

UK Office February 2020 TDC Report

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UK Director

Tour Operators

- **On the Beach** – We had a telephone meeting with Mark White. Mark recently joined On the Beach as senior purchasing manager, developing their long-haul programme from the UK to North America and the Caribbean. On the Beach are known predominantly as a short-haul beach specialist however they are aggressively developing their long-haul portfolio and content. They are targeting to carry 2 million passengers in 2020. OTB work with all of the major airline carriers including British Airways and Virgin Atlantic. Mark requires suggestions for content (he will follow up with a list of hotels he is planning to feature) and photography/videos. We have provided this and will also review hotels/make suggestions once we hear further.

Meetings/Training/Events

- **Swanson's Travel Show, Sweden** – We attended the operator's annual travel show in Osby, Sweden in partnership with Fort Lauderdale. The attendance was very good despite some initial concerns from Swanson's that some customers may cancel due to Coronavirus (we learned the previous night that ITB had been cancelled). Approximately 1,350 consumers attended, a very small increase on 2019, and Swanson's have advised they had strong sales on the day – they will follow up with detailed statistics later in March. Our joint stand was well located next to a popular Swedish magazine for the US and in a row with the Florida Keys, Fort Myers & Sanibel and Miami. The consumers were very keen to take the brochures & giveaways we had delivered to the event, and we answered lots of questions about the destinations and made plenty of recommendations. This is definitely a worthwhile show to attend and be part of. Almost all of the brochures/maps for each destination were taken and those that remained were gratefully kept by the Swanson's team.
- **Tour America Cinema Event** – We travelled to Dublin for the cinema event to launch the joint campaign (with Experience Kissimmee) cinema advert. Approximately 150 Tour America customers were invited to attend, and they had a close to full cinema on the evening. We provided giveaways in VSPC bags to each guest and did a short presentation to the audience prior to the cinema advert and main film screening of the new movie Sonic The Hedgehog.

TRADE LIAISON

- **UK Consumer Campaign** – The results for the campaign that ran from 26th December to 23rd January are as follows:
 - Total impressions for the campaign – 40,692,181
 - The CTR on the Facebook campaign was 4.49% which is 1,022% higher than the expected average for the channel
 - YouTube display ads reached over 20m viewers on the YouTube platform
 - The YouTube video in-stream ads achieved the strongest interaction rate with a view rate of 49.35%
 - Display campaign achieved an average CTR of .31% and the search campaign delivered a CTR of 2.18%
 - The most searched keywords which also generated the most traffic to the site were phrases which included ‘Florida’ & ‘Holiday’ delivering over 95K impressions and achieved 2876 clicks producing a strong CTR of 2.70%
- **BA/BA Holidays** – We have now confirmed the joint marketing campaign with BA/BA Holidays and Brand USA. The campaign will run for 2 weeks from 28th April and involves a partnership with Time Out to include a premium online feature, editorial newsletter slots, native traffic drivers and sponsored and organic social amplification. The campaign will run alongside the BA/Visit Florida campaign in terms of timing but by running a solus campaign VSPC are not restricted in terms of creative.
- **UK Activations** – We are investigating a number of ideas with our media buyer for a one day activation to run in London in April/May. We are currently awaiting a final costing and proposal.
- **Tour America/Experience Kissimmee/Visit St. Pete/Clearwater** – The joint campaign has now started and included the dedicated cinema event to launch our cinema advertisement to promote our destinations.
- **Ocean Holidays** – We have now confirmed the joint co-op marketing campaign with both Ocean Florida and Brand USA. The campaign will run for a period of two months in May and June. Activity will include email marketing (section in the monthly launch, feature in the Slice of Florida email, an educational email, a reactive email and a flash email), website take over (including sale page deal, blog post, things to do in our area and a homepage banner ad) as well as social media activity (2 x organic posts, Instagram stories and a promoted post). Work will commence on this activity in April.
- **Kenwood Travel** – We finalized the fam trip itinerary with Michelle and the Kenwood consultants were very happy with the plans which included a good mix of hotel site visits, time in Downtown St Pete (DALI and Chihuly Glass Collection) and free time. We will follow up with Kenwood for feedback upon their return to the UK.
- **VSPC/Experience Kissimmee/SeaWorld Parks & Visit Tampa** – Work continues on our planned joint 2020 UK training mission. Trainings have been secured at key tour operator call centres including USAirtours/TravelPlanners, Travel Republic, Funway Holidays to name a few. Details are also being finalised and invitations for the London

event have been duly sent to a selection of 20 partners. The event will be taking place at Swingers Golf in London on Wednesday 29th April.

- **USAirtours/TravelPlanners** – Work continues on the co-op marketing campaign in partnership with USAirtours/TravelPlanners and creative continues to be worked on with sign off by ourselves and Brand USA. We have also secured an in-house staff incentive to run from 1st Feb – 31st May alongside the campaign as previously advised. In-house sales staff will be in with a chance to win Love to Shop vouchers and will be entered into a prize draw with every booking they make to include a minimum of 3 nights in St. Pete/Clearwater being in with a chance to win one of 3 prizes.
- **Funway Holidays** – A proposal for a Florida Beaches co-op marketing campaign has been received and after being perused and agreed internally had been forwarded to Brand USA for final sign off which has now also been confirmed. The campaign activity will include a mix of what has worked in previous campaigns as well as new innovative elements. Florida Unlocked Expansion, brochure production and print, a video campaign, social media, email and website activity will be included. Dates are currently being finalised and Funway Holidays are aiming for a quarter two start from April onwards, but this is still to be finalised.
- **VIP Client Event** – An exclusive venue has been sourced for the annual VIP event to thank tour operators for their business and partnership. This will be an overnight event with attendees invited to bring a guest and will take place on 14th May.
- **Virgin Holidays Braehead** – We have secured a store visit to the Braehead Virgin Retail branch at the end of March. We are also in discussions with Marie Cassidy the store manager with a view to sending two more staff members to our area in the spring of 2020.
- **Nordic Leisure Travel Group AB (Thomas Cook Sweden)** – We have been liaising with Bjorn Hallinder, Head of Media & Partnerships with regards to a Nordic consumer campaign for 2020. We have now received a final proposal and will be proceeding with a campaign that will run in 4 source markets – Denmark (Brand Spies), Finland (Brand Tjareborg), Norway (Brand Ving) and Sweden (Brand Ving) and the campaign will commence on the 10th August and run for a period of 4 weeks. Activity confirmed includes online activity – Landing page, leaderboard banner ads, and social media activity. Direct marketing including a newsletter and rink size newsletter ad push. External media will include external banners, out of home activity, and print ads. We have already sent assets in lieu of the campaign elements being worked on and we will await creative from Bjorn and his team which we have been advised will be with us in July.
- **Resarrangea Sweden** – We confirmed arrangements with Michelle regarding the ‘Welcome’ bag that was to be put together and left for Annelie and her family at the St Pete Beach Suites.
- **Gold Medal Travel** – Discussions continue with Harriet Hudders at Gold Medal Travel regarding a possible stand-alone National retail in-store campaign with their independent travel agencies.

- **USAirtours/TravelPlanners** – We have now received the final campaign report from USAirtours/TravelPlanners for our 2018/2019 fiscal activity, the results are as follows:
 - The TravelPlanners twin centre Kissimmee and VSPC email sent on the 19th August had was opened by 13,965 consumers.
 - The TravelPlanners twin centre Universal Resort and VSPC email sent on the 23rd July was opened by 13,880 consumers.
 - The TravelPlanners Destination focus sent on the 30th May was opened by 15,454 consumers.
 - The TravelPlanners social media twin centre Orlando & VSPC Facebook post sent on the 18th October reached a total of 881
 - The TravelPlanners Deal of the Day for the Rumfish Beach Resort Facebook post sent on the 21st August reached a total of 3,041
 - The TravelPlanners twin centre Deal of the Day twin centre VSPC & Disney Facebook Post sent on the 27th July reached a total of 42,059
 - The TravelPlanners Destination Facebook Post number 1 sent on the 27th May reached 2,282 and post number 2 reached 2,325
 - The Instagram Destination Focus post 1 had a total of 24 likes and post 2 had a total of 19 likes – both were sent on the 27th May
 - The TravelPlanners Cheapflights offer on the 30th July had a total of 1,055 clicks, the offer on the 16th July had a total of 1,331 clicks, the offer on the 4th June had a total of 577 clicks and the offer on the 21st May had a total of 974 clicks
 - The TravelPlanners Travelzoo offer for June/July had a total of 2,694 clicks, the offer for July/August had a total of 218 clicks and the October offer had a total of 382 clicks
 - The USAirtours Orlando & VSPC twin centre email sent on the 4th September was opened by 849 travel agents
 - The USAirtours VSPC & Orlando twin centre email sent on the 22nd July was opened by 913 travel agents
 - The USAirtours VSPC email sent on the 30th May was opened by 907 travel agents
 - The USAirtours Destination of the month email was opened by 989 travel agents
 - The USAirtours Florida Family Fun Facebook post reached a total of 1,358 agents
 - The Florida Coast Facebook post reached a total of 2,768 agents
 - The second Florida Coast Facebook post reached 2,121agents
 - The Sunshine State Lovers Facebook post reached 2,414 agents
 - The Destination of the month Facebook post reached 2,044 agents
 - The second Destination of the month Facebook post reached 1,054 agents
 - The third Destination of the month Facebook post (that included a giveaway) reached a total of 4,408 agents
 - The fourth Destination of the month Facebook post (that had a chance to win a goodie bag) reached a total of 3,589 travel agents
 - Total room nights booked during the campaign period were a total of 1278 (Please note the campaign was extended and some activity was halted during the demise of Thomas Cook hence why the dates for the campaign ran from the 1st March until 31st October 2019)
- **Tour America** – Discussions continue to take place with Tour America with regards to planning an in-house staff incentive and we will be looking to run this in the near future.

- **Visit Florida** – Visit Florida have sent details of the Partners Summer Event and we have shown our interest in again being one of the sponsors of this event. We are currently waiting on further details to be sent so that we can confirm our participation. The event will again be based around a sailing day and we will provide further details once received.
- **USAirtours** – We received a request from Linda Dixey asking for some branded giveaways for them to use as prizes on their USAirtours Loves Agents Facebook page and a selection of branded items were duly sent.
- **Hays Travel** – We were contacted by the shop manager of the Maghull (Liverpool) retail shop. They are holding a Florida day in-store and as such we have provided them with brochures, area maps and giveaways.

ENQUIRIES:

Telephone/website enquiries for information and/or literature

35

MARKET INTELLIGENCE

03 February 2020, source: TTG

‘Enhanced’ customer benefits for Virgin, Delta and Air France-KLM tie-up

The partnership offers passengers expanded route choices and loyalty options when travelling between Europe, the UK and North America. In December, Virgin Group founder Richard Branson scrapped plans to sell his stake in Virgin Atlantic as part of the joint venture agreement. Branson said his initial need to reduce shareholding was to "guarantee the long-term success of Virgin Atlantic" after authorities green-lit British Airways' tie-up with American Airlines although he confirmed a deal had been struck between Virgin's joint venture partners to retain his stake. Starting on 13 February, customers will be able to use each of Virgin, Delta, Air France and KLM's loyalty programmes and utilise priority boarding and more than 100 airport lounges when travelling internationally. More initiatives being rolled out later this year include the launch of more codeshare routes, aligning schedules to reduce connection times and smoothing airport experience from check-in to baggage claim. Customers will also soon be able check-in and select their seat through any partner airlines' mobile apps or websites. The partnership sees up to 341 peak daily transatlantic services operating with onward connections to 238 cities in North America, 98 in continental Europe and 16 in the UK, as well as a choice of 110 non-stop transatlantic routes. Virgin Atlantic chief executive Shai Weiss said he believed customers were "at the heart" of the joint-venture, "where seamless connections, a greater range of flights, unrivalled customer service and increased frequent flyer benefits will reinforce its position as the choice passengers most love to fly. One of the pillars of our strategy is successfully collaborating with our partners. Combining our strengths, our network, and our people allows us to achieve more together," added Weiss. Ed Bastian, Delta chief executive, said: "Our expanded partnership is a major step forward for all of our airlines as we deliver greater reliability, top travel benefits and leading service that our customers deserve. Today's launch brings our historic, longstanding collaboration to a new level as we continue to build the partnership of choice across Europe and North America that sets us apart from the rest of the industry." Air

France-KLM Group chief executive, Benjamin Smith, added: "Ten years after starting our joint venture with Delta, this new agreement is a major milestone that will even further reinforce our presence on the Atlantic, by allowing our passengers the choice between four major airlines combining their network for the benefit of our customers."

04 February 2020, source: TTG

ABTA in talks with EU as Brexit becomes reality

Abta said: "The priorities for the industry include a comprehensive air service agreement to protect flights, replacing the mobility benefits of the EU Posted Workers Directive, and retaining reciprocal healthcare. The UK also needs to open discussions with third countries, including Switzerland, around access for occasional coach services." The Association has also published new member guidance to explain the latest developments. Abta said it remained "actively engaged with the UK government and EU", and recently held outreach events in Brussels to maintain and extend direct contact with EU members. Luke Petherbridge, Abta's head of public affairs, said: "The UK has now entered a period of transition until at least the end of December 2020, while the UK and EU negotiate a future relationship. During this time nothing will change for travellers or travel businesses. The risk of no-deal may have subsided for now, but there is much work to be done to help shape the UK's future relationship with the EU to protect our industry and ensure the public can continue to holiday and travel with the same rights and freedoms as they have today." Abta will be addressing the topic of employment after Brexit at an event in London on 24 February, entitled Brexit – The Immigration and Skills Challenge.

06 February 2020, source: TTG

On the Beach 'ready to capture market share' following Cook collapse

In a four-month trading update to 31 January, issued on Thursday (6 February) the OTA said it had more than doubled offline marketing spend to drive brand awareness. Its recent "everything's better... on the beach" Christmas and New Year TV ad campaign was recently hailed by YouGov the best effort during the festive season, achieving the "highest uplift" in ad awareness of any brand in the UK in December. On the Beach said it expected its efforts to pay off in the second half of the financial year and added an increased focus on price competitiveness would also contribute to long-term gains in market share. Its confidence comes despite capacity constraints brought on by Cook's failure and the continued grounding of Boeing's 737 Max aircraft. According to On the Beach, this has resulted in "significant year-on-year seat price increases for all departures". The OTA added it did not expect seat pricing to "normalise" in the current financial year. However, On the Beach has hailed its "immediate actions" to capture market share driving "strong sales growth" for 2020 departures. Elsewhere, On the Beach said more than 2,300 agents had signed up to its Classic Package Holidays portal, launched in last March following the group's acquisition of Classic Collection. The group will post its interim results for the six months to 31 March on 12 May. Chief executive Simon Cooper said: "The actions we have taken in the first four months of the new financial year have accelerated our market share gain and mean we are well prepared to take advantage of capacity returning into the market. "Our incremental investment into offline marketing activity is helping to drive significant growth in awareness of the brand nationally, and we are delighted with the performance of the Classic Package brand in its first year, post-launch."

05 February 2020, source: TTG

Travel Counsellors expects record sales after promising start

The independent agency group achieved £5 million sales in one day last month, breaking this barrier for the second time in its 25-year history. Figures reached £5.2 million on 31 January, with the month also seeing 369 of the company's business owners enjoy best-ever sales. Travel Counsellors said January as a whole "was also a record breaker", following a 10% rise in sales on the same period last year, with UK sales up by 15% in the first quarter of the financial year. The company, which now has more than 1,900 independent franchisees running their own corporate and leisure travel businesses in seven countries, achieved global sales of £90 million last month. Three of five of the firm's top sales days were achieved in January. January sales results follow a record-breaking period for the company in the period 1 January to 20 December 2019, with total transaction value surpassing £650 million for the first time since its launch in 1994. This has led Travel Counsellors to forecast total sales in 2020 in excess of £700 million. January was supported by a dedicated sales incentive that saw top-selling agents win more than 60 prizes worth £50,000, including trips to Florida, India and Barbados. Record levels of bookings were sourced through the company's in-house booking platform, Phenix, with more than half the company's leisure travel itineraries created in the platform in January. The company also reported a 40%-plus increase in customers taking advantage of Travel Counsellors' dedicated travel app and secure payment portal, myTC, with 8,000 new customer accounts created in January. Chief executive Steve Byrne said: "It's a great start to the year, and we'll continue to provide the very best digital platform that supports the growth of our business owners, more of whom are now using this platform and the wider Travel Counsellor community to scale their business through, for example, working in teams or in shared office spaces. "Regardless of their location every Travel Counsellor and support team colleague shares a common purpose to reinvent and redefine what personal service means in the travel industry, by putting people at the heart of everything we do."

10 February 2020, source: TTG

Kuoni finds eco-travellers are ditching social media

In its annual *Worldwide Travel Report*, the operator warns "if we fail to make changes, travel as we know it could become a thing of the past". However, it argues giving up flying "is unrealistic and potentially damaging to the destinations that rely on tourism". The operator suggests slow travel with low-impact lodges rather than "energy-intensive" hotels; local produce instead of imported food; longer stays; and spending more in local communities will help, along with carbon offsetting. Among other influences on 2020, Kuoni predicts there will be a renewed emphasis on consumer protection following the collapse of Thomas Cook and a "Boris bounce" following Brexit. It also believes consumers are now "more cynical about social media, sponsored posts and fake news". It asks: "Must everything worth remembering be photographed and shared? In 2020, smart travellers are getting back to basics and experiencing a destination for themselves, not for likes." Kuoni predicts a good year for Canada following publicity surrounding Prince Harry and Meghan Markle, plus the resurgence of Egypt, with Cairo's new Grand Egyptian Museum, scheduled to open this autumn, expected to draw five million visitors a year. In Kuoni's list of top 25 destinations, compiled from sales figures taken on 6 January, the Maldives leads the board for the 17th

year. Sri Lanka has dropped from last year's second place to fourth. The destination has swapped places with Mauritius, where Kuoni said social and environmental sustainability "are becoming key selling points" for hotels. Thailand remains Kuoni customers' third choice, with Khao Lak and Koh Phangan the biggest growth areas. Kuoni has seen a 10% increase in 2020 Thailand holidays including three or more locations, plus more Singapore/Koh Samui combinations using a new Singapore Airlines direct service. One European destination, Italy, makes the top 10, climbing from seventh place to sixth, with Puglia seeing the most noticeable bookings increase. The only new entry to the top 10 this year was Antigua, with Virgin Atlantic adding flights from June. Just ahead of Antigua was Vietnam, which is Kuoni's top-selling escorted touring destination this year. As in Thailand, three-centre itineraries such as Hanoi, Ho Chi Minh City and a beach stay were popular.

11 February 2020, source: TTG

ABTA urges government to take meaningful APD reform

Although the association welcomed news of a governmental review into APD and regional connectivity, it has contacted chancellor of the exchequer Sajid Javid asking for a comprehensive reform. It argued changing the tax without properly considering the wider impact could undermine the UK's global competitiveness. APD is not an environmental tax, it said, and wider reform would help the UK reach its target of net zero emissions by 2050. "We have today written to the chancellor explaining that APD now needs comprehensive review and reform," said Mark Tanzer, Abta's chief executive. "Any reform in domestic duty at the expense of international duty without a wider review would only serve to undermine the UK's international competitiveness and cause holiday prices to rise, whilst failing to address pressing environmental priorities. Meaningful reform, delivered in partnership with the industry, can maintain the country's global competitiveness and support the government's commitment to lead the world on reducing carbon emissions." This comes after the government helped to rescue regional airline Flybe by handing out an APD tax break. Both Ryanair Group chief executive Michael O'Leary and IAG chief executive Willie Walsh have since complained the deal was in breach of competition law. Tim Alderslade, chief executive of Airlines UK, the trade body for UK registered airlines, said double taxation of domestic aviation is a "damaging anomaly that adversely impacts UK regional aviation". He added: "Increasing APD does not benefit the environment, and APD is not the right way to incentivise behaviour. Rather, it serves to hamper investment by airlines in new, more environmentally friendly aircraft and in the development of alternative fuels and technologies. Today, most UK airlines operate with very high-load factors and modern, fuel-efficient fleets. This is at the heart of an airline's business model, because it is simply uneconomic to fly half-empty aircraft or planes that do not have the best available fuel efficiency." Justin Francis, Responsible Travel's chief executive, added that the company has been lobbying for a 'Green Flying Duty' to generate cash for research and development into lower carbon transport. He said: "However, I would also like to see recognition from the industry that any workable green tax would also need to include rate increases, over and above the current APD rates – particularly for domestic as well as first class and business class. There is no escaping the fact that aviation fuel is currently untaxed and is subsidised by the taxpayer instead. A fair tax would not stifle the UK's ability to trade competitively, as we already have access to a vast network of routes and low fares due to an oversupplied aviation sector – APD has not stopped this."

15 February 2020, source: Travel Newsgram

Chinese and Asian tourists must not be stigmatised because of the Coronavirus

Individual tourists and groups from China and Asia must not be stigmatised because of the latest coronavirus outbreak, according to the World Travel & Tourism Council (WTTC). The WTTC is warning against disproportionate reactions, which could result in stigma and discrimination against Chinese and Asian tourists. The panic, seen as a way of containing the coronavirus, could run the risk of stigmatising one of the world's biggest tourist groups and may cause long-term harm. The appeal for more understanding was made by the London-based WTTC which is led by the body's President & CEO Gloria Guevara, and which represents the global Travel & Tourism private sector. As former Mexican Tourism Minister, Ms. Guevara was closely involved in 2010 with the aftermath, and recovery, of the outbreak of the H1N1 influenza virus in 2009, which had a significant impact on Mexico's economy and led to a number of fatalities. While more than 40,000 people have so far tested positive with the virus worldwide, 98 per cent of cases are confined to China. This is thanks to a relatively low mortality rate of just 2% for the coronavirus compared with 10% for SARS and 34.4% for the Middle East Respiratory Syndrome (MERS). Gloria Guevara, WTTC President & CEO, said: "We must not stigmatise. The coronavirus will not be solved by singling out individuals or groups from any country, such as China or those in other parts of Asia. "While some of this misguided action may be well-meaning and it is clearly important the Travel & Tourism sector plays its part to contain the spread of the coronavirus, this will not be achieved by alienating the world's biggest tourist group. China has become a key global player and its tourism market has experienced massive growth in recent years. Chinese tourists, travelling both individually and within groups account for 16% of the world's international travel spending. More widely, Asia has experienced nearly 7% booming average annual growth in the sector over the last decade. There is no doubt that Travel & Tourism to and from China brings huge cultural and economic benefits to the world. At WTTC we believe the sector is a force for good and unites people no matter where they are from." WTTC statistics show the Chinese outbound Travel & Tourism spending has grown sevenfold in the last ten years, with a staggering annual growth of 21.7%. Each year the global Travel & Tourism sector contributes 10.4% (US\$8.8 trillion) to global GDP and one in ten jobs. The call to combat the stigmatisation of Chinese and Asian tourists follows praise from the WTTC for the work of public and private sectors working together to limit the spread of the coronavirus through flight and hotel reservation suspensions and flexible future travel options. It also urged a continuing closer partnership between both sectors to help curtail travel in affected areas and improve education about the virus' transmission to guard against panic measures. Closer public and private partnerships will also help aid the sector's recovery once the spread of the virus begins to subside. The Travel & Tourism sector has a proven track record of resilience in the face of crises and this ability to bounce back has improved significantly in recent years. In fact, according to our research the average recovery time from crises has decreased from 26 months to 10 months between 2001 and 2018. An analysis of previous major viral epidemics by experts from WTTC, shows the average recovery time for visitor numbers to a destination was 19.4 months. However, with the right response and management it could recover in as little as 10 months. WTTC advises travellers to check the advice being offered by individual governments and the World Health Organization before undertaking any overseas travel or domestic travel within coronavirus affected areas.

15 February 2020, source: Travel Newsgram

Slower but steady growth in 2019 in global air passenger traffic

The International Air Transport Association (IATA) announced full-year global passenger traffic results for 2019 showing that demand (revenue passenger kilometres or RPKs) rose by 4.2% compared to the full year of 2018. The 2019 result is a slowdown compared to 2018's annual growth of 7.3% and marked the first year since the global financial crisis in 2009 with passenger demand below the long-term trend of around 5.5% annual growth. Full-year 2019 capacity climbed 3.4%, and the load factor rose 0.7 percentage point to a record high of 82.6%. The previous high was 81.9% set in 2018. December 2019 RPKs increased 4.5% against the same month in 2018. That was an improvement over the 3.3% annual growth recorded in November, primarily due to solid demand in North America. "Airlines did well to maintain steady growth last year in the face of a number of challenges. A softer economic backdrop, weak global trade activity, and political and geopolitical tensions took their toll on demand. Astute capacity management, and the effects of the 737 MAX grounding, contributed to another record load factor, helping the industry to manage through weaker demand and improving environmental performance," said Alexandre de Juniac, IATA's Director General and CEO.

International Passenger Markets

2019 international passenger traffic climbed 4.1% compared to 2018, down from 7.1% annual growth the year before. Capacity rose 3.0% and load factor edged up 0.8 percentage point to 82.0%.

Asia-Pacific airlines' full-year traffic increased 4.5% in 2019, which was a large decline compared to 8.5% growth in 2018. This reflected the impact of the US-China trade war as well as weakening business confidence and economic activity. Capacity rose 4.1%, and load factor ticked up 0.3 percentage point to 80.9%.

European carriers saw a 4.4% traffic rise in 2019, which was down from 7.5% annual growth in 2018. Capacity rose 3.7% and load factor increased 0.6 percentage point to 85.6%, which was the highest for any region. The lowered results are attributable to generally slowing economic activity; declining business confidence, compounded by industrial disputes (strikes); Brexit uncertainty and the collapse of a number of airlines.

Middle Eastern airlines' passenger demand increased 2.6% last year, the slowest pace of expansion among all regions and down from 4.9% growth in 2018. However, demand began to recover in the fourth quarter and the monthly growth of 6.4% in December led all regions. Annual capacity climbed 0.1% and load factor surged 1.8 percentage points to 76.3%.

North American airlines saw traffic growth slow to 3.9% last year, down from 5.0% in 2018, amid softer US economic activity and weaker business confidence compared to 2018. Capacity climbed 2.2%, and load factor strengthened 1.3 percentage points to 84.0%, second highest among the regions.

Latin American airlines' traffic climbed 3.0% in 2019, a dramatic slowdown compared to 7.5% annual growth in 2018. Capacity rose 1.6% and load factor increased by 1.1 percentage points to 82.9%. The year was impacted by social unrest and economic difficulties in a number of countries in the region.

African airlines led all regions with a 5.0% demand increase, down from 6.3% growth recorded for 2018. Capacity rose 4.5%, and load factor edged up 0.3 percentage point to 71.3%. Airlines in the region benefitted from a generally supportive economic backdrop in 2019 as well as increases in air transport connectivity.

17 February 2020, source: TTG

New tourism minister appointed after UK cabinet reshuffle

Mid Worcestershire MP Nigel Huddleston has taken over from Helen Whately to be the new tourism minister in Boris Johnson's government. He will have responsibility for the Commonwealth Games, gambling and lotteries, and tourism and heritage, alongside duties as assistant government whip. Before 2015 when he was first elected, Huddleston worked at Deloitte in the travel, hospitality and leisure departments and at Google as industry head of travel. Huddleston was on parliament's culture, media and sport select committee from 2015 to 2017 and has been parliamentary private secretary to ministers in the digital, culture, media and sport department since 2017. Hertsmere MP Oliver Dowden is the new secretary of state for digital, culture, media and sport and now has overall responsibility for the department. "The association looks forward to working with both ministers," said Joss Croft, chief executive of UKinbound. "In 2018, the inbound tourism industry generated nearly £23 billion of export earnings for the UK economy but the industry still needs the government to continue its intervention and support, if it is to advance its delivery of world-class experiences for international visitors and deliver jobs and growth across the whole of the UK. There are some significant challenges ahead this year as the industry copes with the impact of the Coronavirus, and the concerns of industry to resource businesses after 31 December. It is vital that the government's new immigration policy allows tourism and hospitality businesses to have continued access to overseas nationals with foreign language skills, and to help plug labour shortages across the UK in key tourism hotspots, ensuring businesses can grow."

19 February 2020, source: TTG

'Govt's immigration measures would hit hospitality and tourism businesses hard'

While government has listened to the industry on the skilled route, opening up many more roles than previously proposed, the end of temporary immigration has confirmed many of the worst fears of businesses in the sector. And there is very little time for businesses to adapt. The proposed measures would hit hospitality and tourism businesses hard, particularly given that the industry is already facing an acute labour shortage with record low levels of unemployment and a dip in young people entering the labour market. For many businesses, the fear is that if introduced, these proposals will cut off future growth and expansion of sector businesses, deterring important investment in Britain's high streets. Consumers will also suffer, seeing reduced levels of service for customers, and likely business closures. The policy fails to recognise that hospitality and tourism is at the heart of every community in the UK. Removing the ability of businesses to hire from abroad will have a knock-on effect for schoolchildren and the elderly who rely on catering businesses for their meals. The government says it is making allowances for staff in the NHS, but it has overlooked the thousands of workers needed to supply meals to patients and staff. The government's desire to deliver on the results of the referendum and move towards a skills-based immigration system should not come at the detriment of one of the country's most important industries. A points-based system can be made to work for skilled labour and government has listened to the concerns of business. But this must be supported by a temporary route. Expansion of the Youth Mobility Visa provides a model for delivering this, expanding a system that has worked well for workers from many non-EU countries. Additional measures such as the creation of a temporary immigration route for up to two years, used in periods of labour shortages, would also help to mitigate the impact on the sector. As hospitality businesses react to this announcement, UKHospitality will be presenting proactive proposals to make the system work for hospitality and the economy. This is critical if we are to deliver our shared

objectives of business growth and investment in every region of the country, while providing the high levels of service our customers rightly demand.

20 February 2020, source: TTG

IBTM postpones inaugural event amid Coronavirus crisis

Reed Travel Exhibitions' IBTM Asia Pacific has been postponed from 6-8 April 2020 to 13-14 April 2021 as the Covid-19 virus sweeps through the region. The event is aimed at event planners in the Mice (meetings, incentives, conferences and exhibitions) sector and will feature exhibitors, speakers and networking opportunities. "This is not a decision we have taken lightly; our customers, partners and team in Singapore have worked incredibly hard on the event and while it is disappointing to postpone, it's imperative that we prioritise the health and safety of everyone involved," said Shane Hannam, IBTM event's portfolio director. "We are extremely grateful for the understanding of our customers, partners and team, and for the strong support we have had since announcing this new addition to our portfolio." He sent a "sincere wish" that everyone makes a swift return to normal life soon. Dr Edward Koh, executive director of conventions, meetings and incentive travel at the Singapore Tourism Board, said: "We understand and support IBTM Asia Pacific's decision to reschedule their show to 2021, and we will work closely with Reed Travel Exhibitions and our partners to provide the assistance they need during this time."

20 February 2020, source: TTG

BA ups flights to popular US and South Africa destinations

The airline is increasing flights from Heathrow to Miami, Seattle and Cape Town from April in order to offer passengers more flexibility. "We know that these destinations in the US and Africa are highly sought-after, particularly during spring, so we are pleased to be able to offer more flights to these destinations for our customers who are looking to get away," said Neil Chernoff, British Airways' director of network and alliances. British Airways recently announced it would also be increasing services from Gatwick to Cape Town, Saint Lucia and Cancun next winter, and launching six new European routes from Heathrow to Greece, Italy, Kosovo, Montenegro and Turkey from July.

24 February 2020, source: TTG

New Chancellor urged to halve APD in first budget

A group of 44 MPs and peers have written to Sunak demanding he dramatically cut the tax on outbound flights. The letter said the tax makes "no economic or political sense"; acts as a barrier to economic growth; and makes a number of routes financially unviable. "We are competing in a global market for businesses and investors, and we are held back by our current levels of APD," said the group. Sunak replaced Sajid Javid earlier this month and will deliver his first Budget speech on 11 March. APD is currently charged at £13 on short-haul economy seats and £80 long-haul, rising to £26 on short-haul business or upper seats and £176 long-haul. The call has been welcomed by Airlines UK, the trade body for UK registered airlines, which also wrote to Sunak calling on him to consider addressing "the damaging impact" of APD. Airlines UK's letter was co-signed by chief executive Tim Alderslade, and the bosses of a handful of the UK's largest carriers including Steve Heapy (Jet2.com), Shai Weiss (Virgin Atlantic) and Willie Walsh (BA parent IAG). "We welcome

recognition of the need to address the impact of APD on domestic aviation and this should be dealt with now we've left the EU," said Alderslade. "However, APD impacts all UK airlines flying all routes and to all destinations, and action is needed to tackle APD in its totality. Last month, UK aviation committed to reaching net-zero carbon emissions by 2050. We can grow and decarbonise, and now is the time for government to make global Britain a reality by tackling the sky-high APD levels that continue to hold airlines back." APD has been widely criticised over the years after it was introduced in the early 1990s ostensibly as a "green" or environmental tax. However, it has since been disclosed the proceeds from APD go straight to the Treasury to be redistributed to other government departments. Activist travel firm Responsible Travel has called on government to increase APD and make it a genuine environmental levy, with funds ring-fenced to fund efforts to improve aviation's green credentials. Chris Photi of White Hart Associates, meanwhile, recently told *TTG* he felt some of APD could be used to fund any future repatriation operations in the event of airline failure, such as those that beset Monarch and Thomas Cook.

25 February 2020, source: *TTG*

Brits returning from parts of Italy warned over Coronavirus fears

Italy has several areas in quarantine, with health secretary Matt Hancock saying on Tuesday that Britons returning from areas north of Pisa that have been quarantined should self-isolate at home for 14 days "whether or not they have the symptoms". Coronavirus cases in Italy have risen from three to 229 in four days. Areas of concern include Lombardy, which houses Milan, Como and Verona, and Veneto, with the Venice Carnival already cancelled. Hancock told the BBC there were no plans to halt flights to Italy from the UK or change travel advice. "If you look at Italy, they stopped all flights from China and they're now the worst affected country in Europe," he said. Globally, cases of the virus have now reached 80,000, with Italy and Iran now areas of significant outbreaks. The situation has led to a fall in the share prices of travel companies, with Tui AG down around 9% and easyJet seeing a similar fall. Singapore's Changi airport has stepped up passenger screening and hygiene measures in a bid to counter the coronavirus. In addition to existing temperature screening, all passengers, staff and visitors entering transit areas are now being checked. Staff are encouraged to take their own temperature twice a day. The airport has increased the number of hand sanitisers in its terminals from 160 to more than 1,200 and all areas are being cleaned with disinfectants up to four times a day. Ozone-infused water, which is more powerful than chlorine, is being used to disinfect high-use areas.

26 February 2020, source: *TTG*

Coronavirus: Europe fights to contain outbreak

The Foreign Office on Tuesday (25 February) updated its travel advice to advise against all but essential travel to several parts of Italy. More than 300 cases have been confirmed in what is now Europe's worst-affected country. Cases have been confirmed in Austria – where a hotel in Innsbruck has been locked down – as well as Croatia and Switzerland. Authorities say these new cases all involve people who have been to Italy. Another hotel, the H10 Costa Adeje Palace in Tenerife, was placed on lockdown on Tuesday after an Italian guest tested positive for the infection. Eleven people have now died from the infection in Italy, and several towns have been placed under quarantine, affecting around 50,000 people.

The FCO is advising against all but essential travel to 10 small towns in Lombardy and one in Veneto, which the FCO said had been “isolated” due to the Covid-19 coronavirus outbreak. “The government of Italy has introduced extraordinary measures that allow regions to implement civil protection measures in response to coronavirus, including the isolation of these towns,” the FCO has warned. Those returning from Italy to the UK, particularly from affected northern areas of the country, have been told to self-isolate if they develop any symptoms. A number of British schools have shut to allow for deep cleans after pupils came back from skiing trips to affected areas. Health secretary Matt Hancock, though, has stressed there are no plans to halt flights to Italy at this stage. Abta has urged travellers to follow local public health advice when travelling to or near affected areas, especially towns in northern Italy, and to monitor advice from the FCO. The association added: “While these towns are not considered to be popular tourist areas among UK holidaymakers, if the towns are part of a holiday itinerary, customers imminently due to travel should speak to their travel provider. “Passengers who have booked flights directly with an airline and are imminently due to travel should contact the airline to discuss their options.” MSC Cruises, meanwhile, is denying boarding to any guests who live, or have travelled to, from or through, any of the 11 towns in northern Italy on lockdown.

27 February 2020, source: TTG

Heathrow expansion blocked by judges on environmental grounds

The Court of Appeal ruled the government’s national aviation planning statement – which gives its blessing to Heathrow’s third runway – is void because it breaches the Paris climate agreement to limit global warming to 1.5C. The Court ruled in favour of London Mayor Sadiq Khan, Hillingdon Council and environmental groups including Greenpeace. Judges said the report “was not produced as the law requires”, adding “The Paris Agreement ought to have been taken into account by the Secretary of State”. It added: “That, in our view, is legally fatal.” Prime minister Boris Johnson, whose Uxbridge constituency is near the airport, has previously pledged to lie down in front of bulldozers to block the scheme. He has pointed out that the airport has not met its obligations on air quality and noise pollution, and some believe a Court ruling against the airport will give Johnson a convenient get-out. Plans to expand Heathrow were approved by MPs in 2018 with Johnson missing the vote by taking a trip abroad. The government has not immediately sought permission to appeal, but a Heathrow spokesperson said it would appeal to the Supreme Court: “The Court of Appeal dismissed all appeals against the government - including on “noise” and “air quality” - apart from one which is eminently fixable. In the meantime, we are ready to work with the government to fix the issue that the court has raised. We will get it done the right way, without jeopardising the planet’s future.” Airlines UK said the decision was “extremely disappointing”. It added: “The economic prize is enormous if expansion is done right, with airlines ready to respond to the unlocking of new capacity by creating new routes and helping to connect the UK to new markets and destinations, and Heathrow to regions across the country. UK aviation has committed to net zero carbon by 2050 and this factors in the emissions created by Heathrow expansion. It is not a question of being pro-aviation or pro-environment.”

27 February 2020, source: TTG

ITB Berlin cancelled amid Coronavirus outbreak

ITB Berlin posted on its website last night that Germany's Federal Ministry of Health and Federal Ministry of Economics had agreed the event, due to take place from 4-8 March, should not go ahead. ITB, which attracts 10,000 exhibitors and 160,000 visitors in total, posted on its website that responsible health authority, the district of Charlottenburg-Wilmersdorf in Berlin, had imposed significantly tighter restrictions on holding the event, including that each participant would need to prove to the venue, Messe Berlin, that they were not from a designated risk area or had not been in contact with people from a risk area. "It is not possible for Messe Berlin to satisfy these requirements overall," ITB said. "Messe Berlin had for weeks made it known that a decision on holding or cancelling large-scale events would only be taken based on the recommendations or instructions of the relevant specialist authorities. Only they possess the necessary information and specialist knowledge in order to draw the right conclusions." Dr Christian Goke, chief executive of Messe Berlin, added: "With more than 10,000 exhibitors from over 180 countries ITB Berlin is extremely important for the world's tourism industry. We take our responsibility for the health and safety of our visitors, exhibitors and employees very seriously. It is with a heavy heart that we must now come to terms with the cancellation of ITB Berlin 2020." Chairman of the supervisory board of Messe Berlin, Wolf-Dieter Wolf, added: "Not once in the 54-year history of the event have ITB Berlin and Messe Berlin experienced a similar situation. We would like to thank all exhibitors and partners from all over the world who over the past few days and weeks have stood by ITB Berlin. We look forward to continuing the trusted relationship with our partners in the market." Replying to comments on Twitter enquiring whether any exhibitor costs would be covered, ITB said due to the short notice of cancellation and the large number of exhibitors "we ask for your understanding that we will check these questions internally". It added this could take from 10 days to two weeks. ITB added on Twitter that it wanted to thank visitors, exhibitors and partners around the world who have supported it in the past days and weeks and that it looked forward to welcoming delegates to 2021's event from 10-14 March.