

# WEEKLY BRIEFING

18 August 2023



## ECONOMIC, POLITICAL AND SOCIAL UPDATE

### **England reach Women's World Cup Final for the first time**

On Wednesday 16 August, in front of a sell-out crowd at the Stadium Australia in Sydney, England's Lionesses beat the Australian football team securing their place in the Women's World Cup Final. The momentous occasion marked the first time an England football team has reached a senior final on the world stage since 1966. The 3-1 victory under manager Sarina Wiegman caps a remarkable two years following England's success winning the European Championships for the first time last year. The nation now waits in anticipation for the World Cup Final on Sunday 20 August in which England will play Spain.

### **The UK inflation rate drops to a 15-month low**

For the second month in a row inflation in the UK has dropped sharply hitting a 15-month low. In the year to July, the rate dropped to 6.8% from 7.9% in June. According to the BBC, this most recent figure is a result of a reduction in energy price caps as well as food costs increasing less quickly - particularly milk, bread and cereals. In order to further lower the UK inflation rate towards its target of 2%, the Bank of England is expected to raise interest rates again next month. While interest rates put greater pressure on people's savings and mortgages, Prime Minister Rishi Sunak has said his "number one priority" was to bring down inflation, claiming there is a "light at the end of the tunnel" in the cost of living crisis and that Britons will feel better off next year.

### **Small boats crisis and Bibby Stockholm, the first barge to house asylum seekers**

Headlines were dominated by the sinking of a migrant boat in the Channel, which killed six people. British and French teams continue to work together to rescue as many people as possible from the Channel, however increased rescues the previous week have sparked concerns that smugglers organising crossings are also using a defective batch of boats. In response to the incident, a UK government spokesperson said "this incident is sadly another reminder of the extreme dangers of crossing the Channel in small boats and how vital it is that we break the people

smugglers' business model and stop the boats."

Last week also saw the government's new migrant barge, Bibby Stockholm based in Dorset, having its first 39 asylum seekers removed following fears of an outbreak of Legionella in the water system. With the arrival of small boats putting greater pressure on the asylum system, and a backlog of over 172,000 people seeking asylum, the government plans to push plans to be able to house asylum seekers on barges. While the barge is currently empty until further tests are complete, it will eventually house up to 500 men aged 18-65.

## TRADE UPDATE

### **August flight departures set to reach highest since October 2019**

August is set to see the highest number of UK departures since October 2019, according to new research. Figures published on Wednesday 9 August by aviation analytics firm Cirium show that flight capacity is at 89% of 2019 levels, with 92,549 services scheduled to depart from UK airports. This is a 4% increase on the first six months of the year, when flight capacity was at 85% of pre-pandemic levels. Flights, the data shows, are currently up 11% and 101% on August 2022 and 2021 respectively, following a resurgence in both business and leisure travel.

### **Heathrow capitalises on UK weather as passenger numbers up 20%**

Heathrow has capitalised on the UK's poor weather, as 7.6 million people travelled through the airport in July in search of some summer sun. But even though this represents a 21.4% increase on last year, passenger numbers still lag behind pre-Covid levels. The airport reported on Friday 11 August that Turkey has seen the highest level of departures in a month, while flights to Gibraltar, Portugal and Italy have also been close to record levels. Other popular destinations included New York, as passengers took advantage of the 31 daily flights to and from the Big Apple.

### **Gatwick ground handler strike called off at the 11th hour**

Ground handlers at Gatwick have called off planned strike action, which had been due to get under way on Friday 18 August, after being made a "significantly improved" pay offer. Unite union members employed at Gatwick by ground handler Red Handling will no longer walk out between 18 and 21 August to allow for them to be balloted on the new pay deal. "Unite has been consistent from the outset, we believed Red Handling could afford to make an improved offer and that proved to be the case" said Unite regional officer Dominic Rothwell. "Our members will now decide whether the deal on the table meets their expectations." The union has nevertheless said that if workers were to reject the offer, further planned strike

action for 25-28 August would go ahead, potentially disrupting tens of thousands of holidaymakers during the August bank holiday weekend.

### **Visit Saudi strikes 'one of a kind' deal with La Liga**

Spain's professional football league La Liga and Visit Saudi have signed a 'one of a kind' global partnership deal to showcase the country as a tourist destination. The strategic agreement will be followed by brand promotions of the destination in the UK as Saudi Arabia seeks closer ties between its tourist industry and sports organisations to boost its profile as a tourist destination and attract sports fans in a similar way to neighbouring countries such as Dubai and Qatar. Saudi Arabia has recently outlined plans to become one of the world's leading destinations by 2030.

## **AIRLINE UPDATE**

**Aer Lingus** - Aer Lingus has revealed its newest additions to the direct service lineup connecting Ireland and the USA. Making a return is the Minneapolis-St. Paul route, accompanied by a direct service to the city of Denver, Colorado, both taking off from Dublin as part of its summer 2024 programme. The new additions will bring the total number of Aer Lingus routes operated between Ireland and North America to 18.

Flights to Minneapolis-St Paul commence in April 2024, increasing from four-times weekly to a daily year-round service from next October, and will be served by their newest aircraft the A321XLR from winter 2024. Dublin – Denver flights, which will also operate four times a week, will begin in May 2024.

**Air Transat** - Air Transat will operate from four UK cities to Canada as part of its winter schedule with an increased range of connecting flights. The carrier will fly daily from Gatwick to Toronto and up to three times a week to Montréal. Up to two flights a week will also run to Toronto from both Glasgow and Manchester over the winter season. The winter flight programme offers onward connecting flights from both Canadian gateways to eight winter sun destinations in the US, Mexico and the Caribbean, including Fort Lauderdale, Dominican Republic and Cuba.

**RwandAir** - RwandAir is set to almost double the overall frequency of services from London, with daily non-stop flights to Kigali from 29 October 2023. The carrier announced on Tuesday 15 August, flights will take off from Heathrow each day at 8.30pm, landing in Rwanda the next morning at 7am, while Monday to Sunday services from Kigali will depart at 11.35pm and land at 6.20am.

## TOUR OPERATORS, TRAVEL AGENCIES, OTA UPDATE

**Carrier** - Following the fifth series of the BBC's popular *Amazing Hotels: Life Beyond The Lobby*, featuring luxury properties, Carrier has seen increased interest for each property following an episode. To help agents ignite their clients' wanderlust, the luxury operator has created packages with flights and transfers for the hotels it features. It also created a suite of marketing assets for agents to use on their channels, including a selection of unbranded images, videos, hotel brochures, window package displays and social media banners, which partners can access via Dropbox.

**Hays Travel** - Hays Travel Independence Group has welcomed three new members in recent months, with more travel agency businesses set to join the consortium in the coming weeks. Members of the Hays Travel Independence Group (IG) retain their own independence and branding, but benefit from Hays Travel's buying power, technology, support team and back-office functions. The new Hays Travel Independence Group members are Luxury Dream Holidays, Holidays by Carly and Cruise.

**OTAs** - A coalition of some of the UK's biggest online travel agencies (OTAs) has called on regulators to put an end to Ryanair's online verification process, which it claims targets customers who book their flights via an online travel company. It comes after Ryanair last week called on customers to book directly with carriers after accusing some OTAs of providing airlines with inaccurate passenger details, which can block customers from managing their bookings.

**Tui** - Tui is set to expand its Blue hotel brand into Bali and Gambia for the first time, bringing its total number of planned openings to 22 hotels in 13 countries. The global hotel brand of Tui Group, Tui Blue, will open a total of seven new properties next year in China, Vietnam, Cambodia and Gambia, representing an additional 1,053 rooms. The company plans to boost its property portfolio further with the future addition of new accommodations in the Maldives, China, Senegal, Bali, Indonesia, Spain, Turkey, Curacao, Austria, Cambodia, Thailand and the Philippines.

## SOCIAL UPDATE

### **Instagram is testing a new Reels display for multi-advertiser ads**

A new variation of multi-advertiser display is now appearing for some users on Instagram. The new multi-ad format groups a selection of related brands onto a single screen, which is then displayed between Reels. After viewing or engaging with one ad, users will see related ads based on their interests displayed below the first post, helping them discover and compare products from multiple businesses.

### **Instagram tests new collaborative posting option**

Instagram is experimenting with a new option, which would enable users to add their own images and videos to an existing post, facilitating more direct collaborations in the app. When switched on, users can submit their own addition which would not be displayed until approved by the creator. This could be good news for business accounts who could invite users to add their own takes to their posts. With that content appearing as part of the creator update, not on the users' own profile, this would encourage UGC creation without prompting users to add a specific hashtag and then having to search for content.

## MICE UPDATE

### **Confidence in business travel returns**

Global meetings, events and hospitality technology provider, Cvent, has published the latest instalment of its Cvent Travel Managers Report: Europe Edition. The report reveals that the majority of respondents (80%) "feel positive" about the state of their organisation's business travel activity. Among them, almost two-thirds (64%) expect their organisation's travel volume to increase in 2023 compared to 2022, and nearly a fifth (19%) say the increase will be significant. With costs posing challenges to organisations, corporate travel managers are finding new ways to reduce spend. Top among these tactics (40%) is a desire to combine business travel with existing meetings and events that their teams are already scheduled to attend. Furthermore, 37% of corporate travel managers (up from 32% in the December 2022 report) state they plan to reduce the number of colleagues travelling. While the number of individuals travelling may be reduced, overall programme travel volume is likely to still increase. More than a fifth (22%) of respondents say they will schedule fewer trips, however they will extend the duration of stays. Another encouraging outlook is the average budget (per trip) is anticipated to increase, with just over half (51%) expecting 'somewhat' of an increase and 19% a 'significant' increase.

## LIGHTER NOTE

### **Lighter note**

A farmer in the US plants a surprise sunflower field for his wife as an anniversary gift. Read more [here](#).