

# WEEKLY REPORT

28 February 2025



## ECONOMIC, POLITICAL AND SOCIAL UPDATE

### **CBI says Britain's net-zero economy is booming**

Analysis by the Confederation of British Industry has shown that the net-zero sector is growing three times faster than the overall UK economy, providing high-wage jobs across the country while cutting climate-heating emissions and increasing energy security. Growing by 10% in 2024, the net-zero economy also generated £83bn in gross value added (GVA) - a measure of how much value companies add through the goods and services they produce. Furthermore, the findings revealed that 22,000 net-zero businesses employ almost one million people in full-time jobs, with the average annual wage in these businesses £5,600 higher than the national average, at £43,000. The findings also show that economic growth and climate action can go together, improving both lives and livelihoods.

### **UK's defence spending to increase to 2.5% of GDP by 2027**

Sir Keir Starmer announced a £6bn increase to Britain's defence spending, which will be funded by aid cuts, as he vowed to "fight for peace". Currently, 2.3% of national income is spent on the military, which Starmer has promised to increase to 2.5% by 2027. The change has been brought on to counter potential threats from Russia, whilst also to persuade the U.S. to maintain its security guarantee over Europe, including Ukraine, and to convince President Trump that Europe is increasing spending on its own defences. In 2024, the UK was 9th down on the list of countries globally who spend the most on defence as a % of GDP, with Poland, Estonia and the U.S. in 1st, 2nd and 3rd place, respectively.

## TRADE UPDATE

### **More families choosing to take their annual break outside of the summer holidays, says Advantage**

The Advantage Travel Partnership has pointed to a growing number of families choosing to take their annual break outside of the summer holidays, and says that more families are instead looking for Easter deals and cooler temperatures outside of the peak months, with Easter holiday bookings up 15% compared to the same period last year. Advantage also pointed to "strong momentum" in long-haul travel across its membership with a 5% shift from short-haul trips to long-haul for this summer. This uptick was attributed to many families discovering long-haul travel can be more cost-effective than European destinations during

school holidays, particularly in destinations like the Far East where local costs are not as high.

### **Airline passenger demand soars 10% in January, data reveals**

Global airline passenger demand soared by 10% at the start of the year with heightened load factors, highlighting “persistent” supply chain issues facing the aviation sector, according to data. The figures for January released by the airline trade body show that overall capacity was up by 7.1% year-on-year with a record load factor for the month of 82.1%, up 2.2 percentage points. International demand rose 12.4% compared to January 2024, while capacity was up 8.7% and the load factor rose to 82.6%, another all time high for the month. All regions showed growth for international passenger markets in January, with Asia-Pacific demand particularly strong.

### **Gatwick second runway approved in principle but final decision deferred to autumn**

London Gatwick Airport has been cleared to bring its standby runway into regular use, but a final decision on its expansion plans has been pushed back until the autumn. Transport secretary Heidi Alexander gave the go-ahead in principle on 27 February, but has asked for more evidence about how the development will impact the local area. While the plans, which include extending Gatwick’s North and South terminals, will not expand the airport’s footprint, they will mean a huge increase in passenger numbers, noise and air pollution, which has led to the transport secretary’s call for more evidence.

## **AIRLINE UPDATE**

**British Airways** - The owner of British Airways reported “ongoing strong demand” for travel throughout last year and into 2025 but warned of the impact of aircraft delivery delays and engine problems. Specifically its 2024 and 2025 schedules have been heavily affected by reduced aircraft availability due to problems with engines on the 787 fleet. International Airlines Group noted that leisure travel “remains robust as a major priority for households” as it delivered a 2.9% rise in annual net profits to €2.7 billion over 2023 as revenue increased by 9% to €31.1 billion.

**Gulf Air** - Gulf Air is to launch flights between London Gatwick and Bahrain on 30 March. The three-times-a-week service will operate in addition to Gulf Air’s double-daily flights to London Heathrow and its five flights a week to Manchester.

**Wizz Air** - Wizz Air is adding a second route to Saudi Arabia from Gatwick in August, as part of expansion across the Middle East. The budget carrier will offer 174,000 seats a year to Medina, with flights starting on 1 August, complementing a service between Gatwick and Jeddah which begins on 31 March.

## TOUR OPERATORS, TRAVEL AGENCIES & OTA UPDATE

**Abercrombie & Kent** - Abercrombie & Kent has unveiled a new brand identity designed to “capture founder Geoffrey Kent’s spirit of adventure”. The rebrand is centred around a new tagline, ‘Life, Well-Travelled’, and features an updated logo and various digital updates, including a more streamlined website. Alongside this, the operator will launch a new magazine. It will feature the work of travel writers and photographers to “evoke cherished travel memories”.

**Carrier** - Luxury tour operator Carrier has reported strong January sales, with bookings for complex touring products up 27% year on year and the average booking value growing by 12% year on year. Within the complex touring side of the business, Carrier’s sales have doubled for Australasia and the US, while bear experiences in Canada are also proving popular.

**Gold Medal** - An online FAM trips hub has been created by Gold Medal and dnata Travel Group UK’s B2B specialist brands Pure Luxury, Cruise Plus and Incredible Journeys. The platform features blogs from educational trips and has been designed to support agents to expand their knowledge through in-depth reviews from first-hand experiences, personal stories and the sharing of top tips.

**Winged Boots** - Personal travel concierge firm Winged Boots will open its first retail store in May, marking the company’s entry into the retail travel sector. The new store in Shenfield continues the company’s strong affiliation with the area - managing director David Ox said “We already have a strong client base within the area and are keen to further enhance our presence within the local community.”

## SOCIAL UPDATE

### **LinkedIn introduces comment impressions**

LinkedIn has added a new metric to its platform. Users can now see impressions of their own comments beneath a post. This impression count is only visible to the user who commented and company page admins, but it provides insight into how often their contributions are viewed. For businesses and content creators, this could be a helpful way to monitor their impact on the platform.

### **Instagram launches new direct message features**

Instagram has introduced some new updates to direct messages on the platform to increase messaging engagement. First, Instagram has added message translations so users can easily communicate in different languages. Second, users can now schedule messages, selecting the date and time they would like certain messages to be sent. Lastly, users can now invite others to a group chat via QR codes.

## MICE UPDATE

### **MIA: growth forecasted in 2025 for UK business events despite hiring challenges**

Confidence in the UK business meetings and events sector remains high, with 61% of businesses forecasting higher revenue in 2025, according to the latest Meetings Industry Association (MIA) Insights report. On average, 41% of forecasted revenue for 2025 is already confirmed, according to the 140 venues, suppliers, agents and destinations surveyed. While this marks a 10% drop from last year, the industry is optimistic that a steady flow of enquiries will support overall growth. This includes international events, which account for 12% of projected revenue.

## LIGHTER NOTE

For the first time in centuries, beavers are to be released into English waterways. Steve Reed, the environment secretary, is to announce that the nature groups will be able to get a license for the release, with the first releases set to happen this autumn. The rodent had been extinct in Britain for 400 years, until 20 years ago, when licensed releases into enclosures began. Currently, there are estimated to be around 500 living in the wild in England.