

# WEEKLY REPORT

21 February 2025



## ECONOMIC, POLITICAL AND SOCIAL UPDATE

### Government Finances in Surplus

In January the UK government reported a £15.4bn surplus, the difference between what the Government spends and the tax it takes in, the highest for the month in over 30 years. However, this missed the official forecast of £20.5bn, prompting concerns that chancellor Rachel Reeves may have to raise taxes or cut public spending to meet fiscal goals. Despite weak economic growth and rising inflation, government finances remain resilient and although the UK's borrowing increased, figures from the ONS showed retail sales in the UK rebounded in January 2025. On 26 March, the Office for Budget Responsibility (OBR) will release its latest outlook for the UK economy and public finances - this will coincide with Reeves' announcement of her Spring Forecast, which should provide further insights into the Chancellors financial strategies moving forward.

### John McGuinness of Fianna Fáil elected Leas Cheann Comhairle

John McGuinness of Fianna Fáil has been elected leas cheann comhairle of the 34th Dáil (the lower house of Ireland's parliament), defeating Sinn Féin's Aengus Ó Snodaigh. McGuinness, who has served in public office since 1979 and entered the Dáil in 1997, emphasized his commitment to reform, challenging the status quo, and defending the rights of members. He highlighted the importance of respect and civility in the Dáil, advocating for meaningful reform and public service.

### The Bank of England Cut Interest Rates from 4.75% to 4.5%, their Lowest in 18 months

The Bank of England has reduced interest rates to 4.5%, the lowest in 18 months, marking its third cut since August 2024. This decision reflects the ongoing efforts to manage inflation and support the economy. While inflation remains above the Bank's 2% target, it has significantly decreased from the peak of 11.1% in October 2022. The current Consumer Price Index (CPI) is 3%, and the Bank's cautious approach to rate reductions aims to balance slowing price rises with economic stability.

Governor Andrew Bailey emphasized the importance of taking a "gradual and careful" approach to further cuts, especially given uncertainties such as changes to National Insurance and the minimum wage in April.

The Bank's forecast for the UK economy has been downgraded, predicting growth of only 0.75% in 2025, and inflation could rise to 4% later in the year. The impact of the rate change has been particularly felt by homeowners, with the 0.25% cut expected to save mortgage holders around £29 a month.

## TRADE UPDATE

### **British Airways Holidays launches 2025 report**

British Airways Holidays has released its 2025 Travel Trends Report, highlighting evolving travel habits and the destinations shaping this year's holiday choices. Key trends include a surge in "Taste Hunting," where travellers curate trips around viral food experiences, and "Paperback-Packers," who prioritize literary escapism while on holiday. The report also notes a rise in "Trip Collectives," where individuals coordinate separate bookings to holiday together. Koh Samui saw a 38% increase in interest during the January Sale, while Malta emerged as a top-searched destination. Traditional all-inclusive holidays are making a comeback, with 42% of travellers seeking stress-free, fully packaged getaways.

### **Proposed partnership for Virgin Atlantic and Qatar Airways**

The Australian Competition and Consumer Commission (ACCC) has proposed approval of a partnership between Virgin Australia and Qatar Airways. This collaboration would introduce 28 new weekly flights between Doha and four major Australian cities, utilizing aircraft and crew leased from Qatar Airways.

The partnership aims to enhance connectivity and competition, potentially leading to more travel options and reduced costs for consumers. Pending final regulatory approval, the new flights are expected to commence in June from Sydney, Brisbane and Perth, with Melbourne following in December.

### **Travel Weekly Insight Report reveals strong intention to travel**

The research in early January found three out of five adults (59%) likely to book a holiday abroad this year, up 9% on a year ago in what proved to be a record summer for departures. Just over half those intending to travel (53%) expect to spend more on their holiday this year than last, although a similar proportion (54%) expressed more concern about holiday costs this year than previously.

However, there was strong evidence of concerns about the cost of holidays. Half (49%) cited price as the main factor when choosing a holiday, up seven percentage points on the last year. Almost two-thirds (64%) of those intending to take an overseas holiday said they would travel outside peak season, including 63% of parents with children.

## AIRLINE UPDATE

**Air Canada** - Air Canada has added more flights to Vancouver and Montreal from Dublin following the pausing of the Irish airport's cap on passenger numbers this summer. The seasonal Montreal service, which begins on 2 June, will increase from three to four times per week. In addition, the year-round Toronto service will move from four flights a week to daily this summer.

**Cathay Pacific** - Cathay Group set a post-pandemic record on January 25, flying over 110,000 passengers in a single day during the Lunar New Year peak. The airline carried 2.3 million passengers in January, a 37% increase, while HK Express hit a record high of over 667,000. The airline expanded routes, adding eight new destinations and increasing flights on key routes, with strong demand driven by business travel, student traffic, and holiday travel from Hong Kong and mainland China.

**Etihad** - Etihad Airways reported a record net profit of £371 million in 2023, driven by a 32% rise in passenger numbers to 18.5 million and a 25% increase in total revenue to £5.5 billion. The airline expanded its network with over 1,700 weekly flights, 20+ new destinations and additional aircraft, including a fifth Airbus A380. Employee numbers grew to over 11,000 as Etihad continued to enhance its global presence and support Abu Dhabi's tourism ambitions.

**Tui** - TUI has expanded its city-break collection to over 50 destinations by adding Tirana, Albania, and Sofia, Bulgaria, following its new partnership with Ryanair. The move responds to growing demand, with Albania gaining popularity through social media. Both cities offer a mix of culture, history, and nightlife, appealing to a wide range of travellers.

## TOUR OPERATORS, TRAVEL AGENCIES & OTA UPDATE

**Baldwins Travel** - ABTA has reinstated the membership of Kent-based Baldwins Travel following an appeal against its termination. The company's membership was initially revoked after failing to provide required financial information, but the termination was suspended pending the outcome of the appeal. Baldwins Travel is now reinstated, ensuring continued Abta protection for clients' bookings.

**Captain's Choice** - Australian luxury tour operator Captain's Choice is expanding its presence in the UK, aiming to collaborate with high-end travel agents. Cait Gargett, formerly of ILTM, has been appointed to lead UK and European operations. The company, known for its private jet and escorted tours, plans to increase trade partnerships and will attend TTG Luxury's Luxpo event in April.

**Jet2CityBreaks** - Jet2CityBreaks has launched fly-drive packages to southern and western Iceland for the first time, allowing customers to explore the region at their own pace. The packages include return Jet2.com flights, car hire, and accommodation, with departures available from 12 UK airports for winter 2024-25 and 2025-26. This new offering responds to customer demand for more independent travel options in Iceland, covering key attractions like hot springs and black-sand beaches. Prices start from £399 per person, including car hire, based on two adults sharing.

**Kuoni** - Kuoni has reported one of its strongest sales periods since pre-COVID-19, with long-haul bookings up 14% year-on-year. The Maldives remains the top-selling destination, followed by Thailand, Mauritius, and Sri Lanka, while demand for multi-centre trips is rising, particularly in Sri Lanka and Thailand for 2025. The Caribbean is also growing in popularity, with bookings for multi-island holidays up 7%. Travellers are prioritizing experience-led trips, including wildlife encounters, cookery classes, and wellbeing breaks, while family travel has surged by 40%. Kuoni attributes the trend to travelers redefining what makes a trip "special," with more spontaneous and meaningful travel choices.

## SOCIAL UPDATE

### Facebook to delete Livestreams after 30 day

In order to reduce video maintenance costs, Facebook will now remove livestream recordings that are older than 30 days. Previously, livestreams were stored on the platform indefinitely. As a result of this new update, audiences will only be able to view, interact or download the recordings a month after the live stream took place. However, there are ways to save your live stream before it gets removed, Meta says a profile will receive a notification ahead of deletion to give that account time to download the live stream video should they wish to keep it, and then the user can then upload it to their feed as a Reel. This means for content creators and business accounts, any information shared via that live stream will be wiped unless they remember to re-upload it in a different format.

### BlueSky introduces reply controls and profile search options

BlueSky has launched several new functions to their platform, including a new setting where users can choose who can reply to their updates. They can now allow only their followers to respond to their status', filtering out noise from outside their community. For content creators and brands, this setting can entice users to follow their account in order for them to interact with content. The second update is profile search, where users can now search for post topics within a profile. This is useful for audiences to quickly find particular posts from a brand and for influencer authentication, checking they haven't posted anything controversial in the past.

## MICE UPDATE

### Lib Dem leader among 60 plus MPs to visit UKEVENTS exhibition in Parliament

Liberal Democrats leader Sir Ed Davey was among 60 plus MPs and peers to visit a UKEVENTS exhibition in Parliament highlighting the contribution of the UK events industry to the national economy. Over four days, UKEVENTS representatives engaged with MPs and Lords, emphasising the £61.6 billion value of the sector and its pivotal role in supporting local economies, driving business tourism, and creating jobs across the country. The exhibition provided an opportunity for policymakers to connect with event industry leaders and gain a deeper understanding of the sector's value and its potential for future expansion. The event also showcased the diversity and depth of the UK events sector, from business conferences and exhibitions to live entertainment and cultural events, and their role in facilitating growth within the visitor economy, propelling trade, exports and inward investment, while also fostering scientific inquiry, innovation and technological advancement.

## LIGHTER NOTE

A British astronaut has become the first person with a disability to take part in a mission on the International Space Station. John McFall, a former paralympian sprinter from Cardiff, said this change should give people faith, see more [here](#).