

WEEKLY REPORT

4 April 2025



ECONOMIC, POLITICAL AND SOCIAL UPDATE

Trump announces 10% tariffs on UK and 20% on EU

President Donald Trump announced on Wednesday a global baseline tariff rate of 10% for all imports to the USA, effective from the 5th of April, which includes the United Kingdom. Certain other countries, including China and the European Union, will receive higher tariff rates of 54% and 20% respectively, in what the president describes as "reciprocal" tariffs that will come into effect on the 9th of April. The president described this policy change as America's "liberation day" and "our declaration of economic independence". In response, Sir Keir Starmer has said that "clearly there will be an economic impact" from Trump's tariffs, but the government will respond with "cool and calm heads".

Utility bills and the minimum wage to increase across the U.K

A series of essential utility bills are set to rise on the 2nd of April, including water bills, energy prices and council tax. On average, water bills in England and Wales will increase by £10 a month, while in Scotland, they will increase by 10%. The annual energy bill based on typical usage will go up by £111 to £1849 a year across England, Scotland and Wales. However, official figures show that benefits and the state pension will go up in a week, and that wages have been rising at a faster pace than the rate of inflation. The government also announced that the National Living Wage went up from £11.44 to £12.21 an hour. The government says this, combined with a freeze on fuel duty, will alleviate cost stresses and put more money in workers' pockets.

TRADE UPDATE

Transport secretary approves Luton airport expansion plans

Transport Secretary Heidi Alexander has approved plans for expansion at Luton Airport. She has approved the airport's growth plan, which is for a new terminal rather than a runway, despite the Planning Inspectorate recommending she reject it because of environmental concerns. The green light will enable Luton to grow from its current permitted cap of 18 million passengers per year up to 32 million. It will see the creation of new terminal capacity, additional taxiways, new landside support buildings and other

associated developments. Alberto Martin, chief executive at the airport, said: "We welcome [...] approval from the government, which now provides Luton with a generational opportunity to transform the town and our region's economy. "Once complete, these plans will generate an additional £1.5 billion for the economy annually and create up to 11,000 jobs. "Our priority now is to finalise a commercial agreement with Luton Council to renew our successful partnership so together we can deliver on the government's growth policy, and make the expansion plans a reality as soon as possible."

Gatwick installs new security scanners ahead of Easter rush

New high tech security screening equipment has been installed at Gatwick ahead of the Easter holidays. Passengers no longer need to remove electrical items or place liquids in plastic bags, as part of a multi-million-pound project to transform the airport's security screening process. The technology enhances the security accuracy for airport security staff with 3D technology. The installation of new computed tomography (CT) scanners, part of a government initiative, simplifies and streamlines the security process "while maintaining the highest safety standards". The new technology is not only more efficient but also more sustainable, with no requirement to use plastic bags. It means that passengers can now leave liquids and large electrical items, such as laptops, in their cabin bags. Liquids can also be taken through security in containers of up to 100ml in volume.

UK visitor numbers to the US grew 5% in the first two months of the year

UK visitor numbers to the US increased 5% year on year during this period, but trade leaders are monitoring whether tariffs and rhetoric from President Donald Trump will impact demand. A total of 515,700 UK visitors crossed the Atlantic in January and February, with this increase aligning with expectations for the full year 2024, during which 4.04 million UK travellers are projected, marking a 4% rise from 2023. Although the numbers still fall short of the 4.8 million who visited the US in 2019, the UK remains the largest overseas market by a considerable margin. Speaking during a European trade mission to promote The Great USA Road Trip, Brand USA vice president for global trade development, Jackie Ennis, mentioned that recent conversations with partners indicated that around 80% were trading at or above 2024 levels. However, she confirmed that concerns had been raised in some markets regarding the impact of the Trump administration's approach to international trade and noted that exchange rates and US living costs are still cited as the primary barriers to growth.

AIRLINE UPDATE

Gulf Air - Gulf Air has started a Gatwick service to Bahrain ahead of the F1 Grand Prix in the Gulf state. The airline is operating three times a week using Boeing 787-9 Dreamliner aircraft. Bahrain is the latest in a series of new routes connecting Gatwick with Asia in the Middle East, and onward connections to Australia. Gulf Air already runs double daily flights from Heathrow and four a week from Manchester. More than 100,000 F1 fans are expected to attend the Bahrain International Circuit across the race weekend of April 11-13.

Virgin Atlantic - Virgin Atlantic launched daily direct flights between Heathrow and Toronto this week, the first time in over a decade that it has operated a service to Canada. The daily flights will operate on a Boeing 787-9, with the new route offering onward connections to India, as well as within Canada via an expanded codeshare with WestJet. The airline last flew to Canada between 2012 and 2014 with a service to Vancouver, and before that, to Toronto in 2001, but stopped just months into the operation due to 9/11. Virgin Atlantic expects its new service to carry over 165,000 customers annually, with a “good balance” between leisure and corporate customers, according to chief commercial officer, Juha Jarvinen.

Wizz Air - Wizz Air has announced a £12 billion investment to improve customer service, two years after facing regulatory action for wrongly denying compensation claims for flight disruptions. The Civil Aviation Authority’s “unprecedented” enforcement led to £1.24 million in refunds after re-examining over 25,000 claims, with extra payments made in around 6,000 cases. In 2023, the airline ranked lowest in Which?’s short-haul airline survey. On April 3rd, Wizz Air unveiled its ‘customer first’ transformation plan, outlining improvements across product, pricing, service, and communication over three years. Promised changes include processing valid compensation claims within seven days, issuing refunds within 24 hours, scrapping premium-rate customer service lines, improving punctuality, and ensuring transparent fares. The carrier also plans to expand its network using new Airbus A321XLR aircraft

TOUR OPERATORS, TRAVEL AGENCIES & OTA UPDATE

G Adventures- G Adventures has launched 20 new trips in the islands of Indonesia, which aim to visit less-well-known areas and focus on community tourism. The new small-group itineraries are in G Adventure’s Classic travel style and visit Sulawesi and Kalimantan. There are also tours in Bali, Lombok and Borneo which will steer travellers away from popular sites or offer the chance to spend time at community projects developed by G Adventures’ non-profit partner, Planeterra. The 20 new Classic trips can be combined, giving travellers the chance to see more of the country if they choose several shorter week-long trips, while there are also longer 21 to 29-day itineraries.

Gold Medal - B2B tour operator Gold Medal is offering agents the chance to win a spot on a fam trip to the Maldives as it launches its Indian Ocean & Africa brochure. The first in its 2025-2026 brochure portfolio, the 144-page publication features the Maldives, Mauritius, Sri Lanka and the Seychelles, plus options in Africa. More content for agents is also available on Gold Medal’s online hub and social media channels during April. Gold Medal will be highlighting the programme in its In Focus campaign, including best times to visit, new openings and top tips. The fam trip to the Maldives is being run in partnership with Gulf Air and The Cocoon Collection Maldives. To enter the prize draw, agents need to register their Indian Ocean or Africa package bookings made during April.

Hays Travel - Hays Travel owner Dame Irene Hays has said there are “fundamental changes” in the way holidaymakers are booking in the current market. Speaking at the Hays Travel Independence Group conference, she described trading as “not by any

means as bad" as could be expected bearing in mind economic forecasts and recent world events. But while travel was still enjoying "strong demand", Hays cited "significantly" more families booking holidays during non-peak periods while more were choosing long-haul or cruise holidays due to "price erosion" with traditionally cheaper short-haul holidays. Hays said there was a "trueism" in recent statistics from Deloitte, which showed 72% of parents were planning an overseas holiday with children this year, 63% of which intended to travel outside the key school holidays. Last week, Hays Travel sold more holidays for May and June than for July and August, she said. The company has already started to see a "migration" in the family market from land-based holidays to cruises as cruise lines become better at catering for families and have used "innovative and disruptive" marketing campaigns to appeal to that market.

Love Holidays – Love holidays has increased its Atol provision by around a million passengers, or about 25%, meaning it can carry more than five million travellers in 2025. The increase, which the company said "cements its position as the UK's largest online travel agent (OTA)", comes as it reported a record-breaking 2024 performance in which it sold £2.9 billion worth of holidays, while the 2025 year started "even stronger". The new Atol to carry 5,011,286 passengers, up from 4,014,688 last year, represents a 265% increase on the number of passengers carried in pre-pandemic 2019, when the figure was 1,374,812.

Ramble Worldwide - Ramble Worldwide has opened sales for its 2026 long-haul programme. The adventure walking specialist features 24 destinations across 80 departures next year, with a spotlight on Japan as "a must-see destination". There are three itineraries to Japan, including two new tours called A Taste of Japan and A Winter Adventure to Japan, which give travellers the chance to see the country during the earliest cherry blossom season. Ramble Worldwide is also offering an early-bird incentive for the long-haul programme with the first 200 bookings entitled to a £100 discount per person and free airport lounge access when booked six months ahead of departure.

SOCIAL UPDATE

WhatsApp introduces music option for status updates

WhatsApp has launched a new feature that allows users to add music clips to their status updates. Users can add up to 60 seconds of background music for a video and up to 15 seconds for a photo, selecting their soundtrack from Meta's music library. This new feature will be rolled out over the coming weeks.

YouTube rolls out new creative features and editing tools for Shorts

YouTube is introducing new creative and editing features for Shorts. These updates include a revamped video editor UI in the YouTube app, allowing users to reposition/remove clips and add timed text and music. A new automated music synchronisation feature will also align video clips to the beat of a selected soundtrack. Additionally, YouTube is introducing AI-generated stickers created using text prompts and photo-based backgrounds to its Shorts templates, using images from users' photo galleries.

MICE UPDATE

IAPCO Members Delivered €17.8 Billion in Global Economic Impact

The membership of the International Association of Professional Congress Organisers (IAPCO) collectively delivered 19,469 events across the globe in 2024, contributing an economic impact of over €17.8 billion. This represents a €3.54 billion increase from 2023 (19.8 per cent) according to their 2024 Annual Member Economic Impact and Business Strategy Report. The growth in economic impact is driven by an increase of 2,425 conferences delivered by the 92 member IAPCO-accredited companies, who collectively have 180 IAPCO-registered PCO offices worldwide. IAPCO members also reported a strong pipeline of future events, with 1,969 signed contracts yet to assign a destination or venue, signalling robust global demand for business events over the next three years.

LIGHTER NOTE

The Asian short-clawed otter, the smallest otter of its kind, has been sighted after 186 years in Nepal, having previously been thought to be extinct. A note from the International Union for Conservation of Nature states that "The sighting of an Asian small-clawed otter after 185 years is a remarkable discovery for conservation in Nepal, ending concerns that the species may have been extinct in the country"..