

WEEKLY BRIEFING

27 January 2023

ECONOMIC, POLITICAL AND SOCIAL UPDATE

Debt costs help push government borrowing to 30-year high

Government borrowing hit a new high in December, driven by the cost of supporting households in the cost-of-living crisis. Borrowing, the difference between spending and tax income, was £27.4bn, the highest cost for any December since records began in 1993. The Office for National Statistics (ONS) said inflation was the main factor behind the rise in borrowing. While gas prices have begun to come down, the typical UK energy bill is still almost twice what it was before Russia invaded Ukraine. To help ease the burden, the government cut energy bills in England, Scotland and Wales by £400 this winter, along with the launch of the Energy Price Guarantee scheme, limiting average household bills to £2,500 per year.

Rail workers given fresh pay offer in dispute

Rail workers have been given a fresh pay offer by The Rail Delivery Group (RDG) in a bid to end the long-running strike action. The deal includes a backdated pay rise of 5%, up from a previous offer of 4% for 2022, and a 4% increase this year, and is dependent on changes to working conditions, which the RMT union is still considering. Since June 2022, there have been 16 days of strike action involving RMT members working at both train companies and Network Rail, with Network Rail members additionally striking in a separate dispute between Christmas Eve and 27 December. Train drivers in the RMT are also due to join members of the main drivers' union, Aslef, in strikes on 1 and 3 February.

Partygate returns: MPs' investigation looms for Boris Johnson

After playing a key role in Boris Johnson's ousting from 10 Downing Street, Partygate has returned. The former Prime Minister is still facing an inquiry by the Commons Privileges Committee over whether he misled MPs during his leadership.

Opposition parties have accused Mr Johnson of misleading MPs over his knowledge about gatherings in government buildings during lockdowns, where, on several occasions, he told the Commons that pandemic rules had been followed. Mr Johnson has admitted that his original statements to MPs have since proved incorrect - but has said he believed them to be true at the time. The committee will recommend whether Mr Johnson committed a contempt, and if so, how he should be punished, to the whole House of Commons for a final decision. Possible punishments range from ordering him to apologise to suspending him from the Commons for a period of time.

TRADE UPDATE

Agents say sales show “no signs of slowdown”

Travel agents have enjoyed another week of record sales, with some firms reporting clients booking multiple holidays at the same time. Agents have said there is no sign of bookings easing off, with last Saturday's sales beating record highs seen on 'Sunshine Saturday' for many. Barrhead Travel said its best-ever sales day on 7 January had been followed by two consecutive record weeks. "There are no signs of the market slowing down at the minute," said president Jacqueline Dobson. "Customers are telling us they want to book as early as possible to make the most of sale savings as well as having the opportunity to manage monthly payments." She added: "Multiple bookings at once are more common too, with some branches reporting customers are booking up to three holidays in one go."

TTG launches WhatsApp community for daily news updates

TTG Media has launched a news-led community WhatsApp group to ensure they are delivering the top travel trade news stories to readers as they break. Anyone can join the community to receive regular updates from across the UK and Ireland travel trade, from key news updates to personnel changes. Members can mute the channel if they prefer, but will still be able to check in on the latest news as and when it suits them. It follows *TTG* reader research, which found 73% of agents believe *TTG* reassures them they are on top of industry developments.

Audley Travel to boost trade activity in 2023

Audley Travel will expand its trade activity in 2023 after the tailor-made specialist saw agent bookings double YoY in 2022. The firm will launch a wider range of agent-facing marketing materials in 2023, including the company's first-ever range of video content. Audley will also continue to expand its trade training programme with more in-person meetings. Greg Thurston, trade sales manager at Audley Travel, said: "It is really important for us to be able to give agents an in-depth understanding of how we work and the quality of service we will provide their clients. "We also want agents to experience this for themselves, and we will therefore be running our first ever agent fam trips later in the year."

Start-up technology supplier views to fight industry-wide fraud

A new travel technology supplier run by the founder of Kosmar is to launch “affordable and quick” tools to combat rising fraud in the industry. Travelix, which launches next month, plans to roll out two crime-busting systems to help travel agents and tour operators battle fraudsters. The announcement comes as increasing numbers of agents report cases of fraudsters posing as agents and using genuine Abta numbers to call up operators to book holidays. Managing director Jhy Worsnop-Hesford, also MD online travel agency and operator Kosmar and homeworking agency Destinations Desired, said the company had started working on its own technology during COVID-19 and developed the new crime-busting technology after being targeted by fraudsters at the end of last year.

AIRLINE UPDATE

EasyJet - Easyjet holidays carryings are expected to rise by more than 500,000 this year as consumers prioritise cost-effective beach breaks. Chief executive Johan Lundgren said growth in the tour operating arm was unrestricted as it followed the overall budget carrier’s network. His comments came as he reported three consecutive overall record-breaking booking weekends this month. The airline expects to return to pre-pandemic 2019 capacity levels by the summer peak period and has more than half of its fares on sale for under £50.

Jet2 - Jet2 has upgraded its annual profit forecast for the year to 31 March to as much as £385 million on the back of a surge in bookings and higher prices. The UK’s second largest tour operating group described forward bookings for the summer as “encouraging” with capacity up by 6.6% to 15.2 million seats over the last year. Winter 2022-23 forward bookings continued to strengthen through December and January. The mix of package holiday customers represents about 77% of the total booked for this summer and one percentage point higher than summer 2022.

Wizz Air - The budget carrier is set to recover to pre-pandemic levels of aircraft utilisation this summer with a fleet of more than 185 aircraft across a “more diversified” network, according to chief executive Jozsef Varadi. His comments came as the airline saw carryings for the three months to December 31 rise by almost 60% year-on-year to 12.4 million. Wizz Air expects to make an overall loss for the 12 months to March but projects a return to the black in the next financial year.

Ryanair - Ryanair will offer more capacity from Kerry this summer to seven destinations including London, Manchester and Frankfurt. With 7% more capacity than summer 2022, the airline will carry more than 350,000 passengers to and from Kerry airport this summer.

The carrier's schedule will deliver seven routes, 76 weekly flights, increased frequencies to Alicante and Manchester, and support more than 430 local jobs. Ryanair's Dara Brady said: "Ryanair is pleased to announce our new Kerry schedule for summer 2023, with seven routes to the likes of Alicante, Faro and London, offering the people of Kerry and its surrounds even more choice for their summer holidays at the lowest fares in Europe."

Virgin Atlantic - Virgin Atlantic has named its newest aircraft Queen of the Skies in honour of the late Queen Elizabeth II. The carrier's new Airbus A330neo – which will also feature the royal registration G-VEII – will enter service in April, flying from Heathrow to destinations such as Miami, New York and Tampa. The move marks the second time the Queen of the Skies moniker has been used on a Virgin Atlantic aircraft, after her late majesty unveiled an Airbus A340-600 with the same name at a ceremony in Toulouse in 2004. Corneel Koster, chief customer and operations officer at Virgin Atlantic, said: "Just like Queen Elizabeth during her historic 70-year reign, Virgin Atlantic is proud to fly the flag for the United Kingdom around the world."

TOUR OPERATOR UPDATE

Virgin Voyages - Virgin Voyages has doubled the size of its international team with a raft of promotions and appointments. Speaking during a *Travel Weekly* webcast, sales vice-president Shane Lewis-Riley confirmed the line's international team had increased from eight to 16 staff following the recent recruitment drive. Princess Cruises sales manager – Europe, Matt Lebborn, Mark Lowman, Princess Cruises' sales operations manager, and Beth Hulett, global supply manager at Iglu, have all been recruited. Lebborn will head up the line's European sales strategy while Lowman will oversee the Australia market for the line. Both are due to start at the end of February.

EasyJet - EasyJet holidays is more than 60% sold for the summer as demand outstrips previous projections. The budget carrier's tour operating arm reported strong demand, ahead of previously forecast year-on-year growth of 30%, and is upgrading "ambitious" growth plans. "With the holidays business not constrained and considering current levels of demand, we now expect to see growth of circa 50% on full year 2022," the airline said. "EasyJet holidays remains the UK's fastest growing major holiday company, with a 161% increase year-on-year in customers as demand for travel in the UK remains strong."

Saga Group - Saga Group has announced plans to enhance its tailor-made product ahead of a marketing push in February. The over-50s and insurance specialist has added 15 new destinations, self-drive and motorhome holidays and private touring options across south-east Asia following the relaunch of its travel arm last year. As a result, the brand reported "exceptionally" high levels of customer calls in the first three weeks of January 2023, with volumes higher than those observed prior to the pandemic. The announcement came as part of the company's recent trading update, where it said it remains on track to report an underlying profit before tax of between £20m-£30m. Revenue in 2023 for the group is expected to be between 40% and 50% ahead of 2022, driven by continued cruise and travel demand following the pandemic.

On the beach - On the Beach will up its investment in technology and its customer proposition to carry strong turn of year sales growth into summer 2023. In a trading update covering the period from 1 October 2022 to 27 January 2023, the group said it would "significantly" increase investment across the brand to help it build momentum for the second half of the year. Although the OTA's first quarter is historically its quietest trading period, the group's transaction value (TTV) for October, November and December 2022 exceeded the same period a year earlier. The company's bookings since the Christmas period have "materially increased", while its TTV since the start of the financial year to date is up 68% against the equivalent period in its 2022 full-year.

SOCIAL UPDATE

Instagram Chief says photos will become the focus in 2023

The Head of Instagram, Adam Mosseri has said that the platform had gone too far with the promotion of videos on the platform and in 2023 will once again focus more on photos. Instagram's popularity arose from the proliferation of camera phones, allowing users to share photos from their devices with simple editing tools. However, the popularity of Stories shifted this focus and was a key growth pole for the platform, followed by Reels.

LinkedIn shares data on engagement and ad performance

The ongoing upheaval at Twitter is leading to more users switching to LinkedIn, and the platform has recently shared data on its ad performance, usage and engagement. Key stats to note are that in 2022, there was a 22% increase YoY in feed updates and a 25% increase YoY in public conversations, with users sharing 25% more public content. When it comes to ads on the platform, it was found that sponsored messaging doubles engagement and open rates, and according to a study by Nielsen, LinkedIn ads are more successful than those on other top social platforms at generating brand lift for B2B and B2C brands.

MICE UPDATE

Agiito partners with TravelTime to support venue selection process

Events agency Agiito has partnered with API developer, TravelTime, to support meeting bookers with travel time information during the venue selection process. The technology will provide Agiito's meeting bookers with a list of venues ranked by travel time, giving them a "realistic range of venue options that avoid the need to guess travel times or calculate them via third-party websites." The aim is to build an accurate picture for bookers and help them make a more informed decision when choosing a meeting location. Agiito is currently implementing the TravelTime API into Meetingspro, the agency's venue-finding booking tool, and it will be available for pilot in February.

LIGHTER NOTE

101-year-old woman reveals her secret to longevity is dancing every day – find out more [here](#).