

WEEKLY REPORT

19 August 2022



COVID-19 UPDATE

The number of people testing positive for COVID-19 in England has decreased by 21.2% in the past seven days. The number of deaths within 28 days of positive test results also fell by 20.3%, and there was a 10% decline in the number of patients admitted to hospital. As of 16 August 2022, 69.2% of people over the age of 12 in England have received their third or booster dose.

Other regions in the UK also saw a decline in COVID-19 cases over the previous seven days, with Scotland showing a 17% decrease in the number of positive cases, and Northern Ireland experiencing a 7.3% drop in coronavirus-related deaths. In Wales, the rates of infections and hospitalisations are also in decline. All COVID-19 rules and restrictions have been lifted across Scotland, England, Wales and Northern Ireland.

Headlines report that a new Moderna Covid booster vaccine, designed to target both the original COVID-19 strain and the Omicron variant, will be offered to over-50s and clinically vulnerable people this September, as part of the UK's autumn booster programme.

ECONOMIC, POLITICAL AND SOCIAL UPDATE

Inflation drives fastest fall in real pay on record

Pay has fallen further behind the rising cost of living, according to the latest official Office for National Statistics data. Data reveals that whilst average wages rose 4.7% between April and June, these were outpaced by the rapid rise of prices and inflation. At present, the rise in prices has fuelled UK inflation to a 40-year high and led to the largest gap between pay growth and inflation in the past 20 years, with

private sector wages rising by 5.9% and public sector rising by 1.8%.

Royal Mail workers vote for further strike action

At Royal Mail, around 115,000 members of The Communication Workers Union (CWU) have voted for further strikes over terms and conditions. Strikes are planned for 21 and 26 August, and 8 and 9 September. The CWU's Terry Pullinger said in a statement, "In these times, working people need more security on the job, not less, and we won't be backing down until we secure an acceptable solution for our members."

The Institute for Fiscal Studies warns that pledges to slash taxes by Conservative leadership candidates are "unrealistic"

The Institute for Fiscal Studies (IFS) reported that large, permanent tax cuts, as promised by Conservative leadership candidates, Rishi Sunak and Liz Truss, could add to pressures on the public purse as the economic outlook deteriorates. This warning comes as consumer prices continue to soar, with inflation hitting 10.1% in July, a 40-year high. With the UK finding out who its next prime minister is on 5 September, the soaring cost of living will be among the biggest challenges facing the new leader.

TRADE UPDATE

Heathrow Airport extends cap on passengers to end of October

Heathrow is to extend a cap on the number of passengers flying from the airport until the end of October due to staff shortages. After consulting with airlines, a daily limit of 100,000 departing passengers will now apply until 29 October. Heathrow Airport said the measure would enable more reliable passenger journeys and also said the cap would be kept under regular review and could be lifted early if staffing levels improved.

UK outbound travel to overtake pre-pandemic levels by 2024

UK outbound travel is set to surpass pre-pandemic demand in 2024. The country's outbound travel figures will be reaching 86.9 million by 2024, overtaking the 84.7 million recorded in 2019, says data and analytics company GlobalData. Megan Cross, Travel & Tourism Analyst at GlobalData said, "With periods of high inflation, it would be typical to see severely dampened demand for international travel."

However, as seen from multiple stories about queues at European airports, the demand is still intact,". With rising prices, British travellers will be re-assessing budgets and will be seeking budget-friendly options. According to GlobalData, 48% of British respondents identified 'affordability' as a main factor when considering a holiday.

Strong indications of consumer confidence rebounding in air travel

The CAA said on Wednesday 17 August, there were nonetheless "strong indications" consumer confidence is rebounding in air travel, despite the challenges that soaring demand is posing for the aviation industry. From the start of April to the end of June, passenger numbers more than doubled compared with Q1 (three months to 31 March) while the total number of flights increased by 63%. Factors driving up passenger numbers included the lifting of all remaining Covid travel restrictions at the end of March, and subsequent Easter, May half-term and Queen's platinum jubilee celebrations.

In total, 63 million passengers flew in and out of the UK during Q2 2022 on 477,559 flights; this compares with 31 million on 292,764 flights during Q1 and represents a 23% decline in passenger numbers compared with Q2 2019. Load factors edged closer to pre-pandemic levels during Q2 down, rising to 80% – just 5% shy of where they were in Q2 2019. June passenger numbers peaked at 82% of 2019 levels in the week beginning 6 June.

Passengers advised to avoid rail travel to airports

Passengers have been "strongly advised" not to travel to Gatwick airport by train at the weekend owing to a fresh round of national rail strikes, with passengers across the UK broadly advised to make alternative arrangements to get to their departure airport over the coming days. Network Rail members of the RMT and TSSA unions, as well as staff from 11 train operators, started the first of two 24-hour walkouts on Thursday 18 August. A second strike will take place on Saturday 20 August with the knock-on effect of the walkouts expected to disrupt services on Friday and Sunday. Affected roles include ticket office, station and control room staff, plus engineers and workers in planning, timetabling and other roles. In total, around 45,000 rail workers will walk out over 18 and 20 August. Gatwick has warned alternative forms of transport will also be busier than usual and urged passengers, where possible, to arrange private transport.

Travel Counsellors reports July sales are up 143% compared to 2019

Travel Counsellors reports July sales were 143% up on 2019 sales, claiming nearly £60 million worth of new UK sales last month. Just over £40 million came from leisure bookings and £15.6m from corporate sales (a 127% rise compared to 2019). Nearly 39,000 leisure customers travelled in July, up from 30,322 in the same month in 2019. According to recent sales figures, the most popular destinations for the remainder of the summer are Spain, the US and Greece, while the three destinations are also leading bookings for next summer. Barbados, Australia and the Maldives are among Travel Counsellors' most popular destinations for winter 2022/23. Despite the cost of living crisis, Travel Counsellors reported consumer confidence was still high "and the desire to travel remains strong" for this summer and in 2023. More than 60% of customers in a recent company survey said the current economic situation was having "no or minimal impact" on their international holiday plans for 2022 and next year.

Virtuoso reveals autumn/winter 2022 trends

Global luxury travel agency network Virtuoso has shared its luxury travel trends for autumn/winter 2022, with cruising and wellness as top sellers. The organisation, made up of travel agencies, travel advisors, hotels, cruise lines, airlines, tour companies and premier destinations, found that islands and beaches are topping travellers' lists for winter travel, followed by trips with a wellness component and ocean cruises. With heavy bookings into 2023, cruising is leading the way. The Caribbean islands seem to be gaining popularity through the rest of 2022 and into 2023 and wellness-focused trips were the only category to see a year-on-year increase: 2021 (13%) vs. 2022 (24%). The data also suggested that luxury travellers are willing to spend more money to get the experience they want.

AIRLINE UPDATE

Cathay Pacific - Cathay Pacific flew 220,000 passengers last month and noted an uptick in demand on UK routes. Last month's passenger figures represented an increase of 300% on a year ago but still well down on pre-pandemic. Passenger load factor rose to 73.3%, the highest yet since the start of Covid. "We saw strong demand on our UK routes, especially from students returning to Hong Kong. As many of these flights were full, some traffic shifted to our other European gateways," Chief Commercial Officer Ronald Lam said. "Student traffic to the US and UK is also expected to provide our travel business with a strong boost in August and September. However, our ability to add more passenger flight capacity will remain limited unless the restrictions on our aircrew are lifted."

EasyJet - EasyJet has launched a new route from Belfast City airport to Glasgow, operating from October 31. The service will operate three times a week, with departures on Mondays, Thursdays and Fridays throughout the winter season until March 24, 2023. The route is the airline's fourth service to be launched from Belfast City airport in recent months, following new Gatwick, Bristol and Liverpool links.

Emirates - Emirates will boost capacity to Mauritius starting October 1, with the introduction of a third daily flight. The additional flight will operate seasonally through January 31, 2023. The third-daily flight adds 35% more seat capacity on the route during peak season in Mauritius.

Ryanair - Ryanair is adding over 500 flights to and from London Stansted Airport for the autumn half-term break. It adds up to an additional 100,000 seats to destinations in Spain, Italy, Portugal, Greece, and France. Ryanair has added these extra seats in response to flight restrictions imposed by Heathrow and says Heathrow and London Stansted Airport both have sufficient staff to handle the additional flights.

Wizz Air - Wizz Air announced a new route from London Luton Airport to Podgorica. The new route to Montenegro's capital will launch in November 2022 and tickets are available now on wizzair.com or via the airline's mobile app. Starting 2 November 2022, Wizz Air will fly twice a week.

TOUR OPERATORS, TRAVEL AGENTS, OTA UPDATE

Disney Cruise Line - Disney Cruise Line will no longer require guests under the age of 12 to be fully vaccinated against Covid-19. From 2 September, the line's requirement to be vaccinated will no longer apply to guests aged 5 to 11 for sailings out of US and Canadian ports. However, the company will still require guests over the age of 12 to be fully vaccinated.

Kuoni - Grenada has been added to Kuoni's Caribbean programme for the first time since 2019. The Caribbean destination will be on sale for the 2022/23 season, with a number of new experiences on offer. Speaking to TTG, senior programme manager Sheena Paton said Kuoni was also planning to twin Grenada with stays in Saint Lucia and Barbados, "to enrich and diversify how it sells Caribbean holidays".

Kuoni - Kuoni has revealed plans to ramp up its focus on the trade, with a new team dedicated to renewing the operator's agent relationships. Matt Sole has been appointed business development executive to develop and strengthen Kuoni's trade partnerships, with Robin Griffiths also joining the team.

Mercury Holidays - Mercury Holidays is doubling agent incentives for August in connection with the just-launched brochures. The double incentives promo is applicable to all short haul, long haul, escorted tours, and river cruise products. The August incentive is now £20 per adult, booked for all departures for flight only bookings throughout the month. The incentives are paid as Love2shop Vouchers.

Tui - Tui Group has indicated plans to expand capacity to Jamaica in summer 2023 with increased flights. Tui currently operates up to ten flights a week to the island from Gatwick, Manchester and Birmingham. The flights support cruise and land stop over arrivals to the island with the aim to have up to eight flights dedicated to stop over arrivals by next summer, according to the Jamaica Tourist Board.

USAirtours - USAirtours has given its staff members a working from home allowance of £1,200 per year to help them cope with the rising cost of living in the UK. Founder and chief executive Guy Novik said the past two years made it "very difficult" for companies to find the extra reserves to reward staff and pay bonuses. "Now that we are growing again, we not only want to retain the amazing staff who got us through the toughest trading period I've experienced but also attract talented and experienced individuals to join our team," he added.

SOCIAL UPDATE

Meta launches new Reels features

As Meta works to latch onto the short-form video trend, and negate the rising influence of TikTok, the social media company has announced some new updates for Reels, across both Facebook and Instagram. These updates include additional Reels insights, the expansion of the 'Add Yours' sticker, and 'auto-created' Reels clips. The main addition is the expansion of the 'Add Yours' sticker from Stories to Reels, providing another way to prompt engagement from other users via Reels clips. Users will now be able to post 'Add Yours' questions via Reels clips, and they'll also be able to view all the various video responses to any prompt in each app. In addition to this update, users will soon be able to automatically convert their

archived Stories into Reels clips which could provide another simple way for users and brands to create Stories content, utilising video assets that they already have to link into the trend.

MICE UPDATE

Changing travel habits of MICE groups

According to an interview with Clive Chalmers, head of charter at Air Partner, group travel is on the road to recovery but there is a marked difference in the post-pandemic travel experience and attitudes of those flying to attend in-person conferences and incentive trips. Event planners are calculating the carbon footprint from hotel stays and day trips, while group travel is being streamlined to reduce environmental impact. Conferences are rebounding but attendee numbers are scaled back, while incentives budgets are expected to increase by more than a third as companies tackle the Great Resignation. The risk of employee Covid-19 infection is another factor that continues to need to be addressed.

LIGHTER NOTE

Rabbits are pictured surfing on sheep's backs to escape the rising floodwaters in New Zealand. See [here](#) for further details.