

WEEKLY BRIEFING

4 October 2024



ECONOMIC, SOCIAL AND POLITICAL UPDATE

The Bank of England could cut interest rates more quickly if prices rises remain under control

Bank of England governor Andrew Bailey has suggested that interest rates could be cut more aggressively if inflation remains controlled. After cutting rates from 5.25% to 5% in August, the first reduction in over four years, Bailey indicated that geopolitical risks could impact energy prices and inflation. Despite rising oil prices, they remain lower than in 2022. Bailey also dismissed former prime minister Liz Truss's claim that her mini-budget was undermined by the Bank.

The Bank of England is closely monitoring inflation and oil prices, with two more rate meetings this year. With inflation near the Bank's 2% target, further rate cuts are expected, which could lower mortgage payments but reduce savings returns. Following Bailey's interview, market expectations for rate cuts in November and December have risen, leading to a nearly 1% drop in the pound against the dollar.

The UK to end its 142-year reliance on coal power

The UK is ending its 142-year reliance on coal power as the country's last coal power station, Ratcliffe-on-Soar, closes. This milestone highlights the UK's commitment to tackling climate change, with coal being the most polluting fossil fuel. From generating nearly all of the nation's electricity in the early 20th century, coal's role diminished as renewable energy surged.

By 2024, over 50% of UK electricity came from renewables, with coal-free periods beginning in 2017. This transition follows the UK's legally binding climate targets, set in 2008, and a 2015 pledge to phase out coal within a decade.

Health fears over winter fuel payments cut

Elderly citizens have criticised the UK government's decision to limit winter fuel payments, saying it neglects people with chronic health conditions.

Previously available to all pensioners to help with energy costs, the payment is now restricted to those receiving certain benefits.

Pensioners have expressed concern that the government has overlooked the health impacts of such cuts, especially for those with life-altering illnesses who don't qualify for other benefits, over fears this could increase pressure on the NHS as vulnerable individuals struggle with the cold. In response, a government spokesperson highlighted measures to support pensioners, including state pension increases, continued winter fuel payments for over a million pensioners, and additional help through the Warm Home Discount and Household Support Fund.

Conservative leadership vows to win again

At a Conservative Party conference in Birmingham, leadership contenders Tom Tugendhat, James Cleverly, Robert Jenrick, and Kemi Badenoch delivered speeches aiming to win over members. The leadership race dominated the conference as the party seeks to recover from a historically poor performance in the July general election.

The race will narrow to two candidates after a vote by Tory MPs, with the final party vote deciding the new leader by 2 November. Each candidate attacked Labour leader Keir Starmer and insisted they could lead the party to victory in the next election, but only by shifting the party's direction.

TRADE UPDATE

European airports top 250m passengers in summer peak month

The August peak month for air travel saw European airports handle more than 250 million passengers despite multiple headwinds. Passenger traffic across the European airport network increased by 5.6% compared to the same month last year. This resulted in passenger volumes standing 2.3% above their pre-pandemic level in August 2019, according to European airport trade body ACI Europe.

Airports in the UK (-0.4%) and France (-0.9%) came very close to a full recovery, with Heathrow remaining as the busiest airport in Europe ahead of Istanbul, Paris Charles de Gaulle, Amsterdam Schiphol and Frankfurt.

New York City initiates global 'With Love + Liberty' tourism promotion

The UK and Ireland are among six countries initially targeted as part of a new global tourism push by New York City. The 'With Love + Liberty, New York City' campaign includes out of home, digital, video and social media activity.

Using the Statue of Liberty as New York City's symbol of welcome, the promotion will be supported by airlines, tour operators and online travel agency partners.

It will expand to 12 additional markets by next June in the lead up to a historic 2025-26 in which the founding of the City of New York will be commemorated together with the 250th birthday of the US, and the hosting eight FIFA World Cup matches including the final in the city in summer 2026.

EasyJet holidays hikes Atol capacity by a third, as Jet2 retains top spot

Travel's largest Atol holders' new authorisations were revealed on 3 October, with Jet2holidays remaining the largest Atol holder after increasing its licence from 6.7 million to just over seven million seats – an increase of about 5%. Tui retains second spot in the list, maintaining its Atol at 5.8 million seats, while Loveholidays – which renews its Atol in the spring – remains third with a licence for four million seats. EasyJet holidays, though, is the biggest mover, jumping ahead of Booking.com into fourth place in the last with a licence for just over three million seats, a year-on-year increase of 33%. Those renewing in October will be licensed for the period from 1 October 2024 to 30 September 2025.

Spring renewing Atol holders will reveal their new Atol allocations in early April 2025 for the period from 1 April 2025 to 30 March 2026. On the Beach climbs to fifth despite being another spring renewal after Booking.com almost halved (-47%) its Atol from nearly 2.4 million to just shy of 1.3 million.

AIRLINE UPDATE

Norwegian Air - Norwegian Air Group has issued a warning over the impact on aircraft deliveries due to an ongoing strike at Boeing. An already heavily delayed production schedule is being impacted as the strike moves into its fourth week with a walkout by more than 30,000 technicians and mechanics. The Scandinavian airline group's chief executive Geir Karlsen said: "The strike is further delaying Boeing deliveries, which were already significantly behind schedule. This will delay our deliveries well into next summer and increase short-term costs, requiring us to prioritise cost-saving measures".

Qatar Airways - Qatar Airways will launch a new service to Toronto Pearson International Airport (YYZ) starting on 11 December 2024, with three weekly non-stop flights from Hamad International Airport (DOH). As the airline's fourteenth gateway to the Americas, the new Toronto route marks the airline's second destination in Canada, joining Montréal which has served more than 1.6 million passengers'

across seven daily flights to and from Montréal-Trudeau International Airport (YUL) since its launch.

Virgin Atlantic - Virgin Atlantic has forged a codeshare with SAS after the Scandinavian carrier joined the SkyTeam alliance. The partnership launches next week giving Virgin Atlantic passengers on flights from the US and Canada the ability to buy onward connections via Heathrow and Manchester onto SAS services to Stockholm, Oslo, Copenhagen, Stavanger and Bergen. People travelling with SAS will be able to connect via Heathrow onto Virgin Atlantic's Caribbean, African, Middle East and South Asian destinations, subject to government approval.

TOUR OPERATORS, TRAVEL AGENCIES & OTA UPDATE

Barrhead Travel - Barrhead Travel has hailed the demand for in-person events in the years since the pandemic and pointed to their success as revenue drivers. Nicki Tempest-Mitchell, sales and marketing director at the agency, said more than 40 events had been arranged this year dedicated to areas including cruise, Canada and touring and adventure. They generated more than £4.5 million, she revealed, following a level of interest which has "never been stronger". "It felt like our events were the final piece of the puzzle after the pandemic and they're a core part of our future," she said.

Icelolly.com - Icelolly.com has revealed a spike in September holiday searches compared with August. The package holiday comparison website said the month-on-month increases suggested the "holiday season was far from over" with some destinations enjoying rises in search volumes of more than 300%. Lisbon enjoyed the highest hike in month-on-month searches with a 683% increase in September versus August. Other destinations to record some of the biggest rises in searches were Tuscany, 244% up; Marrakech, 183% higher; Zante with a 110% hike; and Sicily, with a 78% increase. Also up were Las Vegas (32%); Amsterdam (29%); and Ibiza (16%).

Travel Counsellors - Homeworking agency Travel Counsellors hosted its fifth and final 'Gold' trip of the year recently in Doha, recognising the "outstanding" achievements of its top-performing agents. Organised with Discover Qatar, Qatar Airways and Qatar Tourism, the trip gathered the largest group of travel counsellors yet, with 66 business owners, their partners, nine support team members and three sponsors all attending

SOCIAL UPDATE

Instagram launches signature reels sound

Instagram has introduced a new 'signature sound' which will play at the end of every downloaded reel on the platform. By adding this new branding feature, Instagram wants this short sound to become the recognisable sound associated with the app. Instagram's design team have said this sound will represent the app's 'sonic identity'.

MICE UPDATE

The Association of Event Venues (AEV) launches mentoring programme for junior event managers

The programme rose out of the junior event managers working group which launched in January of this year. Intended for newly qualified and junior event managers, event assistants or co-ordinators starting their careers, or any venue placement students studying or training for a career in event management, the mentoring programme offers a fully customised 12-month plan to support growth and career development. Candidates can pursue the mentors via the AEV website, review their bios and select the preferred person to support their career. Once paired with a mentor a start date is agreed to suit both parties. All sessions are confidential.

LIGHTER NOTE

Two beaver kits have been born on the Lowther Estate in Cumbria, four years after their parents, Glen and Dragonfly, were introduced to a fenced enclosure as part of a conservation project. See more [HERE](#)