

# WEEKLY REPORT

1 June 2022



## COVID-19 UPDATE

The number of people testing positive for COVID-19 in the UK has decreased in the last seven days by 18.8%. Meanwhile, the number of patients admitted to hospital has also dropped by 15%. With regard to the vaccination rollout, 93% of people ages 12 and above have received their first dose, 86.9% their second and a further 68.2% of the population have received their booster dose. Free mass testing for the majority of people in the UK was removed on 1 April.

For the second time during the pandemic, there was one day where only one patient was admitted to hospital in Wales. The single admission, on 30 May, was in Cardiff and Vale, according to latest figures from Digital Health and Care Wales. This has only happened once before during the pandemic, on a day in late June 2021. for nine months.

COVID-19 infections in Scotland are thought to have risen slightly despite continuing to fall elsewhere in the UK. A total of 135,000 people in Scotland were estimated to have the virus last week - one in every 40 people - by the Office for National Statistics (ONS).

This was an increase from an estimated 122,200 people, or one in 45, the previous week. It was also the highest rate of any of the four UK nations.

### **China eases COVID-19 restrictions after two months**

The Chinese city of Shanghai, the country's economic centre and a global trade hub, has eased COVID-19 curbs after a two-month lockdown. At midnight local time on 31 May, restrictions were relaxed to allow most people to move freely around the city of some 25 million people. China's overall policy of "zero COVID-19" remains in place and people catching COVID-19 face quarantine or hospital.

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## **Greece says masks are no longer required indoors**

Passengers flying to Greece should no longer be asked to wear masks from 1 June. The Greek authorities have confirmed that from 1 June masks will only be required on public transport, in hospitals and care facilities. It said there will no longer be a requirement to wear masks in other indoor spaces, including on flights to and from Greece.

## **Italy becomes the latest country to re-open to all visitors**

Italian authorities have confirmed all COVID-19 related entry restrictions will be dropped from 1 June. It will join 19 other EU countries that allow test and vaccine free entry. The news was announced by the Ministry of Health. It said the green (COVID-19) pass will no longer be required for entry to Italy from Wednesday.

## **ECONOMIC, POLITICAL AND SOCIAL UPDATE**

### **Europe's airports warn of 'big challenge' in summer**

Europe's airports face "a big challenge" to cope with passenger numbers this summer, senior aviation figures have warned. They blame not only staff shortages but continuing COVID-19 restrictions, the war in Ukraine, the boom in leisure travel and passengers arriving at airports unprepared to display documents, and they warn UK travellers face an additional impact at overseas borders due to Brexit. Jacopo Passinotti, network management director at air traffic management body Eurocontrol, said: "traffic has come back heavily – 86% of 2019 capacity is in the network – and a lot of traffic has moved west out of Ukraine."

### **Dollar exchange rate starts to bite but sales are robust**

The travel trade is starting to feel the impact of the weak pound-dollar exchange rate but sales remain resilient, despite rising living costs. The value of the pound against the dollar plunged to \$1.21 in mid-May, although it rallied this week to around \$1.25. The Advantage Travel Partnership said the exchange rate was hitting new sales due to higher flight prices and resort costs.

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Leisure director Kelly Cookes said: “People are looking at whether they can go to the Indian Ocean or Far East where it is cheaper.” She added: “trading-wise, the U.S. is dropping off versus 2019, and we’re hearing that from suppliers too. But in volume terms it is still one of the top long-haul destinations.” Travel agents have confirmed that increasing flight prices and the strengthening of the dollar, although damaging, is not putting people off travel.

## **Chancellor sets out £15 billion emergency package to mitigate soaring cost of living**

Following pressure from Labour and the Liberal Democrats over the last several weeks to provide extra help with bills, millions of households will receive a £400 discount off their energy bills and a £5 billion tax will be levied on oil and gas giants as Rishi Sunak moves to counter the soaring cost of living.

## **Inflation hits 7% in March as Britain’s cost of living soars**

UK households have been warned to brace for the sharpest annual rise in the cost of living since the early 1980s after a bigger-than-expected jump in the official inflation rate to 7% and record increases in petrol prices. Economists said they expected the government’s preferred measure for the annual increase in living costs – the consumer price index (CPI) – was on course to breach 9% this month amid a record-breaking jump in energy bills and soaring cost of the weekly shop.

## **Britons say cost of living concerns key barrier to foreign travel**

New research carried out by Ipsos has found almost two-thirds of Brits are unlikely to visit a country outside Europe this year. Of the 1,024 people surveyed by the market research and consulting firm, 63% said they had no plans to travel outside of Europe in 2022, while nearly half (47%) said the same for travelling within the continent. Almost half (49%) of Brits cited financial concerns as the main reason for not wanting to travel, whilst around one in seven said airport and port delays were putting them off. Seven in 10 Britons (71%) said they were likely to stay at home or do various day trips from where they live in the next 12 months, whilst a similar proportion said they were likely to go somewhere in the UK away from their home (69%).

## TRADE UPDATE

**Trade seeing 'significant' shift to managed service mode**

The trade is witnessing a "significant" shift post-COVID-19 towards the managed service travel agency model, according to Abta chairman Alistair Rowland. Rowland said more agencies are joining the largest and most powerful groups offering this model to tap into their commercial terms, merchant services, bonding rates and Atol. The model frees up agents to concentrate on sales while back-office administration, including supplier payments, is run by the parent. Several brands offer managed service models, including Hays Travel Independence Group, Brilliant Travel (Barrhead), Midcounties' The Co-operative Travel Consortium and Advantage Managed Services (AMS).

**Global flight searches 'just 3% behind pre-pandemic levels'**

Global flight searches had recovered to just 3% behind pre-pandemic 2019 levels in the last week of April, latest statistics reveal. Search volumes around the globe have been increasing over the first four months of the year to almost reach 2019 levels, according to Amadeus. The recovery in late April confirmed that traveller confidence and appetite to travel continues to strengthen, the company claimed.

**Airfares tipped to rise as costs and demand surge**

Rising costs and strong demand appear set to push up airfares, with fares in the US rising at a record rate. But fierce competition, led by Ryanair, could squeeze airline margins in Europe outside of peak summer. Fares in the US rose 19% month on month in April, the largest increase the US consumer price index has recorded since it launched in 1963. US carriers are operating at 93% of 2019 capacity and have found no difficulty passing on price increases up to now. American Airlines chief executive Robert Isom said last month: "Demand is as strong as we've ever seen it."

**Government fires industry warning shots over 'unacceptable' flight disruption**

The government has fired a warning shot to airports and airlines over "completely unacceptable" disruption ahead of the Platinum Jubilee bank holiday travel rush. Ministers have been urged to intervene to prevent trips being ruined as airports and airlines continue to struggle to cope with a sharp increase in demand. A government source blamed the aviation sector following a raft of delays and cancelled flights by the likes of easyJet and Tui Airways. "The sudden cancellations of flights and airport delays are completely unacceptable. The simple fact is that airlines and airports overcut staff during the pandemic, ignoring the fact that the billions of pounds of aid – including furlough – handed out by the government was meant to protect those very jobs", the source told The Times

## **Agents plead for better information amid airport issues**

Travel agents have called for quicker responses from airlines and tour operators to help them support holidaymakers hit by the latest spate of cancellations and delays, warning that national headlines about chaos at airports is affecting consumer confidence ahead of the busy summer period. Designer Travel said about 10% of its clients travelling over the past weekend were hit by lengthy delays or cancellations at Manchester, Stansted, Gatwick, Bristol, Heathrow and East Midlands airports.

## **TOUR OPERATORS, TRAVEL AGENCIES, OTA UPDATE**

### **Stewart Travel 'busier than ever' as it marks 50th anniversary**

Stewart Travel kicked off its 50th anniversary celebrations this week and is "busier than ever", according to its retail chief. The first Stewart Travel store opened in Prestwick in 1972; the business now has 12 branches across Scotland and Northern Ireland. Stewart's Prestwick branch was named Scotland's Top Agency at TTG Top 50 Travel Agencies 2019, and made the Top 50 shortlist in 2020 and 2021. It was also voted Best Independent Travel Agency at the 2019 British Travel Awards, and Best High Street Travel Agency at the 2020 awards.

### **Agents can win share of £25,000 in Celebrity Cruises campaign**

Celebrity Cruises has unveiled its next Celebrity Moments campaign, giving agents the chance to win a share of £25,000. Agents who book sailings between 1 June and 31 July must log the sale on the Celebrity Rewards portal by 7 August, when they will automatically be entered into the draw to win one of 100 cash prizes of £250. The winners will be announced in August. Additionally, agents will earn £20 for every booking they make in balcony rooms and above.

### **Travel Village Group to hold 2023 conference in Cyprus**

Travel Village Group will hold its second annual conference in Cyprus. Director John Warr made the announcement during the company's first conference on board MSC Virtuosa over the weekend. He told agents and suppliers that the 2023 conference is likely to take place in November or December and will be "even better than this one". The agency has secured accommodation with Constantinou Hotels for the duration of next year's event.

## **Future Explora Journeys' ships to be powered by LNG**

Explora Journeys' third and fourth ships, Explora III and IV, will have engines powered by liquefied natural gas (LNG). Pierfrancesco Vago, executive chairman of the cruise division at MSC Group, confirmed the move during the float out ceremony for the new line's first ship, Explora I, at the Fincantieri shipyard in Monfalcone, Italy. He said: "I'm pleased to announce that we have decided to switch the third and fourth ships of Explora to LNG propulsion."

## **AIRLINE UPDATE**

### **Norse Atlantic confirms August UK launch**

Start-up budget long-haul carrier Norse Atlantic Airways has started selling tickets for transatlantic flights from London. A daily service to New York is set to start on 12 August with fares starting at £255 return. Flights to the US are due to launch from Oslo on 14 June and the airline has been lining up services from Gatwick after securing slots at the airport in March. A service between Oslo and Gatwick is also scheduled from August over the summer. The airline is to operate Boeing 787 Dreamliners on North Atlantic routes, with other US destinations from Gatwick set to be announced soon.

### **Flybe to expand fleet after signing long-term leases**

Flybe has begun operating the first of five Aergo Capital De Havilland-Canada Q400 aircraft under long-term leases that will enable it to grow its fleet to 32 aircraft over the next few years. Dave Pflieger, CEO of Flybe Ltd, said the resurrected carrier selected the Aergo aircraft due to their comfort and reduced impact on the environment. "We are delighted to be partnering with Aergo Capital as we take delivery of additional Q400s and grow our fleet with more of these aircraft that are very popular with our customers," he said.

### **Tui cuts back Manchester flights for a month amid staff shortages**

Tui is cutting flights from Manchester airport over the next month in the face of staff shortages which have led to delays and cancellations. As many as six flights a day will reportedly be cancelled until the end of June affecting up to 37,000 holidaymakers. The decision came amid growing anger over flight disruption ahead of the extended Platinum Jubilee bank holiday weekend and prior to the summer peak.

## **Unions ballot British Airways check-in staff over**

Trade unions are balloting British Airways check-in staff at Heathrow over potential strike action which could take place at the start of the peak summer period in July. The ballots from the Unite and GMB unions are taking place in a dispute over pay within the airline's 'A scales division'. In a statement, Unite said British Airways had restored management pay to pre-pandemic levels but had refused to reverse a 10% pay cut imposed on its members during the pandemic. The Unite ballot covers about 500 staff and will run from 7 June to 27 June, meaning any industrial action is likely to take place the following month.

## **SOCIAL UPDATE**

### **Snapchat adds 'Shared Stories'**

In an effort to fuel collaborative content, Snapchat has launched a new 'Shared Stories' option, which enables users to invite other Snapchatters to contribute to their Story. When a user creates a Shared Story, they'll be able to choose people who are able to contribute with their own Snap additions. The Story will then be viewable by the connections of both, providing expanded exposure potential, whilst also enabling a new type of collaboration with Snap content.

### **Meta tests Avatar Reactions in Instagram**

A key element of Meta's metaverse push is the use of digital avatars in more ways, as it looks to turn these virtual representations into more habitual interaction tools. The main platform in this respect is VR, but Meta also wants to enable non-VR users to engage in the same way, with the characters that they choose to represent themselves becoming a more prominent extension of their personality and presence.

Meta is now taking the next step in this journey with some users now seeing avatar reactions as an option within Instagram stories. If users tap on the 'Avatar' option, they'll be directed to create their own custom character before being presented with a range of custom sticker responses.

## MICE UPDATE

### **Pandemic forces event planners to work harder to attract delegates**

The COVID-19 pandemic and its lasting effect on the meetings industry is forcing planners to work harder to get delegates to their events, according to a survey from Conferli. The study revealed that 90% of respondents said they were expanding their efforts with flexible cancellation policies and with increasing partnerships with destinations to attract delegates and market awareness.

The 'Insider's Perspective' study also revealed that the delegates' decision making has changed since the pandemic. 42% of respondents only decide whether to attend a conference one to three months before it takes place, with those respondents only booking transport and accommodation to the conference one month before.

The study also revealed that health and safety, sustainability credentials and legacy-building remain a priority for event planners. Respondents also confirmed a preference for a shorter conference format and a strong educational programme; as networking opportunities and knowledge-sharing are recognised as important factors in attendance. Planners revealed that travel distance and budgets are strong factors in destination and venue selection.

## LIGHTER NOTE

Did you know that the Queen owns all of the dolphins and whales in British waters. This dates back to a statute from 1324, which is still valid today and means the creatures have the title "fishes royal".