

## Trends Update – Issue 52 (9 January 2007)

### Weather

- UK weather in December brought temperatures 1.7 °C above average, rainfall 51% up on average and sunshine 18% up on average

### Transport and tour operator news

- Train fares on the Heathrow and Gatwick Express services rise by 7%
- Passenger traffic handled at BAA's seven UK airports was 1.6% up in December 2006 compared with a year earlier: domestic -5.8%, European scheduled +3.0%, North Atlantic +1.1% and other long-haul +8.1%
- An estimated 25,000 people had their flights disrupted due to safety concerns over the runway at Bristol Airport
- BAA estimate that 175,000 people had their flights cancelled in the run-up to Christmas due to the persistent thick fog across southern England
- BA carried 1.3% fewer passengers in December 2006 than in the same month of 2005, primarily due to severe fog causing the cancellation of more than 800 flights
- Air Southwest scraps its daily flight from Bristol to Norwich
- Norwegian to introduce thrice weekly flights from Oslo to Edinburgh from mid April
- Thomsonfly to introduce daily flights to Jersey from both Cardiff and Luton, commencing mid May, but the double-daily Atlantic Express service from Stansted to Jersey will cease on 14 January
- New long-haul low-cost airline Air Asia X may be offering cheap flights from Kuala Lumpur to London by July
- easyJet announces a new route from La Rochelle to Gatwick (daily – summer only)

### Domestic Economic News

- Revised figures suggest that the UK economy grew at an annual rate of 2.9% in the three months to September, up from the previous estimate of 2.7%
- Accountancy firm Grant Thornton predicts that there will be 30,000 personal insolvencies in the UK by April due to higher borrowing and spending, higher interest rates and utility bills
- UK consumer confidence declines slightly in December

### European Economic News

- Eurozone employment increased at an annual rate of 1.5% in the three months to September 2006
- Eurozone consumer confidence continues its upward trend in December

### US Economic News

- Revised figures suggest that the US economy grew at an annual rate of 2% in the three months to September, a figure somewhat lower than previously estimated
- A modest upswing in US consumer confidence is reported in December
- US unemployment remains at 4.5% in December and annual job creation is running at 2.2%

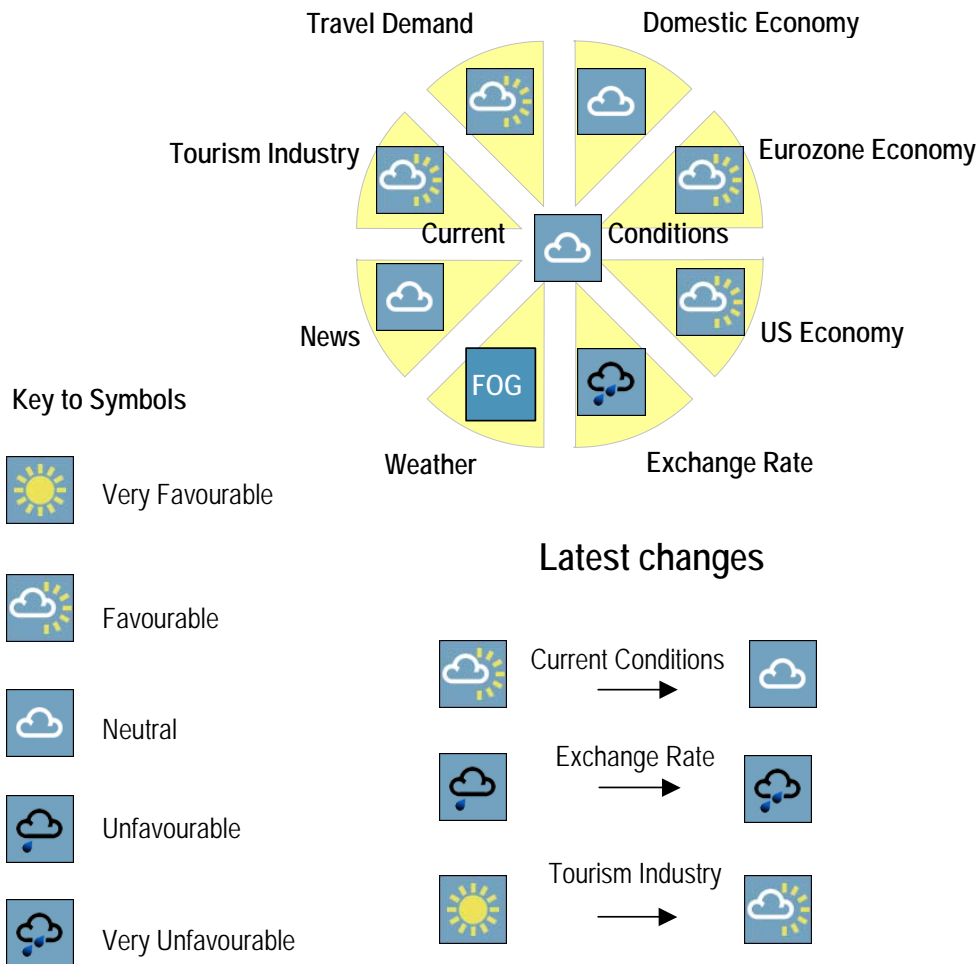
### Global Economic News

- The number of people using the Internet in China grew by 30% over the last year to 132 million, state media reports
- The Singaporean government says that the economy grew by 5.9% during the final three months of 2006, but overall annual growth reached 7.7% during 2006

### Tourism News

- Egypt reports three new human deaths from avian flu, with the victims thought to have come into contact with sick ducks. This brings the human victim tally for 2006 to 114 cases of which 79 have been fatal
- Figures from Global Refund show that in November sales to inbound visitors claiming tax refunds increased at an annual rate of 7%

## Factors Contributing to Current Tourism Trends in Britain January 2007



- Overall conditions are now assessed as Neutral
- December's weather will be remembered for the thick fog during the run-up to Christmas, but rainfall was exceptionally above average
- With the Yen and US dollar weakening against Sterling late in December the overall exchange rate situation is now judged as 'Very Unfavourable'
- The UK economy segment has slipped into the Neutral range following a dip in consumer confidence
- Eurozone unemployment continues to decline slowly
- 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, despite the dip in domestic air travel during December