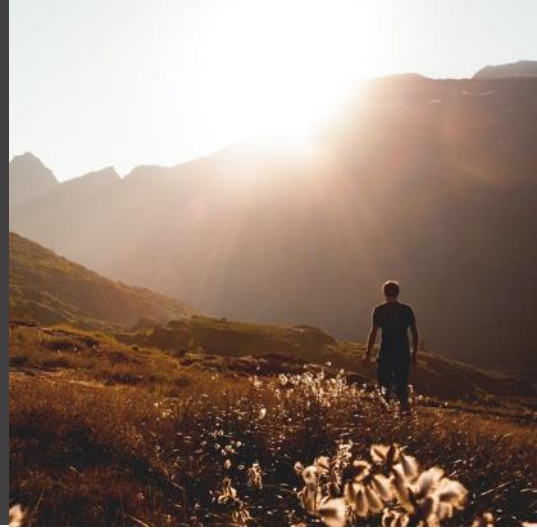


WEEKLY REPORT

24 January 2025



ECONOMIC, POLITICAL AND SOCIAL UPDATE

Chancellor Rachel Reeves indicates she will overrule environmental objections to a third runway at Heathrow

The debate over the third runway at Heathrow is heating up, especially with the Chancellor's push to prioritise economic growth over environmental concerns. This could put Reeves at odds with colleagues like Ed Miliband, who's been a staunch opponent of the expansion for years. Miliband, despite his opposition, has said he won't resign if the government backs a third runway at Heathrow Airport. Reeves began a 48-hour pitch to international investors at the World Economic Forum in Davos, and said that she would back infrastructure projects even where they are unpopular. The expansion of Heathrow has been debated for almost 20 years but despite the consistent support of business groups and a consensus it would boost economic activity, environmental and political objections have prevented it.

UK leaves door open to joining EU trading scheme

Downing Street has not ruled out the possibility of the UK joining the Pan-Euro-Mediterranean Convention (PEM), a trade arrangement that enables tariff-free trade between the EU and neighbouring countries in Europe, North Africa, and the Middle East. EU Trade Chief Maros Sefcovic expressed openness to the idea as part of a post-Brexit "reset," but UK officials, including EU Relations Minister Nick Thomas-Symonds, clarified that there are no current plans to join. The Prime minister's official spokesman told reporters: "Our red line has always been that we will never join our customs union, never re-join the single market, no freedom of movement, but we're just not going to get ahead of those discussions." However, the spokesman said "as we've always been clear, we think that there's room to improve on the trading relationship with the EU, and we'll be having those discussions."

Millions get phone alert as Storm Éowyn closes in

Millions have received an emergency phone alert over the approaching Storm Éowyn, as schools and transport networks are due to shut and people asked to stay home in parts of the UK. The worst disruption is due to hit Northern Ireland and parts of Scotland on Friday, where the Met Office has issued rare red weather warnings and forecast gusts of up to 100mph (161km/h) in some coastal areas. The warnings for wind mean flying debris could cause a danger to life. Alerts were sent to about 4.5 million people in at least 28 areas of both Scotland and Northern Ireland on Thursday.

TRADE UPDATE

UK poised to trial contrail avoidance in airspace 'living lab'

The UK could become the first country to set up an airspace 'living lab' to test how adjusting the flightpaths of aircraft could avoid the formation of condensation trails (contrails). The effects of contrails, formed by aircraft emissions in certain atmospheric conditions, are calculated to double the climate impact of flying by trapping heat. Speaking at a Westminster Energy, Environment and Transport Forum on UK aviation decarbonisation earlier this month, Professor Rob Miller, noted: "About half the climate impact [of aviation] is caused by contrails." One in 20 flights produce contrails which turn into clouds and trap heat, he said, arguing: "It's a very powerful effect and, if we could switch it off, we should do it immediately." Miller noted: "There are a lot of uncertainties – scientific, operational and technological." But he insisted: "We should not delay." He told the forum: "We propose to set up a living lab in [UK] airspace, about the size of Scotland, and run a contrail-avoidance scheme."

Green light expected for major airport expansion

The government is reportedly poised to back significant expansion of London-area airports. Chancellor Rachel Reeves is expected to announce her support for a third runway at Heathrow. She is also likely to approve plans to bring a second runway at Gatwick into full-time use and to increase capacity at Luton airport. Reeves is understood to be preparing to use a speech on growth next week to declare the government's backing for the expansion. The government responded in a statement to *The Times*: "We are determined to get our economy moving and secure the long-term future of the UK's aviation sector."

Agencies report increasingly strong sales as peaks progresses

Agencies have reported increasingly strong sales as January continues, yet some have noted hesitation in the family market due to pricing. Barrhead Travel revealed Saturday 18 January had been the strongest day in its history, beating the previous high set the preceding Saturday, while Travel Counsellors has recorded eight days in January that rank among its top-25 sales days in its 30-year history. Nicki Tempest-Mitchell, managing director of Barrhead Travel, said: "Last week really saw peaks take hold in our retail network. We'd already had a strong start to January, but it seems that consumer sentiment has changed gears and has accelerated very quickly." Hays Travel hailed a "buoyant" month so far, while IntelTravel described this year's peaks performance as "staggering". Independent Travel Experts, The Travel Network Group's homeworking division, has welcomed growing momentum as the month progresses.

Airlines 'will fail to meet' SAF mandate requirements, warns expert

The aviation industry is likely to fail to comply with the government's SAF mandate over the next decade. That is according to Dr Chris Malins, director at low carbon fuels consultancy Cerulogy, who described the UK SAF mandate introduced this month as "well structured" but the targets as "challenging". He said the mandate's requirement for 1.2 million tonnes of SAF, or 10% of aviation fuel in the UK, by 2030 "implies pretty rapid investment in SAF production and billions in capital expenditure". Speaking at a Westminster Energy, Environment and Transport Forum on UK aviation decarbonisation, Malins noted the UK would need "30-40 commercial-scale facilities by 2035" and warned: "There is likely to be a compliance shortfall in a number of years up to 2035." He said the mandate "should support SAF at a price quite a bit higher than the current price of jet fuel".

Travel and tourism firms in 'critical' financial stress up by a third, report suggests

A "worrying surge" in the number of businesses entering critical financial distress in the final quarter of 2024 has been disclosed by insolvency experts Begbies Traynor. The number of travel and tourism businesses in this category rose quarter-on-quarter by 36.7%. Overall 'critical' financial distress rose by 50.2% to 46,853 companies, underscoring a deteriorating outlook, the 'red flag alert' report said. The total number of UK businesses considered to be in 'significant' financial distress increased by 3.5% in the quarter to 654,765.

Aviation growth ‘will counteract’ emissions reduction efforts

Aviation’s growth plans are “irreconcilable” with Europe’s climate goals, according to a report published this week by Brussels-based environmental group Transport & Environment (T&E). The report argues Europe’s aviation industry could deplete its projected carbon ‘budget’ for 2050 as soon as next year when aircraft manufacturers Airbus and Boeing forecast air passenger traffic will double by 2050 from 2019. It warns current industry growth projections “will counteract most efforts” to reduce aviation emissions and suggests: “Sustainable aviation fuels (SAFs) are only a viable solution without exponentially growing levels of traffic.” T&E called on policymakers to act rapidly “to address airport growth, frequent flying and under-taxation of the sector”.

AIRLINE UPDATE

Emirates - Emirates is claiming a record surge in bookings from the UK as travellers show a growing appetite for long-haul destinations. Bookings to Bali are up 40% year-on-year, with Australia, New Zealand, Bangladesh and South Africa all seeing 30% growth. The most popular long-haul destinations from the UK include the UAE, Thailand, Australia, India, the Maldives and Mauritius. The Dubai carrier’s forward booking data also shows sustained demand for elevated travel experiences with increases in bookings across its more premium cabins.

United Airlines - United Airlines announced an expansion of its nonstop services between Dublin and the U.S., with a seat offer increase of over 40 per cent for summer 2025. With this increase, the airline will be offering its highest ever capacity from Dublin. Starting 29th March 2025, the airline will seasonally double the number of flights between Dublin and Washington D.C., from once to twice daily and will also increase capacity on its Dublin to Chicago O’Hare seasonal service.

United Airlines saw annual pre-tax profits rise by almost a quarter to \$4.2 billion in 2024 and broke records for the most flights and passenger carryings in its history. United predicts “robust demand trends” in the first quarter of this year and recorded its busiest three days in company history based on passengers carried in December. United flew the largest international schedule of any US carrier by available seat miles – 35% larger than its next rival – with nearly 700 international flights a day to 133 destinations across 67 countries.

TOUR OPERATORS, TRAVEL AGENCIES & OTA UPDATE

Barrhead Travel - Barrhead Travel has celebrated another record-breaking sales day, a week on from the previous achievement. Saturday 18 January has been hailed as a landmark day with the weekend as a whole outperforming the group's previous record-breaking weekend from January 2024. The weekend was the best-ever trading period, as sales reached 22% above the same point last year.

EasyJet Holidays - EasyJet holidays expects 25% rise in customers this year after profits rose by 40% or £12 million to £43 million in the three months to 31 December. EasyJet is on course to achieve a medium target of £1 billion in annual profits as traditional winter losses were cut. The airline said in a trading update: "The traditionally busy Easter period is seeing strong demand and bookings continue to build for summer 2025. "At this early stage of the year, the current booking trends are supportive of full year '25 consensus.

Gold Medal - Gold Medal has made a range of budget airlines available for agents to book online. The dnata Travel Group UK flagship B2B brand has added easyJet, Jet2.com, Tui Airways, Norse Atlantic Airways and Sun Express to its roster of major scheduled airlines. Gold Medal offers a vast portfolio of more than 10,000 properties across Europe, covering 29 destinations. Product and commercial director Adrian James said "We're excited to expand our portfolio, bringing holidays to customers that are closer to home".

SOCIAL UPDATE

Instagram expands Reels to include 3 minute clips

Instagram is now allowing users to post Reels up to three minutes long. These longer clips will also be recommended to non-followers on the Reels page. Previously, users could only upload Reels longer than 90 seconds directly from their camera roll. With this update, however, longer clips can be edited and posted directly within the app. Instagram had previously reported that Reels longer than 90 seconds received less engagement and were not widely promoted within the app. This is now changing, as longer Reels will be included in the Reels tab. This update gives content creators and businesses the opportunity to produce more detailed and creative content, reaching a broader audience and expanding their reach

X introduces a video tab

X has introduced a dedicated video tab, allowing users to access a full-screen video feed with ease. This new tab will replace the 'Communities' button, following a reported 40% year-on-year increase in video views. The platform aims to position itself as a 'video-first' app, prioritising and promoting more video content.

MICE UPDATE

European Association Awards 2025

The European Association Awards 2025 are now open, offering associations across Europe the opportunity to celebrate their achievements and inspire peers within the industry. Organised by the European Society of Association Executives (ESAE), the annual recognition programme aims to highlight the dedication and innovation of teams whose work is shaping the future of associations. This year's awards focus on four key categories: Impact, Digital Communication, Event Innovation, and Diversity, Equity, and Inclusion (DEI). Each category celebrates specific aspects of excellence, from transformative societal contributions to creative, sustainable event designs, and groundbreaking inclusion initiatives. Applications are open until 1 March 2025, with winners to be revealed at the European Association Summit 2025 on 10 April 2025.

LIGHTER NOTE

The Democratic Republic of Congo has pledged to create the world's largest protected tropical reserve, encompassing an area roughly the size of France. Read more [here](#).