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The UK travel sector bull run showed no signs of abating. Travel companies continued to report record levels of trading and thriving demand for future bookings despite the ongoing challenging economic environment and the harrowing scenes from the Middle East conflict. Find out more in our November Travel Fundamentals.



Consumer backdrop

Inflation rate (CPI) remained at

6.7%

Interest rate remained at

5.25%

Unemployment rate remained at

4.3%

Interest rates held at 5.25% for the second consecutive meeting. There remains a possibility of further rises.

Inflation is falling, but at 6.7%, it remains well above the bank's 2% target.

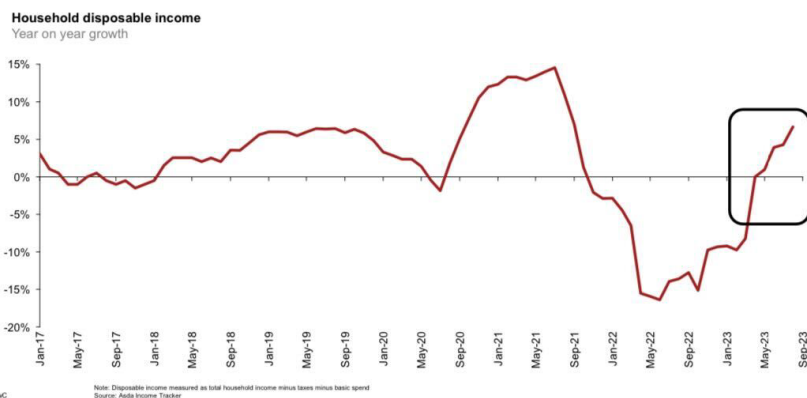
UK labour market is showing signs of tightening, with unemployment creeping up and job vacancies dropping slightly. But disposable income returned to growth.



	Spend growth	Transaction growth
Hospitality & Leisure	7.1%	4.4%
Digital Content & Subscription	4.9%	2.2%
Eating & Drinking	6.1%	2.9%
Restaurants	-10.3%	-15.0%
Bars, Pubs & Clubs	5.9%	4.4%
Takeaways and Fast Food	5.6%	2.8%
Other Food & Drink	10.5%	4.2%
Entertainment	2.3%	6.3%
Hotels, Resorts & Accommodation	7.4%	3.5%
Travel	10.5%	10.7%
Travel Agents	9.6%	12.3%
Airlines	12.9%	23.8%
Public Transport	7.2%	8.6%
Other Travel	13.0%	13.8%
Other	0.7%	2.7%
Fuel	-8.6%	-1.7%
Motoring	-0.2%	1.1%
Other Services	6.8%	10.3%
Insperience	4.5%	2.1%

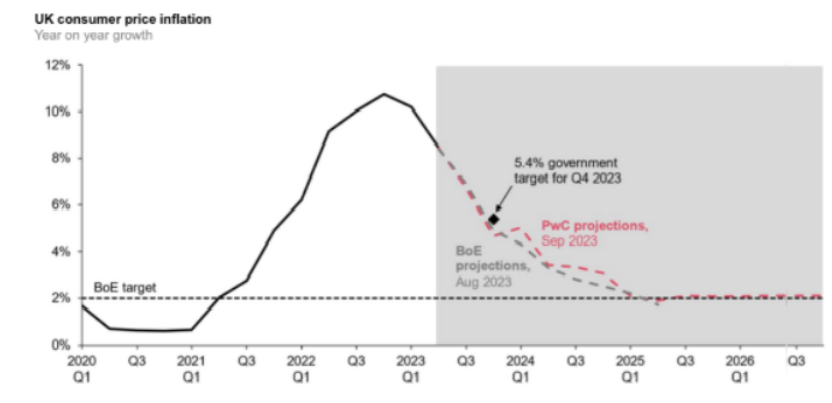
Source: Barclays UK Consumer Spending Report, October 2023

Despite ongoing pressures, household disposable income has returned to growth



Source: PwC speaking at ABTA's Travel Convention, October 2023

Inflation remains high but has peaked and is expected to return to the target 2% rate by the end of 2024



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.



"Moving into the 2024 financial year, booking momentum is continuing, and we expect Q1 capacity to grow by c.15%."



"Loyalty continued to drive good revenue growth in Q3 2023 as total revenue increased by 57%."



"We're seeing strong robust demand.... I would hope a third summer of strong fare growth"

Regulatory horizon

- March ABTA and ATOL renewal round opens 1 November

Dates for your diary

November 2023

- 6-8:** World Travel Market
- 15:** ABTA Travel Regulations Conference
- 16:** TTC Insights Travelcast
- 28:** ABTA Travel Trends Conference

Accounting corner

December 2023

- 31:** Submit online self-assessment by 30 December for HMRC to automatically collect tax you owe from your wages and pension.