

WEEKLY REPORT

24 March 2023



ECONOMIC, SOCIAL AND POLITICAL UPDATE

MPs back Rishi Sunak's new Brexit Northern Ireland deal

Rishi Sunak's new Brexit deal for Northern Ireland has been passed by MPs, despite a rebellion from 22 of his backbenchers. Ex-prime ministers Boris Johnson and Liz Truss were among Tories joining Northern Ireland's DUP in voting against the agreement. But it passed by 515 to 29 overall, with the backing of other Tories, Labour, and the SNP. The deal, unveiled last month, rewrites the Brexit accord agreed upon by Mr Johnson in 2019. Northern Ireland Minister Steve Baker denounced the two former PMs for opposing it, saying he thought "they're both better than this". Mr Johnson risks "looking like a pound shop Nigel Farage" by voting against the deal, added Mr Baker, who supported the UK's EU exit in 2016. Former Brexit leader Nigel Farage fired back on Twitter, saying Mr Baker had betrayed his Brexiteer credentials and was a "weasel" for supporting the deal.

Boris Johnson clashes with MPs over Partygate denials

Boris Johnson has repeatedly insisted he did not intentionally mislead Parliament over 'Partygate' in a heated grilling by MPs. The former prime minister began the marathon three-hour session with a Bible in his hands, as he swore: "Hand on heart, I did not lie to the House." He admitted social distancing had not been "perfect" at gatherings in Downing Street during COVID-19 lockdowns. But he said they were "essential" work events, which he claimed were allowed. He insisted the guidelines - as he understood them - were followed at all times. But MPs challenged his assertions. He also clashed repeatedly with Conservative MP Sir Bernard Jenkin. The Privileges Committee is investigating statements Mr Johnson made to Parliament after details of alcohol-fuelled parties and other gatherings at Downing Street emerged in the media from the end of 2021 onwards. If he is found by MPs to have deliberately or recklessly misled Parliament, he faces suspension from the Commons - a move that might trigger a by-election in his Uxbridge and South Ruislip constituency.

Interest rate rise: Bank of England more hopeful on UK economy

The head of the Bank of England has said he is "much more hopeful" for the UK

economy, as interest rates were raised to their highest in 14 years. The decision to lift rates to 4.25% from 4% came after the inflation rate rose unexpectedly last month. It also follows the collapse of two US banks and the rescue of Swiss lender Credit Suisse but the Bank said the UK financial system was "resilient." The Bank also said the UK was no longer heading into an immediate recession. However, Mr Bailey warned the UK was "not off to the races," with the economy expected to grow only slightly in the coming months. Interest rates have been rising steadily in an attempt to tackle rising prices. Inflation, which is the pace at which prices rise, remains close to its highest level for 40 years at 10.4% in the year to February - more than five times the Bank's target.

King Charles's France visit postponed after pension protests

King Charles III's state visit to France has been postponed after a request by President Emmanuel Macron, Downing Street says. France's Elysée Palace said the decision was taken due to a 10th day of pension protests planned for Tuesday. The trip to Paris and Bordeaux had been due to begin on Sunday, but France saw some of the worst violence on Thursday since the demonstrations began in January. Buckingham Palace said the delay was due to the "situation in France". The UK government added the decision had been "taken with the consent of all parties after the President of France asked the British Government to postpone the visit." President Emmanuel Macron spoke to the King on Friday morning, the Elysée Palace said, adding the state visit would be rescheduled as soon as possible, "so that his majesty will be welcomed in conditions which correspond to our friendly relationship."

TRADE UPDATE

Holiday and air travel spend rebounding faster than other sectors

Post-pandemic spending on holidays and travel is rebounding faster than other areas of non-essential spending, new data from Nationwide has revealed. Holiday spending increased by 19% year on year in February, while spending on air travel saw the biggest rebound in February – up by 34% – overtaking spending on leisure and recreation, and eating and drinking in February, both of which were up by 11%. Moreover, the rate at which spending on holidays grew year on year in February (19%) outpaced growth in transactions (up 17%), suggesting average selling prices have increased. Nationwide classifies holiday spending as spending on or with hotels, travel agents, package holidays, or cruises.

Price pressures on travel and tourism ease as UK economy grows

The tourism and recreation sector reported a relaxation in price pressures last month as stronger demand and weaker cost inflation drove the UK economy into a period of growth, according to new data. Lloyds Bank's UK Sector Tracker found

more UK sectors reported an increase in output in February than at any time in the past 10 months. Increased customer confidence amid weaker inflation helped drive the rise in demand, Lloyds said. Tourism and recreation – which includes travel agencies, tour operators, and related services – saw price pressures ease.

Tour operators welcoming surge in demand for Asia

Travel to Asia is on the rebound, and tour operators are welcoming the stampede of interest, especially given the uncertainty last year as to when many Asian countries would fully reopen. This spring, Japan is leading the charge as one of most sought-after destinations in Asia after reopening in October 2022. There has also been a large increase in demand for South Korea, Vietnam, Cambodia and Thailand - with Intrepid Travel's CEO, James Thornton saying Vietnam is Intrepid's "most popular destination globally."

San Francisco is the US city British travellers are flocking to post-pandemic

The UK was among the top five international markets for visitor volume and spending in 2022 for San Francisco, according to new data. The San Francisco Travel Association reported a significant increase in visitors last year, with 21.9 million holidaymakers travelling to the city – up 29% year-on-year. The top five international markets for visitor volume in 2022 were Mexico, the UK, Canada, India, and Germany, and the top five global markets for spending were India, the UK, Mexico, Canada, and Germany." The incredible growth in 2022 was fuelled largely by international leisure travellers and our convention business," said Joe D'Alessandro, San Francisco Travel's president and chief executive.

AIRLINE UPDATE

Air Mauritius - Air Mauritius will move its London route from Heathrow to Gatwick this winter, and up the five-times-weekly service to daily. The carrier confirmed last week that the route will go daily from Sunday 29 October. Air Mauritius chief executive says this strategic move will allow them "to meet increasing demand on this historical route while using its most environmentally friendly types of aircraft."

JetBlue - JetBlue will increase its daily Heathrow-JFK service to double-daily, starting this weekend (25 March). The US carrier will switch one of its daily Gatwick services to Heathrow instead, bringing its Gatwick schedule down to a single daily flight.

SAUDIA - SAUDIA Group announced international expansion with 25 new destinations in 2023. Among the list of new destinations are London Gatwick and Birmingham, UK; Beijing, China; and Nice, France.

TOUR OPERATORS, TRAVEL AGENCIES, OTA UPDATE

Celestyal Cruises - Celestyal Cruises has launched a trade-only holiday brand offering tailor made packages with regional flights, pre- and post-cruise stays and sailings. Packages are fully protected by flight consolidator Aviate's ATOL licence and offer 'generous rates of commission', the Greek and Mediterranean cruise line said. New Chief Commercial Officer Lee Haslett said the launch shows Celestyal's commitment to the UK market.

Dnata - Dnata Travel Group has relaunched its touring and adventure brand Incredible Journeys to the UK travel trade. The reintroduction will be spearheaded by a dedicated campaign building on momentum established since the turn of the year. An 84-page Little Book of Incredible Journeys brochure marked the relaunch, showcasing the new Incredible Journeys look and feel and containing more than 30 tours.

Intrepid Travel - Intrepid Travel predicts a 2023 profit after 2022 turnaround. The Melbourne-based company cut operating losses for the calendar year 2022 to £14 million, down from a deficit of £33 million in 2021, and now has a goal to achieve a pre-tax profit of above pre-pandemic levels in 2023.

Tui - Tui has added San Francisco to its programme, its eighth US city break destination for UK customers. The operator offers 40 hotels with daily non-stop flights from Heathrow and indirect options from airports including Manchester, Newcastle and Birmingham.

SOCIAL MEDIA UPDATE

Meta Verified programme launches in the US

The new Meta Verified program is now available in the US, where users will be able to purchase a blue checkmark on Instagram and Facebook for a monthly fee of \$14.99 (app) or \$11.99 (web) per platform. As well as the verification tick, Meta Verified subscribers will also receive account support and protection, exclusive stickers, and 100 stars per month to give to other Facebook creators. To become verified, users will have to prove their identity with photo identification.

Full length Reels to be tested on Instagram Stories

Instagram is testing full-length replays of Reels up to a maximum of 60 seconds in Stories. Currently, when a Reel is shared to Stories, users can watch the first 15 seconds, but then have to click through for the rest of the video. This move is aimed at integrating Stories and Reels to adapt to a change in user behaviour where

people are sharing more content via DMs and Stories. Instagram Stories could become an even bigger consideration for creators if this experiment leads to an increase in Reels consumption.

MICE UPDATE

Day delegate rates hit 10-year high in 2022, finds BVA BDRC

Day delegate rates in the UK reached their highest rates in the last 10 years in the fourth quarter of 2022, according to the latest VenueVerdict research from BVA BDRC. Rate rises outside London have outstripped those in the capital in the last three years. The northwest has seen a 39 per cent rise in rates since 2019 to reach £48.59, while the provinces as a whole were up 28 per cent to £45.46. London grew by 25 per cent to reach £83.67, with the UK as a whole seeing a 27 per cent increase to £53.96. When compared to 2021, London led growth with a 20 per cent rise in quoted day delegate rates, with the provinces up by 16 per cent, resulting in a UK-wide increase of 18 per cent. BVA BDRC reported that UK venue performance showed different trends for sales and on-site experiences. For sales, the UK industry average on VenueVerdict's sales enquiry performance reached 70 per cent YTD 2019, but fell to 50 per cent in Q4 2021. VenueVerdict's event planner feedback module reported an all-time low in Q4 2021, with a UK National average Net Promoter Score (NPS) of 44, dropping 25 points from the peak in Q2 2019.

LIGHTER NOTE

Baby badger introduced to adopted brother in Norfolk. See more [here](#).