



## ECONOMIC, POLITICAL AND SOCIAL UPDATE

### **Israel has urged 1.1 million people to flee north Gaza within 24 hours**

Following the surprise attacks from Hamas in Southern Israel on October 7, Israel declared war on Sunday 8 October and has since been attacking the Gaza Strip with airstrikes and mobilised 360,000 reservists and troops, who are now massing at the border, leading to speculation that Israel will soon launch a ground offensive. The Israeli government is telling everyone in north Gaza, about 1.1 million people, to relocate to the south of the Strip in the next 24 hours, according to the United Nations. Israel's military has directly told Gaza City residents to leave for their "safety and protection.", The UN has called on Israel to withdraw the order, arguing it's "impossible" for Palestinians to fully comply and warning of "devastating humanitarian consequences".

### **Interest rates in the UK expect to be held after small economic growth**

The UK economy saw growth in August of 0.2%, which has fuelled expectations that interest rates will be left unchanged again next month. The economy grew marginally following a sharp fall in July. Analysts described the figures as "lacklustre" and said higher borrowing costs and the higher cost of living was weighing on consumers and businesses. Rates were held at 5.25% in September, ending a run of 14 consecutive rises after inflation started to slow. Economists said the figures painted a picture of the economy "only just grinding forward". The UK is not currently in recession but there have been concerns over weak growth, with the economy set to be a key area in the election which is widely expected next year. In September, Bank of England governor Andrew Bailey said there were "increasing signs" that higher rates were starting to hurt the economy.

## Microsoft's revised offer to Call of Duty maker has been approved by UK regulators

Microsoft's new deal to buy Call of Duty maker Activision Blizzard has been approved by The Competition and Markets Authority (CMA), they said the deal addressed its original concerns, after the watchdog blocked the original \$69bn (£59bn) bid in April. The green light marks the culmination of a near two-year fight to secure the gaming industry's biggest-ever takeover. But despite approving the takeover, the CMA criticised Microsoft's conduct. After the competition watchdog blocked the takeover earlier this year, Microsoft's president Brad Smith hit out at the CMA's decision, which it said was "bad for Britain". Under the re-worked deal, Microsoft will hand the rights to distribute Activision's games on consoles and PCs over the cloud to French video game publisher Ubisoft.

### TRADE UPDATE

## Rising number of travel companies want office-based staff

The number of travel companies which want employees to work in the office rather than remotely is starting to rise, according to C&M Recruitment boss Barbara Kolosinska. Speaking on a panel at the Travel Weekly People Summit 2023, Kolosinska said that overall travel companies continued to offer either office based or remote roles, or a 'hybrid' of both. But she admitted: "We are already beginning to see more companies wanting people to come back to the office for longer than candidates are wanting. I think companies are becoming firmer on that."

## Surge in travel spend continued in September, latest data reveals

Spending on travel maintained double digit growth last month as the sector maintained its position as one of the top performers of the year. September consumer card outlay on travel was up by 13.2%, with travel agents seeing a monthly rise of 7.1% and 10.6% growth in transaction value, according to new Barclays data. The amount spent on airlines soared by almost a third year-on-year with growth in transactions of 28.7%. Barclays said: "Travel, which has been one of the best-performing categories in 2023, continued its double-digit growth (13.2%)."

## Recruitment less problematic than a year ago, say senior trade figures

Recruitment in the travel sector has become much less problematic than a year ago, according to two senior industry figures. The industry haemorrhaged staff during and after Covid and many companies struggled to meet the post-pandemic surge in holiday demand because of resourcing and recruitment difficulties. Speaking at the Travel Weekly People Summit 2023, Hays Travel owner Irene Hays said the situation had now improved but remained difficult in some areas of the country. She said: "In some areas [of the country] we have a lot of shops in small towns; we still have challenges in those areas but we are in a much better position than last year."

## Sustainability is not driving holiday choices' say experts

Travellers are aware of the importance of sustainability, but it rarely influences their holiday choice, according to a panel of experts. Speaking at an event hosted by Travelzoo, a panel discussed the impact of climate change on booking habits. Stuart Baker, senior sales director at marketing research company GWI, said sustainability means different things to different age groups, but there is "big disparity" between outlook and travel choices. "Around 65% of over 60s say they recycle everything they can, but less than 20% of them would choose a provider that has sustainability at the front and centre of its ethos, so there's a big disparity there. The younger generation is more aware of those sustainable products but it doesn't change their booking habits."

## AIRLINE UPDATE

**Easyjet** is to acquire more than 150 new aircraft as part of a \$20 billion fleet renewal plan as it projected a record summer profit of up to £670 million. The budget airline's tour operating arm easyJet holidays is expected to outperform forecasts and contribute a pre-tax profit of around £120 million for the financial year. Overall profits for the 12 months to September 30 are forecast to reach between £440 million-£460 million against a loss of £178 million in post-pandemic 2021-22.

**British Airways** has suspended all flights to and from Tel Aviv due to safety fears after one of its aircraft was forced to turn back. Virgin Atlantic has also stopped flying the route from Heathrow but plans to resume just one of two daily frequencies from Sunday (October 15). BA confirmed the news after one of its aircraft bound for the Israeli capital was diverted and had to return to Heathrow just as it was about to land at Ben Gurion Airport on Wednesday because of security concerns. Customers are being offered alternative flights or dates, or full refunds.

**Norse Atlantic Airways** is to increase the number of aircraft leased out on charter operations as demand falls following the summer peak. The budget transatlantic carrier saw September carryings rise by 111% year-on-year to 132,556. The average load factor was up by 22 percentage points to 78% as it ran 503 flights. The airline also operated five ACMI [Aircraft, Crew, Maintenance and Insurance] charters last month.

## TOUR OPERATORS, TRAVEL AGENCIES, OTA UPDATE

### **Kuoni seeks to drive 'feedback culture' at work**

Kuoni managing director Mark Duguid is keen to drive a "feedback culture" in the company, saying: "My mantra right now is 'feedback'." Duguid took over as head of Kuoni in late November, moving from luxury tour operator and Der Touristik sister brand Carrier. "People are directly looking at you, so the small things you do matter. At Carrier I had an office locked away from everyone, so one of the first things I did was move my desk out on to the general floor." At Kuoni, he said he had realised the importance of the company dress code, saying: "I've learned it matters to our organisation for people to be able to show their individuality."

### **Attraction World Group acquired by newly-founded investment consortium**

Tickets specialist Attraction World Group has been acquired by a newly-founded investment consortium including its existing executive team for an undisclosed sum. The company said the funding for the acquisition by Montana World Investments was backed by the trade and speciality finance business of New York-based private equity firm Highmore Group, in addition to investors from the Netherlands and US. AWG's existing executive team will remain with the company as shareholders in Montana World and said the "landmark investment opportunity" would allow the company to embark on "an ambitious journey of globalisation and expansion into exciting sectors such as loyalty programmes, online travel agents, airlines, rail and transportation".

## **Tui adds packages to Kenya**

TUI has put packages to Kenya on sale for this coming winter and next summer. The African beach and safari destination has become the operator's 15th long-haul option. Daily indirect flights to Mombasa on the Kenyan coast are available with both British Airways and Kenyan Airways from London Heathrow from 1 November, operating via Nairobi. Sixteen beach hotels are available to book now.

## **SOCIAL UPDATE**

### **X is looking to launch new tiered premium pricing packages**

X appears to be close to launching its new pricing tiers for X Premium, including an ad-free subscription option in a bid to spark more interest in its offering. Details in the back-end code of the app now point to three versions of the X Premium package: Basic, Standard and Plus. Meta, TikTok, and X are all currently exploring ad-free subscription offerings, as a means to drive more sign-ups for their subscription plans, though the actual motivation may not be new revenue streams as such, but could be more specifically tied to evolving privacy rules in Europe.

## **MICE UPDATE**

### **ICCA adds governmental meetings to its database**

Until now meeting suppliers joining the International Congress and Convention Association (ICCA) have done so primarily in order to access data on international associations and their meetings. Now ICCA has gone a step further by adding governmental meetings to its database, which it describes as a 'previously untapped – and potentially huge sector' for its members. Traditionally, ICCA has focused on association meetings only as the association community brings revenue, commerce and change into cities, regions, and countries across the world. Now the association said it was bringing 'new and exciting business opportunities directly to our members', which made 'the ICCA value proposition stronger than ever'. Governmental meetings have been categorised as high net worth. The new ICCA 'GM' database will be progressive at the outset as they test and populate the database with their members data. After testing, it is projected to grow sizably and occupy a significant part of ICCA's ever evolving portfolio.

## LIGHTER NOTE

### **Lighter note...**

Fat bear week has come to an end with 128 Grazer beating out some tough competition including a two time winner in previous years. Read more [here](#)