive director James Rees. Opening late October 2024, the £220 million development will expand the venue's existing world-class facilities by a further 25 per cent – totalling 125,000sqm. Once complete, the venue will become the largest fully integrated conference and exhibition centre in Europe and boast two ICC Convention Centres, together with exhibition halls, conference spaces and breakout rooms.

LIGHTER NOTE

A man in China built a feeding device for abandoned kittens using a cuddly toy. Learn more [HERE](#).