

# WEEKLY BRIEFING

10 November 2023



## ECONOMIC, POLITICAL AND SOCIAL UPDATE

### **UK economy flatlines as higher interest rates take their toll**

The UK economy failed to grow between July and September 2023 after a succession of interest rate rises. While the performance was slightly better than expected, with many analysts expecting it to shrink, forecasters have suggested that the economy is set to remain stagnant for many months. Last week, the Bank of England said the UK economy was likely to see zero growth until 2025, although it is expected to avoid a recession. The Bank of England had raised interest rates 14 times in a row up until September; however, while raising rates can reduce inflation, it also affects economic growth by making it more expensive for consumers and businesses to borrow money. Interest rates are at a 15-year high of 5.25%, and are expected to remain high for some time.

### **Food price rises slow to their lowest in more than a year**

The rate at which food prices are rising has fallen below 10% for the first time in more than a year, according to new data by research firm Kantar. Prices across supermarkets were 9.7% higher in the four weeks to the end of October, compared to a year before in the slowest rise since last July. Rising food prices have been a major driver behind the higher cost of living in the UK meaning supermarkets have had to battle it out for customer visits and traditional spending habits are being "thrown out of the window", Kantar said. Although lower food price inflation might ease some of the extra pressure households have been under, goods will not necessarily be cheaper, rather prices will not be rising as fast.

### **UK PM pressured to sack home secretary Suella Braverman due to protest stance**

Prime Minister Rishi Sunak is under pressure to sack the home secretary over a newspaper article in which she accused the police of bias. Suella Braverman claimed antagonistic right-wing protesters were "rightly met with a stern response",

while "pro-Palestinian mobs" were "largely ignored". The row has created a divide in the Conservative party, with views differing as to whether she should keep her job. In light of her remarks, the National Police Chiefs' Council (NPCC) chair has suggested policing could be undermined if "public debate" influences decision making. On Thursday, No 10 said the prime minister has "full confidence in her".

### **Northern supermarket chain Booths puts staff back behind its tills**

A supermarket has become the first in the UK to go back to fully-staffed checkouts, axing almost all its self-service tills. All but two of Booths' 28 stores will see staff back on the tills, the firm, which trades in northern England, said. The firm, which has 16 stores in Lancashire as well as outlets in Yorkshire and Cheshire, said it was responding to customer feedback. "We believe colleagues serving customers delivers a better customer experience and therefore we have taken the decision to remove self-checkouts in the majority of our stores", a spokesman said. The firm added, "Delighting customers with our warm northern welcome is part of our DNA and we continue to invest in our people to ensure we remain true to that ethos".

## **TRADE UPDATE**

### **8 Travel Trends from Audley Travel's latest research into the UK premium travel market**

Tailor-made specialist Audley Travel surveyed 2,000 travellers across the UK, looking at different age groups and locations with the majority of respondents having not previously travelled with Audley. Their findings present a market overview of travel trends for the new year. Key takeaways include: travellers are willing to spend more on holidays, with the average spend for a two-week trip being almost £5,000 per person and with 41% planning to spend more on a holiday than they had in the past. Holidaymakers also want to explore new destinations. When asked about what was important about their holiday, 53% wanted to travel to a destination they had not visited before while 26% preferred familiar places and 34% felt it was important to travel to exclusive destinations that not all holidaymakers visit. Local guides are in demand with 53% of surveyors wanting to spend time with local guides to grow their destination knowledge from an authentic source.

The most popular holiday type was a beach holiday as voted by 63% of respondents, and Western Europe (56%) was the most popular region where people had travelled in the last five years. North America was the next most popular (41%) followed by Eastern Europe, South America & the Caribbean, the Middle East, Australia and New Zealand. Upgrades are increasing in popularity with 30% favouring premium economy, 9% choosing business and 6% on first class flights.

Regarding accommodation, 44% stayed in four-star hotels and 31% in five-star hotels. More than half (57%) of respondents said that having sustainable travel options were important to them and that advice from specialist expertise was key when booking holidays.

### **Agents and airlines 'continue to defy consumer spending squeeze'**

New data reveals that travel agents saw their highest uplift in consumer card spending last month since May. According to Barclays, consumer outlay with agents grew by 9.6% year-on-year in October, against 9.9% in May. The travel sector in total was up 10.5%, making it one of the best-performing categories in 2023. Spend with airlines was up by 12.9%, with transactions rising by almost 24% over the same month last year. Meanwhile, hotels, resorts and accommodation saw 7.4% growth in spending, with transactions up by 3.5%. Overall consumer card spending grew just 2.6% in October, the smallest increase since September 2022, as concern over rising energy bills and outgoing costs ahead of the festive period hindered discretionary spending.

## **AIRLINE UPDATE**

### **Greener and sustainable travel is 'now mainstream' in holiday consideration**

A new survey carried out by InsureandGo found that as many as three in five (61%) UK travellers now factor sustainability as a consideration when planning holidays. The survey of more than 2,000 holidaymakers were asked how they address the climate emergency in the context of overseas travel. The study found that 18% of the total rated sustainability as the foundation of their holiday planning and 43% said they were taking small steps towards greener travel when booking their holidays. These sentiments for more sustainable travel were most pronounced among younger travellers, aged 25-34, with 26% citing it as their top priority when travelling.

### **EasyJet**

EasyJet has put on sale a raft of new routes and package holidays from the UK for summer 2024. The low-cost carrier has announced services from Southampton and Belfast City to Alicante will start 31 March and 2 May, operating once and twice a week. Easyjet will also restart twice-weekly Newcastle to Alicante flights as well as services from Luton to Reus and Catalonia from 2 April, which will be in addition to launching new Manchester-Reus flights on the same day. Year-round flights from Liverpool, Belfast and Glasgow to Enfidha will launch 1 April, 20 April and 2 May,

operating twice a week. Bristol to Malta services will begin for the first time during Easter weekend 2024 while flights from Glasgow to Larnaca and from Southampton to Faro will depart 4 May and 6 June. The airline has also announced new routes to Portugal, Cyprus, Tunisia and Malta.

## **Emirates**

The Emirates Group has reported its “best-ever” half-year financial result, surpassing its previous record by \$1.2 billion. Between April 1 and September 30, the group recorded a net profit of \$2.7 billion, which was 138% higher than the record it set during the same period last year. Group revenue was \$1.83 billion for the period, up 20% year-on-year, which was “driven by strong demand for air transport across the world, which has been on an upward trajectory since the last pandemic travel restrictions were lifted”, the company said.

## **Norse Atlantic**

Fledgeling budget long-haul carrier Norse Atlantic Airways continued to demonstrate strong year-on-year performance in October. Passenger numbers rose 68% over the same month last year to 102,410 across 403 flights with the load factor improving by 15 percentage points to average 75%. Launched in June 2022 with flights from Oslo to New York after being established the previous year, Norse Atlantic has developed a presence at Gatwick offering a network of low fare transatlantic services. The carrier, which operates a fleet of 15 Boeing 787 Dreamliners, saw 83% of flights arriving within 15 minutes of their scheduled arrival time in October.

## **Ryanair**

The airline is hopeful of posting a full-year profit after tax of more than £1 billion after its strongest summer ever. The low-cost airline has said it expected its full-year profit after tax for the year to the end of March 2024 would range between £1.6 billion and £1.77 billion. Ryanair put the increase down to an 11% growth in passenger numbers to 105.4 million travellers during the six months to the end of September.

## **TOUR OPERATORS, TRAVEL AGENCIES, OTA UPDATE**

### **Celebrity Cruises**

Celebrity Cruises has taken delivery of new ship Celebrity Ascent. The 3,260-passenger ship will be officially named during a ceremony in Fort Lauderdale on December 1, after which it will depart on its seven-night maiden voyage in the

Caribbean. This is the fourth ship in the line's Edge class and was welcomed with several maritime traditions such as a singing ceremony and the changing of flags onboard the ship.

## **G Adventures**

G Adventures launches a range of active travel itineraries, focused on community and culture. The Geluxe Collection offers "one-of-a-kind accommodation and elevated dining" and is "unlike any other programme of trips currently on the market. The Vice President of product for G Adventures, Yves Marceau, has said that the new range fills a gap in the market for people looking for premium active experiences and that the range "epitomises adventure at its finest".

## **Tui**

Tui has placed its Summer 2025 programme on sale with a message of support for third-party agents – stressing how "vital" independent agents are to its plans. The announcement comes as part of Tui's renewed focus on independent agents after years of favouring its own retail network. As part of its strategy to entice back independent trade partners, the airline and operator has added extra 'free kids' places across its hotels and resorts. Agents will also take advantage of Tui announcing weekly flights from Gatwick to the Portuguese island of Porto Santo, as well as launching seven new all-inclusive resorts in the likes of Majorca and Rhodes.

## **Variety Cruises**

First established in 2009 but put on hold during COVID-19, Variety Cruises is now relaunching their small ship sailings in West Africa for the first time since the pandemic. Next month, two eight-day itineraries will cover rivers in The Gambia and Senegal, and will promote wildlife viewing and bird watching along the West Africa coast. The company is deploying a 44-passenger ship Harmony G in the region, with return trips from either Dakar or Banjul.

## **SOCIAL UPDATE**

### **Instagram will now let you highlight post replies in Stories**

Instagram has added a new interaction option via a new way to share post replies to Instagram Stories, which could help to drive more community engagement. When users swipe across on a comment underneath a post, they will have the option to share it to a Story. The comment will then appear in a sticker format in your Stories composer, so you can create a Story focused on that response. This could help

spark more discussion, providing a means to highlight top comments to a wider audience, and be beneficial for creators and brands in showcasing top fans in a new format in-stream.

### **New report shows more users are spending money on TikTok**

TikTok users are increasingly spending in-stream, not on physical products, but on people, with some creators generating real incomes from their content in the app. According to a new report, TikTok users sent over \$250 million in digital gifts to live-streamers in the app in Q3 alone, underlining a growing trend that could still lead to TikTok generating more income from in-app sales. Trends via popular creators such as Pinkydoll, have sparked broader interest in the practice, in which viewers can donate virtual gifts to trigger a reaction from the streamer.

## **MICE UPDATE**

### **“Event budgets are increasing despite rising costs”, according to Cvent report**

Cvent, a meetings, events and hospitality technology provider, has published the latest installment of its 'Cvent Planner Sourcing Report: Europe Edition October 2023'. The report reveals that over half (67%) of planners across Europe have had bigger budgets for their in-person and hybrid events in 2023 compared to 2022. Additionally, more than one in five (22%) expect event budgets to be at least 20% higher in 2024. Despite these budget increases, inflation remains the top concern for 38% of planners, and a significant majority (77%) anticipate that the cost of holding an event of the same size and complexity will increase by up to a fifth in 2024, compared to 2023. This concern is highest in Germany, where 84% think that event costs will rise by up to 20% in the next 12 months. To address these concerns, most planners (85%) have built contingencies into their 2024 budgets.

## **LIGHTER NOTE**

### **Lighter note**

Scientists have spotted an ancient egg-laying mammal named after Sir David Attenborough, proving it isn't extinct. Find out more [here](#).