

# WEEKLY BRIEFING

16 August 2024



## ECONOMIC, POLITICAL AND SOCIAL UPDATE

### **GPs next in line for cash handout from Starmer**

GPs are demanding an 11% funding rise in the hope of becoming the latest group of public sector workers to secure a cash boost from UK Prime Minister Sir Keir Starmer. Family doctors across the country are currently taking part in industrial action after the British Medical Association (BMA) threatened to bring the NHS to a “standstill” to gain increased funding for surgeries. Leaked letters reveal that the Government has awarded them an above inflation boost of 7.4% – which the BMA has said is insufficient. The union is instead holding out for an uplift of 10.7% in one year, saying this would bring real-terms income back to 2018/19 levels. It comes as the Government handed train drivers a nearly 15% pay rise over three years on Wednesday in an effort to bring two years of strikes to an end. However, ministers have refused to say how that pay rise will be funded, raising the prospect of tax increases in the autumn Budget.

### **Retail sales bounce back amid ‘gangbusters’ growth**

Retail sales bounced back last month, official figures show, in a sign that growth in Britain’s “gangbusters” economy is continuing. Sales volumes were up 0.5% in July compared to June, according to the Office for National Statistics (ONS), thanks in part to the Euros football tournament and summer discounting. Analysts had expected growth of 0.6% but the figure was a recovery from a 0.9% slump in sales in June, which retailers blamed on uncertainty ahead of the general election and poor weather.

## **UK inflation rises to 2.2% in first increase since December**

The consumer prices index (CPI) rose for the first time this year to 2.2% in July, up from 2% in both May and June, according to the Office for National Statistics (ONS). The increase – although expected by the Bank and the City – was slightly smaller than the rise to 2.3% anticipated. Energy costs were behind the rise as prices of gas and electricity fell by less than they did last year, partially offset by hotel costs, which fell in July after strong growth in June. Interest rates are expected to fall more sharply this year, with traders betting that the Bank of England will cut interest rates twice by December 2024 after closely watched services inflation fell by more than expected from 5.7% to 5.2%. Catherine Mann, a fellow member of the Monetary Policy Committee that sets interest rates, said this week that the UK should not be “seduced” into thinking inflation will stay low over the coming year.

## **TRADE UPDATE**

### **Manchester Airports Group hails passenger growth in July**

Manchester Airports Group (MAG) has revealed that its passenger numbers in July were 5.1% higher than the same month last year, with Manchester Airport recording its busiest month on record. The northern gateway served 3.2 million passengers (a rise of 6.8% year-on-year), while Stansted enjoyed its busiest-ever July, welcoming 2.9 million passengers (up by 3.4%). East Midlands Airport recorded a figure of 520,000 passengers (up by 5.2%), meaning a total of 6.6 million people travelled through a MAG airport last month. This performance means that Manchester Airport is on the verge of joining major international hubs like LaGuardia in New York, Melbourne in Australia, Hamad International Airport in Doha, and Sabiha Gökçen International Airport in Istanbul, which handle 30 million passengers annually.

### **Ground handlers threaten first-ever strike at London City**

Gatwick Ground Services (GGS) has failed to meet demands for pay parity with fellow workers at Gatwick Airport. The 120 workers at London City, members of the GMB union, are demanding a 17% pay rise to bring them in line with GGS employees performing the same roles as ticketing agents, ramp agents, and flight dispatchers at Gatwick. GGS, a wholly-owned subsidiary of British Airways, currently does not pay its workers at London City the London Living Wage of £13.15 per hour, which is above the national minimum wage of £11.44 due to the higher cost of living in London. A union spokesperson said the workers “find it unacceptable that colleagues employed at Gatwick in Sussex enjoy much better pay, terms, and conditions while they incur the extra costs of living and working in the capital. It’s almost impossible for them”.

## Independent operators report rise in demand for cooler destinations

Independent tour operators have reported a surge of interest in cooler holiday destinations this summer, particularly Norway. Sunvil recorded a rise in Norway, Sweden and Finland bookings, which it puts down to extreme temperatures in southern Europe in recent years and the rising popularity of nature-focused and active holidays. Sales and marketing manager Rachel Jelley said: "This year we've seen a real spike in sales for the Nordic region." A favourable exchange rate has also boosted bookings, according to specialist operator Best Served Scandinavia. General manager Sue McAlinden said: "Increased travel to the region has also gone hand in hand with the strong pound. Norway in particular is more affordable than ever with exchange rates at their highest for more than 40 years."

## Bermuda placed on hurricane watch

Bermuda has been placed on hurricane watch as a tropical storm gathers force towards the island. Tropical Storm Ernesto forced the temporary closure of VC Bird Airport in Antigua and is now strengthening. The US National Hurricane Center (NHC) has confirmed that a hurricane watch is in effect for Bermuda. The NHC warned that maximum sustained winds have increased to nearly 85 mph, with higher gusts. "Strengthening is forecast during the next couple of days, and Ernesto could become a major hurricane by Friday".

## LA tourism chief pledges trade support prior to 2028 Olympics

Los Angeles has pledged to support trade in the run-up to the 2028 Olympic Games in the city. The commitment came as Hollywood superstar Tom Cruise abseiled from the roof of the Stade de France stadium as part of the closing ceremony of the Paris Games on Sunday. Los Angeles mayor Karen Bass received the official Olympic flag from her Paris counterpart Anne Hidalgo, marking the countdown to the LA28 Games. Los Angeles Tourism & Convention Board president and chief executive Adam Burke was in Paris to gain insights into the tourism impact and further understand the preparations ahead of 2028.

## AIRLINE UPDATE

**Air Canada** - Air Canada will resume non-stop flights between Heathrow and Ottawa in spring 2025, with the airline also revealing its hopes to operate the route with greater frequency in the future. Four flights a week are scheduled from 31 March to 25 October 2025 using Boeing 787 Dreamliners, marking the return of the service after its pause during the pandemic.

**EasyJet** - More than 200 EasyJet flights have been cancelled to Portugal due to a three-day strike by cabin crew at the height of the summer peak. A total of 232 out of 1,138 flights to and from the country have been grounded by the budget carrier. The airline has cancelled a total of 27 return flights between the UK and Portugal in advance of the strike period.

**Emirates** - Jabr Al-Azeeby has been named by Emirates as the new UK divisional vice president. He succeeds Richard Jewsbury, who first joined Emirates in 2005 and has served in multiple roles across the business, including six years overseeing the airline's commercial, customer, and cargo operations across the UK. Jewsbury moved in March to take up the Dubai-based role of executive vice president of corporate and customer experience planning.

**Singapore Airlines** - Singapore Airlines is raising capacity to the UK next summer to five daily flights. The current five flights a week to Gatwick are being increased to a daily service. This will be in addition to four flights a day to Heathrow for the summer 2025 schedule between 30 March and 25 October.

Singapore Airlines will also discontinue its fifth-freedom route between Manchester, England, and Houston next April as part of a broader series of network adjustments that will see more flights to destinations including Barcelona, London, and Milan. The airline confirmed that the service, which links Singapore Changi Airport with Houston's George Bush Intercontinental Airport via Manchester Airport, will cease on 1 April 2025. Currently, the route operates five times per week with Airbus A350-900 aircraft.

## TOUR OPERATORS, TRAVEL AGENCIES, OTA UPDATE

**Abercrombie & Kent** - Abercrombie & Kent Travel Group (ATKG) has secured \$500 million in financing from global investment bank Citi. ATKG said the agreement would allow it to continue its global expansion. The funding has been underwritten by Citi and will enable the company to restructure existing legacy financing arrangements, "not only consolidating them but achieving improved lending terms". In a statement, the company said the funding was part of its "One A&K" strategy, which includes expanding its owned assets globally. The funding will allow for new Destination Management Companies (DMCs) and physical assets such as camps, lodges, and riverboats in existing and new markets. New DMCs are planned in Mexico and Indonesia this year, in addition to Abercrombie & Kent's existing 56 offices in 34 countries.

**Jet2Holidays** - Jet2.com and Jet2holidays have extended the summer 2024 season to Bodrum due to continued demand from customers and travel agents. Flights have been added from four UK bases, meaning the companies will now operate to Bodrum until mid-November, instead of ending in early November. The sister brands claim they are the only companies to operate to the Turkish airport beyond early November from outside London.

**Tui** - Tui's summer programme from the UK is 90% sold for the season, with bookings up 5% since May. The UK has the most advanced bookings of the group's major source markets for the coming winter at 32% sold. The update came as Tui Group reported strong demand across all short and medium-haul destinations, with Spain, Greece, and Turkey being the most popular. The rise was supported by higher volumes at improved prices and rates, with overall summer bookings up 6% and average prices rising by 3%. "This once again underlines resilient customer demand and the popularity of our product portfolio" Tui said.

## MICE UPDATE

### **Elevate NewGen creates mentorship program to drive diversity in the UK MICE industry**

Aimed at 18-25 year-olds, Elevate NewGen aims to nurture underrepresented talent and encourage young people from lower-socioeconomic backgrounds to consider a career in events. These young people at the beginning of their careers, including care experienced young people, as well as those leaving the youth justice system, often have no idea of the full breadth of the creative events industry.

Founding member Evie Manuel said: "The goal is to have more diversity. We're trying to break down barriers, because ultimately diversity benefits the industry. You get a whole perspective of people, views, creativity and input and we're all learning and growing and it helps to have diverse thinking within that."

## SOCIAL UPDATE

### **Instagram increases Carousel frame limit**

Instagram has announced that Carousels can now feature up to 20 frames, an increase from 15 frames. This update is in addition to the previously launched different size formats feature (portrait, square, or full size) for images in a Carousel. These updates will allow creators to present a longer series of content, similar to a photo album, enabling them to showcase more content in a single post.

### **X updates analytics tools**

X has released an updated insights tab, exclusively for X Premium members. This now includes new data, such as age, gender, country of origin, and more. A notable statistic shows active user times, allowing for better post planning. In addition, X has updated the formats of relevant charts, making the data easier to digest. These analytics tools will enable marketers and social media managers to better understand how their content is being received, as well as audience behaviour data, allowing them to use this in their content strategy.

**Meta and UMG announce new deal**

Universal Music Group (UMG) has announced that it is updating its music policy with Meta, allowing artists' music to be used in new ways. Last year, AI-generated music that replicated songs by popular artists briefly trended before being taken down due to copyright issues. As a result, a new addition has been introduced to the agreement with Meta: guidelines preventing unauthorised AI-generated content. UMG is also expanding this to cover WhatsApp, which has seen increased interest, particularly in the US. Meta's new Horizon VR experience is also included in the agreement, enabling new music experiences in the virtual space.

**LIGHTER NOTE**

Baby beavers have been born in urban London for the first time in more than 400 years as part of a conservation project. See pictures [here](#)