

WEEKLY REPORT

26 July 2024



ECONOMIC, POLITICAL AND SOCIAL UPDATE

The U.K. Treasury expected to uncover £20bn hole in public finances

The Treasury is anticipated to reveal a £20 billion deficit in public finances, primarily due to higher inflation, rising interest rates, and lingering effects from the COVID-19 pandemic and the Ukraine conflict. Chancellor Rachel Reeves is due to give a speech on Monday when she is expected to reveal the state of the public finances, showing "honesty" about the scale of the challenge faced by the new Labour government and potentially prepare the ground for tax rises in the autumn. Ms Reeves will also set out the government's response to the public sector pay recommendations, which are about 3% higher than in current spending plans.

French rail network hit by attacks ahead of 2024 Paris Olympic opening ceremony

SNCF, the French rail network, faced significant disruptions as signal boxes along the lines connecting Paris with major cities to the north, east and southwest were damaged by fires in a "massive attack". The incidents caused extensive delays and cancellations across the country, just as athletes and world leaders arrived in Paris for the Olympic opening ceremony. The timing of these disruptions has raised concerns about security and transport reliability during the high-profile international event

The Obamas endorse Kamala Harris for president

Former President Obama and ex-First Lady Michelle Obama have endorsed Vice-President Kamala Harris to be the Democratic presidential nominee in a joint statement, saying that they believe Ms Harris has the "vision, the character, and the strength that this critical moment demands". Mr Obama was reportedly among more than 100 prominent Democrats that Ms Harris spoke to after President Joe Biden announced last week he was dropping out of the race.

TRADE UPDATE

'Wettest Summer In A Century' fuelling buoyant lates market

Abta research has revealed more than a quarter of UK residents (27%) would be tempted to book a last-minute getaway if they could secure a good deal, while almost one in five (19%) said they would book to escape the wet weather. The research underlines a recent uptick in agent enquiries following the general election and football's European Championships as those in the market for a late deal turn their focus back to the summer holidays.

Agents warn of pricing problems ahead if suppliers keep discounting

Agents have called for operators and airlines to "hold their nerve" and not compete against one another in a bid to be number one as travel enters the peak summer season.

Personal Holiday Advisor Joe Biggs said: "Late discounting to fill record capacity growth seems to be the growing trend among many operators at the moment. The more discounts we offer now, the more customers will expect in future and every time they book, it's a vicious unhealthy cycle and a race to the bottom."

'Oil Kills' activists attempt to disrupt operations at UK and EU airports

Climate activists sought to disrupt operations at several UK and European airports, including Heathrow, on Wednesday (24 July) in the latest sign that groups are increasingly open to taking direct action.

Nine Just Stop Oil activists were arrested at two locations along Heathrow's perimeter road as part of what they described as an "international uprising" against the use of fossil fuels under a new "Oil Kills" banner. Operations at the UK's busiest airport have continued unaffected.

AIRLINE UPDATE

American Airlines - American Airlines has reported revenues of \$14.3bn for the second quarter of the year – marking its highest ever quarterly revenue total. The US airline also reduced its total debt by around \$680m during the quarter.

EasyJet - EasyJet has detailed a strong performance in April, May and June, and revealed it is almost 70% sold for the summer 2024 peak. EasyJet Group made £236 million profit before tax in the third quarter to the end of June, an increase of £33 million year on year. EasyJet holidays contributed £73 million, an increase of £24 million.

Ryanair - Ryanair has urged Irish transport minister Eamon Ryan to immediately raise what it calls the artificial funding cap for Ireland's regional airports from 1 million to 2 million passengers per year, ensuring their eligibility for exchequer funding under the Department of Transport's Regional Airports Programme.

Virgin Atlantic - Virgin Atlantic is increasing the number of owned aircraft in its fleet with a deal for seven new Airbus A330-900s. They will be delivered from 2027 and are being purchased directly from Airbus as the carrier completes a multi-billion dollar fleet transformation.

TOUR OPERATORS, TRAVEL AGENCIES & OTA UPDATE

Carnival - Carnival Corporation has placed an order for the three largest vessels the group has ever commissioned, each capable of carrying almost 8,000 guests at full capacity. The new ships will feature improved energy efficiency, waste management and emission reduction technologies to further reduce the company's environmental footprint.

Jet2holidays - The UK's largest tour operator, Jet2holidays, has signed commercial terms with InteleTravel, which has more than 20,000 advisors across the UK and Ireland. The operator said it monitors potential partners in the market and had applied "a rigorous set of standards" to the US homeworking disruptor since it gained Abta membership in 2019.

Just You - Solo group touring operator Just You is to partner with Incredible Journeys, the B2B touring and adventure brand of dnata Travel Group UK. The deal enables Just You clients to extend their trips with Incredible Journeys and permit agents to dynamically package and create tailor-made itineraries under a single package booking.

Travel Counsellors - Travel Counsellors says its trading momentum has continued in the first six months of its new financial year, with annual transaction value nearing £1 billion and new agent numbers up by nearly a quarter. Travel Counsellors also welcomed 148 new homeworkers and franchisees during H1 2023/24, an increase of nearly a quarter (23%) compared with the same period last year.

SOCIAL UPDATE

YouTube adds new 'save music feature' from Shorts

YouTube will now allow creators to save music directly from Shorts, enabling them to reuse audio from fellow creators in their own videos. Users will be able to save music from the Shorts interface, which will add the audio to a separate folder. This feature will allow users to discover more music. In a further development, YouTube's "Inspiration" tab, which provides content tips generated by AI, will now be displayed in three new languages: Japanese, Korean and Hindi. This feature allows creators to enter topics into a search bar, prompting YouTube's AI to give ideas based on what viewers are likely to be interested in.

Instagram adds 'Notes' feature and is testing DMs icon to increase messaging

DMs are now the main way of engaging with people on Instagram. As such, Instagram has created a new feature called 'Notes'. Notes are temporary messages which can be attached to Reels or posts within the app by followers, adding another way to drive interaction between friends. A larger visual change to the app is the inclusion of a DM messaging icon in the lower portion of the app. This change is guiding user behaviour towards engaging with their friends and places a focus on sharing through DMs.

MICE UPDATE**NEC Birmingham named as host venue for Invictus Games 2027**

The Invictus Games Foundation (IGF) board of trustees had shortlisted Birmingham and Washington DC as the two final cities in the running for hosting the eighth Invictus Games, after initial interest from six cities. Following presentations from both bidding teams earlier this year, the Birmingham bid was awarded the Games, highlighting the venue choice of the National Exhibition Centre, the innovative new sports and the demonstration by the bidding team of their commitment to the welfare and recovery of the international cohort of wounded, injured and sick service personnel and veterans. The Invictus Games Birmingham 2027 will be held at the NEC in July 2027, two years on from the upcoming Invictus Games Vancouver Whistler 2025, taking place next year in February.

LIGHTER NOTE

Watch bioluminescent plankton turn the waves bright blue off the Welsh coast [here](#).