LONDON

TOURISM REPORT 2014-2015

LONDON & PARTNERS

CONTENTS

OVERVIEW

2014 was another record year for tourism in London

The capital received 28.8 million overnight visits from overseas and domestic travellers. Although this was an overall -1% decrease on the number of overnight visits to the city in 2013, the £14.7 billion generated in expenditure represented an increase of 3% on 2013.

Of these visits, London welcomed 17.4 million from overseas in 2014, spending £11.8 billion across 108 million nights.

The top three international source markets for visits to London in 2014 were:

1.	**France** 2.01 million visits
2.	**USA** 1.98 million visits
3.	**Germany** 1.34 million visits

The top three international source markets for tourism spend in London in 2014 were:

1.	**USA** £1.7billion
2.	**France** £0.8billion
3.	**Italy** £0.6billion

London received 11.4 million domestic overnight visits from Great Britain in 2014, generating £2.9 billion in spend over 24.4 million nights in the city.

The capital also welcomed 274 million domestic day visits in 2014, generating a further £10.7bn expenditure in London.

Forecasts indicate that London will witness 3% growth in visitor numbers by the end of 2015 and a further 3% in 2016.

01

TOURISM TRENDS 2014

London's tourism economy is dominated by overseas visitors and domestic day trippers. In 2014, overseas visitors accounted for just 6% of all visits, but 46% of spend. Domestic day trippers represented 90% of all visits and generated 42% of total spend.

London is the fourth most visited international destination in the world based on arrivals

274 MILLION day visits in 2014, a daily average across the year of 750,000 trips

The total number of overnight visits to London increased by 16% from 2009 to 2014, an extra 3.9 million visits

LONDON

Overseas visitors spent £11.8 billion in London in 2014, while domestic overnight visitors spent £2.9 billion

Total visitor spend increased by 41% from 2009 to 2014, an extra £4.3 billion in the five year period

LONDON ACCOUNTS FOR OVER 50% OF ALL OVERSEAS VISITS TO THE UK

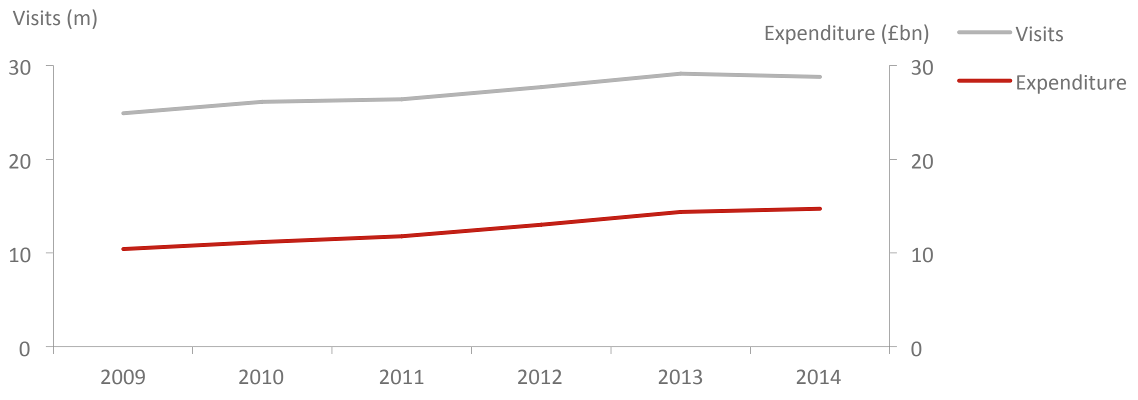
LONDON ACCOUNTED FOR 1.6% of all international visitor arrivals in the world

12.2 MILLION holiday visits in 2014, representing 42% of all overnight stays in London

DOMESTIC HOLIDAY VISITORS' EXPENDITURE INCREASED BY 13% from 2009 to 2014, an extra £127 million in the five year period

In 2014, London welcomed 28.8 million overseas and domestic overnight visits, generating £14.7 billion in expenditure. Although there was a slight fall in the volume of visits compared to 2013, tourism spend was greater in 2014. Between 2009 and 2014, the volume of visits to London grew by 3.9 million, resulting in a £4.3 billion (41%) increase in expenditure over the five year period.

1.1 Total London visits and expenditure 2009-2014



Source: Office for National Statistics, International Passenger Survey 2009-2014; Visit England, Great Britain Tourism Survey 2009-2014

The growth of overseas visits

The city saw an increase of 600 thousand additional overseas visits in 2014 compared to the previous year. This contributed to an overall growth of 23% in overseas visitation between 2009 and 2014. Such growth is also reflected in overseas expenditure, which has seen an increase of 44% over the same five year period.

Overseas visitors accounted for 60% of all overnight visits to London in 2014, as well as 82% of nights spent in London and 80% of expenditure by overnight tourists.

London is unrivalled as a major destination in the UK for overseas visitors, accounting for 51% of all overseas visits to the UK in 2014. The capital also received 10% of all overnight UK domestic visits during this period.

In addition to 28.8 million overnight visits, London also received 274 million day visits in 2014 – a daily average of 750,000 visits across the year – representing 17% of all day visits in Great Britain. Day visits to London also accounted for £10.7 billion in spend in 2014.

Overseas visitors are significantly higher spenders than domestic visitors. This is evidenced by an £11.8 billion spend in London, representing 54% of the UK's total overseas expenditure. Domestic overnight visitors spent £2.9 billion in London – just 13% of the UK's total domestic expenditure. Quantifying that, overseas visitors account for approximately eighty pence of every pound spent by staying visitors.

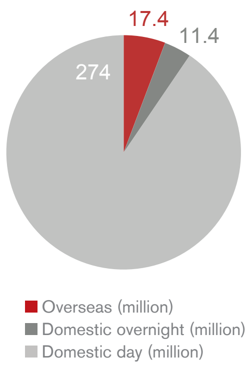
1.2 London overnight visits, nights and expenditure 2009-2014

	2009	2010	2011	2012	2013	2014
Visits (million)						
Overseas	14.2	14.7	15.3	15.5	16.8	17.4
Domestic	10.7	11.4	11.1	12.2	12.3	11.4
Total visits	**24.9**	26.1	26.4	27.6	29.1	28.8
Nights (million)						
Overseas	85.7	90.3	91.5	94.3	98.1	108.0
Domestic	23.5	24.3	27.1	27.7	27.4	24.4
Total nights	**109.1**	114.6	118.6	122.0	125.6	132.4
Expenditure (£ billion)						
Overseas	8.2	8.7	9.4	10.1	11.5	11.8
Domestic	2.2	2.4	2.4	2.8	2.8	2.9
Total spend	**10.4**	11.2	11.8	12.9	14.3	14.7

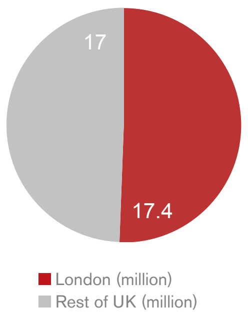
1.3 Total volume of UK and London visits 2014

Visits (millions)	Total UK	London
Overseas	34.4	17.4
Domestic overnight	114.2	11.4
Domestic day	1585	274

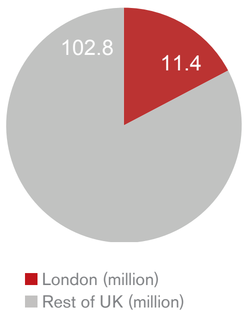
Sources of London visits



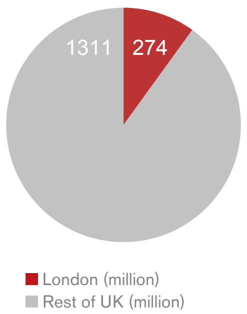
Overseas visits 2014



Domestic overnight visits 2014



Domestic day visits 2014

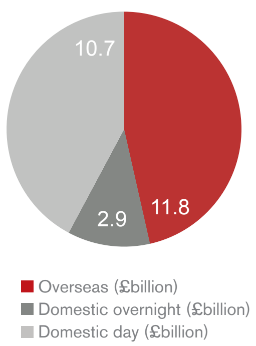


Source: Office for National Statistics, International Passenger Survey 2014; Visit England, Great British Day Visits Survey 2014; Visit England, Great Britain Tourism Survey 2014

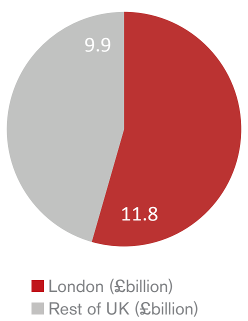
1.4 Total value of UK and London visits 2014

Value (£ billions)	Total UK	London
Overseas	21.7	11.8
Domestic overnight	22.7	2.9
Domestic day	53.8	10.7

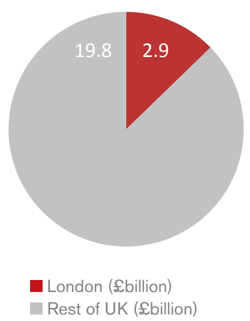
Sources of London expenditure



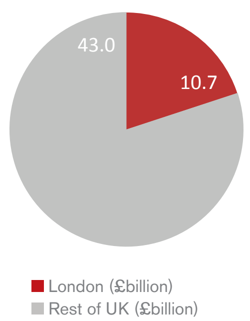
Overseas spend 2014



Domestic overnight spend 2014



Domestic day visits spend 2014



Source: Office for National Statistics, International Passenger Survey 2014; Visit England, Great British Day Visits Survey 2014; Visit England, Great Britain Tourism Survey 2014

London in a global tourism context

London's established footprint in the global tourism market puts it in fourth place in Euromonitor's Top Cities Destination Ranking of 100 of the world's leading cities, which is based on international tourist arrivals. This puts London ahead of its closest competitors, including Paris (5th), New York (7th), Rome (14th), Barcelona (25th) and Amsterdam (27th).

1.5 Top city destinations ranking 2013

	City	Arrivals 2013 (million)	% change on 2012
1	Hong Kong	25.6	7.6
2	Singapore	22.5	5.4
3	Bangkok	17.5	10.4
4	**London**	**16.8**	**8.6**
5	Paris	15.2	4.6
6	Macau	14.3	5.1
7	New York City	11.9	2
8	Shenzhen	11.7	-3
9	Kuala Lumpur	11.2	5
10	Antalya	11.1	8
11	Istanbul	10.5	11.8
12	Dubai	10.5	6.9
13	Seoul	8.6	3.1
14	Rome	8.6	2.2
15	Phuket	8	11.3
16	Guangzhou	7.6	-3
17	Mecca	7.5	9.6
18	Pattaya	7	6.4
19	Taipei	6.7	2
20	Miami	6.3	4.1
21	Prague	6.2	1.8
22	Shanghai	6.1	-6.5
23	Las Vegas	6	-0.8
24	Milan	5.9	1.8
25	Barcelona	5.5	1.2
26	Moscow	5.4	8
27	Amsterdam	5.2	1.2
28	Vienna	5.2	4.5
29	Venice	5.2	2.7
30	Los Angeles	5.1	1.1

Source: Euromonitor Top City Destinations Ranking 2013 (2014 edition)

Domestic and international tourism trends

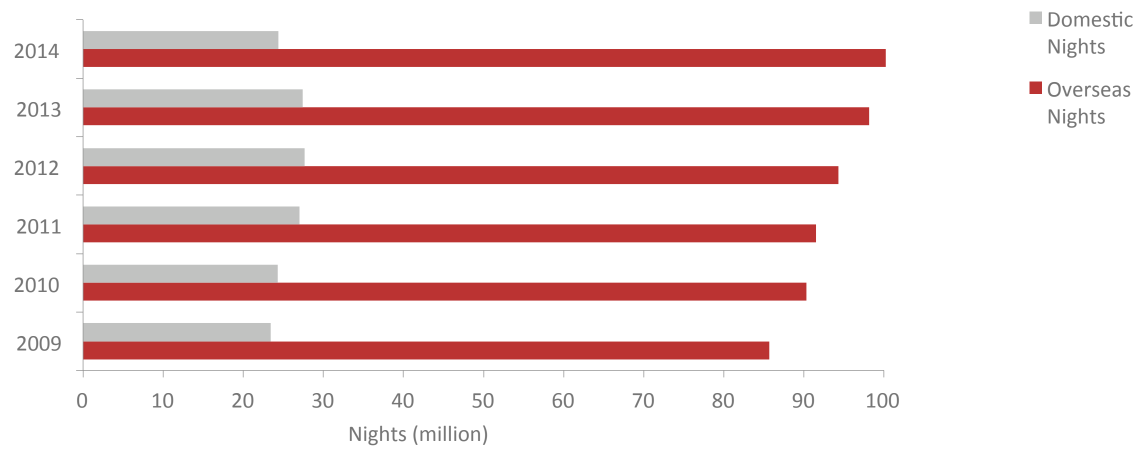
Tourism nights
In 2014, overseas visitors stayed in the capital for more than four times as many nights as domestic visitors.

Tourist expenditure
Overseas expenditure in London has increased year-on-year, resulting in a substantial growth of £3.6 billion since 2009 (44%). Domestic overnight expenditure has also seen significant growth, increasing by 33% from 2009 to 2014, equating to an additional £710 million.

In 2014, the average spend per visit to London increased by £21, to £511, when compared to 2013 – part of an overall £110 increase since 2009. On average, overseas visitors spent more than two and a half times as much per visit as domestic overnight visitors in 2014. The main factor behind this difference is the longer average stay of 6.2 days for overseas visitors, compared to 2.1 days for domestic overnight visitors. On a per day basis, however, domestic overnight visitors spend an average of £9 more than overseas visitors.

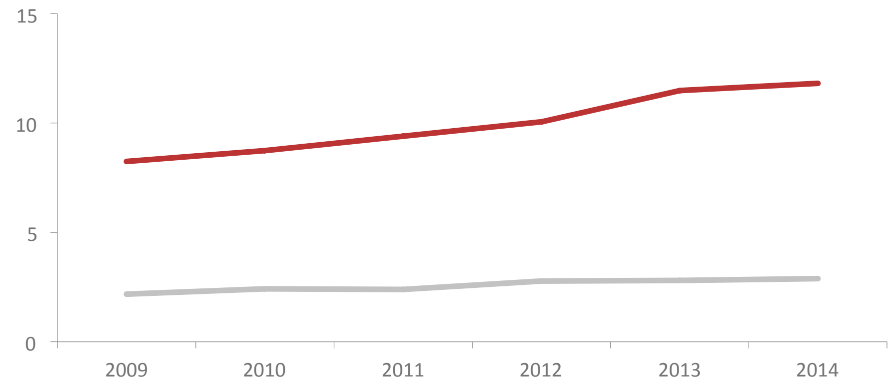
Despite domestic visits making up 40% of all overnight visits to London, spend by domestic overnight visitors only accounted for 20% of overall spend in London by staying visitors (thus excluding expenditure by domestic day visitors) in 2014. Overseas visits are proportionally more valuable than overnight domestic visits, with a higher average length of stay and higher average spend per visit.

1.6 Total number of nights stayed by domestic and overseas visitors, 2009-2014



Source: Office for National Statistics, International Passenger Survey 2014; Visit England, Great British Tourism Survey 2014

1.7 Total number of nights stayed by domestic and overseas visitors, 2009-2014



Source: Office for National Statistics, International Passenger Survey 2014; Visit England, Great British Tourism Survey 2014

1.8 Average expenditure and trip length for domestic and overseas overnight visits, 2014

	Average Length of Stay	Average Spend per Day	Average Spend per Visit
Overseas	6.2	£109	£680
Domestic	2.1	£119	£254
Combined averages	4.6	£111	£511

Source: Office for National Statistics, International Passenger Survey 2014; Visit England, Great British Tourism Survey 2014

Age profile

London has broad appeal across all age groups amongst both overseas and domestic visitors. In 2014, 46% of overseas visitors to London were aged 25-44, while the 35-54 year old age group accounted for 43% of domestic overnight visitors. Overnight visitors from the domestic market are more likely to be older than their overseas counterparts. The over 65 age group accounted for 11% of all overnight domestic visitors but only 6% of overseas visitors.

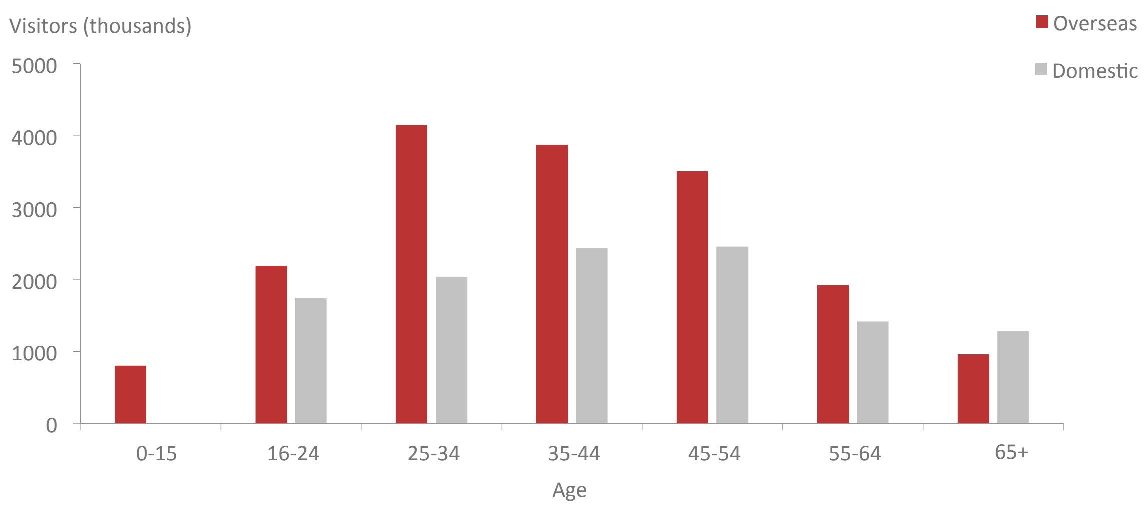
London tourist profile

Holiday visits to London totalled 12.2 million in 2014 and represented about 42% of all overnight stays. Overseas holiday visits have been the key driver of growth since 2009. The number of visits has continued to grow due to the increasing volume of leisure visits, including those classified as VFR (visiting friends and relatives).

The overseas holiday segment is key to London's tourism sector in terms of volume and value. Its importance has grown significantly between 2009 and 2014, with visitor numbers growing by 26% and expenditure increasing by 74%. The holiday visitor segment is the main contributor to the increase in tourism spend over the period, driven by a surge in overseas arrivals.

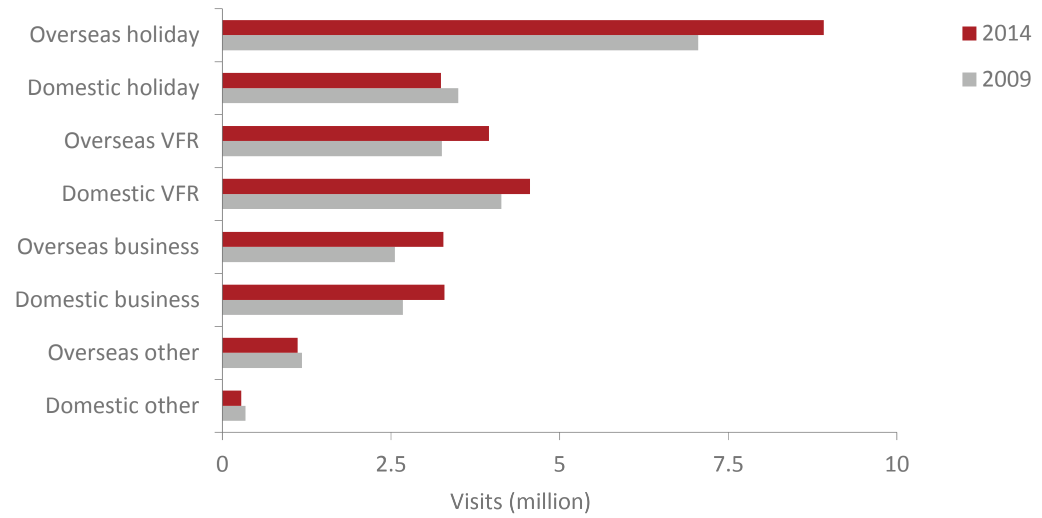
Business visits make up a lower proportion of international visits to London in comparison to holiday visits or those visiting friends and relatives (VFR). However, despite their lower volumes, international business visitors are the second most valuable segment due to their much higher average spend per visit. VFR visitors have a lower spend, partly because they do not usually pay for hotel accommodation.

1.9 Overnight domestic and overseas visitor age profile 2014



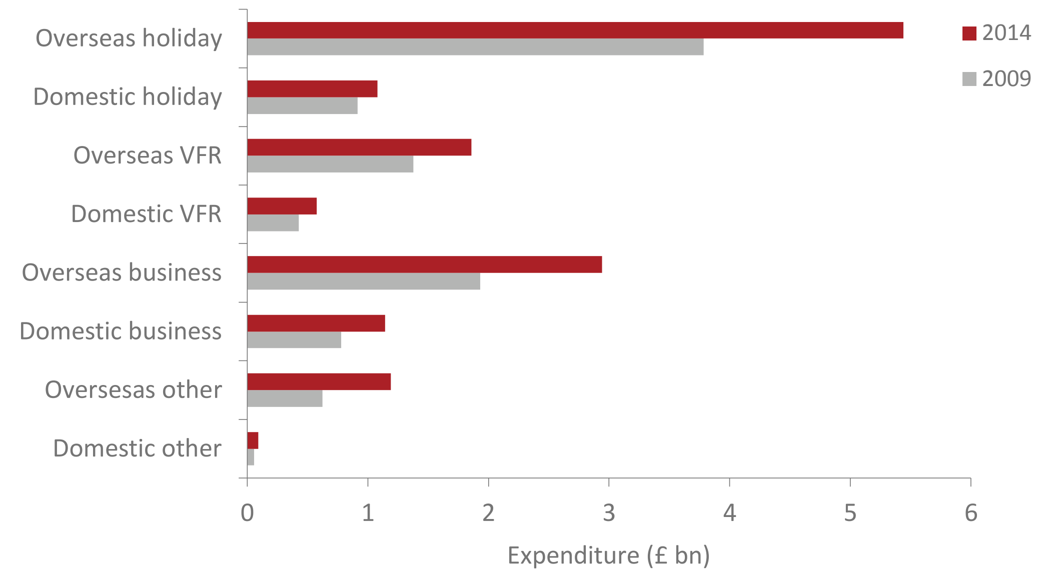
Source: Office for National Statistics, International Passenger Survey 2014; Visit England, Great British Tourism Survey 2014

1.10 Ranking of London overnight visits (volume) by purpose 2009 vs 2014



Source: Office for National Statistics, International Passenger Survey 2014; Visit England, Great British Tourism Survey 2014

1.11 Ranking of London expenditure (value) by purpose 2009 vs 2014



Source: Office for National Statistics, International Passenger Survey 2014; Visit England, Great Britain Tourism Survey 2014

In 2014 London received 17.4 million visits from overseas, spending a total of £11.8 billion over 108 million nights. These figures represent a further 593 thousand visits and a £330 million increase in spend against 2013.

The South and Central American visitor market experienced growth of 81% over the period 2009-2014

France is London's largest market, accounting for 11.5% of all overseas visits

The European and North America markets together account for 80% of all visits to London

17.4 MILLION

international visits and £11.8 billion in expenditure in 2014

77%

OF INTERNATIONAL visitors to London arrive by air transport

International visitors to London are at their peak in Quarter 3 (the months of July, August and September), and at their lowest in the winter months of Quarter 1 (January, February and March)

In 2014 the 25-44 year old age group accounted for nearly 46% of all overseas visitors

In 2014

LONDON **Welcomed**

an extra 593 thousand international visits and an additional £330 million spend compared to 2013

There were

8.9 MILLION

OVERSEAS HOLIDAY VISITS IN 2014

02

INTERNATIONAL VISITS

The 10 year trend for London's overseas tourism paints a picture of strong growth in the first half of the previous decade, peaking in 2006 at 15.6 million visits. This was followed by a period of decline coinciding with the global financial crisis. The market started its climb out of recession in 2011, culminating in its highest ever volume of overseas visits three years later in 2014 – a 30% increase on 2004. Expenditure has grown steadily over the 10 year period, resulting in an 84% increase on 2004.

2.1 London overseas nights, visits and expenditure 2004-2014

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Visits (million)	13.4	13.9	15.6	15.3	14.8	14.2	14.7	15.3	15.5	16.8	17.4
Nights (million)	90.2	91.8	101.1	95.8	90.8	85.7	90.3	91.5	94.3	98.1	108
Expenditure (£ billion)	6.4	6.9	7.8	8.2	8.1	8.2	8.7	9.4	10.1	11.5	11.8

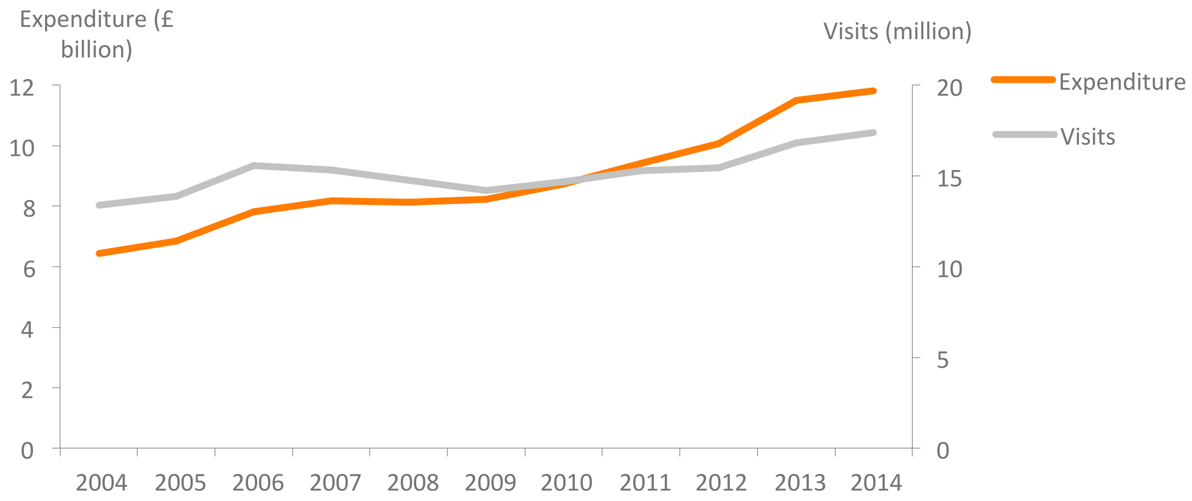
Source: Office for National Statistics, International Passenger Survey 2004-2014

2.2 London overseas visits and expenditure growth 2004-2014

	2013-2014 % change	2009-2014 % change	2004-2014 % change
Visits (million)	4%	23%	30%
Expenditure (£ billion)	3%	44%	84%

Source: Office for National Statistics, International Passenger Survey 2004-2014

2.3 London overseas visits and expenditure 2004-2014



Source: Office for National Statistics, International Passenger Survey 2004-2014

The overseas visits market by region

Visits from Europe represent the majority of overseas trips to London, with 66% of all overseas visitors to the capital originating from the continent. London's second largest regional visitor market is North America, representing 14% of overseas visits. Since 2009, visits to London from North America have grown by 131 thousand.

South and Central America have experienced strong growth in both visitor numbers and expenditure, despite accounting for a small percentage of all London visitors. The Middle East region is London's third largest market for spend, which has seen an 84% increase since 2009.

The number of visitors from other parts of the world, such as Asia and Australasia, have also continued to grow.

2.4 Overseas markets 2014 by geographical region and % change

	Visits (million)	5 year % change	Expenditure (£ billion)	5 year % change	Market share
Europe	11.5	24%	5.7	40%	66%
North America	2.3	6%	1.9	29%	14%
Asia	1.1	48%	1.3	49%	7%
Australasia	0.8	10%	0.6	32%	5%
South and Central America	0.6	81%	0.4	64%	3%
Middle East	0.6	28%	1.3	84%	3%
Africa	0.4	1%	0.6	54%	2%
Total	**17.4**		**11.8**		

Source: Office for National Statistics, International Passenger Survey 2009-2014

INTERNATIONAL VISITS

The overseas visits market by country

London's top 10 origin markets accounted for 60% of all overseas arrivals into the capital in 2014. France was marginally ahead of the USA as the largest individual overseas market, with 2.01 million arrivals, representing 11.5% of all overseas visits.

The French visitor market continues to perform strongly, as the proximity and comprehensive travel connections available to the French generate high levels of demand for short city breaks.

Apart from the USA, Australia is the only other non-European country featuring in London's top 10 origin markets.

London's overseas visitors include a number of small markets in long-haul emerging economies, several of which have been growing at a rapid rate. China (ranked 36 for volume) has been making its way rapidly up the rankings, although with only 99,000 visitors in 2014 it represents just 0.6% of the overseas visits total.

London's top 10 markets accounted for 52% of the total international visitor spend. Although the USA is the second largest source of international visits to London, it is by far the biggest overseas market in terms of visitor spend. Spending by American visitors in 2014 totalled £1.67 billion (14.1% of overseas spend)—twice the expenditure from France, the second most valuable market.

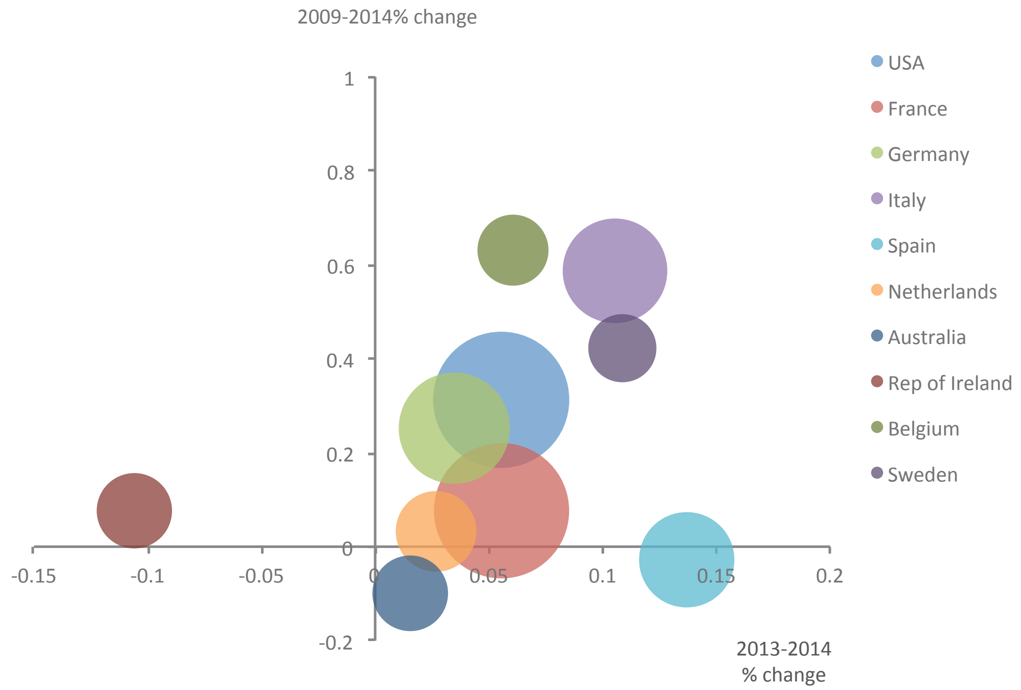
A number of markets demonstrate remarkably high levels of average expenditure in London, and are contributing disproportionately high levels of spend compared to their share of visits. For example, the average expenditure from Kuwait's visitors to London in 2014 was £4,808, while visitors from the United Arab Emirates spent an average of £1955 during a visit to the capital in 2014, substantially higher than the £679 all-market average. The Chinese market displays similar tendencies, its 1.3% value share being more than twice its 0.6% volume share.

2.5 Top 10 overseas markets by volume 2014 and 5-year trend

Rank	Country of residence	Visits (million)	2009-2014 % change	2013-2014 % change	Market share
1	France	2.0	32%	6%	11.5%
2	USA	2.0	8%	6%	11.4%
3	Germany	1.3	25%	4%	7.7%
4	Italy	1.2	59%	11%	6.8%
5	Spain	1.0	-3%	14%	5.7%
6	Netherlands	0.7	3%	3%	4.1%
7	Australia	0.6	-10%	2%	3.6%
8	Republic of Ireland	0.6	8%	-11%	3.5%
9	Belgium	0.6	63%	6%	3.1%
10	Sweden	0.5	42%	11%	2.9%

Source: Office for National Statistics, International Passenger Survey 2009-2014

2.6 Top 10 overseas visitor markets 2014 (volume) – long and short term visits growth*



Source: Office for National Statistics, International Passenger Survey 2009-2014

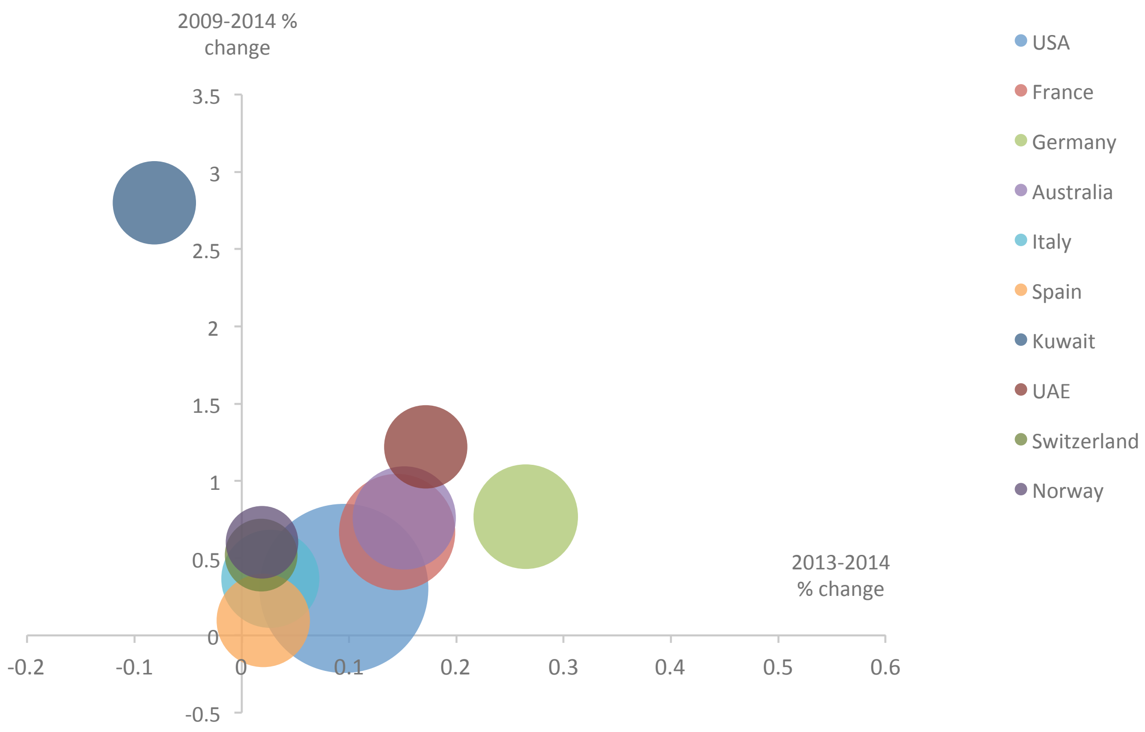
*Bubble size = volume of total visitors 2014

2.7 Top 10 overseas markets by value 2014 and 5-year trend

Rank	Country of Residence	Expenditure (£ millions)	2009-2014 % change	2013-2014 % change	Market share
1	USA	1668	30%	10%	14.1%
2	France	789	67%	14%	6.7%
3	Germany	638	77%	26%	5.4%
4	Australia	622	76%	15%	5.3%
5	Italy	562	37%	3%	4.8%
6	Spain	509	10%	2%	4.3%
7	Kuwait	405	280%	-8%	3.4%
8	United Arab Emirates	325	122%	17%	2.8%
9	Switzerland	308	52%	2%	2.6%
10	Norway	307	60%	2%	2.6%

Source: Office for National Statistics, International Passenger Survey 2009-2014

2.8 Top 10 overseas visitor markets 2014 (value) – long and short term expenditure growth*



Source: Office for National Statistics, International Passenger Survey 2009-2014
*Bubble size = overall spend 2014

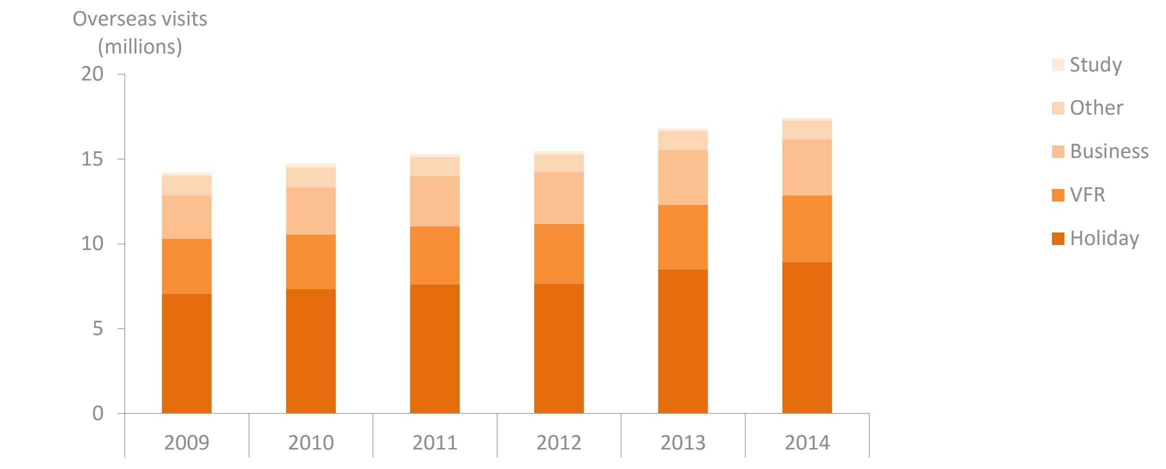
Reasons for visiting

London's overseas visitor profile includes 8.9 million holiday visits, which have increased in volume by 1.86 million since 2009.

The business sector has also seen solid growth in visits during the same period, although the market is still about a third of a million short of the levels it achieved in 2006, prior to the financial crisis.

Business visits to London accounted for 25% of overseas expenditure in 2014. The average daily expenditure of a business visitor is 1.7 times that spent during the average holiday visit in London. The business sector is also characterised by a relatively low average length of stay (4.2 nights vs. all-market average of 6.2), meaning that business visitors contribute a modest 13% of the 108 million nights spent in London by overseas visitors.
The average stay of an overseas VFR visit (8.5 days) is much longer than the all-market average, hence its 31% contribution to the overseas nights total. It is, however, a low value segment, on account of many visitors in the category not requiring accommodation.

2.9 Profile of London visits by purpose 2009-2014



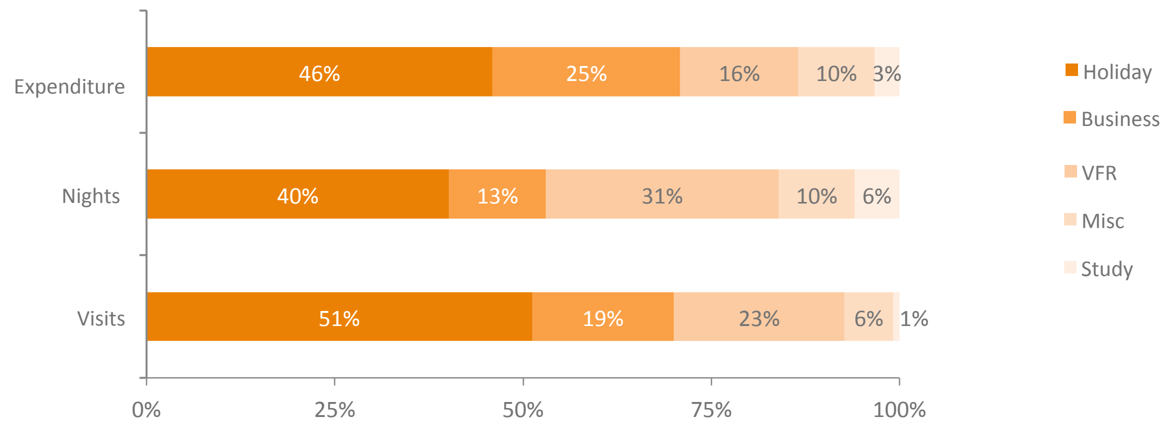
Source: Office for National Statistics, International Passenger Survey 2009-2014

2.10 Average overseas expenditure and visit length 2014

	Average length of stay	Average spend per day	Average spend per visit
Business	4.2	£213	£899
Holiday	4.9	£125	£610
Misc	9.7	£110	£1,067
Study	42.7	£110	£2,616
VFR	8.5	£61	£470

Source: Office for National Statistics, International Passenger Survey 2014

2.11 London overseas visits, nights and expenditure by purpose 2014



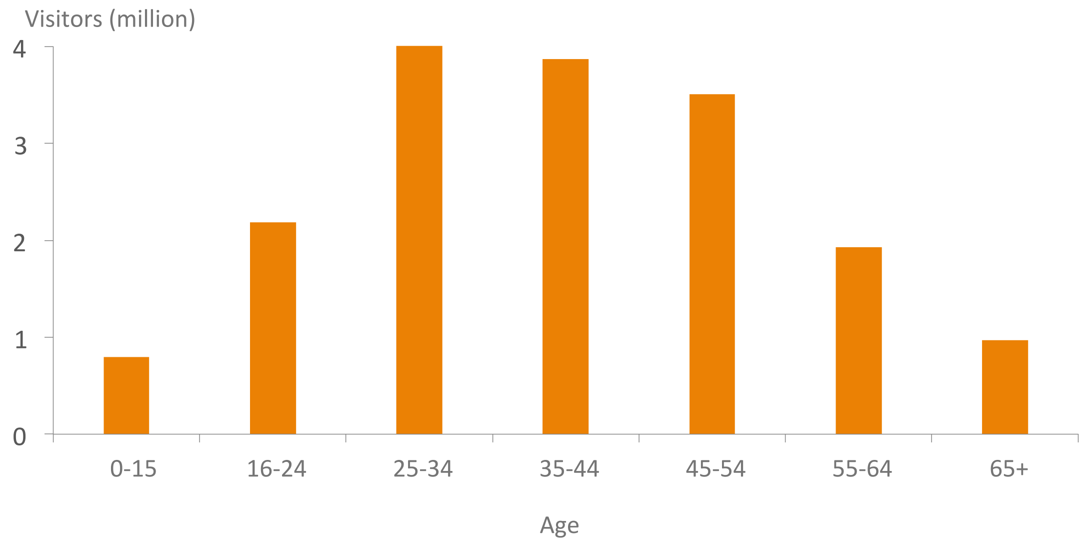
Source: Office for National Statistics, International Passenger Survey 2014

Overseas visitor profile by age

London enjoys strong appeal amongst all age groups from 16 to 64. In particular, the 25-44 year old age group accounted for 46% of all overseas visits in 2014.

There were approximately 967,000 overseas visitors aged over 65 in 2014, while there were 798,000 aged under 15. This signifies that even at the polar ends of the age spectrum, there are still significant volumes of tourists enjoying the city's tourism offer.

2.12 Overseas visitor profile by age 2014



Source: Office for National Statistics, International Passenger Survey 2014

Transport used by overseas visitors to reach London

With six international airports in the capital, air was the arrival method of choice for 77% of London's overseas visitors in 2014. There has been a 2% reduction in the proportion of visitors arriving by air since 2009, although in absolute numbers, the volume has risen by 20% during this period. Arrivals via the Channel Tunnel (combining Eurostar rail and shuttle-based services) increased to 16% in 2014. This mode of transport is most popular among French and Belgian visitors.

2.13 Overseas visitor mode of arrival 2009-2014

	2009	2010	2011	2012	2013	2014
Air	79%	77%	78%	77%	77%	77%
Sea	8%	8%	8%	7%	8%	7%
Tunnel	13%	15%	14%	16%	15%	16%

Source: Office for National Statistics, International Passenger Survey 2009 - 2014

In 2014, London received 11.4 million overnight visits from within the UK, spending a total of £2.9 billion over 24.4 million nights.

274
MILLION
DOMESTIC DAY TRIPS TO LONDON

Domestic overnight visitors to London stayed an average of 2.1 nights in 2014

Business visits accounted for more than a third of the total expenditure volume

03

DOMESTIC VISITS

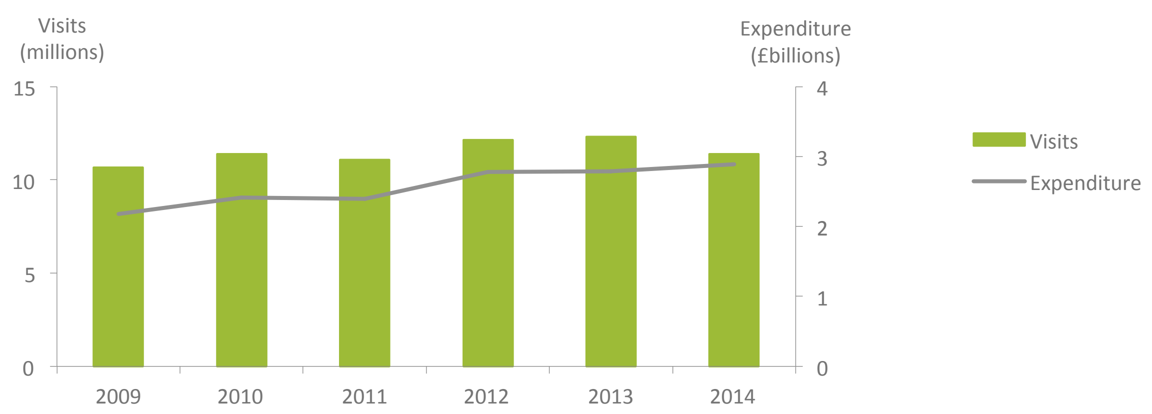
London experienced a fall of 930,000 overnight domestic visits in 2014 compared to 2013. However, overnight domestic expenditure in 2014 saw growth of more than £100 million, at £2.9 billion in total. London's domestic tourism market has followed an uneven pattern of growth and decline in the volume of overnight visits since 2009. Nevertheless, there has been a regular incremental trend in expenditure over the five year period to 2014.

3.1. London domestic overnight visits, nights and expenditure 2009-2014

	2009	2010	2011	2012	2013	2014
Visits (millions)	10.7	11.4	11.1	12.2	12.3	11.4
Nights (million)	23.5	24.3	27.1	27.7	27.4	24.4
Expenditure (billion)	2.2	2.4	2.4	2.8	2.8	2.9

Source: Visit England, Great British Tourism Survey 2009-2014

3.2 Domestic overnight visits and expenditure in London 2009-2014



Source: Visit England, Great British Tourism Survey 2009-2014

The domestic visit market

Scotland and Wales account for just 14% of overnight domestic visits in London and 21% of expenditure, whereas visits from the South East and South West account for 28% of all overnight domestic visits to the capital.

Overall, the majority of domestic visits to London originate from England, with 86% of visitors coming from English regions.

Domestic visits: reason for visiting
London's domestic visitor profile can be split into holiday, business and VFR visitors, with the largest share of the city's domestic overnight trip-takers coming from VFR, representing 4.56 million trips to London in 2014. Since 2011 the domestic business sector has experienced overall growth, but the volume of domestic business visits fell slightly in 2014 compared to 2013.

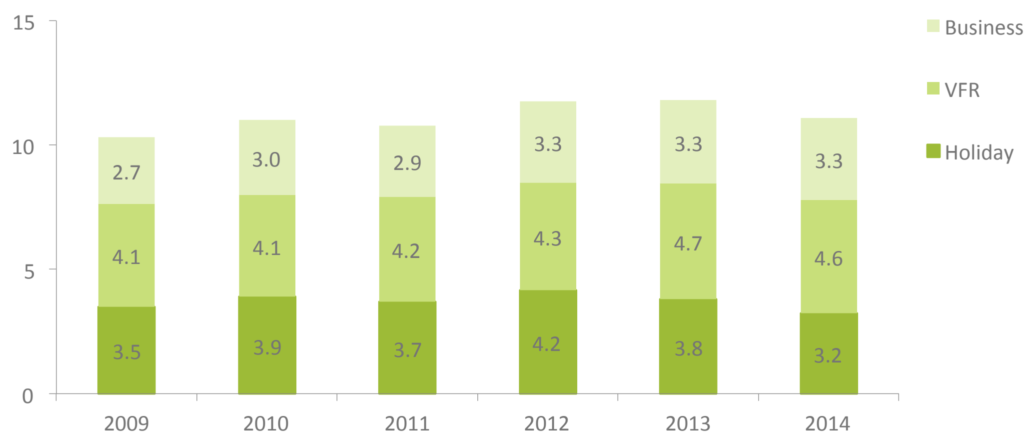
VFR visits formed the largest proportion of overnight domestic visits in 2014, although their total spend was significantly lower than either business or holiday visits. Business visits accounted for the largest proportion of expenditure, at 41%, while holiday visits represented 39% of spend from overnight domestic trips.

3.3 Domestic visits to London by region of residence 2014

	Visits (million)	% of visits	Expenditure (£ billion)	% of Expenditure
Scotland	0.9	8%	0.4	13%
Wales	0.7	6%	0.2	8%
North East	0.6	5%	0.2	7%
North West/Mersey	1.6	14%	0.5	17%
Yorkshire/Humberside	1.4	12%	0.5	16%
East Midlands	1.0	8%	0.2	7%
West Midlands	0.8	7%	0.2	6%
East of England	0.8	7%	0.1	4%
London	0.6	5%	0.0	2%
South East	1.9	17%	0.3	11%
South West	1.2	11%	0.3	9%

Source: Visit England, Great British Tourism Survey 2009-2014

3.4 Profile of London domestic overnight visits by purpose 2009-2014



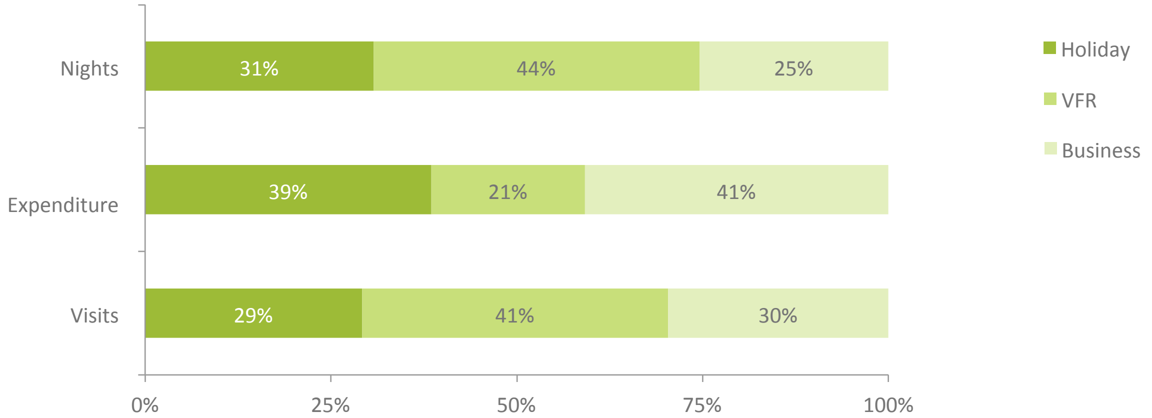
Source: Visit England, Great British Tourism Survey 2009-2014

3.5 London domestic visits, nights and expenditure by purpose, 2009-2014

	2009	2010	2011	2012	2013	2014
Holiday						
Visits (millions)	3.5	3.9	3.7	4.2	3.8	3.2
Expenditure (£ billion)	0.9	1.0	1.0	1.2	1.2	1.1
Nights (million)	7.7	8.2	7.5	9.0	8.2	7.3
VFR						
Visits (millions)	4.1	4.1	4.2	4.3	4.7	4.6
Expenditure (£ billion)	0.4	0.5	0.5	0.5	0.6	0.6
Nights (million)	9.8	9.6	12.5	11.0	12.0	10.4
Business						
Visits (millions)	2.7	3.0	2.9	3.3	3.3	3.3
Expenditure (£ billion)	0.8	0.8	0.9	1.0	0.9	1.1
Nights (million)	5.4	5.9	5.7	6.9	6.3	6.0

Source: Visit England, Great British Tourism Survey 2009-2014

3.6 London domestic overnight visits, nights and spend by purpose 2014*



Source: Visit England, Great British Tourism Survey 2014
*Percentages may not total 100% due to rounding

Domestic visit characteristics

Domestic overnight visits to London in 2014 lasted 2.1 nights on average. This figure has remained relatively flat over the past few years. Across all purposes of visit, the average stay ranges between 1.8 and 2.3 days.

At £118, the average daily spend from domestic overnight visits to London is slightly higher than that from overseas visits (£109). However, the much shorter length of domestic trips means that the average spend per trip is much lower than that generated by overseas visits (£252 in 2014, against an average of £679 from overseas visits).

Domestic visitor profile by age

London continues to hold appeal across all age groups in the domestic market, but proves most popular with the 35 to 54 age group, who account for 43% of overnight domestic visitors.

In contrast to the overseas visitor profile, the over 65 age group enjoys greater prominence amongst overnight domestic visitors to the capital, representing 11% of the domestic profile (1.3 million visits).

3.7 Average domestic overnight spend and trip length by purpose 2014

	Average length of stay	Average spend per day	Average spend per visit
Business	1.8	£189	£347
Holiday	2.3	£148	£333
VFR	2.3	£55	£127

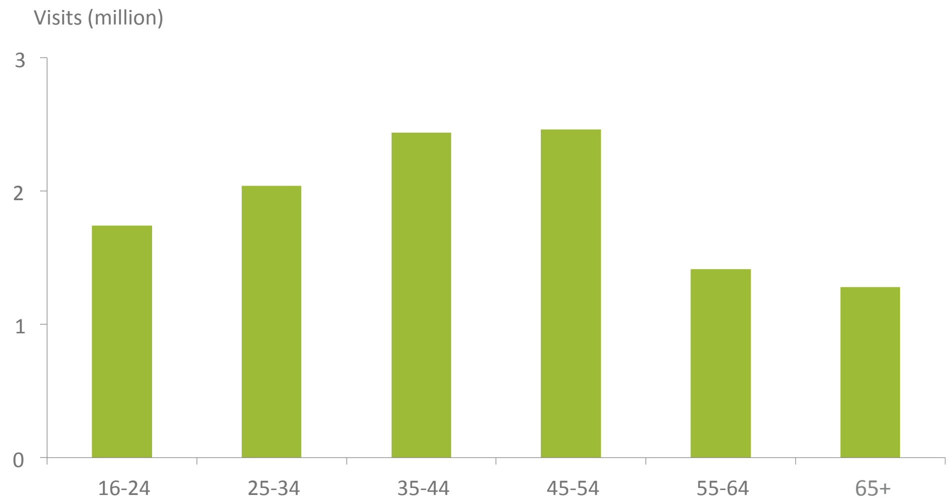
Source: Visit England, Great British Tourism Survey 2014

3.8 Pattern of expenditure and average length of stay of domestic overnight London visits, 2009-2014

	2009	2010	2011	2012	2013	2014
Average visits (days)	2.21	2.14	2.44	2.28	2.23	2.1
Spend per day	£94	£99	£98	£101	£102	£118
Spend per trip	£207	£212	£216	£229	£227	£252

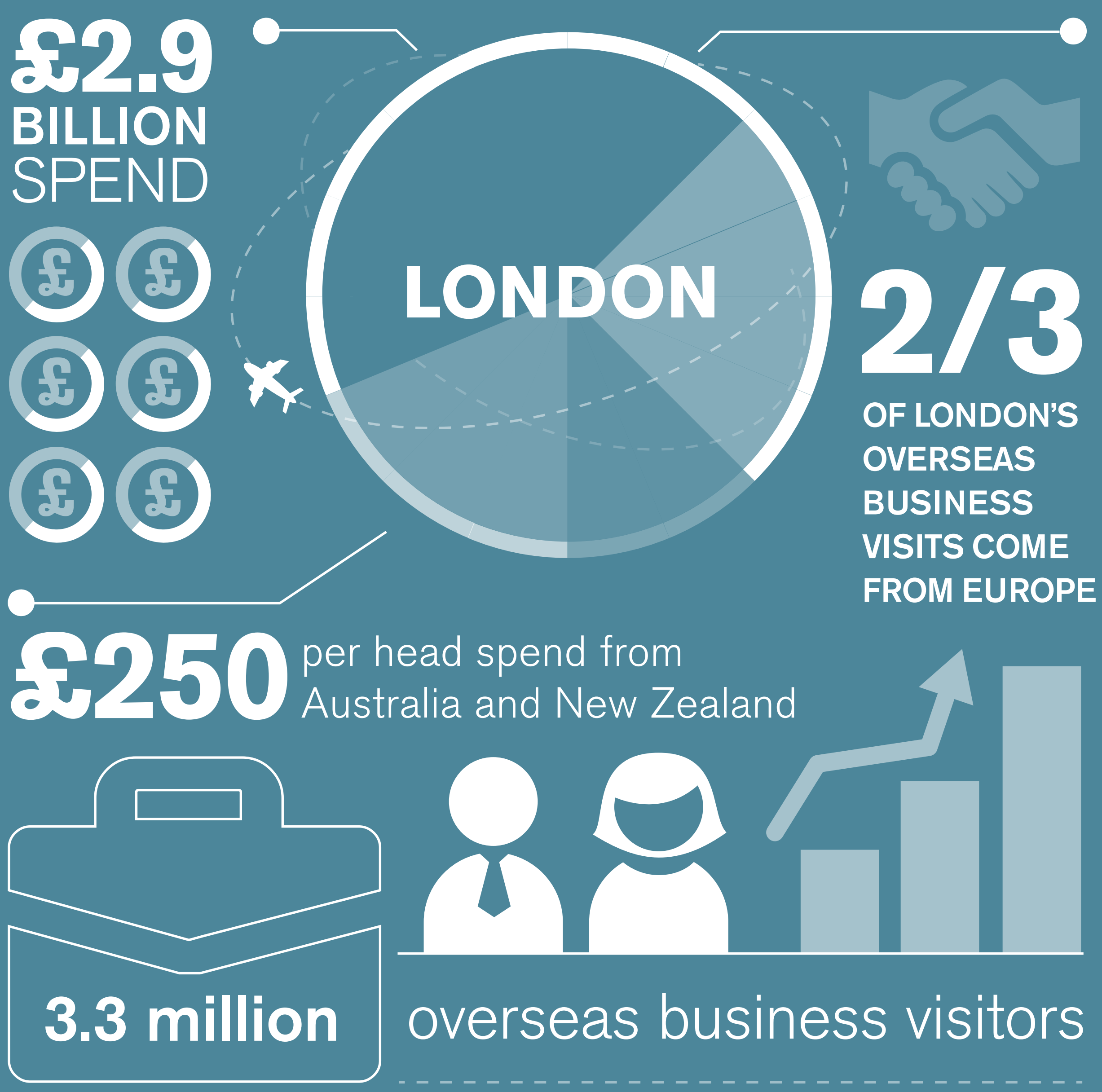
Source: Visit England, Great British Tourism Survey

3.9 Domestic overnight visitor age profile 2014



Source: Visit England, Great British Tourism Survey 2014

In 2014, London received 3.3 million business visits from overseas, whose combined spend in the capital represented £2.9 billion.



04

BUSINESS TOURISM

Overseas travel into London for business purposes has been increasing year-on-year since 2009. Although the number of business visitors to the city has not yet returned to its pre-recession 2006 peak, spending from such visits has also been increasing, with a peak so far seen in 2013.

The recent increase in business visits to London has been seen across all quarters. Moreover, whereas the peak volume of overseas leisure visits is during spring and summer, London's business tourism remains steady throughout each quarter. The highest proportion of business visits was seen during quarter four in 2014 and represented 27.5% of all annual business visits to London, while the lowest proportion, in quarter one, was only marginally less at 22.5%.

Business tourism spend also remains more consistent throughout the year compared to holiday spend. The period of peak spend by overseas leisure visitors is quarter three, by a relatively clear margin—with nearly a third (32.5%) of annual leisure tourism expenditure generated between July and September in 2014. This is a difference of 13.8% compared to quarter one, when the lowest proportion of holiday tourism spend was generated. For business tourism, on the other hand, the highest proportion of spend occurred in quarter four in 2014. At 28.1%, this represented just 6.3% more expenditure than the proportion of spend in quarter one, when the lowest levels of business tourism spend occurred.

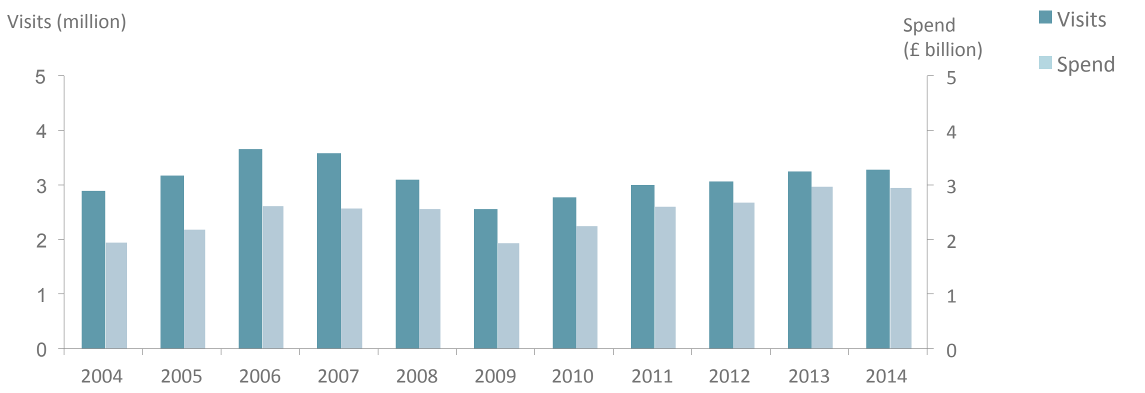
4.1 London overseas business visits, nights and spend 2004-2014

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Visits (million)	2.9	3.2	3.7	3.6	3.1	2.6	2.8	3.0	3.1	3.2	3.3
Nights (million)	12.1	13.4	15.8	15.2	13.1	11.0	11.9	13.2	14.3	13.9	13.8
Spend (£ billion)	1.9	2.2	2.6	2.6	2.6	1.9	2.2	2.6	2.7	3.0	2.9

Source: Office for National Statistics, International Passenger Survey 2004-2014

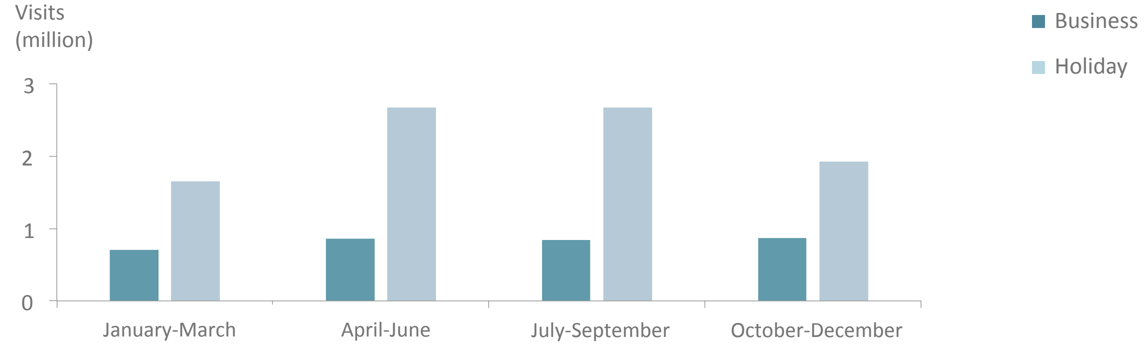
BUSINESS TOURISM

4.2 London overseas business visits and expenditure 2004-2014



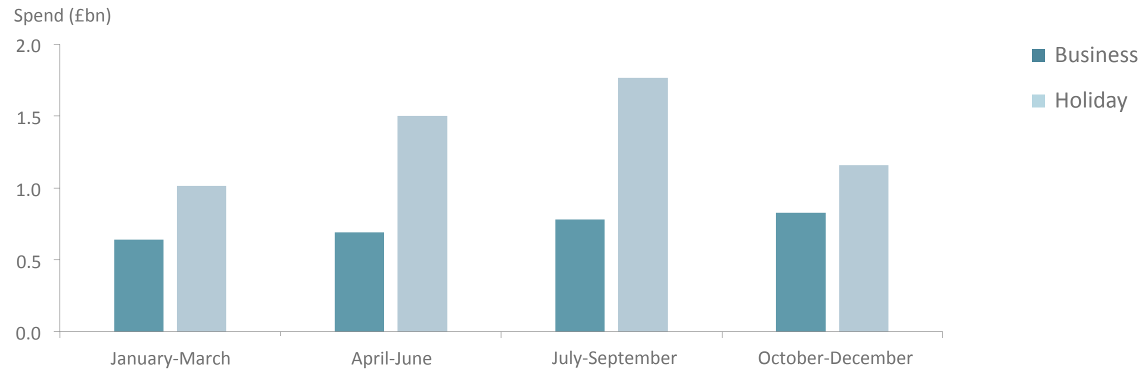
Source: Office for National Statistics International Passenger Survey, 2004-2014

4.3 Overseas business and leisure visits by quarter, 2014



Source: Office for National Statistics International Passenger Survey 2014

4.4 Overseas business and leisure spend by quarter, 2014



Source: Office for National Statistics International Passenger Survey 2014

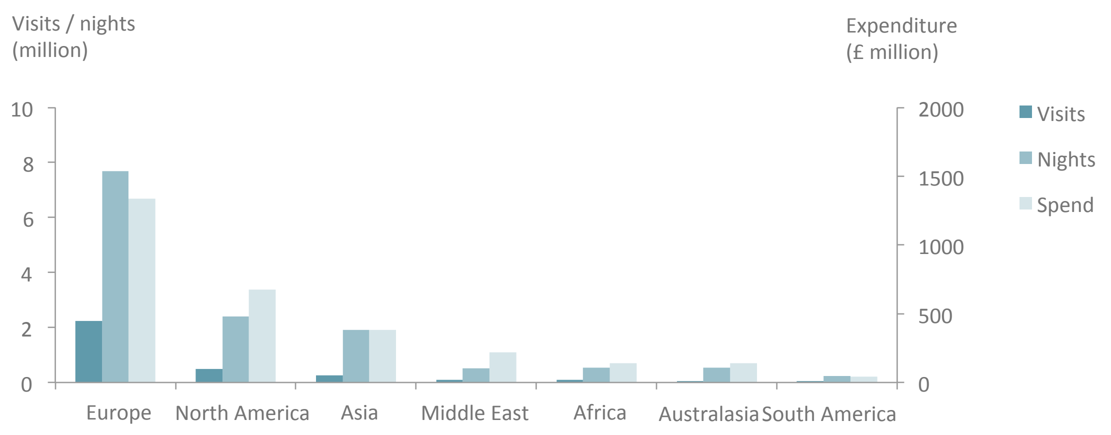
Source markets for business visits

Europe is the primary source of London's business visitors, contributing two thirds of annual business visits to the city. However, visitors from Europe are comparatively low spenders, accounting for less than 40% of London's business tourism spending.

Business visitors from Australia and New Zealand had the highest spend per head, with an average of more than £250 in 2014. Only 1.4% of business visitors to London travel from South America, making it the source of the smallest volume of business visits.

The volume of business visits to London has increased between 2009 and 2014, largely due to improving economies in nearby European markets. However, during this period the UK's largest single source of business visitors, the USA, has seen visitor numbers stall at around 450,000 per year. European nations have been the basis for much of the growth experienced over the past five years, with the recovering economies of Western Europe engaging in more trade with London.

4.5 London overseas business visits, nights and expenditure by region 2014



Source: Office for National Statistics, International Passenger Survey 2014

BUSINESS TOURISM

4.6 London overseas business visits, nights and expenditure by region 2014

	Visits (thousand)	Nights (thousand)	Expenditure (£ million)
Europe	2,231	7,675	1,336
North America	498	2,404	675
Asia	266	1,921	384
Middle East	98	518	221
Africa	86	542	140
Australasia	56	532	142
South America	40	240	44

Source: Office for National Statistics, International Passenger Survey 2014

4.7 Top 20 overseas markets by volume

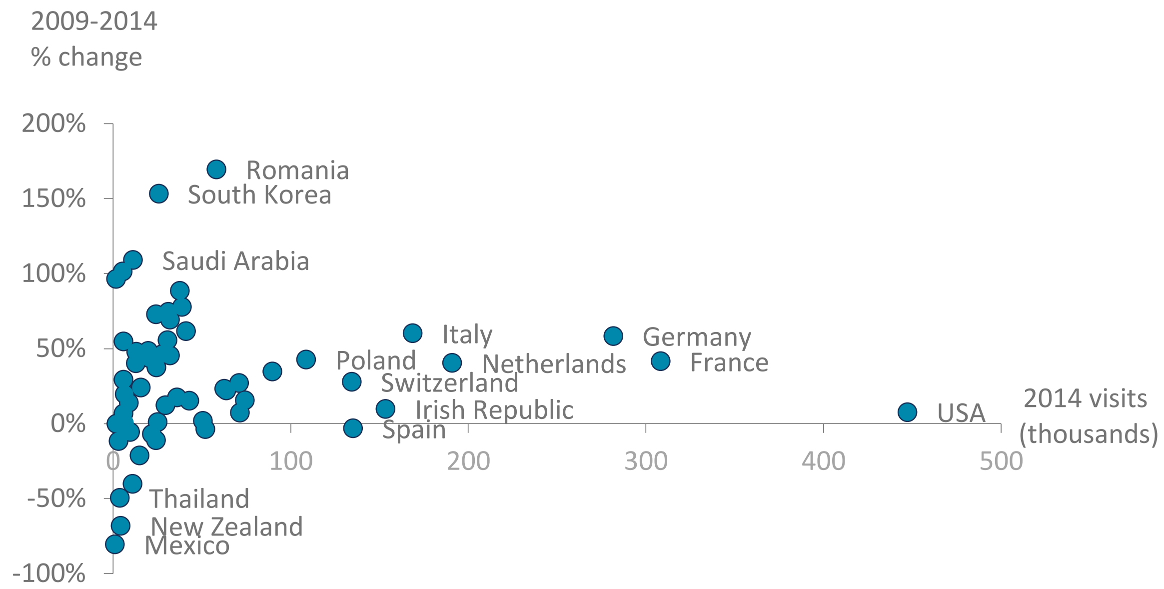
Rank	Nation	2014 Visits, Thousands	Growth 2009 - 2014
1	USA	447	7.7%
2	France	308	41.5%
3	Germany	282	58.5%
4	Netherlands	191	40.4%
5	Italy	169	60.2%
6	Irish Republic	153	9.7%
7	Spain	135	-3.1%
8	Switzerland	135	27.9%
9	Poland	109	42.8%
10	Belgium	90	34.9%
11	Sweden	74	15.7%
12	Denmark	72	7.4%
13	India	71	27.2%
14	Norway	64	22.1%
15	Romania	58	169.6%
16	Australia	52	-3.5%
17	Canada	51	1.8%
18	Japan	43	15.3%
19	Portugal	41	61.6%
20	Russia	39	77.7%

Source: Office for National Statistics, International Passenger Survey 2009-2014

Among smaller nations there is a much greater spread in growth rates, with Romania leading growth, possibly due to growing trade ties since the expansion of the European Union in 2007. South Korea and Saudi Arabia are just two of the emerging markets providing more business visitors to London, after experiencing considerable economic growth. Thailand, New Zealand and Mexico are notable outliers with a fall in business tourist numbers of 50% or more. However, the small size of each of these markets may be partly responsible for the large fluctuations in visitor numbers.

Unsurprisingly, markets providing the highest volumes of business visitors are also amongst the most valuable for London. However, markets such as Australia, India and Kuwait rank highly for total spend, despite being the source of fewer business visitors to London than many of the European nations. Strong growth in emerging economies shows the rising importance of these nations to London's business travel sector.

4.8 Business visits (volume) 2014 and 5 year growth by market



Source: Office for National Statistics; International Passenger Survey, 2009-2014

4.9 Top 20 overseas markets by spend

Rank	Country	2014 spend (£ million)	09 – 14 % change	Spend per visit
1	USA	608	30%	£1,358
2	France	188	128%	£612
3	Germany	182	147%	£648
4	Australia	134	80%	£2,577
5	Switzerland	113	30%	£844
6	India	107	60%	£1,505
7	Netherlands	103	126%	£538
8	Irish Republic	90	48%	£588
9	Italy	88	47%	£524
10	Spain	80	7%	£589
11	Canada	68	22%	£1,338
12	Kuwait	64	1181%	£11,020
13	South Africa	61	186%	£1,899
14	Singapore	60	140%	£1,887
15	Sweden	54	49%	£730
16	United Arab Emirates	52	30%	£1,454
17	Norway	52	72%	£814
18	Hong Kong	45	164%	£1,870
19	Denmark	45	8%	£635
20	Japan	45	59%	£1,056

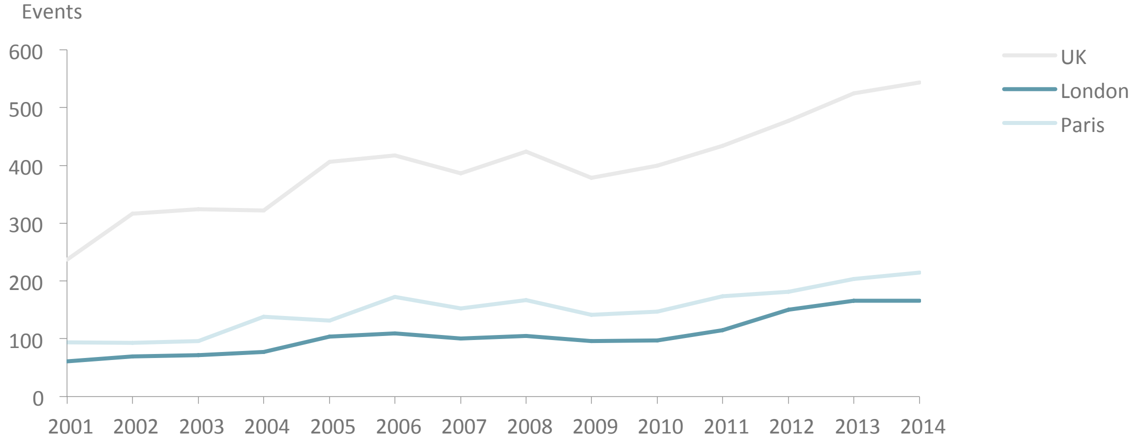
Source: Office for National Statistics, International Passenger Survey 2009-2014

Meetings and events

The number of meetings and events in the UK and London has grown strongly since 2009 according to the ICCA rankings, which measure meetings of more than fifty people that rotate amongst at least three cities. London has seen a 73% increase over five years in the number of events of this type. As a whole, the UK has seen a 44% increase in the number of hosted events. London's growth over the past five years has been stronger than that of Paris, the leading nation in the ICCA rankings. London has also raised its own position in the ranking, attaining sixth position in 2014.

London hosted a range of large business events in 2014, including the World Travel Market (WTM) which received more than 100,000 delegates.

4.10 Events 2001-2014 by location



Source: ICCA Report, 2014

4.11 ICCA rankings

Rank	City	No. meetings	No. participants
1	Paris	214	130,516
2	Vienna	202	81,902
3	Madrid	200	91,452
4	Berlin	193	76,880
5	Barcelona	182	127,469
6	London	166	89,969
7	Singapore	142	57,497
8	Amsterdam	133	79,356
9	Istanbul	130	75,864
10	Prague	118	46,921

Source: ICCA Report, 2014

4.12 Largest business events at ExCeL London

Trade exhibitions	Delegates
World Travel Market 2014	102,896
Salon International 2014	45,000
EcoBuild 2014	42,000
BETT 2014	41,000
Protection and Management Series	38,000

International associations	Delegates
ILC 2014	35,000
ESCRS 2014	28,900
Loncon 2014	26,500
Euretina 2014	26,400
EFORT 2014	18,000

Source: ExCel London

London's Hotels census recorded 1,500 hotel establishments, providing a total of 137,000 rooms and 50 million room nights in 2014.

Four and five star hotels account for nearly 50% of London's room stock

MORE THAN 1/2 OF LONDON'S HOTELS

HAVE 50 ROOMS OR LESS, WITH 74% OF THEM INDEPENDENTLY OWNED

1,500
HOTELS
PROVIDING NEARLY

50
MILLION
room nights
a year

137,000
ROOMS

60%
of the city's room stock is concentrated in 6 out of the 33 London boroughs

THE HOTEL PIPELINE BETWEEN 2016 AND 2018 IS SUBSTANTIAL, WITH APPROXIMATELY
16,000
BEDROOMS
UNDER DEVELOPMENT

Across London's 33 Boroughs, City of London, Hackney and Tower Hamlets currently register the highest proportion of hotels under development

05

LONDON'S HOTEL INDUSTRY

London's hotels in the categories of 5-star and 4-star number 385, equating to 26% of the city's hotel establishments, with a combined room stock of over 66 thousand. This sector has attracted significant development in the last three years.

A step down the price spectrum, 3-star hotels account for 18% of the capital's hotels, providing a total of 19,614 rooms.

2-star establishments number 370, representing 25% of London's hotels and equating to nearly 12 thousand rooms.

15% of London's hotel stock is in the "apartments" category. These provide more than 9 thousand rooms.

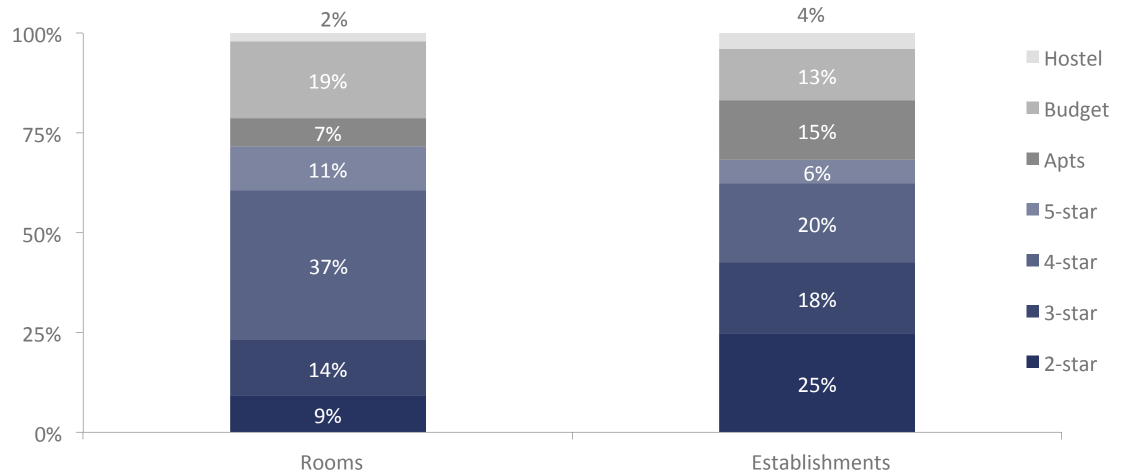
Hotel establishments designated as "budget" and "hostel" round up the lowest end of the price offer, with 17% of hotels providing more than 29 thousand rooms. 51% of establishments within these categories have fewer than 100 rooms. In the past five years, leading budget chains have driven growth in the category, making low-cost accommodation more accessible to larger numbers of visitors, closer to the centre of London.

5.1 London hotel portfolio by star rating*

	Establishments		Rooms	
	Total	%	Total	%
2-star	370	25%	11,919	9%
3-star	264	18%	19,614	14%
4-star	297	20%	50,747	37%
5-star	85	6%	15,572	11%
Apts	225	15%	9,741	7%
Budget	189	13%	26,401	19%
Hostel	64	4%	2,797	2%
Total	**1494**	**100%**	**136,791**	**100%**

Source: AM:PM Hotels database
*Includes hotels with 15 or more rooms

5.2 London hotel portfolio by star rating*



Source: AM:PM Hotels Database

London's hotels by size

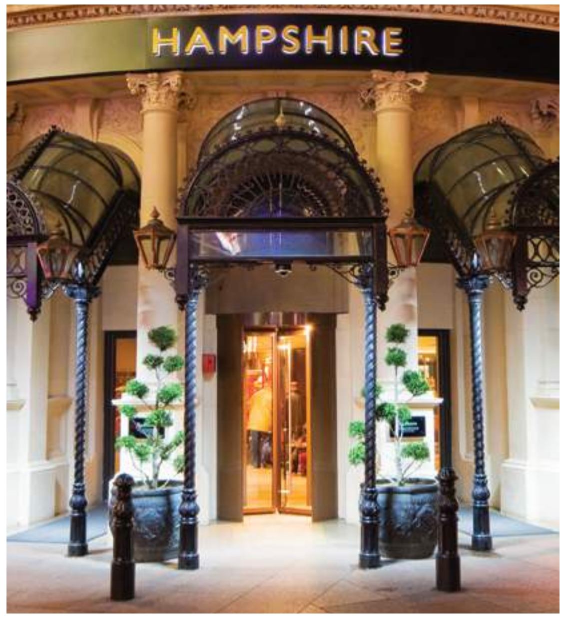
London's hotel portfolio now includes 24 establishments with more than 500 rooms, including 4 properties with more than 1,000 rooms. These 24 hotels alone represent 13% of London's room stock.

The largest hotel in the capital is the independently owned Royal National Hotel in Russell Square, a 3-star hotel with 1,630 rooms. Hilton London Metropole in Paddington provides 1,054 rooms, making it the largest hotel in the 4-star category. More than half of London's hotels have fewer than 50 rooms, with 74% of these in independent ownership.

5.3 London hotel portfolio by number of rooms

	Establishments		Rooms	
	Total	%	Total	%
1000 +	4	0.3%	4,727	3.5%
750-999	5	0.3%	4,220	3.1%
500-724	15	1.0%	9302	6.8%
250-499	95	6.4%	32,332	23.6%
100-249	301	20.0%	47,385	34.6%
50-99	282	19.0%	19,961	14.6%
Up to 49	792	53.0%	18,864	13.8%
Total	**1,494**	**100%**	**136,791**	100%

Source: AM:PM Hotels Database



Geographic profile of hotels

London's hotels are geographically concentrated in 6 of the city's 33 boroughs, with the highest percentage (33%) located in Westminster and the City of London. Nevertheless, away from the core, boroughs in the East, such as Hackney, Tower Hamlets and Newham, are supplementing traditional accommodation hot spots. Hotel amenities in the East have been improving in recent years, largely in response to opportunities from the expansion of the Excel Exhibition Centre in the Borough of Newham, a significant draw for business event visitors to the capital.

Westminster, incorporating much of the West End, is home to 28% of London's hotel stock and 27% of the city's rooms, and integrates a strong cluster of 5-star hotels in areas such as Park Lane and Mayfair. In addition, a number of large hotels around Bloomsbury and Russell Square cater primarily for leisure tourists. The proximity of attractions such as the British Museum, National Gallery and a host of others, as well as easy access to the most popular tourist zones, makes the area an attractive base for visitors.

The City of London has traditionally been a smaller source for hotel accommodation, with most business visitors to the Square-Mile using facilities in adjacent boroughs. However, the borough now has 60 hotels, offering 5,746 hotel rooms.

Much of London's visitor activity has traditionally been centred north of the river. But the gravitational pull of major visitor attractions on the South Bank and the enhanced business infrastructure in the area has seen a raft of hotel development in the southern boroughs of Lambeth and Southwark and along the river frontage. Together with Wandsworth, these now have 99 establishments providing nearly 11,000 rooms.

Along the westerly corridor of Outer London, hotel establishments number 150 and provide 16,755 rooms, servicing key boroughs within easy reach from London's major international airport, Heathrow.

5.4 London hotel profile by borough

	Establishments		Rooms	
	Total	%	Total	%
Westminster/City of London	485	33%	43,054	31%
Kensington&Chelsea/Hammersmith&Fulham	244	16%	19,360	14%
Camden/Islington	183	12%	20,763	15%
Lambeth/Southwark/Wandsworth	99	7%	10,847	8%
Hackney/Tower Hamlets/Newham	121	8%	12,244	9%
Outer London West	150	10%	16,755	12%
Outer London North	67	5%	4,431	3%
Outer London East	69	5%	4,115	3%
Outer London South	76	5%	5,222	4%
Total	**1,494**	**100%**	**136,791**	100%

Source: AM:PM Hotels database

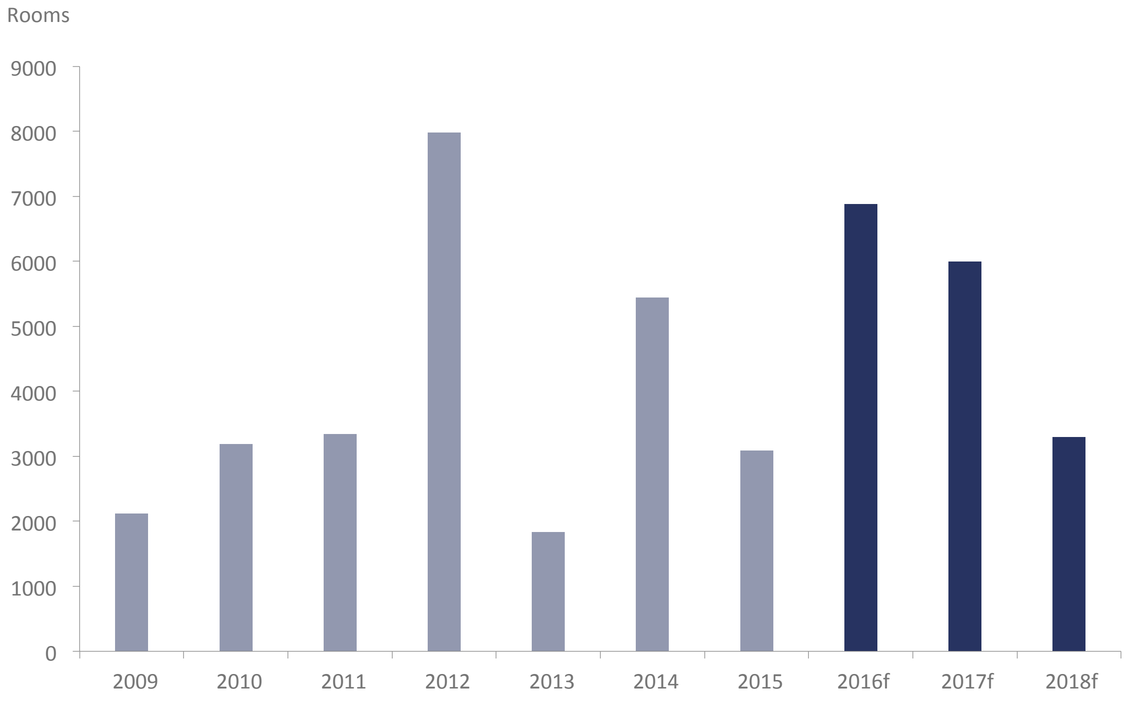
Future hotel developments and pipeline

The hotel pipeline between 2016 and 2018 currently has approximately 16,000 bedrooms under development.

The development pipeline for the three years to 2018 is substantial. Approximately 7,259 bedrooms are categorised in the "due" stage (i.e. expected date of completion set), 7,470 bedrooms in the "full" stage (i.e. full planning consent awarded) and 1,321 bedrooms are "awaiting planning" (i.e. planning application submitted to local authority).

Across London's 33 Boroughs, City of London, Hackney, Newham and Tower Hamlets currently register the highest proportion of hotels under development, adding to the increasing hotel presence in the East.

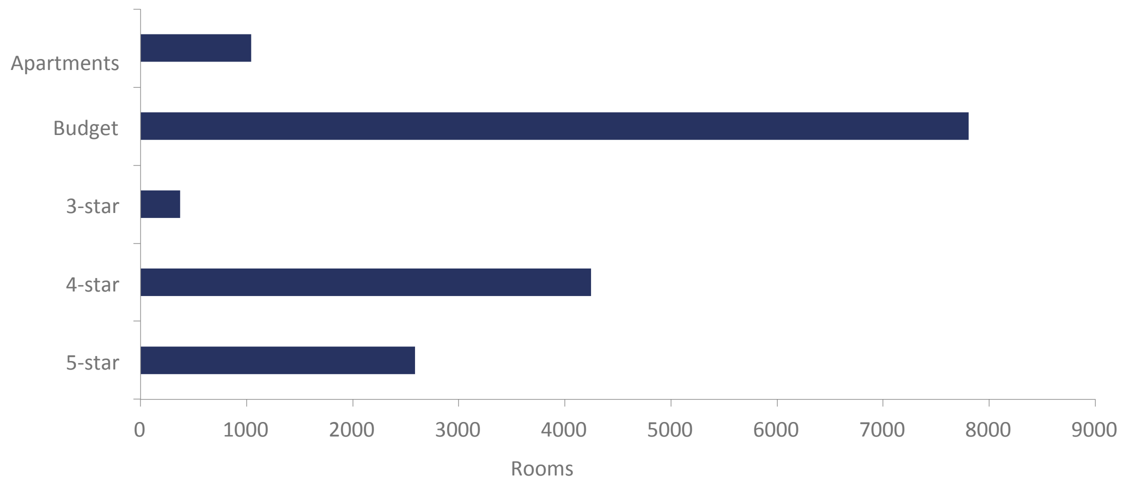
5.5 London hotel developments - additional annual rooms built in 2009-2015, 2016-2018 pipeline



Source: AM:PM Hotels Database

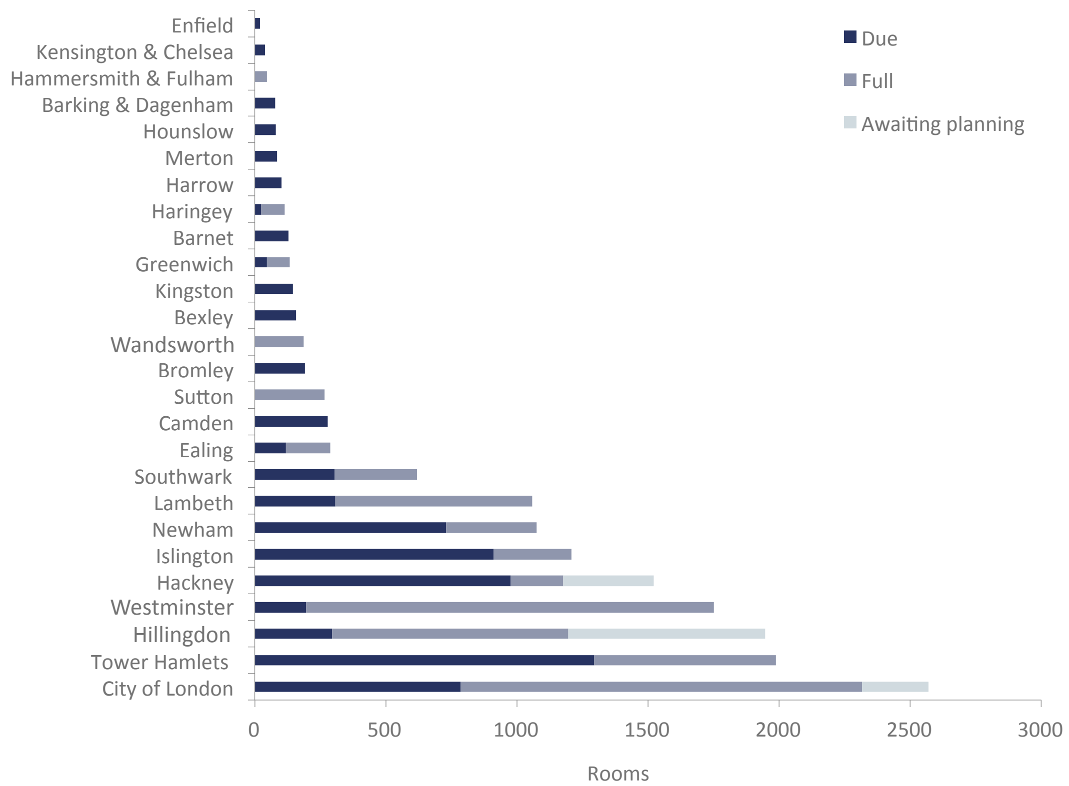
LONDON'S HOTEL INDUSTRY

5.6 London hotel rooms pipeline 2016-2018 by star rating



Source: AM:PM Hotels Database

5.7 London hotel pipeline by borough and planning status 2016-2018



Source: AM:PM Hotel Data

06

ATTRACTIONS & THEATRES

London's iconic attractions are a major draw for visitors. The city hosts 16 of the UK's top 20 visited attractions, a vibrant mix of built heritage, world class museums, galleries and royal attractions which continually provide compelling reasons to visit.

The **British Museum, National Gallery, Natural History Museum** and **Tate Modern** together attracted **25 million visitors** in 2014

25 MILLION VISITORS

SINCE 2013

6%

THESE FOUR ATTRACTIONS HAVE GROWN IN COLLECTIVE POPULARITY BY 6%, YIELDING AN ADDITIONAL 1.3 MILLION VISITORS OVERALL

58% of the British Museum's visitors were from overseas

ST PAUL'S CATHEDRAL + **WESTMINSTER ABBEY** CATHEDRAL together attracted nearly

3 MILLION VISITORS IN 2014

FROM 2013-14, THEATRE ATTENDANCE INCREASED 1.1% TO 14.7 MILLION, AN ADDITIONAL 600,000 PEOPLE

1/3 of overseas visitors visited a theatre performance during their stay in London

The capital's iconic museums and galleries are undoubtedly attractive to many visitors. The four largest – the British Museum, National Gallery, Southbank Centre and Tate Modern – together attracted more than 25 million visitors in 2014. Since 2009, these four have grown in collective popularity by 19.6%, yielding an additional 3.8 million visitors overall.

Beyond these, other popular museum venues include the Science Museum, the Victoria & Albert (one of London's fastest growing major attractions in the last five years), and the National Portrait Gallery, each with an excess of 2 million visitors in 2014.

With 3.1 million visitors, the Tower of London dominates London's historic properties, while the city's two landmark cathedrals, St Paul's and Westminster Abbey, jointly attracted nearly 3 million admissions in 2014.

While most of London's leading attractions are located in the central area of the city, the top 30 attractions in 2014 also included some from further afield, such as the trio of Greenwich venues – the Old Royal Naval Hospital, National Maritime Museum, and the Royal Observatory. The three venues attracted more than 4 million visitors between them in 2014. To the south west of the capital, Kew Gardens is London's world class botanical attraction, with just over 1.3 million visitors.

6.1 Top 30 London attractions 2014

	Attraction	2014 visits (million)	% change since 2013	2013 visits (million)
1	British Museum	6.7	0%	6.7
2	The National Gallery	6.4	6%	6.1
3	Southbank Centre	6.3		6.3
4	Tate Modern	5.8	18%	4.9
5	Natural History Museum	5.4	1%	5.3
6	Science Museum	3.4	1%	3.3
7	V&A South Kensington	3.2	-3%	3.3
8	Tower of London	3.1	6%	2.9
9	Somerset House	2.5	3%	2.4
10	National Portrait Gallery	2.1	1%	2.0
11	St Paul's Cathedral	1.8	-17%	2.2
12	Old Royal Naval College	1.8	-2%	1.8
13	British Library	1.6	10%	1.5
14	National Maritime Museum	1.5	6%	1.4
15	Kew	1.4	3%	1.3
16	Tate Britain	1.4	-1%	1.4
17	ZSL London Zoo	1.3	2%	1.3
18	Houses of Parliament	1.3	10%	1.1
19	Westminster Abbey	1.2	-12%	1.4
20	Museum of London	1.2	19%	1.0
21	Imperial War Museum London	0.9	153%	0.4
22	Royal Observatory Greenwich	0.8	-2%	0.8
23	Tower Bridge Exhibition	0.7	9%	0.6
24	Hampton Court Palace	0.6	-1%	0.6
25	Churchill War Rooms	0.5	0%	0.5
26	V&A Museum of Childhood	0.5	6%	0.4
27	Kensington Palace	0.4	-1%	0.4
28	Shakespeare's Globe	0.4	2%	0.4
29	The Royal Air Force Museum London	0.4	50%	0.2
30	HMS Belfast	0.3	4%	0.3

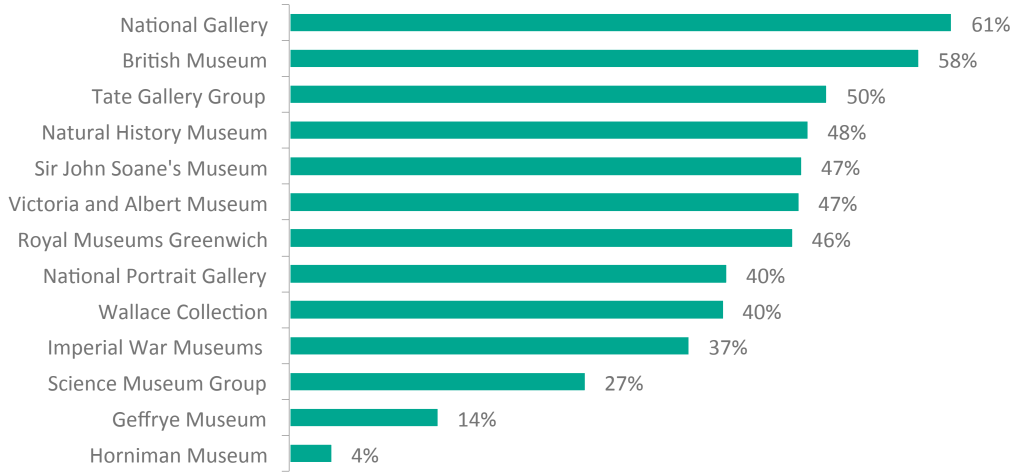
Source: Association of Leading Visitor Attractions (ALVA) 2014

Attractions and their popularity with overseas visitors

London's four most popular attractions benefited from substantial volumes of international visitors in 2013/14. The British Museum, the National Gallery and the Tate Galleries all received at least 50% of their visitors from overseas. Specifically, 58% of visitors to the British Museum were from overseas, while the proportion visiting the National Gallery was 61%. 50% of visitors to the Tate Galleries were from overseas. Overseas visitors also make up a large proportion of visitors to the Natural History Museum, National Portrait Gallery and the Victoria & Albert Museum.

In central London, a number of visitor attractions have experienced a surge in overseas visitors. Sir John Soane's Museum has led on this trend, with a substantial increase of 137% in overseas visits between 2008/9 and 2013/14. This is closely followed by the National Gallery, which has seen a 131.7% increase. Attractions outside of the city centre have also experienced significant growth in overseas visitors, with The Horniman Museum seeing an increase in volume by a whopping 207.1%.

6.2 Proportion of overseas visitors to leading London attractions, 2013/14



Source: Department for Culture, Media and Sport Performance Indicators 2013/14

Attraction attendance

Full year attendance figures testify to the strength and appeal of London's visitor attractions. Across both free and charging attractions, overall attendance in 2014 was 4% higher than in 2013.

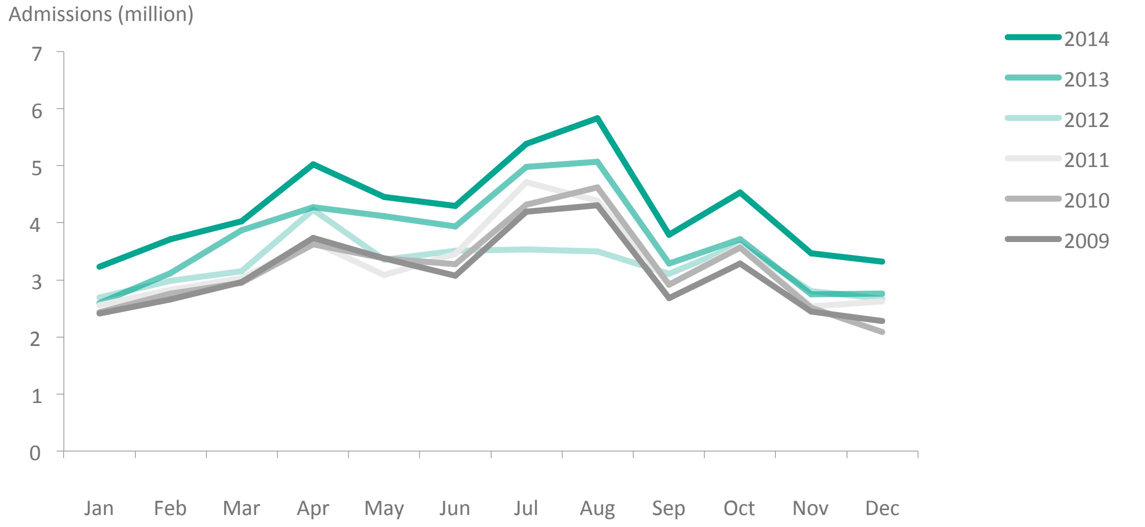
London's free museum and gallery attractions generated the highest attendance, increasing by a collective 5% in 2014 against the previous year. However, in the paid-for category of visitor attractions, attendance figures declined by 1.5% in 2014.

6.3 Overseas visitors to leading London attractions, 2008/09 and 2013/14

Institution	2008/2009	2013/2014	% change
Total	**13,907,317**	**21,658,506**	**55.7%**
Tate Gallery Group	2,967,000	3,485,000	17.5%
British Museum	3,228,234	3,918,341	21.4%
National Gallery	1,553,600	3,600,000	131.7%
Natural History Museum	1,264,959	2,667,441	110.9%
Victoria and Albert Museum	817,800	1,713,000	109.5%
Science Museum Group	981,295	1,559,000	58.9%
Royal Museums Greenwich	1,060,012	1,154,406	8.9%
National Portrait Gallery	680,000	802,000	17.9%
Imperial War Museums	634,702	691,000	8.9%
Wallace Collection	140,074	166,188	18.6%
Sir John Soane's Museum	24,112	57,266	137.5%
Horniman Museum	9,092	27,922	207.1%
Geffrye Museum	9,000	15,582	73.1%

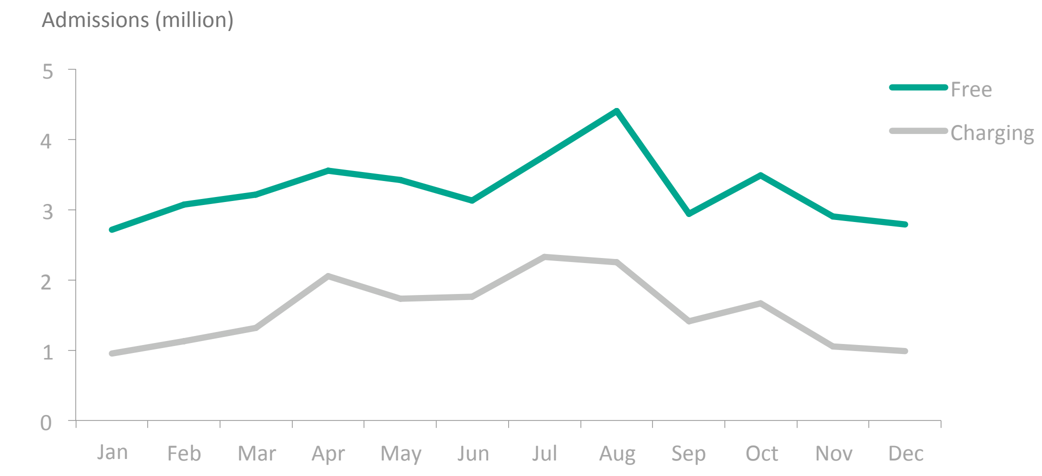
Source: Department for Culture, Media and Sport Performance Indicators 2013/14

6.4 Attractions admissions in London by month and year 2009 – 2014



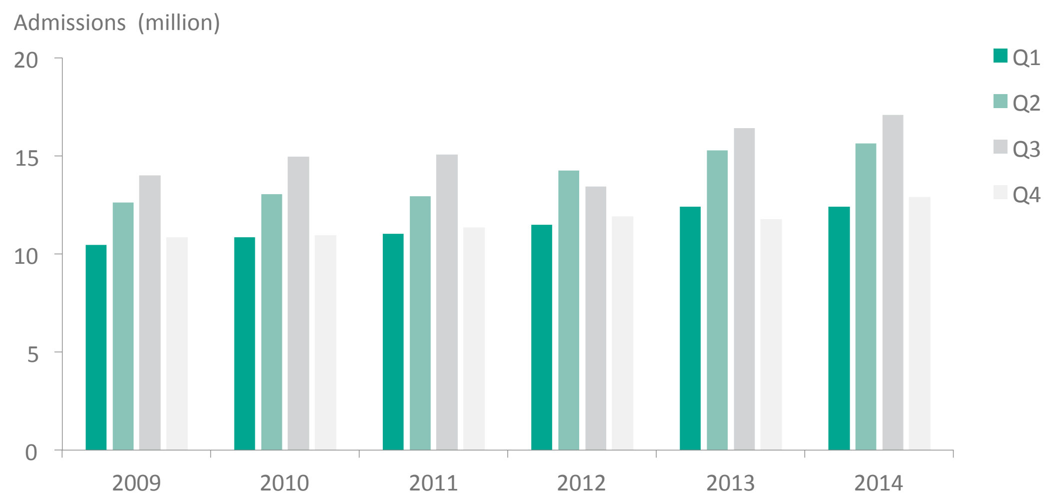
Source: London & Partners' Attractions Monitor 2014

6.5 Attractions admissions in London by month 2014, free vs charging



Source: London & Partners' Attractions Monitor 2014

6.6 Quarterly admissions to top London attractions, 2009-2014



Source: London & Partners' Attractions Monitor 2009-2014

London's theatres

Figures from the Society of London Theatres (SOLT) show that both admission volumes and ticket revenue rose against the previous year in 2014. Attendance increased by 1.1% to 14.7 million, an additional 158,000 admissions, while gross revenues of £624 million represented an increase of 6.5% on the previous year.

Amongst the 42 West End theatres that make up the membership of SOLT, there were 18,975 performances in 2014, with 280 new productions.

Musicals are by far audiences' main draw to theatres in London's West End, accounting for 55% of West End theatre admission volumes and 61% of revenues in 2014. Plays contributed 30% to attendance figures and 24% in revenues.

6.7 SOLT's top 10 theatres by seating capacity

Theatre	Seating Capacity
London Palladium	2286
Drury Lane, Theatre Royal	2196
Dominion	2001
Lyceum Theatre	2100
Apollo Victoria	2208
Prince Edward	1618
Victoria Palace	1550
Adelphi	1500
Shaftesbury	1405
Palace	1400

Source: Websites of individual theatres 2014

6.8 Attendance and revenue at West End theatres split by performance category, 2014

	Attendances (millions)	% attendances	Revenue (£ millions)	% revenue
Musicals	8.2	55%	£377	61%
Plays	4.4	30%	£149	24%
Others	2.2	15%	£97	16%
Total	**14.7**	**100%**	**£624**	**100%**

Source: Society of London Theatre, Box Office figures 2014

The outlook for London's tourism economy is strong. Spurred by robust demand from international markets, visit numbers are forecast to rise by 2.6% in 2015.

07

TOURISM FORECASTS

During the following year, slightly higher levels of growth are predicted, as global economic conditions are expected to improve. Increasing global tourism demand, as well as improving economic conditions in London's core European markets, mean that the city is projected to welcome 1.6 million more international and domestic visits in 2016 compared to 2014. This is equivalent to growth of 5.6%.

7.1 London total overnight visit forecast 2015 – 2017

	2015	2016	2017
TOTAL	**29.8**	**30.6**	**31.6**
% change	2.6	2.8	3.3
BY PURPOSE			
Business	6.8	7.0	7.2
% change	3.2	3.4	2.5
Leisure	12.8	13.3	14.1
% change	4.2	4.2	5.8
VFR	10.2	10.3	10.4
% change	0.5	0.8	0.8
BY ORIGIN			
International	17.9	18.5	19.2
% change	3.0	3.0	3.8
Domestic	11.8	12.1	12.4
% change	2.1	2.5	2.7

Source: London & Partners forecast produced by Tourism Economics, An Oxford Economics Company, 2015

7.2 London overseas tourism forecasts by origin market 2015-2017

VISITS (MILLION)

Visits (thousands)	2015	2016	2017
North America	**2,593**	2,800	2,972
% change	**10.9**	**8**	**6.2**
EU-15	8,979	9,082	9,302
% change	0.4	1.1	2.4
Non-EU Europe	2,498	2,561	2,640
% change	1.8	2.5	3.1
MENA	640	649	656
% change	7.5	1.4	1.1
Latin America	558	573	596
% change	2	2.7	3.9
Africa	407	429	456
% change	11.6	5.6	6.3
South East Asia	236	247	265
% change	5	4.8	7.4
Asia Pacific	1,950	2,067	2,231
% change	5.9	6	7.9
Total	**17,933**	**18,477**	**19,177**
% change	3	3	3.8

Source: London & Partners forecast produced by Tourism Economics, An Oxford Economics Company, 2015

London's overseas markets are expected to generate 69% of the additional volume in 2015. International visitor numbers are forecast to increase by 3.0%, with a further 3.0% subsequent growth in 2016. It is predicted that the domestic market will respond to improving conditions in the UK economy, underpinning growth of 2.1% in 2015, and 2.5% in 2016.

Solid prospects in long haul markets

Brightening prospects for the USA's consumer and business economies positively position London as a destination for North American tourists in 2015, with forecast growth of 11.5%. By 2016, visitor numbers from North America to London are predicted to increase by 19.7% compared to 2014, an additional 461,000 visits.

Currently the Asian Pacific countries comprise about 12% of all visits, but strong growth of 21% is anticipated from this region by 2017. This will be spearheaded by Australia and India, the two largest source markets in this area. South Korea, China and the rapidly expanding economies of South-East Asia can be expected to make a sizeable contribution to regional Asian growth.

Latin American visits make up 3.2% of London's international visits, having grown by more than 50% since 2010. Brazil has mainly been responsible for fuelling tourism growth in this area. By 2017, London could be welcoming a further 48,000 visits from this region, representing 8.8% growth.

Countries such as Mexico and Argentina are beginning to appear on the periphery of London's visitor economy, and can be expected to make an increasing contribution to regional growth.

Trends for the Middle East have tended to be driven by the performance of the UAE, the region's largest contributor. Although the country has now recovered from the 2009 Dubai financial crisis, a decline in visits to London of 9.8% is expected by 2016. As with several other main areas of geography, the next three years will see growth in contributions from a number of the individually small, but rapidly growing, tourism markets such as Qatar and Kuwait.

The outlook for Africa (currently representing 2.1% of overseas visits) is looking more positive in the wake of the Egyptian crisis. Strong underlying conditions in markets such as Nigeria and South Africa, as well as some dynamic economic growth projections for several much smaller countries in the African continent, is projected to stimulate solid growth up to 2017.

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