

## Trends Update – Issue 79 (14 April 2008)

### Weather

- The Met Office forecast that summer (June, July and August) is more likely to bring above average than below average temperatures, with rainfall either close to, or above average
- March weather in the UK was characterised by exceptionally above average rainfall, above average amounts of sunshine and close to average temperatures

### Transport and tour operator news

- Around 300 flights to/from London airports cancelled due to snow on 6<sup>th</sup> April
- BAA's seven airports handled 1.2% more passengers in March than a year earlier. Domestic traffic declined by 6%, European scheduled traffic increased by 3%, North Atlantic traffic was up 0.8% and other long-haul traffic up 1.9%
- Oasis, the low-cost airline that had been offering daily flights from Hong Kong to London Gatwick has ceased flying due to financial difficulties
- BA carried 2.8% fewer passengers in March this year than March 2007
- BA will not now transfer the majority of its long-haul routes into the new Terminal 5 on 30<sup>th</sup> April as planned, with the transfer now likely to commence in June
- bmibaby will fly from Barcelona to Cardiff thrice weekly from June
- Air France/KLM pull out of takeover talks with Alitalia, increasing the likelihood that the Italian flag carrier will collapse
- From November LD Lines will double capacity on its ferry route from Le Havre to Portsmouth
- The number of passengers travelling through the Port of Dover during March was 3.3% up on a year ago
- Eurostar reports a 21% annual rise in passenger numbers during the first three months of 2008

### Domestic Economic News

- Against a basket of currencies Sterling is now nearly 10% cheaper than at this time last year
- IMF forecast UKGDP to grow 1.6% in both 2008 and 2009
- Bank of England cuts base rates by 0.25% to 5%
- UK producer prices rose at their fastest annual rate for 17 years in March

### European Economic News

- Euro at record high against Sterling, with £1 costing just €1.25
- European Central Bank leaves Eurozone base rates unchanged in April at 4.0%

### US Economic News

- US retail sales figures for March not as downbeat as analysts had been predicting

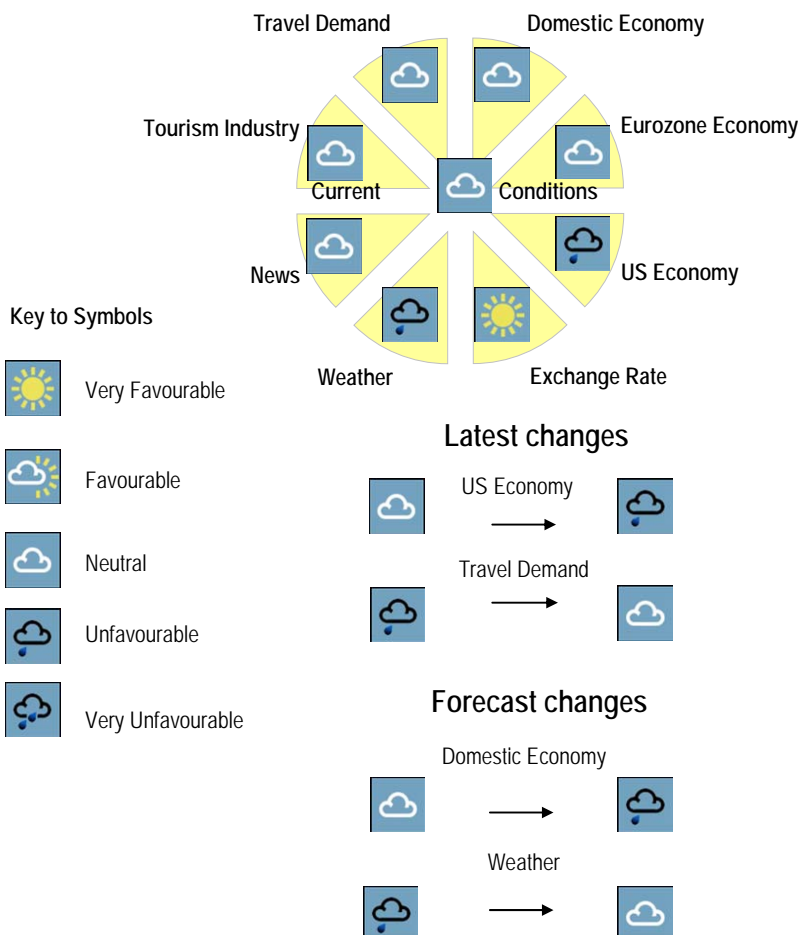
### Global Economic News

- The Chinese economy is now estimated to have grown by 11.9% in 2007
- IMF forecast global economic growth to slow to 3.7% in 2008, with a one-in-four chance of a global recession
- Oil reaches \$112 per barrel
- Both the IMF and World Bank warn of the socio-economic and political dangers of the global surge in food prices

### Tourism News

- The first Boeing 787 is now not expected to be delivered until late 2009

## Factors contributing to tourism trends in Britain, April 2008



- Overall conditions remain in the Neutral range
- Despite the extensive coverage of operational problems at Terminal 5 overall the News segment remains 'neutral'
- The exchange rate is now judged to be very favourable, with visitors from Eurozone markets benefiting from the Euro having strengthened against Sterling, but there are signs of further US dollar weakening
- February 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
- A good March for the Port of Dover, and strong first three months of 2008 for Eurostar has moved the Travel Demand segment back into the 'Neutral' range