

Trends Update – Issue 65 (30 July 2007)

Weather

- Sever flooding and disruption again hits parts of the UK, this time central western England
- Rail and road travel disrupted, and 141 flights into London Heathrow cancelled

Transport and tour operator news

- In June BAA's seven airports handled 0.6% fewer passengers than in June last year – domestic traffic declined 3.7%, European scheduled traffic increased 0.8%, North Atlantic traffic was unchanged on June 2006 and other long-haul traffic increased 4.3%
- Once the 'Open Skies' Agreement goes live on 29 March 2008 American Airlines will operate a daily flight from Dallas Fort Worth to Gatwick, with a second to Heathrow, flights will also operate to LHR from Raleigh/Durham
- bmi to purchase ten new aircraft to enhance its medium and long-haul networks from Heathrow
- easyJet will operate daily flights from Geneva to Birmingham, and twice-weekly flights from Grenoble to Birmingham from December
- Aer Lingus to operate four flights per day from Dublin to Gatwick from October
- bmi to operate a daily flight from Cairo to Heathrow from end October
- From end October new easyJet routes will include Lisbon to Bristol (4 times per week) and Gatwick (daily), Krakow to Edinburgh (4 times per week) and Bournemouth (3 times per week)
- Blue Air to fly three times per week from Bucharest to Stansted from October
- Ryanair to axe flights from Inverness and Aberdeen to Liverpool and from Esbjerg and Malmo to Stansted
- Flybe axe flights from Malaga and Alicante to Norwich
- Ryanair to fly Belfast to Liverpool, Prestwick and East Midlands from end October and from Budapest to Liverpool (4 weekly)
- easyJet to offer daily flights from Gdansk to Gatwick, 3 flights per week from Gdansk to both Edinburgh and Bristol, and six flights per week Innsbruck to Gatwick from this winter
- Plans for a rail link to Edinburgh Airport look set to be mothballed
- Eurostar carried 4.4% more passengers in the period April to June this year than during the equivalent period of 2006
- UKInbound figures for May show visitor arrivals up 3.3% compared with a year ago, with a modest 0.8% rise in forward bookings

Domestic Economic News

- UK and global stock markets register marked declines after reaching new highs in mid July

European Economic News

- The incumbent AKP win the Turkish general election with an increased share of the vote

US Economic News

- US retail sales figures in June were weaker than expected
- The US economy expanded at an annual rate of 3.4% in the second quarter of 2007, ahead of expectation

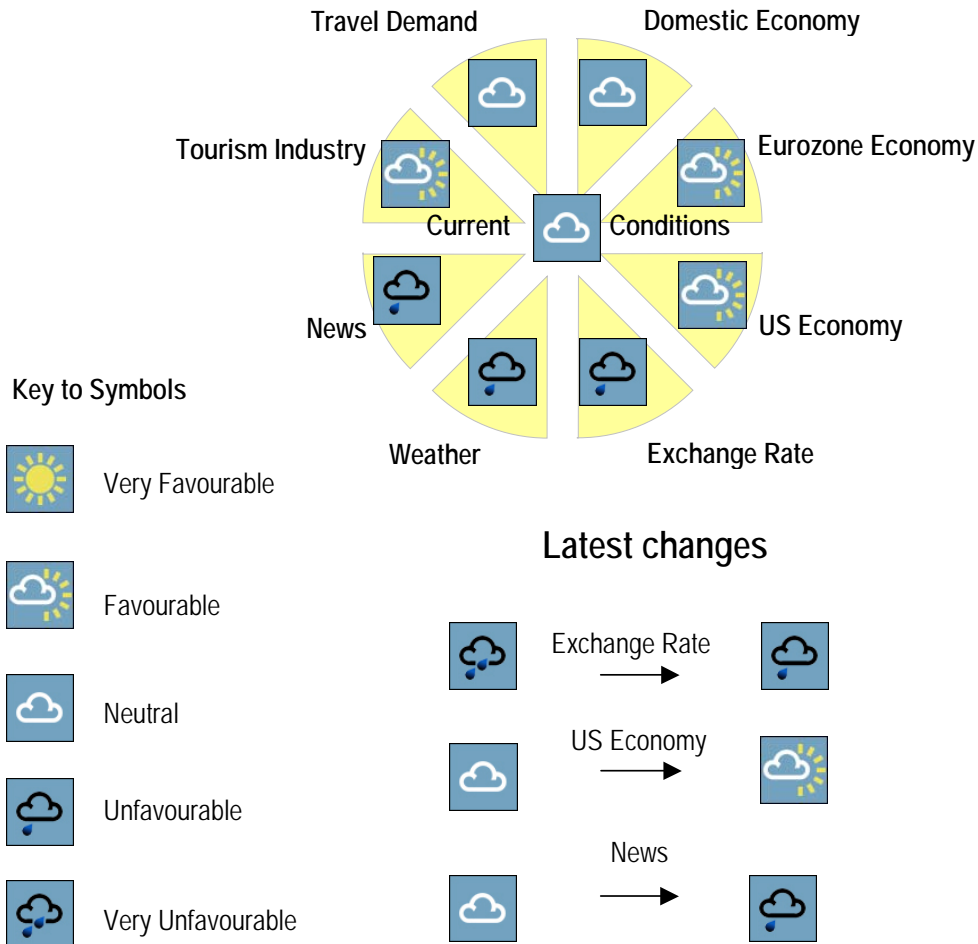
Global Economic News

- The International Energy Agency warns that oil supplies will remain tight throughout the next five years
- China's economy grew at an annual rate of 11.9% in the second quarter of 2007, well above the Government's preferred rate

Tourism News

- New security procedures at Heathrow Terminal 5 will mean passengers having their fingerprints checked and faces scanned when passing through regular security checks, and again at the departure gate
- Gordon Brown says plans for super-casinos will be "subject to reflection" over the summer
- The US Dollar continues to weaken, reaching \$2.06 to the pound
- Figures from PKF show London hotel occupancy at 87.9% in June, with regional occupancy at 77.3%, both representing increases on last year
- BA outbound bookings reported to be 20% up on this time last year

Factors Contributing to Current Tourism Trends in Britain July 2007



- Overall conditions remain in the Neutral range
- Further significant disruption due to flooding has resulted in the News segment remaining in the Unfavourable range
- Final figures for July are yet to be released, but the Weather segment will certainly remain in the Unfavourable range
- Sterling continues to trade at close to \$2 and 240 Yen to the Pound, meaning that the Exchange Rate is still judged as Unfavourable
- A further increase in UK base rates has moved the UK economy segment into the Neutral range
- Strong tax refund figures released by Global Refund ensures that the Tourism Industry segment remains in the Favourable range
- A decline in long distance rail travel ensures that the Travel Demand segment remains in the Neutral range