

# WEEKLY BRIEFING

12 May 2023



## ECONOMIC, POLITICAL AND SOCIAL UPDATE

### **Interest rates raised for 12th time in a row**

For a 12th consecutive time, the Bank of England has raised interest rates from 4.25% to 4.5% - the highest level for almost 15 years. Chancellor Jeremy Hunt stated in a press conference that took place yesterday (Thursday 11 May) that this rise will "obviously be very disappointing for families with mortgages" as the interest rate rise will see the cost of variable or tracker mortgages go up, though the rate of return for savers could improve. The Bank of England has said the reason for the latest rise is due to a further attempt at slowing rising prices as the inflation rate, a measure of the generalised rise in prices for almost all goods and services, is at 10.1%. This means that the cost of living on average is over 10% more than it was 12 months ago. The Bank has also stated that the UK economy will now be able to avoid recession, but price rises will not slow as quickly as expected due to increasing food costs.

### **Wind is main source of UK electricity for first time**

In the first quarter of this year, one third of the UK's electricity was supplied from wind farms, research from Imperial College London has shown. This marks the first time wind turbines have generated more electricity than gas in the country. It was also confirmed by National Grid that April saw a record period of solar energy generation, a positive update as the UK aims for all of its electricity to have net zero emissions by 2035. "There are still many hurdles to reaching a completely fossil fuel-free grid, but wind out-supplying gas for the first time is a genuine milestone event," said Iain Staffell, energy researcher at Imperial College and lead author of the report. Scientists repeat the crucial need to switch to renewable power in order to curb the impacts of climate change, which are already being felt in the UK who recorded its hottest year in 2022 since records began.

### **Eurovision Song Contest: What is it and when is it?**

The line up for the Eurovision Song Contest Grand Final has been confirmed following the second semi-final that took place on Thursday. Saturday's grand final will see 26 countries battle it out for the crystal microphone and the chance to host the next contest. This year, the competition takes place in Liverpool, UK on behalf of 2022 winners Ukraine, and is the first time it has been held in the UK for 25 years. Beginning in 1956, Eurovision has since seen its competitors rise to global stardom, most notably Swedish pop group, ABBA. It is a night enjoyed by many across Europe (and the globe) as people host watch parties and gather to support the acts and watch the votes roll in.

## **TRADE UPDATE**

### **Heathrow warns post-COVID-19 passenger growth 'may be levelling off'**

Heathrow has warned that post-pandemic passenger growth may be levelling off as it reported handling 6.4 million travellers in April. More than 90% of passengers passed through security in under 10 minutes over the Easter peak and coronation periods, despite strike action by security staff. But the London hub said: "There are early indications that passenger growth may be levelling off, with recovery now stable at 93-95% of 2019 levels across each of the first four months of this year." Other developments highlighted by Heathrow in April included new Loganair flights to Derry, Dundee, Sumburgh and Kirkwall, increasing the airport's domestic network by 50%. In addition, the airport expects to have seven departures to Chinese cities by the end of May, after the country reopened its borders earlier this year.

### **Solo travellers opting for cruise holidays, research finds**

Solo travellers are opting for holidays-at-sea over land-based trips, according to new data. A survey of 800 people carried out by cruise specialist cruise.co.uk found more than two thirds of those questioned (70%) would choose a cruise over a land itinerary for a solo trip. Meanwhile, 40% of those of employment age would consider taking their job onboard whilst remote working. When it comes to destinations, sailing from the UK to Europe was the preferred choice for single cruisers, with more than half of respondents selecting this option. The Caribbean came in second place, with 32% opting for sunnier sailings.

### **Expedia to revamp agents' booking portal**

Expedia will upgrade its agents' booking tool later this year after an initial test in the US. The portal services the online giant's Travel Agent Affiliate Programme (TAAP) used by more than 35,000 agencies in over 30 countries. The upgrade has several new capabilities including enhanced payment options plus Live Agent chat to help with queries. Expedia said 32% of all agent interactions in the US in the first quarter of this year were serviced through Live Agent chat. Expedia will also begin publishing guest scores for its hotels later this year. Expedia Group saw revenue in its B2B division grow 55% year on year in the first quarter.

### **Uber adds flight bookings to UK app**

Flight booking capability is being added to the Uber ride-sharing app in the UK for this summer. The new flight booking functionality is powered by online travel agent Hopper. The move strengthens Uber's ambition to create a seamless door-to-door travel solution. Flights on Uber join existing transport options including Uber Rides, Uber Boat by Thames Clippers, train journeys across the National Rail network, Eurostar and coach travel with National Express and Megabus. Uber recently integrated bookings with Heathrow Express, allowing for seamless booking through the airport rail shuttle service. To book flights users need to enter their travel details, including where they will be travelling to and from, along with dates. Customers will then be able to select their departing and returning flights if taking a round trip. They will also be able to select seats with major carriers in the app as well as pay.

## **AIRLINE UPDATE**

### **Jet2**

Jet2 has put the first of its new Airbus A321 neo aircraft into service, flying from Manchester to Malaga. The neo (New Engine Option) is up to 20% more fuel efficient and produces fewer emissions than the version it replaces. Jet2 has 98 firm orders for the 232 passenger Airbus A321 and smaller A320 neo aircraft, which could extend to 146 aircraft.

To mark the first A321 neo entering service, Jet2 gave all passengers on the flight a voucher offering them £100 per booking off their next package. Customers also received a VIP red carpet welcome at Manchester airport, as well as refreshments and goodie bags handed out at the departure gate.

## Emirates

Emirates gains from 'tide of demand' after last COVID-19 travel curbs are lifted. Emirates saw "significant" revenue increases in 2022-23 as the group expanded its air transport and travel related operations following the removal of nearly all pandemic related restrictions around the world. The airline improved its financial results and reported a record profit of \$2.9 billion after the previous year's \$1.1 billion loss. This came with an "exceptional" profit margin of 9.9%, reflecting the best performance in the airline's history. Emirates carried 43.6 million passengers, up 123% year on year, with seat capacity increased by 78% and an improved load factor of 79.8%.

## Qatar Airways

Qatar Airways will reintroduce a direct daily Doha to Auckland flight on 1 September. The reintroduction of the non-stop flight replaces the service via Adelaide which the airline operated as it emerged from the pandemic. Flights will leave Doha for New Zealand at 01:50, allowing for connections from the UK. QR920 will arrive in New Zealand at 02:45 the following day local time. The Auckland to Doha QR921 flight will depart at 15:00 and arrive at 23:15. The route will be operated by an Airbus A350-1000 with 46 Business Class and 281 economy seats. Both flights will operate one hour later from 24 September due to daylight saving time in New Zealand.

## Ryanair

Ryanair has ordered 300 new Boeing 737-Max-10 aircraft for delivery between 2027 to 2033, in a record deal worth \$40bn. The budget airline said it is the largest order ever placed by an Irish company for US manufactured goods. The deal will be subject to shareholder approval at Ryanair's annual general meeting on September 14 and the phased deliveries between 2027 and 2033 will enable Ryanair to create more than 10,000 new jobs for pilots, cabin crew and engineers. The growth will see annual passenger numbers rise by 80%, from 168 million in year-end March 2023 to 300 million by March 2034. Ryanair expects 50% of these deliveries will replace older B737NGs, which will allow the airline to continue to operate one of Europe's youngest, most fuel-efficient fleets.

## TOUR OPERATORS, TRAVEL AGENCIES, OTA UPDATE

### **Tui**

Tui Group expects to increase its market share in the UK by offering more flights and expanding its dynamic packaging offering to British holidaymakers. The development of its Tui Flight Market Place service means it can offer different durations for holidaymakers who may want to book flights with other airlines rather than Tui. Sebastian Ebel, chief executive, said: "In the UK, we want to offer new products to our customers, more content, more airline seats, and more directly connected, quality proven hotels. Our target is to have the best hotels in our portfolio." He said customers would in the past book durations of seven, 10 or 14 days but now Tui can cater for those who want to travel for five or 12 days, for example.

### **If Only**

Trade only luxury tour operator If Only has launched a European programme for the first time in its 22-year history. The portfolio will focus on the six key Mediterranean holiday destinations most regularly requested by UK customers, including Spain – along with the Balearics and Canary Islands – Portugal, Italy, Greece, Cyprus and Turkey. The collection features 106 luxury hotels across six beach destinations, with five-star properties from world renowned brands such as Ikos, Sani, St Regis, Jumeirah, Ritz Carlton and Domes. The packages offer departures from 24 UK airports using scheduled and low-cost airlines. Clients will also have private transfers, pre-booked seats, luggage and speedy boarding as standard. A new 96-page European Collection agent friendly brochure will be with agencies from May 11, and available to order via Tradegate. If Only will undertake its largest ever product launch with campaign activity which includes social media, email marketing, blogs, videos and other collateral.

### **Charitable Travel**

Social enterprise travel agency Charitable Travel has created weekend city breaks with the option to arrive by train and return by air, to halve emissions. The agency said more holidaymakers are seeking to travel in more responsible ways – but the cost and additional journey times of rail travel can be off putting. These package options will still allow travellers to reduce emissions and incorporate more slow travel into their breaks.

## **USAirtours**

USAirtours has outlined ambitious growth plans for the next two years thanks to more efficient post-COVID-19 processes and working from home. The trade only operator is also planning a series of themed incentives for travel agents to mark its 40th anniversary. USAirtours will celebrate its 40th anniversary with agents via '40-themed' promotions such as £40 booking incentives, draws with 40 prizes and fam trips with 40 places. Sales for 2023 are expected to reach pre-COVID-19 levels with turnover of £35 million, and approximately 15,000 passengers – although the number of customers is 25% down on 2019 levels.

## **Canadian Affair**

Agents are being offered booking incentives by Canadian Affair alongside consumer discounts being offered in a May sale. Love2Shop e-vouchers worth between £25 and £100 are available depending on the value of the holiday booking made. Agents can earn a bonus £50 e-voucher on bookings with three or more nights in Québec, and up to £20 per passenger if the booking includes flights on Air Transat's seasonal Gatwick to Quebec route. With these bonus offers; agents can earn up to £190 Love2Shop e-vouchers per booking. The incentive runs until May 31 and is available for new, qualifying package bookings made for departures until October 31.

## **SOCIAL UPDATE**

### **YouTube launches experiment to restrict content from those using ad blocking tools**

YouTube is launching a new experiment that would block users from watching YouTube content when ad blocking apps are active in a browser. Google, YouTube's parent company, is getting serious about halting apps that seek to stop it displaying ads. Some users are now seeing a pop-up appear explaining that in order to keep watching, users will have to disable their ad blocker, or make YouTube.com an exception within their ad blocking rules. This is part of a new experiment, which could indicate the future direction of the app, in combating ad blockers to maximise promotional opportunities.

### **Meta expands Reels monetisation to more creators**

Meta is updating its monetisation programme for Reels creators. The new update will see creators paid based on the performance of their content, as opposed to the ads shown alongside their clips. Meta's Reels ads programme, which [launched last year](#), will be expanded to thousands more users, as it continues to develop new models to ensure that its top stars get paid and keep posting Reels content.

## MICE UPDATE

### **Planners optimistic about attendance levels, but ignoring long term challenges**

A third of meeting planners expect attendance levels at their big meetings to at least match pre-pandemic levels in 2023, according to new research by Northstar Meetings Group. Almost two thirds (65%) of those quizzed expected numbers to reach at least three quarters of the numbers they had before 2020. The survey, sponsored by Visit Orlando, was based on responses from 194 qualified meeting professionals involved in the production of events of 1,000 attendees or more. Its aim was to identify what organisers of large business events need to do to survive and thrive in the post-pandemic era as attendance levels at meetings continue to lag behind pre-pandemic figures. Tellingly perhaps, 'size of audience' was not the leading metric used to determine the success of a meeting, with attendee satisfaction topping the list ahead of financial profitability. The survey covers everything from event tech to sustainability and asks whether near-term tactical challenges pose a greater threat to the success of future events than long-term strategic ones.

## LIGHTER NOTE

### **Lighter Note**

After escaping his Lincolnshire home by chasing another pet through a cat flap, Einstein the iguana was discovered and later rescued from a nearby tree by the Lincolnshire Fire and Rescue Service. Read more [here](#).