

Over the last month, several sources have shown booking a holiday is still a priority for consumers. They are spending less in other areas, such as home improvements and going out, but are actively planning and booking holidays or intend to do so. This is another positive sign for the travel sector. You can find out more below.



## Consumer backdrop

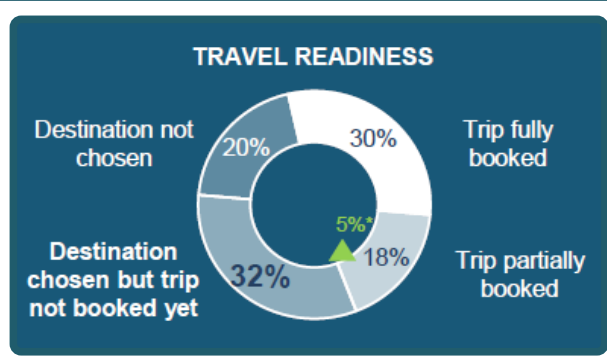
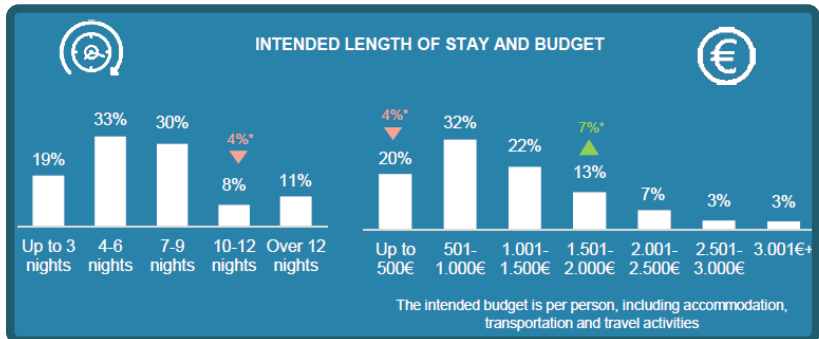
**Latest inflation (CPI)**  
down from 10.4% to  
**10.1%**

**Interest rates**  
remained at  
**4.25%**

Next MPC meeting:  
11 May

**Latest unemployment**  
increased from 3.7% to  
**3.8%**

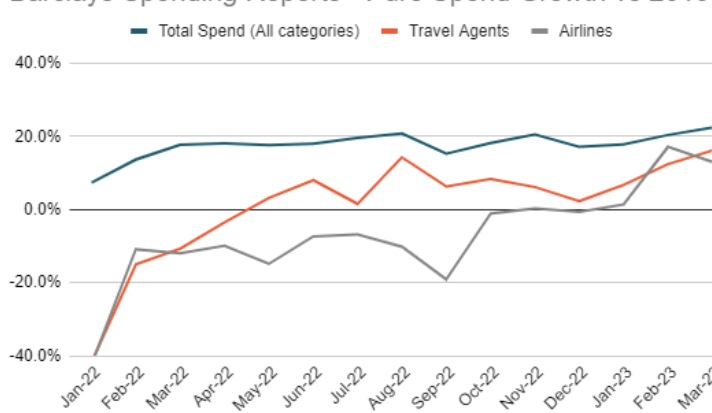
The European Travel Commission survey carried out in March 2023 found that 83% of British people intend to travel between April and September 2023. Of those, 52% were still to decide on and book their trip. 49% are intending to stay for at least a week, and 26% spend more than €1,500 per person.



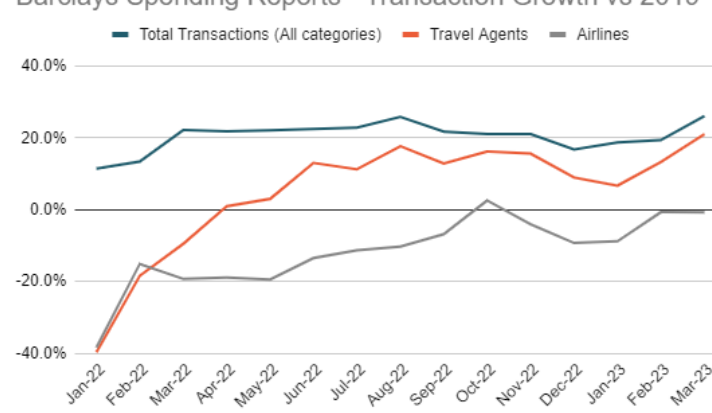
Source: European Travel Commission, Monitoring Sentiment for Domestic and Intra-European Travel - Wave 15

The latest Barclays Consumer Spending Report shows reduced spending on clothing (-3%), restaurants (-6%), home improvements (-9%), and furniture (-5%), but continued strong spending with travel agents (+30%) and airlines (+29%) compared to last year. When compared to 2019, travel agent spend and transaction volumes also continue to grow, while flight booking volumes seem to have stabilised. At the same time, the drop in flight spending implies overall flight price inflation may be cooling.

Barclays Spending Reports - Pure Spend Growth vs 2019



Barclays Spending Reports - Transaction Growth vs 2019



## Trading environment

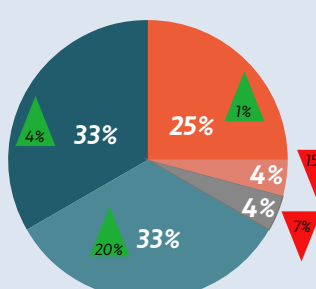
On our latest TTC Insights Travelcast, we asked 100 travel businesses about their cumulative booking position to date.

For over two-thirds of the businesses we polled, **booking volumes** have recovered and are ahead of pre-pandemic levels. This is 24ppts higher than the same poll in February reflecting continued strong trading in March and April. One in three are trading more than 10% ahead.

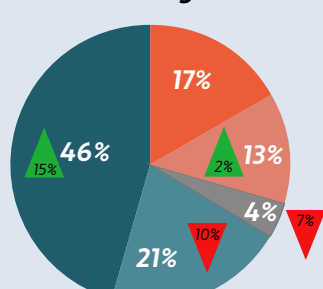
Average prices also remain very strong. Two-thirds have achieved **booking values** ahead of pre-pandemic levels, with almost half of companies seeing double digit growth.

**For your key departure season, where are you cumulatively compared to pre-pandemic?**

Volume of bookings/ number of travellers



Revenue/value of bookings



Arrows show the changes since February 2023, when we last ran the survey.



## Company announcements

We've been all ears for recent company announcements to understand how trading is going for the travel sector. Here are a few things we found interesting this month.

### easyJet

"We see continued strong booking momentum into summer as customers prioritise spending on travel.... easyJet holidays continues to benefit from strong UK demand, further upgrading its growth expectations to c.60% year on year (previously 50%). easyJet holidays is currently 80% sold for this summer."



"TUI, has added a further 1.1 million flight seats for UK holidaymakers departing in summer 2024. Giving customers more flexibility with departing airports, destinations and holiday lengths, the new announcement means the season will be TUI's biggest summer yet."

### Jet2.com

"On sale seat capacity for Summer 2023 is currently 7.2% higher than Summer 2022... with the mix of Package Holiday customers representing just over 75% of total departing passengers and 5ppts higher than Summer 2022 at the same point... over 40% of the Summer 23 season plus the majority of Winter 23/24 still to sell"



With the addition of its business in Ireland, it is "on track to more than double the number of passengers it will serve this year versus 2019" to more than three million. "We invested significantly in our technology platform during the pandemic, making it the quickest and most flexible in the market, and have worked hard to offer competitive deposit and payment options which are so important in the current economic climate."

## Regulatory horizon

- ABTA members with December year-ends must submit annual accounts and supporting reports by the end of June.
- Invitations to renew for September ATOL renewals are due at the end of May.

## Dates for your diary

- May 2023**
- 1,8,29:** UK Bank Holidays
  - 10-11:** ABTA's Travel Law Seminar
  - 25:** TTC Insights Travelcast

## Accounting corner

- May 2023**
- **6:** P11d reporting deadline
  - **31:** Deadline for sending P60s to all employees on your payroll