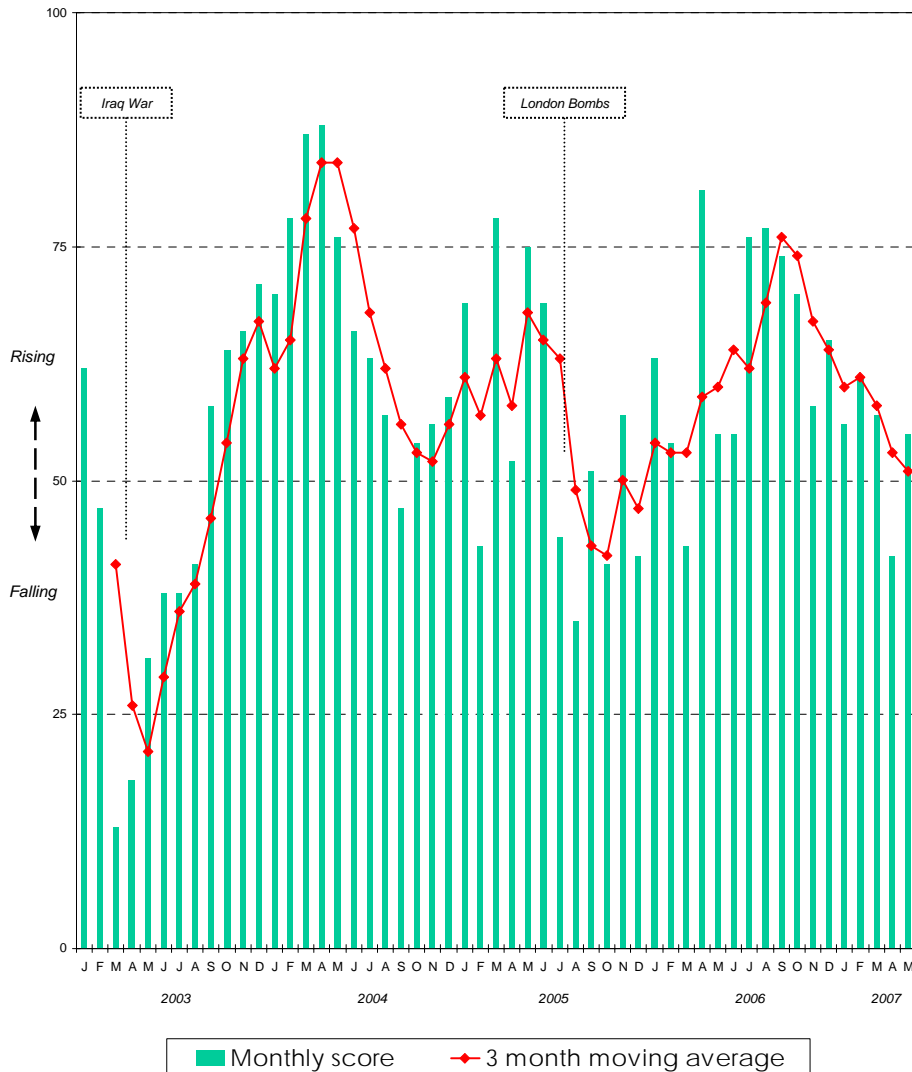


# LONDON VISITOR INDEX



## London Visitor Index 2003-07



## MAY 2007

# 55/100

Apr 2007	42
Mar 2007	57
May 2006	55

### SUMMARY

Conditions across the capital's visitor economy improved in May despite ongoing concerns about the strong pound, and lower visitor numbers from North America

Overall, the London Index Visitor showed solid growth, which match the level achieved in May 2006. Continuing trends indicate that the visitor economy is being propelled by strong corporate activity, record visitor levels from Eastern Europe, and resolute consumer demand

Others findings for May include:

Strong hotel yield growth driven solely by room rate increases rather than occupancy

Solid growth in attendance levels to London attractions

Modest growth in the number of visits made to tourism information centres

A surprising improvement in consumer confidence despite higher interest rates

**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 increased by +4% in May, with arrivals from all regions except North America higher than the same month last year. In contrast, visits from North America dropped by -7%. Overseas visitor spending in May fell by -2%. UKinbound, the trade body representing inbound travel agents, reported that growth is limited to short haul business, with long-haul markets flat or even declining

**London Attractions:** Overall attendance levels to London attractions increased by +7.6% in May. Free and large attractions witnessed the steepest increase in visitor levels, while attendances at small attractions marginally fell

**London Hotels:** Hoteliers in the capital succeeded in pushing up room rates in May despite a slight drop in occupancy. This performance was assisted by the capital hosting a number of high-profile sporting events, such as the FA Cup Final and Heineken Cup Final, which did not occur in London last year

**FTSE 100:** Despite some disappointing earnings and economic data, as well as higher interest rates, robust M&A activity helped UK equities gain strongly in May. In particular, private equity buy-outs buoyed investor confidence during the month

**London Airport Passengers:** The number of passengers passing through London's five main airports rose by +0.3% in May. British Airways reported stricter security measures and the weak US dollar was impacting non-premium traffic, with visibility around forward bookings limited

**Effective Exchange Rate:** The pound lost value against most major currencies in May. However, it remains very high compared to the US dollar

**Consumer Confidence:** Surprisingly, despite an interest rate rise, consumers gained in confidence during May. This increase was driven in the main by opinion of the general economic situation in the UK

**London Tourist Information Visits:** The number of visits made to London's main tourism information centres increased by +0.2% in May. General footfall levels across the West End were down -6% compared to May last year

**London VAT-free Shopping:** Tourism retail spending in London - as measured by the number of VAT refunds claimed back by non-EU visitors - showed mixed results in May. While the level of transactions decreased by -8% compared to last year, the value of these transactions rose by +11%

## 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

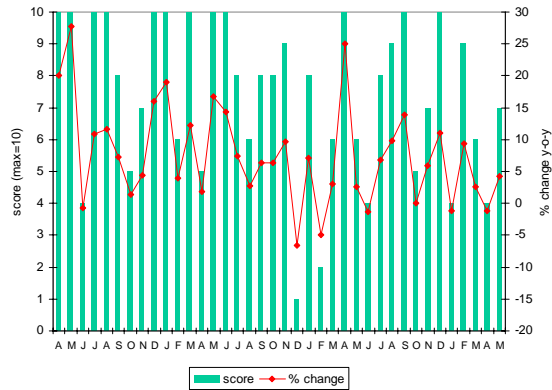
>(-8)% change = 0 points

# LONDON VISITOR INDEX



## Individual Indicators

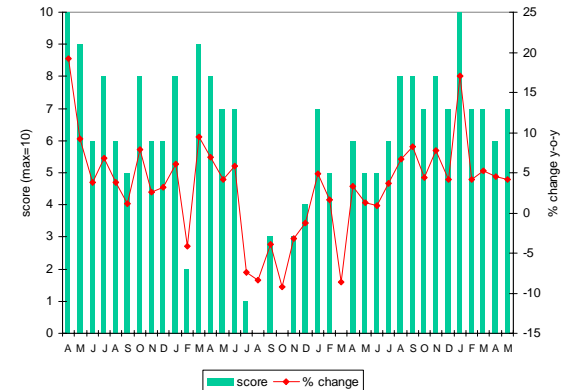
**IPS Visits** Source: National Statistics



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

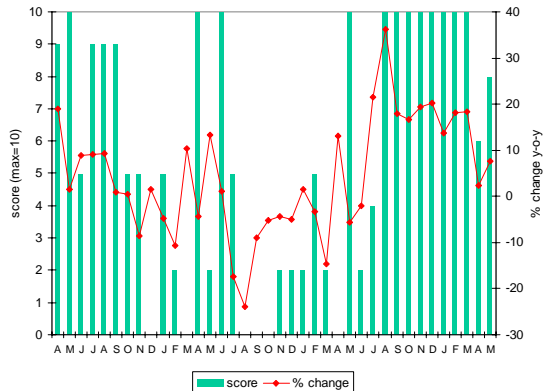
## Individual Indicators

**UKinbound Arrivals** Source: UKinbound



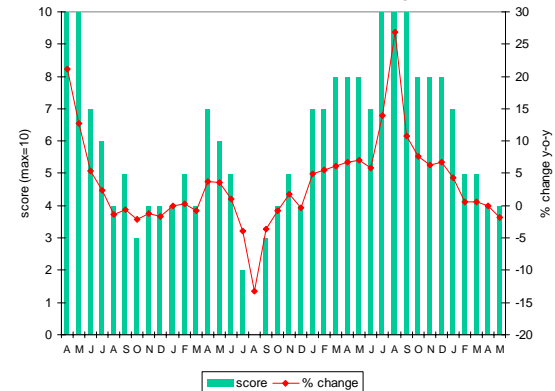
Each month UKinbound produces a Business Barometer, based on confidential survey questionnaires from UKinbound members, comparing a range of results compared with a similar and corresponding period in the previous year

**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



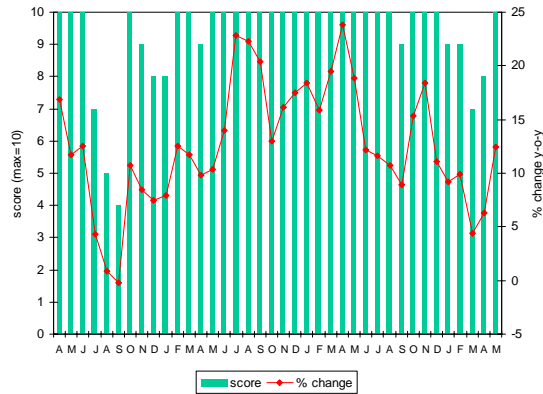
An analysis of 41,900 London hotel rooms measuring the level of occupancy

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## Individual Indicators

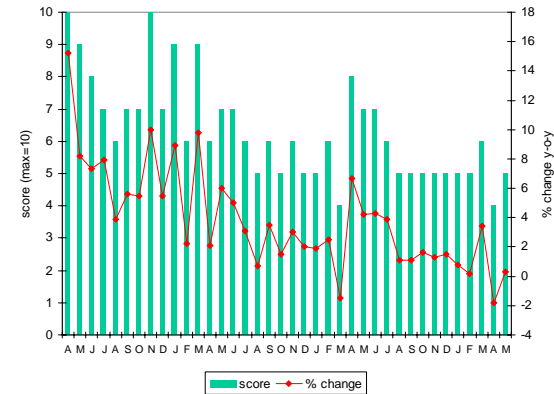
FTSE 100 Source: FTSE



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

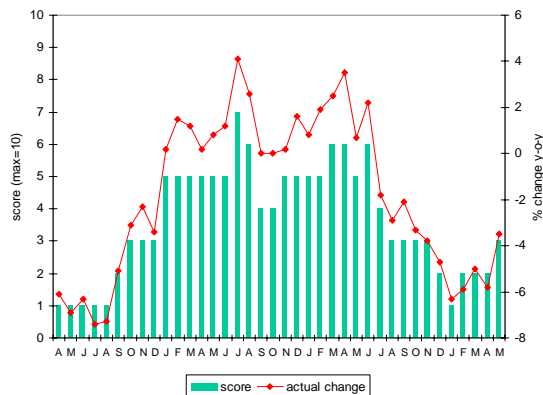
## Individual Indicators

London Airport Passengers Source: CAA



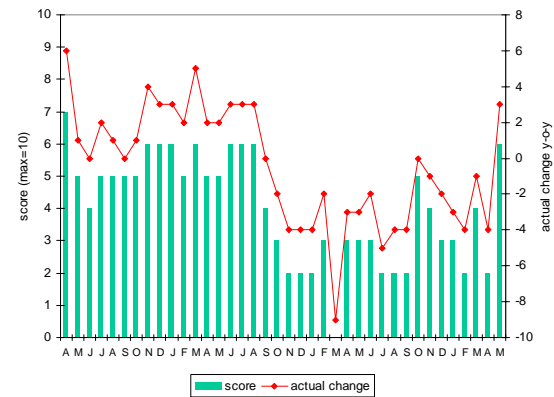
Measures the number of passengers through London airports (Gatwick, Heathrow, London City, Luton, Stansted)

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

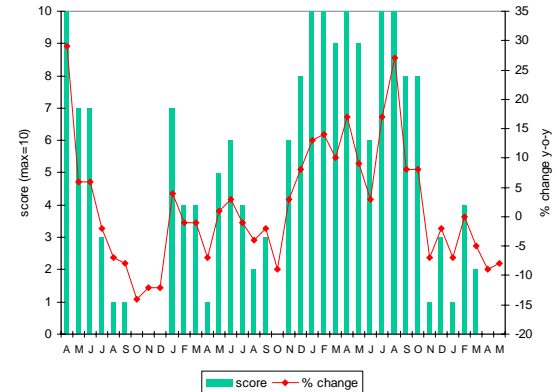
**London TIC Visitors** Source: Greenwich, BLVC, Croydon, Lewisham



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/](http://corporate.visitlondon.com/facts_figures/latest_statistics/)

### Disclaimer

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### Visit London

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