

WEEKLY REPORT

21 March 2025



ECONOMIC, POLITICAL AND SOCIAL UPDATE

Heathrow closure causes major flight disruptions UK

A major fire at an electrical substation near Heathrow Airport caused a power outage, leading to the cancellation of all flights on March 21, 2025. Over 200,000 passengers have been affected, with disruptions expected to last until at least 11:59 p.m. local time on Friday. Travellers are advised to avoid the airport and contact their airlines for updates.

UK hosts military leaders to work on Ukraine plans

The UK is hosting a closed meeting on Thursday with senior military leaders from over 20 countries in the "coalition of the willing" to discuss plans for a proposed Western-led peacekeeping force for Ukraine. Armed Forces Minister Luke Pollard emphasised that the coalition aims to be a "credible force" to ensure lasting peace in Ukraine, warning that Russian President Vladimir Putin could expand his influence beyond Ukraine if not stopped. However, Russia has warned against the presence of NATO troops in Ukraine, and the US remains hesitant to provide necessary air cover.

Net zero targets questioned causing controversy following UN report

A new UN report confirms that 2024 was the hottest year on record, with climate change accelerating at an alarming rate. Scientists were shocked by how long extreme heat persisted, even after the natural El Niño warming effect faded. Carbon dioxide levels are at their highest in 800,000 years, ocean temperatures continue to break records, and glaciers are melting faster than ever. Despite warnings from experts, political divisions on climate action are growing, with President Trump scrapping US climate policies and UK Conservative Party leader Kemi Badenoch questioning net-zero targets.

However, China is expanding renewable energy at record levels, and global discussions on green transitions continue. Meanwhile, extreme weather, including hurricanes and cyclones, has displaced thousands and caused billions in damage, highlighting the urgent need for stronger climate action.

UK inflation rate: How quickly are prices rising?

Inflation rose to 3% in January 2025, exceeding the Bank of England's 2% target. While inflation has dropped significantly from its peak of 11.1% in 2022, prices continue to rise, albeit at a slower pace. The Bank of England has cut interest rates three times since August 2024, bringing them down to 4.5%, but warns that future reductions will be "gradual and careful" due to economic uncertainty. Core inflation, which excludes volatile food and energy prices, also increased to 3.7% in January. Rising costs for food, energy, and transport are expected to push inflation to 3.7% by late 2025, before gradually declining towards the 2% target by 2027. Meanwhile, wages are outpacing inflation, with real pay growing by 3.4% in late 2024, the fastest rate in over three years. The next interest rate decision is set for 20 March, followed by the Chancellor's Spring Statement on 26 March.

TRADE UPDATE

Gatwick 'engaging fully' in second runway process as profits rise

Gatwick saw profits rise by almost 9% last year to £343 million as a record of 57 airlines used the single runway airport. The year-on-year profits boost came as passenger numbers rose by 5.7% to 43.2 million. Revenue was up 11.3% to £1.1 billion, driven by growth in the airline network and passenger numbers. Gatwick is now "engaging fully" in an extended process towards a final decision on bringing an emergency runway into regular use after transport secretary Heidi Alexander last month said she was "minded to approve" the plans. If given the green light, Gatwick says the privately financed £2.2 billion project will deliver 14,000 new jobs and £1 billion a year in economic benefits.

ABTA urges passport validity check ahead of Easter getaway

ABTA is encouraging anyone planning to travel to Europe to make sure their passport is valid for their trip ahead of the Easter holidays. The advice comes as some people are still getting caught out by a change in rules for British passport holders that has been in effect for more than four years. Travellers need to check both the date of issue to ensure that their passport is no more than 10 years old when they enter the country, and also the expiry date to make sure they will have at least three months left when they return to the UK.

Agents act to mitigate costs hikes amid warning of ‘toughest year since Covid’

Travel agents are working to mitigate rising costs from next month amid a warning 2025 could be “tougher than any year since Covid”. Blue Bay Travel chief executive Alistair Rowland suggested agents needed new revenue streams to grow sales by 10% – the amount costs are expected to rise this year as a result of the combined impact of changes to National Insurance contributions, the national living wage and business rates. Blue Bay Travel chief executive and ABTA chairman Alistair Rowland said: “I think 2025 is going to be tougher than any year since Covid. Most businesses will need to do something different because it’s unlikely they’ll grow their profits by 10% naturally.”

Passport application fees set to increase on April 10

The government will increase passport application fees from April 10, with a standard online application made within the UK rising from £88.50 to £94.50 for adults and from £57.50 to £61.50 for children. The proposals, which are subject to approval by parliament, will also see the cost of postal applications increase from £100 to £107 for adults and £69 to £74 for children. In a joint statement about the increases, the Home Office and HM Passport Office said: “The new fees will help the Home Office to continue to move towards a system that meets its costs through those who use it, reducing reliance on funding from general taxation. The government does not make any profit from the cost of passport applications.”

UK and EU diverge on digital border controls as ETA fee hike imminent

The EU’s stalled launch of a digital Entry Exit System (EES), now put back to October, will mean travellers to Europe this summer are not delayed on entry by requirements to register their biometric data. Travellers also won’t face paying the €7 fee to register with the EU’s Electronic Travel Information and Authorisation System (ETIAS) until “the last quarter of 2026”. That is in contrast to the UK’s border treatment of EU visitors who must register with an Electronic Travel Authorisation (ETA) system to enter Britain from April 2. If they register now, they pay £10. But if they delay, they will pay £16 – with the increased fee, announced in January, expected to apply from April 9.

AIRLINE UPDATE

British Airways - Pittsburgh's tourism chief has welcomed increased capacity being introduced by British Airways from Heathrow for the summer schedule. The airline is raising frequency from six flights a week to daily from March 31 until the end of October with return fares starting at £514. VisitPittsburgh chief executive Jerad Bachar said: "We're thrilled that the British Airways service continues to go from strength to strength."

Cathay Pacific - Cathay Pacific is cutting fares to Asia and Australia via its Hong Kong hub to boost transit numbers after reporting a February rise in passengers. Discounted fares include Beijing from £499, Japan from £799 and Australia from £899. The airline is also offering a time-limited extra £100 off onward journeys from Hong Kong. The offer followed Cathay Pacific carryings rising 14.3% year-on-year in February and low cost arm HK Express up 32%, driven by Lunar New Year travel.

TUI - Tui's UK & Ireland managing director says he is pleased the operator chose not to boost capacity for this summer's peak holiday season, adding rivals' decisions to do so had left "a lot of (unsold) capacity in the market". Neil Swanson said a trend towards later bookings had continued in 2025 but insisted he was comfortable with Tui's solid position and pricing. "I am pleased we didn't increase," he said. "Jet2 increased and easyJet increased massively and we stayed broadly flat and that feels like the right place to be from where I'm sitting."

Virgin Atlantic - Virgin Atlantic is planning to develop short-haul, zero-emission air taxi services between airports and cities throughout the UK. The airline has partnered with Joby Aviation, a California-based company developing electric air taxis for commercial passenger services. The partnership builds on an existing agreement between Joby and Delta Air Lines – which owns a 49% stake in Virgin Atlantic – to launch service in the US and UK. The partners aim to start with regional and city connections from Virgin Atlantic's hubs at Heathrow and Manchester airports. Virgin Atlantic said it will also market the service to its customers, liaise with regulators alongside Joby and help to build support for the development of landing infrastructure at key airports.

TOUR OPERATORS, TRAVEL AGENCIES & OTA UPDATE

Elegant Resorts - Trade sales for Elegant Resorts for the first 10 weeks of the year are up 14% compared with the same period in 2024. New managing director Gordon McCreadie said bookings through agents and Elegant Resorts' Private Travel Designers team – which together account for about 30% of the operator's total sales – were “outperforming” other channels. “As a business we're trading at +10% so trade's outperforming the other channels which is really great to see,” he said. Both Elegant Resorts and If Only have reportedly seen an increase in tailor-made bookings, with Asia up 75% year-on-year and Australasia up 250% year-on-year.

Kuoni - Kuoni is to extend its guarantee of out-of-date-range flights to more destinations up to October 2027. The tour operator is committing to airfare prices with selected airlines to extra countries, including the Caribbean, Indian Ocean, Asia, Africa and North America. The move is designed to help agents secure additional early bookings at a guaranteed price so there are no surprise cost increases at a later date. Kuoni said it had listened to feedback from trade partners and added that the decision would particularly appeal to the family market who want to lock school holiday prices in at popular resorts or for special occasions and peak times. Florida, Canada and Mauritius airfares are now guaranteed until October 2027 and the Caribbean, Asia, Africa and the Indian Ocean are guaranteed up until April 2027, including Easter. The guarantee is across all fares including economy, premium economy, and business class.

Rocky Mountaineer - A Rocky Mountaineer route in the US is being extended to connect Denver, Colorado with Salt Lake City, Utah over three days. The expanded 'Rockies to the Red Rocks' route will operate next year by a new luxury train brand called Canyon Spirit. The train has been operating under the Rocky Mountaineer name since 2021. The new identity reflects the company's commitment to providing train journeys through the American southwest. The new three-day train journey will begin operating from April 21, 2026, including overnight stops in Glenwood Springs, Colorado, and Moab, Utah. It will travel weekly with one westbound departure from Denver and one eastbound departure from Salt Lake City.

SOCIAL UPDATE

Threads introduces profile topic tags, reply settings, and video updates

Meta has introduced several new features to Threads. Firstly, users can now add topics that they are interested in to their profiles with tags that will be shown below their bio. Visitors to a profile can click on the tags and see conversations themed on that subject. Threads has also introduced new post control features, where users can choose to permit replies and quote-posts only from their followers. The platform is also updating its video player, introducing skip, pause and play buttons as well as a progress bar.

Meta's AI Chatbot rolled out for EU and UK users

Meta has launched its AI chatbot, Meta AI, for users in the EU and the UK. The feature will be offered in six European languages across WhatsApp, Facebook, Instagram, and Messenger and users will be able to find the Meta AI icon in their search menu or mention @MetaAI in a chat for quick access.

MICE UPDATE

New In Events podcast returns for second series

Barcelona-based exhibition and conference IBTM World has launched a second season of its podcast, New in Events. The new season is hosted by Shonali Devereaux, with fortnightly episodes designed to inspire and support IBTM's community of event professionals year-round with fresh insights, practical advice and innovative ways of working. With a line-up of leading spokespeople from both inside and outside of the industry, New in Events will explore topics such as preventing professional burnout, crafting compelling stories through events, and how to promote inclusivity and accessibility.

LIGHTER NOTE

A lost toy elephant was reunited with a three-year-old boy after a Clapham butcher displayed it in his shop window, thanks to a community-driven social media search [Read more here.](#)