

## Trends Update – Issue 43 (25 August 2006)

### Transport and tour operator news

- Flight cancellations to/from the UK following the events of 10 August is estimate to be over 1,500
- BMI pilots vote in favour of industrial action in September
- UKInbound report an annual increase in visitor arrivals of 0.9% in June, with forward bookings up 0.2%
- Jet2 to commence flights from Krakow to both Leeds Bradford and Newcastle this winter
- Route Development Funding from the Scottish Executive has helped in bringing about a daily Flyglobespan route from Boston to Glasgow from next year
- Air Canada to launch a thrice-weekly service from Edmonton to Heathrow from end October

### Domestic Economic News

- Latest figures show a further small increase in the rate of UK unemployment

### European Economic News

- A further signal of changing demographics across Western Europe is that the German birth rate in 2005 stood at just 8.5 per 1,000, the lowest in Europe

### US Economic News

- Sales of existing homes in the US fall to their lowest level since early 2004 indicating a potential slowing in economic growth

### Global Economic News

- After an initial drop in oil prices following the security alert of 10 August prices have now rebounded due to increased concerns over Iran's nuclear ambitions
- The World Bank has increased its economic growth forecast for China for 2006 to 10.4%
- China's central bank increase interest rates in an attempt to slow the rate of economic growth

### Domestic Tourism News

- Global Refund figures for July show an annual increase of 42% in sales to overseas visitors reclaiming tax
- According to research by BUPA hotel and leisure trade workers have the best health record in the UK, taking around 5 days sick leave a year, compared to 11 days for the average Local Authority worker
- New figures from ONS indicate that the population of the UK increased to 60.2 million by mid 2005, with annual growth faster than at any time in the past forty years. The main driver of growth was net international migration of 235,000

### Global Tourism News

- There have now been more human cases of avian flu this year than in 2005, so far in 2006 96 cases have resulted in 64 deaths

### 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:

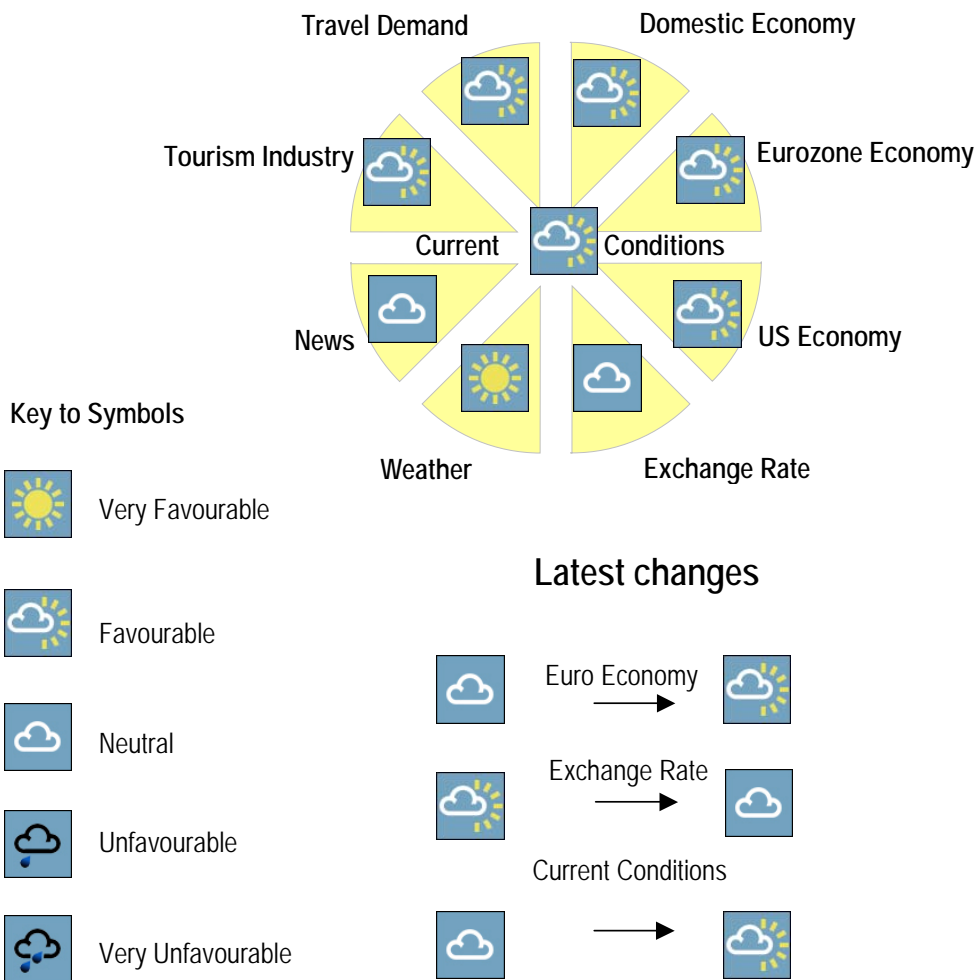
Trends and Forecasts: <http://vbnet/Communications/PartnershipsPlanning/ForecastingTrends/ForecastingAndTrends.asp>

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 crept back into the 'Favourable' segment
- The disruption at UK airports following heightened security has now ended and the News segment is again judged as 'Neutral'
- Despite weakening of the US Dollar as at end July the exchange rate 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 has narrowly moved back into the 'Favourable' range, helped by strong demand for UK visas