

WEEKLY BRIEFING

27 September 2024



ECONOMIC, POLITICAL AND SOCIAL UPDATE

Petrol prices fall to lowest level for three years

Petrol prices have fallen to their lowest level for three years, with the average price for a litre of unleaded costing about £1.35, the RAC has said. Lower global oil prices and a stronger pound were the main reasons prices had fallen, the motoring group said. The figure is considerably lower than in July 2022, when petrol prices hit a record high of almost £1.92 per litre when oil prices surged following Russia's invasion of Ukraine. The UK only imports about 6% of oil from Russia, so is not as dependent on Russia as other European countries are and has said it plans to phase it out. It is, however, affected by the global shifts in price. The falling price of fuel will come as a boost to drivers, who have been hit hard in recent years by higher prices for all consumer goods.

Starmer steps up call for ceasefire in Lebanon

Sir Keir Starmer has stepped up his call for an immediate ceasefire in Lebanon following an escalation in fighting between Israel and the armed group Hezbollah. "Stop the violence. Step back from the brink," the prime minister said in his maiden speech to the UN General Assembly, despite Israeli ministers' rejection of an international proposal for a temporary pause in fighting. Sir Keir told world leaders a ceasefire would provide space for a diplomatic settlement to avoid a regional conflict in the Middle East.

Elsewhere in his speech, Sir Keir vowed to return the UK to "responsible global leadership" by recommitting to "the UN, to internationalism, to the rule of law". He also promised to restore Britain's "commitment to international development", and set out plans to change the international financial system "to deliver a fairer deal for developing countries".

Treasury reconsidering Labour plan for non-dom tax status, reports claim

The Treasury is said to be reconsidering parts of Labour's manifesto plan to toughen up the abolition of non-domicile tax status. "Non-dom" describes a UK resident whose permanent home - or domicile - for tax purposes is outside the UK. A Treasury spokesperson said: "These reports are speculation, not government policy. The independent Office for Budget Responsibility (OBR) will certify the costs of all measures announced at the Budget in the usual way."

Treasury officials have reportedly claimed scrapping two concessions to the status made by the previous Conservative government might not raise the £1bn earmarked by Labour for school breakfast clubs and extra hospital and dental appointments. The Treasury spokesperson added: "We are committed to addressing unfairness in the tax system so we can raise the revenue to rebuild our public services."

Roads and train lines flooded after major downpours

Parts of England have been hit by travel disruption after heavy rain and flash flooding. A section of the M5 near Bristol is flooded and had been closed after motorists needed to be rescued from their cars. Some areas which were forecast for the heaviest rain overnight had already experienced record September rainfall this month. Parts of Bedfordshire and Oxfordshire, in particular, have seen over three times their normal September rainfall. BBC Weather is monitoring the prospect of more wet and windy weather arriving later on Sunday and into Monday.

TRADE UPDATE

Tui UK boss Andrew Flintham to join BA Holidays

Tui UK & Ireland Managing Director, Andrew Flintham, is leaving to head up rival British Airways Holidays. His departure after 17 years at Tui, including running the business for six years, is set to trigger a senior management reshuffle. Flintham will succeed Claire Bentley, who will retire from her position at the end of October after 24 years. Flintham has more than 25 years' experience within travel and aviation, starting with a career in finance, which included six years at BA and then First Choice Holidays. Bentley oversaw a 25-fold growth in revenues at the operator during her tenure to more than £1.5 billion today and made BA Holidays one of the UK's leading tour operators.

Neil Swanson stepping up as managing director of Tui UK & Ireland

Neil Swanson is to replace Andrew Flintham as Managing Director of Tui UK & Ireland as Andrew Flintham heads up a new role at British Airways Holidays. Neil Swanson was made chief marketing officer for the Tui in June last year. He joined in 2001 launching the first websites for the Lunn Poly and Thomson brands. This was followed by various e-commerce sales and development roles before taking on the full Tui sales remit of e-commerce, retail and contact centres in 2018.

Travel defies reports a fall in consumer confidence

The travel sector has defied reports of a UK-wide fall in consumer confidence. GfK's Consumer Confidence Barometer has reported a drop in how consumers feel about their finances and the economy since the end of August amid Labour's warning of a "painful" 30 October budget.

In contrast, travel agents and tour operators boasted of “fabulous” September sales – particularly of cruises – and insisted the change of government was not affecting customers’ booking habits. The sentiments were echoed in Abta’s new Travel Confidence Index, which revealed Brits feel more confident about travelling overseas than this time last year, and Tui Group’s trading update, which highlighted positive booking momentum, with “promising” sales for this winter.

Liverpool Airport reports 15% rise in annual passengers

Liverpool John Lennon airport handled 4.3 million passengers in the last financial year to leave it 10% off pre-pandemic levels. The Merseyside airport saw volumes rise by 15% year-on-year in the 12 months to 31 March. Revenues for the same 12-month period rose by 14% to 44.4 million. A statement said: “Rising passenger numbers have been driven by continued recovery of the travel sector and significant investment into the airport. Jet2 started flying from Liverpool airport in the past year and has since expanded its programme for summer 2025.

AIRLINE UPDATE

British Airways - The airline is withdrawing from Southampton airport in 2025 despite adding services this summer. The carrier added seasonal routes to Majorca, Bergerac, Dublin, Faro and Malaga four months ago but is now suspending operations from the south coast airport for next summer. The change affects just four flights a week scheduled for next summer and BA offers hundreds of daily departures from Heathrow, Gatwick and London City airport.

Jet2 - Jet2 and Jet2holidays tease further growth as expanded summer 2026 programme released with more than 700,000 seats added. The sister companies have put 18.6 million seats on sale, increasing capacity over next summer with 22 new routes to bring the number up to almost 450. Flights and holidays to 57 sun and city destinations feature from 12 UK airports – Belfast International, Bournemouth, Birmingham, Bristol, Edinburgh, East Midlands, Glasgow, Leeds Bradford, Liverpool John Lennon, Manchester, Newcastle and Stansted.

Virgin Atlantic - Virgin Atlantic Chief Commercial Officer reports that air fares have plateaued but will not come down because of increased operating costs. Speaking at the 2024 Travel Weekly Future of Travel Conference, Juha Järvinen said it had been an “exceptionally good year” for the airline – despite “some ups and downs” – with overall revenue up 6% versus 2023 and record operating EBIT (earnings before interest and taxes). He attributed this to corporate demand continuing its recovery and “strengthening interest” from the US market to the UK, partly due to people in America attending the 2024 Summer Olympics in Paris.

TOUR OPERATORS, TRAVEL AGENCIES, OTA UPDATE

Gold Medal - Gold Medal has introduced cruise and stay holidays into the second year of the Florida Parks & Beaches brochure. The move follows sister brand Cruise Plus seeing 36% year-on-year growth, with Florida accounting for an 18% share of this. A dedicated section in the new 116-page 2024-25 Florida Parks & Beaches programme is now set aside for cruise and stay holidays. The brand is giving six agents the chance to join a fam trip to the new Universal Epic Universe, in partnership with Universal Orlando Resort and Virgin Atlantic and Delta Air Lines.

Jet2holidays & easyJet holidays - The bosses of Jet2holidays and easyJet holidays have committed to continuing to focus on growing their businesses in the UK. Speaking at this year's Travel Weekly Future of Travel Conference both tour operators hailed the opportunity for domestic expansion as their priority. When asked about expanding Jet2's operations to overseas markets, Chief Executive Steve Heapy was non-committal.

On the Beach - On the Beach Group has reported "very encouraging" bookings for next summer as it reported record annual transition values of £1.2 billion. The figure was disclosed in a trading update for the year to 30 September, representing an increase of 15% over 2023 levels. Chief executive Shaun Morton said: "Summer '24 has set a new record for On the Beach and our full year performance represents the third consecutive year of revenue growth while delivering improved operating leverage resulting in significant ebitda and PBT (profit before tax) growth. The company projected that pre-tax profits would be in line with expectations of £31 million, despite incurring "significant" one-off costs related to integration of a "transformational" partnership with Ryanair.

Travelpack - The operator has acquired a new business, Infinity Tours, which is providing new opportunities for the company, and is on target to hit £85 million turnover this year. Agents account for around 98% of the business and Managing Director Vishal Patel is determined to make the most of the acquisition by improving the operator's service with faster response times to travel agent calls and improved technology, such as its new trade website due to go live later this year.

SOCIAL UPDATE

YouTube announces new features

At YouTube's "Made on YouTube" event, the platform announced several new features. These include AI-powered video generation tools and AI-assisted content ideas via YouTube Studio's "Inspiration" tab. They also unveiled a "Hype" feature to showcase up-and-coming creators, as well as channel Communities, which will allow the creation of channel-focused groups, enhancing connections with fans.

TikTok broadens creator subscription options

Initially launched in 2022 for Live creators (the creator hub), TikTok is broadening its creators' subscription feature, which will now be available to more users on the platform. Eligible creators must be at least 18 years old, have 100,000 video views in the last month, and a minimum of 10,000 followers. They will be able to offer customised subscription options, including exclusive content and perks, private communication channels, and community identifiers. This expansion will be introduced in the coming weeks to select regions.

MICE UPDATE**JMIC expands membership in Asia and Africa**

The Joint Meetings Industry Council (JMIC), the international body representing the collective voice of the global meetings and events industry, has announced the addition of two new members: the China Business Event Industry Committee (CBEIC) and the Southern African Association for the Conference Industry (SAACI). JMIC says the additions will strengthen its global network and enhance its advocacy efforts for the business events industry across the world. The collaboration is expected to foster international cooperation, promote economic development, and improve the competitiveness of the regions involved.

LIGHTER NOTE

Around 450 animal lovers and their pets – including dogs, cats, hamsters, a miniature pony and a donkey – attended Ely Cathedral's annual animal service dedicated to "celebrating animals of every kind". Read more about it [here](#).