

Trends Update – Issue 91 (8 October 2008)

Weather

- Met Office figures indicate that September brought close to average amounts of rainfall, close to average temperatures, but below average amounts of sunshine, in fact it was the dullest September since 1993

Transport and tour operator news

- An air traffic control glitch causes some 100+ flights to/from the UK to be cancelled on 25th September
- BA carried 5.6% fewer passengers in September than a year earlier
- bmi to axe its Ekaterinburg to Heathrow rotation from end October
- From 20th October Loganair to suspend its Londonderry to Glasgow flights
- From mid October bmi to suspend its daily Ankara to Heathrow rotation
- From end October bmi to use smaller planes on its routes to Heathrow from Jersey, Durham Tees Valley, Leeds Bradford and Aberdeen
- The ongoing strike at Boeing has resulted in Ryanair postponing the launch of flights from Dusseldorf to Birmingham and Manchester for a number of weeks
- From end October Jet2.com to scrap its Barcelona to Belfast flights, but says that from May it will fly from both Dubrovnik and Newquay from May 2009
- Ryanair to scrap its Shannon to East Midlands flights from end October
- Eurostar unable to operate any trains from Brussels to London on 6th October due to a strike in Belgium
- Rail travel in Scotland disrupted due to industrial action by signal workers
- From November Ryanair to fly Shannon to Newcastle
- Cathay Pacific to reduce its long-haul fuel surcharge by 11%
- Eastern Airways to fly six times per week from Oslo to Aberdeen from January 2009
- From March 2009 jet2.com will fly four times per week from Dusseldorf to Edinburgh
- From end October Gulf Air will fly twice daily from Muscat to Heathrow (with a short stopover in Bahrain)
- From end March 2009 BA to increase its schedule of flights from Dubai to Heathrow from 14 to 20, with the number of weekly flights from Johannesburg up from 14 to 19 from 1st May
- From end March 2009 BA to add one additional flight per day to Heathrow from; Rome, Athens, Budapest, Lisbon, Nice and Prague

Domestic Economic News

- UK consumer confidence remains weak but steady in September
- UK service sector activity shrank at its fastest rate for more than 12 years in September according to the Chartered Institute for Purchasing and Supply, with hotels and restaurants said to be particularly hard hit
- The British Chambers of Commerce says that results from its latest survey of 5,000 companies are 'exceptionally bad' and that UK unemployment may increase by 350,000 over the next year or so

European Economic News

- The Irish economy has officially entered a recession following new data showing that GDP had contracted for a second consecutive quarter
- The European Central Bank keeps Eurozone base rates steady at 4.25%
- Eurozone consumer confidence remains weak but steady in September
- Eurozone unemployment creeps up to 7.5% in August

US Economic News

- US consumer confidence remained weak but stable during September, though with survey fieldwork taking place before the latest wave of financial market turmoil
- US unemployment remains at 6.1% in September

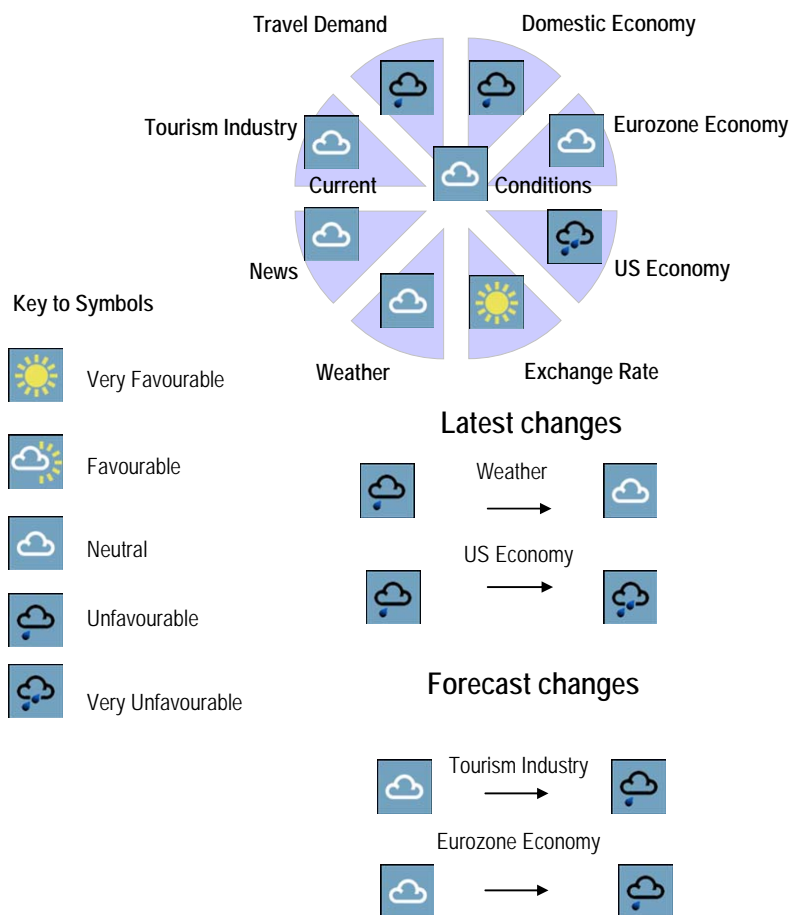
Global Economic News

- Asian financial markets see heavy losses due to global financial market crisis

Tourism News

- The Conservative Party says it would scrap plans for a third runway at Heathrow, instead building a high-speed rail link from St Pancras to Birmingham, Manchester and Leeds
- According to PKF chain hotel occupancy dipped slightly in August compared with a year earlier in both London and the regions
- Coventry airport loses its High Court Appeal to build a new terminal building
- The UK Committee on Climate Change says a cut in greenhouse gas emissions of at least 80% by 2050 should include international aviation and shipping

Factors contributing to tourism trends in Britain, October 2008



- Overall conditions remain in the Neutral range
- September weather was unseasonably cloudy but marked an improvement on August
- The exchange rate remains very favourable, with a strengthening in the US Dollar likely to reinforce this trend in coming months
- The British Chambers of Commerce believe the UK is already in recession and that unemployment will rise by 350,000
- Despite passing of the Bail Out Bill the US economic outlook continues to worsen
- Travel demand continues to fluctuate between the unfavourable and neutral range with demand for air travel continuing to be weak
- The Tourism Industry segment remains in the neutral range thanks to moderately healthy hotel occupancy figures, particularly in London