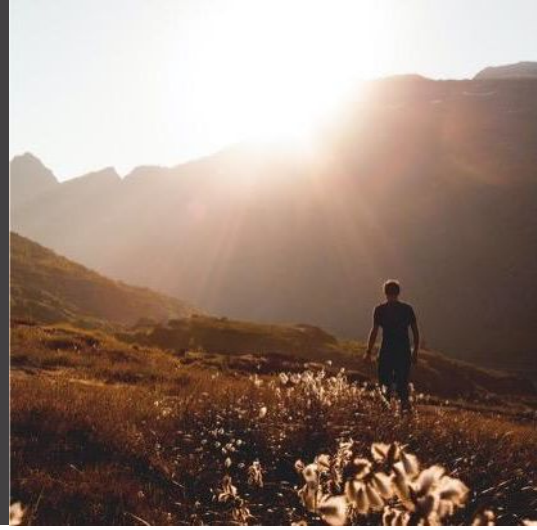


# WEEKLY REPORT

22 November 2024



## ECONOMIC, POLITICAL AND SOCIAL UPDATE

### **UK energy suppliers to spend £500m to cushion pain of rising bills**

Energy suppliers will spend £500m helping customers with their energy bills this winter, after the government helped broker a deal involving 12 of the biggest companies in the UK. Suppliers will spend the money in a variety of ways, including putting credit on some customers' bills, writing off the debts of others and putting credit on prepayment meters, sources told the Guardian. The deal was announced by the government alongside an update to the warm homes plan, which provides money for people looking to make their homes more energy-efficient. Sources say that together the schemes will amount to £1bn in support to bring down household energy bills. A government source said: "We recognise bills are too high and people are struggling. The long-term plan is to move to clean power by 2030, which will take away the rollercoaster of bills going up and down in response to supply shocks. But in the transition to that there is still stuff we can do to help with bills."

### **Energy bills to rise for second time this winter**

Energy bills for a typical household will rise again in January, with prices expected to remain relatively high throughout the next year. It is the second rise this winter and means someone paying by direct debit and using a typical amount of gas and electricity will pay £1,738, or £21 a year more, with bills now over 50% higher than pre-Covid levels. Energy bills have been high for three years, which charities warn has left many struggling to cope and choosing to go without heating at the coldest time of year. The quarterly cap by regulator Ofgem sets a limit on the cost of each unit of energy, and affects 26 million households in England, Wales and Scotland. After two relatively mild winters since energy prices soared, billpayers are braced for a colder period that could stretch their finances. And over the longer term, analysts at the consultancy Cornwall Insight said high domestic energy prices were likely to be "the new normal".

### **Thousands of farmers protest against inheritance tax changes**

Thousands of people have protested in London over changes to inheritance tax for farmers announced in the Budget. Among those marching in Whitehall was TV presenter Jeremy Clarkson, who said "it's the end" for farmers, as he called for the government to change its mind. The prime minister said he understood farmers' concerns and "wants to support" them but added "the vast majority" would be unaffected. From April 2026, inherited agricultural assets worth more than £1m, which were previously exempt, will be liable to the tax at 20% - half the usual inheritance tax rate. Other allowances could mean a couple who are married or in a civil partnership could pass on a farm worth as much as £3m.

### **Surprise fall in retail sales during October due to mild weather**

Budget fears and unseasonably warm weather led to consumers spending far less than expected last month, according to official figures. In a sign of a slowing economy, retail sales fell a sharp 0.7%, the Office for National Statistics (ONS) said. Clothing stores were particularly affected, where sales fell by 3.1% over the month as October temperatures remained high, putting shoppers off winter purchases. Retailers across the board, however, reported consumers probably held back on spending ahead of the budget, the ONS added. Just a month earlier, in September, spending rose by 0.1%. Despite the October fall, the ONS pointed out that the trend is for sales increases on a yearly and three-monthly basis and for them to be lower than before the COVID-19 pandemic.

## **TRADE UPDATE**

### **Travelzoo's 2025 Industry Trends panel tips growth in multigenerational travel for 2025**

Travelzoo has predicted five key trends for next year: continued demand for multigenerational trips, further interest in "authentic" local experiences, a growth in train travel, continued success in the cruise sector, and value-added travel. During the brand's third annual breakfast briefing at The Gherkin in London, UK general manager James Clarke shared research findings at a session titled 'Mapping travel's journey in 2025'. Introducing the first trend as "the bank of grandma and grandad", he said: "Spending the kids' inheritance is what we're going to be seeing in 2025." Another trend was "destination immersification", which reflects growing interest in local cuisine and experiences. The cruise sector has been tipped to enjoy further success next year following a strong 2024. The fourth trend highlighted was the growth of train travel, as Clarke noted that increasing numbers of operators have been incorporating rail journeys into their trips. The fifth and final trend was "value added travel", in anticipation of greater demand for "the best deals".

### **AITO granted approved body status after two-year wait**

The Specialist Travel Association (AITO) has been granted approved body status with the Department for Business and Trade (DBT). The news was announced at the start of Aito's 2024 conference in Valladolid, Spain. It marks the end of a two-year process and makes AITO only the third travel industry association to have approved status with the DBT alongside ABTA and ABTOT. And while approval has been achieved, there are still some details to be finalised before the service can be rolled out to AITO members. Once ready, it will mean members can apply for AITO's financial protection services as their 'umbrella' financial protection provider for non-licensable travel. Non-licensable travel includes the sales of packages that do not have a flight element. AITO deputy chairman Martin Garland said the association was working hard to ensure the service was available for members to use "as soon as possible" after approval was granted on 1 November this year.

### **Half the world's top travel firms making progress on sustainability, says WTTC**

The WTTC found that 53% of the 250 leading businesses have now set targets, compared with 42% in 2021. The figures were revealed in the WTTC's Net Zero Roadmap for Travel and Tourism report, which was launched at the Cop29 climate conference in Azerbaijan. Among these businesses, a third have committed to Science-Based Targets initiative goals (double the number since 2021). The report claims there has been a "significant decrease" in travel and tourism's carbon emissions, down to 6.5% of global emissions in 2023 from a peak of 7.8% in 2019. It said: "In 2023, the aviation industry achieved a 6% reduction in carbon intensity from 2019, when travel and tourism was at its peak, while the cruise and accommodation industries both decreased their carbon intensity by 11%."

### **October airfares hike 'highest since 2001'**

October airfares rose by the highest amount in more than two decades as UK inflation jumped. The consumer prices index rose by 2.3% in the year to October, an increase from 1.7% in September, according to the Office for National Statistics (ONS). Inflation was driven up most by housing costs, reflecting the rise in gas and electricity, with smaller climbs in transport, furniture costs and restaurants. The largest drag on prices came from declining inflation in the recreation and leisure sector, whose contribution to the prices basket was the smallest in two years. However, the ONS said: "Although monthly prices for airfares in October tend to fall, the monthly price in October 2024 rose by 6.3%."

### **Trend towards off-peak booking emerges in new traveller survey**

More than three-quarters of British holidaymakers hope to book outside the peak summer with many exploring the two-to-three-month shoulder seasons to secure better value and avoid crowds of tourists. However, Britons are looking to go on an average of five holidays next year, according to a global travel report by Marriott International. Thirty-six per cent of those surveyed plan to take more trips in 2025 than this year, with the appetite for travel particularly high among those aged 25 to 34, while more than two-fifths expect to maintain their present travel levels. The trends emerged in a global survey of 21,374 adults in 10 markets across Europe, Africa and the Middle East, including more than 2,000 travellers in the UK reported by The Times.

### **SPAA urges business rates reform to support travel agencies**

The Scottish government is being urged to reform business rates to support high street travel agencies. The call came from the Scottish Passenger Agents' Association (SPAA) ahead of a Budget in Scotland on 4 December. The trade body wants to see a "fair and equitable" taxation system across the UK. "Currently Scottish agents are at a competitive disadvantage to their English counterparts who are in receipt of rates relief," the SPAA said.

## **AIRLINE UPDATE**

**Cathay Pacific** - Cathay Pacific carried the highest number of monthly business travellers since the pandemic in October. The Hong Kong carrier saw overall passenger numbers rise by almost 20% over the same month last year to more than two million. Carryings for the first 10 months of the year rose by more than a quarter to 18.5 million against a 33% increase in capacity.

**Etihad** - Etihad Airways carried a total of 1.6 million passengers in October, latest monthly traffic statistics from the Abu Dhabi-based carrier show. That marked a 300,000 person increase on the corresponding month last year. Load factor, for the month, a key performance indicator, was a very healthy 87%. In the year up to the end of October, Etihad carried 15.1 million passengers. Over the same period in 2023, its total was 'only' 11.4 million by comparison.

**Eurowings** - Budget carrier Eurowings will launch a direct service from Newcastle to Berlin from 1 May 2025. The Lufthansa Group airline will offer flights every Thursday and Sunday. Eurowings already serves the northeast of England with year-round flights to Düsseldorf and recently celebrated 10 years of flying from Newcastle airport. The airline said the new service will be the only regular, direct flight to Berlin from the northeast and Yorkshire regions.

**Jet2** - Jet2.com and Jet2holidays has revealed the extent to which its profits could be dented by rising employment costs following the Budget, despite posting record six-month financial results. The airline and operator, the UK's largest ATOL holder, on 21 November revealed it estimates the recent Budget will increase its labour costs by around £25 million a year.

**Ryanair** - Ryanair flights are being distributed via German online travel booking platform Omio after a deal was struck three months ago. The partnership ensures that the OTA's customers' correct contact and payment info is provided to Ryanair, so they have access to their myRyanair account. They then receive flight information directly without needing to complete Ryanair's customer verification process, which unauthorised OTA customers must continue to do.

## TOUR OPERATORS, TRAVEL AGENCIES AND OTA UPDATE

**EasyJet Holidays** - EasyJet Holidays has supported the creation of two training courses which aim to help travel professionals to develop responsible tourism and to manage overtourism. The 10-week courses have been launched by the International Centre for Responsible Tourism global (ICRT global) and are constructed by Professor Emeritus Dr Harold Goodwin. Matt Callaghan, chief operating officer of easyJet holidays, said: "We believe that education, collaboration and rapid implementation are what is needed for us to jointly invest in enhancing the places we love to visit."

**Flight Centre** - Flight Centre Travel Group is seeing "growth opportunities" for its branch network in the UK. The disclosure came at the Australian company's annual meeting as A\$100 million in capital expenditure was outlined, with A\$75 million directed towards technology and systems. Chief executive Graham Turner said: "In relation to network growth, we plan to open about 35 leisure shops, including some 18 travel money outlets."

**G Adventures** - G Adventures' non-profit partner Planeterra has seen its income from third parties more than quadruple since 2019, enabling it to integrate more community tourism enterprises in its tours. Jamie Sweeting, G Adventures vice-president of social enterprise and responsible travel and Planeterra president, said its incoming funds were up by 350% and it was now supporting more than 550 community projects globally compared with 93 in 2019. Many of these projects are not exclusively linked to G Adventures but are connected to the Global Community Tourism Network.

## SOCIAL UPDATE

### **YouTube to launch live-stream gifting feature**

YouTube is set to launch a new feature called 'Jewels,' allowing users to purchase animated digital stickers to gift content creators during live streams. A portion of the sticker price will go directly to the host. This feature enables audiences to support their favourite creators with monetary gifts, encouraging more live streams and boosting engagement on the platform.

### **Instagram removing the option to follow hashtags**

Instagram will soon remove the option to follow hashtags as part of Meta's efforts to combat spam. Spammers often target trending hashtags to boost the reach of their content. Removing this feature aims to reduce junk posts in users' feeds, improving the overall experience. While hashtags can still be viewed in the Explore feed, this update may limit their effectiveness in post captions.

## MICE UPDATE

### **'We need to work on our messaging' hears IBTM World Forum for Advocacy**

The forum, which took place in Barcelona, brought together 80 senior leaders and policymakers to discuss issues related to communicating the economic and social impact of global business events. PCMA president Sherrif Karamat challenged destination marketing organisations (DMOs) to reinvent themselves as 'destination stewards' and stressed that the business events industry needs to lobby beyond the minister for tourism so that all government departments understand the impacts of job creation, education and innovation. Next, a discussion on the findings from the latest Global Destinations Report highlighted the challenges of staff shortages and securing funding in regions where there is insufficient recognition of the sector's value. Eloísa Urrutia from American Express Global Business Travel and Christoph Tessmar from the Barcelona Convention Bureau discussed how business events can counterbalance the challenges of over tourism and climate change by contributing positively to local communities.

## LIGHTER NOTE

Foxes frolic in snow at Oxford University grounds. See [here](#).