

## Trends Update – Issue 42 (10 August 2006)

### Weather

- England, Wales and Scotland all enjoyed exceptionally above average temperatures in July (warmest month on record) and amounts of sunshine (sunniest on record in England and Wales), rainfall totals below average
- However, thunderstorms resulted in dozens of flight cancellations to Heathrow and Stansted in late July

### Transport and tour operator news

- Severe disruption at UK airports on 10 August due to increased terror threat
- Car traffic declined 0.3% in the period April to June compared with the same period of 2005
- BAA July traffic: domestic -1.9%, European scheduled +7.4%, N Atlantic +0.2% and other long-haul +8.4%
- In the period April to June Eurostar carried around 2% more passengers than during the same period of 2005
- Pilots at bmi are being balloted over possible strike action over the August Bank Holiday weekend
- BA Connect to suspend its Southampton to Glasgow service from the end of October, but flybe to increase frequency on this route from 4 to 6 flights daily
- BA Connect to withdraw flights between Belfast and Birmingham from 21 August and from the Isle of Man to Luton from 27 October
- easyJet cancels around 30 flights to Newcastle during August due to a lack of trained cabin crew
- American Airlines to cease flying from Chicago to Glasgow from September
- Air Turquoise, which had operated flights from Vatry to Luton, suspends all flights due to financial difficulties
- Danish low cost carrier Sterling to operate six flights per week from Aalborg to Gatwick from September
- From end October Ryanair will introduce 3 flights per week from Shannon to Edinburgh and Bournemouth, 3 flights per week from Deauville (France) and Pula (Croatia) to Stansted, 3 flights per week from Fez to Luton and 4 flights per week from Marrakech to Luton
- VLM to introduce an additional three daily flights from Amsterdam to London City
- Jet2 to operate four flights per week from Milan to both Manchester and Edinburgh
- easyJet to launch daily flights from Paris Charles de Gaulle to Bristol from end October
- Air Southwest to increase frequencies between Gatwick and Newquay to 5 a day from end October

### Domestic Economic News

- UK interest rates rise to 4.75%, the first increase for 11 months

### European Economic News

- Eurozone interest rates rise to 3%

### US Economic News

- US annual GDP growth slows to 2.5% in the period March to June, the slowdown increases the prospect of further weakening in the US dollar as the likelihood of further US interest rate hikes recedes
- US consumer confidence continues to show modest increases in July

### Global Economic News

- Recent figures show that the South Korean economy continues to expand strongly at an annual rate of 5.3%

### Domestic Tourism News

- The price of a UK passport is to rise from October to £66
- The House of Commons Environment Audit Committee calls for increased tax on air passengers
- Figures from PKF consultancy show hotel occupancy in London this June at 86.7% compared with 81.7% a year ago, with a more modest increase in the regions, up from 75.5% last year to 76.5% this June

### Global Tourism News

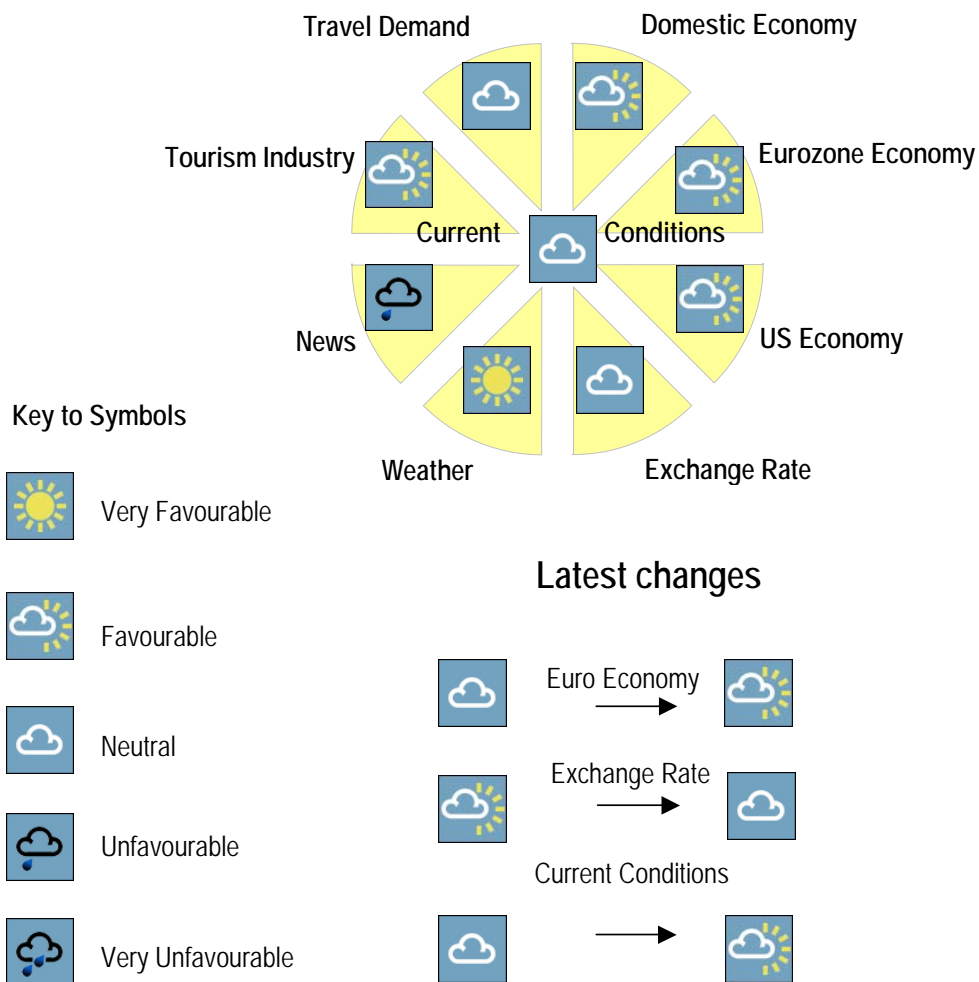
- According to the UNWTO spending abroad by international tourists is now more than \$2bn per day if spending on foreign passenger transport is included
- WHO confirms new human fatalities in both Thailand and Indonesia from H5N1 'bird flu'

### About "Trends Update"

Issued bimonthly TU highlights the latest facts, figures and trends that impact on tourism. TU doesn't cover the main tourism surveys or Market Intelligence Reports – more information is available on the following topics:

Trends and Forecasts: <http://vbnet/Communications/PartnershipsPlanning/ForecastingTrends/ForecastingAndTrends.asp>  
International Marketing Research: [http://vbnet/BritainInternational/InternationalMarketing/international\\_research/default.asp](http://vbnet/BritainInternational/InternationalMarketing/international_research/default.asp)  
England Marketing Research: <http://vbnet/EnglandMarketing/EnglandResearch/default.asp>  
Market Intelligence Reports: <http://vbnet/BritainInternational/OverseasOperations/MarketIntelligenceReports/default.asp>

## Factors Contributing to Current Tourism Trends in Britain August 2006



- Overall conditions are now assessed to have moved back to Neutral
- Although of uncertain duration the disruption at UK airports following heightened security has resulted in the 'News' segment being judged 'Unfavourable'
- Despite weakening of the US Dollar as at end July is still assessed as 'Neutral'
- Strong hotel occupancy figures for June and tax refund figures from Global Refund have helped to keep the Tourism Industry segment in the Favourable range despite weak figures from UKInbound
- Travel Demand remains 'Neutral' with no growth in domestic air travel in July or in car travel during the period April to June