

## Trends Update – Issue 76 (26 February 2008)

### Transport and tour operator news

- UK inbound figures for December indicate that visitor arrivals fell by 2.5% compared with a year earlier, with forward bookings down by 4.8%
- A major baggage handling system failure causes severe disruption to all flights using Heathrow Terminal 4, with further disruption caused by thick fog
- BA pilots vote on strike action following the airline's decision to out-source pilots for its new OpenSkies operation, but negotiations to settle the dispute are ongoing
- BAA's seven airports handled 2% fewer passengers in January than a year earlier; domestic -5.8%, European scheduled -1.7%, North Atlantic -1.4%, other long-haul +0.6%
- From this summer KD avia will increase to daily its flights from Kaliningrad to Gatwick
- Jet2.com to offer double daily weekday (one per day at weekends) flights from Paris to Leeds Bradford from the end of March
- From June bmi baby to fly twice weekly from Lisbon and four times weekly from Madrid to Manchester, with a four times weekly service from Barcelona to Manchester commencing in September
- The number of passengers using the Port of Dover in January was 1.1% up on a year ago

### Domestic Economic News

- UK consumers continue to switch to on-line shopping, with the equivalent of £74 per person being spent in January according to IMRG

### European Economic News

- The European Commission now forecast Eurozone economic growth to stand at 1.8% in 2008, down from its forecast of 2.2% back in November

### US Economic News

- US Federal Reserve hints at further reductions in base rates

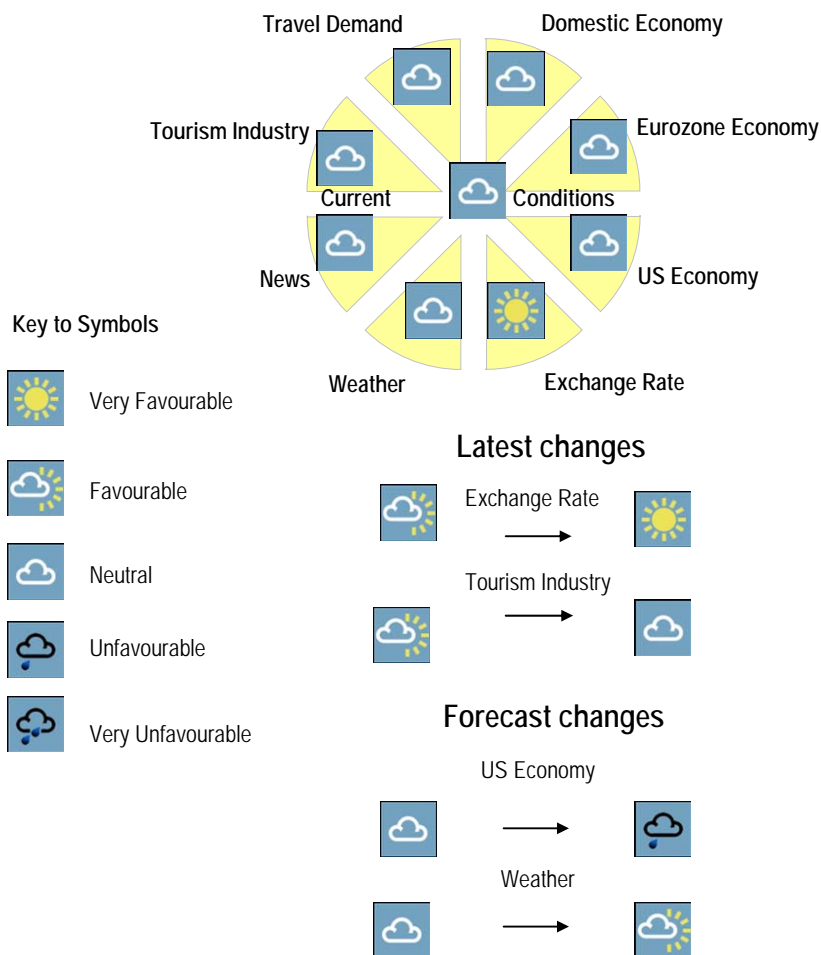
### Global Economic News

- The rate of inflation in China increased to 7.1% in January, an eleven year high
- Price of oil once again touches \$100 per barrel
- Global inflation continues to be threatened by rapidly increasing wheat prices

### Tourism News

- Bluetongue disease identified in cattle near Poole in Dorset and in County Antrim, with the disease also found in sheep in Wales
- Virgin Atlantic operates a Boeing 747 jet from Heathrow to Amsterdam with one of its four engines powered by biofuel
- There were 86 human cases of H5N1 avian flu last year, of which 59 were fatal – so far in 2007 fifteen out of seventeen humans contracting H5N1 have died

## 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, with UKinbound reporting weak figures
- 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