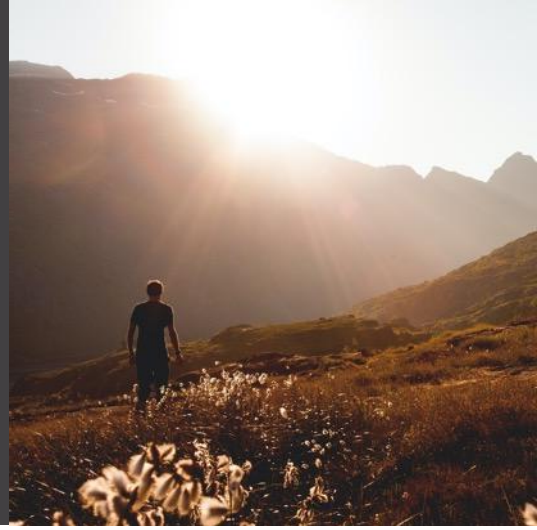


WEEKLY REPORT

31 January 2025



ECONOMIC, POLITICAL AND SOCIAL UPDATE

Chancellor Rachel Reeves backs third runway at Heathrow, in a bid to boost the UK's economy

In a speech to business leaders, Reeves said the expansion of Heathrow - which had been delayed for decades over environmental concerns, would "make Britain the world's best connected place to do business". In another proposed boost, Reeves backed expansions at Luton and Gatwick airport, whilst vowing to build 'Europe's Silicon Valley' between Oxford and Cambridge. The conservatives have welcomed the plans, whilst Heathrow's chief executive Thomas Woldbye described Reeves' speech as "the bold vision the UK needs to thrive in the 21st century". The news will also be welcomed by those who have backed the plans all along, with conversations about a third runway beginning in the 1980s, before Gordon Brown approved an expansion in 2009 - shortly before being scrapped again by the Conservative-Liberal Democrat coalition in 2010.

Negotiations for a Universal Studios theme park in the UK are ongoing

The government has told MPs of the news, with the proposed development in Kempston Hardwick, Bedfordshire, predicted to create around 8,000 jobs in the area by Universal, once an operational resort. Despite this, Universal Destinations and Experiences are still undecided on whether the theme park will go ahead. Having initially bought the 476-acre site in Kempston Hardwick, the company now claims that the final size of the site could cover around 700 acres. If the plans are to go ahead, the resort could help to facilitate a number of local upgrades, including the construction of new railway stations and slip roads from the A421.

Early sign of inflation spotted in the UK as food prices surge

Food prices have recorded their sharpest monthly increase since April last year, signalling an "early sign of what is to come" in the UK's economy. Data released by the British Retail Consortium, shows prices jumping by 0.5% between December and January, with the most notable rise amongst ambient products including chocolate and alcohol. In more positive news, fresh food inflation decreased from 1.2% in December to 0.9% this month. Higher employer National Insurance contributions and the increased national living wage are thought to be contributors to the price rises.

TRADE UPDATE

Storms force shop closures but fail to slow peaks momentum

Travel agency bosses forced to close stores due to winds of up to 100mph insist the severe weather has not stalled the growing momentum of the peak booking period. Their positive trading outlook reflects sentiments from agents and operators across the country, even as the Met Office warns of potential further disruption in February due to "storm clustering." Agencies in Northern Ireland and Scotland's central belt were among those affected, as Storm Éowyn left thousands without power, damaged homes, and caused over 1,000 flight cancellations. Barrhead Travel temporarily shut all of its Scottish branches last Friday, and while one property sustained minor damage, the rest of the company's stores remained unscathed, with staff successfully working remotely. Similarly, Oasis Travel, which operates eight shops in Northern Ireland, was unable to open its stores but remained optimistic.

Air travel demand hit a record high in 2024, according to IATA data

Air travel demand soared to record highs in 2024, with airlines achieving their highest-ever load factors, according to the latest data from the International Air Transport Association (IATA). IATA reported a 10.4% increase in revenue passenger kilometres compared to 2023, surpassing pre-pandemic 2019 levels by 3.8%. Total capacity, measured in available seat kilometres, rose by 8.7%, while the overall load factor reached 83.5%. IATA Director General, Willie Walsh, emphasized that last year's data "clearly demonstrates that people want to travel." Looking ahead to 2025, he noted that demand is expected to keep rising, though at a more moderate pace of 8%, aligning more closely with historical trends. In 2024, international travel saw a 13.6% increase compared to 2023, with capacity growing by 12.8%. Meanwhile, domestic travel rose by 5.7%, accompanied by a 2.5% increase in capacity.

Investigation Underway Into Midair Collision Over Washington, D.C.

U.S. authorities have launched an investigation following a midair collision between an American Airlines regional jet and a military helicopter near Washington, D.C. The incident occurred around 9 p.m. local time on 29 January as an American Eagle Bombardier CRJ-700, operated by PSA Airlines, was approaching Reagan Washington National Airport. The aircraft, carrying 60 passengers and four crew members on a flight from Wichita, Kansas, collided with a Sikorsky H-60 helicopter carrying three U.S. Army personnel, according to the Federal Aviation Administration (FAA).

AIRLINE UPDATE

Delta Air Lines - Delta Air Lines' regional sales manager, Nadia Clinton, is set to leave her role on January 31 after nearly three decades with the U.S. carrier. Clinton joined Delta in November 1995 as country manager for the UK and Ireland before taking on her current position as regional sales manager in 2019. Beyond her work at Delta, Clinton has also been a board member of the airline association BAR UK and the Visit USA Association UK. Reflecting on her career, Clinton said: "After 30 years of service, it is with mixed feelings that I share the news of my retirement from Delta Air Lines at the end of this month. It has been an unbelievably rewarding career - I led the Delta UK sales team through many transformational changes, an incredible network expansion, and worked tirelessly to cement Delta's amazing brand in the UK and Irish markets."

Ryanair - Ryanair is adding seven new routes from Stansted this summer, as CEO Michael O'Leary renewed his opposition to Heathrow's proposed third runway and called for the abolition of Air Passenger Duty. Europe's largest budget airline will launch flights to Bodrum, Clermont-Ferrand, Dalaman, Münster, Lübeck, Linz, and Reggio Calabria, bringing its London summer schedule to 206 routes. In addition, the airline will increase frequencies on 30 existing routes, including Gdańsk, Ibiza, Málaga, Milan, Rome, Turin, and Valencia. To support this expansion, Ryanair will base an additional Boeing 737 at Stansted, increasing its London-based fleet to 56 aircraft and creating 30 new jobs for pilots, cabin crew, and engineers.

Wizz Air - Wizz Air's net losses doubled to €241 million in the final quarter of 2024, as 20% of its fleet remained grounded due to ongoing engine issues. The Central and Eastern European budget airline cautioned that Pratt & Whitney GTF engine removal projections remain unchanged, with an estimated 40 aircraft expected to be grounded on average throughout the 2025-26 financial year. "However, this may change depending on ongoing negotiations to select an engine for 177 [Airbus] A321neos," the airline stated. Despite recording a record 15.5 million passengers and a 10.5% increase in revenue to €1.1 billion, losses rose from €105.4 million in the same period the previous year.

TOUR OPERATORS, TRAVEL AGENCIES & OTA UPDATE

Celebrity Cruises - Celebrity Cruises has placed an order for 10 river ships and will begin accepting bookings later this year. The premium cruise line promises to bring the "elevated design and sophistication" of its Edge Series ocean ships to river cruising. Launching in 2027, Celebrity River Cruises' inaugural program will feature sailings on Europe's most iconic rivers. Jason Liberty, president and CEO of Royal Caribbean Group, noted that with nearly half of Celebrity's guests having either experienced or considered a river cruise, the new offering is poised to resonate with travelers. Designed to immerse guests in the beauty of their journey, the river ships will offer 360-degree breathtaking views, ensuring a seamless connection to the surrounding landscapes.

Classic Collection - Classic Collection is set to expand into the Irish market, introducing departures from five Irish airports in collaboration with select airline partners. Initially, the operator will work with a limited number of partners in the Republic before rolling out more widely to the Irish travel trade in the coming months. Holiday bookings, priced in Euros, will be available from Cork, Dublin, Kerry, Knock, and Shannon airports. Airline partners including Ryanair are leveraging the operator's strong partnership with its parent company, On the Beach Group alongside Aer Lingus, Pegasus Airlines, and SunExpress, with the latter two expected to enhance connectivity to Turkey.

DNATA - Dnata Travel Group's UK B2B Brands report record-breaking sales as they delivered "an exceptional trading performance" last week, with Gold Medal achieving its best week since the end of the pandemic. Other specialist brands also hit new milestones, with Cruise Plus and Incredible Journeys reporting their highest-ever weeks for both revenue and margin. Simon Applebaum, managing director, described the performance as "outstanding" and expressed confidence in continued success: "As we head into a payday weekend for many, we are optimistic about another really strong week. January has been incredibly busy, and I'm delighted with how our teams have managed demand while maintaining fantastic service levels." Gold Medal highlighted the US as a top-selling destination, with New York leading in bookings and room nights, while Las Vegas saw over 40% year-on-year growth in room nights.

SOCIAL UPDATE

Instagram introduces DM translation

Meta has introduced a new in-stream translation feature for Instagram DMs, allowing users to translate messages into their native language instantly. This update simplifies global communication, making it easier for creators and brands to engage with audiences in different languages. By removing language barriers, the feature enhances accessibility and speeds up conversations, helping users connect more effectively across cultures.

Meta adds new view-focused metrics to Instagram

After making views the primary metric on Instagram, Meta has introduced new tools to help users assess creative performance. One key addition is the 'view rate', which indicates the percentage of viewers who watched beyond the first three seconds of a Reel. The updated metric layout also allows users to compare a Reel's performance against their usual results, helping brands and creators refine their content strategy. Additionally, Instagram has added a tips feature within the Reels performance overview, offering comparative data and insights on how to optimise future content based on past successes.

MICE UPDATE

ICCA Achieves Zero Food Waste to Landfill Certification in Abu Dhabi

An association has become the first organisation to achieve the Zero Food Waste to Landfill Event Standard certified by The PLEDGE. The International Congress and Convention Association (ICCA) reduced food waste at its 63rd Congress which took place at the ADNEC Centre in Abu Dhabi, in October last year. The effort built on the Bangkok Protocol on Sustainable Gastronomy, which was established at the 2023 ICCA Congress, in Bangkok, and has become an ongoing legacy initiative. All efforts to train staff, rescue and redistribute food, segregate waste, and effectively transform it were documented, measured, and audited, enabling the ICCA Congress to achieve the remarkable score of 87.5% compliance at the ADNEC Centre.

LIGHTER NOTE

A construction crew in Hexham, England has found a message in a bottle from the team that last worked on the site in 1973, more than 50 years ago! The handwritten note, having remained legible, lists the names of the men who worked on the site, along with their trades and where they came from.