

Trends Update – Issue 48 (9 November 2006)

Weather

- October weather brought exceptionally above average temperatures and close to average sunshine totals across England, Wales and Scotland. North of the border rainfall totals were above average, but well above average in England and Wales

Transport and tour operator news

- BA to sell its loss making regional 'BA Connect' airline to flybe
- BA carried 1.5% more passengers in October than during the same month last year
- Domestic passenger traffic at BAA's seven airports in October was 1.2% down on October last year with North Atlantic traffic down by 3.3%, however, European scheduled traffic increased 6.2% with other long-haul traffic up 7.1%
- Centralwings to introduce four flights per week from Wroclaw (Poland) to Gatwick, with 3 flights per week from Warsaw to Stansted
- Wizz Air to introduce 3 flights per week from Warsaw to Durham Tees Valley from July 2007
- Swiss International Air Lines to increase to six daily the number of flights from Geneva to London City and introduce non-stop flights from Basel to Manchester
- bmibaby to introduce flights to Birmingham from Glasgow, Faro and Murcia from next spring
- jet2.com to launch five weekly flights from Prague to Edinburgh from next spring
- From March Ryanair will fly thrice-weekly from Rimini to Nottingham East Midlands
- Atracus to fly twice weekly from Monrovia (capital of Liberia) to Gatwick from January 2007

Domestic Economic News

- UK consumer confidence rebounds in October to its highest level since April
- UK base rates increased to 5.0%

European Economic News

- European Central Bank keeps Eurozone interest rates on hold at 3.25%
- The European Commission forecast Eurozone growth in 2006 to be 2.6%, the fastest rate of expansion for more than six years

US Economic News

- US consumer confidence dips slightly in October
- US productivity failed to grow in the three months to the end of September, sparking fears of higher inflation
- US unemployment drops to 4.4% in October and employment is 1.9% up on a year ago

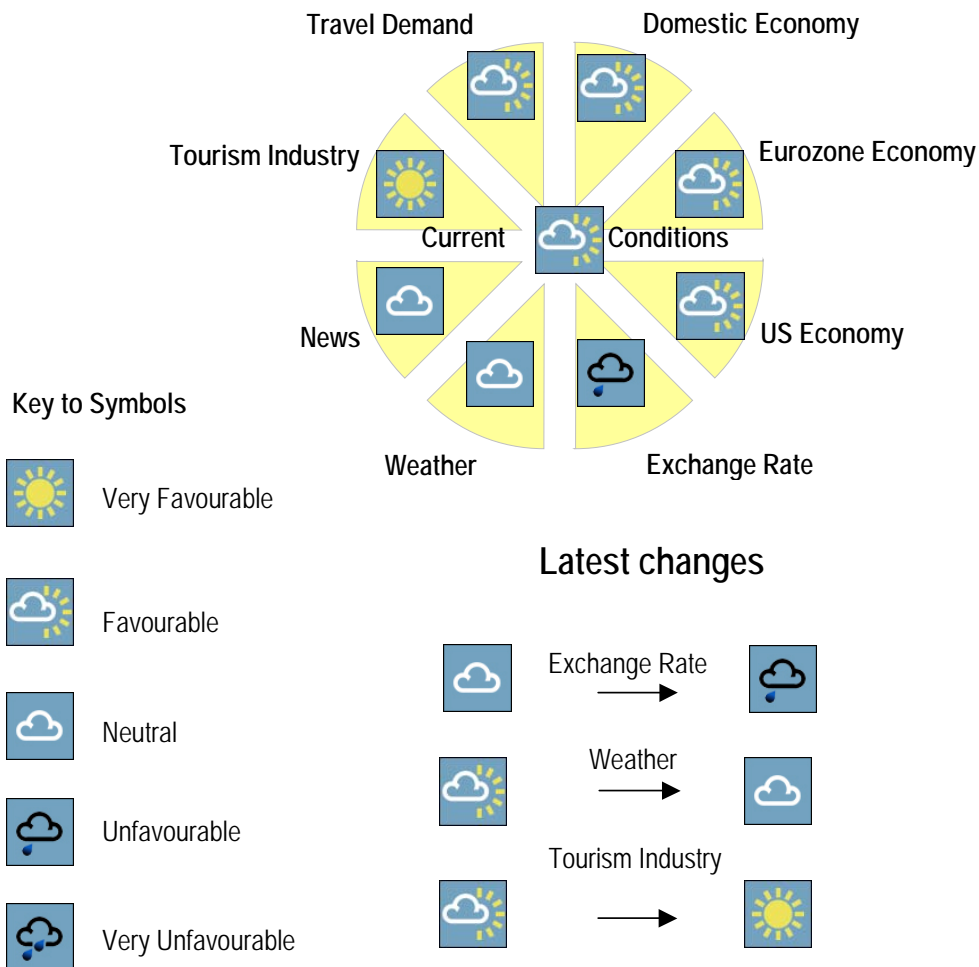
Global Economic News

- China says its reserves of foreign currencies now stands at more than \$1 trillion, the largest such reserve in the world, a result of the nation's huge trade surplus

Tourism News

- Stern Climate Change Review published, resulting in debate about 'green taxes', including on air travel
- PKF figures for September show regional hotel occupancy at 80.8% compared with 79.3% a year ago, with London occupancy at 87.4%, up from 78.9% in September 2005
- The 2007 test for the 2011 Census will include a question asking about second addresses, to identify the number of people with a regular second address and the purpose and frequency of its use
- IATA report global international air travel increased by 5.9% in the first nine months of the year
- JD Wetherspoon says its move to make its pubs smoke-free ahead of a ban on smoking in enclosed spaces in England next year has benefited its business
- A record 99.5% of England's 413 monitored bathing waters - both on the coast and inland - met EU standards this year compared with 98.8% in 2005
- UNWTO forecast global international tourist arrivals to increase by 4.6% this year and by 4.0% in 2007

Factors Contributing to Current Tourism Trends in Britain November 2006



- Overall conditions continue to be assessed as 'Favourable'
- Warm but wet weather in October means that the overall weather assessment for the month is Neutral
- 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 and interest rates are on the rise, but the overall assessment for the domestic economy is still considered as 'Favourable'
- Eurozone employment now increasing at an annual rate of 1.2%
- Strong hotel occupancy figures and growth in global VisitBritain enquiries help move the Tourism Industry segment into the 'Very Favourable' range
- Travel Demand remains in the 'Favourable' range, helped by continued strong year-on-year growth in demand for Eurostar services