

## Trends Update – Issue 99 (27 February 2009)

### Weather

- The Met Office forecast that spring 2009 (March, April and May) will bring precipitation close to or below average for the UK, while temperatures will be lower than last year, at either close to or below seasonal norms

### Transport and tour operator news

- According to IATA global premium air travel decline at an annual rate of 13.3% in December
- Virgin Atlantic sheds 600 jobs in response to weakening demand for air travel and may cut its flying programme by 8-10% in the coming year
- Ryanair to axe flights to Liverpool from Budapest, Faro, Friedrichshafen, Gdansk, Lodz, Paris, Salzburg, Santiago, Szczecin and Valencia
- bmi to axe flights between Heathrow and both Leeds Bradford and Durham, and reduce flight frequencies to Heathrow from Aberdeen, Amsterdam, Brussels and Dublin
- Singapore Airlines to reduce flights from Singapore to Manchester at start of April to three per week from the current five
- London City airport closed for a number of hours after a partial landing gear failure on a BA flight from Amsterdam
- Local councils approve expansion plans for Southend Airport that would see an extended runway and a new passenger terminal enabling the Essex airport to handle 2 million passengers per annum
- bmi baby to fly Birmingham to Newquay four times weekly from late May
- bmi to fly five times per week from Kiev to Heathrow from end March
- The number of long-distance rail journeys undertaken in Britain in the period October to December 2008 was 6.8% up on a year earlier

### Domestic Economic News

- UK consumer price inflation edges down to an annual rate of 3% in January

### European Economic News

- The currencies of Poland, Czech Republic and Hungary suffer heavy losses, with sterling now costing 9% more than a year ago for visitors from Poland

### US Economic News

- US consumer confidence declines sharply in February to another all-time low

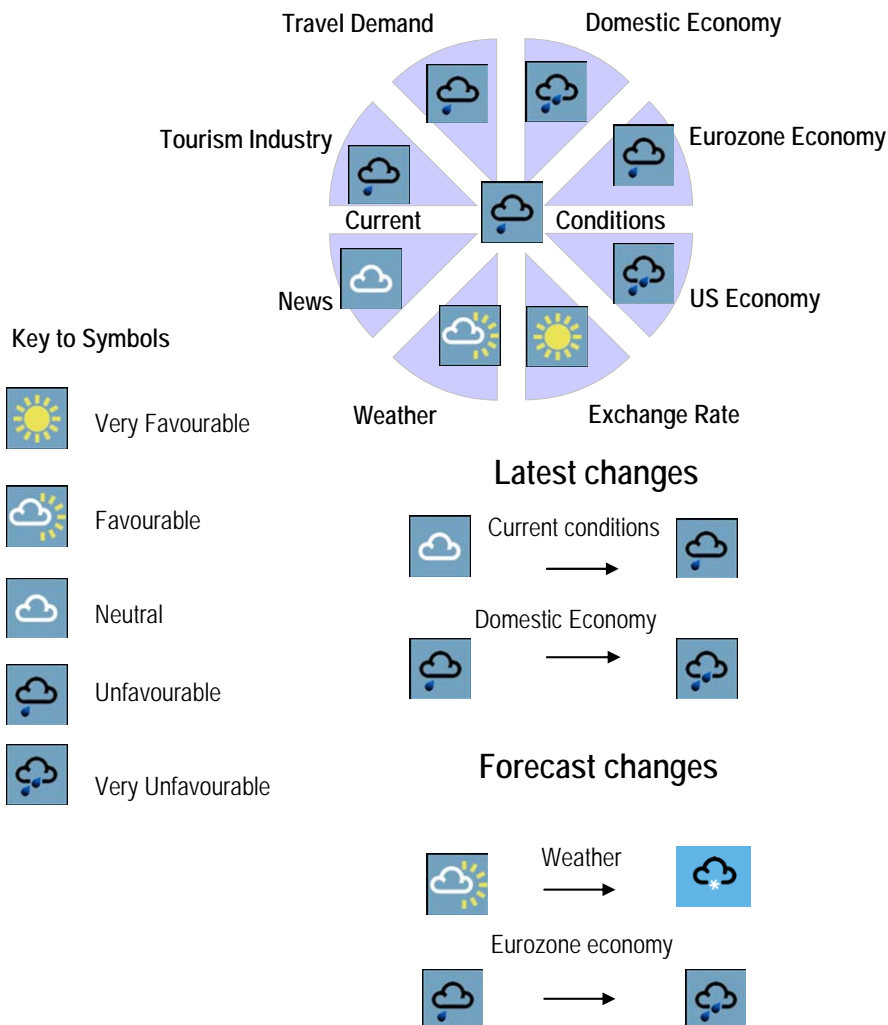
### Global Economic News

- The International Labour Organisation forecast that 7.2 million people in Asia will lose their jobs in 2009
- The Japanese economy contracted at an annual rate of 12.7% in the final three months of 2008
- Japanese exports declined at an annual rate of 46% in January
- Russian industrial output fell at an annual rate of 16% in January
- The South Korean won continues to weaken against other currencies as fears about the strength of local banks mount
- Mexico's economy contracted at an annual rate of 1.6% in the final three months of 2008
- The Indian economy grew at an annual rate of 5.3% in the final three months of 2008, well below expectations

### Tourism News

- From the start of April visitors who require a visa to visit Britain will discover that the price has increased from £65 to £67
- Global Refund figures indicate that sales to international visitors to the UK who reclaimed tax on departure increased at an annual rate of 150% in January, no doubt boosted by the weak pound
- World Health Organisation reports two new human deaths from H5N1 in Vietnam
- Risk of further disruption to travel from and via Thailand increases on back of political tensions
- According to the Association of Leading Visitor Attractions 60% of its members expect visitor numbers in 2009 to be equivalent to, or higher, than in 2008

## Factors contributing to tourism trends in Britain, February 2009



- Overall conditions remain in the Unfavourable range
- The weather is set to remain cooler than normal during spring according to the Met Office
- The exchange rate remains very favourable, but not for visitors from every country
- UK government forced to announce more measure to shore up ailing banks
- US consumer confidence manages yet another sharp decline
- All indications are that global air travel has contracted sharply in the early months of 2009
- UKinbound data reveals that forward bookings were negative in December