

# WEEKLY BRIEFING

20 September 2024



## ECONOMIC, SOCIAL AND POLITICAL UPDATE

### **Netherlands and Hungary push for opt-out from EU migration rules amid rising illegal immigration**

The Netherlands and Hungary have jointly demanded an opt-out from EU asylum and migration rules, signalling a shift towards more hardline border policies amid rising illegal migration. Both countries plan to leverage any amendments to EU treaties to seek exemptions, complicating the EU's enlargement plans by 2030. Hungary's government, facing financial penalties for its border policies, criticised the EU for perceived double standards, particularly regarding German border controls within the Schengen borderless travel area. The Dutch government is implementing a national asylum crisis law that includes a freeze on applications and stricter requirements for refugees. European leaders are set to discuss these issues next month, as the continent faces migration challenges and potential changes to the Schengen Agreement.

### **Nations call for de-escalation and an immediate ceasefire between Israel and Hezbollah**

The United Nations peacekeeping force in south Lebanon is urging de-escalation following an unprecedented security breach in which thousands of pagers and walkie-talkie radios belonging to members of Lebanese Shia Islamist political party, Hezbollah, detonated across Lebanon on Tuesday and Wednesday. The explosions killed 37 people and wounded thousands of others. Hezbollah leader, Hassan Nasrallah, stated that recent bomb attacks have "crossed all red lines," accusing Israel of declaring war. The attacks have heightened tensions, with Israel conducting airstrikes in response. The White House stated that a diplomatic solution was achievable and urgent, and the UK has called for an immediate ceasefire between Israel and Hezbollah.

## **Climate activist group has used public anger over potholes to drum up support for the net zero agenda**

A UK climate activist group, Round Our Way, is leveraging public frustration over potholes to raise awareness of climate change. They emphasise how extreme weather worsens road conditions, subtly shifting focus to climate issues without leading with the topic. Director Roger Harding highlighted the group's success in connecting local concerns with broader environmental problems. The strategy aims to show how climate change disproportionately affects working-class communities. The forum where Harding spoke also discussed the role of faith leaders in promoting climate awareness within their communities.

## **UK borrowing overshoots forecasts in August, surging to £13.7 billion**

UK public sector borrowing rose to £13.7 billion in August, exceeding the £11.2 billion forecast by the Office for Budget Responsibility, while the debt ratio reached 100% of GDP. This increase was driven by higher spending on benefits and government operations, despite a decline in debt servicing costs to £5.9 billion due to falling inflation. Labour has warned of a £22 billion fiscal "black hole" while pledging not to raise major tax rates. However, Chancellor Rachel Reeves received a £10 billion boost to her budget plans after the Bank of England announced it would sell fewer bonds, reducing anticipated losses and providing some fiscal leeway.

## **Interest rates held at 5% but 'on the path down'**

Bank of England Governor Andrew Bailey indicated that interest rates are gradually on a downward path after the Bank decided to hold rates steady at 5%. While inflation has decreased significantly, Bailey emphasised the need for more evidence that it will stay low before further rate cuts are made. Inflation remained slightly above the Bank's 2% target last month. Experts predict additional rate cuts in November, with two more interest rate decisions expected this year. The Bank's recent decision follows a reduction from 5.25% in August, the first cut since the pandemic began. Bailey stressed the importance of not cutting rates too quickly to ensure inflation remains controlled.

## **UK consumer confidence falls sharply amid fears of 'painful' budget**

UK consumer confidence has plunged to its lowest level since March, with the GfK consumer confidence index dropping by seven points to -20 in September, marking the steepest decline since April 2022. This sharp fall reflects growing concerns over the government's upcoming "painful" budget, despite stable inflation, lower borrowing costs, and resilient wage growth. The prospect of tax and welfare changes has unsettled consumers, potentially jeopardizing the economic recovery. The decline in confidence comes as the government prepares for budget decisions that could further impact personal finances and consumer spending.

## TRADE UPDATE

**Booking Packages boosting Britons' confidence in overseas travel**

The Association of British Travel Agents' (ABTA) second Travel Confidence index report concluded the nation feels happier about travelling overseas now than it did at the same time last year. A survey of 2,000 UK consumers found confidence levels were a healthy 47% compared with 41% last year. The score is derived from the 68% who expressed high confidence minus the 21% who put themselves in the low confidence group.

Factors that gave travellers confidence included knowing the total price of their holiday in advance, which was mentioned by 54% this year and 49% in 2024. ABTA found how people booked and travelled significantly affected their confidence, with those using a travel professional remaining very confident at +72 and those who took a package holiday returning a score of +74, up from +70 last year.

While families (+62) and 25- to 34-year-olds (+60) remain the most confident, all those aged 64 and under returned more positive scores this year, with the biggest year-on-year increase in confidence among those aged 45-54 (up from +34 to +50).

However, Graeme Buck, ABTA's director of communications, said: "With the Travel Confidence Index now in its second year, this is our first opportunity to compare data and start identifying any trends or changes in sentiment.

**Manchester Airport to open more than 20 new outlets in Terminal 2**

More than 20 new shops, bars and restaurants will open in Manchester Airport's new Terminal 2 next year. In total, 22 new units will open, as the second and final phase of the airport's £1.3bn transformation programme is completed by summer 2025. They include luxury retailers such as Chanel, alongside other big names like Pandora, LEGO, WH Smith, and Boots. A new 2,165sqm World Duty Free store featuring well-known brands including Christian Dior, Gucci, YSL and Charlotte Tilbury will also open.

Managing director Chris Woodroffe said: "We are really proud to connect the North to the world – and now through our brand new Terminal 2 we're able to do that in a setting that rivals any airport in any major capital city."

## August Airfare Rise 'second biggest for two decades'

The average cost of air fares sold in August has gone up by the second-highest amount in more than 20 years, new government figures reveal. Inflation figures from the Office for National Statistics show fares rose by 22.2% between July and August 2024, making them the biggest factor in transport inflation overall. Fares usually rise between these months, however the Office for National Statistics said, "But this was the second largest such rise since the monthly collection of prices began in 2001. The increase came principally from European routes."

### AIRLINE UPDATE

**Alaska Airlines** - Alaska Airlines closed its \$1 billion purchase of Hawaiian Airlines on Wednesday 18th October, a day after the federal government removed the last major regulatory obstacle to the deal. Alaska has confirmed it will keep operating Hawaiian as a separate brand. The deal solidifies Alaska's position as the fifth-largest U.S. airline by revenue.

**Etihad Airlines** - Etihad Airlines will increase its Manchester-Abu Dhabi service to twice daily, adding seven more flights per week starting in December 2024 as part of the airline's expansion plans for 2025. Paris will also get seven more flights, bringing a total of 14 a week from January 2025. Dublin will get three additional Etihad services from July 2025, to a total of 10 per week.

**Vietnam Airlines** - Vietnam airlines has announced its launching nine European routes beginning with its first flights to Italy. The airline will launch Milan flights from 1 July 2025 on the Boeing 787 Dreamliner aircraft, flying three times a week on Tuesdays, Fridays, and Saturdays from Hanoi.

### TOUR OPERATORS, TRAVEL AGENCIES & OTA UPDATE

**G-Adventures** - G Adventures and its non-profit partner, Planeterra, have unveiled four new social enterprises offering experiences for travellers on trips to India. The partners have also announced Incredible India as the headline sponsor for next week's GX World Community Tourism Summit happening from 24-28 September 2024.

**Travelbag** - Travelbag will officially open its seventh store this week, and has named the location for its eighth, which will open its doors early next month. England rugby international Danny Care will be on hand to cut the ribbon at Travelbag's new Cobham store in Surrey on **Thursday 19 September**. Its eighth store, meanwhile, will be in Harpenden, the agency has revealed. It will open on Monday 7 October ahead of an official opening on **Thursday 24 October**.

**TUI Cruises** - Tui River Cruises will operate a second ship on the River Nile during the 2025/26 winter season following the successful launch of its first. The refurbished Tui Bahareya accommodates 136 passengers in 68 cabins and is accessed via weekly flights from London Gatwick and Manchester to Luxor, Egypt.

## SOCIAL UPDATE

### **YouTube expands auto-dubbing availability and languages**

YouTube is expanding its auto-dubbing feature, making it available to more creators and in more languages. This tool, powered by AI, will mean that videos will be automatically dubbed when uploaded to the platform. There will also be an opt-out option, should creators not want to use it. This feature will allow creators to reach a broader audience by offering their videos in more languages.

### **Threads users can now add more visuals to a post**

Threads now allows users to add up to 20 photos/videos per post. Similar to carousel-style posts on Instagram, this new update allows users to share more content in a single post. This feature also makes it easier for users to cross-post across Threads and Instagram, sharing the same content to both channels.

## MICE UPDATE

### **RX Global cancels APAC version of IBTM World**

RX Global, organisers of the Barcelona-based meetings and events trade show IBTM World, has scrapped plans to launch an Asia Pacific edition of the show in Hong Kong next year. The inaugural event was due to be held at the AsiaWorld-Expo centre, 19-20 March 2025, however event director Claudia Hall told stakeholders in an email it would 'no longer take place'. It means The Meetings Show APAC, which launched in Singapore last year, will be the only show in town for industry suppliers who want to meet APAC event planners in their own backyard. In her email Hall put the decision to pull back from Hong Kong down to 'the continued global increase in the outbound meeting and business travel market from the APAC region.'

**LIGHTER NOTE**

Giant Millipede Lost to Science for a Century Rediscovered in Madagascar with 20 More Species in World-First Expedition. Find out more [Here](#).