

## Trends Update – Issue 66 (13 August 2007)

### Weather

- July weather across the UK was typified by close to average temperatures and sunshine totals, with rainfall exceptionally above average – wettest July since 1988

### Transport and tour operator news

- UKInbound report visitor arrivals in June 1.2% up on a year earlier, but forward bookings down 1.5%
- Passenger volumes at the 7 BAA airports in July were very similar to July 2006, but domestic traffic fell 3%, European scheduled traffic increased 2.8%, North Atlantic traffic fell 0.4% and other long-haul traffic rose 3%
- BA carried 2.7% fewer passengers in July 2007 than in July 2006. The largest declines were on routes to/from Americas and Asia Pacific
- Ryanair to axe 20% of its flights to Stansted during the winter timetable period
- From October Centralwings will operate 3 flights per week from Poznan and 2 per week from Szczecin to Edinburgh
- easyJet will be launching new routes to Belfast this autumn – 3 flights per week from Barcelona, 2 per week from Gdansk, 4 per week from Prague and 2 per week from Venice – easyJet will also introduce routes from Sofia to Gatwick (3 per week), Innsbruck to Liverpool (3 per week) and Lisbon to Liverpool (4 per week)
- Aer Lingus to suspend its Shannon to Heathrow flights from January but will operate 21 flights per week from Belfast International to Heathrow, code-sharing with BA
- Scot Airways scraps its Amsterdam to Southampton route
- Ryanair will fly from Alicante to Bournemouth (3 per week), Doncaster (3 per week) and East Midlands (4 per week) from November
- Wizz Air to operate daily flights from Katowice to Gatwick from end January
- bmi to scrap its Amsterdam to Aberdeen flights from the end of August
- From end October SkyEurope will operate three flights a week from Bratislava to Birmingham

### Domestic Economic News

- UK interest rates kept on hold in August

### European Economic News

- Eurozone unemployment falls to 6.9% in June

### US Economic News

- US consumer confidence jumps to a six year high in July
- Rate of job creation in the US continues to slow, with a small rise in the rate of unemployment

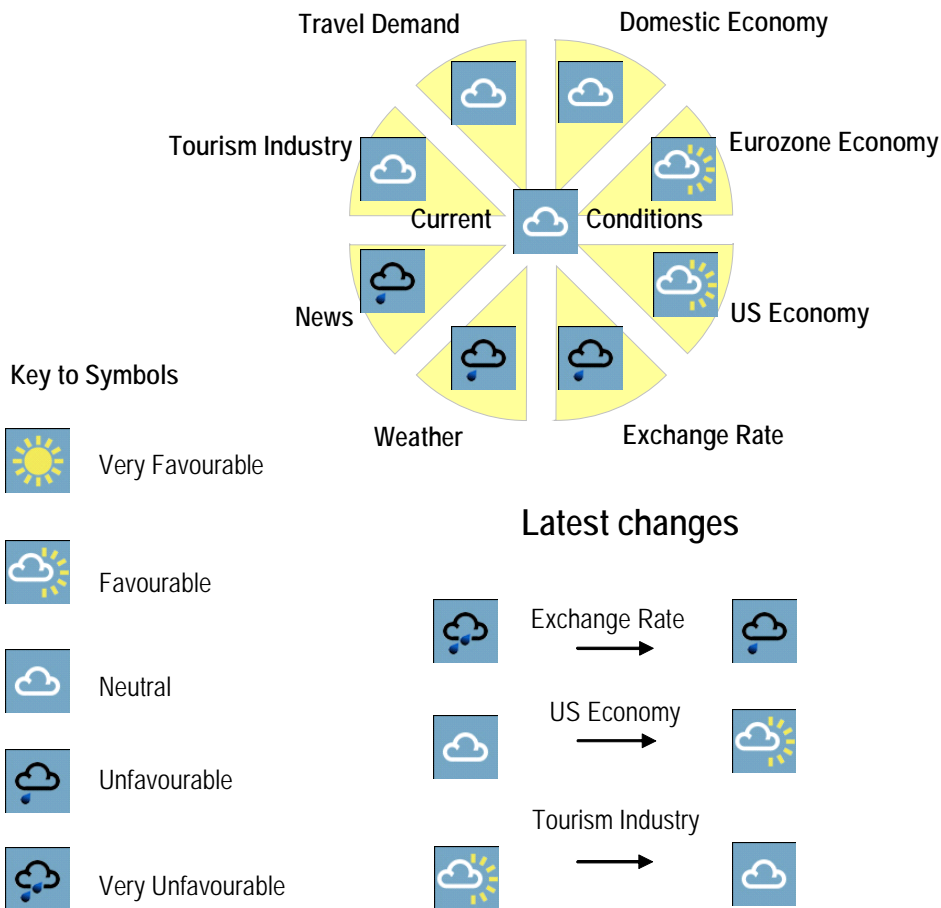
### Global Economic News

- Price of oil temporarily reaches \$78 a barrel, but global stock market turbulence results in prices falling back
- The Bank of Korea now expects the South Korean economy to grow 4.5% this year, but has again upped base rates to quell inflation
- Japan's economy grew by just 0.1% in the second quarter of 2007, below market expectations

### Tourism News

- Figures from Global Refund show that in July sales to overseas visitors reclaiming tax rose at an annual rate of 14%
- Car traffic in Great Britain declined at an annual rate of 0.5% in the second quarter of 2007
- Climate Change camp at Heathrow
- Outbreak of Foot and Mouth Disease on two farms located very close to one another in Surrey

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



- Overall conditions remain in the Neutral range
- Met Office figures confirm that July weather was unseasonably wet, resulting in this segment remaining in the Unfavourable range
- The News segment remains in the Unfavourable range following the limited outbreak of Foot and Mouth Disease
- Also still in the 'Unfavourable' range is the Exchange rate segment, with the pound trading at \$2.03
- Figures from UKInbound for June show a fall in forward bookings, helping to explain the move into the 'Neutral' range for the Tourism Industry segment
- Continued weak growth in air travel ensures that the Travel Demand segment remains in the 'Neutral' range