

# WEEKLY BRIEFING

21 June 2024



## ECONOMIC, POLITICAL AND SOCIAL UPDATE

### **Bank of England holds rates at 5.25% in 'finely balanced' decision**

The Bank of England has kept interest rates on hold at 5.25 per cent in a "finely balanced" decision that dented Conservative hopes of a boost to personal finances just two weeks before the UK's July 4 election. But the BoE signalled a reduction was possible as soon as its next meeting in August, prompting traders to increase their bets on a summer rate cut. Thursday's seven-to-two decision by the Monetary Policy Committee was in line with economists' expectations and leaves rates at a 16-year high.

### **London hospitals hackers publish stolen blood test data**

A gang of cyber criminals causing huge disruption to multiple London hospitals has published sensitive data stolen from an NHS blood testing company. Overnight on Thursday, Qilin shared almost 400GB of the private information on their darknet site. The gang has been trying to extort money from NHS provider Synnovis since they hacked the firm on 3 June. Qilin previously told the BBC they would publish the data unless they got paid. The data includes patient names, dates of birth, NHS numbers and descriptions of blood tests. It is not known if test results are also in the data. NHS England told the BBC it was aware of the publication but could not be completely sure the shared data was real.

### **'I certainly haven't bet myself' says minister as scandal engulfs Tory campaign**

Welsh secretary David TC Davies says he wants to "put on record" that he did not bet on the date of the election as a gambling scandal engulfs the Tory campaign. Listen to the latest edition of Electoral Dysfunction as you scroll.

The Conservative Party is seen as "tawdry", Ruth Davidson has said, as two of its candidates are being investigated over alleged bets placed on the election date. The Gambling Commission is looking into two Tory candidates over alleged wagers on the date of the 4 July election. An industry source has told Sky News that "more names" are being looked into, but police are so far "not involved".

## Government borrowing in May is highest since Covid

Government borrowing in May hit the highest since the Covid crisis but was lower than the UK's fiscal watchdog had forecast. Borrowing reached £15bn last month, which was £800m higher than May last year. It means that the public sector spent more than it received in taxes and other income, leading the government to borrow billions of pounds. It is the third highest figure for May since records began in 1993, surpassed only by the pandemic years.

## TRADE UPDATE

### TTG Agenda 2024 - Summer Breakfast Update

One of the UK's top trade publications, Travel Trade Gazette, reports that inflation is getting closer to the target rate of 2%, falling to c.3%, signalling improvements for personal finances. The majority of consumers now feel 'financially stable' and thus more able to spend than before, particularly high-income demographics and 25-34 year olds. The most significant improvement in outlook on personal finances came from the lowest income demographics, however this sentiment is 50/50 split with negative outlooks.

Domestic demand for holidays remains strong despite economic pressures, however concerns with costs are impacting consumer choices. The travel and holiday industry has proved robust amidst economic pressures, with significant domestic demand remaining for holidays in the UK and abroad of various types, from 'safe/traditional' travel to more adventurous pursuits. The highest demand for holidays is in Europe (35%), followed closely by the UK (32%), despite both experiencing a small fall in demand since last year (1% and 4% respectively). Australasia experienced an uptick in demand of 2%.

Around 70% of consumers plan to increase or match their previous holiday spending, partially due to predicted higher holiday costs, but also due to increased frequency of holidays among some demographics. Consumers are planning to both spend more time on holiday and to spend more money on activities and dining whilst away. However, barriers to international travel still exist, the most significant of those relating to financial constraints: the (predicted) increasing costs of holidays and household/personal finance concerns. Costs are also the most important factor for consumers when it comes to choosing their holiday providers: 77% ranked it at 4 or 5 on a scale of increasing importance (5 being 'very important'). This is closely followed by the actual holiday itself (accommodation and destination/itinerary) and customer reviews as the deciding factors.

## AIRLINE UPDATE

**British Airways** - British Airways and JetBlue have received US approval to enter into a bilateral codeshare partnership. The carriers are planning to codeshare on dozens of flights in Europe and the US. The codeshare agreement, filed with the US Department of Transportation in May, was approved last week. BA will be able to sell 75 US domestic flights from New York and Boston operated by JetBlue, and JetBlue will sell 17 intra-European flights operated by BA.

**Norse Atlantic Airways** - Andrew Fish is joining Norse Atlantic Airways as UK head of sales from July 1 as the low cost long-haul carrier re-confirms its commitment to the trade. Fish most recently worked for Kazakhstan airline Air Astana as part of a 25-year industry career including spells at Finnair, HRG, Gulf Air and Bmi. He will focus on strengthening current agreements while seeking new opportunities to work closely with the travel trade to ensure that Norse Atlantic is reaching and engaging a wider customer base, according to the carrier.

**Ryanair** - Ryanair will operate a new route from Newcastle to Marrakesh from October 27. The low-cost carrier will run a twice-weekly service with fares available now from £59.99. Marrakesh will be the nineteenth destination Ryanair serves from Newcastle airport. Director of aviation development Leon McQuaid said: "I am delighted to see further investment from Ryanair with the addition of new flights to Marrakesh from Newcastle airport. "Marrakesh has fast become one of the most popular destinations for holidaymakers who are attracted to the city's stunning ancient architecture, bustling souk markets and amazing cuisine. "This investment underlines Ryanair's confidence in our airport and their commitment to providing even more choice for passengers."

## TOUR OPERATORS, TRAVEL AGENCIES & OTA UPDATE

**Wendy Wu Tours** - Wendy Wu Tours has credited hit BBC travel series "Race Across the World" for a more than 50% increase in Japan bookings over the past two months. The operator has added 17 new Japan departures for the autumn season owing to the "incredible demand" generated by the show and launched a new sale with savings of up to £1,000 per person on some of its most popular tours.

**TUI** - TUI Group is accelerating its growth in sub-Saharan Africa with the development of hotels along the continent's Indian Ocean coastline. Sebastian Ebel, chief executive, recently visited Zanzibar – where the new TUI brand Mora opened its first property – and Kenya. "Africa has great potential: culturally, scenically and economically," he said. "We are already represented on the west coast with Cape Verde and Senegal, and in the north with Egypt, Morocco and Tunisia. "Now another African cluster is being created on the east coast on the Indian Ocean."

**Kuoni** - Kuoni will consider a four-day working week for shop staff in a move seen as a positive sign that large travel agency chains could mirror major non-travel retailers. It comes as Althams Travel reported staff morale and retention have never been better since it trailblazed the concept in the industry two years ago. At least six major non-travel retailers in the UK have already made the switch or are trialling a four-day week for their shop staff.

**Cassidy Travel** - Cassidy Travel, in Ireland, has launched a new bumper edition of its USA brochure to cater for a significant increase in Irish holidaymaker interest in American trips this year. According to US Department of Transport statistics, Ireland was the 19th most important inbound market to the USA in 2023, a growth of 13%. A relatively large ranking for such a small country showing the growing link through business, consumer and family connection travel. This ranking was even higher immediately post pandemic.

## SOCIAL UPDATE

### **Meta introduces new AI tool to help brands interact with customers via DM**

Meta has announced it will be providing new AI-based advertising options to Messenger, which will enable brands to interact with customers directly and boost engagement. The first feature being introduced is an AI Q&A, where automated responses will be sent in reply to the most popular questions that businesses receive. This will save time, human resources and boost engagement with the brand. However, this feature will only work if a business is happy to let AI be used in their customer service, as bots are not always as effective as human response.

### **Instagram tests creator insight overview feature for brands**

Instagram is testing a new feature which provides businesses a snapshot of a content creator's profile performance. The insights in this new feature, which the creator can choose to share with brands to inform them of their total followers, accounts reached and accounts engaged over the last 30 days, provides brands interested in working with influencers a quick and easy assessment and could be a valuable way to facilitate more connections and potential partnerships.

## MICE UPDATE

### **Exhibitions contributed £10.9bn to the UK economy in 2023**

The exhibitions industry helped to boost the UK economy by £10.9 billion in 2023, according to a new economic report by the Events Industry Alliance (EIA). A total of 1,016 exhibitions in the UK in 2023 involved approximately 6.9 million visitors and 131,000 exhibitors. This generated £4.8bn of direct spending, which works out at £37,000 per exhibitor in the UK. Particularly promising is the increase in the number of events. The recent Size and Scale Index for Exhibitions (SASIE) report, published earlier this year, revealed more than 1,000 exhibitions were held in 2023, demonstrating the industry's resilience and innovation in the face of economic challenges. Beyond the events themselves, the 6.9 million attendees generate substantial spending in hospitality, travel and hotels. In 2023, the events industry made a significant contribution to the UK GDP, valued at £5.5 billion, and helped to support 114,000 jobs, both directly and indirectly.

## LIGHTER NOTE

### **Eager beavers lent a helping paw to endangered water voles**

Beavers reintroduced to a Scottish rainforest 15 years ago have engineered a habitat boost for threatened water voles, paving the way for the latter's return.

Learn more [HERE](#).