

## Trends Update – Issue 106 (12 June 2009)

### Weather

- Met Office figures for May reveal that temperatures and sunshine amounts were both above average for the UK as a whole, but that rainfall totals were well above average

### Transport and tour operator news

- BAA's seven UK airports handled 7.3% fewer passengers in May compared with a year ago; European scheduled traffic fell 5.2%, North Atlantic traffic by 9.1%, other long-haul traffic by 1.8% and domestic traffic by 20%, over the first five months of the year Heathrow has handled 4% fewer passengers, Gatwick 10% fewer and Stansted 15% fewer
- Figures from the CAA reveal that in March UK airports handled 13.3% fewer passengers than a year earlier
- BA report passenger demand in May to be 7.3% down on a year earlier, traffic to/from Americas was down just 3.3%, but Asia Pacific traffic fell 19.3%; premium traffic fell 17.2% whereas non-premium traffic declined just 4.2%
- From July Ryanair will cease to fly between East Midlands and Inverness
- Lufthansa to operate a weekly flight from Dusseldorf to Newquay
- Manx2 to offer a double daily service from Belfast to Blackpool via the Isle of Man from July
- Aer Lingus plans to launch a number of new routes to Gatwick, including from Vilnius (commencing September) and from Warsaw, Bucharest and Eindhoven from late October
- The Port of Dover handled 1.7% fewer passengers in May than a year earlier
- The Department for Transport says that in April the volume of passengers using short sea routes to/from the UK was 14% up on 2008, though Easter explains some of the growth; in the first four months traffic fell 1%

### Domestic Economic News

- Bank of England keeps UK interest rates unchanged in June at 0.5%
- Sterling weakened due to political upheaval unsettling the currency markets in early June, but has now resumed its recent trend of strengthening
- Consumer credit grew at an annual rate of just 2.9% in April according to the Bank of England, indicating that there is little sign of a pick up in lending

### European Economic News

- The European Central Bank warns that the Eurozone economy is now likely to shrink by more than 5% this year
- Eurozone interest rates kept on hold at 1% in June

### US Economic News

- 345,000 Americans lost their job in May, a much reduced number compared with the past few months

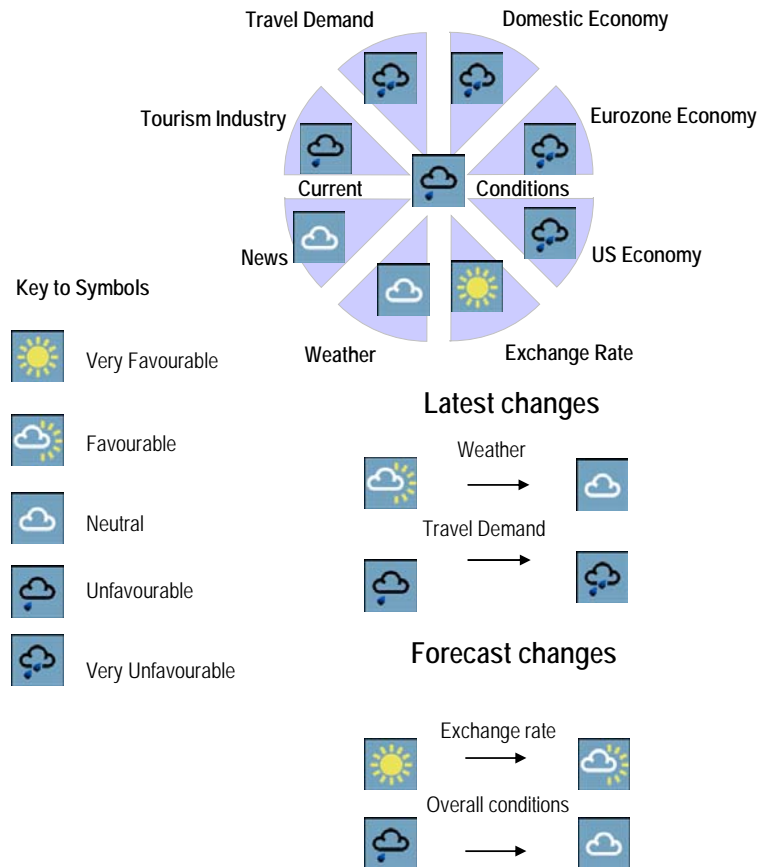
### Global Economic News

- The World Bank now forecast the global economy to contract by 3% during 2009 and says the pace of recovery during 2010 is 'uncertain'
- Brazil's economy entered recession in the first quarter of the year, but the decline was less severe than expected
- Price of oil climbs above \$72 a barrel

### Tourism News

- UNESCO award the accolade of 'city of film' to Bradford
- The USA welcomed 20% fewer international visitors in March than twelve months earlier
- The pandemic alert level is raised to '6' due to community spread of the H1N1 virus in more than one region of the world, however, this does not reflect any change in the potency of the virus, which in the overwhelming majority of cases remains mild. WHO has again stated that there is no need for travel or trade restrictions

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



- Overall conditions remain in the Unfavourable range
- The economic situation looks to have stopped getting worse, but there are no signs of a dramatic improvement
- The pound is starting to gain strength against a number of other currencies
- Despite the recent increase in the pandemic alert level, at this stage the 'News' segment continues to be assessed as 'neutral'
- Airport traffic continued to decline in May according to BAA pushing the 'Travel Demand' segment back to 'very unfavourable'