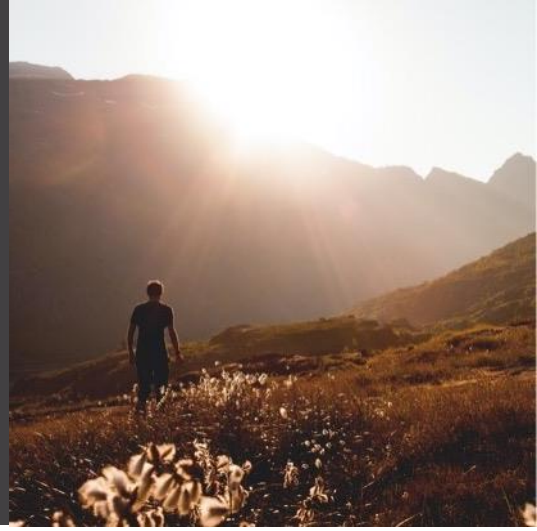


WEEKLY BRIEFING

25 October 2024



ECONOMIC, POLITICAL, AND SOCIAL UPDATE

UK Inflation fading faster than expected, say BoE Governor

Inflation is fading more rapidly than central bankers expected but the UK needs to see a continued retreat in services price growth from current levels, the Bank of England Governor said on Wednesday. Speaking after consumer price growth fell below the BoE's 2% target, to 1.7% in September, Andrew Bailey said he was seeing a "good story" when it came to slowing headline inflation. However, he has also warned that services inflation remained above levels that were consistent with the BoE's objectives. He added that "we've got to see services prices inflation come further down".

The rate of price growth for services fell from 5.6% to 4.9% in September, driven by lower airfares, according to the Office for National Statistics. Services inflation is seen by the BoE as a gauge of underlying price pressures, and the 4.9% reading was well below the 5.5% forecast published by the central bank when it last released a full assessment of the economy in August. The fall in headline inflation, 1.7% in September, has now sparked speculation that the BoE may be willing to cut interest rates in both November and December.

Starmer brushes off Labour Volunteers helping Harris

Prime Minister Sir Keir Starmer has played down the significance of alleged interference by the Labour Party in the US presidential election. The Trump campaign has filed a complaint with the Federal Election Commission in Washington seeking an immediate investigation into alleged "blatant foreign interference". Sir Keir, who met Trump last month, said party staff going to the US to campaign for Democratic candidate Kamala Harris were volunteers "doing it in their spare time" and staying with other volunteers. Environment Secretary Steve Reed told the BBC the Labour Party had not funded or organised their trips, while Deputy Prime Minister Angela Rayner also insisted the activists had been campaigning "in their own time"

Defence Secretary John Healey suggested the Trump campaign was “creating controversy” ahead of the presidential election on 5 November. Foreign nationals are permitted to volunteer in political campaigns in the US as long as they are not compensated, according to Federal Election Commission rules. Labour Party sources insist no one has done anything wrong, but there is undeniable awkwardness around tension with Trump, who could be elected as president in a fortnight. Labour officials have invested significant energy in trying to forge links with the Trump campaign, both in opposition and now in government, which could now be at risk.

UK capital gains tax receipts surge ahead of Budget

The UK registered a 16.3% increase in Capital Gains Tax receipts in the third quarter, according to data released on Tuesday ahead of the new Labour government’s first Budget. CGT receipts rose to £572mn between July and September, compared with £492mn in the same period in 2023, statistics from HM Revenue & Customs showed. Monthly CGT receipts for September came in at £192m — the highest figure recorded for the month since at least 2008.

While monthly receipts can be volatile, tax experts said the overall trend in rising receipts had been driven by cuts in the annual tax-free allowance and more investors realising their gains ahead of the Budget. “It was predictable that individuals might seek to trigger disposals at current CGT levels in anticipation of a possible rate increase in next week’s Budget,” said Hayden Bailey, head of private client and tax at Boodle Hatfield. Overall, gross tax and national insurance receipts rose to £406.3bn between April and September, up £11.1bn on the same period last year.

TRADE UPDATE

BRAND USA’S WEEK OF POSITIVE MESSAGES

Travel to the U.S. is outperforming expectations, a trade audience in London was told this week. Speaking at Brand USA Travel Week (October 21-23), which saw over 350 U.S. cities, states and regions and their suppliers’ partners showcase their tourism products, Brand USA’s new president and CEO, Fred Dixon said the country was “no longer talking about recovery but talking about new records”. Dixon said the U.S. was on track to record almost 77 million international arrivals in 2024 and was on a path to set a record for the forecasted 87 million arrivals by the end of next year. “This puts us on pace to exceed the National Travel and Tourism Strategy goal of 90 million visitors yearly by 2026,” he said. Europe and the U.K. remained the top source markets for

travellers to the U.S. with 2024 projected to close with 15 million European arrivals up 1.6 million year-over-year. Dixon stated that research had also found that visitors were looking beyond the country's gateway cities, such as New York, Los Angeles and Atlanta, with nearly half of future travellers planning to visit two to three cities on their next trip to the U.S., and 43 per cent of visitors returning to explore new areas. Travel Week attracted a record number of more than 70 heads of U.S. tourism organisations along with 216 tour operators and 74 media from several European countries. The three-day event featured planning meetings, high-level industry debate, trade appointments, "enrichment sessions" – which this year included a discussion on how AI will help shape travel research and booking arrangements and various evening events.

Paris Olympics spurs Accor summer growth

Accor scored a benefit from the Olympic Games in Paris as the French hotel group reported a 12% rise in summer quarter revenues to €1.4 billion. The increase for the three months to September was led by an 18% year-on-year rise by the group's luxury and lifestyle division. The key metric of revenue per available room (repair) was up 5.3% year-on-year. The company expects profits for the year to exceed €1.1 billion as a result. Accor opened 47 hotels representing 8,000 rooms in the quarter to give a total of 5,638 properties with a pipeline of a further 1,380. The Olympics generated strong revpar growth in Paris. Accor's UK arm saw "slightly positive" revpar growth in line with previous quarters, with similar performances between London and the provinces. Chairman and chief executive Sebastien Bazin said: "Once again this quarter, the group posted solid sales growth, in line with its targets.

'Strong enthusiasm' for winter travel in Europe led by UK

New research reveals that more people in the UK are eager to travel this autumn and winter compared to other European countries. A surge in travel sentiment indicates that 73% of Europeans plan to travel between now and March 2025, a 6% increase from the same period last year. The UK leads this trend, with 84% of respondents expressing a desire to travel, marking a 10% rise from 2023.

Despite a decrease in concerns about travel costs and inflation, 85% of respondents feel confident about their overall financial situation. When it comes to selecting holiday destinations, safety is the top priority for 18% of Europeans, while stable weather and bargains also play significant roles, each valued by 12% of travellers. Friendly locals are an important factor for 10% of those planning their trips. Travel intentions are on the rise, with 75% of those aged 25-34 eager to travel, reflecting a 9% year-on-year increase. Similarly, 64% of 18-24-year-olds are planning trips, an 8% rise, and 78% of those aged 35-44 show a 7% increase in travel intentions. Younger travellers are increasingly looking forward to their adventures, with a strong preference for city breaks and sun-and-beach holidays.

AIRLINE UPDATE

Emirates - Emirates has come out on top as the 'World's Best Airline' amongst 90 global carriers in a recent comprehensive and methodological study by Telegraph Travel. The detailed ranking and ratings were calculated from more than 30 criteria such as punctuality, baggage allowance, route network, quality of home airport, age of fleet, value of rewards programme and tastiness of in-flight meals, while the results were calculated referencing data from more than 18 independent and international awards, readers polls, ratings websites and expert reviews.

Norwegian Air - Norwegian Air Group capacity growth for 2025 is forecast to slow down from 13% projected for this year. The Scandinavian owner of Norwegian Air and regional carrier Wideroe blamed aircraft delivery delays from Boeing "which are expected to worsen" due to an on-going strike by more than 30,000 machinists. The Norwegian Air fleet is currently set to increase to around 90 aircraft for next summer against 86 this summer, including 22 Boeing 737 Max 8s. Chief executive Geir Karlsen said: "Going forward we will continue to work on streamlining the operation and identify additional synergies with Wideroe. "We will expand our network with new and exciting destinations, while mitigating any challenges posed by the current fleet projections."

Qantas- Qantas is boosting its international network with new aircraft and a new destination, as well as schedule changes which will better utilise its fleet and support growing customer demand in key Asia Pacific and US markets. From February 2025, the national carrier will add around 220,000 seats to its international network over 12 months compared to its current schedule. This means more seats to the United States, as Qantas will boost capacity by 13%, offering 30% more premium seats on long-haul flights with the return of additional A380s starting next August.

TOUR OPERATORS, TRAVEL AGENCIES & OTA UPDATE

G Adventures - G Adventures to bring a new Yacht fleet to Greece next summer. The vessels are around 57 feet long, carry 10 guests in five cabins and will be progressively introduced by June next year. Vince Donnelly, G Adventures' director of global sailing, said: All five boats have been fitted with solar panels and state-of-the-art engines and generators that minimize environmental impact without sacrificing performance. He also stated that "Recycled and natural materials have been prioritized in the boats' construction, ensuring all materials used are free from harmful substances." Each itinerary is led by a G Adventures 'Skipper CEO' or chief.

experience officer. Shore excursions are designed to ensure travellers interact with locals and support communities that may not usually see a lot of tourists.

Travelbag - Travelbag has expanded into Hertfordshire with the launch of its third new shop this year, making its eighth in total. The agency's new Harpenden store will be officially opened on Thursday (24 October) with a visit from ex-rugby professional Chris Ashton. Zara Kitching, Travelbag's head of sales, said the new shop was testament to the ongoing success of the agency's bricks and mortar division. Zara Kitching, Travelbag's head of sales, emphasized that the new shop reflects the ongoing success of the agency's bricks-and-mortar division. She stated that the brand believes personalized travel experiences "start on the high street," allowing customers to consult with highly trained travel specialists to find the perfect trip for their needs. Kitching noted that the three new openings this year signify the continued growth of the ever-evolving travel industry.

Wendy Wu Tours - Wendy Wu Tours has released its largest ever brochure for southeast Asia as the escorted tour operator capitalises on surging sales, driven in part by Race Across The World on TV. Covering 2025 and 2026 departures, the new brochure offers holidays in Borneo, Cambodia, Laos, Malaysia, the Philippines, Singapore, Thailand and Vietnam. The operator said forward bookings to the region are up by 35% for 2025 compared to 2024.

SOCIAL UPDATE

Threads launches mobile analytics

Threads has introduced mobile analytics for both iOS and Android users, allowing them to monitor performance within the app. The mobile analytics can be accessed via the chart button on users' profiles and will provide insights on likes, post views, audience demographics, quotes, replies, and reposts. Users can choose date ranging from 7 to 90 days to analyse performance and this feature will show the same data as the Threads' desktop analytics which was launched previously in August.

Poll stickers introduced to YouTube Shorts

YouTube has introduced a new poll sticker feature to Shorts, allowing creators to ask their audience questions within their short-form videos. This feature shows poll results with percentage breakdowns and total vote counts. Shorts are generating 70 billion daily views and YouTube is updating its "Views" display to let creators see view counts categorised by content type such as Shorts.

MICE UPDATE

Planners growing more optimistic - but flexibility a big issue, finds PULSE survey

Event planners are feeling more optimistic than they were six months ago, according to the latest Northstar Cvent Meetings Industry PULSE Survey EMEA - but contract flexibility is still a major issue, with 50% of respondents saying contract terms are not as flexible as needed. Almost as many planners (49%) highlighted food and beverage (F&B) costs as an issue, saying they are coming in higher than expected. When it comes to suppliers, EMEA planners are most satisfied with the hotels they're using, scoring an average of 3.77 (out of 5). Destination marketing organisations and convention bureaux were the lowest scoring suppliers in the survey, ranked an average of 3.37 out of 5.

LIGHTER NOTE

Lighter Note:

Dog Groomer, Gabriel Feitosa, turns his pet Poodle into a Skeleton for Halloween, using a non-toxic dye for pets. Known for his extreme dog grooming designs, the California dog groomer has previously transformed dogs into Foxes, Cheetahs, and even Giraffes. Find out more [here!](#)