

WEEKLY REPORT

6 December 2024



ECONOMIC, POLITICAL AND SOCIAL UPDATE

UK Prime Minister pledges no additional tax rises

Prime Minister Sir Keir Starmer has stated that while there are no plans for additional tax rises before the next election, unforeseen circumstances could necessitate changes. His six new pledges, including building 1.5 million homes, reducing hospital backlogs, and boosting school readiness, are framed as milestones to judge Labour's performance by 2029. However, critics, including Conservative leader Kemi Badenoch and local council leaders, have questioned the feasibility of these goals, particularly on housing and immigration. Labour cited measures like pay rises for low earners and tax increases primarily targeting businesses to fund spending, though these policies have drawn concerns from business groups.

Electric cars make up one in four cars sold in November

Electric vehicles (EVs) accounted for one in four UK car sales in November, marking 11 consecutive months of growth, driven by steep discounts totaling £4 billion as manufacturers rushed to meet government sales targets. Despite this, overall vehicle sales declined, with petrol and diesel registrations falling sharply, and manufacturers warning that current EV targets, requiring 22% of sales in 2024, are challenging without further customer incentives. While some brands exceed EV benchmarks, others face fines unless they buy credits from competitors, sparking criticism over subsidising Chinese firms. The government is investing £2.3 billion to support the transition to electric vehicles while maintaining its 2030 phase-out goal for internal combustion engine cars.

Property prices increase by 1.3% in November, the fifth consecutive monthly rise

UK house prices rose by 1.3% in November, marking the fifth consecutive monthly increase and reaching a record high average of £298,083, up nearly £5,000 from October, according to Halifax.

Annual growth reached 4.8%, the highest since November 2022, with Northern Ireland and the North West of England leading regional increases at 6.8% and 5.9%. While improving mortgage demand and easing rates are boosting buyer confidence, affordability challenges persist against a variable economic backdrop. London maintained the highest average price at £545,439, while high-demand areas with limited stock continued to see robust interest, with well-presented properties selling quickly.

Unions pressure ministers to raise worker sick pay

Trade unions are urging the government to significantly raise Statutory Sick Pay (SSP), arguing that current levels force ill workers into debt and delay necessary treatments, with many receiving less than a third of the national minimum wage during illness. While the Employment Rights Bill proposes extending SSP eligibility to the first day of sickness, unions emphasise that the payment level itself remains inadequate, impacting public health and worker well-being. Business groups, however, warn that increasing SSP would strain employers, particularly small businesses, potentially discouraging job creation and wage growth. Balancing these pressures is proving challenging for the government as it seeks to fulfill both pro-worker and pro-business promises.

TRADE UPDATE

The Hague to ban flight and cruise ads in response to calls from The UN Secretary

The Hague is set to become the first city globally to ban advertisements for flights, cruises and other high-energy-consuming industries starting 1 January 2025 due to sustainability pressures from The United Nations. This move will prohibit such ads on bus shelters and billboards across the city. While other Dutch cities like Amsterdam and Utrecht are considering similar measures, the Dutch travel association ANVR is challenging the ban in court, citing freedom of expression for businesses and brands. Meanwhile, sustainability in travel is gaining greater attention across Europe. At a London ABTA event, Hazel McGuire, General Manager of Intrepid Travel for the UK and Ireland, emphasised the importance of transparency in companies' sustainability efforts. While customers are not yet choosing holidays based solely on sustainability, McGuire noted growing interest, particularly among younger generations. This reflects an emerging shift towards environmentally conscious travel choices, urging companies to balance challenges and achievements in sustainability with open communication.

Greece introduces taxes to tackle overcrowding at hotspots

From 2025, cruise passengers visiting Greece will face daily charges of €5 to €20 depending on the island, with hotspots like Santorini and Mykonos at the higher end. The new Bill also raises taxes on holiday rentals, up to €8 daily in summer, and hotel stays, up to €15 depending on the rating. Greece aims to generate €400 million annually, double the revenue of 2023, to address the impact of surging tourism. The measures follow reports of overcrowding, with Mykonos hosting up to 20,000 cruise passengers daily despite a population of 12,000. Santorini also faced similar pressures, with visitors outnumbering residents. While initial plans included caps on cruise ship visits, these were not part of the final Bill. Mexico is also introducing a cruise tax, charging \$42 per passenger starting in 2026.

IATA shares load factors amid rising passenger demand

Global passenger demand rose by 7.1% in October 2024 compared to the same month last year, with load factors reaching 83.9%, up 0.8 percentage points year-on-year, according to IATA. International demand saw a 9.5% increase, while domestic demand rose by 3.5%. Europe led with the highest load factor at 85.7%, while the Americas and the Middle East experienced declines. IATA credits the steady rise in load factors to improved efficiency in aviation operations. Director General Willie Walsh warned against aviation taxes aimed at reducing emissions, arguing they could discourage passengers without cutting emissions, as planes would still fly with empty seats. He highlighted the long-term progress in load factors, which have risen from 67% in the 1990s to over 83% today, emphasising that full planes maximise the economic and social benefits of travel with minimal emissions.

AIRLINE UPDATE

Gulf Air - Gulf Air aims to grow its network, targeting a 30% increase in London services, pending Heathrow slot availability and new aircraft. CEO Jeffrey Goh highlighted recent route expansions to Singapore, Shanghai, and Munich, with plans for New York JFK as its first U.S. destination since 1997. The airline is focused on connecting key business and leisure markets while leveraging Bahrain's modern hub airport for efficient transfers. With nine Airbus A320s on order, Gulf Air is poised for steady growth, supported by competitive pricing, premium services, and regional opportunities from Saudi Arabia's economic expansion.

Eithad — Etihad Airways has entered a bilateral codeshare agreement with Air Astana, effective December 5, 2024, to enhance connectivity and expand passenger travel opportunities. Through Air Astana's gateways, this partnership enables Etihad passengers to access 10 new destinations across Kazakhstan, including Almaty and Astana. Almaty is known for its stunning mountain views, while Astana (Nur-Sultan) is famous for its modern architecture. The agreement promises a seamless travel experience, allowing travellers to book a single journey, check in once, and have their baggage transferred automatically to their final destination. Etihad passengers can also connect smoothly to Air Astana's domestic network, while Air Astana passengers can enjoy convenient connections to Etihad's global destinations, including India, Bahrain, and Oman via Abu Dhabi.

TUI - A TUI Boeing 737-800 departing from Bristol Airport narrowly avoided disaster when a cockpit fault led to insufficient thrust during takeoff. The aircraft, carrying 163 passengers and six crew, cleared the runway at just 10 feet and passed over an adjoining road at 100 feet. Air accident investigators attributed the incident to the autothrottle disconnecting due to low voltage in its servo motor, a known issue with older parts of this aircraft model. Despite the compromised takeoff, the flight to Las Palmas proceeded without further issues. The Air Accident Investigations Branch (AAIB) highlighted that neither pilot noticed the insufficient thrust during pre-flight checks. The report urged airlines to improve response protocols for autothrottle malfunctions and enhance monitoring through flight data systems. TUI has since implemented safety measures to address these concerns but declined to comment on the findings.

TOUR OPERATORS, TRAVEL AGENCIES & OTA UPDATE

G Adventures - G Adventures has launched a new brand, "Solo-ish Adventures," targeting solo travellers who want to join group tours without feeling like a "third wheel." The brand caters to individuals who prefer not to wait for friends or family to book a trip and are looking for connections with others on their travels. The itineraries, averaging 12 days, are designed to foster connections from the first night with activities like cooking classes or food tours, rather than the traditional welcome dinner. Travellers will share rooms with others of the same gender to promote bonding, and the company emphasises creating lifelong friendships.

Elegant Resorts - Elegant Resorts has achieved a 10% increase in trade sales over the past year, driven by strategic partnerships and initiatives like the Connoisseurs Club. This program rewards top-performing agents with exclusive benefits, enhancing sales and relationships. Despite economic challenges, including shifts in consumer spending and a quieter summer, the company saw a strong resurgence during the festive season, with new business acquisitions up by 35%. Looking ahead, Elegant Resorts plans a brand refresh to align with market trends and expand its presence in high-demand destinations like Thailand, Australia, and the Maldives. With a focus on strengthening agent partnerships and adapting to shifting consumer behaviours, the company aims to maintain growth and stay competitive in the luxury travel market.

Major Travel - Major Travel is aiming for a 50% increase in UK revenue in the coming year, building on a solid 35% growth this year. The company plans to expand internationally into Ireland and the US, capitalising on opportunities to diversify its market reach. This expansion is supported by Major Travel's focus on tailor-made luxury travel packages, particularly in the cruise and safari sectors, which have been relaunched to meet growing demand. These moves align with their strategy to cater to high-end clients seeking bespoke travel experiences. To support this growth, Major Travel is expanding its workforce and making key appointments, such as a Europe product manager, to enhance expertise in key destinations. Partnerships with major UK agents like Hays Travel and Travel Counsellors are central to their strategy, helping to increase market penetration. Additionally, the company is prioritising customer satisfaction and sustainability, aiming to attract environmentally conscious travellers while maintaining high service standards.

SOCIAL UPDATE

Meta adds updates its broadcast channels

Meta has introduced new features to its broadcast channel messaging on Instagram, Facebook, and Messenger, making it easier for creators and brands to engage with fans. Creators can now reply directly to fans in a channel, much like a group chat, giving fans more ways to interact. Conversation prompts let creators spark responses from their audience, while new insights provide metrics like reactions and replies, helping creators understand what resonates most with their followers.

Meta introduces hub for Threads creators

Meta has launched a new information centre which provides content creators with tips and notes on how to create and grow their audience on the platform. This includes conversation topic suggestions, how to utilise topic tags, and what creators can do to grow their Threads audience.

MICE UPDATE

Satellite data could help conference cities manage visitor flows

Cities who join the Global Destination Sustainability Movement (GDS-Movement) will now have access to satellite technology to help them monitor environmental trends, identify the most pressing challenges, and allocate resources accordingly. The GDS-Movement has entered a 'strategic partnership' with Toulouse, France-based Murmuration, which uses satellite data and Artificial Intelligence to support sustainable tourism. Through dashboards, destination management organisations can monitor environmental and climate trends, assess risks, and optimise resource management. The company claims it can offer 'comprehensive insights' into biodiversity and landscape quality, air and water quality, and live and predictive data on visitor levels.

LIGHTER NOTE

A baby rhino in South Africa is recovering from injury under a knitted blanket made by the Knitting Nannas in Teeside. Click [here](#) to see more.