

## Trends Update – Issue 104 (15 May 2009)

### Weather

- The Met Office forecast that summer (June through to August) should bring above average temperatures, with rainfall amounts close to, or below, the long term average
- Met Office figures show that April weather across the UK was typified by below average rainfall, above average amounts of sunshine and exceptionally above average temperatures

### Transport and tour operator news

- European Parliament votes to temporarily suspend the 'use it or lose it' slot rule at congested airports for the summer season, this could lead to sharp reductions in frequencies on the least profitable routes
- BAA's seven UK airports handled 2.3% fewer passengers in April than a year ago, the decline would have been greater were it not for Easter falling in April this year and March 2008. The steepest declines were in UK domestic and North Atlantic traffic at -7.6%
- BA carried 1.3% more passengers in April than a year earlier, though with traffic to/from Asia Pacific down 9%, the overall boost in traffic can be in part explained by the shift in Easter and ongoing T5 'teething troubles' last year
- The European Union and Canada have signed an 'open skies agreement' enabling Canadian and EU airlines to fly between the two regions without restriction
- Ryanair to operate summer flights from Haugesund (Norway) to Edinburgh
- bmi says that it is minded to operate daily flights from Baghdad to Heathrow from 2010 subject to an agreement between the UK and Iraqi governments
- Blue Air to fly twice weekly from Bacau (Romania) to Luton from June
- Continental will operate daily flights from Cleveland to Heathrow until end September
- Air Arabia has launched low-cost flights between Casablanca to London Stansted, operating four times per week
- Eastern Airways to fly three times daily from Southampton and Aberdeen to Liverpool from July
- The Port of Dover handled 14.2% more passengers in April than a year earlier
- The volume of car traffic in Great Britain declined at an annual rate of 3% in the first three months of 2009

### Domestic Economic News

- UK consumer confidence improves markedly in April, returning to where it stood in June 2008
- Bank of England says the UK's economic recovery will be 'slow and protracted'

### European Economic News

- The German government forecast that the economy will contract by 6% in 2009, with figures for the first three months of the year showing an annual decline of 6.7%
- Eurozone unemployment increases to 8.9% in March, across the 27 EU countries there are now 20 million unemployed
- The European Commission now forecast that the Eurozone economy will contract by 4% this year and by 0.1% in 2010
- European Central Bank reduces interest rates to 1.0% from 1.25%
- Eurozone consumer confidence picks up marginally in April

### US Economic News

- The US economy contracted at an annual rate of 6.1% during the first three months of 2009
- US consumer confidence picks up in April, and is now at the same level as last November
- US unemployment increased by more than half a million in April to stand at 8.9% of the workforce

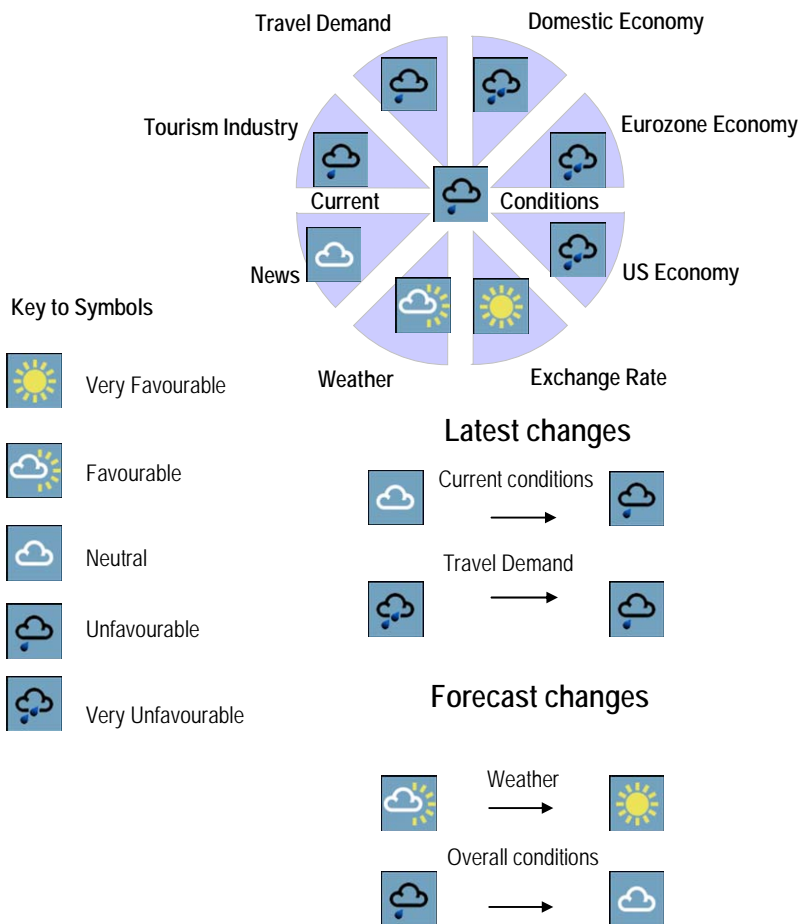
### Global Economic News

- Price of oil moves above \$60 per barrel for the first time in six months

### Tourism News

- UNWTO report global decline in international tourism of 8% in first two months of 2009

## Factors contributing to tourism trends in Britain, May 2009



- Overall conditions remain in the Unfavourable range
- Despite slight improvements in US and UK consumer confidence the bulk of economic data remains overwhelmingly unfavourable
- The exchange rate remains very favourable for American and Eurozone visitors
- April weather was favourable and the Met Office hint at a promising summer
- Airport traffic in April picks up according to BAA, though Easter may be a key driver of this
- Airlines struggle as revenue, in particular that from premium class travel, declines at an unprecedented rate