

# WEEKLY REPORT

7 October 2022

## COVID-19 UPDATE

The number of people testing positive for COVID-19 increased by 21.8% between 24 September and 1 October. Meanwhile, the number of deaths within 28 days of positive test results has risen by 9.8%. As of 2 October, 69.5% of people aged 12 and over in England have received their first booster or third vaccination.

## ECONOMIC, POLITICAL AND SOCIAL UPDATE

### **Average five-year mortgage rate hits 12-year high**

The typical mortgage rate deal now has a rate of 6.02%, the financial information service Moneyfacts says, a level not seen since February 2010. Mortgage rates have been rising for months but saw a sharp increase following the mini-budget last month. The latest rise in rates came as the heads of major UK lenders met with the Chancellor of the Exchequer, Kwasi Kwarteng this week.

### **Millions will receive £324 cost-of-living payment in November**

More than eight million people will get a cost-of-living payment of £324 in November, the government has said. It is the second part of a £650 grant to help low-income households cope with soaring food and energy prices. The £650 grant is the largest part of a £1,200 government support package for vulnerable households designed to help with rising prices, and specifically soaring energy bills.

### **NI Protocol dispute will not be resolved by 28 October**

Irish Foreign Minister Simon Coveney has said he does not believe the dispute over the Northern Ireland Protocol will be solved within weeks. The UK and EU held technical talks over the protocol on Thursday afternoon, in a bid to make progress. Under current rules, if devolution is not restored by 28 October, Northern Ireland secretary Chris Heaton-Harris is obliged to set a date for a fresh Stormont election. He has rejected suggestions the government would delay the deadline if talks on the protocol have not made progress by then and said he would "push the button" on an

election, if required.

### **September records slowest retail sales growth since shops reopened**

September saw the slowest retail sales growth since shops reopened post-COVID-19 restrictions due to a combination of inflation, economic crisis and an unexpected bank holiday, figures show. In-store and online sales increased by just 2.8% in September compared to last year, according to BDO's High Street Sales Tracker (HSST). It comes after a similar poor set of results in August, which was the previous lowest post-COVID-19 performance for retail sales.

## **TRADE UPDATE**

### **US specialist tips market to shrink by 20% due to pound's slump**

The pound's fall to a record low against the dollar last week led one US specialist tour operator to warn the market could contract by 20% next year. USAirtours chief executive Guy Novik noted sterling "bounced back a bit" following a dramatic fall to below \$1.04 triggered by a government announcement of unfunded tax cuts. A partial government retreat saw the pound recover to about \$1.13 as Travel Weekly went to press. But Novik said: "The exchange rate, combined with cost-of-living increases and increased interest rates, will reduce the size of the market. We anticipate the overall fall in the US market to be around 20% on 2019."

### **Trade industry back calls for return of tighter terms and conditions**

Agents and operators have backed calls for tighter terms and conditions to stave off a rise in holiday cancellations – although some felt flexibility is still needed to encourage bookings. Speaking at the recent Future of Travel Conference, Hays Travel Owner Dame Irene Hays said it would be "better for the industry" if companies agree to "firmer arrangements". Suppliers offered more flexibility in the pandemic to retain bookings, but many have reverted to normal terms and conditions. There are worries about how firmly these are being enforced and the impact this is having on agents and operators.

### **Fares rose by 'up to 30%' because of Heathrow passenger cap**

The Business Travel Association has welcomed confirmation that Heathrow will lift its passenger cap as planned on 29 October but said the limit had forced fares up. The airport announce in July that it will have a capacity cap to help it cope with disruption caused by soaring demand amid a struggle to recruit after Covid restrictions eased. The cap was set at 100,000 per day and airlines were told to stop selling summer season tickets to limit the impact on passengers. The cap was originally set to end on 11 September but in August the airport said it would extend the cap through most of October, taking in the busy school-half term period.

## AIRLINE UPDATE

**American Airlines** - Around 50 American Airlines technicians and crew chefs will take part in strikes, which threaten to disrupt the airline's 23 daily departures from the London airport. "Amid a cost-of-living emergency, American Airlines is proposing that our members accept a three year pay cut. That is simply unacceptable," said Sharon Graham, General Secretary of Unite, the trade union. "Our American Airlines members have Unite's total support during these strikes." The airline has experienced a strong post-pandemic recovery, posting a record second-quarter revenue of \$13.4 billion – a 12.2% increase over the same period in 2019, despite flying 8.5% less capacity.

**Asian Airlines** - Airlines in Asia showed the strongest international growth in August despite COVID-19 restrictions being maintained across mainland China. Latest passenger data from IATA shows total traffic rose by almost 68% against the same month last year and reached 73.7% of pre-pandemic levels. International levels more than doubled year-on-year while domestic volumes rose by more than a quarter.

**Virgin Atlantic** - Virgin Atlantic is ending service to Hong Kong and closing its offices after 30 years in the Asian hub. The airline suspended passenger flights to the city in December, when all flights from the UK were banned due to the pandemic. Flights from London had been due to resume at the start of the 2023 summer schedule.

**Vueling** - Spanish low-cost carrier Vueling has signed a deal with aviation analytics company Cirium to "dramatically improve" the airline's operational performance and minimise delays. The multi-year deal provides Vueling access to Cirium's new aviation data warehouse and analytics solution, Cirium Sky. The airline, which is part of International Airlines Group (IAG), can use Cirium Sky to manage flight operations more effectively and analyse delays based on data.

## TOUR OPERATORS, TRAVEL AGENCIES, OTA UPDATE

**Abercrombie & Kent** - Luxury specialist Abercrombie & Kent has opened four destination management companies in Colombia, Namibia, Saudi Arabia and Canada to cater for growing demand. A&K now has more than 55 offices in 30-plus countries, making it the world's largest network of luxury DMCs. Martin Froggatt, executive vice-president of destination management, said: "Luxury travel is rebounding at an incredible rate, and we're ready to serve the demand."

**Black Tomato** - Black Tomato was named First Official Travel Partner for Curated James Bond Trips. Marking the 60th anniversary of James Bond's debut in cinemas, Black Tomato, as official travel partner to EON Productions, has been given the honor of developing private 007-inspired travel experiences, beginning with a multi-country European itinerary. This inaugural adventure is set in the continent that has played host to myriad Bond film locations over the years. Working in close collaboration with the James Bond team, including some of their most long-standing location scouts, the debut trip will pay homage to 007's inimitable style and excellence, enveloping many memorable scenes.

**Hays Travel** - The UK's largest independent travel agency, Hays Travel, has announced a return to profit for the first time since the start of the pandemic. Three years since rescuing Thomas Cook shops and jobs, the Sunderland-based company has announced a profitable year for the group in 2021 and 2022. It reported a profit before tax of £14.35 million from its operations in high street retail, online service centres, homeworking, franchise, foreign exchange and its Independence Group, which provides back-office services to other independent travel agencies.

**InteleTravel** - InteleTravel is on "several acquisition missions" but its president quashed rumours that the homeworking firm is poised to buy an agency network in the UK. Speaking on a visit to London, James Ferrara said: "It doesn't make sense for us to acquire an agent network. We've established such a gravitational pull in the marketplace on our own. We're getting as many agents as we want. That's not the challenge for us." He added he was looking to buy companies that are "additive to our business, not our agent network", and said this could cover technology or support services, to provide more opportunities for InteleTravel members to sell and earn.

**Midcounties Co-op** - The Midcounties Co-operative's travel group is in a "strong position" to withstand challenges ahead and grow in future, according to chief travel and leisure officer Sara Dunham. Dunham, who joined 18 months ago, told The Midcounties Co-operative Travel Consortium conference in Sicily that the society overall had started the year well. "We have had a strong start to the year given the cost of living concerns and changes in consumer behaviour. Our financial position is improving," she said.

## SOCIAL UPDATE

### **Twitter launches first stage of Tweet editing**

After years of requests, Twitter has finally launched the first stage of the roll-out of its new tweet editing feature with users in Canada, Australia and New Zealand now able to revise their live content for 30 minutes after posting. The process is fairly straight forward with users receiving a notification after posting informing them that they can make changes within the half hour. Users can make up to five edits to the original tweet within that period.

### **Instagram expands testing of multiple links in user bios**

Whilst it has been in testing for a while, Instagram has expanded access to a new option which enables some creators to add multiple links to their Instagram bio, as a means to help expand their business-building potential in the app. It is not yet clear how many links users will officially be able to add, but the idea is seemingly to negate the value of third-party tools like Linktree. If the test proves successful, it could be a valuable addition, providing more ways to drive traffic from an Instagram presence.

## MICE UPDATE

### **Corporate event spend to rise 83% in 2023**

According to the Annual ICE Report, spending on events and brand experiences within the corporate sector is expected to increase by as much as 83% next year. Launched at Cvent CONNECT Europe, the report goes on to warn that this is not just a sign of growing confidence in events, but also a reflection of the spiralling cost of running events as inflation and the cost of materials, people and fuel all begin to affect the sector. The report also highlighted sustainability as the key challenge for the sector, followed by measurement of event performance, ensuring the brand is represented consistently across events. For the first time, diversity, equity and inclusion is a key issue which has risen into the top five challenges for the first time.

## LIGHTER NOTE

### **Clever dog rearranges living room to make herself a bed**

Seven-year-old Polly the greyhound decided one dog bed wasn't enough - and she wanted two. Watch [here](#).