

WEEKLY BRIEFING

15 September 2023



ECONOMIC, POLITICAL AND SOCIAL UPDATE

UK economy shrinks more than expected as rain and strikes hit

The UK economy shrank more than expected in July, driven by strike action by NHS workers and teachers, according to official figures. Wet weather also hit the construction and retail industries, the Office for National Statistics (ONS) said, causing the economy to contract by 0.5%. Darren Morgan, director of economic statistics at the ONS, said that while July saw the economy shrink, output across the services, production and construction sectors had grown 0.2% in the three months to July. He said "a busy schedule" of sporting events and increased theme park visits had provided a slight boost to the economy. The ONS said the drop was driven by NHS industrial action, with senior doctors and radiographers each striking over pay on two days, and junior doctors walking out for five days in the month. Chancellor Jeremy Hunt said the latest economic figures showed "many reasons to be confident about the future" and that the UK economy is now on course to grow faster than Germany, France and Italy.

Everton FC takeover news: Farhad Moshiri to sell to American investment fund

UK Premier League football club Everton is set to have new owners after Farhad Moshiri agreed to sell his 94% stake in the club to American investment fund 777 Partners. The takeover would bring to an end the tenure of British-Iranian Moshiri, who first invested in 2016. The sale is expected to be completed by the end of 2023, subject to Premier League, Football Association and Financial Conduct Authority approval. The takeover would mean half of the 20 top-flight clubs are American-owned. 777 founder Josh Wander said: "We are truly humbled by the opportunity to become part of the Everton family as custodians of the club, and consider it a privilege to be able to build on its proud heritage and values. "Our primary objective is to work with fans and stakeholders to develop the sporting and commercial infrastructure for the men's and women's teams that will deliver results for future generations of Everton supporters."

HS2: UK government refuses to guarantee Manchester branch

The UK government has refused to guarantee the future of the HS2 rail line between Birmingham and Manchester. A Downing Street spokesperson instead suggested that ministers would need to balance the interests of "passengers and taxpayers". Prime Minister Rishi Sunak and Chancellor Jeremy Hunt met on Wednesday and discussed the HS2 project. Asked whether Mr Sunak was committed to the line going to Manchester, the spokesman did not confirm whether it would, saying: "We are committed to HS2, to the project." However, No 10 did confirm that ministers were looking at "rephasing" the project, hinting at a possible delay. Greater Manchester Mayor Andy Burnham said: "Why should it be the North of England that pays the price? What we are going to end up with here is in the southern half of the country, a modern, high-speed rail network, and the northern half of the country left with crumbling Victorian infrastructure. That won't level us up, it will do the exact opposite." HS2 has been symbolic for the government's levelling-up agenda and has been seen in recent years as an important way to help bridge economic regional disparities.

TRADE UPDATE**UK travel sector set for COVID-19 recovery this year**

The UK travel and tourism sector is forecast to exceed the pre-COVID-19 peak this year. The sector is set to contribute £252.4 billion to the UK economy, surpassing the 2019 pre-pandemic high of £248.5 billion, according to new World Travel & Tourism Council research. The economic impact study suggests that the sector will also create almost 380,000 jobs this year, recovering almost all of the positions lost due to the pandemic to reach more than four million. This would mean around one in nine workers in the UK employed in travel and tourism.

Heathrow faces October half-term baggage workers' strike

As many as 170 Heathrow baggage workers are threatening to walk out next month in a dispute over pay. The Unite union warned of two waves of industrial action involving baggage carousel workers over 13 days in October, coinciding with the start of autumn half-term for many schools. Strikes are planned from 5.30pm on Friday 6 October until 6am on Monday 9 October and then from 5.30am of Friday 20 October until 6am on Monday 30 October.

Luton airport embarks on new multi-million pound upgrade

Luton airport is going ahead with up to £30 million of additional improvements after handling 3.3 million passengers in the July-August summer peak. A new two-storey restaurant accommodating up to 500 diners is due to open next year at a cost of £8 million, whilst the £20 million refurbishment of the airport's security hall is already

underway. This will include the installation of the new state-of-the-art body scanners and new CT scanner technology, speeding up processing times, as well as new flooring and ceilings.

Tourist boards report progress in visitor spread and shoulder season travel

Italy, France and Portugal have reported success in encouraging visitors to experience less well-known destinations as well as increased interest in trips in the shoulder seasons. Representatives from the countries' tourist boards took part in a Global Travel Marketplace panel discussion on Thursday 15 September called 'A sustainable future for destinations'. The panellists spoke about their attempts to spread tourism across a range of destinations, taking in rural areas in addition to traditionally popular cities.

AIRLINE UPDATE

British Airways - British Airways has announced a new three-year partnership with Alzheimer's Society, a charity that works with people living with and affected by dementia. In addition to raising vital funds, the new partnership will also see the airline working closely with Alzheimer's Society on a number of initiatives. These include bespoke customer service dementia training for customer-facing colleagues and the uptake of Dementia Friends across the organisation, an initiative that will help British Airways colleagues learn how to better support customers, family and friends affected by the condition. As the partnership progresses, British Airways will also review and implement changes internally to work towards making the airline even more dementia-aware.

Easyjet - Easyjet has put peak summer 2024 flights on sale, offering 132 destinations from the UK. The peak schedule, spanning 155,000 flights from 3 June to 1 September 2024, covers more than 83,000 flights from the UK. One-way fares lead in from £26.99. EasyJet Holidays has also added more packages for spring 2024.

Virgin Atlantic & Delta - Virgin Atlantic and Delta Air Lines have become members of the Association of Touring and Adventure Suppliers to promote their transatlantic services and joint venture to agents. The airlines have been joint-venture partners for more than 10 years and their partnership gives customers access to more than 200 destinations across the Atlantic.

Scott Edwards, senior account manager at Virgin Atlantic, and Kate Devereux, senior account manager at Delta, said: "Joining Atas will allow both Virgin Atlantic and Delta Air Lines to really showcase our product offering and seamless connections across the Atlantic, which is where our joint venture really shines through".

TOUR OPERATORS, TRAVEL AGENCIES, OTA UPDATE

Hays Travel - Hays Travel has acquired franchise partner Just Go Travel, taking on 45 of its 46 shops. Just Go Travel, which is known in the trade as Hays Travel North West, has worked with Hays Travel as both a Hays Travel Independence Group member and franchisee. It has 46 Hays Travel branded shops in the northwest and north Wales. There is no threat to any of the 300 jobs affected by the deal. Owner and managing director Don Bircham has sold all but one of the shops – the first store in Mold, north Wales – to Hays. It will operate under the Hays Travel brand.

On the Beach - On the Beach has hailed its best ever summer with record total transaction value (TTV) of £1.1 billion expected for the year to 30 September. The level was up by 26% year-on-year driven by growth in volumes and average booking values. "Notwithstanding that it remains in its early stages, bookings for summer '24 are also significantly ahead of the prior year," On the Beach added.

Titan Travel has waved off its inaugural private jet adventure on a grand tour from Rome to Rajasthan as it announced details of further trips. The 737-400 single aisle aircraft had five cabin crew on board, three pilots, three tour managers and an aviation specialist operations director. John Constable, chief executive of Titan's parent company Saga Travel Group, and Lisa Warner, marketing director, were on hand to see the group off on the company's first private jet holiday, which was 70% sold within two months of going on sale. Constable said: "We're delighted that our inaugural private jet tour has taken to the skies, and we wish all our guests an incredible, once-in-a-lifetime adventure".

Travel Counsellors - Travel Counsellors has appeared in a league table of the 100 most dynamic British companies, based on independent research and analysis. The travel agency has been ranked 24th out of 100 in the 2023 E2E Dynamic 100 Track, one of six league tables focusing on different elements of UK business and produced in association with The Independent newspaper and strategic founding partner IWG plc. The ranking is based on absolute turnover growth over the two most recent financial filing periods and aims to celebrate entrepreneurs and founders in the sector.

SOCIAL UPDATE

WhatsApp's 'Channels' is now available in 150 countries

Following the preliminary launch of Channels in Singapore and Colombia in June, WhatsApp has now expanded this feature's availability to 150 countries. Channels provides a one-way broadcast system, where users can select topics of interest and receive real time updates. WhatsApp has said that their aim is to "build the most

private broadcast service available. Channels are separate from your chats, and who you choose to follow is not visible to other followers.” This aligns with the social media trend of consumers increasingly using DMs rather than posting publicly on their profiles which may see Channels become a popular feature.

Pinterest launches new ad and creative options

At its annual Pinterest Presents event, the app has announced a number of new ad tools and creative options. This includes expanding the presence of Spotlight ad units, a feature that allows brands to take over the search page, to more areas in the app such as users' home feeds. The platform has also introduced Quiz and Showcase ads, designed to increase in-stream engagement options. Showcase ads will have a carousel like format, whereas quiz ads will engage users by asking them questions. A new Business Manager platform is currently being developed by Pinterest and they are also working to enhance ad performance through making improvements to targeting systems.

MICE UPDATE

UK's The Business of Events launches Global Destination Report Survey

UK think tank, The Business of Events, has announced the launch of the Global Destination Report Survey, a collaborative effort with IBTM World and Meet in Ireland. The Global Destination Report aims to gather insights from destinations and convention bureaux around the world, shedding light on the current state of the business events industry and providing an overview of global event destinations. Destinations and convention bureaux have been invited to complete the survey by Monday 2 October. The survey findings will be unveiled at IBTM World, taking place from 28-30 November in Barcelona and the research will be conducted by industry specialists Sarah Flemming Associates. The survey covers a range of topics such as relationships with government, funding, the value of business events to specific regions, and future-building.

LIGHTER NOTE

The U.S.' largest newspaper chain is hiring for Beyoncé and Taylor Swift correspondents. Find out more [here](#).