

## LOPSIDED PROSPECTS

- Prospects for the capital's visitor economy in 2006 are mixed. Whilst overseas visitor numbers to London are expected to continue growing, domestic visits are likely to decline further
- As a result, overall visits are expected to grow by +1.2% to 26.1m in 2006, while visitor spending is forecast to expand by +2.6% to £9.8bn

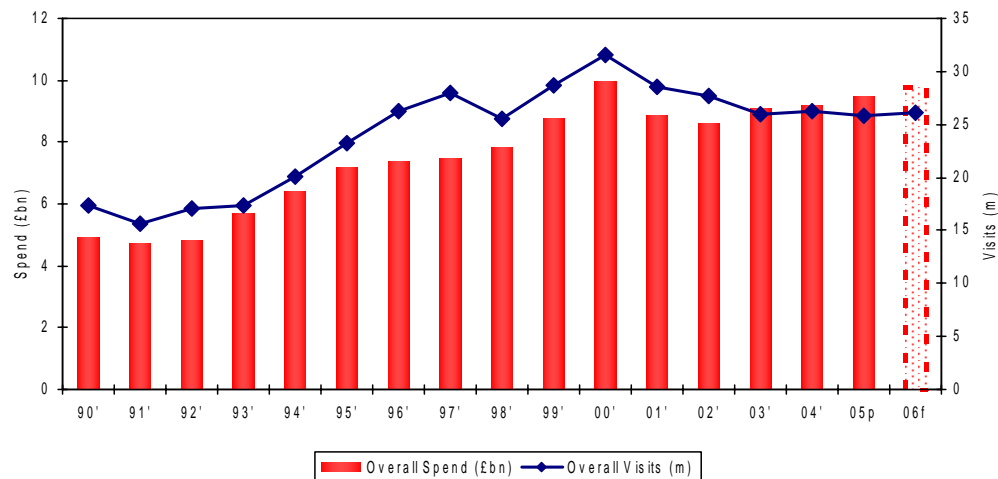
### OVERSEAS

- The strongest visitor growth levels in 2006 are once again likely to come from overseas markets, particularly, Eastern Europe and Asia. Strong economic growth prospects and the increasing availability of air travel to the UK is underpinning much of this growth
- As a whole, foreign visits to London are expected to grow to record levels in 2006. Arrivals are likely to grow by +3.7% to 14.35m in 2006, while foreign visitor spending is anticipated to increase by +4.3% to £7.2bn

### DOMESTIC

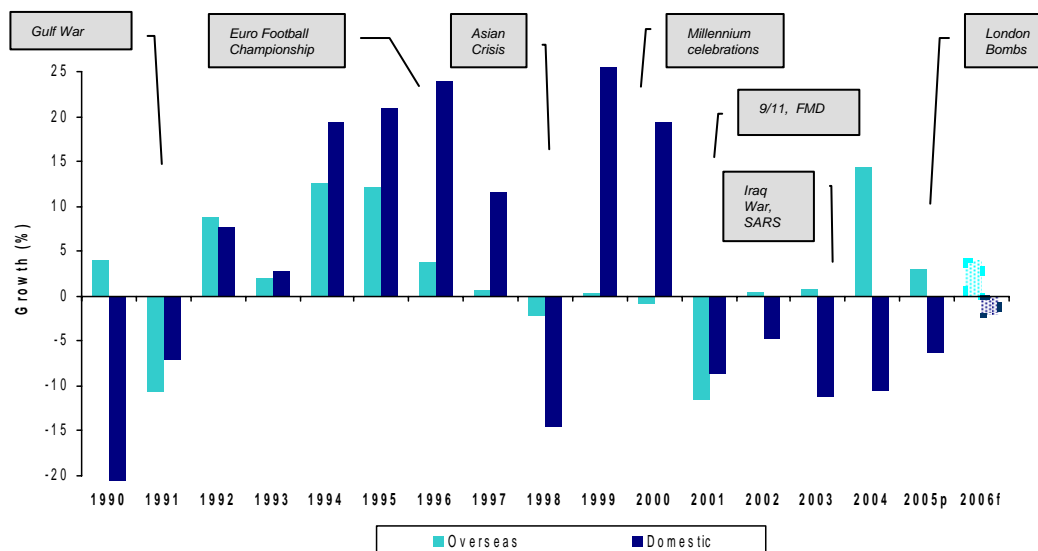
- In contrast, the domestic market is likely to remain subdued. Lower consumer spending coupled with the continuing availability of cheap air flights to the continent continues to have a negative impact on the capital
- This challenging environment was further impacted by the London bombs, with anecdotal evidence suggesting domestic visits declined by as much as -30% during July and August 2005
- As a result, domestic visits to London are expected to continue falling in 2006, with visits forecast to decline by -2.1% to 11.75m, while spending is likely to decrease by -1.9% to £2.6bn

## LONDON – TOTAL VISITS & EXPENDITURE 1990-2006f



Source: International Passenger Survey, UK Tourism Survey, Visit London forecasts

## LONDON – OVERSEAS & DOMESTIC VISITOR GROWTH 1990-2006f



Source: International Passenger Survey, UK Tourism Survey, Visit London forecasts

# VISIT LONDON: PROSPECTS FOR 2006



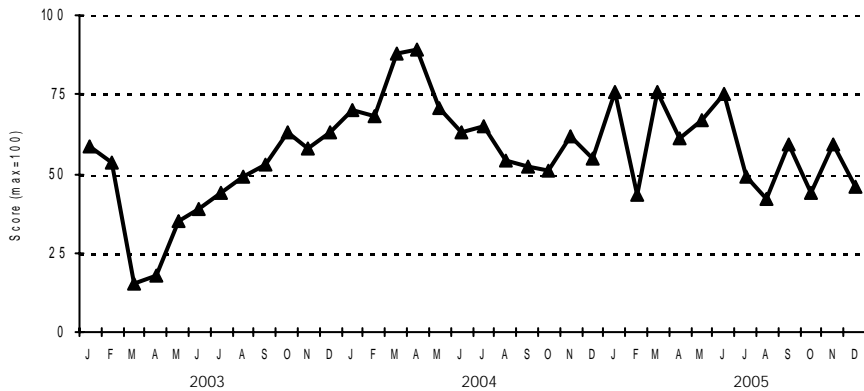
## LONDON – TOTAL VISITS & SPEND 2000-2006f

	2000	2001	2002	2003	2004	2005p	2006f
<b>VISITS (m)</b>							
Domestic*	18.5	16.9	16.1	14.3	12.8	12.0	11.75
% yoy change		-8.6	-4.7	-11.2	-10.5	-6.3	-2.1
Overseas	13.1	11.6	11.6	11.7	13.4	13.8	14.35
% yoy change		-11.5	0.0	0.8	14.4	3.0	4.0
<b>TOTAL VISITS</b>	<b>31.6</b>	<b>28.5</b>	<b>27.7</b>	<b>26.0</b>	<b>26.2</b>	<b>25.8</b>	<b>26.1</b>
% yoy change		-9.8	-2.8	-6.2	0.7	-1.3	1.0
<b>EXPENDITURE (£bn)</b>							
Domestic*	3.1	3.0	2.8	3.2	2.8	2.65	2.6
% yoy change		-2.4	-5.9	14.0	-14.1	-4.0	-1.9
Overseas	6.9	5.8	5.8	5.9	6.4	6.9	7.2
% yoy change		-15.3	0.0	1.5	9.6	6.6	4.3
<b>TOTAL EXPENDITURE</b>	<b>10.0</b>	<b>8.8</b>	<b>8.6</b>	<b>9.1</b>	<b>9.2</b>	<b>9.5</b>	<b>9.8</b>
% yoy change		-11.4	-2.6	5.6	1.2	3.4	2.6

Source: International Passenger Survey, UK Tourism Survey, Visit London forecasts

\*Domestic data should be used with caution, excludes day visits to London

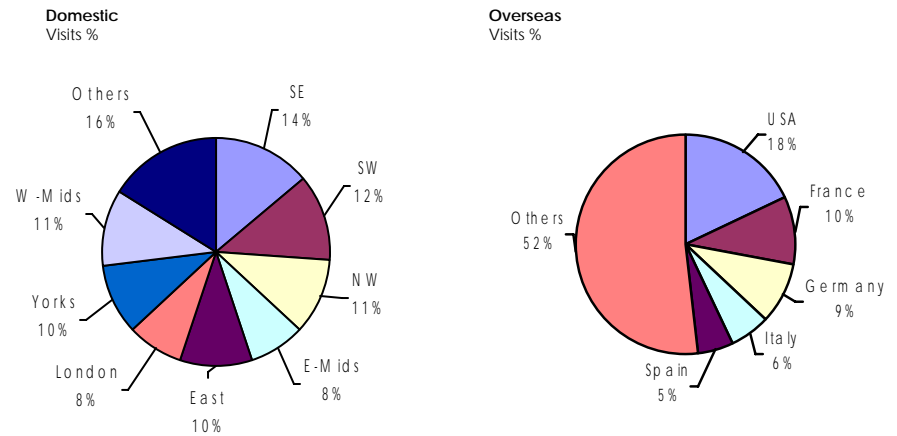
## LONDON VISITOR INDEX 2003-05



Source: Visit London

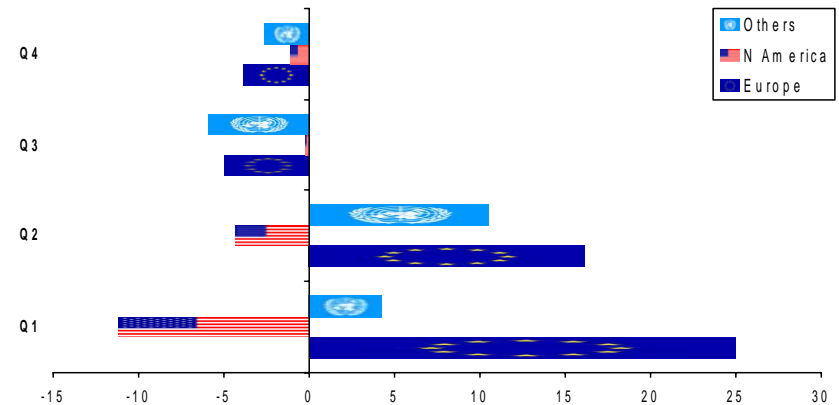
The London Visitor Index is a monthly composite index of leading visitor surveys. A score over 50 indicates growth

## LONDON – ORIGIN OF LONDON VISITORS 2004



Source: International Passenger Survey, UK Tourism Survey

## LONDON – VISITOR GROWTH BY MAJOR OVERSEAS MARKET 2005\*



Source: International Passenger Survey

\* Provisional results

Growth (%)

## LONDON – LEADING OVERSEAS MARKETS 2000-04

Rank	Country	Visits (m)		Spend (£m)	
		2000	2004	2000	2004
1	USA	2.9	2.4	1,735	1,401
2	France	1.2	1.3	324	322
3	Germany	1.1	1.2	347	338
4	Italy	0.5	0.8	255	293
5	Spain	0.4	0.7	198	273
6	Ireland	0.6	0.7	207	218
7	Netherlands	0.5	0.6	153	177
8	Australia	0.5	0.5	249	240
9	Canada	0.4	0.4	175	209
10	Belgium	0.3	0.4	82	96
-	Japan	0.4	0.3	258	146
-	South Africa	0.2	0.2	126	97
-	Russia	0.13	0.2	129	187
-	China	0.02	0.06	27	42

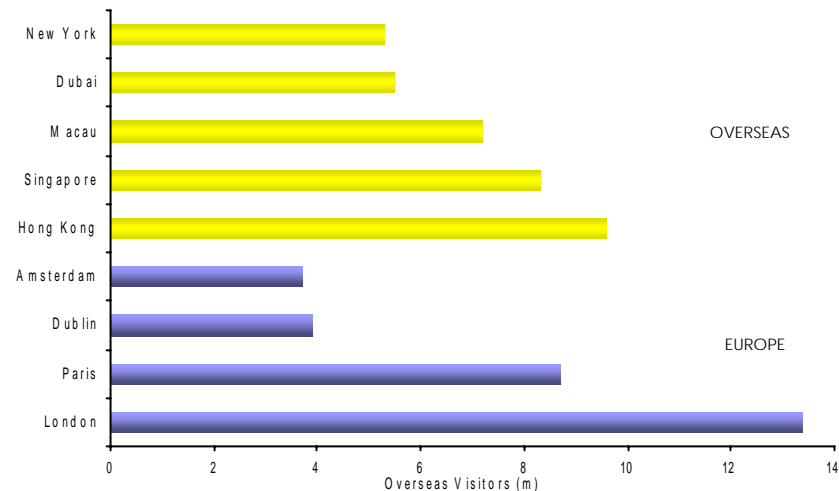
Source: International Passenger Survey

## LONDON – IMPACT OF PAST SHOCKS

Shock	Date	Impact
Foot & Mouth	Q1-Q4 2001	Four quarters of negative visitor growth
9/11	Q3 2001	Immediate visitor downturn, long term impact
SARS	Q1 2002	Two quarters of negative visitor growth
Iraq War	Q2 2003	One quarter of negative visitor growth
Madrid Bombs	Q1 2004	None
London Bombs	Q3 2005	Negative domestic visits

Source: International Passenger Survey, Visit London

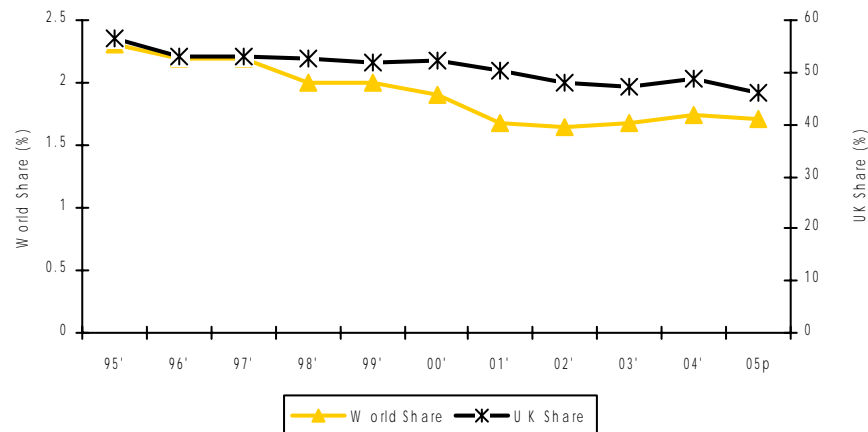
## LONDON – OVERSEAS VISITS COMPARED TO OTHER CITIES 2004



Source: Tourist Offices, European Cities Tourism

Note: data not strictly comparable as cities measure arrivals differently

## LONDON – WORLD MARKET SHARE 1995-2005p



Source: World Tourism Organisation, International Passenger Survey

## SOURCES

International Passenger Survey

<http://www.statistics.gov.uk/statbase/Product.asp?vlnk=8168&More=N>

UK Tourism Survey

<http://www.staruk.org.uk//default.asp?ID=730&parentid=469>

London Visitor Index

[http://www.visitlondon.com/corporate/facts\\_figures/monthly\\_visitor.html](http://www.visitlondon.com/corporate/facts_figures/monthly_visitor.html)

European Cities Tourism

<http://quovadis.wu-wien.ac.at/>

World Tourism Organisation

<http://www.world-tourism.org/>

## NOTES

Prospects for 2006 is published quarterly. The next update is due in **July 2006**.

Details at:

[http://www.visitlondon.com/corporate/facts\\_figures/latest\\_statistics/](http://www.visitlondon.com/corporate/facts_figures/latest_statistics/)

### Disclaimer

The information in this report was believed to be correct at the time of going to print and while every effort has been made to ensure accuracy, Visit London can not be held responsible for errors or omissions.

Readers are advised that the data in this report is not intended to be either definitive or exhaustive. Nor should the contents be construed as recommendations on policies or actions.

## ABOUT VISIT LONDON

Visit London is the official visitor organisation for London. It is partly funded by private sector partners, the Mayor's London Development Agency and the Association of London Government.

Funded by:



Supported by:

**MAYOR OF LONDON**



**Visit London**  
6<sup>th</sup> Floor  
2 More London Riverside  
London SE1 2RR

[visitlondon.com](http://visitlondon.com)