

UK OFFICE

SEPTEMBER 2011

Prepared by: Venessa Alexander
UK Director

TOUR OPERATORS

America As You Like It

A general update meeting was held with Cath Pusey, Product Director at AAYLI. Provided Cath with new information on the area.

TRADE LIAISON

- Travelled to St Pete/Clearwater for annual presentation to TDC as well as attendance and presentations at the Leisure Travel Forum and meetings and site visits with area accommodations and attractions.
- Attended media dinner with David Downing and David Yates to promote the launch of Dolphin Tale
- Attended the Visit Florida UK tour operator advisory lunch in London
- Attended the Visit Florida Irish operator lunch in Dublin
- Attended the Irish Visit USA agent training seminar in Dublin. A total of 50 Irish agents were trained
- UK & Ireland Training Sales Mission – Finalised all details regarding the forthcoming sales mission in conjunction with our hotel partners Sirata Beach Resort and Tradewinds Island Grand & Sandpiper Resorts. Tour operators we will be visiting to conduct training are Virgin Holidays, Barrhead Travel, Funway Holidays. American Holidays (Ireland), Tour America (Ireland) and Gold Medal Travel/Thomas Cook Signature. Sales appointments have also been made for the hoteliers to meet with Premier Holidays & Trailfinders. Over 100 UK travel agent/reservations call centre staff will be trained during the week long mission. Trade appreciation lunches are also being held at the Westbury Hotel in Dublin and at the Savoy Hotel in London.
- World Travel Market – Work has commenced on requesting meetings with our key tour operators, partner airlines, key publications etc. World Travel Market will be held at the London Excel Centre from 7th – 10th November.
- Travelzoo – Campaign launched on 21st September and featured special offers from Virgin Holidays and Expedia. In addition, Travelzoo used the UK promotion template to launch a promotion in Canada completely free of charge.
- Visit USA Association Ireland – Provided the VUSA committee in Ireland with a press release on the new movie Dolphin Tale to promote this in the October edition of

their e-newsletter. The e-newsletter is distributed to both consumers and travel trade personnel on their database.

- Tour America Campaign Results – We have now received the Tour America campaign results from our recent activity on online portal Pigsback and the results are as follows:

2011 Campaign Included

- Pigsback.com 3 Month campaign
- Window Domination for months of March & April
- Full page Sunday World Advert 12 June 2011
- Exclusive Ebulletin June 2011
- Touramerica.ie Banner June 2011

2011 night stats

- Total room nights 7824 - Increase of 2% on 2010
 - Average stay as decreased overall on average by 1night
 - Average booking 2.4 people - Very similar to 2010
 - 326 Bookings - Increase of 12% on number of bookings versus 2010
 - Total Revenue €875,310.00
-
- Visit Florida/BA Waterside – Attended the recent training day at BA’s Waterside Headquarters in conjunction with Visit Florida. Various Florida destinations and attractions set up stands in the main lobby area of the building and offered literature and general information to all of BA’s staff. The headquarters houses over 4,000 British Airways Staff and was excellent exposure for our area.
 - BA Winter Sun Campaign – Artwork for this campaign has been finalised and approved ready for launch on 4th October. The campaign will include extensive press, outdoor and digital advertising.
 - Virgin Holidays Retail – Confirmed sponsorship of the next Virgin Holidays Regional Managers meeting during the month of October. A total of 15 travel agency managers from around the midlands will be in attendance. Visit St. Pete/Clearwater will be sponsoring lunch as well as presenting to the managers and providing them with literature and giveaways. We have also secured a 3 night stay at the Sirata Beach Resort and a 3 night stay at The Tradewinds Resorts to offer as a prize draw on the day.
 - Visit USA Travel Planner – Confirmed our entry details into the 2012 Visit USA Travel Planner for the UK which has now changed its name to ‘Visit The USA’.
 - Last Minute/Florida’s Beaches Training – Finalised details of the training day at LastMinute.com’s call centre in Woking. The training day is in conjunction with the other Florida’s Beaches partner’s and a total of 20 call centre staff will be trained on all four beach destinations.
 - Tour America Staff Incentive – We have been advised of the winners from the recent Tour America staff incentive that took place in July/August and as we are visiting the

staff on our sales mission next month, we will also plan to present the winners with their prizes. The top seller made a total of 14 bookings to St. Pete/Clearwater and 2nd and 3rd runners up each made a total of 11 bookings each.

- Barrhead Travel Staff Incentive and Marketing Activity - The staff Incentive & online activity with Barrhead Travel took place during the month of September. Marketing activity included a banner ad and landing page. The staff incentive was for the top three selling agents to win electrical items including an iPad as the top prize. Results to follow next month.
- Tour America Show/Florida's Beaches – Finalised details for our forthcoming attendance at this annual consumer show held by Tour America in Dublin.
- Stella Travel Services/Travel 2 – We have been invited to attend a Florida Training Day at the Travel 2 head office in Glasgow in time for the launch of their new dedicated Florida brochure which is set to feature four hotels from the St. Pete/Clearwater area. Confirmed our attendance at this training event which is due to take place in November 2011.
- Travel Uni – September Newsletter/competition – The competition to win VSPC 'goody bags' that has been arranged with Travel Uni for the month of September/October is currently taking place. Ten agents will have the chance to win a goody bag full of VSPC giveaways by completing all four modules of our training programme. The competition was also promoted via the Travel Uni e-newsletter for September.
- Thomas Cook Charter – A meeting has been scheduled with Victoria Morris, Head of Thomas Cook Charter and Lottie Aldridge, Partnerships Manager who looks after their joint marketing to discuss the possibility of working together in the future.
- Virgin Holidays – We received a request for assistance with a Virgin Holidays FAM group that will be visiting our area during the month of October. Accommodation had already been arranged directly with the Tradewinds Resorts and our CVB will be assisting with visit's to The Chihuly Collection as well as a visit to Fort De Soto State Park

ENQUIRIES:

Telephone/website enquiries for information and/or literature

31

MARKET INTELLIGENCE:

01 September 2011 – Source Travel Daily

BA featured in top 10 airline safety list

European and US airlines have dominated the top 10 safest airlines rankings, as issued by the Air Transport Rating Agency (ATRA). Air France-KLM (ranked first), British Airways (third) and Lufthansa (seventh) are the safest airlines in Europe, according to the list.

Classification was based on assessment of 15 criteria such as the average age of the aircraft used or the homogeneity of the fleet, accident figures, as well as human and organisational elements. The US carriers featured in the list were Continental Airlines, Delta Airlines,

Southwest Airlines, United Airlines, American Airlines and US Airways, with Japan Airlines also taking a place in the top 10.

02 September 2011 – Source Travel Daily

July air traffic boosted 5.9%

Air passenger traffic across the world's airports increased 5.9% in July year-on-year, according to new figures from IATA. International markets, which grew by 7.3% compared with July 2010, remain stronger than domestic markets, which showed weaker year-on-year growth of 3.5%. Compared to pre-recession levels of early 2008, international passenger traffic has expanded by 12%. European carriers' load factor is said to have been boosted by inbound travel, measuring an 85.1% load factor. Demand grew 9.3% alongside a 8.9% rise in capacity.

05 September 2011 – Source TTG

Titan Travel merges two tour operators

Long-haul operator Connections Worldwide is to be merged into its sister brand Tailor Made Travel. Both operators are part of the Titan Travel Group and will now operate as a single entity under the Tailor Made Travel name. Previously Connections was the trade-facing brand with Tailor Made being direct-sell but agents will now have access to all product following the merger. Rachel Cooper, Tailor Made's general manager, said: "Connections is a well-established brand in the trade arena. We wanted to combine our strengths and unparalleled knowledge across both brands to create a truly global programme of independent holidays to the world's most unique and desirable destinations. "The merger will allow agents to create bespoke packages using Tailor Made Travel's range of product while still enjoying the high levels of service (from the same sales staff) that has made Connections such a popular brand among the travel trade. In fact the only difference agents will notice will be in the name." The first brochure under the new brand will be Canada which will be out later this month. It will be followed by standalone brochures to the US, Australia and New Zealand. A new website is planned for early 2012.

06 September 2011 – Source Travel Daily

UNWTO forecasts 5% growth in global tourism

International tourist arrivals on a global level are tipped to rise 4-5% this year. The UNWTO announced its forecast on Friday in north Tianjin Municipality, according to Xinhua reports. Growth rebounded sharply between 2009-10 with 940 billion tourist arrivals, a record year on year increase of over 7% and global tourism revenues reached US\$919 billion. This year will see further growth, driven by continued economic recovery and development of emerging economies where tourism is becoming increasingly important.

06 September 2011 – Source Travolution

Travel Republic 'considering IPO' as part of expansion

Leading UK online travel agency Travel Republic has revealed an IPO is one of the options it is considering having brought in financial advisors from Rothschild last year. Moves to list the business aren't being actively pursued as yet, but Kane Pirie, the agency's managing director, told Travolution it is among a range of options being investigated. He said the advice of Rothschild was sought last year because he was constantly being approached by potential investors in the fast-growing company. "I probably have someone calling me once

a week asking if they can invest in Travel Republic,” Pirie said. “It takes a lot of weight off my shoulders having a third party dealing with those sorts of issues. “We have been working with Rothschild for almost a year and I expect to be working with them for several years to come, it’s an ongoing relationship. “Whether it comes to something short term is anyone’s guess. Additional investment would help accelerate breaking into overseas markets, but it is not necessary for our current plans. “The European roll out is being financed from cash reserves and profits, there is no actual need for additional investment. “But if someone wants a part of that on terms we are happy with, instead of going into five countries we could go into 20.”

07 September 2011 – Source Travelmole

Holiday sales fall to 10 year low

Foreign holidays are increasingly the preserve of the well-off, according to a new heavyweight report which showed that the number of overseas holidays sold last year was less than at any time since 2000. The total spend on leisure travel last year also fell to a five year low of £34bn - £2bn less than in 2007 - but the average spend on holidays continued to rise. [Mintel's British Lifestyle](#) report found that despite the economic impact on holiday sales, tour operators have been able to increase their average selling price by remixing their portfolios away from cheaper packages towards higher-value, mid-haul and differentiated products and all-inclusive holidays. In addition, they are selling fewer short breaks, lower-value trips. The report concluded that although holiday volumes will pick up in line with growth in the economy, they are unlikely to reach pre-recession levels before 2016, by which time the average expenditure on foreign breaks will have risen 22.4% in today's prices. "Foreign holidays are increasingly the preserve of better-off consumers," it said. "Almost half of people (46%) with incomes in excess of £50,000 per year will take a holiday to cheer themselves up when they're feeling down but this compares to 22% amongst those living in households with an income of less than £15,500." To try to get a better deal, the study found that consumers are being driven to book cheaper packages online with companies they don't trust. More than half of those quizzed said that holidays booked online provided better value than other methods and almost one in four admitted they would book a cheap deal holiday with an online operator they had never heard of even though a third of them agreed they worried about travel protection when booking holidays on the internet.

08 September 2011 – Source Travelmole

Thomas Cook to axe 250 jobs

Thomas Cook has confirmed that it will shed six aircraft and 250 airline jobs by the end of the year. The announcement, which was made to staff at Thomas Cook Airlines yesterday, will largely affect staff based in Manchester although crew based at other UK airports could also be affected. A company spokesman: "We have entered into a 90-day consultation with employees who could be affected by the change; no decision about redundancies will be made until after the consultation." At the same time, the operator is also consulting with staff about extending their working hours at calls centres in Peterborough and Falkirk, which would involve employees working Sundays and until later in the evenings. Cook has asked 400 staff who currently work six days a week from 8am to 8pm to consider working seven days a week, until 10pm, on a shift basis Both the airline cuts and changes to the working hours form part of Cook's strategic review announced in May. Chief executive of Thomas Cook Mainstream Ian Ailles said: “The fleet reduction is one measure within our overall strategic and operating review of the UK business and demonstrates the decisive action that we are taking to improve the profitability of our UK business. “The airline review has

focused on leases, seasonal capacity and mainstream tour operator demand, as well as operational efficiency and profitability.” Of the six aircraft, three A330s will be returned to their leasing company along with a narrow-bodied A320, a Boeing 767 will be shifted to Thomas Cook's German airline Condor and a fourth A330 will transfer to Thomas Cook Northern Europe. Cook said the reduction in its aircraft did not mean it would cut capacity for summer 2012 as some of its flying was on behalf of third parties and some of its packages were based on scheduled flights. The operator has already announced that its winter 2011/12 capacity will be cut by 5%.

British Airways merger with Aer Lingus on the cards

British Airways is being tipped as a possible partner for Aer Lingus after the Irish government and Ryanair indicated they were both willing to sell their stakes in the Irish flag carrier. The Irish government is expected to announce later today that it will dispose of its 25% stake in Aer Lingus and, according to a report in The Times, Ryanair has confirmed that it will sell its 29.8% shareholding. Ryanair has attempted to buy Aer Lingus outright twice over the past five years, but it has been blocked by European competition commissioners and the value of its stake has fallen by more than €300m to about €100m, according to The Times. The budget carrier was quoted saying that if another strong airline or investor acquired the government's share, it would not rule out entering into discussions with that party "for the subsequent disposal of Ryanair's near-30% stake". BA's parent IAG has already stated that it wants to lead consolidation in Europe and chief executive Willie Walsh was previously head of Aer Lingus, which is the fourth largest airline at Heathrow where it holds 3% of all take-off and landing slots.

09 September 2011 – Source TTG

Virgin Atlantic could bring in ‘big brother’ partner

Sir Richard Branson admitted that he is considering partnership opportunities for Virgin Atlantic in the face of British Airways’ increasing number of allegiances with other airlines. The Virgin boss, speaking at the launch of the Branson Centre of Entrepreneurship in Jamaica yesterday, said: “I have never dreamt of selling the airline but bringing in a ‘big brother’ partner might make sense because of BA bringing in all these extra partners. “Until I die I will very much be part of the airline, and for a few generations after that, so you won’t get rid of me,” he added. Branson said the pressure that Air Passenger Duty has placed on tourism in the Caribbean did not influence his decision to open the business mentoring facility in Montego Bay, but reiterated his opposition to the aviation tax’s bands which are currently under review by the government. He said: “The government charge on APD for the Caribbean is nothing short of a disgrace. The Caribbean has been very important to Great Britain for generations and we should be encouraging people to come.” Following the announcement that Virgin Atlantic is pulling its flights to Kingston next April in favour of a new route to Cancun, Branson said: “We’d love to introduce more than one new route per year but the problem is Heathrow is completely full and it’s almost impossible to get more slots.”

14 September 2011 – Source TTG

Funway expands agency sales team

Long-haul specialist Funway Holidays has expanded its sales force dealing with agents, claiming it is bucking the downward economic trend. The operator has appointed Jodean Whittington as sales development manager and will add a further member to its five-strong

sales team this month, which currently covers the north, south east, south west and Belfast. The additions to the team follow the launch of a dedicated Ski programme, a Cruise and Stay Sandals brochure and a new marketing campaign aimed at “putting the fun back into travel”. Stephen Rhodes, Funway managing director said: “This year approximately 80-85% of our business will be trade driven. “The retail community is extremely important to us. Since we started operating some 18 years ago we have forged a number of key relationships and seen this business grow year after year.”

16 September 2011 – Source Travelmole

MPs warn APD rise will stop families flying

Three out of four MPs say the Government's plans for a double-inflation rise in air passenger duty in 2012 may stop ordinary families from flying. A ComRes survey of more than 150 MPs carried out on behalf of ABTA found that Conservative party members were most worried by the proposed tax increase, with 83% saying that further increases may price some people out of air-based holidays. Overall, 75% said they feared a rise in APD may stop families flying, a big jump from just 39% last year. ComRes chairman Andrew Hawkins said: "It is rare indeed for the tide of opinion among MPs to turn so massively within the space of just nine months. "Concern about this issue among MPs of all parties, and particularly among Conservatives, is surely something that George Osborne will have to address ahead of the planned APD rises in April next year." Labour MPs were the least concerned, with 67% expressing concern about the tax increase; 71% of Lib Dems said it could impact on family travel plans. Twenty 20 cross-party MPs and peers have written to the Chancellor George Osborne today urging him to re-consider plans for the tax increase. They said the effect of a double-inflation rise in APD "will be a significant increase in the cost of flying abroad next year, at a time when many ordinary families are already coming under severe financial pressure." APD was frozen for a year in April but the Chancellor is expected to confirm plans for a double-inflation increase next year in his autumn statement on November 29. ABTA pointed out that airlines will also enter the Emissions Trading Scheme (ETS) next year, further increasing the price of air fares. MPs across the UK expressed concern about the rising cost of flying for their constituents, especially in London (78%) and the South of England (90%). Recent data shows that holiday-makers are already cutting back on flying, said ABTA. The Office of National Statistics figures show a decline in air passenger numbers from the UK to European destinations, which fell 3.4m from 45.9m in 2009 to 42.6m in 2010. Brian Donohoe MP, Chairman of an influential All Party Group on aviation, said that: "With so many MPs concerned about the impact of rising aviation duty on ordinary families, the Treasury should change course and suspend its plans for the damaging tax rises. The Government should be trying to support ordinary families, not adding to the financial pressures many are facing." ABTA is inviting people to show support for its Fair Tax on Flying Campaign by joining its Facebook page: [facebook.com/afairtaxonflying](https://www.facebook.com/afairtaxonflying)

16 September 2011 – Source TTG

Travel faces ‘challenging’ few months

An increase in overseas travel in the early summer will be ‘short lived’ and the industry faces “an increasingly challenging” next few months, a city analyst has warned. The latest statistics released by the Office for National Statistics (ONS) showed an increase in the number of overseas visits made by UK residents to 14.3 million from May to July, 2011 - this was a rise of 3% compared to the previous three months. This led to a 5% increase in expenditure on the overseas visits by Brits over the same period to £7.9 billion. But Mike

Saul, head of hospitality and leisure at Barclays Corporate, warned the growth was artificial and unlikely to last. He said: "Summer holidaymakers have buoyed July's figures, but this is likely to be short lived. "The next few months will be increasingly challenging for outbound travel as consumers bear the weight of inflationary pressure, weak wage growth and an ebb in both consumer and business confidence." Saul added that - despite the grim outlook - the trade is likely to continue benefiting from public's ongoing concerns over financial protection, which would mean they would look to book through the safest routes possible. He said: "For many travellers the business failures and profit warnings experienced over the summer are a powerful reminder of the protection provided by booking packages via Atol-protected agents. "Despite incomes being squeezed further we may see more consumers opting for agency packages covered under this guarantee rather than risk making their own, often cheaper arrangements with no safety net to fall back on." Meanwhile the number of inbound visits by overseas residents made to the UK between May and July grew by 2% to 7.9 million compared to February to April. This helped to increase earnings from these visitors by 4% to £4.5 billion. Saul said: "London retains its position as the UK's top tourism draw card, where inbound tourists, business travellers and staycationers are boosting hotel occupancy levels. "Discounts and special offers abound in the hotel market, even in London, and results out from Travelodge this week highlight the upside of such pricing strategies."

19 September 2011 – Source Travelmole

Virgin retains BA strike passengers

Virgin Atlantic has retained many of those passengers who chose Virgin over British Airways in a bid to avoid the BA strike action, Virgin Atlantic's commercial and planning director said. Speaking to TTG at the Caribbean Tourism Organisation conference last week, Edmund Rose admitted that BA had "bounced back quickly", but insisted some of BA's customers had stayed with Virgin. "We've certainly retained some of their customers, especially in business class, but BA has come back very strongly this year," he said. "It is a competitive market, but we have kept a number of those who chose us over BA during the strikes." It comes as BA prepares to launch a rebranding campaign, with a new advertising drive, which will be available to preview on the internet from September 21. BA chief executive Keith Williams insisted that the airline was launching its rebrand because it was the "right time", rather than a bid to rebuild its image after the crippling cabin crew dispute which dogged BA for almost two years. "It is the first big rebrand that we have done in four or five years," Williams said. "It is simply the right time to do it now." Meanwhile, like BA, Rose said Virgin had experienced a similar resurgence from the downturn in that its upper class service had remained at "good levels", but its economy class was taking longer to recover.

21 September 2011 – Source Travel Daily

BA launches advertising campaign – first brand campaign for airline in 11 years

British Airways has unveiled a new advertising campaign off the back of a £5 billion investment into its products and services. The airline previewed its latest television advertisement at BAFTA today which focuses heavily on its brand and heritage from Imperial Airways to the current brand. It will also include the tagline 'To Fly. To Serve.' And will be shown through the Rugby World Cup, Champions League and X Factor coverage following a Facebook launch tomorrow at 11am and a 9pm debut on Channel 4 before Grand Designs. Keith Williams CEO of BA said the campaign was the first to focus on the brand in

11 years. “Our brand campaign reinforces how, as a business, we are putting the customer at the heart of everything we do,” he explained. “Over the next five years, we have plans to invest more than £5bn in improving what we offer customers”. These plans include three new Boeing 777-300 ERs which will be delivered in the next six months and feature its new World Travellers Plus and World Traveller cabins. The airline will also receive its first Airbus A380s and Dreamliners in 2013 and it is going to refurbish 18 of its Boeing 777-200s with new cabins from November. Onboard catering has also been improved, as well as a more personal cabin crew service following the introduction of iPads. Meanwhile in the airports, BA is to provide separate terminal buses for premium travellers, new check-in services at Gatwick including self-print luggage tags and airport lounge improvements at New York JFK, Geneva, Amsterdam, Nairobi, Rome, Milan, Malpensa, New York, Newark and Miami.

26 September 2011 – Source Travel Daily

Half of Brits not booked another 2011 holiday

Half of the British public have not booked a holiday for the last months of this year, according to a new survey. Research carried out by One Poll, commissioned by Royal Caribbean International showed that consumers were too concerned over jobs or the economic climate to travel anymore this year, despite the October half term and Christmas break left. The results could perhaps show a continued trend in last minute bookings or simply that Brits had already travelled, as 11% of those in the West Midlands expected to take four or more holidays by the end of this year. In addition, 28% of under 24s are planning to take more holidays next year than 2011. The survey also found that more British consumers are booking combination holidays to help cut back spending. One in six participants combined at least two holiday types in their main holiday, mainly a beach destination with a city location. The multi-centre holiday proved more popular with the over 45 and 25-34 markets, while only 18% of 18-24s would take up the idea.

26 September 2011 – Source Travelmole

Long-haul destinations ‘offer better value for money’

Price falls in far-flung destinations mean that customers travelling long-haul this winter will get better value for money than last year, according to Post Office Travel Money's 2011 Long Haul Holiday Report. It claimed the sharpest drop in prices was in Sri Lanka, where costs in resorts appear to have plummeted by a third compared with 2010, it said.

The drop, if accurate, would make Sri Lanka 38% cheaper than Thailand, its nearest rival.

However, a spokeswoman for Post Office Travel Money admitted the survey was intended to provide only a "snapshot" of prices in overseas resorts, so it should not be relied upon when advising clients where to book. Far from being an extensive survey, prices were taken from just one resort in each destination, she said. Nevertheless, Sarah Munro of Post Office Head of Travel Money said things were looking up for British holidaymakers. She added: “After a summer when the weak UK pound bought less holiday cash in Europe, tourists heading further afield for winter sun can look forward to seeing their pounds stretch further in most long haul destinations. “Resort prices have fallen in two-thirds of the countries we surveyed a year ago and, in addition, sterling has strengthened against 15 of 26 long haul currencies. "For example, the UK pound will buy over 19% more Kenyan shillings than a year ago and is also stronger against Caribbean and Latin-American currencies. Holidaymakers visiting the USA, Dubai and Egypt will be quid's in too.” In Sri Lanka, the report claims that a 'basket' of 10 items, including a three-course meal for two with wine, would cost £31.81. A year ago, the barometer spotted what it thought were the first signs of rising costs in the Indian Ocean island but it says its latest findings suggest that competition in resorts has " had a calming

effect on prices". For this year's barometer, the Post Office surveyed 28 destinations, six more than last year. The most expensive of the new entrants was Vietnam, where the basket of 10 items cost £52.72. They cost £51.48 in Thailand, where a 6% drop in local prices helped to combat the weak pound, said Post Office Travel Money. Elsewhere in the Far East, China showed the year's biggest price rise of 27%, pushing the cost of the essential holiday items up to £116.43, and Hong Kong was most expensive overall (£132.06), despite being 11% cheaper than a year ago. Other destinations where costs appear to have fallen since last year include South Africa, which is down 27% on a year ago when the FA World Cup pushed up prices. Long Haul Destination Prices At A Glance:

Caribbean Islands: Prices in the Dominican Republic, surveyed for the first time this year, were cheapest. At £63.83, its barometer basket cost 44% less than Barbados (£114.44), the most expensive of six Caribbean islands surveyed. Latin-America: Mexico and Argentina now feature in the long haul barometer top 10 for value, in fourth and eighth place respective but costs have risen 9% in Mexico this year. Florida: At £83.99, Orlando resort costs were 29% than Miami, where prices rose 18 per cent to £118.86.

Egypt: The combination of a stronger UK pound – up 4.9% against the Egyptian pound – and a 12% drop in local prices means that holiday hotspots like Sharm el Sheikh will be good value this winter.

28 September 2011 – Source TTG

City braced for Cook's end of year statement

The City's focus will be back on Thomas Cook tomorrow as the embattled operator releases its end-of-year trading statement. Rival Tui Travel confirmed last week that it was on course to hit its profits target for the year to the end of September, thanks to a strong summer "lates" market and good sales for its exclusive resorts in the UK. Cook has fared worse than Tui this year, however, and its profits warning in July led to the departure of chief executive Manny Fontenla-Novoa three weeks later. Tui said it would make an underlying operating profit of £469m this year, which would represent a 4.9% increase on last year. Cook said in its last update that it would make an underlying operating profit of £320m - £60m lower than City analysts predicted and £42m down on last year. Tui's trading statement cut little ice in the City, with the company's shares slumping 8% immediately after the announcement. Analyst Wyn Ellis, from Numis Securities, said the fall in Tui's share price reflected the City's fears about operators being hit by a poor economic environment next year. "Tui has highlighted that it is feeling cost pressures, which it will find difficult to pass through to customers in such a weak consumer environment," said Ellis. "While Tui should benefit from the Middle East not being so bad next year, there are concerns about how the global economy will affect the business in 2012." Ellis said Cook faced its own problems on top of the overall economic concerns. He added that interim chief executive Sam Weihagen may be in place "for some time". Ellis warned that Cook was "walking a tightrope with regards to its debt covenants" and it would be crucial to see how the company traded in the first quarter of next year. Cook has said this is "nothing to worry about". Cook last week announced that Frank Meysman, former executive vice-president of food brand Sara Lee, would take over as chairman from Michael Beckett on December 1. Meysman said: "The group faces several significant challenges, but in the medium to longer term, we will be well positioned to build shareholder value on the back of premium brands and a fine heritage in the UK, as well as internationally."

28 September 2011 – Source Travelmole

Tax slash brings hope for UK air passengers

The Government is coming under increasing pressure to slash air passenger duty for the whole of the UK after chancellor George Osborne reduced the tax on long-haul flights from Northern Ireland. ABTA hailed the reduction as a "welcome first step" and a "clear indication that the Government is listening to the industry's concerns over the damaging effects of APD." TUI Travel has called on the government to go further and reduce APD for the rest of the UK when the EU Emissions Trading Scheme is introduced in January, which will force airlines operating within Europe to pay for their pollution. TUI head of regulatory affairs for aviation Eddie Redfern said: "We look forward to a further review of APD banding and also the amending of the anomaly of Premium Economy charges that particularly hits the family going on holiday, who just want a little extra legroom." The chancellor announced that APD on long-haul flights from Northern Ireland will be reduced to the same as the short-haul rate from November 1, slashing it from £60 to £12 per passenger in economy and £120 to £24 for business and first class passengers. The reduction was announced after Continental Airlines threatened to stop flights from Belfast because of the tax. Industry bodies had also argued that Northern Ireland was a special case because passengers could fly to Dublin with much lower taxes. Osborne said that due to Northern Ireland's 'unique circumstances', it was looking to devolve aspects of APD to the Northern Ireland Assembly to enable Northern Ireland to compete on a more level playing field. The treasury statement read: "Continental Flight CO95 from Belfast International to New York/Newark will continue to operate, maintaining Northern Ireland's vital economic air link to North America, and Northern Ireland will gain a fresh opportunity to develop other long-haul routes to the rest of the world. "By announcing this immediate cut and our intention to devolve aspects of APD, the UK Government is renewing its commitment to stimulating and rebalancing the Northern Ireland economy." The Chancellor had been expected to confirm a double-inflation tax increase for flights from the rest of the UK in his Autumn Statement on November 29, but Virgin Atlantic said it hoped the increase - proposed for next spring - would now be cancelled. "As the UK has some of the highest aviation taxes in the world, we would suggest that the same arguments should apply to the rest of the UK, which risks losing business to Continental European hubs to the detriment of the British economy as a whole," said Virgin Atlantic's chief commercial officer Julie Southern. Simon Buck, CEO of the British Air Transport Association - part of the Fair Tax on Flying alliance - said the cuts in Northern Ireland did not go far enough. "This one-off tax cut for transatlantic passengers does nothing to help people travelling between Northern Ireland and the mainland who still face a double APD on all outbound and incoming domestic flights," he said. "This is in addition to the APD that continues to be levied on all flights to Europe. Indeed, it is these other routes that will effectively be subsidising transatlantic travellers, and doing nothing to help the passengers or airlines that are suffering from the already high levels of APD." A recent survey conducted for ABTA by ComRes, found 75% of MPs feel further rises in APD will price ordinary people out of flying and urges the Government to reconsider further increases.