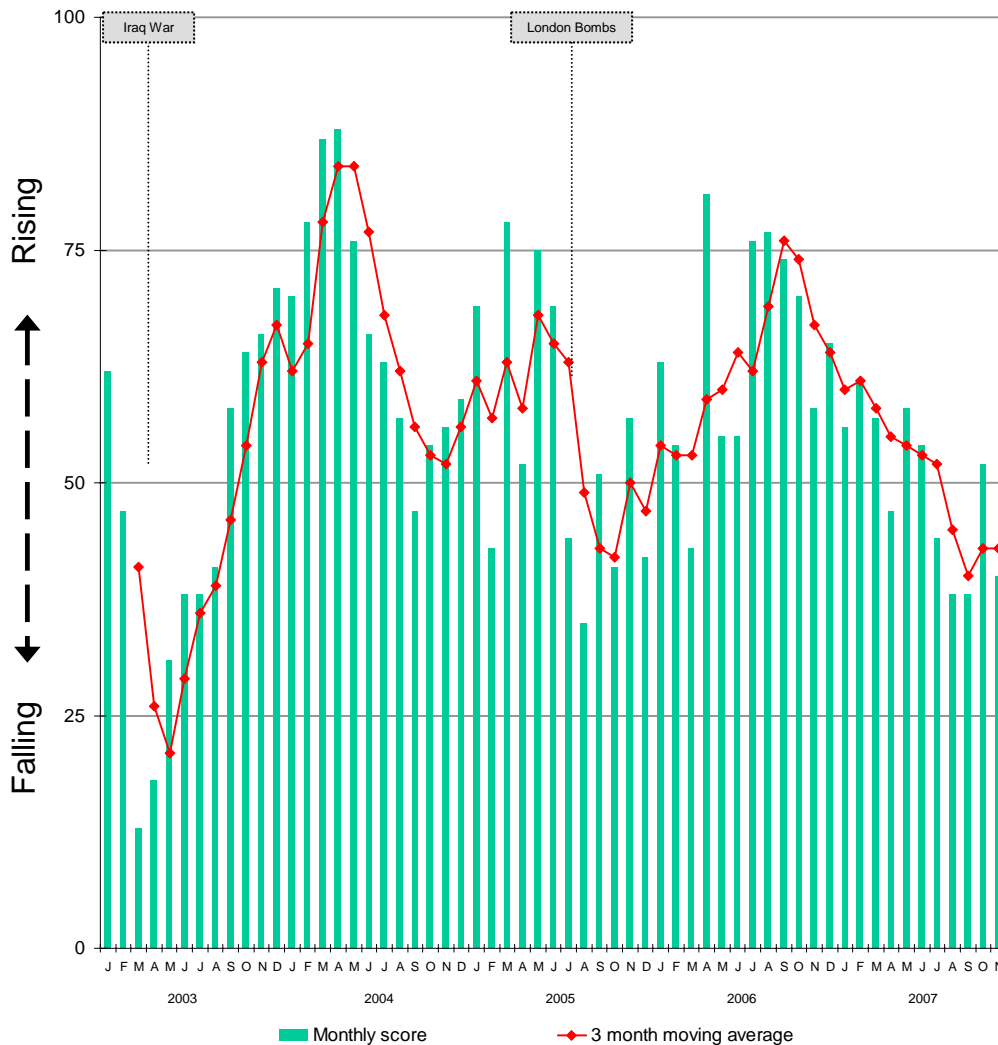


# LONDON VISITOR INDEX



London Visitor Index 2003-07



NOVEMBER 2007

## 40/100

Oct 2007	52
Sept 2007	38
Nov 2006	58

### SUMMARY

The capital's visitor economy weakened considerably in November with activity across most sectors down on last year. Overseas visits continued to drop, while domestic spending plunged in the face of gloomy economic news and softening consumer confidence.

Attractions and retailers had a poor month. Although hotels reported rising room rates, occupancy levels decreased.

The one positive trend was that Sterling fell significantly against the Euro and other major currencies, making London a cheaper destination for many visitors.

Other key findings for November include:

Modest growth in the number of passengers using London's five main airports

Flat visitors levels to tourism information centres

Lower tourism related retail activity

**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 -1.9% in November. Although there was a small increase in European arrivals during the month, this was not strong enough to offset a -17% drop in North American visits. Weakening economic growth and lower consumer confidence in many key markets, coupled with the weak US dollar, is main reason for this decrease

**London Attractions:** Overall attendances to London attractions dropped by -1.8% in November compared to the same month last year. Once again whilst paid attractions had a very good month, with visits up +10.5%, free attractions saw attendances fall by -5.2%

**London Hotels:** London hotels continued to witness strong demand in November that enabled many operators to increase room rates by an average of +7%. Tight hotel supply, especially in central London, is allowing room rate growth despite falling visitor levels

**FTSE 100:** UK equity markets plunged in November as credit concerns continued to worsen and fears of a US recession grew. The FTSE 100 fell by -2.1% compared to the same month last year

**London Airport Passengers:** The number of passengers passing through London's five main airports increased by +2.6% in November. British Airways reported that premium traffic continued to be strong, while some short-haul business was showing weakness

**Effective Exchange Rate:** Sterling weakened significantly against the Euro and many other major currencies during November, with the pound's effective exchange against a basket of other currencies down -1.7%

**Consumer Confidence:** UK consumer confidence fell steeply in November reflecting gloomy economic news. Retail sales in both the UK and central London slumped during the month, with uncertainty over house prices significantly impacting confidence

**London Tourist Information Visits:** The number of people visiting London's main tourism information centres dropped by -0.5% in November. This was the fourth month in a row in which visits have fallen

**London VAT-free Shopping:** Tourism retail spending in London – as measured by the number of VAT refunds claimed back by non-EU visitors – decreased -6% in November. Whilst spending by Middle East, Chinese and Turkish visitors continued to grow, US, Russian and Indian activity declined

## 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

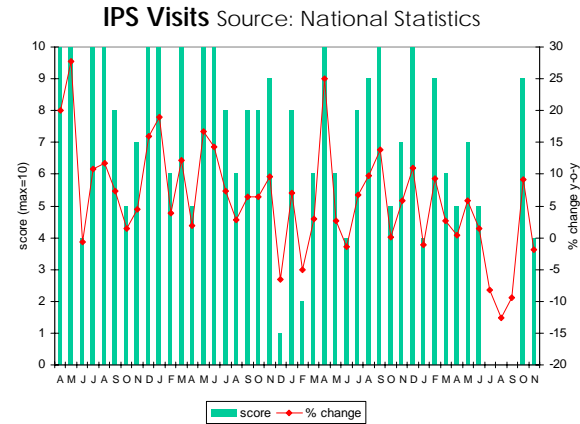
(-6)-(-8)% change = 1 points

>(-8)% change = 0 points

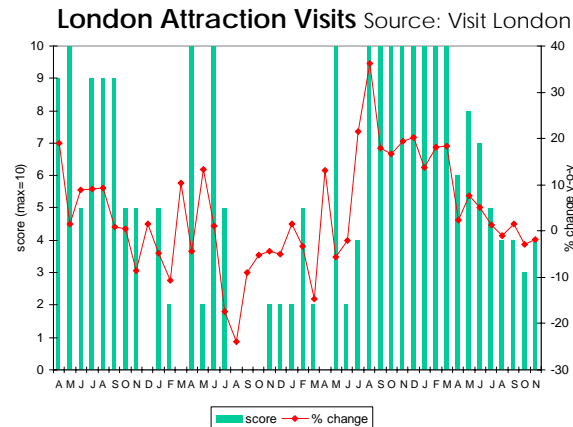
# LONDON VISITOR INDEX



## Individual Indicators

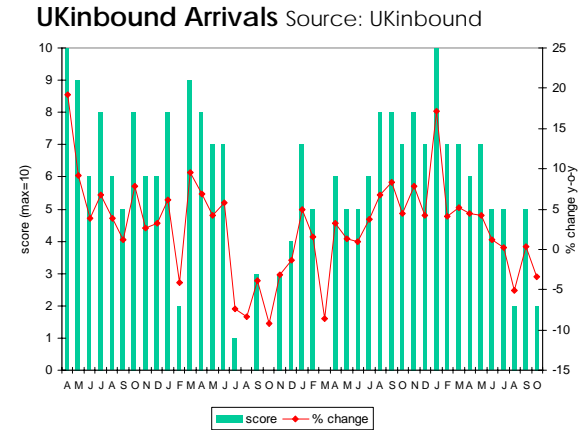


Measures the number of visitors entering the UK through interviews with a stratified random sample of passengers on the main air, tunnel and sea routes

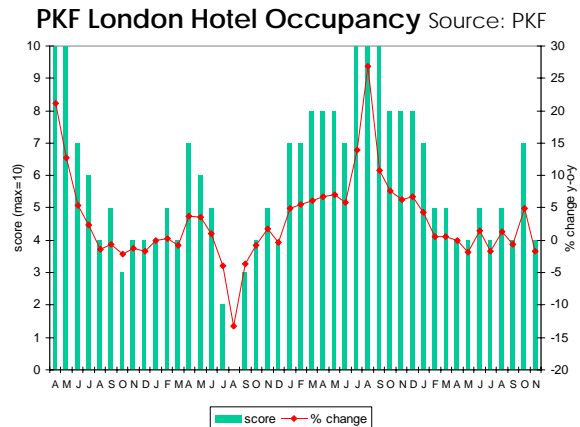


A monthly survey measuring visitor levels to 65 attractions in London, which account for around 75% of overall admissions in the capital

## Individual Indicators



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



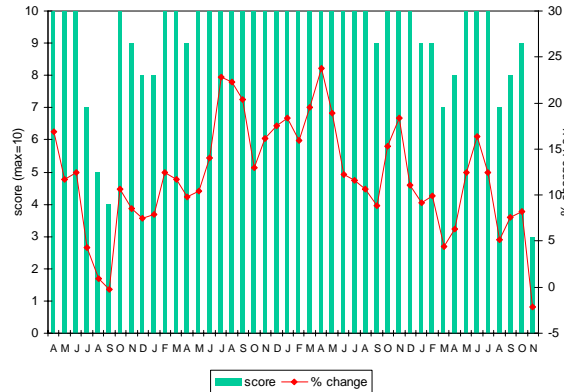
An analysis of 41,900 London hotel rooms measuring the level of occupancy

# LONDON VISITOR INDEX



## Individual Indicators

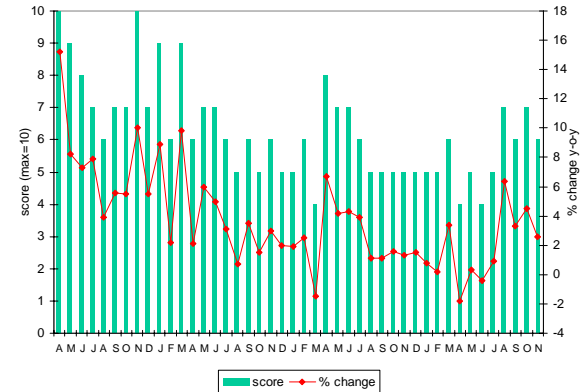
**FTSE 100** Source: FTSE



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

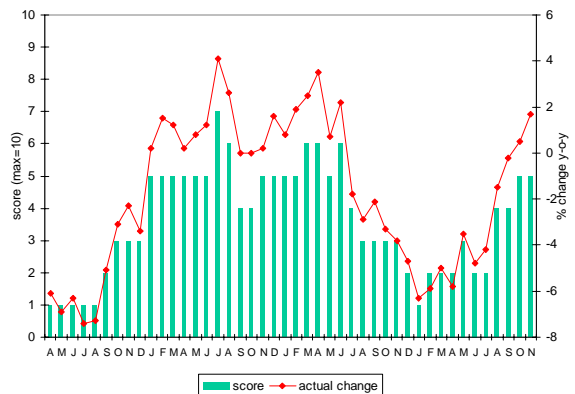
## Individual Indicators

**London Airport Passengers** Source: CAA



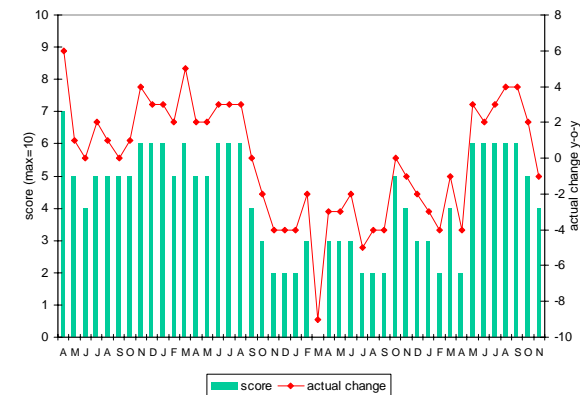
Measures the number of passengers through London airports (Gatwick, Heathrow, London City, Luton, Stansted)

**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

