

# WEEKLY BRIEFING

22 December 2023

## ECONOMIC, POLITICAL AND SOCIAL UPDATE

### **UK Tipped For Speedier Rate Cut After Surprise Inflation Fall**

A surprise decrease in inflation in November, dropping from 4.6% to 3.9%, has fuelled expectations that the Bank of England might initiate interest rate cuts sooner than anticipated. The decline, attributed largely to lower petrol prices and slowing costs for food and household goods, is the lowest in over two years. While this decrease from the 2022 peak is positive, inflation remains nearly double the Bank's 2% target. Some economists suggest potential interest rate cuts in the first half of 2024, deviating from previous forecasts. However, concerns persist as energy bills and borrowing costs remain high, impacting households despite the dip in inflation. Danni Hewson of AJ Bell emphasises the importance of recognising that falling inflation doesn't equate to falling prices for everyone, cautioning that not all households have experienced significant wage increases, with some facing financial challenges during the holiday season.

### **JN.1 COVID-19 Variant: WHO Charts Its Rapid Global Spread**

The World Health Organization (WHO) has designated a sub-variant of the Omicron mutation, known as JN.1, as a "variant of interest" due to its rapid spread globally, including in countries like India, China, and the United States. While the current risk to the public is deemed low and existing vaccines still provide protection, the WHO warns of a potential increase in COVID-19 and other infections during the winter season. JN.1 is spreading quickly and may contribute to a surge in SARS-CoV-2 cases, particularly in regions entering winter. The variant possesses an additional mutation in the spike protein compared to its predecessor, BA.2.86. The WHO emphasises the need for further studies to assess JN.1's impact on vaccine immunity, and although no reports suggest increased illness severity, ongoing monitoring and updates will be provided as necessary.

### **London Child Chess Prodigy Wins Title At European Championships**

Eight-year-old chess prodigy Bodhana Sivanandan from Harrow, London, has been named the best female player at the European chess championships, defeating an international master in Croatia. Having started playing chess at the age of five during the pandemic, Bodhana, who scored 8.5/13 points, will now participate in the International Chess Congress in East Sussex. Praised as a "phenomenon" by professional Irina Bulmaga, Bodhana achieved her remarkable score against grandmasters, international masters, and experts.

## TRADE UPDATE

### **Peaks Tipped For Success As Brits Keep Holidays At Top Of Priority List**

Travel agents are bracing for a successful peak period despite the current economic downturn. Agents are reporting that Brits will continue to prioritise their holidays over everything else, with some splurging on higher-end accommodations and longer trips, while others will seek to optimise their getaways with more value-for-money propositions such as all-inclusive stays. The majority of agents have also noticed increased collaboration with suppliers, with many operators releasing their peak campaigns earlier than in previous years as well as providing more peaks' training in the lead up to Christmas. Agents believe peaks 2024 will be busier compared to previous years, not only because COVID-19 restrictions are no longer in place worldwide but also due to people wanting to travel at any cost.

### **Advantage Chief Urges 'Smooth' Introduction Of New EU Entry/Exit Scheme**

The European Union's new Entry/Exit Scheme (EES) needs to be introduced with "minimal disruption" as travel demand rises next year. The call came from Advantage Travel Partnership chief executive Julia Lo Bue-Said as a launch date of October 2024 was mooted for the system to be used by non-EU nationals to enter the bloc. She said: "When the new entry and exit system is introduced next year, UK travellers will need to be prepared for potential delays on their first trip to any of the 29 European countries involved in the new system as they will need to have their fingerprints and facial images taken".

### **Early Bookings 'Key' As Global Demand For Cruising Increases**

Booking early will be "key" to securing popular itineraries in 2024 and 2025 as global demand for cruising increases, according to cruise line bosses. Speaking to delegates at the Clia winter forum, Paul Melinis, APT managing director for the UK & Europe, warned 2024 would be a different landscape to 2023 for the river cruise line as the Australian market returns in force. He encouraged agents to book as early as possible to avoid a price war driven by limited capacity available for UK travellers.

### **Travel Jobseeker Numbers 'At Their Highest Level Since The Spring'**

The number of new candidates searching for travel jobs is at its highest level since March, according to the latest figures from C&M Travel Recruitment. The number rose by 27% in November compared with the previous month, and by 6% year-on-year. The figure may illustrate a return to travel following the pandemic now confidence in the industry has been re-established. C&M said the figure was also up 41% on November 2019, pre-pandemic. The number of vacancies has also increased, up 23% on October, but down 24% on November 2022 when travel was struggling to fill jobs.

## AIRLINE UPDATE

**British Airways** - British Airways has confirmed a new route from Heathrow to Turkey's Aegean coast next summer. British Airways will serve Izmir next summer, joining Istanbul, Antalya, Bodrum and Dalaman in BA's network.

**EasyJet** - EasyJet has confirmed an order for 157 additional aircraft, as well as 100 purchase rights. EasyJet said the new aircraft would be between 13% and 30% more fuel efficient, depending on which aircraft they replace, and offer half the noise footprint of older aircraft.

**Turkish Airlines** - Turkish Airlines is set to begin flights in March 2024 after being granted more frequencies by Australia's government. Initial services will operate from Istanbul via Singapore with connections from Turkish Airlines' UK departure points.

**Virgin Atlantic** - Virgin Atlantic will increase capacity to several winter sun destinations next year. The airline announced it will increase services to Barbados to twice a day from London Heathrow and four times a week from Manchester starting 27 October 2024. Seasonal flights to Dubai, UAE and the Maldives, meanwhile, will operate daily starting from 26 October and 27 October respectively.

## TOUR OPERATORS, TRAVEL AGENCIES, OTA UPDATE

**Carnival** - Carnival Corporation has recorded an "all-time high" full-year revenue at \$21.6 billion as it reports its "record" fourth quarter results. The parent of cruise brands such as Cunard, Holland America Line and P&O Cruises said it is "nearly two-thirds booked" on 2024, marking the "best booked position" on record and making it "well positioned to obtain another year of record revenues" as we enter the new year.

**easyJet holidays** - easyJet and easyJet holidays have launched their "biggest-ever" peaks campaign, discounting more than 1.2 million UK seats and thousands of package holidays. It comes as the tour operator announced earlier this month its expansion into the French and German markets, with package holidays departing on 9 January 2024.

**TUI** - Tui has launched booking incentives to boost sales via independent agents during the peak January booking period. The incentives run for five weeks starting from 22 December, with direct communications going to all agents in the build-up to Christmas. They include the chance to win vouchers and prizes in exchange for bookings for selected hotels, including Karisma, RIU, Royalton, Atlantica and Tui Hotels and Resorts.

## SOCIAL UPDATE

### **New Report Finds Facebook And IG Reels Outperform TikTok Clips In Driving Views**

Emplifi, a social media analytics firm which conducted a review of thousands of posts across Facebook, Instagram, and TikTok to gain insight into what content performs well and resonates with viewers, has found that Instagram Reels drove far more views, with longer Reels clips performing best. Overall, Reels beat TikTok for

view counts. It is worth noting that this is for brand content specifically, and these are general numbers, so specific audiences may vary.

## MICE UPDATE

### **The Eastside Rooms survey reveals sponsorship challenges for associations**

The Eastside Rooms' Cost of Living Impact Survey reveals that 45% of associations/not for profits are seeing increased difficulty in securing sponsorship for their conferences and events. The Eastside Rooms recently conducted a survey of 125 event professionals from around the world to identify challenges and opportunities faced due to economic challenges. A key finding from the report was that 83% of organisers saw an increase in event costs last year. However, alongside the wider impact on organisers, the survey also explored challenges in sponsorship acquisition. The challenge of securing sponsorship cited by the 45% of association/not for profit respondents is compounded by the 41%, who are seeing a decrease in available funds. This means that even when sponsors are willing, they currently have less to spend. Adding to the difficulties faced by the associations/not for profits is a reduction in available sponsorship opportunities. Approximately 29% said they are finding it harder to identify and offer sponsorship opportunities, led by challenges such as lower delegate numbers and smaller exhibitions.

## LIGHTER NOTE

### **Apes Remember Friends Even Though They've Not Seen Them for 25 Years**

Apes can recognise friends they haven't seen for decades, reveals new research from Johns Hopkins University. The study, documenting the longest-lasting non-human social memories ever recorded, found that apes recognise photos of group mates they haven't seen for over 25 years and respond even more enthusiastically to pictures of their friends.