

## Trends Update – Issue 69 (11 October 2007)

### Weather

- The Met Office forecast that winter 2007/8 will be warmer than average, but noticeably colder than last winter, with, on balance, rainfall totals likely to be around average
- September weather across the UK brought close to average temperatures and sunshine totals, but rainfall was exceptionally below average

### Transport and tour operator news

- BAA's seven airports handled 2.9% more passengers in September than a year earlier
- BA carried 0.8% fewer passengers in September this year than in 2006
- Lufthansa set to introduce a weekly flight from Dusseldorf to Newquay in summer 2008
- Austrian Airlines to operate double-daily flights from Vienna to London City from end October
- From December easyJet will operate four flights per week from Barcelona to East Midlands
- From December XL Airways will operate flights from Knock to Gatwick on six days a week
- Air Berlin to cease flying Glasgow to Stansted from end October
- Delta will fly from New York JFK to Edinburgh from May 1<sup>st</sup> next year
- Thomsonfly to axe its routes to Jersey from Luton and Cardiff at the end of October, and the route from Doncaster to Jersey next March
- bmibaby will operate 4 flights per week from Warsaw to East Midlands, 3 per week to Cardiff, 3 per week from Gdansk to East Midlands and 2 per week to Cardiff from February
- CityJet to operate thrice daily flights from Strasbourg to London City from end October
- From March Sterling Airlines will operate six flights per week from Malmo to Gatwick
- Crossrail scheme linking Heathrow and Maidenhead in the west and Shenfield in the east to the West End and City of London given the green light by the Government – trains should be running by 2017

### Domestic Economic News

- UK consumer confidence declines in September, but not by a significant degree
- UK interest rates kept unchanged in October
- The Government cuts its 2008 economic growth forecast to 2%

### European Economic News

- The Irish economy is now growing at twice the average rate of other Eurozone countries, and is expected to expand by between 5-6% this year despite a slowdown in the housing market
- Eurozone consumer confidence drops in September to its lowest since January
- Eurozone unemployment remains stable at 6.9% in August
- Eurozone employment was 1.7% higher in the period April to June 2007 than a year earlier
- European Central Bank keeps Eurozone interest rates unchanged in October

### US Economic News

- US consumer confidence falls sharply in September, and is now at its lowest since November 2005

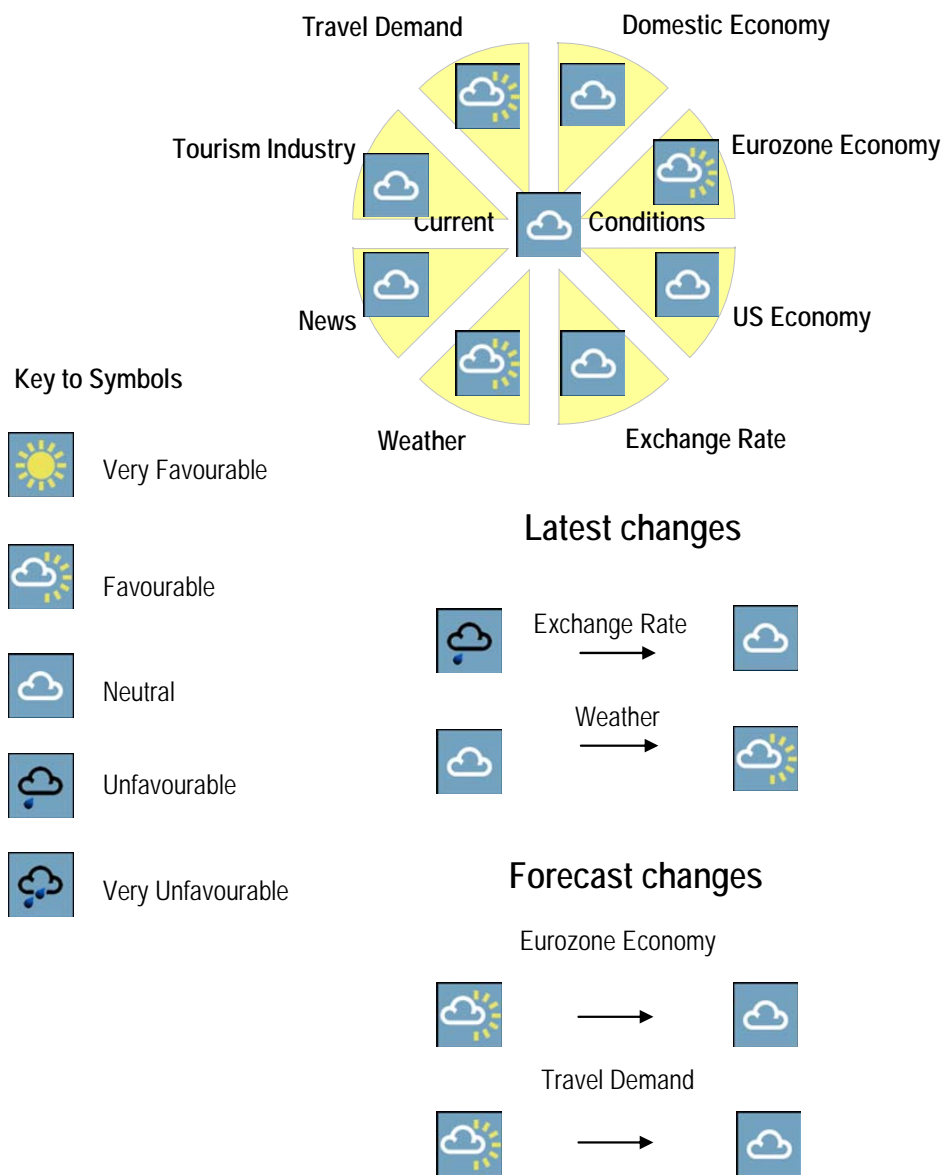
### Global Economic News

- The IMF again warns of a global economic slowdown as a result of the so-called 'credit crunch'

### Tourism News

- The Competition Commissions recommends that over the five year period starting April 2008 landing charges per passenger at Heathrow rise by RPI plus 7.5% per annum and by RPI minus 0.5% per annum at Gatwick, lower than BAA believe necessary, but well above the rates airlines had been calling for
- An 'open skies' agreement has been struck between the UK and Singapore governments, meaning that UK airlines will be able to fly to the UK via Singapore from destinations across Australasia and Asia
- From November 2009 Air Passenger Duty will be replaced by a levy on aircraft rather than passengers – until then APD will be frozen, although the loophole allowing 'business class only' flights to charge the standard APD rate will be removed from November 2008
- BA orders 12 Airbus A380s and 24 Boeing 787s for delivery between 2010 and 2014

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



- Overall conditions remain in the Neutral range
- Met Office figures indicate that September weather was favourable with rainfall exceptionally below average
- The exchange rate is now judged to be neutral, but further dollar weakening may alter this in the coming months
- 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 August helping to keep the Travel Demand segment in the Neutral range