

WEEKLY BRIEFING

15 March 2024



ECONOMIC, POLITICAL AND SOCIAL UPDATE

Prime minister Rishi Sunak rules out snap election on 2 May

Speaking in an interview with ITV West Country yesterday, prime minister Rishi Sunak said, conclusively: "There won't be a general election on that day." There had been "feverish speculation in Westminster" that Sunak was preparing to dissolve parliament before the end of March to make way for a general election at the start of May, The Guardian said. Labour has been "pressuring Rishi Sunak to call an election as soon as possible" to capitalise on its lead of about 20 points in the polls, Sky News said. A general election needs to take place in the UK by the end of January 2025.

UK recession declared in February could be the shortest-ever

Growth returned in the UK economy in January, according to official figures. The measure of gross domestic product (GDP) rose 0.2%, the Office for National Statistics (ONS) said. It's the first official economic growth announcement since a recession was declared last month as there were two successive three-month periods of negative economic growth. When looked at over a three-month period, GDP fell 0.1% up to January, compared to the three months to October, showing the economy is still struggling. But the overall growth in January could mean the recession is the shortest ever in UK history.

UK wage growth continues to slow

UK wage growth continued to slow in the three months to January, confirming the Bank of England's view that inflationary pressures were easing in the economy. The Office for National Statistics said average earnings, including bonuses, were 5.6 per cent higher over the period than a year earlier — down from an annual growth rate of 5.8 per cent in the three months to December. Excluding bonuses, annual growth slowed from 6.2 per cent to 6.1 per cent. The slowdown in total pay growth across the economy was slightly sharper than analysts had expected, leading traders to price in a slightly higher chance of the BoE cutting interest rates by June. After the data release, sterling slipped 0.15 percent against the dollar to \$1.2792 while traders in swaps markets boosted their bets on the BoE easing policy this year. The probability of the first 0.25 percentage point cut being delivered by June rose from about 50 per cent to 60 per cent, with traders moving to price in three cuts by the end of the year.

TRADE UPDATE

Heathrow predicts busiest year ever after a record February

Heathrow airport is on course for its busiest year ever after a record February, which saw nearly six million passengers travel through the hub. A record 5.8 million passengers flew to and from Heathrow last month, including more than two million during half-term – another record for the airport. Around two-thirds of half-term passengers were taking winter sun breaks versus ski breaks and trips to colder climes. Heathrow said that even before an additional 207,000 leap year passengers, it was "on track to serve more passengers this year than ever before".

New additions to its route network this month included British Airways services to Abu Dhabi, Kos and Izmir, Virgin Atlantic's new Bangalore flight, and new Vueling services to Barcelona and Paris Orly. With half-term out of the way, the airport is now looking ahead to the next getaway – Easter – and said its teams were "ready and prepared" for another successful peak period.

Dublin Airport expects a busy week ahead of St Patrick's Day

Dublin Airport's role as Ireland's gateway to the world will be firmly in the spotlight this week as it rolls out the green carpet to Oscar winners, Cheltenham race-goers and rugby fans, not to mention hundreds of thousands of St Patrick's Day revellers from all over the world. Over the week, from Tuesday 12 March and Monday 18 March, more than 650,000 passengers will travel through Dublin Airport. The busiest day will be Friday 15 March when around 105,000 passengers are expected, including 51,000 arriving passengers and 54,000 departing passengers.

Travel Counsellors report record February sales

Homeworking agency Travel Counsellors has recorded its best-ever February, thanks in part to a surge in cruise bookings and a 'Fab Feb' incentive. UK leisure travel sales hit £60 million in February, up 20% year on year, making it the best February in the company's 30-year history. Cruise bookings, which now represent nearly 15% of leisure sales at Travel Counsellors, were up in February by nearly 40% year on year. This followed a "bumper" January that saw cruise bookings top £10 million. A month-long incentive, called "Fab Feb", contributed to the record sales which encouraged agents to beat their previous February performance. The more bookings made meant more entries to win a spot on one of two luxury trips to Antigua, or a Bali-Singapore twin-centre trip. More than 150 Travel Counsellor business owners celebrated their best-ever month in February and the top five leisure bookings made by individual travel counsellors in February each surpassed six figures.

AIRLINE UPDATE

Delta - Delta will operate a daily service between Dublin and Minneapolis-Saint Paul on 9 May. The flight will operate on a Boeing 767-300, offering Delta One, Delta Premium Select, Delta Comfort+ and Main Cabin. Flight DL114 will leave Minneapolis at 21:20pm arriving in Dublin at 10:50am the following day. Flight DL115 will leave Dublin at 12:00pm, arriving in Minneapolis at 14:25pm. The Minneapolis flight is the third seasonal service Delta will operate this summer from Dublin, in addition to Atlanta and Boston. It also operates a year-round service between Dublin and New York JFK airport.

JetBlue - JetBlue is extending its transatlantic reach by mounting a challenge to Aer Lingus on routes from New York and Boston to Dublin. The summer seasonal flights will operate until 30 September as the U.S. carrier seeks to reinforce its claim to be an industry disruptor by bringing low fares and “great service” to the two routes. JetBlue entered the transatlantic market with flights to London in 2021 and has expanded to include Paris, Amsterdam and Dublin. Seasonal flights to Edinburgh and additional frequencies to Paris start later this spring.

Loganair - Loganair is bringing back its summer service between Glasgow and Donegal on 19 May, starting with three weekly flights. The service will rise to four a week between 6 July and 17 August. Loganair is the only airline offering a direct link between the north-west of Ireland and the UK. The route will continue next winter, with flights every Friday and Sunday.

TOUR OPERATORS, TRAVEL AGENCIES, OTA UPDATE

Easyjet Holidays - EasyJet holidays will no longer offer zoos and marine parks under a wide-ranging new animal welfare policy, in which it commits not to offer harmful animal-based attractions within its tours and activities programme.

InteleTravel - The president of InteleTravel told UK partners this week that the company is “about to announce an important acquisition in the UK of a tour operator to allow us to package our own product”. InteleTravel hinted that it is waiting on the Civil Aviation Authority to complete March ATOL renewals for the deal to go through.

Newmarket Holidays - Newmarket Holidays has reported a “significant” increase in demand for short-haul holidays across Europe and the UK, with a greater volume of late bookings. The escorted tour specialist has seen bookings come in later in 2024, compared with those for long-haul being made further in advance than previous years. Short-haul destinations are dominating the operator’s top 10 offerings with Italy leading the way with 9% growth in customer numbers. Three Italian tours – to Portofino, Florence & Tuscany; Puglia & the South, and Capri, Pompeii & the Amalfi Coast – continually rank among the best sellers.

SOCIAL UPDATE

X launches long-form articles for premium users

X (formerly Twitter), has introduced ‘X Articles’. Taking a step away from its typical short-form content approach, X now features what is essentially a blogging tool built into the platform. X Articles include all the typical features of long-form written content including a title, header image and formatting options such as bold and italics. This new feature is only available for users who are subscribed to X, who will be able to publish longer, more detailed content without the use of external links as well as be able to embed photos and videos. This new feature will appear on the new ‘articles’ tab on the latest update of the app.

TikTok adds ‘search insights’ to improve approaches to content strategies

TikTok has introduced a new analytic tool called ‘Creator Search Insights’ which will allow content creators to access information on what users are searching for in the app. This will allow content creators to better inform their content strategy based on trending topics and their audience interests. This new feature will show specific search trends that are currently popular on the video-based platform and also filter the searches through broader topics such as travel, science and sports.

MICE UPDATE

The Business of Events publishes plan of activity for 2024/5

UK-based events industry think tank, The Business of Events (TBOE) has published its Plan of Activity for 2024/5, kicking off on 1 April. TBOE will expand its schedule of work and activity over what is set to be a critical year for the global events economy, with high-profile elections taking place around the world. As well as engaging with what will be one of the largest intakes of new MPs in a generation, TBOE says its planned activity will also connect event planners, both domestic and international, with its partners. The think tank’s plan also includes an expanded programme of regional, national, and international events. These will be predominately invitation only, bringing together senior event industry leaders to connect with politicians, policymakers, stakeholders and planners to look at ways in which they can, together, build better local and national economies through business events.

LIGHTER NOTE

The gray whale, extinct for centuries in the Atlantic, is spotted in Cape Cod. Learn more [here](#).