

Trends Update – Issue 60 (10 May 2007)

Weather

- The rolling twelve-month period ending April 2007 has been the warmest ever recorded in the UK with April weather featuring exceptionally above average temperatures and sunshine (the warmest and sunniest April on record), with exceptionally below average rainfall

Transport and tour operator news

- In April BAA's seven airports handled 1.6% fewer passengers than in April 2006, the regional breakdown being: domestic -2.6%, European scheduled +0.1%, North Atlantic -2.1% and other long-haul +1.1%
- UKInbound figures for March show visitor arrivals up 5.2% compared with March 2006, and forward bookings up 2.1%
- BA adds an additional £3 fuel surcharge onto all long-haul flights (£6 per return journey) from 2nd May
- BA carried 0.2% fewer passengers in April this year than in 2006, with long-haul routes seeing the sharpest declines
- Flights operated by Alitalia disrupted by a renewed wave of industrial action
- Virgin Atlantic has ordered 15 787 "Dreamliners" for 2011 delivery and says it may use the ultra long-haul aircraft on non-stop flights to the UK from Perth and Hawaii
- Delta Airlines is in talks with existing airlines at Heathrow in a bid to secure six pairs of existing slots at the airport for flights to/from the US once the EU/US Open Skies Agreement is in place
- From June Air Southwest will suspend its routes from Manchester and Newquay to Cardiff due to poor traffic figures
- Flywoosh (a Polish based airline) is to operate double daily flights from Dundee to Birmingham and daily flights from Dundee to Belfast from late May
- Wizz Air to operate three flights per week from Bucharest to Liverpool from 1st October
- MaxJet, the 'all business class' airline, to launch a service from Los Angeles to Stansted from August operating four times per week
- The volume of car traffic in Great Britain increased at an annual rate of 0.7% in the first three months of the year

Domestic Economic News

- UK consumer confidence falls in April
- UK interest rates increased to 5.5%

European Economic News

- Eurozone consumer confidence at its strongest for well over a year in April
- Eurozone unemployment falls to 7.2% in March
- Eurozone interest rates remain at 3.75%

US Economic News

- US GDP increased by just 1.3% in the first three months of 2007, the slowest growth for four years
- US consumer spending rose just 0.3% in March, further increasing the prospect of lower US base rates in the coming months
- US unemployment rises slightly in April, with job growth slowing
- US interest rates pegged at 5.25%

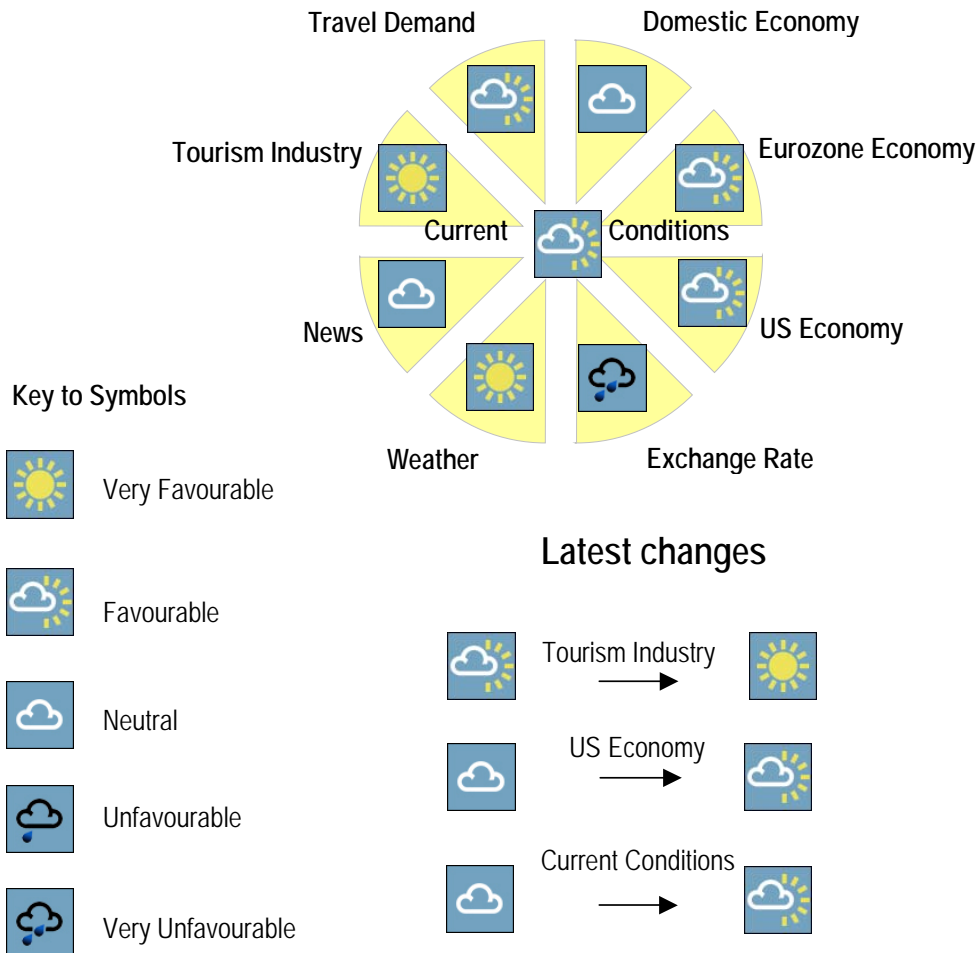
Global Economic News

- Political turmoil in Nigeria results in oil prices rising
- Political uncertainty in Turkey as the army says it is concerned about the Government's choice for President
- According to the IMD World Competitiveness Yearbook the US remains the world's most competitive economy, followed by Singapore, Hong Kong, Luxembourg and Denmark

Tourism News

- The Government says it will bring forward new proposals relating to a super casino for either Blackpool or Manchester in the near future

Factors Contributing to Current Tourism Trends in Britain May 2007



- Overall conditions have edged back into the Favourable range
- Exceptionally above average temperatures and sunshine totals in April are responsible for keeping the Weather segment in the 'Very Favourable' range
- Sterling continues to trade at around \$2, meaning that the Exchange Rate is still judged as Very Unfavourable
- Despite fragile consumer confidence higher consumer credit in the US has helped to move the US Economy back into the Favourable range
- Of note in the Tourism Industry segment is strong growth in UKinbound figures on visitor arrivals and forward bookings, along with VisitBritain enquiries
- Travel Demand continues to see slower growth in air traffic, but strong growth in domestic rail travel and Eurostar journeys ensure it remains in the Favourable range