

WEEKLY BRIEFING

12 July 2024



ECONOMIC, POLITICAL AND SOCIAL UPDATE

UK-US relations 'strong' says PM as he meets Biden

UK Prime Minister Sir Keir Starmer stated that his first face-to-face talks with US President Joe Biden were an opportunity to "recommit" to Nato and the "special relationship" between the UK and US. Facing reporters in the White House, Sir Keir told the president: "The special relationship is so important. It's forged in difficult circumstances, endured for so long, and is stronger now than ever." The new prime minister met President Biden for the first time at Nato's 75th anniversary summit in Washington just hours before their private talks in the Oval Office. President Biden called the US and UK the "best of allies", stating the UK was "the transatlantic knot" that ties Nato together with its European members.

Fans delighted as England win through to Euro 2024 final

England is through to the final of the Euros after beating the Netherlands 2-1 on Wednesday. It's the first time ever that the men's England team has made it to the final of a tournament held in a different country. In a nail-biting semi-final match, where the Netherlands scored an early goal, England came from behind to win, with a penalty from Harry Kane, and a goal in the final minute by substitute Ollie Watkins. England will play against Spain in the Euro 2024 final in Berlin on Sunday 14 July.

Food bank steps up support over summer holidays

A food bank charity is warning that demand is expected to soar during the upcoming school summer holidays. The Trussell Trust, based in Salisbury, works across the UK supporting anyone living in poverty with food parcels and offering advice on managing household incomes. It said summer will be a "really difficult time for families", and it is working with Tesco to provide funding for extra food parcels that can be donated in-store by customers. Sophie Carre, from the charity said: "Half the households facing hunger include people under the age of 16, and parents are going without food to feed their children."

TRADE UPDATE

Tui UK claims an increase in interest in late sales following the general election

On Sunday (7 July), the tour operator Tui reported a 20% week-on-week increase in searches for late summer packages, with bookings up more than 10% on Tuesday (9 July). Additionally, searches for winter sun holidays have increased by almost 30%.

Tui did not mention whether the poor UK weather over the past few weeks was also a contributing factor. It stated that Greece was the most searched destination, with Turkey, Cyprus and The Canaries all seeing more than 20% increases in web searches week-on-week. The highest proportion of bookings came from the Midlands, up 19%, with the North and Scotland both seeing "significant uplifts" week-on-week.

Tui UK managing director Andrew Flintham said: “After a season of debate and decision-making, we’re seeing a significant number of people wanting to recharge and reconnect with the world beyond the ballot box. There are still good late deals for this summer from all of our regional airports and free kids places for families”.

Barclays report indicates travel bucked lower spending trend during washout June

Travel is still outperforming most other sectors despite a slowdown in card spend in June, new Barclays figures reveal. Barclays attributed last month’s mixed weather to the first overall decline in card spend since February 2021, with a 0.6% year-on-year fall in transactions over the period from 18 May to 21 June.

However, travel agents experienced a 13.3% leap in transactions – the highest of any of the sectors monitored by Barclays, excluding unspecified "other travel" – and a 5.5% increase in spend. Airlines saw a 3.2% growth in spend and a 5.7% rise in transactions. Barclays noted that the figures reflected holidaymakers settling final balances before their summer break. It added that overseas travel was outpacing staycations, as demonstrated by domestic hotels, resorts and accommodation recording a 1.8% decline in spending growth.

Last month, Barclays predicted Britons would spend an average of £3,322 per person on "experience economy" activities between June and September, although the median estimate is significantly lower at £701. It found that 57% of consumers would rather spend money on a good experience than on material possessions, up five percentage points from 2018.

Barclays' previous consumer spending report, covering the period from 20 April to 17 May, recorded a 4.7% year-on-year increase in consumer spend on travel.

Port of Dover turns to AI to cope with 'Exceptional' Summer Demand

The Port of Dover aims to match airport processing times this summer, despite a predicted 30% increase of traveller numbers heading to Paris for the Olympics, 26 July to 11 August and the Paralympic Games, 28 August to 8 September. During the late May Bank Holiday this year, holidaymakers faced significant delays and missed ferries due to major tailbacks. In partnership with Police aux Frontieres, Border Force, and ferry firms DFDS, P&O Ferries and Irish Ferries, the port has published its operational plan to navigate through the "demanding summer period".

This summer, the port will work closely with ferry operators to manage demand during peak times. It will introduce a new freight permit system on surrounding roads, install additional border control infrastructure, provide regular operational updates via Twitter/X and its website, and provide additional facilities, including pet welfare.

Jet2 Firms Up Major Aircraft Order as Annual Profits jump by a third to £520 million

Jet2.com and Jet2holidays have finalised their order for 146 new aircraft following a surge in annual profits, which exceeded £500 million - up by a third year-on-year. For the year ending 31 March 2024, the airline and operator reported a profit of £520.1 million, up from £390.8 million last year.

Operating profit reached £428.2 million, a 9% increase from £394 million last year, while revenue rose by approximately 24%, from just over £5 billion to £6.25 billion. Jet2 stated that these results represented record revenues and profitability, with record passenger numbers of 17.72 million, up from 16.22 million last year. Among these passengers, 6.08 million (34%) were "higher margin per passenger" package holiday customers, marking a 15% year-on-year increase from 5.29 million. The average load factor currently stands at 73.4%, slightly down on last year (75.2%).

Jet2's on-sale seat capacity for summer 2024 is currently 12.3% ahead of summer 2023, totalling 17.16 million seats, with booked package holiday customers representing 72% of all flow passengers – up 7% year-on-year. However, the airline and operator has also signalled caution, noting that passengers are continuing to book "much closer to departure", meaning its package and flight-only pricing "must remain attractive".

AIRLINE UPDATE

Aer Lingus - Aer Lingus has announced further flight cancellations, marking its third announcement in the past week. A total of 25 more flights will be cancelled on Monday and Tuesday, 15 July and 16 July. The airline has also reportedly stated that it expects to announce further cancellations due to industrial action over pay conditions. To date, nearly 580 Aer Lingus flights have been cancelled since the beginning of the industrial action, affecting more than 8,000 passengers.

Ryanair - Ryanair has announced a sales and booking partnership with online travel agent Etraveli Group, which includes the Mytrip, Gotogate and Flightnetwork brands. This partnership is the latest in a growing list of OTA agreements Ryanair has announced in recent months; the most recent was last week with OTA giant Lastminute.com.

SkyTeam Alliance - The SkyTeam Alliance has appointed Laura Abraham as Head of Digital & Technology, effective immediately, as the global airline alliance strengthens its efforts to deliver the most seamless and integrated customer experience. Ms. Abraham replaces Christian Oberlé and joins SkyTeam from member Delta Air Lines, where she has worked for seven years in positions of increasing responsibility across Technology, Consumer Insights and Alliances.

TOUR OPERATORS UPDATE

Byway - Byway will grow its team and expand into new markets and regions after securing £5 million in fresh funding. The slow travel specialist, which became B Corp Certified in December 2021, will use the money to add new roles across several departments, including technology, product and finance, while also opening new markets. Additionally, this investment will accelerate the developments of its AI-powered journey-planning technology, JourneyAI, which Byway claims is the world's first 100% flight-free holiday planner.

Inghams Ski - Inghams Ski has launched next season's Eurostar Snow rail packages with an increased allocation after selling out last winter. The journey from London St Pancras involves a platform change in Lille and a 45-minute connection, as it did last winter following Eurostar's decision last July to discontinue its non-stop London ski service. The train serves Val d'Isere, Tignes and the Les Arcs ski areas. Inghams reported that it had tripled its seat commitment on the train, which will run for a longer period next season - from 21 December 2024 to the last outbound train on 22 February 2025 – to include half-term weeks. Eurostar Snow services operate on Saturdays and Sundays, offering an extra day on the slopes compared with air travel.

Jet2Holidays - Strong package pricing is helping Jet2 counter soaring cost increases. The average price of a Jet2holidays package has risen by 11% from £750 to £830, while Jet2.com's flight-only net ticket yield per passenger sector increased by 14% to £114.23. Jet2 saw the proportion of customers choosing higher margin package holidays rise by 3.4 percentage points to 68.3%. Flight-only passenger numbers remained "relatively steady" at 5.61 million.

Looking ahead, Symi and the Athens coast have been added to its summer 2024 programme, along with Porto as a city break. For winter 2024/25, Marrakech and Agadir become year-round destinations, and Gdansk will be introduced as a new Christmas market location. Pula on Croatia's Istrian Coast and Spain's Costa de la Luz are also new for summer 2025. Jet2 reported "a marked increase" in package customers booking via its app, which has risen by 21 percentage points since 2020 to 24%. The relaunched MyJet2 service now boasts more than four million members.

SOCIAL UPDATE

Threads shares insights for its 1 year anniversary

Celebrating its first anniversary, Threads, which has amassed 175 million monthly users, shares insights on how its audience is using the platform. A total of 50 million tags have been created on the platform and 60% of surveyed users say connecting with others is the most important part of social media. Additionally, 67% of Gen Z users use the platform to keep track of entertainment news, music, food and hot topics. Notably, 63% of posts are text-based, differentiating Threads from image and video dominated platforms. This indicates that Threads is a growing platform whose audience primarily uses the app for entertainment and trending topics.

YouTube is testing "Add Yours" sticker for Shorts

To encourage user interaction on the platform, YouTube has introduced "Add Yours" stickers to prompt users with questions or challenges. YouTube states that the experiment is rolling out "to a small number of Shorts creators around the world". This new feature aims to boost engagement on the platform and potentially expand the reach for creators and brands alike.

MICE UPDATE

UKEVENTS welcomes new prime minister and defines areas of policy collaboration with ministers

UKEVENTS, the umbrella organisation for the UK events industry, has extended congratulations to Sir Keir Starmer on his appointment as the new prime minister of the United Kingdom. The association said it was eager to collaborate with the prime minister and his team, including Lisa Nandy, the new secretary of state for culture, to drive forward key initiatives designed to strengthen the UK events industry and its contributions to the nation's economy and cultural heritage. UKEVENTS also looks forward to working with the yet to be appointed minister for Tourism, as well as the ministerial team at the Department of Business & Trade, to ensure that the economic growth opportunities from the events industry can be fully utilised as an integral part of the government trade and inward investment policies.

LIGHTER NOTE

A pet-portrait artist who specialises in self-confessed "rubbish" pictures is set to draw non-stop for 24 hours for charity. Phil Heckels, from Worthing, West Sussex, has raised more than £350,000 for charities. Read the full story [HERE](#)