

# WEEKLY REPORT

17 January 2025

## ECONOMIC, POLITICAL AND SOCIAL UPDATE

### **UK inflation unexpectedly dipped in December, raising expectations of an interest rate cut next month**

Prices rose 2.5% in the year to December, down from 2.6% the month before, marking the first fall in inflation for three months. The drop was driven by hotel prices falling and smaller rises in airfares than usual, but prices continue to rise faster than the Bank of England's target. This latest figure eases pressure on Chancellor Rachel Reeves after she faced criticism following the Government's borrowing costs hitting an all-time high.

The Bank of England decided to hold interest rates at 4.75% last month after policymakers said the UK economy had performed worse than expected with no growth between October and December. However, Ruth Gregory, the deputy chief UK economist at Capital Economist, said the inflation "strengthens the case" for a cut to 4.5% next month.

### **Rachel Reeves has said she will not let critics "get [her] down" following a bumpy few days for the UK economy**

The chancellor appeared on the BBC's Political Thinking podcast towards the end of this week, which saw the country's borrowing cost rise to the highest level for several years. Reeves has said the rise was "not a British phenomenon" and that other countries had also seen borrowing costs increase. On Thursday, figures showed the UK economy grew by 0.1% in November fuelling concern that growth could remain stagnant for some time to come.

### **Former Northern Ireland Secretary Paul Murphy is to lead an independent review of the post-Brexit trading arrangements**

The review has been commissioned by the government following a vote in the assembly last month to continue with the arrangements for another four years. The move, which was announced on Thursday, is in keeping with the government's legal obligations following the vote.

The view is set to run for six months and will be led by Lord Murphy, a Labour peer in the House of Lords, who has also served as the secretary of state for Wales. The government will then be required to respond to any recommendations put forward by the review body.

## TRADE UPDATE

### **Aviation sector reports record number of passenger seats in 2024**

Aviation analytics firm Cirium said 2024 marked a “historic milestone in global aviation”, with the highest number of passenger seats available on flights in a single year. Airlines offered 5.85 billion seats on scheduled flights worldwide, exceeding the previous record of 5.72 billion seats set in 2019 by 2%. Global seat capacity also increased by 6% year-on-year in 2024, fuelled by surging demand for air travel and airlines deploying larger aircraft to meet this demand. However, the total number of scheduled flights in 2024, at 36.4 million, remained 5% below 2019 levels, emphasising airlines’ shift toward operating larger planes with higher seating capacities.

Cirium also revealed UK trends, showing 1.98 million scheduled flights departed or arrived at UK airports last year. The number of departures from UK airports was up 4.3% in 2024 compared to 2023, while departing seat capacity was up 5.9% year-on-year. The number of departures from UK airports in 2024 sat at 91.2% of pre-pandemic (2019) levels while departing seat capacity sat at 99.8% of 2019 levels. The busiest day for UK air travel in 2024 was September 6, while the quietest was December 25. The biggest international destinations for UK departures in 2024 (based on seat capacity) were: Amsterdam followed by Dublin, Dubai, Alicante, Palma de Mallorca, Malaga, Tenerife-South, Barcelona, Paris CDG and New York JFK. Globally, American Airlines had the most passenger seat offerings, followed by Delta Air Lines, United Airlines and Southwest Airlines. European low-cost airline Ryanair ranked fifth, as the only non-US operator in the top tier. Atlanta’s Hartsfield-Jackson International Airport was the world’s busiest airport, while Dubai International ranked second. Tokyo-Haneda, London Heathrow and Dallas-Fort Worth were third, fourth and fifth respectively.

### **Travel agencies tipped to ‘shine’ in 2025 following trends research**

Travel agencies have been tipped for success in 2025 following research looking at trends in retail. Technology company Travelport, which surveyed 2,100 consumers across the world, outlines five predictions for the year in a report entitled ‘State of modern retailing: Travel’s tipping point’. Among the predictions is that success will depend on travel companies demonstrating “radical transparency”.

After pointing to the perception that airlines and hotels are among those most guilty of misleading prices, the report states: “There’s a huge opportunity for travel agencies to solve problems here. As trusted advisors, only they are positioned to offer the transparency people so badly need.” The report also considers the role of artificial intelligence (AI) in the travel industry and suggests that 42% of consumers trust travel brands to use AI responsibly, which is a bigger percentage than in most other sectors. Among frequent travellers, 52% trust the travel sector to use AI responsibly.

Increasing cooperation between competing brands is another prediction, with the report citing Ryanair’s agreements struck with online travel agencies. The report argues that a factor in cross-brand alliances is the recognition that consumers risk suffering from “choice overload” amid a sharp rise in travel options and providers. Suggesting a key role for travel agents, the report states: “In this age of excess, consumers crave a trusted partner to help them choose.” Travel subscription services are expected to attract greater numbers of consumers and have been highlighted as valuable to the businesses offering them because they provide a “steady stream of recurring revenue”. The report claims that 58% of people who travel just three times a year would consider signing up for a subscription service.

### **London Heathrow and MAG airports report record festive period**

Heathrow has claimed a record-breaking year after achieving its busiest Christmas and New Year period. More than seven million passengers used the London hub in December, bringing the total to 83.9 million passengers in 2024 – three million more than the previous 2019 pre-pandemic record. Christmas Day saw a record 160,000 passengers, a 13% increase on the previous high in 2023. Heathrow reported that 92% of passengers passed through security in less than five minutes last month. New York City, Los Angeles, Dublin and Madrid were among the top destinations in 2024, as Heathrow maintained its status as the most connected airport in the world. Heathrow has now forecast 84.2 million passengers in 2025 on the back of “encouraging” holiday bookings.

Meanwhile, Manchester Airports Group (MAG) saw 4.6 million passengers use its three airports last month, up 7.9% on December 2023. Rolling 12-month figures show that MAG – which owns and operates Manchester, Stansted and East Midlands airports – handled 64.7 million passengers in the year to December 2024. Manchester Airport handled 2.2 million passengers in the month, a 10.9% increase on the same month in 2023. Stansted also served 2.2 million passengers across the month, an increase of 7.4%. Both airports recorded their busiest-ever Christmas Days, with more than 22,500 passengers flying through Manchester airport, and more than 5,400 travelling through Stansted. More than 150,000 passengers used East Midlands Airport in December, bringing its rolling total for 2024 to 4.1 million, up 5.1% year-on-year.

## AIRLINE UPDATE

**Delta Air Lines:** Transatlantic traffic growth helped drive Delta Air Lines towards its most profitable year-end quarter as the US carrier forecasted 2025 as being the best 12 months in its history. The Virgin Atlantic partner saw pre-tax profit rise by \$500 million year-on-year to \$1.6 billion in what was described as the most profitable December quarter on record. International passenger revenue grew by 6%, with transatlantic, the largest international entity, delivering 6% growth in unit revenue “marking the strongest improvement of any entity this year”. Managed business travel sales rose by 10% over the same three months in 2023, with growth led by the technology and financial services sectors. Delta saw four of the top 10 revenue days in the carrier’s history in November and December and double-digit growth in cash bookings driven by both leisure and corporate travellers.

**Jet2:** Jet2.com have expanded its Greece programme for 2025, with three million seats on sale alongside three new destinations and eight flight routes. Jet2 will fly to more than 14 Greek airports in 2025, with more than 320 weekly flights during peak periods, including to Athens (operating year-round), Corfu, Chania (Crete), Heraklion (Crete), Kefalonia, Halkidiki, Kos, Kalamata, Lesvos, Preveza, Rhodes, Skiathos, Santorini and Zante. New flight routes will run from Bournemouth, Bristol and Luton.

**Etihad Airways:** Etihad Airways reported its busiest month of 2024 in December. Passenger carryings rose by more than 20% to 1.7 million with the load factor improving by three percentage points to 87% over the same month in 2023. The UAE carrier’s chief executive Antonoaldo Neves said: “December was our busiest month of the year, in the traditionally active holiday season, and we carried 1.7 million passengers, a 22 % rise on the same month of 2023. “In the full year of 2024, we carried more than 18 million guests, with a very healthy passenger load factor of 87% across the year.

## TOUR OPERATORS, TRAVEL AGENCIES & OTA UPDATE

**Barrhead Travel:** The Barrhead Travel Group has reported a record sales day for Saturday, January 11 and expects the buoyant market to continue through the rest of this month. Its new record overtakes last year’s Back to the Floor Day when senior management, head office teams and supplier partners visited branches across the country for the last Saturday in January. Branches across the retail network reported “strong” footfall, particularly across the weekend as the cold weather began to thaw, said the agency chain. Top destinations included Tenerife, Mallorca, Lanzarote, Turkey and cruising from Southampton.

The home-working network has seen a growth in interest in long-haul, with Doha and Auckland, featuring within the top-booked destinations, as well as family favourites such as Tenerife and Antalya. Group-wide, summer 2025 is accounting for more than half of new bookings, with winter 2024 still popular for late sales.

**G Adventures:** G Adventures has added 25 new tours to its Active travel portfolio, which grew by 16% in 2024. The new trips will take travellers to new, lesser-explored regions in destinations such as Japan, South Africa, Pakistan, the Balkans, Morocco, the Galapagos, and Peru. The holidays have a “strong” focus on supporting local communities and activities such as hiking, swimming, cycling, and paddling. The additions include eight new trips in Japan, three in Morocco, and two in Pakistan.

**Newmarket Holidays:** Newmarket Holidays has reported a 30% increase in long-haul escorted tour sales since it launched its peak campaign on Boxing Day. India tour sales are being credited as driving the majority of the sales growth, with four tours to the destination in the operator’s top 10 most popular long-haul itineraries of the year so far. Japan is the most popular long-haul tour after its reintroduction in 2023, with the ‘Japan Unveiled’ itinerary topping the list of booked holidays since the beginning of 2025. Other tours in the top 10 include ‘Costa Rica – Volcanoes, Wildlife and National Parks’ in third place, a new ‘Uzbekistan – Ancient Cities of the Silk Road’ in sixth place, ‘On Safari in South Africa – Mabula Lodge’ in seventh, ‘Canada – Niagara Falls to the Rockies’ in eighth and ‘Five Star Alaska Cruise and the Canadian Rockies’ in ninth.

**Titan Travel:** Titan Travel has seen a 35% rise in turn-of-year bookings, led by demand for long-haul holidays. The top-performing tours for 2025-26 include a 10-day African safari, a 15-day Japan itinerary and an 18-day Alaska trip pairing a Rocky Mountaineer rail journey with a Holland America Line cruise. The escorted touring specialist said a 14-night southern US states and an eight-day Switzerland rail package made up the top five most popular tours. The bookings increase relates to sales between December 28 and January 13 against the same period a year earlier. The operator is offering agents the chance to win places at the Brit Awards on March 1 in a weekly draw together with vouchers worth up to £30 as incentives until the end of January. The trade promotion is running alongside a 10% customer discount available until January 31.

## SOCIAL UPDATE

### **WhatsApp introduces new video features and reaction options**

WhatsApp has added further camera effects in video calls and introduced the function for a user to create a sticker from selfies. Through increasing creative options and introducing more interactions, these new features aim to enhance engagement within the app and start competing against other social media platforms.

### **TikTok updates its video editing platform**

TikTok's video editing platform has expanded its creative tools and options, including narration with auto-captions, AI-generated soundtracks, and digital avatars. The updated platform also offers guidance on creating improved clips based on what's performing well on TikTok, with templates available based on trending videos.

## MICE UPDATE

### **Destinations International partners on new Website Impact Calculator tool**

Destinations International, the international association representing destination organisations and convention bureaus, has launched a new tool to measure the economic impact of destination marketing organisations' websites on local economies. The Website Impact Calculator helps DMOs (Destination Management Organisations) assess the impact of online presence by tracking how website visitors convert into travellers. The tool quantifies website-driven visits and calculates influenced visitor spending – including lodging, dining, retail, transportation, and entertainment. It also measures job creation and tax revenue associated with DMO websites.

## LIGHTER NOTE

One of Britain's oldest Royal Navy Veterans experienced a musical surprise as he celebrated his 102nd birthday. When asked how he felt about celebrating his birthday, he said with a laugh: "Not much different than my 101st except it was a bigger do!" - Read more [here](#)