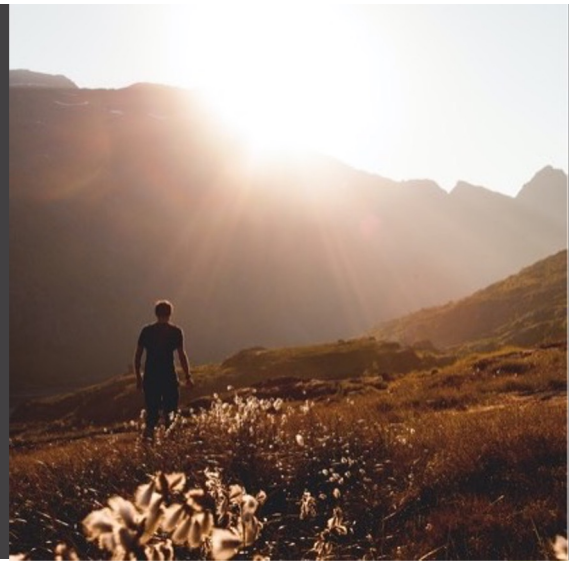


WEEKLY BRIEFING

1 November 2024



ECONOMIC, POLITICAL AND SOCIAL UPDATE

First Labour Budget aims to tackle housing affordability for UK residents

Rachel Reeves, the first woman to hold the office of Chancellor of the Exchequer in its 803-year history, delivered the first Labour Budget in 14 years, blaming a “toxic Tory legacy” for the measures she was forced to take, including notable housing-related changes focusing on affordability and accessibility. Key measures include a CPI-plus-1% cap on rent increases for social housing, aiming to provide rent stability for tenants while maintaining financial health for housing providers.

For prospective homeowners, stamp duty on second homes and rental properties will rise from 3% to 5%, aimed at reducing investor competition and making homeownership more accessible to first-time buyers. Additionally, £3.4 billion will support housing decarbonisation, funding insulation and upgrades for around 350,000 homes to improve energy efficiency and reduce costs for low-income households. Together, these changes highlight Labour’s commitment to a more balanced housing market, addressing both affordability and environmental sustainability.

GPs and care homes fear the impact of National Insurance rise

Rachel Reeves’ 2024 UK budget outlined substantial funding adjustments for healthcare, especially for GPs and care homes, to address gaps in care access and quality. With plans to raise £40 billion largely through tax reforms, the budget prioritises substantial investment in the NHS, which includes a targeted increase in funding for general practices. The goal is to reduce wait times and expand services, addressing issues that staffing shortages and rising demand have exacerbated. Additionally, the budget allocates resources to support care homes facing financial strain, which aims to help them improve the quality of services and adapt to increasing care needs within an ageing population.

Elon Musk facing legal action regarding US election campaigns

Elon Musk is facing legal scrutiny for his controversial \$1 million voter giveaway as part of his support for Donald Trump's campaign. Philadelphia District Attorney Larry Krasner filed a lawsuit claiming that Musk's scheme could be seen as an illegal lottery and a potential violation of election integrity laws. Musk, who did not attend a court hearing where he was ordered to appear, continues to push forward with the giveaway, which offers a daily prize to registered voters in key swing states. Critics argue that this initiative could influence voter registration among Republicans and might violate both state and federal laws against financial incentives for voting activities. The case is now moving to federal court, where further legal challenges regarding the legitimacy of the giveaways will be addressed.

TRADE UPDATE

Foreign Office issues travel alert after deadly Spain flooding

The Foreign Office has updated its travel advisory for Spain following the severe flooding this week, which has led to at least 95 fatalities. The regions of Valencia and Castilla La Mancha are among the areas that have been most affected by the torrential rainfall since Tuesday, triggering flash floods that have destroyed bridges and buildings, and forced residents to seek safety by climbing onto roofs or clinging to trees to survive. The extreme conditions have also disrupted air travel, with nearly 50 flights cancelled and at least 30 others diverted from Valencia Airport. Spanish prime minister, Pedro Sanchez, has declared three days of national mourning as the extreme conditions continue, restricting some rescue efforts.

Budget 2024: Travel leaders concerned over proposed hike in employment costs

Travel industry leaders have expressed concerns that the Labour government's latest Budget will likely substantially increase employment costs. Chancellor Rachel Reeves is expected to implement a £20 billion rise in business taxes, with a 2% increase in employers' national insurance contributions. This will be compounded by a 6.7% increase in the National Living Wage, effective from April 2025. Blue Bay Travel chief executive, and Abta chair, Alistair Rowland, warned: "If the government puts up employers' national insurance by 2% on top of a rise in national living wage, it'll be a hell of a hit for smaller businesses. Fixed costs will be significantly higher. The payroll could go up by 7% from April." Julia Lo-Bue Said, chief executive of Advantage Travel Partnership, agreed, noting that: "Any cost increase is a blow when businesses are already squeezed on margins, and there is such political instability."

AIRLINE UPDATE

British Airways - British Airways has resumed service to Bangkok after flights were dropped during the pandemic. Flights from Gatwick to the Thai capital returned this week after more than four years. The service will operate three times a week, with frequency rising to five flights a week in January and February 2025, and four times a week in March 2025. The carrier is offering a three-class service on the route with return fares starting at £718.

TUI - Tui will resume flights from Southampton Airport in spring 2025 after a 15-year hiatus. Tui's return to Southampton follows British Airways recent announcement that it would not operate a summer 2025 programme from the South Coast airport, resulting in the cancellation of hundreds of flights.

Starting 27 May 2025, TUI will operate weekly Tuesday flights to Majorca, running through to 20 September 2025. This service aligns with TUI-owned Marella Cruises' Mediterranean summer programme, offering convenient access to round-trip cruises aboard Marella Discovery from Palma. There, Marella Discovery will sail a variety of round-trip voyages exploring destinations in Italy, France and mainland Spain.

Riyadh Air - Saudi Arabian start-up carrier Riyadh Air has placed an order worth billions of dollars with Airbus for 60 single-aisle aircraft. The deal covers new generation A321neo family aircraft and follows a commitment last year to 39 wide-body Boeing 787-9 Dreamliners and options for a further 33. The airline now has a total of 132 aircraft on order ahead of its launch in 2025.

Norse Atlantic - Norse Atlantic Airways has expanded its Gatwick network with the introduction of flights to South Africa. The new route by the long-haul low cost carrier to Cape Town is operating up to three times a week on a two-class Boeing 787 Dreamliner, with return fares starting at £219. Founder and chief executive, Bjorn Tore Larsen, said: "We're thrilled with the amazing response to our new London to Cape Town route. A fully sold-out inaugural flight shows just how much people want affordable, direct long-haul travel."

TOUR OPERATORS, TRAVEL AGENCIES & OTA UPDATE

Major Travel - Trade-only tour operator Major Travel is targeting 50% UK growth and is open to acquisitions of complementary businesses as it prepares to expand its footprint with launches in Ireland and the US. The tailor-made specialist, which

has been majority owned by homeworking agency IntelTravel since May, reported a 35% growth in UK revenue this year and is targeting 50% year-on-year growth in 2025. It also plans to expand its team, which is based in the UK, Philippines, South Africa and Kenya, from around 75 employees to over 100 in the first quarter of 2025.

Easyjet Holidays - easyJet holidays reports no signs of customers trading down – and is optimistic for continued growth in 2025. Garry Wilson, chief executive, said: “We’re coming out of 2024 really happy and going into 2025 continuing a trajectory of growth.” The operator is on target for 2.5 million customers this year, up 30%, and expects a profit of £180 million.

Hays Travel - Hays Travel has partnered with French tour operator Worldia following its UK debut earlier this year. More than 1,000 retail agents and homeworkers, including the Independence Group, are able to access the company’s tech-driven proposition. Atol and Abtot bonded Worldia offers real-time pricing and availability across a range of travel services, including trains, hotels, ferries, flights, transfers, car hire and tours. This enables agents to create tailor-made packages with access to live pricing and availability, paying “attractive commissions”. The product portfolio spans more than 85 destinations.

First Class Holidays - Long haul tailormade operator First Class Holidays has bought African Pride and its sister company Knighton Reeve. The acquisition of the African and Indian Ocean specialist brands widens the range of bespoke destinations and enhances the operator’s long haul portfolio. First Class Holidays managing director, Daniel Gathercole, said “I am delighted to welcome African Pride and Knighton Reeve into the First Class Holidays family. This acquisition aligns perfectly with our vision to expand our portfolio to offer all long-haul destinations by the end of 2025.”

SOCIAL UPDATE

TikTok’s STEM feed to be made available to all US, UK and Ireland users

TikTok introduced its science-based feed in March 2023 in an effort to promote educational content. Originally available to users aged 18 and under in the US, TikTok is now expanding the STEM feed’s reach to all users across the UK, US and Ireland. Since the STEM feed was launched, STEM-approved content has received nearly 200 million video views.

Instagram reduces video quality on less-viewed Stories and Reels

Head of Instagram, Adam Mosseri, recently explained that video quality for Reels and Stories can be downgraded depending on engagement. He said that if the video

has been watched for a while, as most views occur when the content is first posted, the quality will be lowered. However, if the video picks up views again, the quality will increase. This has caused considerable outrage from creators, especially smaller creators, at having their video quality downgraded without their knowledge or approval.

MICE UPDATE

VisitBritain Events Growth Programme led to £45.5m boost to economy

VisitBritain's programme supporting Britain's international events industry has resulted in an economic boost of £45.5m, with 62 business events supported in 18 cities across the nations and regions. The VisitBritain Business Events Growth Programme for the 2018-2023 financial years, demonstrated that every pound invested in the programme generated £33 in revenue for the British economy, either through new events secured, or additional delegate spend during this five-year period.

In the financial year 2022-2023, the programme supported a record 27 business events across 14 cities, nearly double the number of events held in those cities in 2019-2020. These events aligned with priority sectors for the UK Government, including healthcare and life sciences, technology and innovation, energy transition and environment, and advanced manufacturing and education. VisitBritain forecasts continued expansion for the programme in the financial years 2023-2024 and 2024-2025 by elevating a further 63 potential or confirmed events across 12 British cities.

LIGHTER NOTE

An Archaeology PhD student at Tulane University, has discovered a hidden Mayan city ruin home to pyramids, temples and ball courts, using lidar technology in the Yucatan Peninsula in Mexico. This significant find has prompted archaeologists to assert that the world is far from its last major discovery in the jungles of Central America. Read more [here](#).