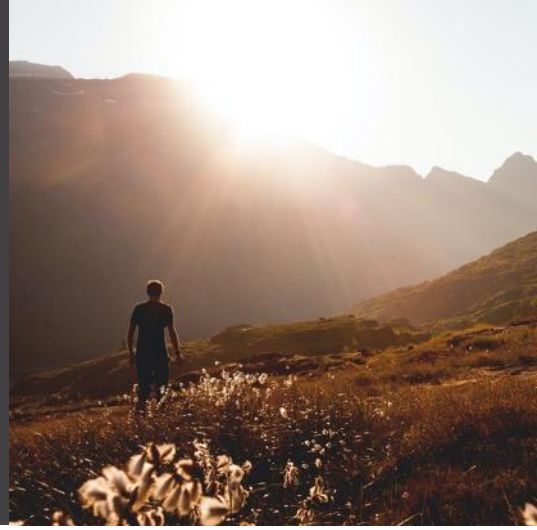


# WEEKLY REPORT

28 March 2025



## ECONOMIC, POLITICAL AND SOCIAL UPDATE

### **Prime Minister unveils £2bn UK transport boost**

Sir Keir Starmer has unveiled what he says is a major transport boost to stop the North of England being "held to ransom" by a Victorian-era system. The prime minister said the £2.15bn investment was a "downpayment for growth" in northern England and a "vote of confidence" in its "world-beating industries". Some £415m of the total will be used to improve rail services between Manchester, Huddersfield, Leeds and York. Starmer also said local leaders would get more than £1bn to boost transport, while an additional £270m will be provided to bolster buses and £330m set aside for road maintenance.

### **The Chancellor may have to find further cuts and tax hikes**

After the chancellor's spring statement featured cuts to welfare to meet her fiscal targets, the UK's leading experts on the public finances said Rachel Reeves could be forced to come back later this year with tax rises, if the economic forecast fails to improve. Paul Johnson, the director of the Institute for Fiscal Studies (IFS) think tank, raised concerns in his post-spring-statement briefing that the chancellor had not left herself enough headroom in the public finances to withstand challenges to the economy. In particular, the threat of the US government imposing trade tariffs, on top of the 25 per cent on car imports, has raised the possibility that Reeves could be left with a black hole. Johnson said a fresh round of cuts would be difficult to make because Reeves was about to set out her plans in the June spending review, which would be tough to renegotiate.

### **UK greenhouse gases fall again, government data shows**

UK greenhouse gas emissions fell by 3.5% in 2024 compared with 2023, according to provisional government figures. The Energy Department (DESNZ) said climate-warming emissions generated in the UK were 371.4 million tonnes of carbon equivalent in 2024, down from 385 million tonnes in 2023 and 406 million tonnes in 2022. The latest figure is 54% lower than in 1990.

As a signatory to the 2015 Paris Agreement, the UK is aiming to reduce emissions by 68% by 2030 and 81% by 2035 compared with 1990 levels. The aim is to get to net-zero by 2050, meaning Britain would no longer be adding to the total amount of gases in the atmosphere. DESNZ said the fall was largely due to reductions from the electricity supply and industry sectors. Domestic transport was the biggest emitter in 2024, added DESNZ, making up 30% of total emissions, however, it was down 1.5% on the previous year. Notably, last year was a record for renewable energy generation, such as wind and solar.

### **Keir Starmer accuses Putin of 'playing games' over Ukraine peace deal**

The prime minister accused Vladimir Putin of "playing games and playing for time" after the Russian president demanded sanctions were lifted before a US-brokered maritime ceasefire is enacted. "Now is not the time for pulling back or weakening sanctions - now is the time to increase sanctions to get them to the table," Starmer said in Paris, where he was meeting European leaders. Starmer said on Thursday a "framework and a deadline" was needed for Ukraine peace talks, and that he had agreed with partners at the summit – which hosted representatives from 30 nations as well as the European Union and Nato – that "we must go further now to support the peace process, support Ukraine and increase the pressure on Russia to get serious".

## **TRADE UPDATE**

### **Spring statement rattles industry leaders**

Travel bosses are concerned that this week's spring statement by Chancellor Rachel Reeves will make consumers less confident about booking holidays. Shortly before the Chancellor laid out further welfare cuts, the government spending watchdog halved its economic growth forecast for 2025 from 2% to 1%. Advantage CEO Julia Lo Bue-Said this could 'potentially trigger discussions about a downturn, which would impact consumer confidence'. Not Just Travel founder Steve Witt said he expects to see people waiting till later to book, combined with a rise in demand for value and all-inclusive packages.

### **Heathrow defends shutdown as investigation is launched**

Heathrow claims it had no choice but to suspend all flights on Friday 21st after a fire at a nearby power substation, which started on Thursday evening, knocked out its main electrical supply. It meant that around 1,300 flights were grounded, disrupting up to 300,000 passengers, costing airlines an estimated £20 million to £30 million.

Some flights resumed on Friday evening, but full operations didn't resume until Saturday 22nd. National Grid Chief Executive John Pettigrew described losing the substation as a 'unique event', but he said there were two other substations with enough power for Heathrow.

### **Spend on holidays sees highest rise five years on from pandemic**

Consumer spending on holidays and travel has rocketed since the pandemic, new analysis reveals. Data from Nationwide five years on from the first Covid-19 lockdown, shows increased spending across a number of areas, including travel, leisure, eating out and health and beauty. The outlay on holidays has soared 520% from less than £70 million in 2021 to more than £431 million. Travel spend is up 436% from under £25 million to £133 million.

## **TOUR OPERATORS, TRAVEL AGENCIES & OTA UPDATE**

**Advantage Travel** - Advantage Travel Partnership members will have access to a "greater choice of accommodation" following a tie-up with a global hotel sector provider. The consortium has partnered with SHR Group, which provides a portfolio of accommodation options to hoteliers worldwide, supporting more than 2,000 hotels from major brands to independent properties. SHR's accommodation listings will be available for Advantage members to book in the global distribution system (GDS), in addition to Advantage's global accommodation programme, which offers access to more than 45,000 hotels and over one million serviced apartments.

**Blue Bay Travel** - A surge in interest from agents looking to take their first step into self-employed home-working has been reported. The Personal Travel Consultants (PTCs) in partnership with Blue Bay Travel saw enquiries from agents about commission structures and general benefits double in January and February over the same two months last year. The majority of enquiries came from people looking to move into self-employed home-working for the first time, having enjoyed careers in tour operating or travel retail. The update came as the homeworking business revealed that January saw the highest number of visitors to its website since October, when its annual conference took place.

**First Class Holidays** - First Class Holidays will celebrate its 30th anniversary this year with a series of special UK events for travel agents and two overseas fam trips.

Travel agents from across the UK will be invited to join the UK events, called Around the World with First Class Holidays, to mark the July anniversary. The events will be in Edinburgh (June 30), York (July 1), Chester (July 2) and Bristol (July 4). The anniversary is also being marked by the hosting of two fam trips: one to western Canada, departing on September 14, followed by an Australia trip, departing on November 1.

**InteleTravel-** Homeworking brand InteleTravel has acquired Tickitto, a ticketing platform covering sport and entertainment – including Formula 1 races and Premier League games. InteleTravel said the deal meant UK and Ireland advisors can now offer customers holidays that include tickets to events “which are often difficult to obtain or only available at inflated prices on resale sites”. InteleTravel members will be given a dedicated API link to Tickitto.

**Intrepid Travel** - A record performance in 2024 saw profits at Intrepid Travel rise by almost a quarter year on year. The increase of an underlying earnings [ebitda] of 24% to \$42.9 million came on the back of a 17% rise in revenue to \$626 million. The results led to the operator paying \$12.8 million in bonuses to eligible employees in the form of both cash and shares. Intrepid had approximately 555 staff shareholders in 2024. The year saw the best all-round performance in Intrepid’s 35-year history, driven by “operational and commercial excellence”, according to the company.

**Virgin Voyages** - Virgin Voyages has reported a 30% increase in UK revenue during the wave sales period, driven by a 40% upturn in bookings for longer itineraries. The adults-only cruise line confirmed it had maintained momentum reported at the start of March, when it credited a shift to longer sailings and “pricing stability” for a 40% year-on-year increase in revenue. Virgin Voyages also hailed its “nontraditional” marketing performance, adding: “As the world embraces Gen AI and LLMs (large language models) we are seeing significant growth for our brand in nontraditional spaces – we’ve witnessed a 200% increase in ChatGPT brand searches during Q1, demonstrating how our approach is driving meaningful engagement in emerging channels.”

## AIRLINE UPDATE

**Air Canada** - Air Canada will expand its services from Edinburgh this summer, offering a summer-only flight to Montréal from 27 June 2025. The new direct service will be Scotland's only air connection to Canada's second-largest city. The seven-hour flight will be operated by a single-aisle Boeing 737 MAX 8 aircraft with 16 premium economy seats and 153 economy. It will run until 7 September, in addition to Air Canada's existing seasonal flights between Edinburgh and Toronto.

**Emirates** - London Stansted and Dublin, Ireland are among eight destinations to be served by revamped Emirates aircraft this summer. The Dubai carrier aims to introduce Boeing 777s with upgraded cabins every three weeks during the summer. The airline aims to serve 44 cities with its fleet of refurbished B777s and Airbus A380s by September. Stansted is due to receive a second daily service with refreshed B777 interiors from June 1, following the first service starting on May 7. The latest business and premium economy cabins are set to feature on the Dublin-Dubai route from June 25.

**Ryanair** - Ryanair passengers will no longer be able to download and print paper boarding passes from the start of the airline's winter schedule. Instead, beginning on 3 November, they must generate a digital boarding pass by checking in for their flight on the myRyanair app. Currently, more than two in 10 of its passengers still print out their boarding passes, but Ryanair said the move to 100% digital passes would eliminate more than 300 tonnes of paper a year. It said it would also eliminate almost all airport check-in fees from November 2025 since all passengers will have checked in online to generate their digital boarding passes.

**TAP Air Portugal** - TAP Air Portugal saw annual profits plummet by almost 70% as it faced a "very challenging" 2024. The Portuguese flag carrier reported net income of €53.7 million (£44.7 million), down from €177.3 million the previous year despite a record €4.2 billion (£3.5 billion) in operating revenues. Passenger carryings edged up by 1.6% year-on-year to 16.1 million. But the total number of flights operated fell by 1.5% to reach 86% of pre-pandemic levels. By the end of 2024, TAP had a "solid" liquidity position of €651.6 million (£542 million), excluding a €343 million (£286 million) third shareholder capital injection in January.

**Virgin Atlantic** - Virgin Atlantic has revealed plans to open another two Clubhouse airport lounges in the next two years. The target was revealed by Corneel Koster, chief customer and operating officer, at the opening of the airline's sixth Clubhouse, at Los Angeles International Airport, yesterday (Thursday).

“We plan to open a couple more Clubhouses over the next couple of years, the next of which will be in the United States,” he told Travel Weekly. Referring to the design and facilities at the new lounge at LAX airport, Koster said: “It’s a homage to the City of Angels. It has all the signature features of our Clubhouses but also tunes into the wellness focus of LA.”

## SOCIAL UPDATE

### **Meta improves tools for creator collaborations**

Meta has introduced new tools to assist brands in finding creators to work with. This includes a new feature in Meta’s Partnership Ads Hub which shows organic content mentioning a brand which also has a likelihood of achieving good results as a paid promotion. Within Instagram Creator Marketplace, Meta will also show suggested creators they think will be effective for collaborations based on their alignment with a brand. Additionally, Instagram’s Creator Marketplace will also have a keyword search, allowing brands to search for specific creator niches. Creator Marketplace will also show additional performance metrics, giving brands greater insights.

### **Instagram introduces Reels double speed playback & removes content**

**notes** Instagram has added a new feature that allows users to watch Reels at double speed. To activate this 2x playback, users can long-press on the left or right of the screen, causing the video to play at twice the normal speed until the long press is released. Additionally, in July last year Instagram introduced text notes to feed posts and Reels. However, this feature wasn’t adopted by many users and the platform has now removed it.

## MICE UPDATE

### **Eventprofs blast lack of support in spring statement**

Eventprofs have reacted with dismay to the lack of sector-specific support in the government’s spring statement – and accused chancellor Rachel Reeves of having ‘done nothing’ to reassure the industry that the country will grow. The Meetings Industry Association (MIA) chief executive, Shonali Devereaux, said the Office for Budget Responsibility’s decision to cut the UK’s growth forecast for 2025 from 2 per cent to 1 per cent highlights the urgent need for the government to recognise the role of events in stimulating economic growth. She added that the business meetings and events sector is uniquely affected by the upcoming rise in National Insurance contributions for employers due to its reliance on a flexible workforce, including part-time and temporary staff to meet fluctuating event demands.

## LIGHTER NOTE

The Northern Lights were visible across parts of the UK this week, illuminating skies in unusual parts of the country, including County Durham and Tyne and Wear. See some of the stunning shots captured by photographers from across the region [here](#).