

## Trends Update – Issue 93 (11 November 2008)

### Weather

- Parts of Britain see their first October snow since the 1970s, with flights having to be diverted from Luton
- October weather across the UK brought below average temperatures, well above average amounts of sunshine but exceptionally above average rainfall totals

### Transport and tour operator news

- Low-cost carrier Sterling collapses, it had offered flights from Scandinavia Gatwick
- The International Air Transport Association report an 'alarming drop' in global passenger traffic in September
- BA carried 6.5% fewer passengers in October than a year earlier
- From May 2009 US Airways to fly daily from Philadelphia to Birmingham
- From 4th November Ryanair will axe all its flights to the UK from Valencia
- Iceland Air to suspend virtually all flights from Reykjavik to Glasgow between December and March
- easyJet will operate a daily flight from Copenhagen to Gatwick from mid January
- KLM to fly three times per day from Amsterdam to Liverpool from end March
- BA to withdraw its Dublin to Gatwick flights from end March 2009
- bmi to drop its flights to Manchester from Chicago and Las Vegas from early in 2009
- Delta to axe its daily Seattle to Heathrow flight from 8<sup>th</sup> January
- By February Mexicana will operate 4 times per week from Mexico City to Gatwick (twice per week in January)
- BA announces that from March 2009 it will suspend flights to Heathrow from Dhaka and Calcutta, flights to Gatwick from Zurich and Geneva, and reduce the number of flights to Heathrow from Paris and Edinburgh
- bmi is to be taken over by Lufthansa
- The volume of car traffic in Great Britain declined at an annual rate of 2.4% in the period July to September
- The number of long-distance rail journeys undertaken in Britain in the period April to June 2008 was 5% up on a year earlier
- The Port of Dover handled 1.3% more passengers in October than a year earlier

### Domestic Economic News

- UK consumer confidence declined further in October
- Bank of England cut UK base rates by 1.5%

### European Economic News

- Hungary and Ukraine become the latest countries to require emergency financing from the International Monetary Fund
- Eurozone consumer confidence declined sharply in October
- European Central Bank cuts Eurozone base rates by 0.5%

### US Economic News

- US consumer confidence, which has been low for many months, plummets to an all-time low in October
- US Federal Reserve cuts US interest rates by 0.5% to 1.0%
- US unemployment jumped to 6.5% of the workforce in October, the highest rate since 1994

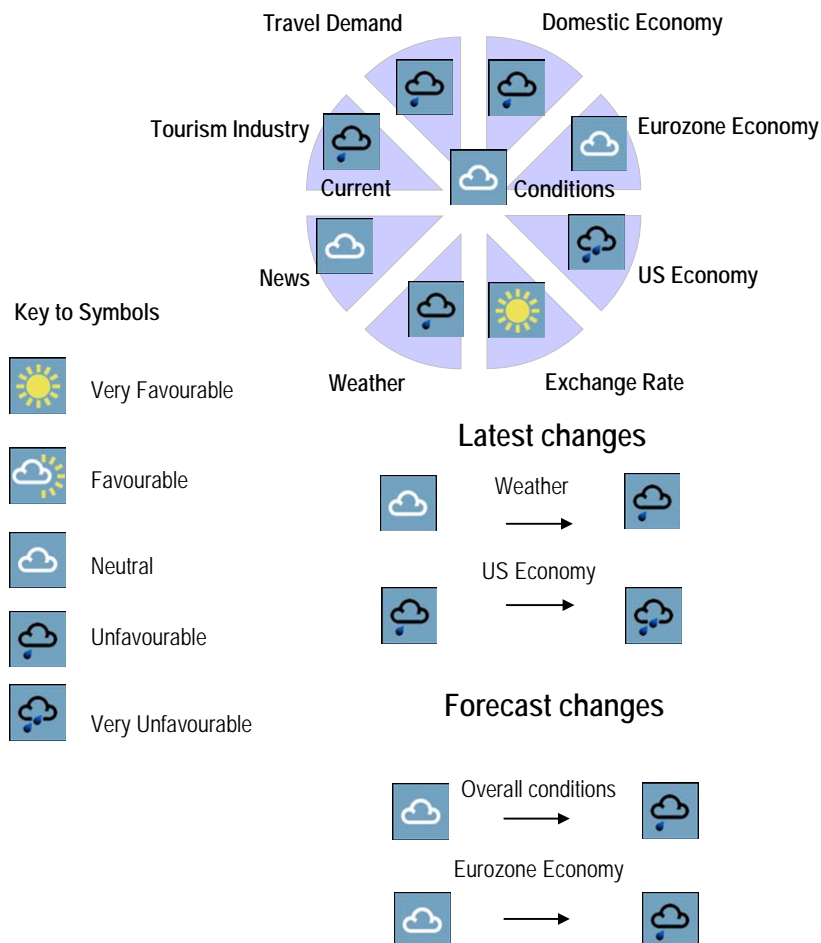
### Global Economic News

- Japan's Central Bank cuts interest rates to 0.3%, the lowest in the developed world
- Australia's central bank cuts interest rates from 6.0% to 5.25% to try and boost the economy
- Chinese government announces major investment plan to lessen the impact of an economic slowdown
- Ratings agency Fitch has lowered its 'credit outlook' for a number of emerging economies including South Korea, Mexico, Russia and South Africa from 'stable' to 'negative'

### Tourism News

- UNWTO reports rapid slowdown in international tourism and forecasts growth of between 0% and 2% in 2009
- The US Passport Agency issued 15.7m passports to US citizens in US fiscal year 2008, 74.4% of which were first time passports – it is now reckoned that 88 million Americans resident in the US own a passport, around 31% of the population according to Donald N Martin & Company
- BAA announces a £230m contribution towards the cost of Crossrail
- PKF figures indicate that regional hotel occupancy in September stood at 76.3% compared to 78.9% a year earlier, with occupancy in London hotels falling sharply from 86.4% in 2007 to 81.6% this year

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



- Overall conditions remain in the Neutral range but appear to be heading towards the Unfavourable range
- October weather was unseasonably cool and wet, though sunnier than normal
- The exchange rate remains very favourable, with a strengthening in the US Dollar and Japanese Yen likely to reinforce this trend in coming months
- UK economic indicators all point towards a sharp slowdown
- US consumer confidence may rebound following the election of Barack Obama
- Travel demand continues to fluctuate between the Unfavourable and Neutral range with demand for air travel continuing to be weak
- The Tourism Industry segment moves into the Unfavourable range on the back of weak hotel occupancy data for September