

## Trends Update – Issue 70 (29 October 2007)

### Transport and tour operator news

- Long distance rail journeys in Great Britain increased 9% in the period April to June 2007 compared with a year earlier
- Eurostar carried 3.6% more passengers in the period July to September than a year ago
- Transport services from France to the UK partially disrupted by strike action on 18 October
- Passenger traffic through the Port of Dover was 4.5% higher in September than a year earlier
- Daily Varig flights from Rio de Janeiro (via Sao Paulo) to Heathrow set to resume from the end of October
- BA to increase flight frequency from Dubai to Heathrow from 14 to 20 per week from December
- From May Ryanair will fly to Bristol 3 times a week from Bergerac, Beziers and Pau
- Air France to cut four flights per day from Paris Charles de Gaulle to Heathrow, citing competition from Eurostar as the cause, but the slots are to be used by SkyTeam Alliance member Delta operating two flights per day from JFK to Heathrow and one from Atlanta (starting end March) – with Air France operating a daily Los Angeles to Heathrow flight from April
- Starting next spring BA will operate daily flights from Poznan to Gatwick, and three flights per week from Antalya to Gatwick
- Eastern Airways to fly 3 times weekly from Angers Loire to Southampton from November

### Domestic Economic News

- UK economic growth in the period July to September stood at 3.3%, slightly higher than expected

### European Economic News

- The Euro costs a record high in US Dollar terms, so both the UK and Eurozone are becoming more expensive for visitors from the US

### US Economic News

- The US housing market remains weak, sales of existing homes fell 8% in September compared with 2006, the sharpest decline for 16 years

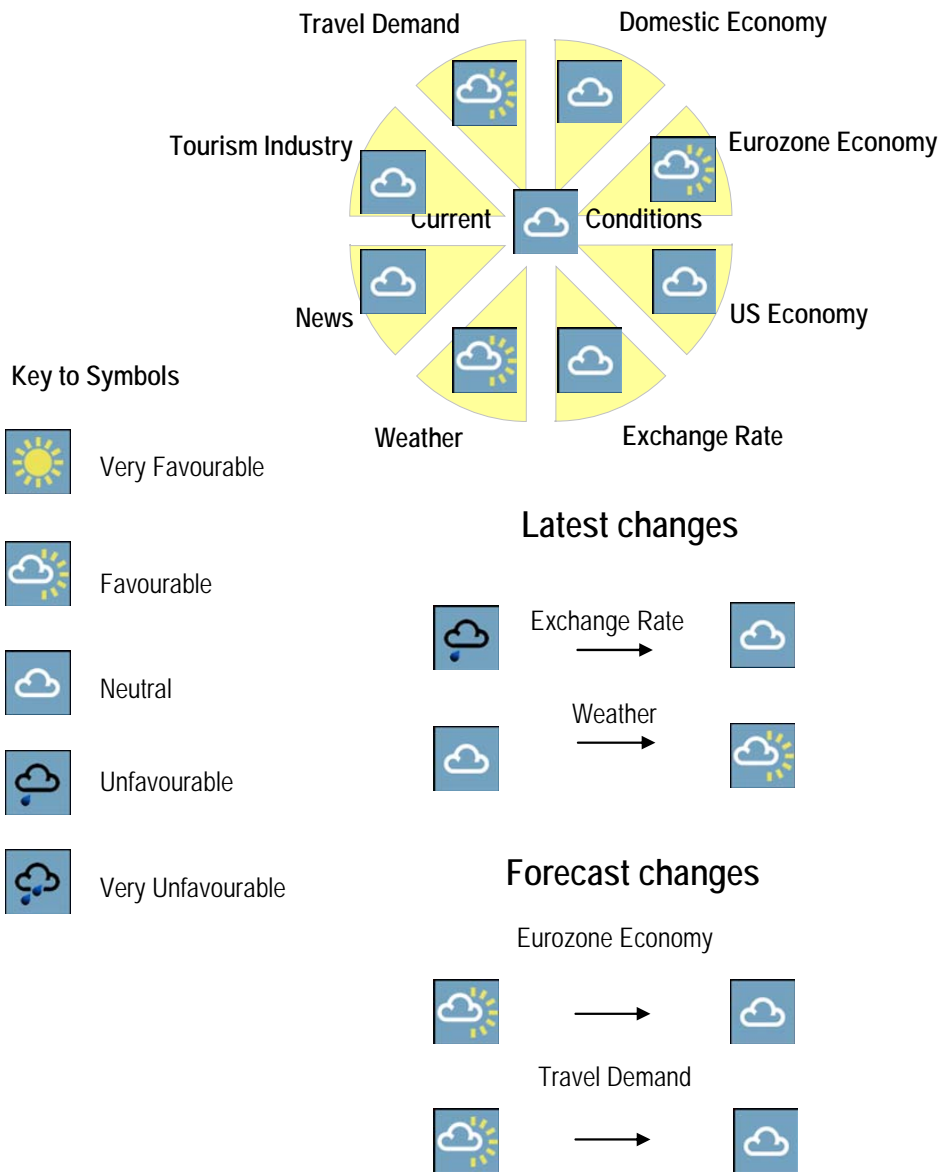
### Global Economic News

- A strengthening Canadian Dollar means that £1 now costs less than CA\$2
- Unemployment in Australia at a 33 year low
- Oil trading at over \$93 a barrel as tensions between Turkey and Kurds in northern Iraq increase
- China's economy grew at an annual rate of 11.5% in the period July to September

### Tourism News

- Boeing announces that the first 787 'Dreamliner' aircraft will now not be in service until the end of 2008
- The Airbus A380 makes its first scheduled passenger flight between Singapore and Sydney
- In the period April to June only 68% of flights departing UK airports left within 15 minutes of their scheduled departure time, down from 72% a year earlier
- The UK's population will increase by 4.4 million between 2006 and 2016 to reach 65 million, with current trends indicating total population will hit 70 million in 2028
- easyJet to purchase the GB Airways BA franchise with effect from end March 2008, but it is unclear what will happen to the five Heathrow GB Airways slots as these will not transfer to easyJet

## 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
- Eurostar traffic in Quarter 3 remained strong, keeping the Travel Demand segment in the Favourable range