

# WEEKLY BRIEFING

17 February 2023

## ECONOMIC, POLITICAL AND SOCIAL UPDATE

### **Scottish First Minister Nicola Sturgeon Resigns**

On Wednesday 15 February, Nicola Sturgeon resigned as the Scottish National Party (SNP) leader and Scotland's First Minister. Following eight years at the frontline of Scottish politics as First Minister, Sturgeon cited the personal toll the job was taking on her as the reason for her departure. She served as the first woman to lead a devolved nation, was a staunch supporter of Scottish independence and led Scotland in tackling the Covid-19 pandemic. She leaves the SNP party with no clear successor.

### **UK Inflation falls to a five-month low of 10.1%**

This week, the Office for National Statistics revealed the latest inflation rate was better than predicted, at 10.1% compared to December's rate of 10.5%. This marked the lowest reading since September 2022. The news was met with cautious optimism, with City economists suggesting that pressure could be eased on the Bank of England to raise interest rates. Jeremy Hunt, Chancellor of the Exchequer, said: "While any fall in inflation is welcome, the fight is far from over." However, as Britain battles with prices remaining at a 40-year high and many of the public continue to face a cost-of-living crisis it is likely that measures will continue to curb the inflation rate further.

### **International humanitarian aid to continue to support Turkey and Syria**

Following the devastating earthquake in Turkey and Syria, the UK government has committed to providing a further package of support to aid humanitarian efforts in both countries. The new package of £25 million will fund additional emergency relief, providing blankets, and tents to the families made homeless, continue the deployment of British medics and support the UN in protecting women and children from risk of gender-based violence.

## TRADE UPDATE

### **The travel jobs market records busiest January for a decade**

New data from C&M Travel Recruitment revealed the number of candidates searching for new travel jobs increased by 157% from December into January, reaching its second highest figure in the past four years. Barbara Kolosinska, managing director of C&M Travel Recruitment, said "2023 has got off to a very healthy start with vacancies and placements both rising and, most importantly, we also had a big increase in new jobseekers. Last year was the busiest period for travel recruitment that any of us can remember, but the one thing that held it back was the lack of quality applicants. With new travel candidates reaching their highest January level in at least 12 years, 2023 has started exactly as we needed it to."

### **Holiday spending rises 'significantly' despite cost of living squeeze**

UK consumers are prioritising spending on travel despite their finances continuing to be squeezed by the cost of living crisis. Holidays and travel have been "driving" overall non-essential spending by consumers, despite 70 per cent being worried about finances and covering essential costs. Research by Nationwide's building society's found that spending on holidays last month increased by 43% compared with the same month in 2022, while flight sales during January rose by 68% year-on-year to £82.6 million.

### **Aito blasts government for failing to acknowledge travel's economic contribution**

Aito has called on the government to acknowledge the travel industry's contribution to the economy after the UK narrowly avoided falling into recession last year. Capital Economics revealed the sector providing the largest positive contribution to UK growth in the last three months of 2022 (+14.8%) was administrative and support service activities – "particularly travel agents". It reinforced data from Barclays issued days earlier suggesting this trend towards growth in travel spend had continued into the new year, with payments to agents in January up 83.1% year-on-year and to airlines up 75.7%. Total spend across the sector, according to Barclays' debit and credit card data, showed a 66% increase in spend on travel in January 2023 compared with January 2022, coming in a sharp contrast to the government's own outlook.

### **Tourism becomes second-fastest growing UK sector, data finds**

The tourism and recreation industry was the second-fastest growing UK sector last month, according to Lloyds Bank. The bank's UK Sector Tracker monitors how 14 industries expect to grow in the next Norse said it was "ramping up towards the summer 2023 season", during which more than half of its operational fleet will be based at Gatwick. Setting out its plans on 12 months, with a reading above 50

indicating an expected increase in output and a reading below 50 showing an expected decline. Tourism and recreation – which includes travel agents and tour operators – posted 59.6 in January compared with 47.7 in December, making it the second-fastest growing UK sector behind the metals and mining industry.

### **US House votes to end Covid-19 vaccine requirement for tourists**

The US House of Representatives has voted in favour of removing the country's Covid-19 vaccination requirement for foreign air travellers. The move comes after the Biden administration dropped its Covid-19 testing protocol for arrivals in June 2022, but has not yet lifted the Centers for Disease Control and Prevention (CDC) vaccination requirements for most inbound travellers. According to Reuters, the White House said on Tuesday (8 February) it was opposed to the bill, claiming the requirement has reduced the burden on health care systems while allowing families to reunite. The bill will now be considered by the Senate.

## **AIRLINE UPDATE**

**American Airlines** - The carrier will offer daily flights from its Irish hub to Dallas from 4 April, Charlotte from 4 May and Chicago from 1 June, up until 27 October. The return of American's additional three seasonal daily flights, alongside its year-round service to Philadelphia, will provide more than 1,000 daily seats.

**Norwegian Air** - Norwegian Air returned to operational profitability in 2022 after two years of upheaval, posting a full-year operating profit of £122 million. During the pandemic, Norwegian shut down its long-haul operation and restructured to emerge as a predominantly domestic carrier. Norwegian said it was now "well positioned" to re-establish itself as a leading Nordic carrier, with more than 300 routes on sale for 2023.

**Lufthansa** - Lufthansa has pre-emptively cancelled more than 1,300 flights departing Germany on Friday (17 February), including all flights from Frankfurt and Munich, due to strike action by airport workers.

"We regret the enormous impact of this warning strike, which is being carried out at the expense of our passengers," said Lufthansa board member Michael Niggemann. Lufthansa said it expects regular flight operations to largely return to normal on 18 February.

**Norse Atlantic** - The UK's newest transatlantic carrier, Norse Atlantic Airways, is poised to put two new Gatwick routes to the US on sale this week. On 13 February, Monday to expand its UK operation, Norse said it would this week launch for sale two new US destinations from Gatwick, which would sit alongside New York JFK in its summer schedule.

## TOUR OPERATORS, TRAVEL AGENCIES, OTA UPDATE

**Jet2 holidays** - Jet2holidays has overtaken Tui to become the UK's largest tour operator by Atol size, with boss Steve Heapy insisting that despite its rapid growth over the past five years, it won't waver in its commitment to customers and independent travel agents. The airline and operator confirmed the milestone on Monday (13 February) upon publication of new Atol figures, which show Jet2holidays is now licensed to carry 5,859,600 Atol-protected passengers this year – 523,190 more than Tui UK.

**TUI** - Tui Group's booking numbers have exceeded pre-pandemic figures in the past four weeks after strong passenger demand for holidays saw all its business sectors contribute to an improvement in winter earnings. In a recent trading update covering the three months to 31 December 2022, the group saw revenue increase "significantly" to €3.8 billion compared with €2.4 billion in the same period last year due to strong travel demand. The company carried 3.3 million guests in the first quarter of 2023 – one million more than it did in 2022. The start of the new year has seen an increase in booking momentum with the UK and German markets having experienced very strong booking days.

**Not Just Travel** - Not Just Travel and its recruitment arm, The Travel Franchise, has reported "formidable growth" in its membership network over the past few months. December was the company's busiest month of 2022 in terms of recruitment and January figures are so far proving "even stronger". Co-founder Paul Harrison said more than 100 new franchisees have joined the company in the last 12 months. "With the current cost of living crisis, people want more income – and on their terms. The travel industry has truly bounced back and smart entrepreneurs recognise they can reap rewards providing they follow our business model and are prepared to work hard."

## SOCIAL UPDATE

### **Instagram tests new 'Memories' prompt to re-ignite user engagement**

Instagram is testing out a 'Memory' Story prompt which is essentially its archive feature, re-packaged in a different way. Once users tap on the Memory Story, they'll be shown past Stories that they have shared around this date in previous years. Similar to Facebook's 'On this day' prompt, this will give users a more direct push to re-share their past content. This could encourage more engagement within the app.

### **YouTube introduces option to post Shorts as a comment reply**

YouTube is adding another way to utilise Shorts within its community engagement process. Similar to TikTok's video reply option, YouTube is enabling users to reply

with a Short in the comments feed, making it a more responsive engagement option. This development will provide a more intuitive and interesting way for users to interact, while also helping Shorts creators to convert more viewers into subscribers via their clips.

## MICE UPDATE

### **2023 UK Conference and Meetings Survey launched**

UK conference and meeting venues are being encouraged to take part in the 2023 UK Conference and Meeting Survey (UKCAMS). Now in its 30th consecutive year, the questionnaire covers issues surrounding the volume and value of the sector but also includes important questions on trends and key issues (for example, venue sustainability practices and policies, the post-EU departure trading climate, international business opportunities etc). The 2023 UKCAMS also seeks to establish how much of a recovery has been achieved by the UK industry following the Covid-19 pandemic. The results are expected to be published in June. The UKCAMS research is being carried out by Tony Rogers and by Richard Smith of RJS Associates. VisitBritain is the sponsor of UKCAMS 2023, supported by [venuedirectory.com](https://www.venuedirectory.com).

## LIGHTER NOTE

In celebration of Valentine's Day, a zoo in Texas came up with a creative way to get over that ex. See the video [here](#).