

Trends Update – Issue 75 (13 February 2008)

Weather

- January weather across the UK brought exceptionally above average rainfall and temperatures, but close to average amounts of sunshine

Transport and tour operator news

- Fog disrupts flights into London City Airport on several mornings in mid February
- Eurostar carried 7.6% more passengers in the period October to December 2007 than in the same three months of 2006
- Passenger traffic through the Port of Dover increased at an annual rate of 0.4% in December
- In December the seven BAA airports handled 3.5% fewer passengers on domestic routes than a year earlier, the same number of passengers on European scheduled routes, 6.3% more on routes across the North Atlantic and 2.5% more on other long-haul routes
- Birmingham Airport submits a planning application for a 400m extension to its runway
- Flywoosh ceases to operate flights from Belfast and Birmingham to Dundee
- From end October British Airways will launch services from Hyderabad to Heathrow, operating five times per week
- Delta will resume its Atlanta to Edinburgh flights between June and September
- bmibaby will fly three times per week from Warsaw to Birmingham from late May
- Between April and October Ryanair will fly from Malaga, Murcia, Nantes, Palma and Wroclaw to Bournemouth
- Flybe to operate two flights per week (3 in summer) between Jersey and Cardiff
- Shaheen Air to fly twice weekly from Islamabad to Leeds Bradford from early February
- Air France KLM adds a further €2 to its fuel surcharge on routes to/from the UK
- BA flight from China makes emergency landing short of the runway at Heathrow
- EOS (the business class only airline) to operate from Dubai to Stansted from July
- Qatar Airways to launch a fourth daily flight from Doha to Heathrow from the end of March
- From 26th October BA to fly daily to Buenos Aires via Sao Paulo and commence non-stop flights to Rio de Janeiro
- Test flights for the Boeing 787 Dreamliner have been further postponed, meaning that deliveries to airlines will not commence until some point during 2009
- From end March Lufthansa will fly six times weekly from Hamburg to Birmingham
- Aberdeen based City Star Airlines suspends all flights due to financial difficulties
- BA to fly double daily from New York JFK to London City Airport from 2009, operating 'business class only' A318s
- Eastern Airways to scrap its Birmingham to Inverness flights
- Clickair to fly Bilbao to Gatwick from end March, replacing flights previously operated into Heathrow from Bilbao by Iberia
- From 15th May Aegean Airlines to fly double-daily from Athens to Stansted
- BA carried 0.8% fewer passengers in January than a year earlier
- A strike in Greece disrupts flights to the UK on 13th February
- Aer Lingus to fly daily from Paris to Belfast from end March
- Tolls abolished on all road bridges in Scotland

Domestic Economic News

- Bank of England cuts UK base rates by 0.25%
- The number of car journeys undertaken in Great Britain in the final 3 months of 2007 was 3.5% down on the equivalent period of 2006
- Provisional figures indicated that UK GDP increased at an annual rate of 3.1% in 2007
- In the period October to December 2007 UK unemployment fell to 5.2% of the labour force
- UK consumer confidence falls sharply in January

European Economic News

- European Central Bank keeps Eurozone base rates stable
- Eurozone unemployment remained steady at 7.2% in December
- Eurozone consumer confidence falls sharply in January
- Snap elections called in Italy

US Economic News

- US Federal Reserve cuts US interest rates by 1.25% over the course of ten days
- Labour market data from the US shows that the rate of job creation continues to slow
- US consumer confidence continued to decline in January

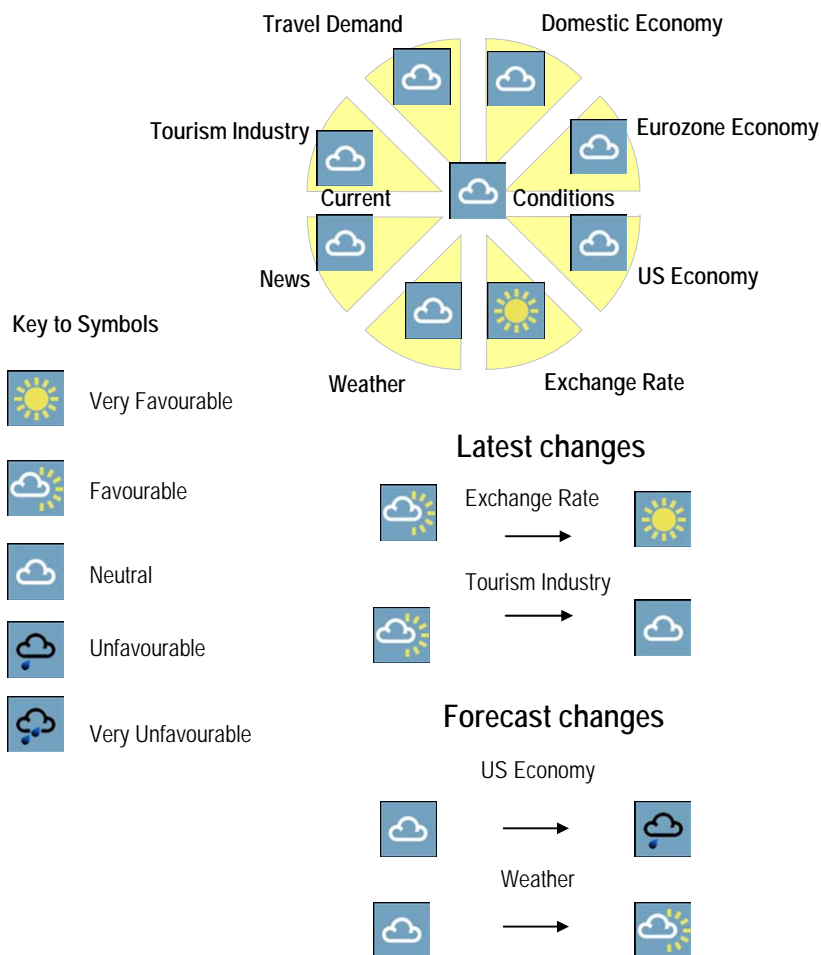
Global Economic News

- The World Bank forecasts that global economic growth will be 3.3% in 2008, compared with 3.6% last year – growth in emerging economies such as China and India is expected to cushion a sharp slowdown in developed economies such as the US
- Severe winter weather causes extensive disruption in China

Tourism News

- In early January highly pathogenic form of bird flu found in three swans at the Abbotsbury Swannery in Dorset, a seasonal visitor attraction that closed to the public in October, and will reopen in March
- The US State Department issued 18.4 million passports in US fiscal year 2007, up from 12.1 million in 2006 – it is now estimated that 30% of Americans own a passport
- According to Global Refund sales to overseas visitors reclaiming tax were 11% up in January compared with a year ago
- Figures from PKF Consulting indicate that London hotel occupancy in December stood at 73.6%, with occupancy in the regions at 62.5% - both figures being very similar to levels achieved a year earlier
- On average the cost of Sterling was 6% lower for inbound visitors in the three months ending January 2008 than in the equivalent period a year earlier

Factors contributing to tourism trends in Britain, February 2008



- Overall conditions remain in the Neutral range
- Met Office figures indicate that January weather was typical for the time of year
- The exchange rate is now judged to be very favourable, with visitors from Eurozone markets benefiting from the Euro having strengthened against Sterling
- December was another good month for hotel occupancy according to PKF, but the Tourism Industry segment has slipped back into the Neutral range
- The economic outlook continues to deteriorate, especially in the UK and US
- Eurostar enjoyed strong passenger growth in the final quarter of 2007, but the number of car journeys in Great Britain declined