

Trends Update – Issue 84 (24 June 2008)

Weather

- May weather brought exceptionally above average temperatures, well below average rainfall and above average amounts of sunshine across the UK

Transport and tour operator news

- UK inbound report visitor arrivals in April up 1.7% on a year earlier, with forward bookings up 1.3%
- The number of passengers travelling through the Port of Dover during May was 3.2% down on a year earlier
- The number of passengers passing through BAA airports was 0.5% down on a year ago in May, domestic traffic fell 5.3%, European scheduled increased 0.9%, North Atlantic traffic increased by 0.5% and traffic on other long-haul routes was up 1.2%
- A strike by fire-fighters results in the closure of nine Scottish airports, mostly in Orkney, Shetland and the Western Isles on 23rd June
- The fee levied on departing passengers from Norwich airport will rise to £5 from September
- From October Ryanair will add new routes to Luton from Beziers, Derry, Kaunas, Rzeszow, Szczecin and Trapani, and to Stansted from Madrid. Other new routes include Gdansk, Szczecin and Marrakesh to Bristol and Brussels to Manchester
- Virgin Atlantic will add an extra three flights per week from Hong Kong to Heathrow from end October
- Flybe suspends its recently launched Glasgow to Newquay service due to the high price of oil and poor ticket sales
- PIA will introduce a twice-weekly flight from Islamabad to Leeds Bradford from 2nd July
- From this winter Jet2.com will fly to Leeds Bradford from Amsterdam, Belfast, Dusseldorf and Prague
- Aer Lingus will operate five flights per week from Dublin to Newcastle from end October

Domestic Economic News

- A strike by Shell tanker drivers causes disruption to petrol supplies at some service stations, especially in the South West of England
- Consumer price inflation reaches an annual rate of 3.3%, the highest for over a decade

European Economic News

- Eurozone unemployment remained at 7.1% in April
- Average earnings in Eurozone countries increased at an annual rate of 3.3% during the first three months of the year

US Economic News

- US unemployment jumps sharply to 5.5% in May

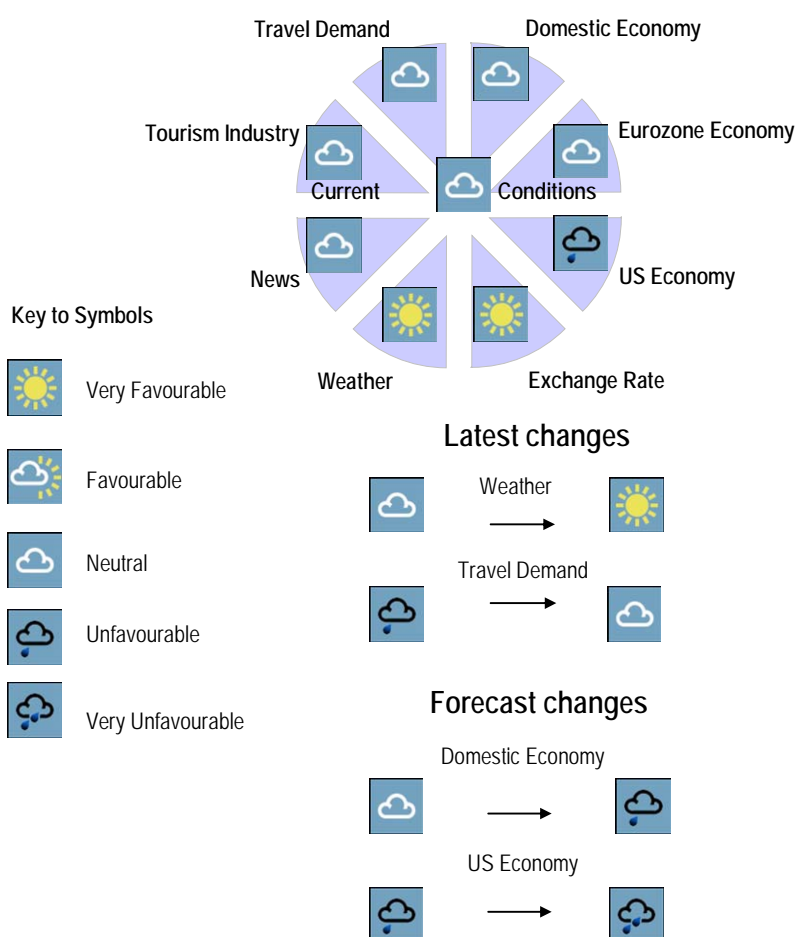
Global Economic News

- Oil prices touch a new high of \$139 per barrel
- Indian inflation reaches 11%, its highest for 13 years

Tourism News

- David Cameron says he opposes a third runway at Heathrow Airport
- The number of civil partnerships in the UK during 2007 stood at 8,728, 46% down on 2006
- Indonesia reports two human deaths from H5N1 'avian flu', taking the global human case tally for 2008 to 34, of which 26 have resulted in death

Factors contributing to tourism trends in Britain, June 2008



- Overall conditions remain in the Neutral range
- Although now much improved, early June weather brings flooding to parts of central southern England and gales to the north of England
- The exchange rate is now judged to be very favourable, with visitors from Eurozone markets benefiting from the Euro having strengthened against Sterling
- The Bank of England mindful of the inflationary threat at present keeps base rates unchanged in June and warns of the toughest economic times for two decades
- Many Eurozone countries see a wave of industrial action as fishermen and others protest at the high cost of fuel
- The Travel Demand segment continues to shift between 'neutral' and 'unfavourable'