

Trends Update – Issue 63 (25 June 2007)

Weather

- Heavy and persistent rain causes serious flooding across parts of central and northern Britain, including damage to Fountains Abbey in Yorkshire

Transport and tour operator news

- Ebbsfleet Eurostar station close to the M25 Dartford River Crossing will open on 19 November, with seven trains a day from Paris and five from Brussels
- BAA says it is in favour of building a third runway at Heathrow, to be operational by 2017
- Plans to allow Bournemouth Airport to handle increased passenger numbers in the coming years have been approved by the local council
- Ryanair threaten to withdraw some services from Stansted this winter unless BAA reduces landing charges at the airport
- May traffic figures for the seven BAA airports: domestic -2.0%, European Scheduled +1.8%, North Atlantic -0.4% and other long-haul +3.3%. Traffic to/from China was up 10.9% and to/from India 9.2% up
- Less than a month after its launch Flyglobespan has announced it will be significantly reducing its New York to Liverpool flights to no more than four per week due to low demand
- Wizz Air to operate three flights a week from Targu Mures (in Transylvania) to Luton from this winter
- Wizz Air to introduce weekly flights from Poznan to both Doncaster Sheffield and Prestwick from February 2008
- Ryanair will operate four flights per week from Stockholm to Liverpool from October
- Silverjet plans to operate 'all business class' daily flights from Chicago to Luton from early November
- Air France to operate double-daily flights from Lyon to Birmingham from 3rd September
- easyJet to operate daily flights from Vienna to Luton from end October
- From 1st November Thomsonfly will operate three flights a week from Tel Aviv to both Luton and Manchester
- KD Avia introduce three flights per week from Kaliningrad (Russia) to Gatwick

Domestic Economic News

- UK consumer price inflation falls to 2.5%, the lowest for more than 6 months

European Economic News

- Wage levels in the thirteen Eurozone countries were, on average, 2.2% higher in the first three months of 2007 than a year earlier

US Economic News

- The pound moves back above the \$2 level

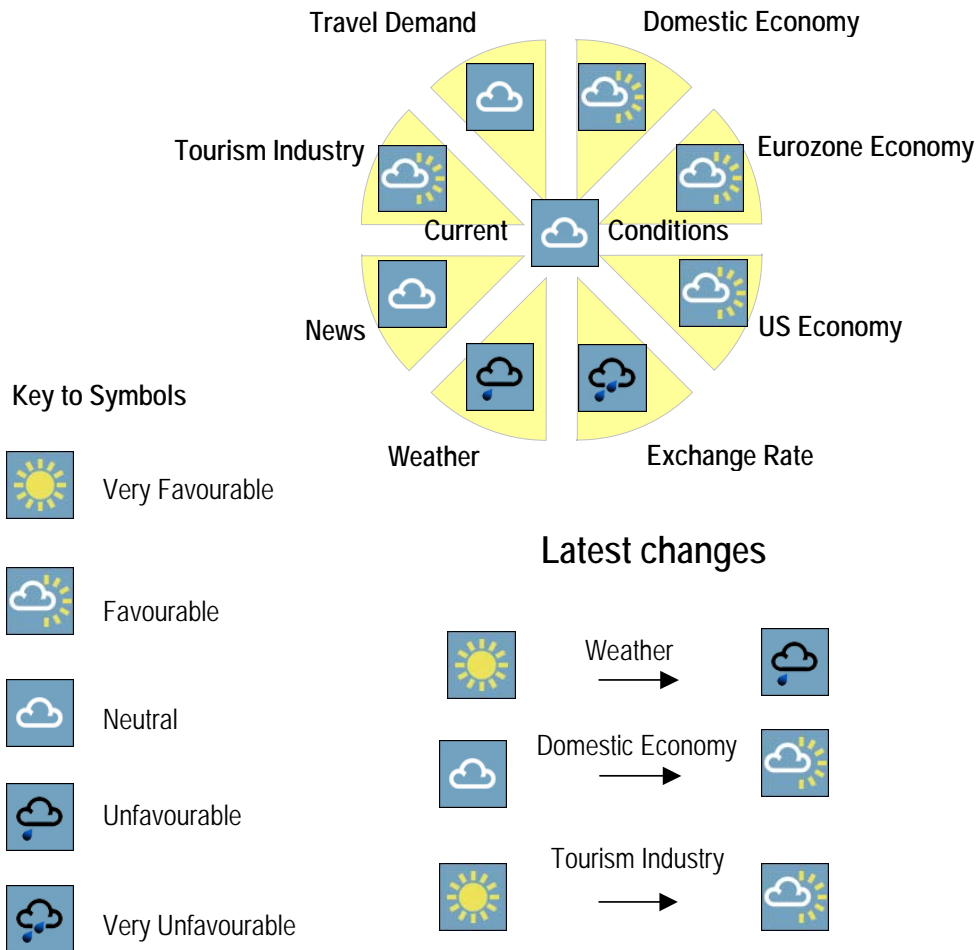
Global Economic News

- Oil tops \$70 per barrel due to tensions in the Middle East and lower than expected US inventories

Tourism News

- US passport applications expected to reach 18 million in 2007, from 12.1 million in 2006 and just 5 million back in 2002
- According to PKF regional hotel occupancy in April was 69.5%, down from 71.9% last year, whereas London occupancy was 79.4% in April 2006 and April 2007
- There have now been 50 human cases of H5N1 (avian flu) this year, of which 33 have been fatal according to WHO
- The Dutch government is considering a €25 tax on all departing air passengers

Factors Contributing to Current Tourism Trends in Britain June 2007



- Overall conditions remain in the Neutral range
- Poor weather in May has persisted well into June, causing localised flooding
- Sterling continues to trade at close to \$2 and 247 Yen to the Pound, meaning that the Exchange Rate is still judged as Very Unfavourable
- Improved UK consumer confidence has moved the UK economy back into the 'Favourable' range
- Slower growth in UKInbound forward bookings means that the Tourism Industry segment has moved back into the Favourable range
- Travel Demand continues to see slower growth in air traffic and has now fallen back into the Neutral range