# ₩Hills Balfour WEEKLY BRIEFING

17 November 2023



# ECONOMIC, POLITICAL AND SOCIAL UPDATE

# Suella Braverman sacked as UK home secretary, launching an attack on Rishi Sunak in scathing letter

Mrs Braverman, who was sacked following her criticism of the Metropolitan Police, has attacked Prime Minister Rishi Sunak in a letter the day after she was terminated from her role as home secretary. In the scathing letter she said that the Prime Minister has repeatedly failed to deliver on key policies and has broken pledges over immigration. She said that Mr Sunak is avoiding making any hard decisions and has adopted "wishful thinking". Mrs Braverman has also accused the Prime Minister of betraying the UK by backtracking on a secret deal in which the European Convention on Human Rights (ECHR) rulings would be ignored. Downing Street has publicly dismissed the three-page letter with a No 10 spokesperson saying "The Prime Minister was proud to appoint a strong, united team yesterday focused on delivering for the British people. The Prime Minister believes in actions not words."

#### Former UK Prime Minister returns to cabinet after seven years

On Tuesday, David Cameron, who previously served as the UK's Prime Minister from 2010 - 2016, returned to the cabinet table for the first time in over seven years following his recall to government. This came about as a result of Suella Braverman's sacking, which saw James Cleverly, former foreign secretary, be appointed as the new home secretary, replacing Braverman. Subsequently David Cameron has taken on Cleverly's role as the UK's foreign secretary. Lord Cameron's return to politics, as he is now referred to following his appointment to the House of Lords on Monday, came as a shock to the UK public as Downing Street managed to retain any rumours of the change, despite the fact that the job was only offered to Cameron last week.

#### Strikes continue in the UK ahead of the holiday season

UK train drivers have announced a fresh round of strikes in their long-running dispute for a pay increase. A "rolling programme" of walkouts between 2 - 8 December has been announced by the Aslef union (Associated Society of Locomotive Engineers and Firemen), with different train companies implementing the strikes on different days. Train drivers will also refuse to work any overtime from 1-9 December. Aslef have called for a "proper pay rise" while the Rail Delivery Group (RDG), which represents operators, have called the action "wholly unnecessary". Strikes are also affecting Northern Ireland as thousands of non-teaching staff, including bus drivers, catering staff, cleaners and classroom assistants, walked out over pay on Thursday causing major disruptions and even some school closures. However in Scotland, Scottish Water staff workers have called off their planned strike this weekend due to a new pay offer being made.

# UK inflation has slowed, boosting the Bank of England (BoE) and Prime Minister Sunak

British inflation has slowed further than expected in October, causing household energy prices to drop from what they were a year ago. Annual consumer price inflation fell lower than expected to 4.6% from 6.7% in September. Sunak has said that his party's pledge to halve inflation has now been fulfilled with Jeremy Hunt, chancellor of the exchequer, calling for the next stage of their economic plan, which is the long-term growth of the British economy, now that inflation is under control.

### TRADE UPDATE

#### UK consumers 'spending more on holidays' despite the cost of living crisis

Almost half (48%) of UK holidaymakers have increased their travel budgets compared to pre-pandemic, despite the ongoing cost of living crisis. Only 19% of those surveyed said that their budget had decreased over the last three years. Of those spending more on holidays compared to 2019, 31% in the UK were doing so due to an increased prioritisation of holidays and trips away in spending decisions.

#### UK sustainable aviation fuel industry receives £53 million funding boost

The UK aviation industry's journey to lower carbon operations has been boosted by a £53 million government funding pledge, which will be shared between nine projects throughout the UK. The projects were each given a share of the Department for Transport's Advanced Fuels Fund. The full fund total stood at £135 million before the latest funding round. Funding is targeted at companies looking to convert waste materials and by-products, such as household waste – into fuels. As a result of the funding, the DfT expects up to 10,000 jobs to be created by 2035 and the economy to receive a £1.8 billion boost every year.

#### Recruitment remains biggest challenge facing the industry, say travel retailers

Recruitment remains the single biggest challenge facing high street travel retailers despite an easing of the acute staff shortages following pandemic restrictions being lifted last year. Fred Olsen Travel retail director Paul Hardwick told a Travel Weekly Business Breakfast at Abta's Travel Convention in Bodrum: "Recruitment is the issue that has had the biggest impact. "How do we bring people in? And when we bring people in, it takes time to train them." Hardwick noted "lots" of recruits are new to travel but "have sales or customer service experience" and reported: "We have seven training now and plan to take eight to 12 a year."

# AIRLINE UPDATE

#### Emirates

Emirates plans to expand its route network out of Dubai after inking a \$52 billion order for new aircraft, which will grow its fleet to around 350 over the next decade. HH Sheikh Ahmed bin Saeed Al Maktoum, Emirates chair and chief executive, said "the order would help Emirates fulfil its goal of adding 400 cities to Dubai's foreign trade map over the next decade".

#### Tui

Tui has launched flights to Cape Verde from Newcastle International airport off the back of a ramp-up in services from the regional airport. It comes as the airline and operator earlier this month started weekly services to Sharm El Sheikh. Tui has said the weekly flights to Sal, Cape Verde's biggest tourist destination, will provide even more choice for people in the north-east. "At Tui, we're really proud of our unrivalled regional flying programme and Newcastle International Airport is such an important part of this," said commercial director Phillip Iveson.

#### Vietnam Airlines

Vietnam Airlines has restored its UK route this Autumn with daily non-stop flights between Heathrow, Hanoi and Ho Chi Minh City. The flag carrier has started operating four services a week to Hanoi – on Tuesdays, Wednesdays, Fridays and Sundays. As well as three per week to Ho Chi Minh City – on Mondays, Thursdays and Saturdays.

#### **Virgin Atlantic**

Virgin Atlantic has postponed the launch of its first route to Brazil until 2025. The daily service from Heathrow to Sao Paulo was due to start on 13 May 2024 but will now begin at an unspecified date in summer 2025. This is the second delay to the route launch, with Virgin having originally aimed for a 2020 start, which was then halted by the pandemic.

# TOUR OPERATORS, TRAVEL AGENCIES, OTA UPDATE

#### **Celebrity Cruises**

Celebrity Cruises has released its most ambitious programme ever for 2025-26. The collection features more than 800 sailings to 290 destinations in 70 countries across seven continents on board the line's fleet of 16 ships, including the fifth Edge-class ship, Celebrity Xcel, which is scheduled to enter service on 3 December 2025. In Europe, Celebrity Apex will once again homeport in Southampton, offering a range of Arctic Circle and Norwegian Fjords itineraries, while Celebrity Ascent sails a selection of seven to 11-night itineraries to Montenegro out of Barcelona and Rome.

#### EasyJet Holidays

EasyJet holidays reveals its largest summer programme since 2019. EasyJet holidays has gone on sale for summer 2025, offering beach holidays from £399 and city escapes from £289, together with a trade promotion. The operator said it had "thousands" of free child places available to more than 230 hotels across Europe, including over 120 properties in Cyprus, Greece and Spain. Paul Bixby, easyJet holidays commercial director, said: "We know many of our customers like to book their summer getaways far in advance to make the most of our brilliant value and flexible payment options".

#### **G** Adventures

G Adventures unveils a new range of sustainability focused luxury tours. The Geluxe Collection features 28 trips that focus on being physically active but with exclusive accommodation, upscale dining and a heavy focus on community and culture. With departures from May 2024, the operator said the aim was "to provide a luxury experience and to ensure that as much money as possible stays in the hands of local people".

#### **Hays Travel**

Hays Travel will relaunch its in-house tour operator - Hays Travel Tour Operating (HTOL) as a standalone B2B brand in the new year, which will be rebranded Vista. Hays has confirmed it will create a dedicated in-house product team to drive the brand's growth, with the aim of providing agents a wider range of beach, city, cruise and stay and touring options. Vista will also have a dedicated cruise team to serve ever increasing cruise and stay demand. "It's an opportunity to move our operation to the next level," said Kathleen Molloy, who vowed to strengthen the brand's existing relationships with agents and build partnerships with new ones.

# SOCIAL UPDATE

#### Instagram adds new creation features to Stories and Reels

Meta has launched a number of new tools for Instagram creation, notably on Stories and Reels. These updates include new English text-to-speech audio, inline with the text-to-speech trend, as well as new fonts that will give users more presentation choices. Meta is additionally testing adding clips with audio to its GIF "Clip Hub", which can then be used in Reels, and is also unveiling new photo filters. Furthermore, the platform's drafts process is being streamlined, where users will now be able to preview and rename drafts as well as schedule them.

#### Threads is testing topic tags for posts

Threads has unveiled that it is testing topic tags. This will allow posts to be tagged and therefore linked to other posts discussing a similar subject. When adding a tag, users will be given a selection of options to choose from, or they can create their own. Users can then click on a tag and see other posts focused on this topic. Every tag will have to be inputted manually and posts will be restricted to one tag which may prevent their misuse by scammers/ spammers.

#### MICE UPDATE

#### VisitBritain to host first trade mission to China

National tourism agency VisitBritain, has announced it will showcase "the best of Britain" at Destination Britain China and North East Asia, taking place 22-24 November in Shanghai. Nick de Bois, chairman of VisitBritain, will lead the agency's first trade mission to China since 2019. The event will bring together 43 industry suppliers from across Britain with 69 top buyers from China, Hong Kong, Japan and South Korea to do business. VisitBritain's research shows that airline routes and seat capacity from China are showing strong recovery, flight bookings are continuing to build back and the UK is high on the wish list of Chinese travellers. Its latest forecast shows that China is set to return to the UK's second most valuable visitor market in the next two years. Flight bookings from China to the UK are currently tracking at about 50% of 2019 levels, showing significant improvements from January when bookings were just 6%.

#### LIGHTER NOTE

Charlie the cockatoo has been reunited with his owner after being held at London Heathrow for three months due to a missing form. Find out more <u>here</u>.