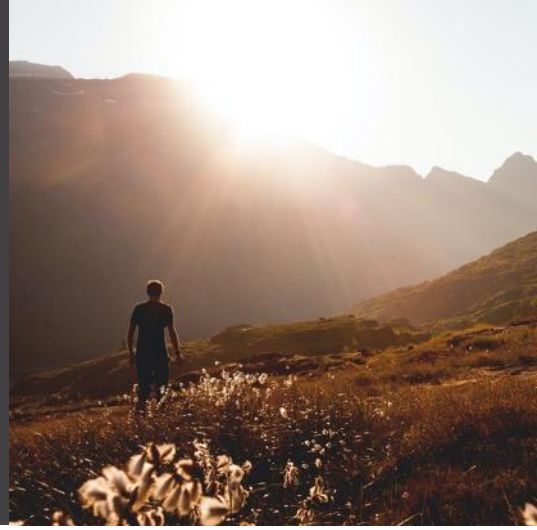


WEEKLY REPORT

14 March 2025



ECONOMIC, POLITICAL AND SOCIAL UPDATE

UK economy shrank unexpectedly in January

The UK economy declined unexpectedly by 0.1% in January, with a slowdown in manufacturing cited as a key factor for the dip. This decline follows a 0.4% growth in December and was weaker than expected.

The figures come ahead of the chancellor's Spring Statement, which is expected to include government spending cuts. Liz McKeown, ONS director of economic statistics, said: "The economy shrank a little in January but grew in the last three months as a whole, with the overall picture continuing to be of weak growth."

Despite the monthly decline, the ONS estimated the economy grew by 0.2% over the three months to January, noting that monthly figures can be volatile.

NHS England to be axed as role returns to government control

NHS England will be abolished and brought under "democratic control" in an attempt to cut bureaucracy and duplication, UK Prime Minister Sir Keir Starmer has announced. The organisation, which oversees the country's health service, will be brought into the Department of Health, with the PM stating that the move will free up money for frontline services.

The government expects around 50% of jobs at NHS England, which as of December had 14,400 staff, and the Department of Health, which has 3,500 staff, to be cut. In a speech in Hull, Sir Starmer said politicians had for too long "chosen to hide behind vast arrays of quangos", referring to organisations funded by taxpayers but not directly controlled by the government. The significant move gives the government increased control and accountability over one of their key pledges - to reduce NHS waiting times.

UK food and drink exports to the EU down 34% since Brexit

British food and drink exports to the EU have fallen by more than a third since Brexit, according to new figures released by the trade body Food and Drink Federation (FDF). The data highlights how bureaucratic barriers have altered the relationship between the UK and its most important trading partner. Products including whisky, chocolate and cheese remain popular with EU customers but overall food export volumes to the bloc fell to 6.37bn kg in 2024, representing a 34% decline compared to 2019 levels.

While global events, including the COVID-19 pandemic and the war in Ukraine, have contributed to some of the decline, the FDF's latest trade snapshot also reveals that other European countries, including the Netherlands, Germany and Italy, have increased their export volumes since 2020. The FDF attributes much of the slump in UK exports to post-Brexit trading arrangements.

TRADE UPDATE

Early Discounts spur costs-conscious families to book, say agents

Earlier-than-usual discounts and competitive summer offers are encouraging cost-conscious families to book, according to the trade. Agents welcomed Jet2holidays' new discount of up to £300 per family and are urging cost-conscious families to book their summer trips. Agents report strong sales but note shifting trends, with more travelers opting for multiple shorter three-night stays throughout the year, rather than longer holidays.

Barrhead Travel noted that 60% of new bookings are for summer, with last week's sales up 13% on 2024. The Advantage Travel Partnership saw revenue rise 15%, while Althams Travel reported a 19% increase in passengers but only 6% revenue growth, signaling keen pricing. Industry experts suggest discounting reflects concerns over capacity and consumer financial caution, though demand is expected to remain strong into the late booking period.

Gatwick plans £140m aircraft pier extension

A £140 million development at Gatwick Airport will see eight new aircraft gates open to the extended mid-airfield Pier 6, set for completion in 2027. The expansion will allow 7.5 million passengers to board and disembark directly from the aircraft each year. Additionally, the new gates will eliminate the need to bus more than 500,000 passengers to remote stands, saving 12,000 bus journeys a year.

Half-term helps Manchester Airport and Stansted hit record in February

Manchester airport and Stansted both achieved record-breaking passengers in February, each handling more than two million passengers for the first time across the month. Passenger traffic at Manchester airport increased by 5.9% year-on-year, with the northern hub seeing its rolling 12-month total surpass 31 million for the first time. The airport hailed a “bumper” school half-term for helping to boost numbers, with Dublin, Tenerife, Dubai, Amsterdam and Alicante being the top most popular destinations.

Stansted also experienced a surge in passengers, recording a 4.8% increase compared to February last year. This growth contributed to a record-breaking month for Manchester Airports Group (MAG) as a whole, with the group serving 4.2 million passengers in February, a 4.1% rise from the same month in 2024. The rolling 12-month passenger total for MAG, which also operates East Midlands airport, reached 64.8 million as of February 2025, marking a 6.7% increase.

AIRLINE UPDATE

Easy Jet - EasyJet Holidays is committed to making sustainable travel more accessible and affordable, as outlined in its first impact report. Key initiatives include electric vehicle transfers in Rhodes, sustainability training for hotels, food waste reduction technology, and promoting experiences outside urban hotspots. The company aims to transform travel by improving eco-friendly choices and benefiting local economies. More than 300 hotels in Spain, Greece, and Turkey are already signed up for sustainability training.

Norwegian Air - Norwegian Air is launching flights from Gatwick to Billund, the home of Lego, following Ryanair withdrawing its service. The year-long route starts on June 30, with six flights per week to the destination in western Denmark during the summer peak. As part of the launch, Legoland Billund is offering free entry for children travelling from the UK to Billund with Norwegian Air, when accompanied by a full paying adult, during the 2025 season. Norwegian Denmark communications and public affairs director Sara Neergaard said: “Norwegian and Billund Airport have had a strong partnership for many years, and we see great potential for growth in this region.

Qatar Airways - Qatar Airways is increasing its London-Doha flights from 49 to 56 per week as part of a global expansion. Chief Commercial Officer Thierry Antinori highlighted the airline’s commitment to enhancing global connectivity and passenger experience, especially ahead of the peak summer season. The expanded services aim to provide greater flexibility and seamless connections across Qatar Airways’ network of 170+ destinations.

TOUR OPERATORS, TRAVEL AGENCIES & OTA UPDATE

Barrhead Travel - Barrhead Travel has invested an additional £300,000 in renovating three of its branches to give them a fresh look and encourage higher footfall. The Scottish agency giant has completed refurbishments at its Braehead store, while work at Dunfermline and East Kilbride will begin this month. The group added that the refurbishment programme would run concurrently with its expansion plans, which are expected to continue this year. In November, a new store opened in Newtownabbey, Northern Ireland.

Jetline Travel - ATOL holder Jetline Travel ceased trading on March 6, leaving 20 customers overseas and affecting 800 forward bookings. The company, which traded under multiple names, failed to process customer payments on schedule. As a result, Princess Cruises, Cunard, and Holland America Line canceled outstanding bookings due to Jetline's breach of contract. Jetline's directors had been seeking a buyer since last autumn and accelerated sale efforts in February, however the business has ultimately collapsed.

Norwegian Cruise line - Norwegian Cruise Line (NCL) has promoted Kirsty Webb within its sales team to the role of director of strategic accounts and also plans to hire an additional agent-facing staff member. Webb, who moves from her previous role as senior business development manager for the cruise specialist channel, will lead NCL's relationship with a portfolio of key accounts, while taking responsibility for the team of business development managers.

SOCIAL UPDATE

Pinterest introduces in labels for AI generated content

Pinterest has begun labelling AI-generated images. These labels will appear in the bottom left corner of images detected as AI-generated or modified, in line with the IPTC Photo Metadata Standard.

Snapchat unveils Video Gen AI Lenses

Snapchat has introduced Video Gen AI Lenses, enabling users to incorporate AI-generated elements into their videos. Users can currently select from the following three video gen AI Lenses: Spring flowers, Fox and Raccoon. They can then submit their Snap, and Snapchat will custom animate it using the selected lens, with the final video saved in 'Memories'. This feature is currently only available to Snapchat+ Platinum subscribers.

MICE UPDATE

UKEVENTS announces new executive committee

UKEVENTS has confirmed its new executive committee following its February full partners meeting. The committee will focus on strengthening engagement with policymakers and capitalising on new relationships forged at the recent Houses of Parliament exhibition. It will also lead UKEVENTS' efforts to drive recognition of the UK events industry's £61.6 billion contribution to the economy and ensure its role is firmly embedded in government policy discussions. With a renewed emphasis on advocacy and strategy, the committee aims to build on recent momentum and push for meaningful action that supports growth across the sector.

LIGHTER NOTE

Early-rising stargazers in the UK woke up to a lunar eclipse just before dawn on Friday. The eclipse was partial for most of the UK, with the Earth's shadow only covering part of the Moon. Read more [here](#).