₩Hills Balfour WEEKLY BRIEFING

COVID-19 UPDATE

The percentage of people testing positive for COVID-19 increased in England, Wales, Scotland and Northern Ireland in the week ending 11 June 2022. The increase was likely caused by infections from Omicron variants BA.4 and BA.5. Figures show that the estimated number of the community population (those not in hospitals, care homes or other institutional settings) that had COVID-19 in the latest week was 1,131,000 in England, 64,800 in Wales, 42,900 in Northern Ireland and 176,900 in Scotland.

The Covid vaccination programme in England has so far reached nine in 10 people aged 12 and over with a first dose. Government figures from 15 June show that 45,026,435 people (93.1%) have received their first dose, 42,091,008 (87%) have received their second dose and 33,110,472 (68.4%) have received their booster/third dose. The number of COVID-19 related hospital admissions in England has risen since the previous week, to 4,607, whilst the number of deaths within 28 days of a positive test has fallen, to 278.

The government announced that Autumn 2022 COVID-19 boosters would be coming soon. The boosters would be for more vulnerable adults, alongside frontline social care and health workers. The primary objective of the 2022 autumn booster programme will be to increase population immunity and protection against severe COVID-19, specifically hospitalisation and death, over the winter period. There will be an ongoing review of the vaccination programme and the epidemiological situation, particularly in relation to the timing and value of doses for less vulnerable older adults and those in clinical risk groups, and will announce its final plans for the programme, including further detail on the definitions of risk groups, in due course.

China stands by 'zero-COVID' policy amid global economic squeeze

China defended its tough "zero-COVID" policy after the U.S. ambassador said it was causing serious damage to the global economy and foreign business sentiment. China has sought to completely eliminate outbreaks of COVID-19 with tough restrictions, while most other countries are relaxing their anti-coronavirus measures to "live with" the disease. Foreign Ministry spokesperson, Wang Wenbin, said that "facts prove" the policy mandating lockdowns, quarantines and mass testing is "suitable for China's national conditions and has stood the test of history."

Canada to update its 'fully-vaccinated' definition

The federal government plans to change its definition of what it means to be fully protected against COVID-19 to reflect advice that a number of health experts have been recommending for months. Currently, federal employees are considered fully vaccinated if they have two doses of one of Health Canada's approved vaccines. Dr. Theresa Tam has recommended that any official language encouraging Canadians to be vaccinated should not emphasise a specific number of doses, but rather say Canadians should be "up to date" with their COVID-19 vaccines.

On Tuesday, federal cabinet ministers said they plan to implement this policy change, however it could take several weeks or months to implement.

ECONOMIC, POLITICAL AND SOCIAL UPDATE

UK interest rates raised to 1.25% by Bank of England

The UK interest rates have risen further as the Bank of England attempts to stem the pace of soaring prices. Rates have increased from 1% to 1.25%, the fifth consecutive rise, pushing them to the highest level in 13 years. It comes as finances are being squeezed by the rising cost of living, driven by record fuel and energy prices. Inflation - the rate at which prices rise - is currently at a 40-year high of 9%, and the Bank warned it could surpass 11% later this year. The Bank said rising energy prices were expected to drive living costs even higher in October, but added it would "act forcefully" if necessary should inflation pressures persist. Capital Economics speculates that the Bank could eventually have to raise interest rates to 3%.

Heatwave alert as parts of UK brace for hottest day of year so far

A level three heatwave alert is in place for south-east <u>England</u> as temperatures are expected to reach 34C (93F) in London on the hottest day of the year so far. There will be high temperatures across most of central and southern England on Friday as hot air spreads from Spain, Portugal and north Africa, while Scotland, Northern Ireland and some of north England will face lower temperatures as a band of rain passes through. Stephen Dixon, a Met Office spokesperson, said temperatures in the

low 30s were "not unprecedented but it is unusual to see temperatures this high this early in the year", adding that Friday's temperatures would be the highest since summer 2020.

Spain and Portugal likely to be worst hit as UK airports cull up to 50 summer flights a day

Passengers due to fly from Gatwick this summer may be told their flight is cancelled after the airport announced it would be putting a cap on daily operations. Gatwick bosses have asked airlines to cut back their schedules in the hope "that passengers experience a more reliable and better standard of service". While the majority of passengers will fly as planned, on the busiest days, airlines will be told to cancel up to 50 flights requiring thousands of passengers already booked on them to find alternative departures. According to *The Independent*'s travel correspondent, Simon Calder, Portuguese and Spanish flight routes are likely to be the worst affected by the cuts. He says: "For easyJet, Wizz Air and British Airways' EuroFlyer, the most obvious flights will be high-frequency links such as London to the key Costa Blanca, Costa del Sol and Algarve airports: Alicante, Malaga and Faro respectively. On weekends easyJet has six or seven flights a day, and removing one or two from the schedules is probably feasible."

Ukraine moves step closer to EU membership as it is granted candidate status

Ukraine's bid to join the European Union was given a considerable boost on Friday as the European Commission recommended the country be a candidate for membership. It is the first step in a lengthy process to secure membership and comes a day after French president Emmanuel Macron, German chancellor Olaf Scholz, Italian prime minister Mario Draghi and Romanian president Klaus Iohannis vowed to back Kyiv's candidacy on a visit to Ukraine's capital. President Volodymyr Zelensky said it was 'the first step on the EU membership path that'll certainly bring our victory closer'. The decision made by the European Commission will now pave the way for EU government leaders to sign off on it at a summit next Thursday and Friday in Brussels.

TRADE UPDATE

U.S. holiday bookings surge after COVID-19 test requirement dropped

Ocean Holidays has seen a surge in U.S. holiday bookings following the lifting of predeparture COVID-19 test requirements. The tour operator reported a 25% increase in U.S. bookings at the weekend (June 11-12) compared to the weekend before, with enquiries up 105% compared to the same weekend in 2019. Co-chief executive and founder of Ocean Holidays Harry Hastings said: "British travellers have waited months for this moment – this is a huge boost for the travel industry. The final barrier has been lifted and all that pent-up demand is now being released." Visit USA Association has welcomed the removal of pre-departure COVID-19 tests, which it hopes will boost the recovery of the U.S. travel industry. Julie Greenhill, UK chair of the Visit USA Association, said: "This is the positive news that we and our membership have been campaigning for over the last few months."

Travel industry recruitment hits 'record levels'

Recruitment in the travel industry has reached record levels, reveals new data from C&M Travel Recruitment and C&M Executive Recruitment. The number of candidates placed in new travel jobs reached its joint highest ever level last month. The total for May was up by 15% from April and tied the record figure set in March. Last month's number of placements rose by 679% from May last year, by 122% from pre-pandemic May 2019, by 36% from May 2018, by 31% from May 2017 and by 43% from May 2016. The number of new candidates searching for travel jobs reached a 10-month high in May after jumping by 34% from April. Last month's total was the second highest since January 2020 and was up by 20% from May 2019.

WTTC forecasts 'strong' investment in tourism by 2032

The World Travel & Tourism Council (WTTC) said it forecast "strong growth" in travel and tourism investment over the next decade if governments create a "favourable enabling environment". Julia Simpson, WTTC chief executive, said: "Destinations must have a clear commitment and take a holistic approach to become resilient and competitive. "As we recover from the pandemic and we build back better, investments not only need to benefit destinations economically, but more importantly, socially and environmentally." The report highlights the importance of governance and rule of law as a "key enabler for investors as it determines how easily and successfully a business operates". It adds that physical infrastructure and air and ground connectivity are also "crucial" to investment because wellconnected hubs "support wider regional development" and "provide access to lesser-known destinations".

Reverse mentoring key to driving innovation

Patrice Gordon, director of commercial strategy development at Virgin Atlantic, told the ITT Conference in Istanbul that learning from more diverse members of the team is the secret to gaining fresh perspectives. "Matching senior leaders with mentors who can provide a different view of the world, through age, ethnicity, sexuality or disability... is a tool for innovation, for removing barriers and increasing diversity," she explained. She cited the example of cosmetics brand Estee Lauder, whose chief executive oversaw a major reverse mentoring initiative to help older decisionMakers better understand the culture and needs of the younger market they were creating products for. Business leaders should also take care not to become the mentor themselves, and must give credit to their mentor for any changes implemented or ideas developed based on their insight.

AIRLINE UPDATE

Qatar Airways profits soar despite pandemic backdrop

Passenger revenue increased by 210% over the previous year due to the growth of the carrier's network, increased market share and higher unit revenue, for the second financial year in a row. Qatar Airways carried 18.5 million passengers, up by 218% over last year. The earnings came as the result of decisions made during the pandemic to expand the Qatar Airways' passenger and cargo networks. The network grew to more than 140 destinations in 2021-22 despite COVID-19 challenges, opening new routes including Abidjan, Côte d'Ivoire; Lusaka, Zambia; Harare, Zimbabwe; Almaty, Kazakhstan and Kano and Port Harcourt, Nigeria in addition to resuming flights to key markets across Europe, Africa, the Middle East and Asia.

Spanish airline reserves 10 Airlander airships from Bedford-based firm

The company behind the Airlander airships said it has received its first commercial order from an airline group. Hybrid Air Vehicles (HAV) said European-based Air Nostrum Group had reserved 10 Airlander airships for delivery from 2026. HAV, which developed the Airlander at Cardington airfield in Bedfordshire, is expected to begin manufacturing in South Yorkshire. The firm said 1,800 jobs would be created as a result of the interest. HAV said Airlander 10 will cut flight emissions by up to 90% for journeys across Air Nostrum's regional routes in Spain. The airships, which stay aloft using helium and electricity, have been commissioned to seat 100 people. The Secretary of State for Business, Energy and Industrial Strategy, Kwasi Kwarteng said: "Hybrid aircraft could play an important role as we transition to cleaner forms of aviation, and it is wonderful to see the UK right at the forefront of the technology's development."

Latin America focuses on increased airlift

Latin America tourism chiefs are targeting greater direct airlift and increased trade awareness in the UK as the region reopens after the pandemic. Ministers from Colombia, Belize and Ecuador joined tour operators including Journey Latin America and Pura Aventura and industry experts to discuss how Latin America can promote itself more effectively as a destination during a think-tank at Lata Expo on Wednesday 15 June. They agreed that connectivity to Latin America is one of the key barriers facing the region as they called on airlines to provide more direct flights. Speaking during the panel discussion, Steppes Travel product and sales director Jarrod Kyte said: "We can all lobby BA for more flights but we also know the airline industry is in a state of flux at the moment and things aren't going to change quickly on that front." Kyte added that destinations must find "pragmatic solutions" while connectivity to Latin America is low, such as targeting the luxury market.

AirAsia X Eyes A Return To London After 10 Year Break

The Malaysia-based low-cost long-haul carrier has stated its intention to resume services between Kuala Lumpur and London later this year, after a decade away. In what the airline is calling "a new era for low-cost, long-haul travel", AirAsia X has announced that it will resume flying from Kuala Lumpur to London later this year. Along with other new services to Dubai and Istanbul, the decision to resume flying between the capital cities of Malaysia and the UK comes as the airline gears up following several years of stagnation and a suspension of flights. The announcement comes hot on the heels of the airline celebrating the launch of four other new routes to Japan and Hawaii, which are all on sale from today.

TOUR OPERATORS, TRAVEL AGENCIES, OTA UPDATE

Wendy Wu names new head of trade sales

King will lead the escorted touring specialist's agent sales operations and develop relationships with key trade partners. During the coming year, he will also spearhead the rollout and growth of Wendy Wu's new incentives and educational programme, seen recently with the launch of its Wu Breakaways scheme. Wendy Wu said King would be the "first of several key hires" for the company as it accelerates growth through the trade and his appointment follows "unprecedented demand" as Japan reopened its borders to international tourist groups earlier this month.

Chillimix: "We are now ready to expand exponentially"

LGBT+ specialist tour operator Chillimix has launched a new campaign focusing on encouraging customers and its travel agent partners to be themselves. "We want our community, and the UK travel trade, to know that we offer a fabulous and safe product," he added. "Free to Be You, Proud to Be You, Safe to Be You is a really important message for us and encompasses our true values at Chillimix." Chillimix claims to be the only tour operator in the UK specifically selling safe destinations for the LGBTQ+ community. Since launching in 2020, in the midst of the pandemic, it has expanded its portfolio to include city breaks, cruises, beach holidays and adventure holidays. The operator is now working on producing an LGBTQ+ sales tools hub to help educate the industry in its products.

Agents are playing a valuable role in sorting out problems, ABTA tells Government

ABTA's Chief Executive Mark Tanzer has written to the committee that has been looking at the travel fiasco over the May half-term holiday to point out the valuable role played by agents. In his letter to the Business, Energy and Industrial Strategy (BEIS) Select Committee, ABTA said he highlighted the valuable role – and passion – travel agents have in helping customers. He wrote: "It's important MPs on the Committee understand the travel industry's complex supply chain. Travel agents in particular are wholly reliant on the published inventories and flight schedules of airlines and tour operators and have no control over some of the operational issues seen in recent weeks.

Canadian Affair launches exclusive agent networking events

Canadian Affair, the UK's largest tour operator to Canada is launching Canada AM, a programme of morning events for agents across the UK. The morning invitationonly events with only 10 guests will cover six key cities initially, but there are plans to expand the programme. Starting on 16 June in Edinburgh, Canada AM will also visit Newcastle, Birmingham, London and Bristol. The morning events will also be attended by train operator Rocky Mountaineer. Agents who attend will also be in with a chance of winning a holiday for two. Canadian Affair Marketing Manager Nick Talbot said: "We are delighted to be launching the first of our national agents' networking and training events in collaboration with Rocky Mountaineer across the UK. "The lively and informative events offer agents a wholly up-to-date understanding of what we can offer their valued customers as well as an insight into new initiatives in the coming months.

SOCIAL UPDATE

Meta adds more Reels creation options

As it continues to lean into the short-form video trend, Meta is adding new ways for users to remix content into Reels on Instagram and Facebook. On Instagram, some users are now able to use a new 'Remix for Photos' option when posting static images in the app. This tool enables users to create Reels based on feed post content, which can then be downloaded with their own clips. Over on Facebook, Meta has also added the capacity to now create Reels in Creator Studio by remixing existing videos into shorter clips.

1.5 billion users engage with YouTube Shorts every month

This week, YouTube revealed that YouTube Shorts are now being watched by over 1.5 billion logged-in users every month. This is a huge amount, especially when you consider that the platform's total monthly 'logged in' audience is 2 billion total users. This means that around 75% of YouTube users are engaging with Shorts in some form, which is a big vote of confidence in the app's approach to fend off rising competition from TikTok.

MICE UPDATE

The Meetings Show reveals initiatives to tackle skills shortages

The Meetings Show has unveiled a series of new initiatives to provide a platform for the next generation of event industry professionals and combat current staff shortages. According to the results of a survey by event technology association PLASA and #WeMakeEvents, 69% of businesses in the

live events sector are experiencing a skills shortage and 74% lack confidence in the availability of that talent pool in the future. In partnership with Event First Steps, The Meetings Show will support the REACH Events Scholarship programme to increase diversity in events, hospitality and MICE sectors. A further collaboration with the Business Visits and Events Partnership (BVEP) will support the Events Industry Apprentice Scheme which was recently reinstated.

LIGHTER NOTE

On a lighter note...

A British girl who released a book has officially become the Guinness World Record holder for world's youngest published author—at just five years old. Find out more <u>here.</u>