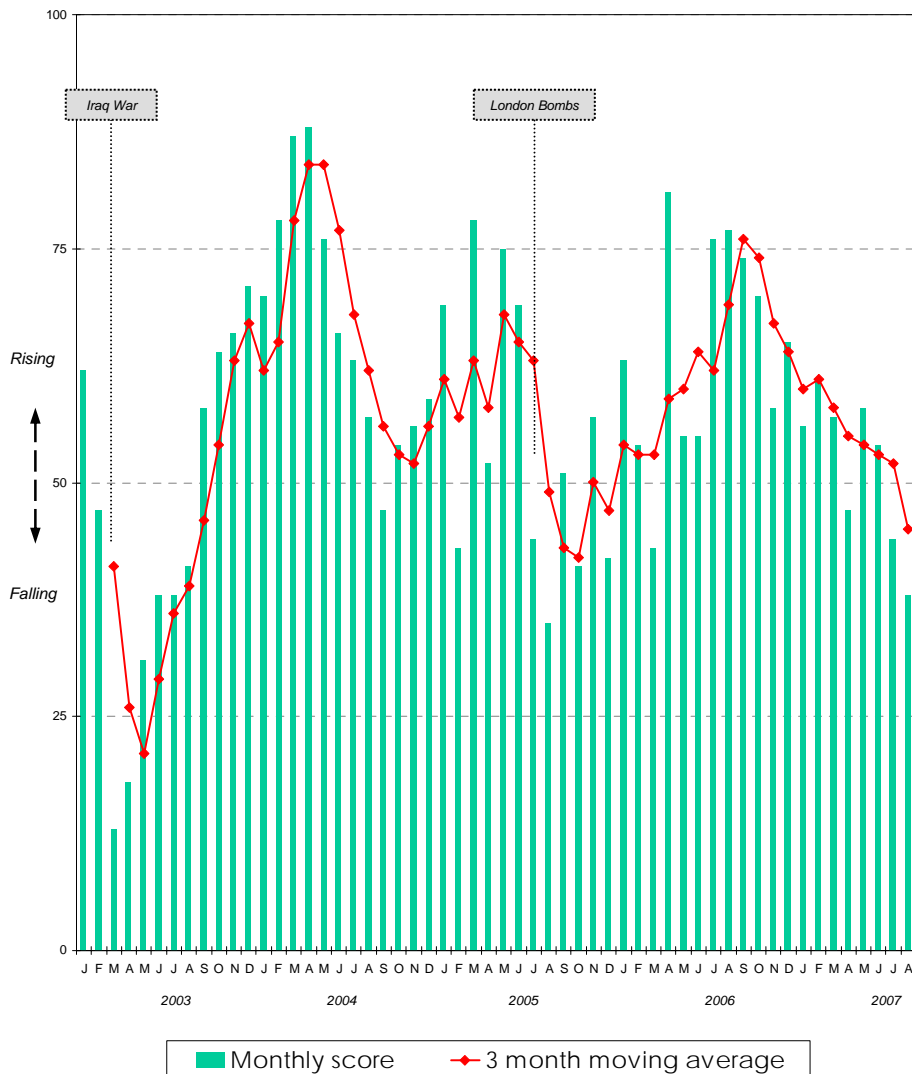


LONDON VISITOR INDEX



London Visitor Index 2003-07



AUGUST 2007

38/100

July 2007	44
June 2007	54
Aug 2006	77

SUMMARY

Conditions across the capital's visitor economy continued to deteriorate in August, with the London Visitor Index dropping to its lowest level since summer 2005.

Overseas visitor numbers in particular probably nose-dived during the month, while domestic visits remained subdued.

A combination of lower economic growth in many key markets, the weak US dollar, and unsettled weather appear to have adversely impacted demand.

Other key findings for August include:

The first fall in overall attendances to London attractions for over 12 months

Lower footfall levels through London's main Tourist Information Centres

Room rates increases across most hotels

Slight weakening of the pound against most other major currencies

The London Visitor Index is a monthly composite index of leading visitor surveys. A score over 50 indicates growth

Individual Indicators

Inbound Visits: Foreign arrivals into the UK decreased by -12.6% in August, with arrivals from all regions down steeply. Figures from Ukinbound, the official trade body for inbound tour operators, confirmed that attracting long haul business is especially difficult. It reported arrivals down -5.1% in August

London Attractions: Overall attendances to London attractions decreased by -0.9% in August compared to the same month last year. It appears that a drop-off in overseas visits, coupled with the strong pound and lower domestic consumer confidence is now negatively impacting attendances

London Hotels: Hotel demand improved in August with occupancy up around +1.5% to 85%, while average room rates jumped by some +10% to over £100. Although the strength of the pound against the US dollar continued to shorten the time that US visitors stay in the capital, this was offset by significantly higher room rates

FTSE 100: There was continuing unrest in UK equity markets during August reflecting concerns about global credit conditions. The FTSE 100 experienced falls throughout the month, although sentiment did improve following a cut in US interest rates at the end of the month

London Airport Passengers: The number of passengers passing through London's five main airports grew by +6.4% in August. This strong growth reflected low numbers in August last year, and strong outbound volumes. British Airways reported a +6.6% uplift in premium traffic, but a -2% decline in non-premium volumes

Effective Exchange Rate: Although the pound remained strong in August it did lose some value against most other major currencies

Consumer Confidence: UK consumer confidence surprisingly improved in August despite credit concerns. An unexpectedly large fall in inflation helped boost confidence, especially major purchases. However, expectations about the future outlook remained subdued

London Tourist Information Visits: There was a steep drop in the number of people visiting London's main tourism information centres in August, with visits down -8.6% compared to August last year. General footfall levels in central London were also lower during the month

London VAT-free Shopping: Tourism retail spending in London – as measured by the number of VAT refunds claimed back by non-EU visitors – again showed mixed results in August. According to Global Refund, whilst transactions declined by -2%, the value of these transactions jumped by a healthy +31%

Notes

What is the London Visitor Index?

The London Visitor Index is a monthly composite index of leading visitor surveys. This index gives a quick indication of current trading conditions and is based upon a basket ten individual surveys.

How it works?

The monthly year-on-year percentage change for each indicator is given a score between 1-10 depending on the change. For example, a +10% monthly change gets 10 points, while -8% change gets 0 points. These scores are then added together to get an overall tally.

Scoring System

+10% change = 10 points

10-8% change = 9 points

8-6% change = 8 points

6-4% change = 7 points

4-2% change = 6 points

2-0% change = 5 points

0-(-2)% change = 4 points

(-2)-(-4)% change = 3 points

(-4)-(-6)% change = 2 points

(-6)-(-8)% change = 1 points

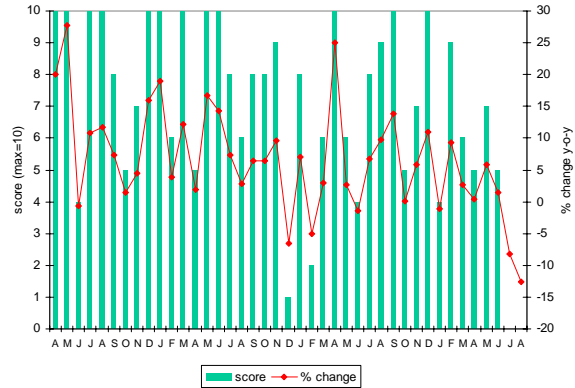
>(-8)% change = 0 points

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Individual Indicators

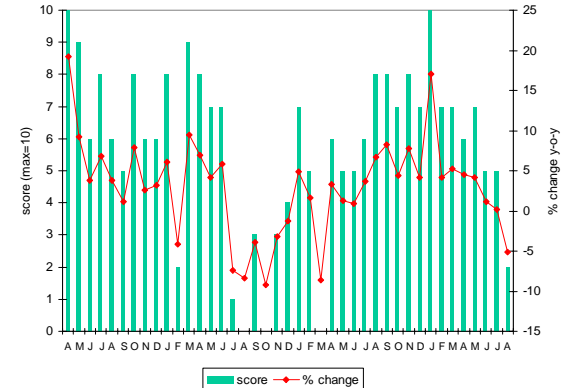
IPS Visits Source: National Statistics



Measures the number of visitors entering the UK through interviews with a stratified random sample of passengers on the main air, tunnel and sea routes

Individual Indicators

UKinbound Arrivals Source: UKinbound



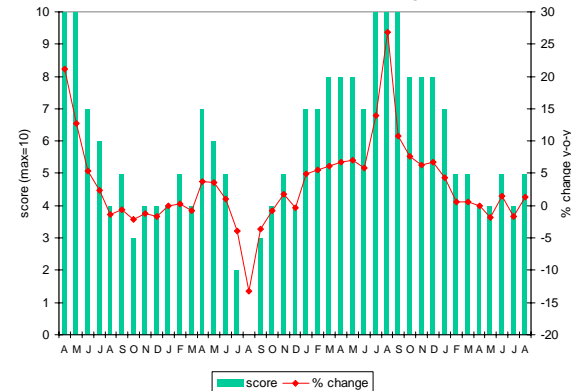
Each month UKinbound produces a Business Barometer, based on confidential survey questionnaires from UKinbound members, comparing a range of results compared with a similar and corresponding period in the previous year

London Attraction Visits Source: Visit London



A monthly survey measuring visitor levels to 65 attractions in London, which account for around 75% of overall admissions in the capital

PKF London Hotel Occupancy Source: PKF

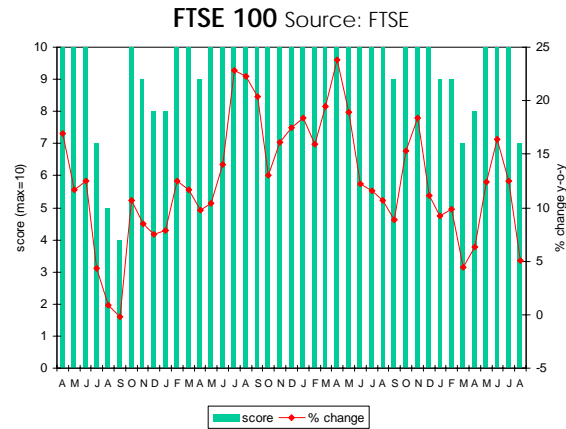


An analysis of 41,900 London hotel rooms measuring the level of occupancy

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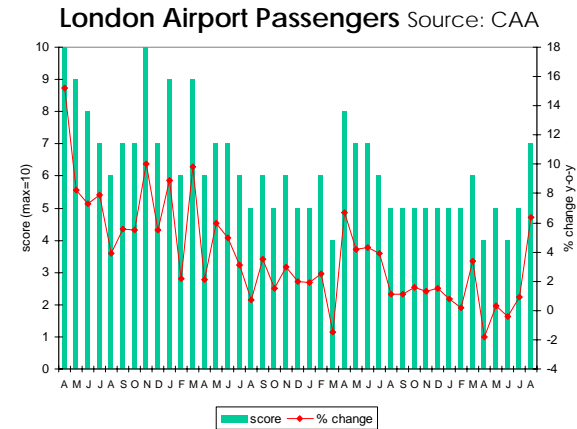


Individual Indicators



Measures the stock market performance of the 100 most highly capitalised blue chip companies listed on the London Stock Exchange

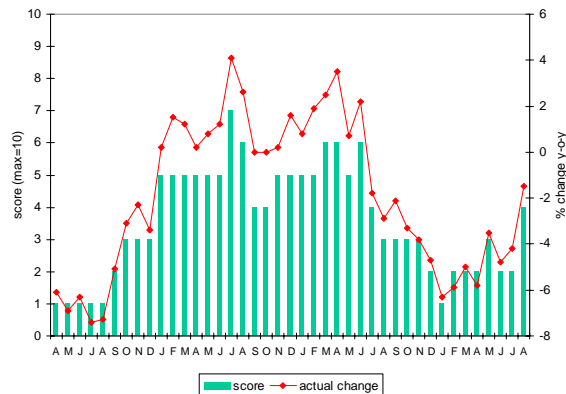
Individual Indicators



Measures the number of passengers through London airports (Gatwick, Heathrow, London City, Luton, Stansted)

Effective Exchange Rate

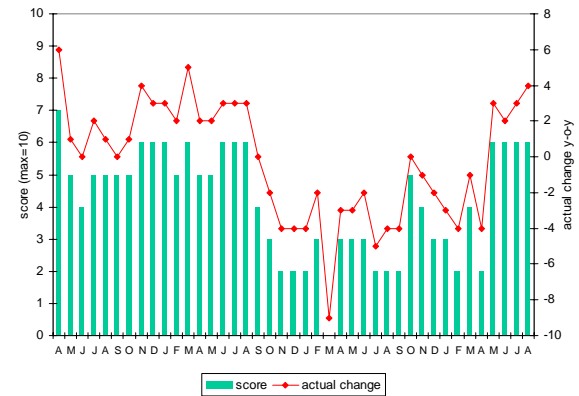
Source: Bank of England



Measures the weighted average exchange rate movements of sterling against a basket of other currencies (60% Europe, 18% US, 8% Japan, 14% Others). Movements have been reserved to reflect the positive nature of weakening sterling for London tourism

UK Consumer Confidence

Source: European Commission



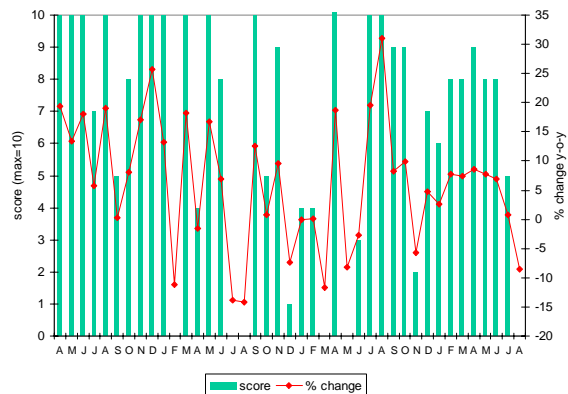
Arithmetic average of the balances of answers to questions on the financial situation of households, general economic situation, employment expectations and savings, over the next 12 months

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Individual Indicators

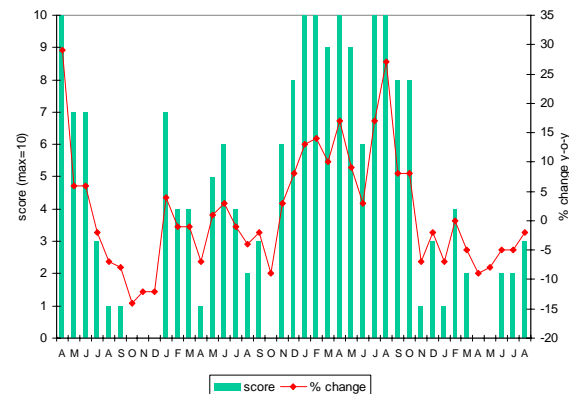
London TIC Visitors Source: Greenwich, BLVC, Croydon, Lewisham



Number of visitors to the Britain & London Visitor Centre, Greenwich, Croydon and Lewisham Tourist Information Centres

Individual Indicators

London VAT Free Shopping Source: Global Refund



Measures the number of VAT free shopping transactions made across London

London Visitor Index is published during the second week of each month. It provides an overview of the current state of London's visitor economy. Further information at http://corporate.visitlondon.com/facts_figures/latest_statistics/

Disclaimer

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Visit London

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