

Trends Update – Issue 72 (29 November 2007)

Transport and tour operator news

- The 'one bag rule' to be progressively lifted at UK airports from early January if each airport can demonstrate that it can securely deal with extra baggage through security
- Public Consultation underway regarding future expansion plans for Heathrow Airport
- easyJet to launch daily flights from Jersey to both Luton and Liverpool from next Spring
- Flybe to withdraw three routes from Spain to Norwich along with its Exeter to Norwich flights due to poor load factors
- Continental to fly twice daily from both Newark Liberty International and Houston to Heathrow from 29 March 2008
- From next May Flyglobespan will operate a weekly flight from Toronto to Bristol
- Taking advantage of the Open Skies Agreement US Airways will operate daily flights from Philadelphia to Heathrow from Spring 2008
- From next May BA will operate flights to London City from Amsterdam (4 daily), Barcelona (daily), Nice (daily) and Warsaw (daily)
- Flybe to operate new routes to Inverness commencing Spring 2008 from Birmingham, Exeter and Southampton (daily), and Manchester (double-daily)
- From Summer 2008 bmibaby will operate flights to Birmingham from Milan (Bergamo) (3 per week), Madrid (6 per week) and Krakow (3 per week), to Cardiff from Gdansk (2 per week) and Warsaw (6 per week) and to East Midlands from Nice (3 per week), Gdansk (3 per week) and Warsaw (3 per week)
- Off peak rail fares to rise by an average 5.4% from January

Domestic Economic News

- UK house prices record their sharpest month-on-month drop for twelve years

European Economic News

- Despite a strong Euro and continued squeeze on credit German business confidence remains upbeat

US Economic News

- US consumer confidence registers another sharp fall in November
- The volume of orders placed with US manufacturers fell for the third consecutive month in October

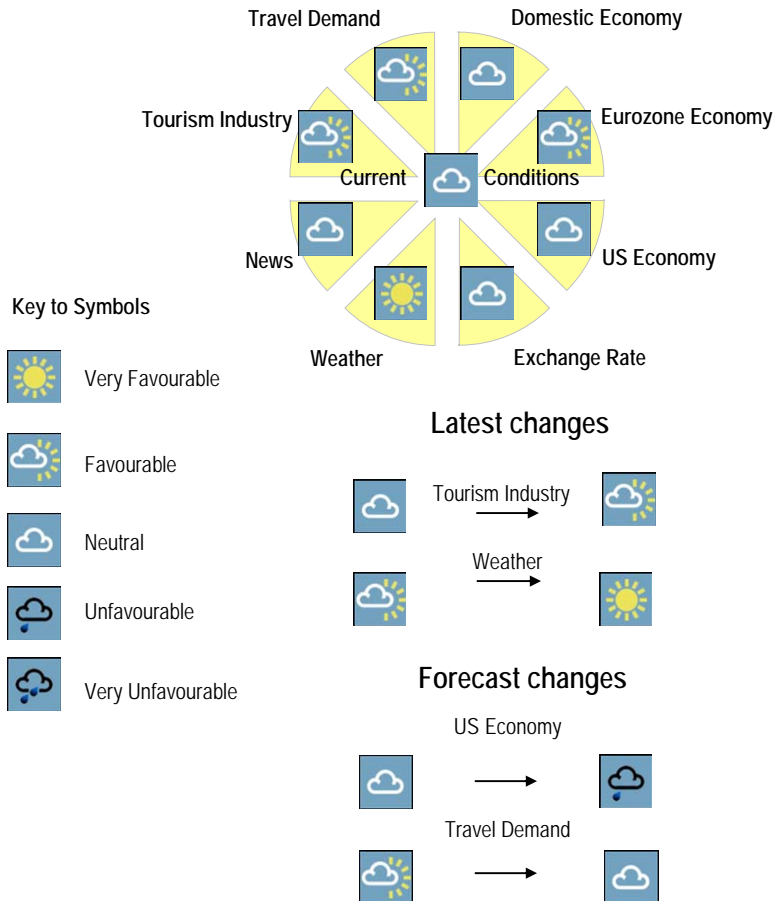
Global Economic News

- The EU again calls on China to allow its currency to strengthen more quickly

Tourism News

- Figures from PKF Consulting show that London hotel occupancy stood at 87% in October (up from 82.8% last year), with regional occupancy at 77.8% (77.5% last October)
- According to the UNWTO 32 million more international tourist arrivals were recorded globally in the first 8 months of 2007, growth equivalent to the UK's total arrivals during 2006

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
- October was another strong month for hotel occupancy according to PKF, helping to keep the Tourism Industry segment in 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