

Trends Update – Issue 51 (21 December 2006)

Weather

- Thick fog causes the cancellation of hundreds of flights during the week before Christmas

Transport and tour operator news

- From early 2007 Liverpool Airport will charge all departing passengers a £2 fee to cover enhanced security measures
- Approval granted for a 300 metre extension to the runway at Aberdeen airport
- easyJet announces new routes from Palermo and Pisa to Gatwick (both daily) to start in spring 2007
- easyJet also to launch daily flights to Edinburgh from Milan and Madrid and twice-weekly flights from Palma commencing next spring
- Aer Arran announces new routes for summer 2007 operating from Waterford to Birmingham, Galway to Newcastle and Bristol, and from Sligo to Manchester
- Thomsonfly will introduce four flights per week from May 2007 between Barcelona and Cardiff
- Ryanair will fly four times a week from Brussels to Stansted from June 2007
- Virgin Atlantic to launch daily services from Nairobi to Heathrow from June 2007
- Jet2.com to operate daily flights from Prague to Manchester from March 2007
- VLM to introduce twice-daily flights from Rotterdam to Manchester from end February 2007
- Flybe to suspend flights from Alicante and Malaga to Birmingham from early January
- bmi to withdraw flights from the Toulouse to Manchester route from early January
- During the period July to September the number of long-distance rail journeys taken in the UK increased at an annual rate of 12.9% - strong growth may in part reflect disruption to domestic air travel during mid August

Domestic Economic News

- UK consumer price inflation increases to an annual rate of 2.7% in November, increasing the likelihood of higher interest rates in the New Year
- UK retail sales were at the top end of the forecast range in November

European Economic News

- According to the World Economic Forum, Denmark is Europe's most competitive and dynamic economy
- The Eurozone economy is strong enough to withstand weaker US growth, higher German taxes and a dip in exports next year, the European Commission has said

US Economic News

- US interest rates kept on hold for the fourth successive month

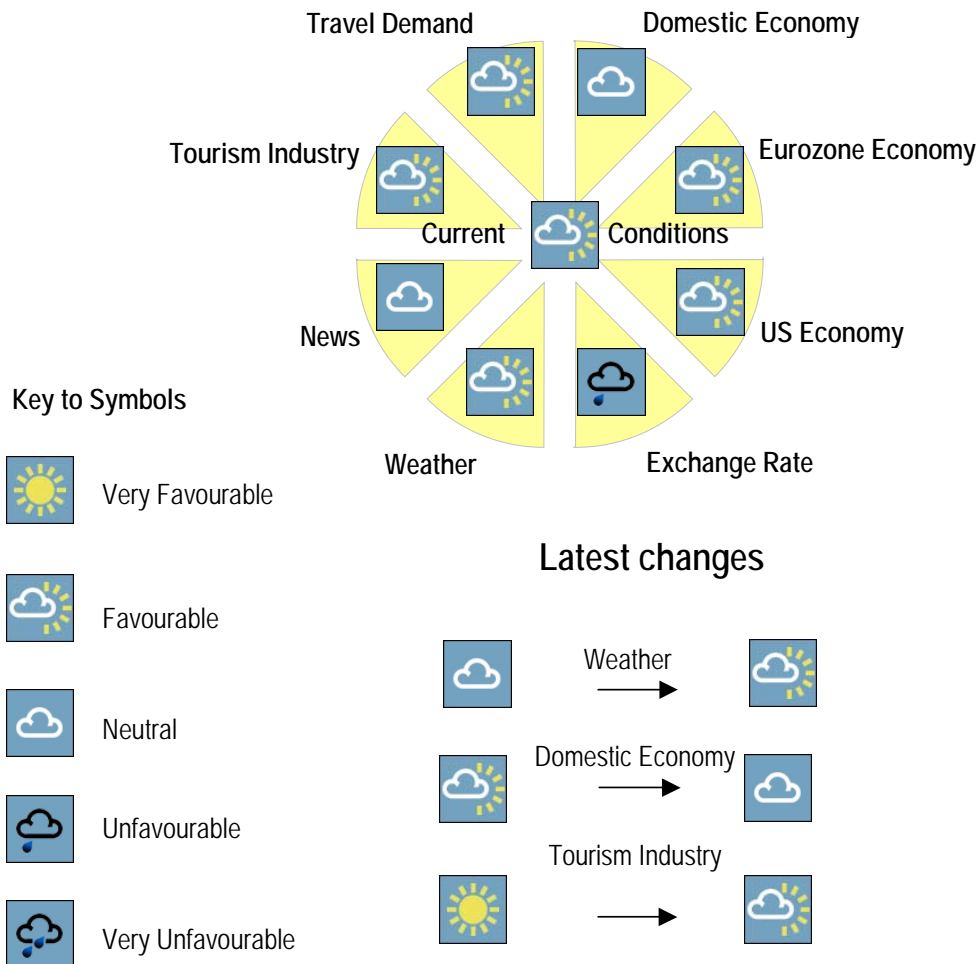
Global Economic News

- Thai stock market rallies after its sharpest fall in sixteen years on the back of newly announced measures to curb foreign investment with the intention of reining in the appreciating baht

Tourism News

- The Office of Fair Trading says it will refer airport operator BAA to the Competition Commission due to 'poor service and high charges'
- The EU proposes that airlines are included in the Emissions Trading Scheme, initially covering intra-EU flights but extend to flights in/out of the EU by 2012

Factors Contributing to Current Tourism Trends in Britain December 2006



- Overall conditions are on the cusp between Favourable and Neutral
- 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%
- The Tourism Industry segment moves back into 'Favourable' range due to slower growth in sales to inbound visitors claiming duty free tax refunds
- Travel Demand remains in the 'Favourable' range, helped by continued strong year-on-year growth in demand for long-distance rail services