

UK OFFICE
MARCH 2011 REPORT
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UK Director

TOUR OPERATORS

BA Holidays

Met with Gemma Pascall, the new Product Executive responsible for Gulf Coast product. Discussed area updates and confirmed our participation in a Florida training day to be held at their Newcastle call centre on the 10th May. A total of 120 reservations agents and after sales staff will be trained on our area. Also discussed the landing page promotion in conjunction with SeaWorld Parks & Entertainment and was advised this was proving a great campaign which has seen room night stats increase YOY over the same period in 2010.

Co-op Travelcare/Escape

A meeting was held with Elise Lewis, Product Manager for Co-op Travelcare and their tour operation brand Escape. Provided Elise with up to date area information, logos, copy etc for them to hold on file should they need this in the future. Also discussed the possibility of training their call centre staff in Manchester and have been advised that they will contact us in the future if they plan to have a Florida training day.

North America Travel Service

Training took place for staff at both the Leeds Retail Store and head office at North America Travel Service. A total of 12 staff were trained on our area and also provided them with up to date literature and giveaways. Also had a meeting with Ruby Briggs, Managing Director to discuss area updates and provide them with up to date copy, logos, key selling points etc.

USAirtours

A product and marketing meeting was held with Linda Dixey at USAirtours to discuss co-op marketing opportunities etc. A proposal was received and we confirmed our participation in the Destination of the Month campaign in April which is advertised on their website and via the retail travel agent distribution network, which covers over 5,000 Travel Agencies in the UK. The campaign includes production of generic A4 Florida Posters and dedicated special offer A2 size posters for agents to utilise in store or in window. Also provided USAirtours with updated information on our area and new logos, imagery and key selling points.

Lastminute.com

A product update meeting was held with Michelle Heathcote, USA Product Manager at Lastminute.com. Discussed our area in general and provided details of new images, logos and area attractions. Also provided details on our award winning beaches and the new Salvador Dali Museum as follow up.

THG Holidays

Training was held at THG holidays. A total of 10 front line sales staff were trained on all aspects of our area. We provided the staff with the new Visitor's Guides, area maps and key selling points. Also had a product update meeting with John Bowden who advised that they

would be keen to work on joint marketing activity. THG Holidays will be sending over a proposal in due course.

Gold Medal Travel

A product update meeting was held with Harriet Moon, Marketing Manager and Joanne Lowery the new USA Destination Manager at Gold Medal Travel to discuss our area in general as well as training opportunities. Provided Harriet and Joanne with area updates, new logos, images etc. We have been advised that training for the summer is fully booked but discussions re place to schedule a date in the fall.

Other Meetings

Attended a Virgin Atlantic presentation at their Crawley HQ. At the Virgin Atlantic sales team has been completely restructured, they invited a large number of their suppliers to attend for an update on what the different departments do, how we can work together and who are the best contacts.

TRADE SHOWS

Ferie, Copenhagen Denmark

Participated in Ferie, Copenhagen as part of Florida's Beaches. The USA Pavilion was extremely small and at the back of the hall. The only other exhibitors were British Airways and Best Western as well as FDM and Risskov Travel. The show was fairly slow with a total of 39,086 consumers visiting over the 3 days. Peter Standby from the US Embassy came to the show and advised that Herning would definitely be a better show for us.

Ferie, Herning, Denmark

Participated in brochure distribution with Visit Florida. Co-exhibitors on the booth were the Beaches of Ft Myers and Sanibel, Naples, Marco Island, Everglades CVB and The Florida Keys & Key West. Brochure distribution: Universal Orlando Resort, Superior Small Lodgings, Carriage House Resort, SeaWorld Parks & Entertainment.

Number of visitors:

Friday: 21,495
Saturday: 22,945
Sunday: 21,672
Total: **66,112**

Swanson's Travel

Participated in the Swanson's Travel Fair as part of Florida's Beaches, which was held at their office in Osby. A total of 1175 visitors attended the day booking a total of 142 packages to North America which equated to a sales figure of SEK 3.400.000 (around USD 500.000). They held a total of 17 presentations most of which were full. They also had a questionnaire/quiz of which 375 visitors participated and the results were as follows:

- 199 plan to travel this year
- 118 plan to travel next year
- 49 plan a tour without stating when
- 11 did not reply or did not have plans

This means that 85% are planning a tour this or next year based on returned surveys.

TRADE LIAISON

- Simpleview – Continued liaison with Casey at VSPC regarding development of a newsletter for UK consumers
- Visit Florida/BA Campaign – Confirmed participation in this campaign which is due to launch in May with significant contributions by BA and Visit Florida and buy-in from a number of the Florida CVBs.
- Expedia – the co-op campaign with Expedia will launch in April and will feature run of site advertising, landing page and inclusion in their newsletter to 750,000 consumers.
- Avis – Chased BA for a contact at Avis who are the preferred car hire supplier for BA. The aim being to target fly-drive traffic coming off the Tampa flight. They have forwarded a contact at Avis in Tampa and Rosemarie Payne has followed up on the US side.
- Continued follow-up with British Airways with regards seats for our proposed agent fam in June.
- Premier Holidays – Promotional activity on going as part of our co-op marketing activity in partnership with SeaWorld Parks & Entertainment. The promotion includes a discount offering money off per booking, an e-newsletter, retail activity in their retail travel agencies, consumer mailings and online marketing with third party websites and e-mail companies. A meeting has also been arranged with Heidi Blades, General Manager to follow on from our co-op marketing activity.
- Barrhead Travel – Work continues on the co-op marketing activity with Barrhead Travel in conjunction with SeaWorld Parks & Entertainment. Activity includes press advertising, retail and website activity, radio advertising and staff training.
- Virgin Holidays – Continued to work on co-op activity with Virgin Holidays as part of our joint campaign. As well as activity that was reported last month we will also be participating in brochure follow-up in April, a tactical offer inclusion as well as an Affinity email both due to take place during the month of May.
- Visit Florida/Virgin Holidays – Work continued on our joint promotion with Visit Florida and Virgin Holidays. Provided logo's, copy, imagery and key selling points to the Virgin Holidays Marketing team as well as approving the retail store flyer that will be in stores in the next few days to coincide with the new Virgin Holidays Florida Brochure launch. The radio element to the campaign will launch in May.
- Tour America – Work commenced on the joint co-op marketing campaign in conjunction with Tour America and SeaWorld Parks & Entertainment. Finalised the shop front window display.
- Jetsave – Following on from our meeting with Suzanne Harvey at Jetsave, we received a marketing proposal and have agreed participation in the Jetsave Sales Brochure due to be launched in April to coincide with their new 2012 Florida

brochure launch. VSPC will have a full page advertorial to include special offers. The sales brochure will be sent to all Thomson and First Choice retail branches as well as 3rd party travel agents.

- American Holidays – We have been advised that due to a restructure at American Holidays in Ireland, that the Marketing Manager Ciara Corcoran will be leaving the company at the end of this month. We have also been advised that the co-op marketing proposal has been forwarded to Dee Burdock and discussions are on-going.
- Black Tomato – The recently cancelled meeting with Black Tomato has now been re-scheduled for April. We plan to discuss the area in general and offer assistance where necessary.
- Ocean Florida – Discussions taking place to re-schedule training for their staff after the last confirmed appointment was cancelled. TBA.
- Travel Uni – Provided Travel Uni with our new logo and area images to update this on our travel agent training programme. The logo was also updated on the Travel Uni training programmes page and their social network The Hive. We also featured in the monthly newsletter distributed to over 17,000 travel agents. The newsletter featured the VSPC logo and a link to our training site to encourage further sign up.
- Longfields Travel – A request was received via Visit Florida to provide literature and giveaways for a Florida promotional day being held at this travel agency in Crewe, Cheshire. A selection of new Visitor’s Guides, area maps and giveaways were duly sent.
- Miki Travel – Provided Nikki Beszant, Florida Contracts Manager at Miki Travel with specific hotel contacts as well as general information on our area as Nikki will be visiting the area soon as part of a contracting trip.
- Virgin Holidays – The St. Petersburg/Clearwater area was featured in the Virgin Holidays e-newsletter during the month of March. The e-newsletter featured an image and copy and once clicked on went to a North Gulf Coast landing page.
- BA Holidays – A request was received from the Picture Desk at British Airways to provide up to date area imagery. Provided them with the new FTP site details for new area images as well as providing information on our image library on our website.

ENQUIRIES:

Telephone/website enquiries for information and/or literature

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MARKET INTELLIGENCE:

02 March 2011 – Source Travel Daily

Holiday prices increase with fuel surcharges

Thomas Cook and Emirates have both announced that holiday prices will increase as a result of the rising cost of oil. Both travel companies have added a fuel surcharge to flights. The news comes after IATA warned that airlines faced a tough year if oil gets more expensive. "Like every commercially oriented business, Emirates regularly reviews its fares to reflect market dynamics including demand and rising fuel prices," an Emirates spokesperson told Travel Daily. "We have an active fuel risk management programme but with such market volatility it is impossible to fully absorb the impact of soaring oil prices." Thomas Cook's charges are dependent on the distance of the destination, from £15 for short-haul flights per holiday to £40 for long haul breaks. It applies to both flight-only and package holidays.

02 March 2011 – Source Travelmole

OFT Expresses doubt over planned Cook Co-op Merger

The Office of Fair Trading expressed fears today that the proposed retail merger of Thomas Cook and the Co-operative Group will "significantly affect competition" on the high street. It is also concerned about the impact on independent tour operators who, it fears, may lose their distribution channels through the Cooperative travel branches. On referring the matter to the Competition Commission for a detailed inquiry, the OFT said in a statement: "The joint venture would bring together two of the three largest travel agents on the UK high street. "The OFT was concerned that, if the joint venture went ahead, it could significantly affect competition in the supply of travel services via retail travel outlets in the UK, which remain an important distribution channel, in particular for package holidays and other holiday products." Following an earlier request from the operators, the OFT cut short its investigation to immediately refer the proposed merger, which would also include the Midlands Co-operative Society. Sheldon Mills, OFT director of mergers Sheldon Mills said: "Travel services such as package holidays represent a big area of spending for many UK consumers and this proposed joint venture brings together two of the largest high street travel agencies in the country. "It is therefore important that the proposed joint venture is carefully considered to assess whether it will lead to a substantial loss of competition.' 'Following discussions with the parties, we have decided that there is sufficient evidence to warrant a fast track reference to the Competition Commission for a detailed inquiry."

03 March 2011 – Source Travelmole

Travel industry unites against 'punitive tax'

Travel industry heavyweights have united with ABTA for the first time to back a campaign against further increases in air passenger duty. British Airways, airports operator BAA and UKinbound have all endorsed the Fair Tax on Flying campaign launched today. They are calling on Chancellor George Osborne to ditch plans for further rises in aviation tax, which has increased 26-fold since it was introduced in 1994, in his March budget. In a survey conducted by ComRes for ABTA, almost two-thirds of consumers believed the tax is already too high, 21% said it was about the right level and 5% said it was too low. In an open letter to the Chancellor, the campaigners point out that UK has the highest levels of aviation tax in Europe. Only five other countries in the EU tax passengers and their rates are much lower. Denmark, Sweden, Malta and the Netherlands have axed aviation taxes. Since 2007, air passenger numbers in the UK have fallen 22% and Heathrow Airport has slipped from the world's largest European hub in terms of destinations served to the fifth largest, which, says ABTA, is down to increases in APD. ABTA chief executive Mark

Tanzer said: "When it comes to the future of tourism in the UK, the Government's words and deeds simply do not match up. The Prime Minister has identified tourism as one of the top five industries to drive growth, yet aviation tax has become a punitive stealth tax. "It is vital that the Government understands the impact it is having on the health of the tourism industry in the UK. The industry is willing to pay its way, but a 26-fold increase since 1994 puts the UK at a competitive disadvantage when compared with our European neighbours and punishes UK holidaymakers and business travellers unfairly. "Air passenger numbers have decreased by 22% since 2007 when the tax was last increased, and increasing it yet further will cause significant strain on hard-pressed family budgets and hamper the UK economy's growth." British Airways chief executive Keith Williams said: "We recognise the exceptional difficulty of the country's fiscal position and we are content to pay our fair share. But the UK airline industry is already the most heavily taxed in the world and any further tax burden will be counterproductive to the country's economic recovery." UKinbound chief executive Mary Rance said: "We feel that it is vital for UKinbound to join forces with colleagues in the inbound and indeed outbound industries to stand united against this damaging tax, which only works to make the UK uncompetitive and unattractive as a destination. "It acts directly against the wider objective of making the UK one of the top five tourism countries and is certainly a barrier to growth in inbound tourism, the third largest export industry to the UK. Our contribution to the UK economy could be even greater with a fairer tax on aviation." Managing director of The Co-operative Travel Mike Greenacre said: "APD has already had a significant impact on tourism. A survey of over 30,000 holidays carried out last month by The Co-operative Travel has seen a 17 per cent reduction year-on-year in holidays for destinations that are between 4,000 and 6,000 miles from London, with sales to the Caribbean (down 20%) and India (down 34%) hit particularly hard. "Our research also shows that consumers will look at alternative airports to fly from to lessen the impact of APD, and this is bound to have a major impact on UK airline. "Quite clearly what is required is a far more equitable method of taxation that does not damage the tourism industry and which does not discourage travellers from flying." The campaign includes a new site on Facebook, [afairtaxonflying](#), inviting members of the public to sign up.

07 March 2011 – Source Travelmole

Kuoni to buy Travelport's GTA

Travelport is to sell its ground content wholesale business, Gullivers Travel Associates (GTA), to Kuoni for \$720 million. The sale, scheduled for completion in May, is dependent on the majority approval by Travelport's bank lenders and a vote by the shareholders of Kuoni. The Kuoni and Huentobler-Foundation, which represents 25% of the voting rights of Kuoni, has already committed to vote in favour of the capital increase to fund the deal. Kuoni Group CEO Peter Rothwell said: "In acquiring GTA, Kuoni is investing in one of the fastest-growing business segments within the tourism industry. "This acquisition, together with our own proven, growing and successful online destination management activities of Kuoni Connect, will transform us into one of the leading global providers of online destination management services. "In line with our asset-light strategy, the combination of GTA and Kuoni will create a better balanced Group, providing additional strength in the growing area of business-to-business online services and enlarging Kuoni's Destination Management leisure group business. "GTA has a skilled and valuable workforce that will be invaluable as the business continues to develop." Jeff Clarke, CEO and president of Travelport, said the sale was in line with its strategy of focusing on its core businesses. "Kuoni is a well known and long-term customer of Travelport and our aim will be to work in partnership with them to improve further the

distribution and sale of the combined Kuoni/GTA inventory across the Travelport subscriber network,” he said. The net proceeds from the sale will be used to pay down Travelport bank debt. As at September 30, 2010, on a pro forma basis for the proposed sale of GTA, group net debt was \$2,761 million. Travelport will report earnings for the year ended December 31, 2010 on March 30, 2011, when it expects to report adjusted EBITDA of \$545 million and net revenue of \$1,996 million for Travelport, excluding GTA.

09 March 2011 – Source Travel Daily

SPAA launches APD assault on government – Association spurred by ABTA’s campaign

The Scottish Passenger Agents' Association has launched its own anti- APD rise campaign in support of ABTA’s ‘Fair Tax on Flying’ drive. SPAA has argued that the possible increase in APD could be worse for Scottish travellers, who often have to travel to London before onto an overseas destination. The association has argued that bmi’s withdrawal of its Glasgow- Heathrow service later this month shows a negative impact. “For the first time we are bringing together other stakeholders - from outside the travel sector – who are directly affected, to work actively as a united force,” said Brian Potter, president of SPAA. “These include the Glasgow, Edinburgh and Aberdeen Chambers of Commerce; SCDI; Glasgow, Edinburgh and Aberdeen Airports; Advantage Travel Centres, and the Glasgow City Marketing Bureau, and all are agreed that damage has already been caused to Scottish business.” The association has written to Michael Moore, Secretary of State for Scotland and called for the planned increase to be scrapped.

11 March 2011 – Source Travel Daily

Kuoni Holiday Report shows consumer habits

Briton’s main priorities on holiday are to flirt, shop, relax and eat, according to a new survey. Kuoni’s Holiday Report found that 74 percent of UK travellers go on holiday to relax and 47 percent take a break to ‘release pressure’. Holidaymakers also aim to expand their horizons, escape everyday problems and look after their well being. Despite this we’re the least spiritual nation, identified as the group who does not want anything spiritual from a holiday (10 percent). Instead, travellers aim to soak up cultural experiences authentic to the destination, with a fun element and sense of ‘new’ to the person. In addition, 22 percent of us do no exercise on holiday and our diets slip with at least one restaurant meal eaten in a day. Meanwhile although 34 percent of Brits feel less self-conscious on holiday, we are the nation most likely to find people that have travelled from the same country as us.

11 March 2011 – Source Travel Daily

Families to half holiday spend this year

More than half of families (53 percent) intend to spend less on their holiday this year, according to a TripAdvisor poll. The website’s survey for the Travellers’ Choice Family awards suggested that more families may head to European cities for their holiday to help cut costs. Florence, Edinburgh and London topped TripAdvisor’s poll as Europe’s most family friendly cities. “These awards recognise the most family-friendly cities as decided by millions of TripAdvisor travellers, and the UK should be proud to claim two of the European winners,” said Emma O’Boyle, spokesperson for TripAdvisor.

15 March 2011 – Source TTG (Travel Trade Gazette)

Shorex Travel signs distribution agreement with Thomas Cook

Shorex Travel has signed a cruise distribution agreement with Thomas Cook UK and Ireland. The agreement will see Thomas Cook selling Shorex pre and post cruise

arrangements, such as transfers, admission tickets, sightseeing experiences and disembarkation packages. Sightseeing experiences include a Macy's breakfast and fashion show in New York, a Florida Marlins "Chalk Talk" and a Rocky mountaineer railway experience in Canada. Ex-Cadogan Holidays director Tom Allen, who co-founded Shorex Travel, commented: "We are delighted to be working closely with Thomas Cook UK & Ireland. We believe we can help them offer even more value to their customers and further differentiate themselves from their competitors." Jenny Ellis, head of cruise, Thomas Cook UK & Ireland, said: "Adding value to cruise bookings is becoming increasingly valuable in attracting new customers and encouraging loyalty."

16 March 2011 – Source Travel Daily

WTM generates £1.4bn in deals

Last year's World Travel Market is said to have generated £1,425 million in deals, according to an independent study. The revenue is up 25 percent on 2009's event, which secured £1,139 million in business deals, either at the event or in the following months. WTM has attributed the increase to its expanded speed networking session. "The expanded Speed Networking programme played an important role in the success of WTM for both exhibitors and Meridian Club members, offering both stakeholders increased opportunities to meet new contacts and sign contracts," said Simon Press, exhibition director.

17 March 2011 – Source TTG

MPs will fight APD with industry help

The industry's campaign against Air Passenger Duty increases is to target a "large group" of MPs who are "crying out" to speak up for aviation. Abta and other members of the A Fair Tax on Flying alliance are to turn their attention to the MPs to widen support for the campaign as they aim to enlist consumers to the cause. The strategy was revealed at a TTG Debate this week when Abta's head of public affairs, Luke Pollard, said there were many MPs who wanted to publicly support aviation but felt they could not because the industry had not made its case effectively enough. Pollard claimed these MPs felt they did not have the ammunition to risk being seen as opposing an environmental agenda by supporting aviation. "There is a group of MPs in opposition, and in government, who need us to make that case. Especially on the Conservative benches we know there many backbenchers that are crying out to speak up for aviation," he said. "It is about trying to find a way that you can empower MPs from the reasonable middle of the parties in opposition and in government. We will do that only if we speak with one voice, base our arguments on evidence and have support from outside the industry." The TTG Debate was held in advance of next week's Budget, when the government is expected to make an announcement on APD, although it has apparently ditched plans to replace it with a per-plane duty. Panellists predicted there could be different messages from the industry immediately after the Budget, but that travel would then unite to oppose planned increases to the overall level of tax. Abta chief executive Mark Tanzer said the campaign was here for the long term and if the government did not change its approach to APD the alliance would "keep up the pressure". "We'll keep reminding MPs that this is an issue. We have to get constituents going to MPs and saying so too," he said.

18 March 2011 – Source Travel Daily

BA and AA create US-UK 'shuttle service' – New routes launched by IAG

British Airways and American Airlines have created a transatlantic 'shuttle service' between the US and UK by aligning their flight schedules. As part of the realignment, Heathrow flights to New York will leave on the hour between 1pm and 8pm and there will

be maximum of an hour and a half between morning departures from 27 March. The previous schedule had five flights leaving at the same time, meaning a three hour wait until the next flight. In addition, the Chicago and Miami flights to London have also been changed to even out the service. International Airlines Group (IAG), which consists of BA, AA and Iberia, has also launched a series of new routes. From 1 June, BA will launch daily services to San Diego and will also add a third weekly flight to its Cancun service. AA will also operate direct flights from JFK to Budapest from 5 April and between Chicago and Helsinki from 1 May. Iberia will then operate three flights a week between Madrid and Los Angeles, the first Spain to California route, from 28 March. Thrice weekly flights between Barcelona and Miami will then be launched on 29 March.

18 March 2011 – Source Travel Daily

Studies indicate change in holiday length

Separate research carried out by the National Trust and HolidayExtras.com has suggested that British holidaymakers are moving away from the traditional week or two week break. National Trust has claimed that more Brits are now taking multiple day trip breaks in a year, dubbed 'daycations', instead of a long break. According to its survey of 2,006 office workers, almost half of Brits (48 percent) said two week holidays were too expensive, while one in 12 said that their inability to switch off from work had deterred them booking a holiday. Its results indicated that the number of Brits taking a two week holiday has decreased 18 percent in the last five years and 51 percent have not planned to take a fortnight's holiday this year. However, HolidayExtras.com has suggested that holidaymakers are taking longer breaks, as sales have increased for 16-24 day car park stays. The figures back up the Office for National Statistics (ONS), which reported that Brits are staying an average 26 nights in long-haul destinations and an average nine nights in Europe.

21 March 2011 – Source Travel Daily

Important holiday decision factors according to Travelzoo's survey

- 64% say a hotel is important when choosing a destination
- 79% do not think the hotel's brand is important
- 50% are most influenced by online reviews
- 71% book the hotel for their main holiday two-three months in advance
- 81% use hotel recommendation sites when deciding a hotel
- 93% compare hotel prices before booking

21 March 2011 – Source Travelmole

APD won't rise again, say reports

The industry is getting its hopes up today after reports that there won't be another rise in Air Passenger Duty announced in the Budget on Wednesday. Reports in the national media today claim Chancellor George Osborne will not go ahead with a planned increase in November, although this has not yet been confirmed. The Guardian newspaper said the decision is designed to help holidaymakers, who are seen as embodying the "squeezed middle". Travel companies from around the world have been making a last-minute bid to persuade the Chancellor to reverse plans to raise APD. Some 65 corporate travel departments, travel management companies and tour operators have sent a letter to Mr Osborne and to the Secretary of State for Scotland Michael Moore warning that the UK is losing business to other, more affordable destinations. The letter said: "We urge you to reduce this burden on the competitiveness of the UK for meetings, incentive trips, conventions and tourism.

"Collectively we facilitate hundreds of millions of pounds of annual travel activities, and the UK is already losing our business to European destinations that have no such duty, or whose duty is a fraction of the UK." The Chancellor had been expected to use Wednesday's Budget not only to increase APD for the fourth time in three years but also to extend it to corporate and private jets for the first time to raise millions more in revenue. Critics who signed the letter to George Osborne say the UK is losing traffic to France, Ireland and other destinations due to the fact that it has the highest air passenger tax in Europe. "To be clear, the UK is a coveted destination; however, budgets are tight around the world and just a few hundred pounds difference in cost can cause the UK to lose significant business that sustains jobs and powers the UK economy," said the letter. Signatories include Makino in Japan, Dnata Travel Services in Dubai, Argo Travel in Greece, Qiagen Group in The Netherlands, Alfa Laval in Sweden, Travel Leaders from the U.S., Li & Fung Group from Hong Kong and UNIGLOBE Normark Travel from Canada. US-based Business Travel Coalition chairman Kevin Mitchell, who helped organise the signatory letter, said: "The world's travel community is indeed paying keen attention to and advising clients based upon aviation taxation developments in the UK. "Demand is clearly being impacted by this growing tax burden. If not reversed soon, the UK will acquire a long-term and hard-to-shake image of being too expensive a destination for many business-travel related activities." President of the Scottish Passenger Agents' Association Brian Potter added: "This letter and the declarations of the signatories powerfully demonstrate that the UK is on the decidedly wrong track in pricing itself out of many segments of the travel market. "Not only are we losing foreign exchange revenues and associated jobs, but the viability of our national air transportation system is quickly eroding with profound implications for regional airports and the economies they support. "This deterioration of inbound demand, caused by a counterproductive tax policy will cause airlines to use smaller aircraft, reduce frequencies, and in some cases withdraw service altogether from regional UK airports. "For Scotland, the APD tax together with under capacity at Heathrow really does threaten the viability of connections from London on to the UK domestic air network."

23 March 2011 – Source TTG

Osborne budget postpones APD increase

Chancellor George Osborne has delayed this year's rise in Air Passenger Duty until next year. He told the House of Commons he was delaying the increase, which was planned for November, because of "hefty" rises in the tax last year. Osborne also announced that the system of distance banding used for the tax would be reviewed in a consultation starting today. He said that was because of the "arbitrary" nature of the bands "which appeared to believe that the Caribbean was further away than California". The chancellor also confirmed reports that APD would be extended to private jets. "The wealthiest should not escape the tax the ordinary holidaymaker has to pay," he said. Osborne added: "And I can tell the House that with the hefty duty rise last year, and with the cost pressures on families, we think it would be fair to delay this April's APD rise to next year." He said the government had wanted to replace APD with a per plane duty but had found that all options for doing that were currently illegal under international law. The UK government would work to get that law change, he added. Osborne revealed the intentions on APD after saying that overall the budget would not increase the burden of taxation. "This is a not a tax raising budget, but nor can we afford a giveaway budget. This is a fiscally neutral budget based on sound money that supports enterprise and investment," he said. In other measures affecting businesses, the chancellor said from April corporation tax would be reduced by 2% rather than the 1% previously announced. It would then fall by 1% a year

for three years until it reached 23%, which he said would be the lowest in the G7 group of nations. Osborne said the government would consult on merging the operation of national insurance and income tax in a move he said would ease the burden of administration on employers. Small businesses would also be helped by a moratorium from April this year that would exempt employers with fewer than 10 employees from new domestic regulation for three years. The chancellor said the policy on taxes would follow four principles: that they should be efficient and support growth; be simple; be certain and predictable; and be fair. He said the budget was an "urgent call to action" for the UK's private sector to take over from the public sector as an engine of economic growth. But he said "green taxes" would continue to increase as a proportion of total tax revenue.

24 March 2011 – Source Travel Daily

Air industry warns of double taxation

Air travel corporations have warned that passengers face a double taxation on flying when aviation enters the EU Emissions Trading Scheme in 2012. Although the industry has welcomed George Osborne's freeze on APD until next year, BAR UK, the Airport Operators Association (AOA) and Peel Airports have urged the government to rethink, and therefore avoid, the two fees. "Many people aren't aware that UK aviation is also joining the EU Emissions Trading Scheme (ETS) in 2012.

This means that passengers will be subject to the costs of both ETS as well as aviation tax, so that holidaymakers and business travellers will effectively be paying double taxation next year," explained Darren Caplan, chief executive of the AOA. "The Chancellor now needs to set out the government's approach on reducing taxes on flying when the ETS comes in, otherwise passengers will simply be facing an actual tax increase later on in this 2011-12 financial year." Craig Richmond, CEO of Peel

Airports encouraged the industry to continue lobbying against the government.

25 March 2011 – Source Travel Daily

Travel Counsellors reports rise in job enquiries from high street agents

Travel Counsellors has revealed that it has seen a rise in job enquiries from high street travel agents unsure of their future. The company said it has received a 41 percent rise in job enquiries for January compared to the same month in 2010, plus a 56 percent increase for February. Its Facebook and Twitter pages are said to have increased the amount of enquiries. "We are seeing interest from travel professionals from a wide variety of backgrounds, with particular interest from high street agents as many still face uncertainly in such a turbulent climate," said Steve Byrne, managing director of Travel Counsellors. "It's also interesting to see the benefit in reaching people through social media with many potential recruits visiting us on our Facebook page to interact with us." Travel Counsellors will now be holding 12 road shows across the UK between 6 April and 25 May.

25 March 2011 – Source Travel Daily

Brits factor in holidays in future spend

Forty one percent of Britons have told HolidayExtras.com they do not need to save money for next year's holiday, suggesting that consumers factor a holiday into their future spend budget. A study of 1, 674 customers found that 45 percent were saving for this year's holiday and 10 percent were already saving for next year's. However the 41 percent who seem financially stable will come as good news to the industry as 42 percent of Brits are expected to pay £1,000 or more per person on a summer holiday this year. Another nine percent were prepared to spend £2,000 each on a holiday, while 24 percent had a budget of

less than £500 each.

25 March 2011 – Source Travel Daily

Virgin Atlantic seals trans-Atlantic deal

Virgin Atlantic has signed a new trans-Atlantic code share deal with US-based low-cost carrier, JetBlue Airways. Passengers can now connect from London, Glasgow and Manchester with Virgin Atlantic, and onward to JetBlue's domestic US flights serving destinations including Baltimore, Charlotte, Chicago, San Diego, San Juan and Tampa. The airlines will interline on Virgin Atlantic-operated trans-Atlantic services from JetBlue's hubs in Boston, New York, Washington and Orlando.

28 March 2011 – Source Travelmole

BA strike ballot result announced

British Airways cabin crew have voted to take strike action again. An overwhelming 83% of the 6,981 Unite members who returned a valid paper in the fourth BA crew ballot to be held in two years said yes to industrial action. Some 10,000 were sent voting papers. In a statement just released, Unite said the vote reflected the "continued resilience" of BA staff. General secretary Len McCluskey said: "This vote shows that cabin crew remain determined to win justice. We urge BA's boardroom to see this as a clear message that they must think again about how to regain the trust and confidence of a significant part of their cabin crew operation. "We continue to be in discussions with the company to find a solution to this long-running dispute." Unite has yet to announce strike dates. A terse statement from British Airways issued after the news of the ballot result broke said simply: "This is a time for co-operation, not confrontation. We began talks with Unite earlier this month, and those talks are continuing. We hope they will bring an end to this dispute, which is what the overwhelming majority of our cabin crew want."

29 March 2011 – Source Travel Daily

Expedia looks to increase travel agent affiliates

Expedia has announced that it is aiming to increase its Travel Agents Affiliate Programme (TAAP) in the UK this year. More than 1,000 travel agents currently use the website's services, which offers commission on bookings, and around 400 joined last year. The online travel company is hoping membership figures will reach 3,000 this year. "There is total price transparency for the trade; prices on offer to the agents are the same as the customer sees on the B2C site so they can compete with even the most web-savvy client," said Diego Pedrani, global director of Expedia TAAP. The programme offers 10 percent commission on its 'Expedia Special Rates' (ESR) hotels, car hire and destination services and can be extended in the scheme.

29 March 2011 – Source Travolution

Lastminute.com repositions as 'more than a travel retailer'

Lastminute.com is bidding to position itself as more than a travel retailer in its first Europe-wide advertising campaign. The campaign, which features the strapline "The Stories Start Here", will seek to establish the brand as "the ultimate online leisure, entertainment and travel retailer". It will run on UK television from April 1 in peak time ITV slots, as well as in print and online advertising campaigns. Mark Maddock, managing director, UK and Ireland said: "As Europe's first online travel retailer, we changed the way people bought travel fundamentally and for good. Our ethos was to give people a five star lifestyle for three-star cash." "We now see ourselves in the business of creating unforgettable stories, not just of selling holidays," he added. According to lastminute.com, as well as selling a

holiday every fifteen minutes it now sells:

- > A theatre ticket every 26 seconds
- > A spa break every three minutes
- > Millions of restaurant tables annually

To support the campaign, lastminute.com is also revamping its website, making it simpler, cleaner and easier to use. It is also continuing to adapt the website for mobile use and is plotting further moves to develop mobile applications. The brand's new positioning follows a restructuring last year that saw former chief executive Ian McCaig depart and Ed Kamm come in as chief operating officer.

30 March 2011 – Source Travel Daily

US discount holiday website launches in UK

US discount travel site hotwire.com has launched in the UK. The website claims to provide up to 50 percent off hotel room rates worldwide. “We work hard every day to bring unsold rooms to consumers at deeply discounted prices ensuring that customers continue to have great travel experiences, they just pay less for them,” said Clem Bason, president of Hotwire.