

## Trends Update – Issue 50 (11 December 2006)

### Weather

- According to the Met Office it has been the warmest autumn since records began 347 years ago across central parts of England
- November weather brought above average temperatures, close to average rainfall and exceptionally above average sunshine for England, with Wales seeing above average rainfall and Scotland exceptionally above average rainfall

### Transport and tour operator news

- Final go-ahead given for construction of a rail link to Glasgow Airport - trains should be running by 2010
- Industrial action in France disrupts sailings between Calais and Dover
- easyJet announces new routes from April 2007 from Krakow to Newcastle and from Bordeaux to Bristol
- From April SAS will fly twice-weekly from Stockholm to Glasgow
- Flybe to introduce new routes next spring including Birmingham from Hamburg, Split and Dubrovnik, Belfast from Newquay and Rennes, Edinburgh from Bergerac, Newcastle from Limoges and Exeter from Rennes, Nice and Avignon
- bmibaby to introduce new routes to Birmingham by spring 2007 from Barcelona and Rome (daily), and from Lisbon and Marseille (four times weekly)
- From May flybe will introduce twice-daily flights between Belfast City and Cardiff
- Virgin Atlantic to introduce daily flights from Chicago to Heathrow from next April, and to add a second daily flight from Washington DC to Heathrow during the summer season
- Figures from the Department for Transport reveal that in the period July to September the number of international passengers using ferry services to/from the UK was 1% down compared with the same period of 2005
- BA passenger traffic in November was 0.1% up on a year ago, but traffic to/from the Americas was 8% down
- Domestic air passenger traffic at BAA's 7 airports in November rose at an annual rate of 0.3%, with European scheduled traffic up 4.4%, however North Atlantic traffic fell 3.7% compared with November 2005 whereas long-haul traffic to/from other destinations increased by 5.8%
- UK inbound figures for October show visitor arrivals up 4.4% compared with last year and forward bookings up 3.7%
- PKF figures for October show London hotel room occupancy at 83.1%, up from 77.2% a year earlier, with regional occupancy at 78.3% compared to 76.3% in October 2005

### Domestic Economic News

- UK interest rates held at 5% in December

### European Economic News

- The European Central Bank increase Eurozone rates by ¼% to 3.5% in early December

### US Economic News

- The dollar weakens against both the Euro and Sterling on the back of weaker US economic data, briefly touching \$1.98 to the pound, but now trading at \$1.96
- US consumer confidence slips for the second successive month in November
- The rate of job creation in the US picks up in November, with total employment rising at an annual 2.1%

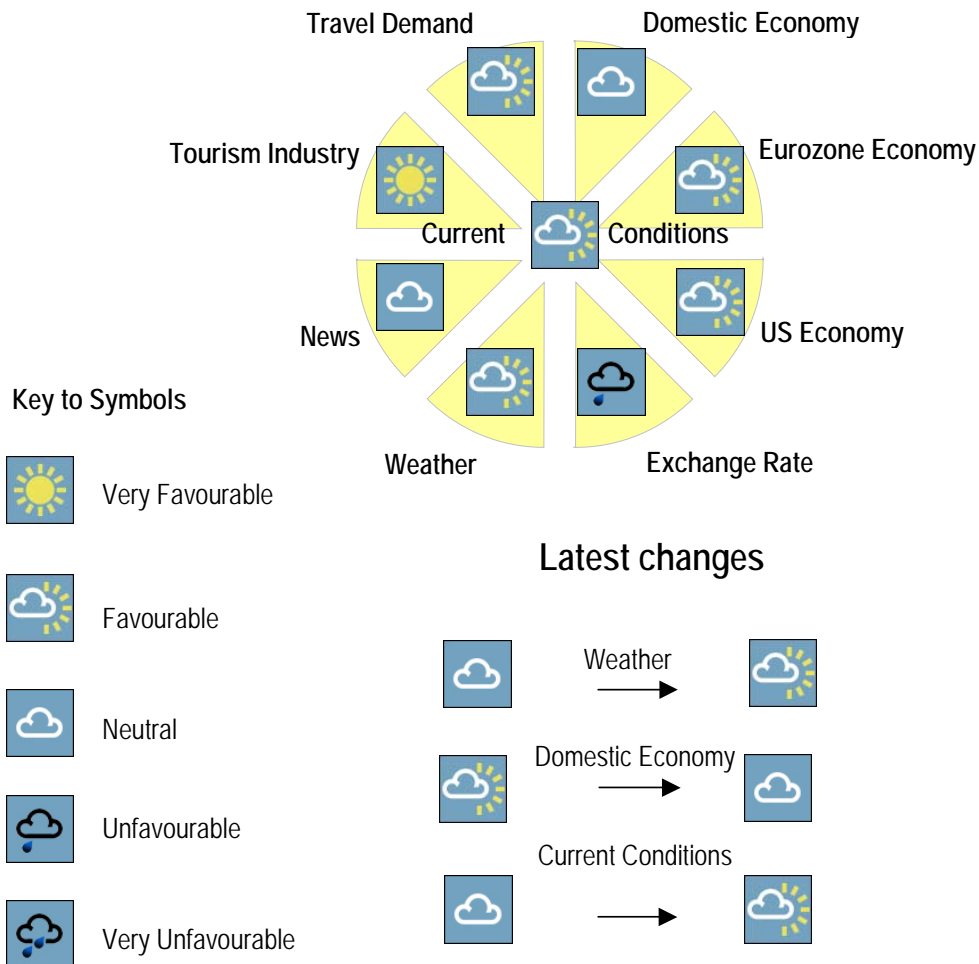
### Global Economic News

- The OECD warns that increasing levels of state control of Russian industry is a step back for the Russian economy and threatens growth prospects
- India's economy grew at an annual rate of 9.2% in the three months to September
- Japan's economy grew at an annual rate of just 0.8% in the three months to September, below expectation

### Tourism News

- Uttlesford District Council turn down a BAA planning application to extend the existing runway at Stansted airport, but BAA are set to appeal against the decision
- A smoking ban will come into force in enclosed spaces in England from 1<sup>st</sup> July 2007
- From February Air Passenger Duty will double, with new rates ranging from £10 for economy class flights to European destinations to £80 for business/first class flights to long-haul destinations

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



- Overall conditions continue to be assessed as 'Favourable'
- Despite the onset of autumn storms towards the end of the month overall November weather was Favourable
- With the Yen and US dollar weaker against Sterling the overall exchange rate situation continues to be judged as 'Unfavourable'
- The UK economy segment has slipped into the Neutral range following a dip in consumer confidence
- Eurozone employment now increasing at an annual rate of 1.2%
- Strong hotel occupancy figures and growth in global VisitBritain enquiries help keep 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