

WEEKLY REPORT

14 February 2025



ECONOMIC, POLITICAL AND SOCIAL UPDATE

New figures show UK economy unexpectedly grew at the end of last year

The UK's economy experienced unexpected growth in the final quarter of 2024, with GDP rising by 0.1%, driven by the services and construction sectors. Growth in the quarter was driven by a range of industries, from pubs and bars to machinery manufacturers, having a strong December. This modest increase helped the country avoid a recession, though challenges persist, including a decline in business investment and ongoing concerns about living standards. With tax rises coming into force in April, there are concerns that economic growth will remain sluggish for some time. Businesses have warned that paying more in National Insurance, along with minimum wages rising and business rates relief being reduced, could affect the economy's ability to grow, with employers expecting to have less cash to give pay rises and create new jobs.

Prime Minister backs Ukraine's Nato bid

Sir Keir Starmer has reaffirmed the UK will back Ukraine's "irreversible path" to joining Nato despite leading figures in President Trump's administration appearing to rule out membership. The prime minister told Ukraine's President Volodymyr Zelensky he stood by a pledge made alongside ex-president Joe Biden at last year's Nato summit in Washington, to support Ukraine's bid for membership. The two leaders spoke on the phone ahead of global leaders meeting at the Munich Security Conference.

Heathrow Airport to submit third runway proposal by summer

Heathrow has pledged to deliver a scheme for a third runway to the government by the summer. The commitment was made after chancellor Rachel Reeves backed expansion of the London hub. Reporting the airport's busiest January on record, a statement said: "We welcome the chancellor's recent show of support for a third runway at Heathrow." Passenger numbers in January rose by 5% year-on-year to more than 6.3 million – the 11th month in a row Heathrow averaged more than 200,000 passengers a day. Transatlantic travel was a key contributor to the growth with more than 1.2 million passengers flying between the UK and US, up 8% compared with January 2024.

TRADE UPDATE

Hotelplan Group acquired by Kuoni parent Dertour

The majority of the Hotelplan Group has been acquired by Kuoni parent company Dertour Group for an undisclosed sum. The group was put up for sale by Swiss parent Migros in February 2024 as it looked to refocus on its core retail, financial services and health businesses in Switzerland, where it is a major retail and financial services co-operative. A deal was expected to be announced in the first quarter of this year, with Dertour Group identified as the likely buyer. The Hotelplan Group includes Switzerland's largest travel company, Hotelplan Suisse, and Hotelplan UK which owns specialist operators Inghams and Explore, ski operator Esprit, Santa's Lapland and Intravel. Interhome is not part of the deal and is being taken over by German company HomeToGo Group. The new owners said the brands would "complement the growing portfolio of specialist travel businesses under the Dertour UK umbrella and will remain bookable through all direct and trade channels".

Barclays January spend data supports peaks performance rise

The level of growth in consumer card transactions with travel agents fell back in January but was still up 13.5% over the same peaks month last year. The January figure compared with 17.8% year-on-year growth in December. Data released by Barclays on Tuesday, 11th February shows a year-on-year spend increase with agents of 5.8% but this was down on December's figure of 7.5% compared with the same month in 2023. Travel overall recorded spend growth of 5.5% and transactions growth of 3.3% – both improvements in December. The bank's analysis suggested essential spending returned to growth, up 0.1% after four consecutive months of decline. The share of online retail spending, excluding groceries, reached a three-year high, at 58%, as 13% of consumers said they opted to shop at home due to the wet and cold weather during the month.

European airports surpass pre-Covid passenger levels

Europe's airports finally surpassed pre-Covid 2019 passenger numbers last year by handling more than 2.5 billion travellers. Passenger volumes rose by 7.4% across the European airport network in 2024 over the previous year, finishing 1.8% above pre-pandemic levels. The growth recorded by airports body ACI Europe was mostly driven by international passenger traffic, with an increase of 8.8% year-on-year. However, domestic passenger traffic remained 6.3% below 2019 levels with growth of just 2.5% last year. Almost half (47%) of Europe's airports were still below their pre-pandemic volumes, with structural aviation market changes and geopolitics resulting in "significant performance gaps" across national and individual airport market, according to the trade body. The full year airport traffic report also noted a "partial modal shift" to rail. The top five European airports were Heathrow, Istanbul, Paris CDG, Amsterdam Schiphol and Madrid.

AIRLINE UPDATE

Air India: Air India is adding frequencies but dropping a UK route as part of its summer schedule for the northern hemisphere. A non-stop Gatwick-Kochi route is being suspended from March 30 "until further notice". This is as a result of a temporary reduction in the fleet arising from an aircraft retrofit programme, according to the airline. The airline will continue to operate 12 flights a week from Gatwick to Amritsar, Ahmedabad and Goa. Changes for the summer schedule will see more flights from Heathrow, Gatwick and Birmingham. Frequency between Heathrow and Delhi will rise from 21 to 24 flights a week using a combination of upgraded Boeing 787 Dreamliners and Airbus A350-900s.

Norwegian Air: Norwegian Air plans to capitalise on increased tourism to Nordic countries this year driven by weakened local currency. The low cost carrier projects a fleet of 88 aircraft for the summer peak with a forecast “low single-digit” growth in capacity for the year. The forecast came as parent company Norwegian Group reported the second highest operating profit in its history of NOK1.8 billion (£133 million) despite a fourth quarter loss of NOK93 million (£6.6 million). The group carried 6.2 million passengers in the fourth quarter, with 5.2 million using Norwegian Air and one million with Wideroe.

Tui: Tui Group reported “positive trading momentum” for this winter and summer 2025 as Europe’s largest travel group forecast growth for the year. The number of holidaymakers travelling with the company rose by 6% year-on-year to reach 3.7 million in the October to December quarter, resulting in a 13% rise in revenue to €4.9 billion. Underlying earnings before interest and taxes for the group’s first quarter soared to €50.9 million from €6 million in the same period a year earlier. The number of holidaymakers taking dynamically packaged holidays rose by 18% to 700,000.

TOUR OPERATORS, TRAVEL AGENCIES & OTA UPDATE

Elegant Resorts & If Only: Lisa Fitzell will step down at the end of February from her role as managing director at luxury tour operators Elegant Resorts and If Only. Gordon McCreadie, currently general manager at If Only, has been appointed as the new managing director of both brands, following Fitzell’s seven-year tenure as MD.

Explora Journeys: Explora Journeys has revealed details of its winter 2026-27 itineraries, with the line’s three ships offering sailings in the Caribbean, North, South and Central America and the Red Sea and Arabian Peninsula. Explora I will sail in the Caribbean, Central and South America from November 2026 until March 2027, incorporating an Amazon sailing in February. Explora II will offer itineraries in the Red Sea and Arabian Peninsula from December until March, while Explora III will offer Caribbean and Central America sailings from October until April.

Off Broadway Travel: Off Broadway Travel has acquired south London agency Travel Designers – and has appealed to other retiring agency owners to look to the multi-time TTG Top 50 agency as a home for their businesses. Off Broadway founder and co-owner Tricia Conroy-Smith’s plea comes after Travel Designers owner Nicholas McKay decided to step back from day-to-day running of his agency after 25 years and transition towards retirement.

Stuba: Trade-only accommodation specialist Stuba achieved its best ever UK trading day on January 31. Overall growth in the month was up by more than 15% year-on-year. The record-breaking performance on January 31, with a 7% rise in sales, came exactly one year after its previous record-breaking day in 2024. Key destinations showing increased demand included: Tokyo – up 62%, Malta – up 43%, Orlando – up 37%, Sydney – up 30%, Algarve – up 24%, London – up 17%. The company also reported a 7.2% rise in average daily rate compared to 2024, reflecting both an increase in premium bookings and Stuba’s ability to secure competitive rates for agents.

SOCIAL UPDATE

Instagram adopts vertical thumbnails display on profile grid

Instagram has introduced a change in the display of users' profiles, with image thumbnails now appearing more vertically aligned. One reason for this update is to make the format more in line with Reels. Another reason is that Instagram says most images and videos uploaded to the platform are vertical rather than square. The platform is also investigating moving Highlights to the grid, as well as including them in a separate tab, and is looking into giving users the option to bypass the feed and publish straight to their grid.

Threads introduces custom feed sharing

Threads has launched a new functionality that allows users to share custom feeds within a post. A custom feed is a user-generated timeline where profiles post content about a specific topic of mutual interest, such as sports, film, or food. With this update, a user can now tap the quote icon at the top of the screen to share a custom feed post in a new thread with wider audiences outside the community. User profiles will also have a new feeds tab button, allowing audiences to easily find custom feeds created by users.

MICE UPDATE

Manchester Central set for record visitor figures in 2025

Manchester Central, one of the UK's largest venues has announced it will welcome nearly half a million people through its doors (13 per cent uplift) during its 2025 season, contributing a forecasted £130m into the city region. Furthermore, 49% of the events which took place in 2024 are returning for 2025. The forecast comes as one leading UK economic forecasting group, EY ITEM Club, projected that Manchester would become the UK's fastest-growing city in 2025, with an expected GVA uptick of 1.8%, citing the region's focus on attracting talent to value-add sectors as an example for other cities to follow.

LIGHTER NOTE

A rare first edition of Harry Potter and the Philosopher's Stone has sold for £21,000 at a UK auction after being rescued from the bins. The book, which features several misspellings, was discovered among items destined for landfill and is now a prized collector's piece.