

WEEKLY REPORT

10 January 2025

ECONOMIC, POLITICAL AND SOCIAL UPDATE

Pound falls to lowest in over a year after UK borrowing costs rise

The pound has fallen to its lowest in over a year, while UK borrowing costs have reached a 16-year high, prompting concerns about the government's fiscal strategy. Economists warn that rising borrowing costs could force the government to increase taxes or cut spending to adhere to its rule of not borrowing for daily expenses. Treasury minister Darren Jones dismissed the need for emergency intervention, though critics like shadow chancellor Mel Stride blame the government's borrowing policies for economic instability. The global rise in bond yields, influenced partly by U.S. fiscal policies, has exacerbated borrowing costs, straining UK growth and tax revenues. Analysts note that while bond yields rose sharply under Liz Truss's mini-budget in 2022 due to policy missteps, the current increase is driven by global trends and cautious domestic fiscal measures under Rachel Reeves. The economic outlook remains uncertain, with zero growth, high inflation, and constrained public spending looming large.

Winter pressure bad as height of pandemic, NHS says

NHS emergency departments are facing pressures comparable to the height of the Covid pandemic, with rising flu cases and cold weather exacerbating the situation. Over 5,400 patients with flu are currently hospitalized in England daily, and around 20 NHS trusts have declared critical incidents due to long delays in A&E. Staff report that the strain feels like pandemic levels, with many patients experiencing long waits for ambulances and treatment. The average ambulance response time for life-threatening calls has exceeded targets, and only 71% of A&E patients are being seen within four hours. The NHS is grappling with a severe winter crisis, and while hospital waiting lists have decreased slightly, urgent care remains under immense strain.

Los Angeles wildfires force mass evacuations

Wildfires raging across Los Angeles County have caused at least 10 deaths, destroyed over 10,000 structures, and forced nearly 180,000 residents to evacuate, with another 200,000 on alert. The Pacific Palisades fire is the most destructive, burning nearly 20,000 acres and causing significant losses. Climate change is cited as a key factor exacerbating fire severity, with experts warning of a prolonged risk due to warmer temperatures and drought. Firefighters face containment challenges hampered by dry conditions, strong winds, and power outages, and insured losses are expected to exceed \$8 billion.

UK records coldest night of winter as snap to last into weekend

The UK has experienced its coldest night of the winter, with temperatures dropping to -14.5°C in Altnaharra, Scotland, and more cold weather expected over the weekend. A yellow weather warning for ice remains in effect for parts of south-west England and Wales, while heavy snowfall and flooding have caused widespread disruption. While temperatures are expected to improve slightly over the weekend, cold conditions will persist in eastern parts of the UK until the start of next week.

TRADE UPDATE

2025 set to surpass 2024 in terms of tourism

Continuing interest in travel in 2024 fueled growth for tour operators, and the outlook for next year looks even better. Demand is very strong for travel in 2025, there's no doubt about it," said Jack Richards, the CEO of Pleasant Holidays. A sound economy has consumers willing to spend money on travel next year, he said. "Now, it's not going to reach the levels we saw immediately after the global pandemic, in 2022 or 2023, but it's going to pace above 2024," Richards said. "The demand just keeps going. Half of the countries on G Adventures' list of top 10 trending destinations for 2025 are in Asia, including Pakistan, Tibet, the Philippines, Thailand and Japan. A trio of European countries also made the list: Bosnia, Greece and Portugal. Durflinger said sales to Greece and Spain in the most recent quarter were up 30% year over year.

Agencies anticipate arrival of true 'Sunshine Saturday' this weekend

UK travel agencies are anticipating a very busy weekend (January 11th and 12th), potentially the busiest of the year, following a slower start due to the Christmas holiday falling mid-week and recent severe weather.

Travel agencies like Travel Village Group and Barrhead Travel are optimistic about the upcoming year, with Barrhead Travel already exceeding initial sales expectations. Key factors contributing to the anticipated surge:

- Sunshine Saturday: This is a well-known phenomenon in the travel industry, referring to the first significant peak in bookings after schools reopen.
- Pent-up demand: Customers are eager to book holidays after the holiday season and are taking advantage of early-year deals.
- Family travel: Popular destinations like Tenerife, Lanzarote, and Majorca are in high demand, particularly for family vacations, with operators offering incentives like free children's places.

While some challenges remain, such as recent transport disruptions, travel agencies are confident that 2025 will be another successful year for the travel industry.

LA Tourism heartbroken at devastation caused by the fires

Nearly 140,000 people have either fled or been ordered to evacuate towns and rural areas on the outskirts of Los Angeles owing to severe wildfires, which are now threatening the Hollywood Hills and have forced the closure of a number of tourist attractions. LAX remains open, but many tourist attractions are closed. These include Universal Studios and Universal City Walk, which was shut on Wednesday, Warner Bros Studio Tours and performances of Wicked at the Pantages Theatre, as well as a number of museums, cultural venues and outdoor activities. Discover LA is urging visitors to monitor information from the Los Angeles Fire Department, and to heed all warnings and evacuation orders.

AIRLINE UPDATE

Qatar Airways - A little piece of normality returned to Damascus on Tuesday afternoon. Qatar Airways flight QR410 touched down in the Syrian capital just before 1 p.m. local time, heralding the start of a new three-times weekly service from Doha. The flight marks the first scheduled passenger flight by a large international airline since the collapse of Bashar al-Assad's regime in late November. Before the start of Syria's civil war in 2012, more than a dozen big-name carriers – including Qatar Airways – served Damascus.

Delta – Aviation analytics firm Cirium has awarded Delta the best on-time performance among airlines in the US. Delta will also link its SkyMiles programme to Uber for the first time, and the new partnership will join other partners in their programme - Starbucks, TicketMaster and Hertz.

Virgin Atlantic - Cirium has also awarded Virgin Atlantic the most punctual airline in the UK market.

United Airlines - United Airlines has announced an accelerated timeline to bring Starlink – the world’s fastest, most reliable connectivity in the sky – to United travelers around the world. The airline now expects to begin testing Starlink next month with the first commercial flight anticipated to take off this spring on a United Embraer E-175 aircraft. United now plans to outfit its entire two-cabin regional fleet by the end of this year and have its first mainline Starlink-enabled plane in the air before the end of this year.

Emirates - Emirates has announced that it has launched the process to become the world’s first ‘Autism Certified Airline (ACA),’ introducing new standards and services for customers with autism and sensory conditions throughout 2025 and beyond.

TOUR OPERATORS, TRAVEL AGENCIES & OTA UPDATE

Qatar Airways Holidays - Qatar Airways, the Global Partner and Official Airline of Formula 1®, in partnership with Qatar Airways Holidays, today announced the launch of its 2025 fan packages, coinciding with the 75th anniversary of the F1®. After an incredible 2024 season and an exciting Qatar GP race, fans are now able to secure their seats for the upcoming F1® season and the home race - the Qatar Airways Grand Prix 2025.

Abercrombie & Kent- Abercrombie & Kent said that its collection of African safari camps, river vessels and lodges, previously marketed as Sanctuary Retreats, has been given a new name: A&K Sanctuary. The rebranding coincides with a period of significant investment and expansion for A&K Travel Group that includes the reimagining of flagship properties like Gorilla Forest Lodge in Uganda and Baines' Lodge in Botswana as well as the launch of Pure Amazon, A&K's first luxury riverboat in South America.

EasyJet Holidays - Brits will be seeking low-cost, affordable luxury this year, says easyJet holidays. Four in five Brits would be willing to swap their 3* holidays to Europe’s established holiday hotspots for 5* low-cost luxury breaks in cheaper destinations like Egypt, Tunisia and Turkey, new research from easyJet has revealed, with Brits' pursuit of value poised to continue in 2025.

SOCIAL UPDATE

Meta removing fact-checks and introducing Community Notes

Meta CEO, Mark Zuckerberg, has announced that their fact-checking system will be discontinued and is switching to Community Notes, similar to the system on X. This means that restrictions on certain topics will now be lifted. It will now mainly be down to Meta users themselves to decide when a post requires more context or is potentially deceptive. Meta has said it will be phasing in Community Notes on its platforms over the next few months.

YouTube looking to streamline the creation of Shorts from longer videos

YouTube is experimenting with a new feature that automatically selects the most engaging parts of a longer video, clipping it into a Short. This 'Create a video highlight' tool allows for creators to easily cut segments from long-form content and publish it on the platform as a separate clip. This feature selects clips to use from longer videos based on which segments drive the most engagement and views.

MICE UPDATE

UIA launches tailored reports on international association activity in cities and countries

The Union of International Associations (UIA) has launched a new, customisable, paid-for service aimed at professionals, institutions, and organisations around the world. Users can name any city or country, and UIA will provide a comprehensive report on international association activity specific to that location. For over a century, UIA has been collecting and curating data on international associations and meetings and will now leverage this extensive database, including the Yearbook of International Organisations and International Congress Calendar to help craft individualised reports providing actionable insights and detailed information all tailored to requirements.

LIGHTER NOTE

'Sydney Airport's pet bathrooms go viral around the world'. Read more [here](#).