

# WEEKLY BRIEFING

15 July 2022

## COVID-19 UPDATE

The latest weekly statistics from the Office for National Statistics (ONS) suggests that COVID-19 cases continue to rise across the UK, driven by the fast-spreading subvariants of Omicron - BA.4 and BA.5. Figures show that positive infections have risen by 18% in the last seven days, with an estimated one in 25 people infected. The biggest rises were seen in Wales and Northern Ireland, with infections up by around 40% on the previous week. However, overall, Scotland has the highest infection rate with one in 17 people testing positive, compared to one in 25 in England. Hospital admissions due to COVID-19 are also rising, though the proportion of people requiring intensive care remains lower than earlier in the pandemic, as vaccinations continue to protect people from severe disease.

The vaccine rollout continues across the UK, with 93.3% of the population aged 12 and over having received their first dose, 87.4% receiving their second dose, and 68.8% receiving a booster or third dose. The government is continuing to roll out the new phase of spring booster for people aged 75 and over, residents in care homes for older people, and those with weakened immune systems.

Access to free lateral flow tests has been extended in Wales until the end of July.

## ECONOMIC, POLITICAL AND SOCIAL UPDATE

### **Unite boss warns tens of thousands could strike over pay**

The general secretary of the UK's largest private sector union has warned of hundreds of disputes and a 'summer of discontent' if workers are made to 'pay the price for inflation'. Mrs Graham stated in her first broadcast interview with the BBC

that it was not “militant” for employees to ask for a pay rise that matches (or exceeds) the rate of price rises. This comes in response to calls from the government and the Bank of England for workers not to ask for high wage rises as the cost of living increases. Despite the law now making it more challenging for unions to take industrial action, Unite has won hundreds of strike mandates at a more local level by changing their tactics.

### **UK economy grows but fears remain over rising prices**

In the month of May, the UK economy grew by 0.5% according to the ONS, with expansions in construction, travel and manufacturing. However, with UK inflation reaching 9.1% in May, and predicted to rise to 11% by the end of this year, both businesses and households will be hit by rising prices. Due to record-high fuel and energy costs - the fastest rate for 40 years - there is a real risk the economy could fall into recession, warns Paul Dales, Chief UK Economist at Capital Economics. As conservative MPs cast their first votes in the leadership contest on Wednesday, whoever replaces Boris Johnson is faced with the dilemma of how to tackle the soaring cost of living.

### **Heatwave: Met Office issues red extreme heat warning**

The highest heat warning has been issued by the Met Office as temperatures in London and parts of England could reach 40C (104F) next week. This warning points to a danger to life and risk of illness as well as disruption to travel and infrastructure. In place on Monday and Tuesday, the red warning goes as far north as Manchester and York, as people are warned to be on the lookout for signs of heat-related illness and urged to stay hydrated. The world has already warmed by approximately 1.1C since the 18th century. Experts predict that temperatures will continue to rise and break records unless governments make steep cuts to emissions.

## **TRADE UPDATE**

### **UK economy returns to growth thanks to holiday boom**

The British economy returned to growth in May thanks to a boom in holiday bookings. GDP rose by a better-than-expected rate of 0.5% during the month helped by consumers’ pent-up demand to travel after the pandemic. The figures come as airports struggle with booming demand for overseas travel as holidaymakers return to flying abroad after the easing of pandemic restrictions.

**Water shortages at London Gatwick**

Gatwick Airport has apologised after a burst main in the Crawley area resulted in a shortage of water. The burst main has led to low water pressure throughout the airport and there are reports just two toilets are working in one of the terminals. Passengers also reported several restaurants have had to shut. Utility supplier SES Water said it is working to resolve the issue and Gatwick said it has put contingency measures in place.

**Doncaster Sheffield Airport's future in doubt**

Doncaster Sheffield Airport might permanently close following the axeing of Wizz Air flights. It said Wizz Air's decision to close its base at the airport, plus environmental considerations and the impact of COVID-19 mean it "may no longer be commercially viable". The airport is owned by Peel Group and carries more than one million passengers a year to 50 destinations. But the Board said that the airport had "never achieved the critical mass required to become profitable". Following Wizz Air's decision to close its base and axe the majority of flights from the Yorkshire airport, TUI is the only airline with aircraft based at Doncaster Sheffield. TUI operates flights from the airport to multiple destinations, including the Algarve, the Balearics, Bulgaria, the Canaries, Cyprus, Croatia, the Greek islands, Hurghada, Turkey and Sardinia.

**Malta to drop COVID-19 entry restrictions**

Malta is dropping the need for a pre-departure COVID test for unvaccinated arrivals. From 25 July, people travelling to Malta without a vaccine or recovery certificate don't need to present a negative test. The update was announced on the Visit Malta website.

**Antigua to lift anti-LGBT+ laws**

Antigua has changed its anti-LGBT+ laws in its Sexual Offences Act after parts of the legislation were ruled unconstitutional on 12 June. The act, which states intercourse must be between "a male person and a female person", will be replaced with the word "persons". According to Virgin Atlantic, LGBT+ discrimination costs up to \$4.2 Billion a year in 12 English-speaking Caribbean countries – as much as 5.7% of annual GDP. Juha Jarvinen, chief commercial officer for Virgin Atlantic, said the move was an "extremely" positive step for Antigua and its people.

**Abta offers members free sustainability training**

Abta has encouraged its members to take part in its free online sustainability training. The training is designed for people who work in travel "but aren't sustainability experts" and sets out what sustainability means in travel and tourism,

why it is important and what action can be taken. The training covers the fundamentals of sustainability in travel, looking particularly at four areas: managing environmental issues; destination management and local impacts; respecting human rights and managing animal welfare. The scheme is suitable for people in any role in travel, from marketing and communications to product and sales, across travel agents, tour operators and the wider industry.

## AIRLINE UPDATE

**British Airways** - British Airways has written to travel agents to say it will cancel a small number of additional flights following Heathrow's cap on summer passenger numbers. In a statement, BA said: "This is incredibly disappointing news for our customers, coming at a time when we've already taken responsible action to reduce our summer schedule to slim our programme further, utilising slot alleviation to minimise disruption, provide certainty for travellers and help airports manage their resource."

**Delta Airlines** - Delta Air Lines achieved an operating margin of almost 12% in April, May and June, the first time it has hit double figures since 2019. The carrier's 11.7% margin came after it saw operating revenue of \$12.3 billion, a 99% recovery compared to the same three months in 2019.

**Easyjet** - Easyjet adds three new routes to its winter schedule. The new routes – which are now on sale – include Gatwick to Porto Santo, Bristol to Rovaniemi in Finland and Manchester to Fuerteventura. As of next winter, the airline will again offer daily flights from Liverpool to Paris, flights six times a week from Luton to Madrid and a twice-weekly service from Manchester to Rovaniemi.

**Emirates** - Emirates has rejected Heathrow's demands for the carrier to axe flights, saying they are "entirely unreasonable and unacceptable". Emirates issued a statement saying it was "highly regrettable" that Heathrow gave the airline 36 hours to comply with capacity cuts, saying the figure "appears to be plucked from thin air".

**Emirates** - Emirates, the world's largest international airline, has scaled up its operations to Newcastle with the introduction of a fifth weekly flight. The additional service has been introduced to meet sustained demand for international travel with Emirates seeing a steady uptick in bookings over recent weeks.

## TOUR OPERATORS, TRAVEL AGENCIES, OTA UPDATE

**Designer Travel** - Designer Travel has called for basic honesty between suppliers and agents to enable the homeworking agency to service its affluent clients more efficiently. The managing director, Amanda Matthews said suppliers throughout the chain were struggling to communicate quickly, adding issues were exacerbated by operators withholding or issuing incorrect information.

**Holland America** - Holland America Line is enticing guests to plan ahead and make future cruise reservations now with a new "Book Early & Save" offer. Running from 12 July through to 30 September 2022, the offer is for guests who book a Christmas 2022 cruise or a 2023 cruise departure. Holland America hopes that the 'Book Early & Save offer' comes at the right time for consumers who are starting to plan their upcoming holidays and 2023.

**Jet2Holidays** - Jet2holidays will hold its eighth annual VIP conference for top performing independent travel agents in Portugal later this year. The conference, which will take place from 21 to 24 November, will be held in Olhos de Água. Last year's event was held in Leeds.

**Travel Counsellors** - Travel Counsellors has appointed Mat Hanson as Chief Financial Officer to play a key role in driving the Company's growth. Mat Hanson replaces Neil Barnes, who has been interim chief financial officer since February.

## SOCIAL UPDATE

### **Elon Musk officially seeks to terminate Twitter takeover**

Elon Musk has officially filed a motion with the SEC to terminate his \$44 billion takeover of Twitter, based on the Company's failure to provide accurate information on the number of fake accounts on its platform. Musk's team says that, despite repeated requests for qualifying information, Twitter had failed to provide them with the data required to make an accurate and true assessment of the number of fake accounts on its platform, within a reasonable timeframe, amongst other things such as the financial standing of the Company.

### **Instagram tests new 'Notes' feature**

Instagram has launched its test of 'Notes' - 60 character long updates - that will sit

at the very top of a user's inbox, where they can share whatever they want with their connections. This is another feature that Instagram is hoping will boost engagement on the platform, prompting people to communicate more with one another whilst using the app.

## MICE UPDATE

### **Hopin lays off 29% of its staff**

As demand for in-person events has returned, online platforms that once thrived over the pandemic are seeing a slowdown of growth. Virtual events startup Hopin has laid off 29% of its staff, the cuts come four months after Hopin let another 12% of its staff go. In the latest reduction, the staff let go are primarily supporting its events businesses, while no specific teams have been named, it's reported that senior executives are part of the layoffs. Zoom's stock has fallen 71% in the past year in a similar downturn.

## LIGHTER NOTE

Young, orphaned elephants appear to benefit physically and measurably, from the "support" of other young elephants, reducing the stress caused by the loss of their mothers. Read more [here](#).