

## Trends Update – Issue 86 (24 July 2008)

### Weather

- The Met Office forecasts that winter 2008/9 should be less mild than last winter, but as yet there is no clear signal regarding the amount of rainfall

### Transport and tour operator news

- Eurostar carried 16% more passengers in the period April to June than a year earlier
- The number of passengers passing through the Port of Dover in June was 10.8% down on last year; French industrial action caused disruption this year
- BAA's seven airports handled 4.2% fewer domestic passengers in June 2008 than in June 2007, with 1% fewer European scheduled passengers, 1.1% fewer passengers on North Atlantic routes and 1% fewer on routes to/from other long-haul destinations
- From December easyJet will fly from both Sofia and Geneva to Manchester
- From this winter bmibaby will fly from Krakow, Warsaw and Milan Bergamo to Birmingham, from Barcelona to Manchester, from both Barcelona and Warsaw to Cardiff and from Warsaw to East Midlands
- Arik Air is expected to start operating four flights per week between Lagos (Nigeria) and Heathrow from October
- easyJet to introduce a Helsinki to Gatwick and Lyon to Gatwick service from November
- Austrian Airlines to scrap its twice daily flight from Vienna to London City from mid August
- easyJet to scrap its Berlin and Gdansk to Belfast routes from October
- Ryanair to cut 14% of flights operating to Stansted this winter compared with a year earlier
- easyJet to cut 12% of flights operating to Stansted this winter compared with a year earlier
- Jet2.com to axe its Belfast to Blackpool route

### Domestic Economic News

- Bank of England keep base rates at 5% in July
- UK output prices increased at an annual rate of 10% in the year to June, its highest rate since 1986
- Consumer price inflation jumped to 3.8% in June, an 11-year high
- UK retail sales fall sharply between May and June, but on a 3-month rolling basis remain positive

### European Economic News

- France takes a step towards economic reform with the abolition of a compulsory 35-hour week

### US Economic News

- US government forced to shore up the nation's two major mortgage lenders

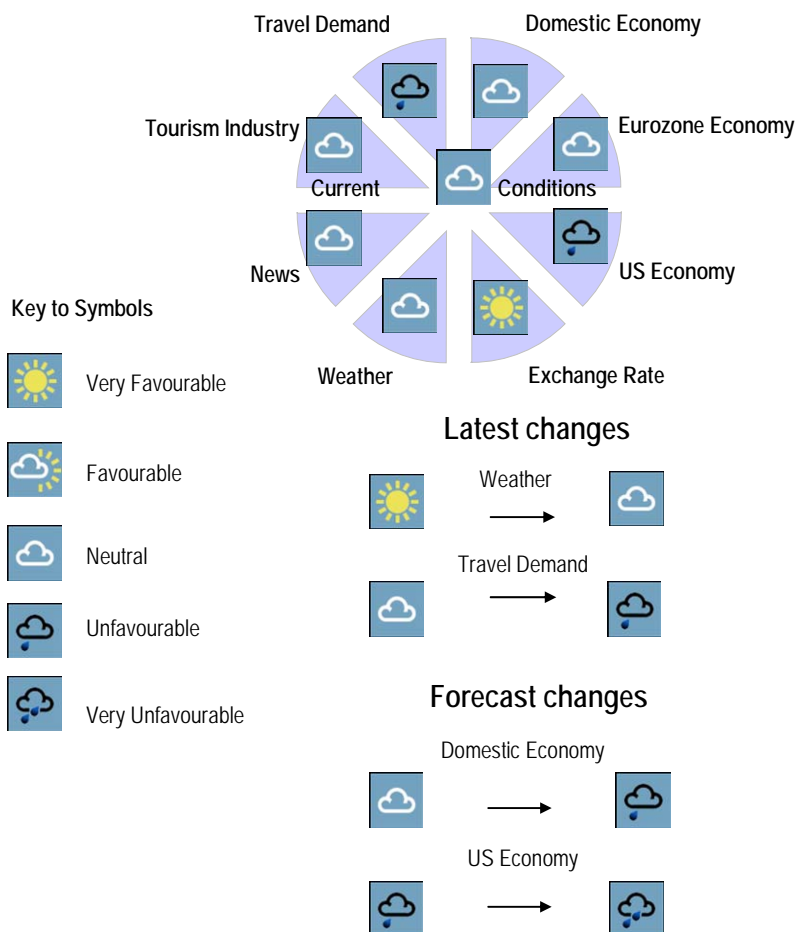
### Global Economic News

- Price of oil drops sharply, but remains close to \$130 per barrel
- Annual economic growth in Singapore drops sharply from 6.9% in the first quarter of the year to 1.9% in the second quarter
- Japanese consumer confidence falls to its lowest level in 26 years
- Indian inflation continues to increase, now at 12% per annum
- China's economic growth slowed to an annual rate of 10.1% in the second quarter of the year

### Tourism News

- The European Parliament vote to include aviation in the Emissions Trading Scheme from 2012 onwards
- The Government announce a delay in its decision on 'mixed mode' operation at Heathrow, whereby the two runways would be used in parallel for landings and take-offs, enabling Heathrow to accommodate around 60,000 more flights per annum
- The Home Office announces that it may require short term visitors from the following countries to apply for a visa 'unless they significantly reduce the risk they pose to the UK by the end of the year': Bolivia, Botswana, Brazil, Lesotho, Malaysia, Mauritius, Namibia, South Africa, Swaziland, Trinidad and Tobago and Venezuela
- Figures from Global Refund show that in June sales to overseas visitors to the UK reclaiming tax increased at an annual rate of 25%

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



- Overall conditions remain in the Neutral range
- June weather conformed to the seasonal norms in terms of rainfall, temperatures and hours of sunshine
- The exchange rate is now judged to be very favourable, with visitors from Eurozone markets benefiting from the Euro having strengthened against Sterling
- Economic woes persist in the US and consumer confidence in the UK is now at a thirty-year low, meanwhile the threat of inflation is now resulting in an expected slowdown in Asia
- Eurostar continues to see significant year-on-year demand increases, but weak airline and ferry data ensures that the Travel Demand segment remains in the unfavourable range
- The Tourism Industry segment remains in the neutral range thanks to moderately healthy hotel occupancy figures