

Trends Update – Issue 74 (7 January 2008)

Weather

- December weather across the UK brought close to average rainfall, well above average sunshine and above average temperatures – it was the sunniest December since 2001

Transport and tour operator news

- Fog at Heathrow and Gatwick results in the cancellation of over 130 flights on 23rd and 24th December
- VLM Airlines bought by Air France KLM
- The Italian government has backed plans by Air France KLM to buy Alitalia
- The business class only airline MaxJet collapses and all its flights are suspended
- Alitalia has said that it is to swap three of its 13 daily pairs of slots at Heathrow for around £65m but has not said with which airline it has struck the deal
- Virgin Atlantic cabin crew announce two 48 hour periods of strike action during January, but the airline says nine out of ten flights will still operate
- From 30th March bmi to suspend flights to Inverness from Heathrow Nice and Alicante, and withdraw one daily rotation from Leeds Bradford to Heathrow – however an extra daily flight will operate between Moscow and Heathrow, along with an additional Manchester to Heathrow service
- New Ryanair routes commencing summer 2008 from Girona, Marseille and Pisa to Birmingham, from Alicante, Bremen, Frankfurt, Marseille and Pisa to Edinburgh, from Malaga and Nantes to Liverpool, from Angoulême and Faro to Stansted, from Girona, Bremen, Marseille and Milan to Manchester and from Alicante and Girona to Newquay
- Zoom to fly twice weekly from Fort Lauderdale to Gatwick commencing May 2008, with a similar frequency being offered from San Diego to Gatwick from June
- From 10th January Skysouth to fly four times a week from Deauville to Shoreham
- Prolonged disruption to rail services between London, the Midlands, North West and Glasgow due to overrunning engineering work at Rugby

Domestic Economic News

- Pound falls back below the \$2 level, and the Euro is at its lowest level against Sterling since its introduction

European Economic News

- Eurozone employment was 1.9% higher in Quarter 3 2007 than in the same period of 2006

US Economic News

- Demand for new homes in the US fell to a 12 year low in November
- US consumer confidence sees a small rise in December
- US unemployment in December 2007 stood at 5.0%, up from 4.7% in November, and job creation is at its slowest since August 2003

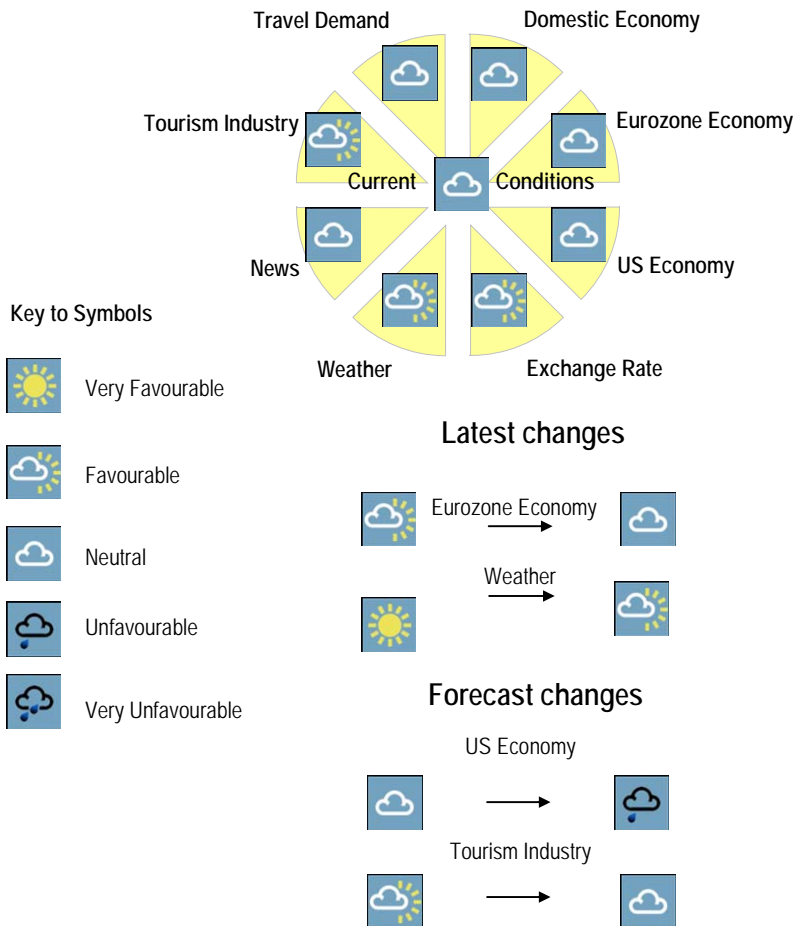
Global Economic News

- Oil prices briefly pass the \$100 per barrel mark before falling back

Tourism News

- The amount of time that tourists visiting the UK who require a visa are allowed to stay in the country may be cut from six months to three months
- German state government gives the green light for airport expansion at Frankfurt, with a fourth runway to be operational by 2011 and a third terminal by 2013
- The 'one bag rule' is lifted at a number of UK airports including Heathrow, London City, Aberdeen, Edinburgh, Glasgow and Manchester, but remains in force at airports including Gatwick and Luton – not all airlines flying from airports where the rule has been lifted are allowing customers to travel with more than one cabin bag
- Provisional figures from WHO suggest that there were 85 human cases of H5N1 avian flu in humans in 2007, of which 58 were fatal – this is around 25% down on 2006
- PKF figures indicate slight dips in occupancy rates at both London and the regions in November 2007 compared with a year earlier

Factors contributing to tourism trends in Britain, January 2008



- Overall conditions remain in the Neutral range
- Met Office figures indicate that December 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
- November was another good month for hotel occupancy according to PKF, helping to keep the Tourism Industry segment just inside the Favourable range
- The economic outlook continues to deteriorate, especially in the UK and US
- Traffic through the Port of Dover continues to grow at a healthy rate but weaker domestic air travel figures ensures that the Travel Demand segment remains in the Neutral range