

WEEKLY BRIEFING

7 June 2024

ECONOMIC, POLITICAL AND SOCIAL UPDATE

Parties scramble for candidates as deadline looms

As the election campaign kicks off, political parties in the UK are hastily finalising their candidates, with notable turmoil and last-minute decisions. The Conservative Party faced criticism for imposing candidates, including party chairman Richard Holden, in safe seats. Labour has also dealt with controversies, including the reinstatement of Diane Abbott and the barring of Faiza Shaheen. Reform UK is fielding over 600 candidates, and the Green Party dropped four candidates over extreme comments. With 131 MPs, including 75 Tories, standing down, the final candidate list is due by Friday's deadline.

Ongoing disruption as junior doctor's walkout continues

Junior doctors are seeking an exit plan due to worsening working conditions amid a 48-hour strike over pay. The strike, impacting normal services and coinciding with a new IT system launch, highlights a broader issue of doctors leaving Northern Ireland for better pay elsewhere. The Department of Health promises a backdated pay increase, but many feel it insufficient to restore pay lost over 15 years. Dr. Fiona Griffin stresses that without significant pay improvements, the future of the health service is at risk.

Rents rise at 6.6% a year, but the pace is slowing

Rents for new lets increased by 6.6% in the year to April, the slowest annual rise in two-and-a-half years, according to Zoopla. The average rent rose by £80 a month, with 15 people on average chasing each rental property, compared to six pre-pandemic. Despite demand easing, rents continue to outpace earnings, though the gap has narrowed. The average rent in April was £1,226, with growth expected to slow to 5% in 2024 due to reduced tenant demand. High demand and limited supply have driven up rents sharply over the past two years.

TRADE UPDATE

Abta unveils 'Shaping our Future' theme for Travel Convention

Abta has unveiled the theme for this year's Travel Convention in Greece, which will be titled 'Shaping our Future'. The convention takes place in Costa Navarino from October 7-9 and will be moderated by Sky News presenter Jonathan Samuels. Announcing the theme for this year's event, the association said: "In an ever-evolving world, the actions we take today will define the trajectory of our industry for years to come. "Shaping our future is a call to action for the industry's leaders, stakeholders and experts to come together to collaborate on forging a positive, sustainable, innovative, and resilient future."

Consumer spend on staycations rises 'significantly'

Consumers spent "significantly" more on staycations and home improvements during this year's early May bank holiday compared with the same holiday in 2023, new research shows. People continued to spend their money on experiences rather than possessions, with UK holidays and eating out last year, according to data from Mastercard Spendingpulse. Notable year-on-year increases in staycation spending were seen in Dorset, up 29%, Cornwall, up 24% and Devon, up 13%.

SPAA criticises Edinburgh policy on flight and cruise advertising

The Scottish Passenger Agents' Association (SPAA) has criticised Edinburgh's decision to ban the advertising of "high carbon products" on council-owned space, meaning flights and cruises will fall foul of the rules. The City of Edinburgh Council's policy and sustainability committee approved the policy last week in a bid to support the administration's net-zero targets. But SPAA president Jacqueline Dobson called on the council to overturn its decision, arguing that the policy "fails to consider the advances the travel industry is making towards a greener future".

AIRLINE UPDATE

Norse Atlantic records doubling in May passenger numbers

Long-haul budget carrier Norse Atlantic Airways saw passenger numbers more than double year-on-year in May ahead of the peak summer flying season. The airline, which runs a network of transatlantic routes from Gatwick, flew 129,722 passengers across 513 flights, including 55 charters. A total of 81% of flights arrived within 15 minutes of their scheduled arrival time with a completion rate of 99%. The month saw an average load factor of 81%, representing an increase of eight percentage points over the same month last year, an increase described as being in line with rising summer demand.

Strike forces Ryanair to cancel 100 French flights

Ryanair has been forced to cancel almost 100 flights to and from Paris Beauvais airport at short notice due to the latest in a series of strikes by French air traffic controllers. Affected passengers have been notified and advised of their options to either move to another flight or to receive a full refund. The former military airport used by low cost carriers 46 miles north of the French capital, warned that “major disruptions” to its flight schedule was expected due to the national air traffic control strike. Several Wizz Air flights have also been affected.

Virgin Atlantic confirms September return to Israel

Virgin Atlantic has confirmed a return to Tel Aviv from September 5 alongside a new codeshare pact with El Al. The airline will resume flights to the Israeli gateway city from Heathrow for the first time since October 11. The service has been suspended due to the ongoing conflict in Gaza. The resumption will see daily flights operated using Airbus A330 aircraft.

TOUR OPERATORS, TRAVEL AGENCIES & OTA UPDATE

Intrepid Travel aims to double turnover by 2030

Intrepid Travel aims to double its turnover in the space of seven years, helped by strong demand in the UK market. The company’s 2023 financial results showed a net profit of \$21.8m, while bookings totalled \$621m and revenues hit \$536m. But co-founder and chairman Darrell Wade confirmed plans to “continue the growth curve”, adding: “We’ll be twice the size of the company we are today by 2030, and I’m reasonably confident we’ll achieve that.”

Saga Cruises to welcome TV stars on board with new BBC Studios tie-up

Saga Cruises will welcome BBC stars on its ships thanks to a new partnership with BBC Studios. The programme will run between July this year and March 2025 across seven no-fly itineraries on Spirit of Adventure and Spirit of Discovery. Strictly Come Dancing professionals Luba Mushtuk and Vito Coppola will join two sailings: a 22-night Croatia and the Treasures of the Adriatic cruise departing on February 28, 2025, and an 18-night Western Mediterranean and Italian Riviera cruise departing on March 26, 2025.

Tui Group pledges support for customers and hoteliers affected by FTI collapse

Tui Group has assured customers it is “exploring avenues” to ensure all booked summer holidays will take place as planned following the collapse into insolvency of German travel group FTI Touristik.

The company said it is taking “decisive action” to support those affected by the collapse, and has staff meeting with hotel partners, stakeholders and local authorities in Spain, Turkey, Greece, Egypt and the UAE to “collectively navigate the challenges posed by this situation”. In agreement with the Germany Travel Assurance Fund, Tui will take over the support of FTI customers who have holidays booked to the Balearic Islands, Greece, Maldives, Mexico, Cuba and Dominican Republic.

SOCIAL UPDATE

Instagram testing video ads

Instagram is currently testing unskippable video ads which stops users from scrolling in the main feed until they've viewed the ad. The video will appear with a timer at the bottom, and users cannot continue scrolling until the timer has run out. This new feature has strong benefits for brands wishing to advertise on the app, but it's not proving popular with users who don't like their scrolling being interrupted by unavoidable promotions.

TikTok testing DM streaks

TikTok is looking to build engagement on its platform by testing a new feature, DM streaks. This is activated when users maintain daily messages and builds the longer users interact for without missing a day. This feature appears on the inbox page, with a fire emoji and streak count next to the username of the person they have a streak with. With DM streaks likely to make users want to maintain their streak count, TikTok is encouraging user engagement and interaction whilst also increasing time spent on the app.

MICE UPDATE

Mixed performance for sector in 2023, says UKCAMS

The latest UK Conference and Meeting Survey (UKCAMS) shows that in 2023 there were an estimated 964,000 conferences and meetings in the UK, representing a substantial recovery from 2020 and 2021 (0.2 million and 0.44 million events respectively), but slightly below the 2022 figure of 1.02 million. Such events generated an estimated £14.4 billion of direct expenditure in venues and the wider destination, compared with an estimated £16.3 billion in 2022. Capital investment by conference venues in their facilities increased to record levels: approximately three-quarters of venues invested in their facilities in 2023, spending an average of £244,000 each, and a fifth of venues invested over £500,000, higher than both 2022 and 2019 levels.

LIGHTER NOTE

Two out of three eggs laid by an osprey have hatched in a nest

This is the 11th consecutive year the parent ospreys, Blue 35 and White YW, have nested at this site after migrating from West Africa. Their activities can be viewed via the Cumbria Wildlife Trust's nest webcam. See more [here](#).