

Trends Update – Issue 68 (25 September 2007)

Transport and tour operator news

- UKInbound report visitor arrivals in July 0.2% up on last year, with forward bookings up 1.8%
- In August BAA airports handled 5.1% more domestic passengers than a year ago, 8.2% more passengers on European scheduled routes, 10.2% more on North Atlantic routes and 6.1% more on other long-haul routes, note that traffic was disrupted in August 2006 by the introduction of stringent hand baggage security controls
- Norwegian to fly twice weekly from Tromso to Stansted
- Oasis Airlines, the first low cost long haul carrier will increase flights from Hong Kong to London from 7 to 10 times a week in December bringing weekly flights on 6 non stop carriers to London from 77 to 80 a week
- Ryanair to fly four times daily from Belfast City to Stansted from end October
- City Star to operate a 'business class only' four times weekly service from Houston to Aberdeen from January
- Oman Air to operate daily flights from Muscat to Gatwick from November
- From end October Ryanair will fly four times weekly from Valencia to Liverpool
- bmibaby will operate four flights per week from Madrid to Birmingham from early December
- bmi will operate daily flights from Tel Aviv to Heathrow from next spring
- From summer 2008 Jet2.com will introduce new flights to Leeds Bradford from Hamburg (4 weekly), Madrid (4 weekly), Avignon (3 weekly), Jersey (3 weekly)
- Silverjet, the 'business class only' airline, will fly daily from Dubai to Luton from mid November
- From 4 November Air Berlin will operate daily flights from Munich to Stansted
- From March BA will withdraw its flights from Detroit to London Heathrow
- BA to withdraw flights from Zimbabwe to London from end October
- Wizz Air to operate 3 flights per week from Gdansk to Coventry and 3 to Bournemouth from next spring
- From April BA to operate daily flights from Genoa to Gatwick
- From end March BA will operate an additional 4 weekly flights from New York JFK to Heathrow, 3 additional flights from Seattle to Heathrow and 3 additional weekly flights from Washington to Heathrow
- VLM to introduce additional flights from Luxembourg to London City and Manchester from the end of October
- Ryanair to fly from Cork to both Prestwick and East Midlands from early December
- From November Lufthansa will increase flight frequencies between Dusseldorf and Newcastle to twice daily

Domestic Economic News

- Bank of England leaves base rates pegged in September
- The Ernst and Young Item Club estimate that UK growth could be as much as 1% lower than previously forecast during 2008 and 2009 due to the current 'credit crunch'
- The Centre for Economic and Business Research forecast a sharp slowdown in the UK economy, with GDP growth in 2008 cut to 1.5%, and consumer spending growing at just 1%

European Economic News

- European Central Bank leaves base rates pegged in September
- The European Commission reduces its economic growth forecast for the Eurozone in 2007 to 2.5%
- French consumer spending was at its strongest for a decade over the summer

US Economic News

- The OECD forecasts a significant slowdown in the US economy during the rest of 2007
- The US Federal Reserve cuts US interest rates by 0.5% to 4.75% to ease some of the market turmoil
- The rate of job creation in the US slowed in August, up just 0.7% on a year ago
- US consumer credit grew at an annual rate of 3.7% in July, much slower than in earlier months of this year

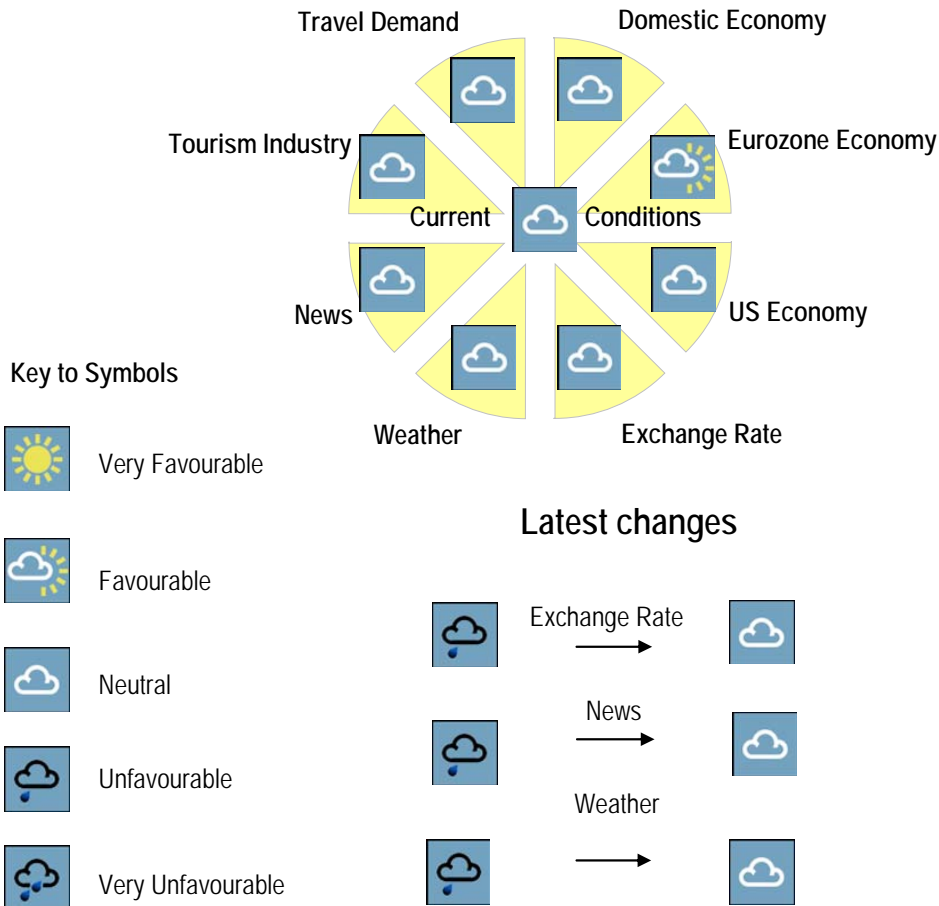
Global Economic News

- IMF says it is to cut its global economic growth forecast for the rest of 2007
- Inflation in China reaches a ten year high
- Oil prices touch \$81 per barrel

Tourism News

- Figures from consultancy PKF indicate that London hotel occupancy in August stood at 84.1%, up from 83.0% a year ago, with regional room occupancy at 74.5%, down from 75.5% in August last year
- Foot and Mouth disease remains contained within the control zone set up close to Egham in Surrey
- Blue Tongue disease found in two cows on a farm in Suffolk
- According to Global Refund overseas visitor retail tax refunds increased by 31% in the year to August
- A Conservative policy review group calls for increased taxes on short-haul domestic flights

Factors Contributing to Current Tourism Trends in Britain September 2007



- Overall conditions remain in the Neutral range
- Met Office figures indicate that August weather was close to average for the time of year
- The exchange rate is now judged to be neutral, but further dollar weakening may alter this in the coming weeks
- The News segment has now moved back into the neutral range
- The economic outlook has become much gloomier, but at present labour markets here and in the Eurozone and US remain strong
- Figures from PKF indicate that hotel occupancy remained strong during August
- Traffic through the port of Dover increased modestly in July helping to keep the Travel Demand segment in the Neutral range