

## Trends Update – Issue 71 (13 November 2007)

### Weather

- October weather across the UK brought exceptionally below average rainfall, well above average amounts of sunshine and above average temperatures

### Transport and tour operator news

- BA to increase its fuel surcharge by £2 per sector for short-haul flights, £10 per sector for long-haul flights under 9 hours and by £15 per sector for longer flights
- According to UKInbound visitor arrivals were 0.4% higher in September 2007 than a year earlier, but forward bookings were down 1.6%
- Passenger traffic at BAA's seven airports during October was 3.5% up on last year; domestic -2.4%, European scheduled +4.3%, North Atlantic +8.9% and other long-haul +8.5%
- BA carried 0.6% more passengers in October 2007 than a year earlier, with strongest growth on routes to/from the Americas
- SAS to operate 3 flights per week from Oslo to Bristol from April 2008
- Air Southwest to operate new daily flights to Plymouth from Gatwick and Newcastle from next April, with four flights per week from Cork to Plymouth and 3 per week from Dublin. Newquay will get new daily flights from Glasgow and Newcastle, with six flights per week from Cork to Newquay
- Sterling to operate six flights per week from Malmo to Gatwick from March 2008
- bmi to fly 3 times weekly from Dammam in Saudi Arabia to Heathrow from early 2008
- Lufthansa to fly three times daily between Frankfurt and Bristol from March
- Thomsonfly to scrap flights to Doncaster Sheffield from Amsterdam
- The volume of car traffic fell 1.2% in the three months to September compared with the same period of last year
- Further strike action by French rail workers may disrupt travel to UK as Eurostar set to open its new central London terminal at St Pancras International

### Domestic Economic News

- UK consumer confidence improves in October
- UK interest rates kept at 5.75% in November
- UK consumer price inflation rose to 2.1% in October

### European Economic News

- German unemployment fell to 8.7% in October, its lowest rate for 14 years
- Eurozone consumer confidence declines slightly in October

### US Economic News

- US consumer confidence declines for the third consecutive month in October
- US interest rates reduced to 4.5%
- US Dollar continues to weaken against other major currencies, touching \$2.11 before falling back to \$2.08
- US consumer credit grew at an annual rate of just 1.8% in September

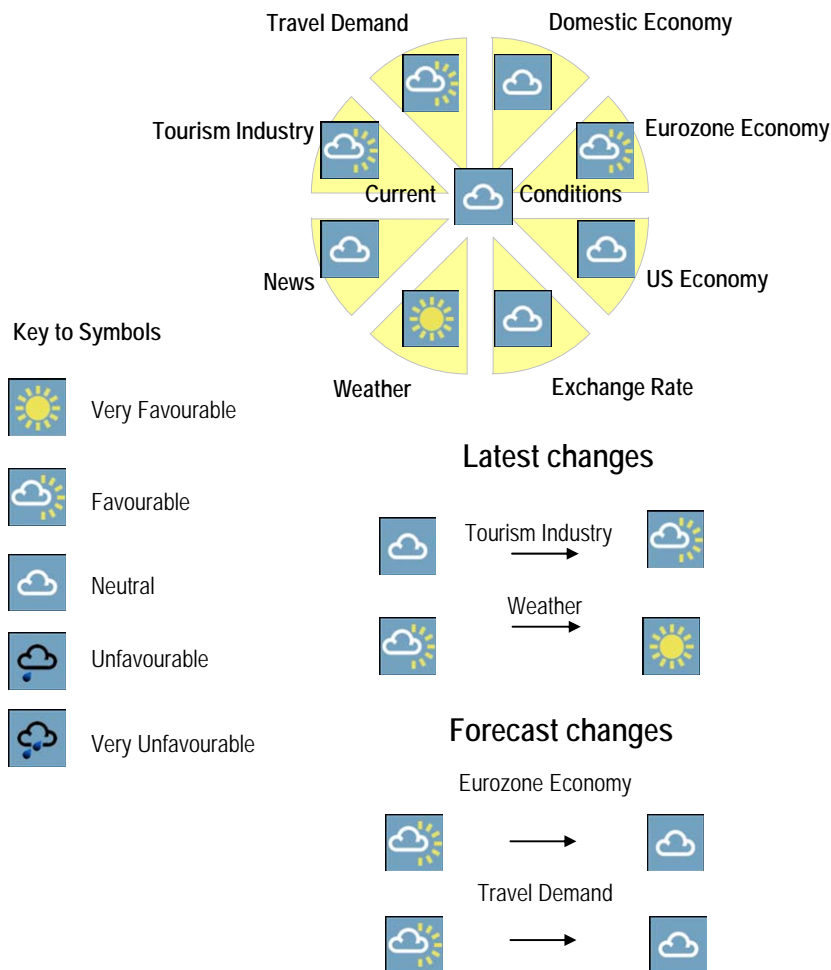
### Global Economic News

- Price of oil touches \$98 per barrel before falling back slightly
- Chinese inflation continues to gather pace, reaching 6.5% in October as the country's trade surplus hits a new record high
- Japan's economy grew at an annual rate of 2.6% in the period July to September

### Tourism News

- Poland, Czech Republic, Hungary, Slovenia, Slovakia, Malta, Estonia, Latvia and Lithuania all set to join the Schengen area at the end of 2007
- London and provincial hotel occupancy in September was fractionally down on a year ago according to figures from PKF
- H5 strain of avian flu confirmed in a turkey near Diss - there have now been 72 human cases of H5N1 'avian flu' this year, of which 48 have proved fatal

# Factors contributing to tourism trends in Britain November 2007



- Overall conditions remain in the Neutral range
- Met Office figures indicate that October weather was very favourable
- The exchange rate is now judged to be neutral, but further dollar weakening may alter this in the coming months
- Improved figures from UKInbound and strong VisitBritain enquiry data has moved the Tourism Industry segment back into the Favourable range
- The economic outlook has become much gloomier, but at present labour markets here and in the Eurozone and US remain strong
- Inflationary pressure in the UK likely to keep base rates at their current level for several months
- Eurostar traffic in Quarter 3 remained strong, keeping the Travel Demand segment in the Favourable range