

Trends Update – Issue 47 (23 October 2006)

Weather

- During the period May to September England had its highest average temperature since records began back in 1659

Transport and tour operator news

- UK inbound report visitor arrivals in August up 6.7% compared with August 2005, forward bookings rose 3.1%
- Figures from the Civil Aviation Authority show a slight decline in the number of passengers on international air routes to and from the UK during September compared with a year ago
- BAA traffic figures for September: domestic –4.9%, European scheduled +5.1%, North Atlantic –2.0% and other long-haul +5.1%
- Virgin Atlantic is among a number of airlines that have now reduced fuel surcharges as oil prices remain lower than in recent months
- From July 2007 Wizz Air will operate three flights per week from Katowice to Coventry and Bournemouth
- Ryanair to launch routes from Madrid to East Midlands (4 per week) and Bournemouth (3 per week) from November
- Virgin Atlantic to add a second daily Sydney-Heathrow flight within the next 18 months
- From end October Eastern Airways will add an additional leg to its daily Southampton to Leeds Bradford service onwards to Inverness
- Flybe propose operating a low-cost high-capacity route between Jersey and Guernsey, but both the current inter-island operators raise objections
- Sterling.dk to commence daily flights (except Saturday) from Stockholm to Gatwick from next March
- Lufthansa to introduce flights from Hamburg and Nuremberg to London City
- Clickair, the no-frills carrier set up by Iberia, will offer daily services from Seville and Valencia to Heathrow from 1st February
- Wizz Air to fly Gdansk to Doncaster Sheffield Robin Hood Airport four times a week from July 2007
- The US parent of British rail firm GNER has filed for Chapter 11 bankruptcy protection in the US
- Eurostar passenger journeys rose at an annual rate of 9.9% during the period July to September

Domestic Economic News

- By mid October the FTSE 100 share price index was trading at its highest level since February 2001, driven by falling oil prices and rising commodity prices
- UK GDP grew at an estimated annual rate of 2.8% in the period July to September, fastest for two years

European Economic News

- The number of people in employment in the Eurozone increased by an annual 1.2% between April and June

US Economic News

- US trade deficit for August was a shade under \$70bn, with continued increase in the deficit with China
- The population of the USA is estimated to have reached 300 million
- The US Dow Jones share index hits new record high

Global Economic News

- According to the Hurun China Rich List, there were around 500 Chinese with wealth of \$100m or more resident in China during 2006 – with 15 US\$ billionaires, compared with 7 in 2005
- China's economy grew at an annual rate of 10.4% in the three months to September

Tourism News

- There have now been 109 cases of avian flu in humans this year, of which 73 have been fatal
- Provisional figures for the number of overseas residents accepted onto UK full-time higher education courses this autumn is 0.7% up on 2005

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:

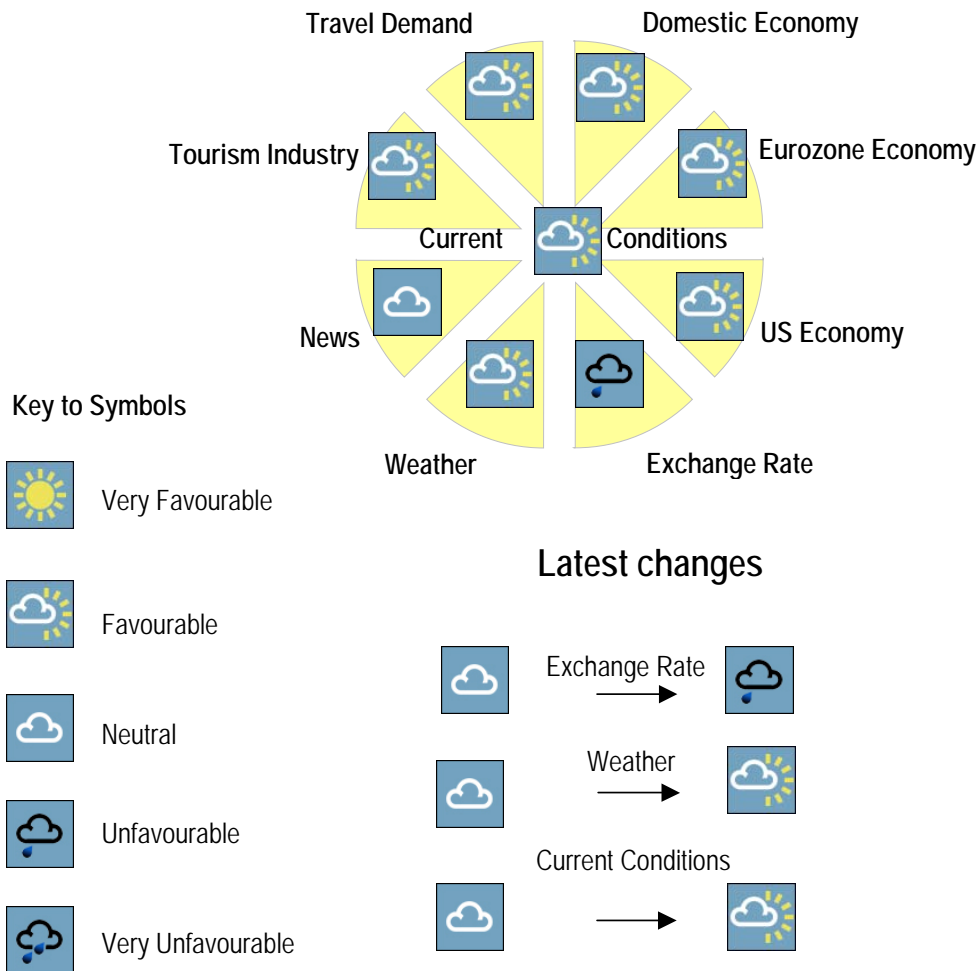
Trends and Forecasts: <http://vbnet/Communications/PartnershipsPlanning/ForecastingTrends/ForecastingAndTrends.asp>

International Marketing Research: http://vbnet/BritainInternational/InternationalMarketing/international_research/default.asp

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 October 2006



- Overall conditions continue to be assessed as 'Favourable'
- September's weather is assessed as 'Favourable'
- With the Yen and US dollar weaker against Sterling the overall exchange rate situation is now judged to be 'Unfavourable'
- UK unemployment continues to edge up, but GDP growing at fastest rate for two years
- Eurozone employment now increasing at an annual rate of 1.2%
- Strong hotel occupancy figures and UKinbound data have helped to keep the Tourism Industry segment in the 'Favourable' range
- Travel Demand remains in the 'Favourable' range, helped by continued strong year-on-year growth in demand for Eurostar services