

Trends Update – Issue 73 (18 December 2007)

Weather

- November weather across the UK brought temperatures that were well above average, rainfall totals that were below average and sunshine totals close to average

Transport and tour operator news

- Members of the Unite Union working for airport operator BAA balloted on possible strike action
- Virgin Atlantic cabin crew balloted on possible strike action
- Traffic figures for November at BAA's seven airports brought the following year-on-year changes: UK domestic down 4.3%, European scheduled up 0.9%, North Atlantic +5.9% and other long-haul up 7.0%
- BA carried 0.1% more passengers in November than a year earlier, with strong traffic on routes to/from the Americas (+9.8%) but a decline on UK domestic and European routes (-2.1%)
- From end January easyJet will fly thrice weekly from Thessaloniki to Gatwick with similar flight frequency being offered on a new route from Murcia to Newcastle commencing mid May
- bmi hints that charges at Leeds Bradford airport put continued operation of its link to Heathrow in doubt
- From March Jet2.com will scrap its Prague to Belfast route
- Olympic Airlines, the Greek national carrier, faces an uncertain future according to the national government
- Flights from Johannesburg to Gatwick operated by Nationwide suspended on safety grounds
- bmi confirms that it will not operate US to Heathrow flights until at least 2009, giving the airline time to assess the level of competition and demand following the introduction of 'Open Skies' in March 2008
- From February bmi will operate six flights per week from Cologne to East Midlands
- Wizz Air to introduce three flights per week between Warsaw and Doncaster Sheffield from April 2008
- KLM to donate 3 of its Heathrow slots to Northwest Airlines so that Northwest can take advantage of 'Open Skies' to operate daily flights to LHR from Minneapolis (from 29 March), Detroit (1 May) and Seattle (1 June). KLM are to drop one daily Rotterdam to Heathrow flight, and switch 2 flights from Eindhoven to London City
- bmi to fly daily from Tel Aviv to Heathrow from 13th March
- New easyjet routes from April: to Bristol from Biarritz (4 weekly), Olbia (3 weekly), Split (2 weekly), to Edinburgh from Nice (3 weekly), from Faro to Glasgow (3 weekly) and from Pisa to Luton (daily)
- Skybus to fly 5 times per week between Cardiff and Newquay
- A strike by Greek transport workers results in the cancellation of all flights out of Greece on 12 December
- From 5th March Ryanair to withdraw its Brussels Charleroi to Stansted flights
- Manx2 to fly six times per week between Isle of Man and Nottingham East Midlands from March
- Long-distance rail journeys in Britain in the period July to September were 7.1% up on the same period of last 2006

Domestic Economic News

- UK consumer confidence falls sharply in November
- Bank of England lowers UK base rates by ¼% to 5.5%
- UK unemployment falls to a 32-year low
- CBI downgrades its economic growth forecast for the UK in 2008 to 2%

European Economic News

- Eurozone unemployment falls to 7.2% in October, its lowest since the creation of the zone in 1999
- Eurozone consumer confidence falls sharply in November
- European Central Bank leave Eurozone base rates pegged at 4.0%
- Eurozone inflation reaches 3.1% in November, its highest rate for more than six years

US Economic News

- US base rates cut by the Federal Reserve from 4.5% to 4.25%

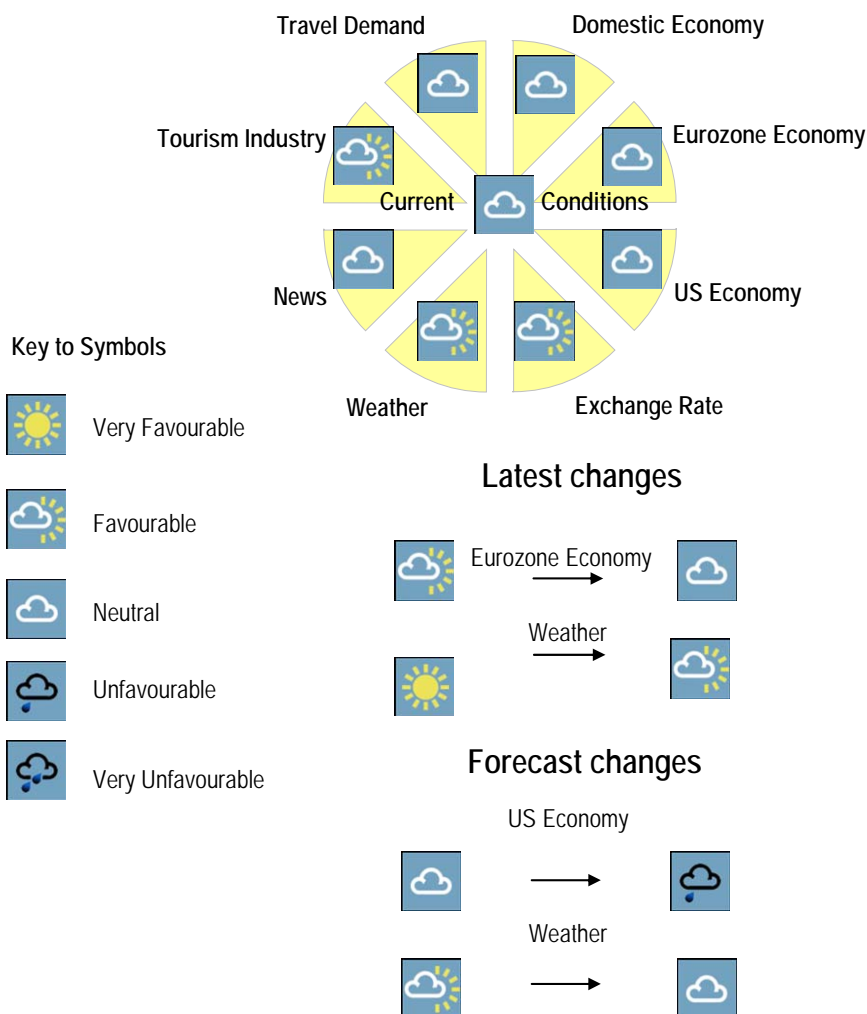
Global Economic News

- The Indian economy grew at an annual rate of 8.9% in the period July to September
- Canada's central bank announces a surprise cut in base rates due to global economic uncertainties
- 5 of the world's most important central banks are to offer \$110bn in loans to other banks in order to ease the credit crisis
- Retail sales in China grew at an annual rate of 18.8% in November, the fastest rate recorded since records began in 1999
- The Asian Development Bank forecasts that East and South East Asian economies will grow by 8% in 2008

Tourism News

- According to Global Refund sales to overseas residents visiting Britain who are able to reclaim tax increased by 27% in October compared with last year
- Bird flu surveillance zones in East Anglia lifted
- The Government says that up to 7,000 wind turbines could be placed around the UK's coastline by 2020 in order to boost the proportion of energy coming from renewable sources
- Although Boeing still says that the first 787 will be delivered by end 2008, analysts expect further delays in the delivery schedule due to ongoing supply problems and a shortage of bolts to hold the plane together
- US granted 'approved destination status' by China

Factors contributing to tourism trends in Britain, December 2007



- Overall conditions remain in the Neutral range
- Met Office figures indicate that November weather was favourable for the time of year
- The exchange rate is now judged to be favourable, with visitors from Eurozone markets benefiting from the Euro having strengthened against Sterling
- 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 – UK unemployment at a 32-year low
- Traffic through the Port of Dover continues to grow at a healthy rate
- Weaker domestic air travel figures push the Travel Demand segment back into the Neutral range