

Trends Update – Issue 54 (9 February 2007)

Weather

- January weather across the UK was characterised by exceptionally above average temperatures and rainfall, with well above sunshine totals

Transport and tour operator news

- BA cabin crew strike averted
- BAA airports handled 1.3% more passengers in January than a year earlier
- Snow across southern Britain causes widespread disruption to air travel
- Ryanair again threatens to withdraw all flights to Newquay due to its ongoing dispute with Cornwall County Council
- BA to introduce a daily flight between Newquay and Gatwick from 20 March
- bmi to reintroduce double-daily flights between Heathrow and Jersey from late March
- Ryanair to launch flights from Palma and Alicante to Liverpool and from Dusseldorf Weeze to Glasgow and London

Domestic Economic News

- UK GDP increased at an annual rate of 3.0% in the fourth quarter of 2006, with preliminary annual figures indicating a rise of 2.7% on 2005
- UK base rates left unchanged in February
- UK consumer confidence falls to its lowest level for well over a year in January

European Economic News

- Eurozone unemployment fell to 7.5% in December
- Eurozone consumer confidence remains steady in January

US Economic News

- US unemployment increased slightly in January 2007 and the rate of growth of earnings slows
- US consumer confidence nudges up in January, however expectations for the future were less rosy

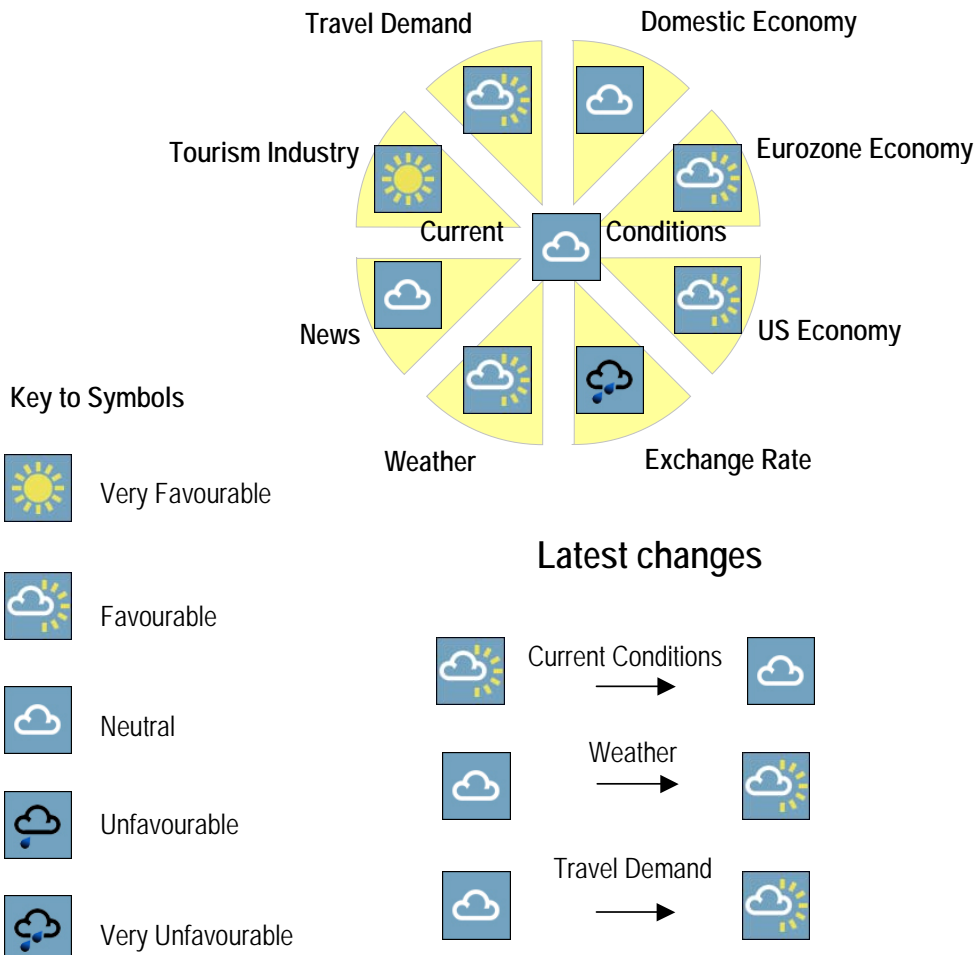
Global Economic News

- The Indian government says that in the current financial year the economy will grow by 9.2%

Tourism News

- Outbreak of the H5N1 strain of avian flu on a turkey farm in Suffolk
- Of 9 human cases of avian flu so far in 2007 8 have been fatal according to the World Health Organisation

Factors Contributing to Current Tourism Trends in Britain February 2007



- Overall conditions are now assessed as Neutral
- Exceptionally above average temperatures in January move the Weather segment back into the Favourable zone
- With the Yen and US dollar weakening against Sterling late in December the overall exchange rate situation is still judged as 'Very Unfavourable'
- The UK economy segment has slipped into the Neutral range following a dip in consumer confidence
- Strong London and regional hotel occupancy results in the Tourism Industry segment edging into the Very Favourable zone
- Travel Demand moves into the Favourable range following a pick up in air travel in January