

WEEKLY REPORT

20 December 2024



ECONOMIC, POLITICAL AND SOCIAL UPDATE

Bad weather could hit festive getaway as Met Office issues yellow warnings

The Met Office is urging people to prepare for "disruptive weather" this weekend as Christmas holidays begin and advising there could be "significant disruption" to travel networks. Yellow warnings for wind have been issued and parts of the U.K. could be hit by gusts of up to 85mph. Rebekah Hicks, Met Office deputy chief meteorologist, said: "The area of low pressure will bring rain and strong winds on Saturday, with a chance of significant disruption especially to transport networks across the north, including the potential for ferry cancellations." This weekend's winds are unlikely to be as strong as those brought by Storm Darragh earlier in December but the impacts could still be significant. It comes as drivers have been warned of a "pre-Christmas panic" on U.K. roads and record levels of traffic.

Government borrowing lower than expected in November

Government borrowing fell in November as more money was raised from taxes and less was spent on the country's debt interest payments, according to official figures. Borrowing was £11.2bn last month, £3.4bn lower than the same month last year and the lowest November figure since 2021. Debt interest was down £4.7bn from a year earlier to £3bn, mainly due to lower inflation, the Office for National Statistics (ONS) said. Separate figures from the ONS showed retail sales rose slightly last month, helped by stronger trading at supermarkets. Economists had predicted government borrowing to be around £13bn for November, meaning the actual figure was lower than expected.

Peter Mendelsen to be announced as U.K.'s next U.S. ambassador

Sir Keir Starmer has picked Labour veteran Peter Mandelson to be Britain's new ambassador to Washington, D.C. It comes as Starmer prepares for Donald Trump's presidency, with which he hopes he can forge positive ties. Lord Mandelson was a huge figure during the New Labour years and served in the cabinets of Sir Tony Blair and Gordon Brown, but hasn't served in government since then. For the past

month, he has been seen by Labour insiders as the clear frontrunner on a shortlist of four, also including former foreign secretary David Miliband. He will replace Dame Karen Pierce, whose term in Washington, D.C. is due to end as Trump enters the White House in early 2025.

Government unveils new powers to approve onshore wind farms

The government has unveiled plans to give ministers the final say on approving large onshore wind farms rather than leaving decisions to local councils, where opposition has often been fierce. The plan is among proposals announced by Energy Secretary Ed Miliband on Friday as part of what the government is calling an "ambitious" action plan for reaching 95% clean energy in the U.K. by 2030. The government maintains any project will need to have "direct community benefits" and proposes to establish a recovery fund to invest in nature projects as compensation for any environmental damage.

Prior to the election Labour predicted that households would save £300 on their energy bills as a result of its green measures - citing research by independent think tank Ember. On Friday Miliband reasserted this figure but said it would be "up to £300" - suggesting it could be lower.

TRADE UPDATE

ACI Europe responds to IATA's criticism on airport capacity and slot regulations

ACI Europe, the Airports Association, has responded to IATA's recent call for tighter regulations on airport capacity use, dismissing the airline association's stance as based on "misguided statements" and "misconceptions." IATA released a White Paper this week on airport capacity and slot regulations, highlighting a significant disparity between top-performing airports and those with average capacity. The paper warned of an impending "capacity crunch," emphasising that airports are struggling to keep up with increasing demand. The report argued that airports are unable to meet the growing demand and urged changes to slot regulations to help maximise capacity from existing infrastructure. It pointed out that large scale airport expansions, especially the construction of new runways, are unlikely due to political challenges. Currently, 400 airports worldwide cannot accommodate airlines' slot demands. IATA forecasts that this number will rise by 25% over the next decade, and that by 2050, European airport capacity will fall 12% short of demand. It urged airports to extract as much capacity as possible from their existing infrastructure.

Airports urged to adapt to rising climate risks impacting aviation

The growing threat of extreme weather disrupting air travel in Europe has

prompted Eurocontrol, the European air traffic navigation body, and ACI Europe, the airports' association, to issue guidance for airports on adapting to climate-related challenges. A joint report titled "*Adapting Aviation to a Changing Climate*" outlines key climate impacts of concern and urges airports to conduct risk assessments and implement adaptation strategies. The report states: "The sector is contending with disruptive weather patterns that are increasingly affecting aviation operations, airport infrastructure, passengers, and staff—a trend expected to intensify with climate change. "Leveraging technologies and strategies to drive adaptation will be crucial in addressing this resilience challenge." The briefing highlights several risks, including a rise in the number of days impacted by heatwaves, increased demand for cooling in terminals and aircraft, stronger storms damaging infrastructure, and greater risks of flooding and traffic disruptions.

Festive season airline capacity surges 5% above pre-pandemic levels

The number of airline seats available for this year's holiday travel season has risen by 5% compared to pre-pandemic levels, according to new data. Departures from U.K. airports are operating at 98% of 2019 levels, but the number of seats available between 20 December and 2 January exceeds pre-pandemic figures due to airlines deploying larger aircraft with increased capacity. Aviation analytics company Cirium reported that U.K. airports are set to handle 33,288 flight departures during the holiday period, offering more than 6.1 million seats. Compared to the 2023 festive season, departures have increased by 5%, while available seats are up by 6% year-on-year, reflecting the ongoing rise in demand for air travel.

AIRLINE UPDATE

Aer Lingus - Aer Lingus has received the first two of six new Airbus A321XLR aircraft, designed for fuel-efficient long-haul travel. These single-aisle twinjets will serve transatlantic routes and new destinations, including Nashville and Indianapolis, starting in 2025. Configured with 184 seats—16 in full-flat business class and 168 in economy—the aircraft offer a range of up to 8,700km, 15% more than the A321LR. Features include larger overhead bins with 60% more cabin bag space, wider seats, advanced in-flight entertainment, and quieter cabins. Aer Lingus is the second airline globally and within IAG to operate this extra-long-range model.

British Airways - British Airways is set to suspend its Heathrow-Abu Dhabi route for nearly seven months in 2025 due to ongoing issues with the engines powering the aircraft used on the route. All flights between Heathrow and Abu Dhabi scheduled between 30 March and 25 October 2025, have been cancelled.

Passengers can still reach Abu Dhabi via British Airways flights from Gatwick or by flying from Heathrow to Dubai. The airline has apologised for the disruption and confirmed that affected customers are being offered same-day rebooking options with other airlines, as well as the choice of a full refund. In a statement, BA attributed the cancellations to continued challenges with the Rolls-Royce Trent 1000 engines on its Boeing 787 Dreamliner aircraft, including delays in the delivery of engines and parts.

Norse Atlantic - Norse Atlantic Airways will now distribute its flights through the Amadeus, Sabre, and Travelport systems, expanding its global presence in the trade. This growth in ticket sales is enabled by a partnership with Air Promotion Group's interline e-ticketing (IET) system and its APG Connect B2B platform. As part of the agreement, Norse can sell flights through a pseudo-codeshare arrangement, distributing them across all major GDS platforms worldwide. Using the APG platform, Norse's flights are listed under the AI code in the GDS, making them fully bookable for agents on APG's global stock. Travel agents can also book tickets on Norse's network via the centralized APG Connect platform. This move is part of Norse's broader strategy to optimize its Boeing 787 Dreamliner fleet, aiming to ensure high seat occupancy and efficiency during both peak and off-peak travel periods.

TOUR OPERATORS, TRAVEL AGENCIES & OTA UPDATE

Dnata - Gold Medal, Pure Luxury, Cruise Plus, and Incredible Journeys are "better equipped than ever" to support agents this peaks season, according to Simon Applebaum, managing director of Dnata Travel Group UK's B2B brands. Starting 2 January, agents will gain access to four new campaigns featuring 200 offers. After a record-breaking January in 2024, with Gold Medal's call volumes up 22% year-on-year, Applebaum expects even greater activity in 2025. He said, "The steps we've taken over the past year position us to help agents secure more bookings during a standout peaks season."

Jet2holidays - Jet2holidays has launched its peak season marketing campaign, *One Step Beyond*, giving agents the chance to win one of 200 fam trip spots. As part of the campaign, agents can offer their customers a £100 per person discount on all Jet2holidays departing between 19 December 2024 and 15 November 2026. The campaign's competition, *Book for a Break*, also kicks off today. Agents who secure a Jet2holidays booking between now and 30 January will be automatically entered into a draw to win a place on a Destination Discovery fam trip in 2025, where they can experience a Jet2holidays package holiday firsthand.

Kuoni - Kuoni's "*It's not where, it's why*" campaign launches nationally today (20

December) running until 17 February 2025, across TV, radio, digital platforms, and outdoor posters. The campaign, part of Kuoni's recent rebrand aimed at attracting families, highlights the emotional connections travel creates, such as family bonding during adventures. Running alongside is the *Kuoni Giveaway* for travel agents, offering weekly "wow" prizes from 30 December 2024 to 17 February 2025.

Tui - Tui U.K. & Ireland has announced its peak season sale, offering discounts and deals on holidays for summer 2025, winter 2025-26, and summer 2026. Launching officially on 23 December, the sale includes savings of up to £300 per booking, thousands of free child places, and low deposits starting at £60 per person, or £0 with a direct debit plan. Additionally, hundreds of free room upgrades are available at selected hotels. Customers with a MyTUI account can enjoy early access to the sale starting Friday, 20 December. Tui's U.K. cruise brand, Marella Cruises, is also offering discounts, including £300 off per booking on long-haul Caribbean and repositioning cruises, and £200 off per booking on short- and mid-haul itineraries around the Canaries and Mediterranean. These cruise offers apply to departures between 1 April 2025 and 30 April 2026, and are exclusively available to MyTUI account holders from 20-22 December. General access to these savings begins on 23 December.

SOCIAL UPDATE

Threads introduces media sharing with the creator credited

Threads now lets users share media while giving credit to the creator. With the new 'Use Media' option in the repost menu, you can share an image or video from another user. The original creator's username will appear in the top left corner, along with a re-share count for the media. This feature ensures creators get proper credit and helps prevent content theft.

LinkedIn trials paid boosting for personal posts

LinkedIn is testing a feature that lets users pay to boost their personal posts for more reach. Expanding on the existing option for business pages, this new tool makes it easy to amplify in-stream posts. It's perfect for influencers looking to grow their audience and strengthen their presence on the platform.

MICE UPDATE

SITE GB shows strong growth

Two event industry planners have taken over the reins as co-chairs of the SITE Great Britain Chapter. Joe O'Connell from Blackbook and Deborah Crosswell from

Top Banana welcomed over 300 people to the SITE GB Event on Monday 16 December launching exciting plans for the future as the SITE GB Chapter enjoys continued growth as the UK outbound incentive travel market persists with strong demand.

LIGHTER NOTE

Celebrating nature's capacity to make us laugh, the latest winners of the Nikon Comedy Wildlife Photography awards have just been revealed. Click [here](#) to see some of the best entries.