

#### Transport and tour operator news

- IATA forecast airline revenues will decline 20% this year
- Figures from the Civil Aviation Authority reveal that UK airports handled 14.1% fewer passengers in February than a year earlier
- Singapore Airlines reports 23% slump in passenger numbers in March compared with a year earlier
- Cathay Pacific to make 17 ad hoc cancellations to round trip flights to London during May due to weak demand
- Ryanair may axe its Dusseldorf to Manchester flights if new operating restrictions at the German airport are not lifted
- easyJet to fly six times a week from Milan to Luton and three times per week from both Mahon and Montpellier
- flybe to fly three times daily from Leeds Bradford to Gatwick
- WindJet to fly twice weekly from Bologna to Luton from July
- Eurostar carried 11.5% fewer passengers in the first three months of 2009 than a year earlier (services were disrupted by the September Channel Tunnel fire until mid February)

#### Domestic Economic News

- Ryanair may axe its Dusseldorf to Manchester flights if new operating restrictions at the German airport are not lifted
- The Chancellor forecasts that the economy will contract by 3.5% this year but expand by 1.25% in 2010, a more optimistic forecast than the consensus view among independent analysts
- CBI forecast that the UK economy will shrink 3.9% in 2009, with a 'weak and fragile' recovery starting next spring
- IMF forecasts that the UK economy will shrink by 4.1% this year and by 0.4% in 2010
- UK unemployment rate increases to 6.7% in the three months to February

#### European Economic News

- French unemployment continued to increase in March and is expected to reach 10% later in the year

#### US Economic News

- US house prices continue to fall, around 19% lower in February than a year earlier, many analysts reckon that economic recovery will not commence until the housing market stabilises

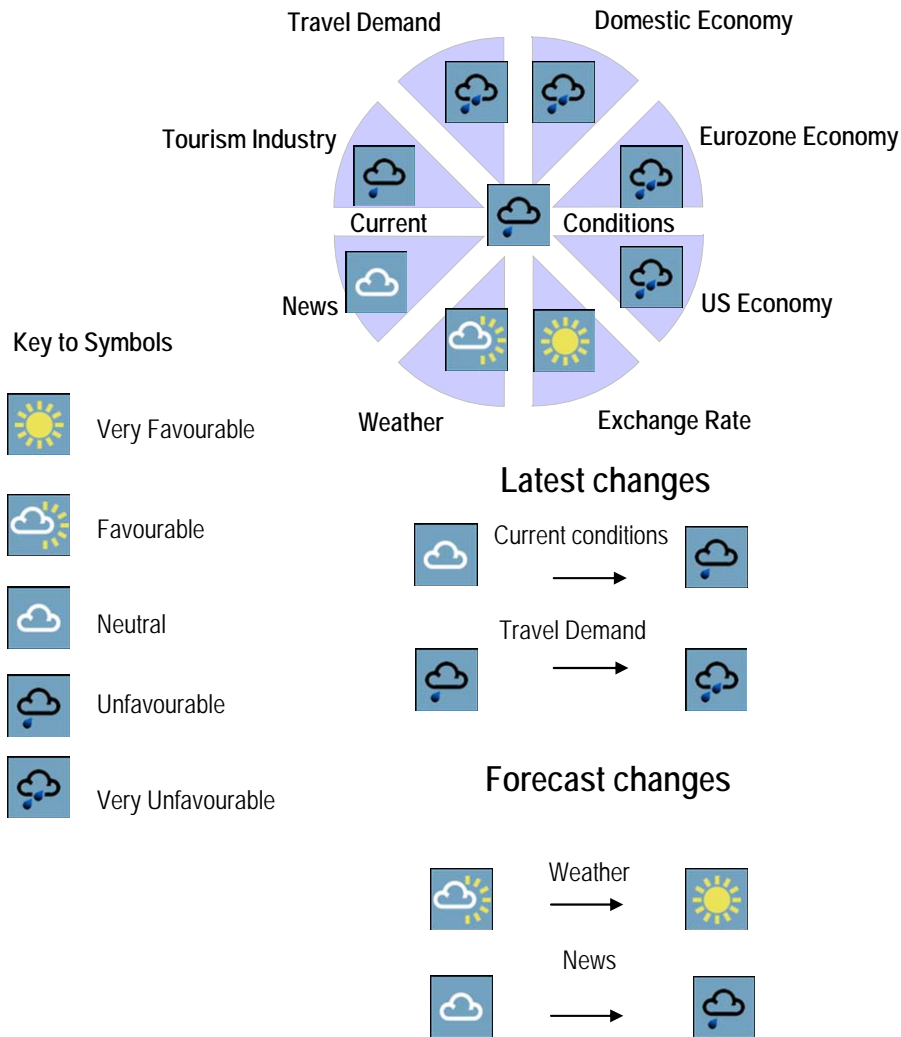
#### Global Economic News

- The IMF forecast that the world economy will shrink by 1.3% in 2009

#### Tourism News

- World Health Organisation reiterates that the current outbreak of swine flu should not lead to any restriction on travel or trade
- According to STR Global revenue per available room in hotels close to Heathrow is 24% down on a year ago
- Figures from PKF indicate that hotel room occupancy fell in March compared with a year ago; in London occupancy stood at 77.5%, down from 78.4%, and in the provinces at 65.4%, down from 68.2%
- Government announces £525m funding for the development of offshore wind projects

# Factors contributing to tourism trends in Britain, April 2009



- Overall conditions remain in the Unfavourable range
- There is a realistic chance of the 'News' segment becoming unfavourable due to swine flu coverage
- The exchange rate remains very favourable for American and Eurozone visitors
- Some indications that credit conditions starting to ease
- Many Eastern European countries report rapidly weakening economies
- Airlines struggle as revenue, in particular that from premium class travel, declines at an unprecedented rate