

The nights may be drawing in, but the forecast for travel remains bright. Positive results feature record profits, and optimistic forecasts reflect the sustained consumer demand. You can find out more below.

Consumer backdrop



The rise in essential spending has slowed with the slight drop in inflation. Growth in most other areas was bolstered by Black Friday spending, with purchases on the day 12% higher than on a typical Friday. Consumers continue to prioritise travel in the face of cost of living pressures.

45% of consumers said their number one spending priority over the next 12 months is holidays and travel.

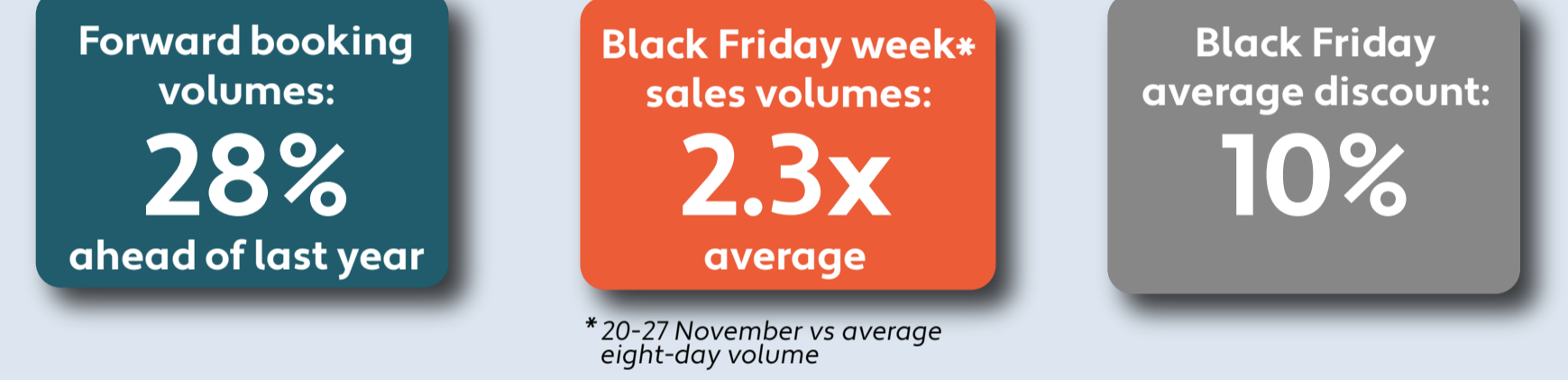
Source: Travel Counsellors Travel Tracker

	Spend growth	Transaction growth
Hospitality & Leisure	5.8%	3.7%
Digital Content & Subscription	5.8%	2.5%
Eating & Drinking	5.1%	1.9%
Restaurants	-11.9%	-16.0%
Bars, Pubs & Clubs	4.3%	2.2%
Takeaways and Fast Food	6.1%	2.7%
Other Food & Drink	8.9%	3.0%
Entertainment	-1.7%	2.6%
Hotels, Resorts & Accommodation	3.2%	1.2%
Travel	10.5%	10.7%
Travel Agents	9.2%	14.7%
Airlines	14.0%	23.4%
Public Transport	7.9%	8.6%
Other Travel	11.6%	14.2%
Other	0.2%	1.4%
Fuel	-10.9%	-4.7%
Motoring	-1.0%	1.3%
Other Services	8.5%	10.8%
Insurence	4.9%	2.1%

Source: Barclays UK Consumer Spending Report, November 2023

Trading environment

Trading for the year continues to hold strong, with many of our clients achieving record sales volumes. A sample showed an average increase in forward booking volumes of 28% (vs this time last year). Black Friday provided a further momentum boost ahead of the January peak - our data shows the average operator took twice as many bookings compared to other weeks, echoing the comments of lively sales from recent travel events.



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.

"Forward bookings (both traffic and fares) are robust...into the peak Christmas travel period."

"Our Q3 results highlight a record travel season on Airbnb and our most profitable quarter ever."

"We continue to see positive bookings in Q3, with selling load factors exceeding last year's levels by single digit percentage points. We estimate overall H2 ASK capacity will be circa 20 per cent higher year on year, despite the number of GTF engines needing off-wing inspection in the period."

"We see a positive outlook for this year with airline and holiday bookings both ahead year on year."

"The present booking strength for summer 2024, coupled with supply constraints in Europe, provide a positive outlook for the year as a whole."

"Our strong third-quarter results with record revenue and profitability came in ahead of our guidance and reflect the resilience of travel demand."

"Initial indications are for a strong [2024] season with bookings in all markets starting promisingly up +13% against Summer 2023."

"We are already seeing this with strong momentum into the new financial year with TTV up 26% for the first nine weeks of FY24 and winter FY23 bookings up 34%."

"We approach our key booking period in Q2 with significant momentum and this gives us confidence that summer '24 will be significantly ahead of summer '23."

Regulatory horizon

Dates for your diary

Accounting corner

- March ABTA and ATOL renewal invitations sent out 2 December.

- December 2023**
- 6:** ITT networking event
- 14:** ITT Christmas Party

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