

Trends Update – Issue 98 (13 February 2009)

Weather

- Met Office figures for January show that the UK experienced below average temperatures, close to average amounts of rainfall but exceptionally above average amounts of sunshine

Transport and tour operator news

- Widespread disruption to transport networks at the start of February due to heavy snowfall with over a thousand flight cancellations and many airports being forced to close
- UKinbound report visitor arrivals up 0.2% in December compared with a year earlier, but forward bookings were down 5.4%
- Boeing and Airbus received more cancellations than new orders for aircraft in January
- BAA's seven airports handled 6.3% fewer passengers in January than a year earlier; domestic traffic declined by 12%, North Atlantic traffic by 5.9%, other long-haul down 1.9% and European scheduled by 6.0%
- British Airways carried 4% fewer passengers in January than a year earlier, only traffic to/from Middle East/Africa witnessed an increase
- Norwegian to fly Oslo to Gatwick three times per day, Copenhagen to Gatwick twice daily and from Bergen, Stavanger and Aalborg to Gatwick daily from the end of March
- Loganair to operate daily flights between Aberdeen and Cardiff from late April
- Air Southwest to launch a four times per week service between Guernsey and Plymouth from 8th April
- Ryanair expected to axe flights to the UK from a number of airports in Poland from the end of March
- Ryanair to reduce the number of flights to both Manchester and Leeds Bradford from Dublin
- There was an annual decline in car traffic in Great Britain of 1.4% in the final three months of 2008
- The number of passengers using the Port of Dover in January was 13.8% up on a year ago

Domestic Economic News

- UK interest rates cut to 1%
- The Bank of England forecast that the UK economy may contract by 3% in 2009, with the recession longer and deeper than had been forecast just three months ago
- In the three months to December the UK unemployment rate climbed to 6.3% of the labour force

European Economic News

- Spanish unemployment increased by a further 200,000 in January, taking the total rate to 14.4% of the labour force
- The German economy contracted at an annual rate of 1.6% in the final three months of 2008
- Eurozone interest rates left on hold at 2%

US Economic News

- US unemployment increased by nearly 600,000 in January taking the unemployment rate to 7.6%

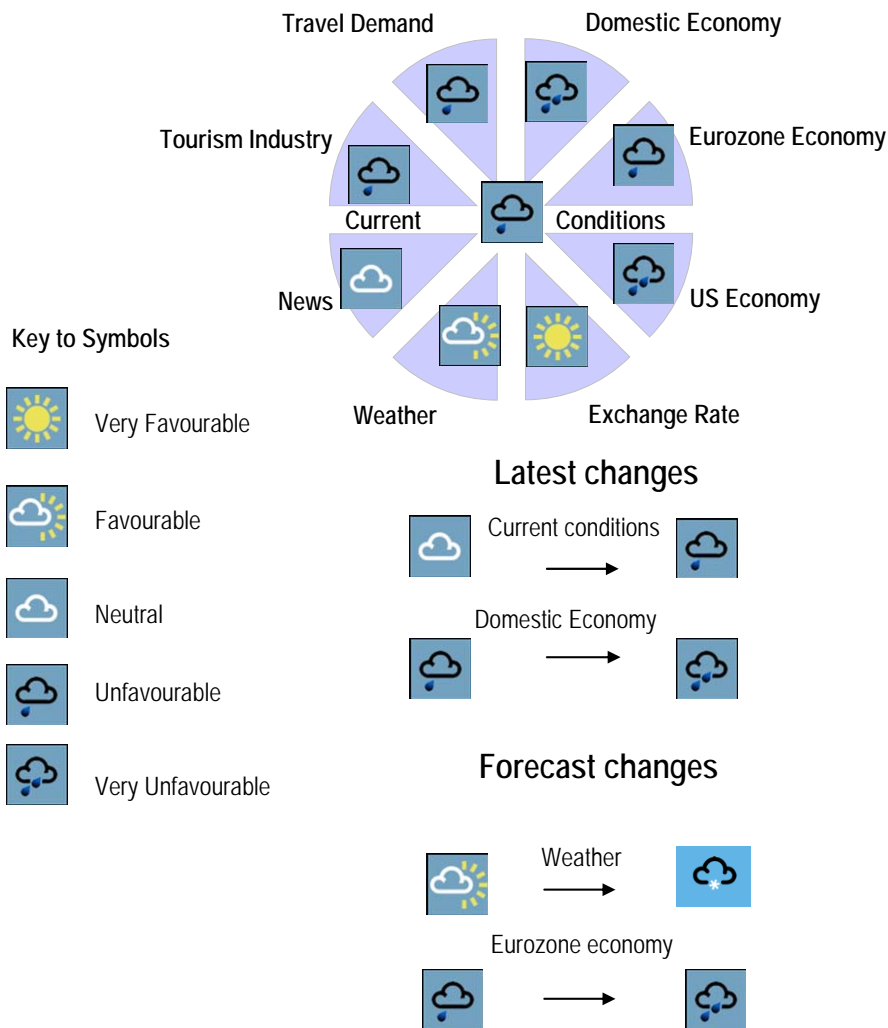
Global Economic News

- Japan's industrial output fell at its fastest rate on record in December
- The Russian economy grew by 5.6% in 2008, a much slower rate than in 2007 due to the fall in commodity prices
- China's exports fell at an annual rate of 17.5% in January

Tourism News

- Holiday camp company Pontins says it is to redevelop its holiday centres, creating 2,000 new jobs
- According to TRI Hospitality Consulting revenue per available hotel room in London could fall by as much as 10% in 2009
- A study conducted by the Economist Intelligence Unit and Amadeus suggests that business travellers are more concerned about hotel wi-fi access and efficient check-in rather than 'luxuries' such as a gym, and that a diminishing proportion are considering extending business trips to include some leisure time
- The UK Government announces that visitors from the following countries will now require a visa to enter the UK; Bolivia, Lesotho, South Africa, Swaziland and Venezuela – however the visa requirement for citizens of Taiwan is to be lifted
- The World Health Organisation reports new cases of H5N1 'avian flu' in humans in both Egypt and Vietnam

Factors contributing to tourism trends in Britain, February 2009



- Overall conditions have edged into the Unfavourable range
- January weather though cold brought generally favourable conditions
- The exchange rate remains very favourable
- UK unemployment continues to rise sharply
- The Eurozone economy has deteriorated further
- One bright note in travel demand is that the Port of Dover continues to see strong traffic
- UKinbound data reveals that forward bookings were negative in December