

VISA



WORLDWIDE SPONSOR

REALISING A GOLDEN OPPORTUNITY: **VISA EUROPE'S LONDON 2012 OLYMPIC AND PARALYMPIC GAMES EXPENDITURE AND ECONOMIC IMPACT REPORT**

National and Regional Economic Impacts
June 2012



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1: INTRODUCTION, SUMMARY AND CONCLUSIONS

EXECUTIVE SUMMARY

- 1.1 Visa's 26 year history as a global sponsor of the Olympic Games as well as its intelligence on consumer spending patterns at other major sporting events make it uniquely placed to examine the scale and magnitude of expected spending during this summer's London 2012 Olympic and Paralympic Games.
- 1.2 This report builds on the previous expenditure and economic impact report published by Visa Europe in June 2011, using updated spending figures and also examining the regional impacts of The Games outside of London.
- 1.3 The London 2012 Olympic and Paralympic Games will have a significant positive economic impact on the UK, both in the immediate and medium term. In the seven-week period from the start of the Olympic Games to the end of the Paralympic Games, the UK will benefit from **an immediate spending injection of £804 million**. This will result in a **£1.2 billion increase in economic activity** over the period. This represents a 7% increase on equivalent figures from the 2011 report, reflecting both the use of 2011 prices and reflecting underlying trends in the scale and pattern of overseas visitor expenditure that is evident from examination of 2010 and 2011 data.
- 1.4 The report also considers the longer term economic impacts of the London 2012 Games and finds that the **UK as a whole can expect to benefit from a total economic stimulus worth £4.12 billion** from 2013-15.

IMMEDIATE ECONOMIC IMPACTS DURING LONDON 2012

- 1.5 The main source of additional spending will be the expected large-scale net increase in overseas visitor spending in the UK over the period of The Games. Over the seven-week period, **international visitors are expected to spend a total of £749 million** in the UK, representing an approximately 18% increase on the baseline level of spend that would be expected if The Games were not taking place in 2012.

Table 1-1: Financial and Economic Impacts during London 2012 (7-week period)

Increase in consumer spending (domestic and international)	£804 million
Increase in economic output (UK)	£1,210 million

Source: SQW

- 1.6 In terms of **domestic consumer spending**, a **net £54 million increase** in UK consumption expenditure is expected. This increase is expected to be largely driven by the public's enthusiasm and appetite for The Games, evidenced by high demand for tickets and high levels of interest in pre-Games events such as the Olympic Torch Relay. Many UK residents are expected to switch from traditional patterns of consumer spending by getting into the Olympic spirit by stocking up on supplies and entertaining at home.
- 1.7 While a substantial proportion of this increased spending is expected to take place in London, there's good news for the rest of the UK too, with areas across the UK benefiting from increased expenditure which will in turn result in significant economic impacts across the regions. In total, **the rest of the UK will benefit from £694 million increase in economic activity** over the seven-week Games period.

Table 1-2: Expected 2012 Increases in Expenditure and Economic Activity across Regions

Region	7-week spend (£ millions)	Economic activity (£ millions)
East Midlands	17.3	38.0
East of England	29.9	106.3
London	546.4	516.0
North East	7.4	19.7
North West	7.5	58.1
South East	87.8	174.2
South West	36.5	93.3
West Midlands	16.6	45.0
Yorkshire/Humber	12.7	43.0
Scotland	22.0	80.9
Wales	13.1	21.8
Northern Ireland	6.3	13.8
UK	803.6	1,210.2

IMPACTS BY SECTOR

1.8 Overall, the principal winners from the increase in spending in sector terms are expected to be:

- High Street retailers: £210 million
- the Hotels sector: £138 million
- Supermarkets: £88 million
- the Entertainment, food and drink industries: £46 million
- the Travel sector (airlines, car hire, etc.): £46m

EXPECTED POST-GAMES IMPACTS: 2013-2015

1.9 As well as the immediate impacts during The Games period itself, the report also considers the legacy impacts: the potential for The Games to generate additional international visitor spending and associated economic activity in 2013 and beyond.

1.10 Medium term impacts (over the period 2013-2015) are expected to show benefits distributed across the country as the profile of the UK as a whole is enhanced in the eyes of foreign visitors:

Table 1-3: Medium Term Impacts resulting from London 2012 (2013-2015)

Average increase in spending per year	£914 million
Total increase in spend: 2013-2015	£2,741 million
Average increase in economic output per year	£1,374 million
Total economic stimulus 2013-2015	£4,122 million

Source: SQW

1.11 The overall increase in economic output delivered by The Games by 2015 – including the period of The Games itself – is expected to be a £5.33 billion increase compared to the hypothetical scenario where the event did not take place.

1.12 The expected annual legacy impacts across UK regions, by 2015, in terms of net additional spending and additional economic activity are expected to be as follows:

Table 1-4: Games Legacy: expected net increase in visitor spending and economic activity, in 2015, by region/nation (£m)

Region	Visitor spending (£ millions)	Economic activity (£ millions)
East Midlands	39.5	89.4
East of England	59.2	125.0
London	286.0	303.7
North East	24.7	46.4
North West	78.9	136.7
South East	152.9	204.8
South West	64.1	109.8
West Midlands	59.2	105.9
Yorkshire/Humber	54.2	101.1
Scotland	78.9	116.7
Wales	24.7	51.2
Northern Ireland	24.7	32.5
UK	946.9	1,423.1

Source: SQW

2: METHODOLOGY

PURPOSE OF THE REPORT

- 2.1 The purpose of this report is to assess the magnitude of international visitor and domestic spending and the likely economic effects of the increase in expenditure that is expected to occur during and following the London 2012 Olympic and Paralympic Games.
- 2.2 The analysis considers the expected economic impacts in the following ways:
- for the UK as a whole, during the seven-week period over which the Olympic and Paralympic Games will be held
 - the same analysis, disaggregated across the 12 standard UK regions/nations
 - the legacy impacts for the three-year period 2013-2015 following The Games, both for the UK as a whole and disaggregated across the 12 standard UK regions/nations.
- 2.3 The analysis assesses the impacts in terms of both expected increases in consumer expenditure and the additional value of broader economic activity (i.e. economic output) that this is expected to stimulate.
- 2.4 The report builds on an SQW report prepared in 2011 which focused on assessing the economic impacts of the London 2012 Games period and the 2013-2015 legacy, but from a national perspective only. This report both updates and extends that work to consider in addition the regional impacts as well. The report has been updated to include the most recent full year consumer spending data from Visa Europe.

SOURCES OF DATA

- 2.5 Visa Europe provided SQW with domestic and visitor expenditure data for other sporting ‘mega-events’ that have been held globally over the recent past, including the Beijing 2008 Olympics Games, the Vancouver 2010 Olympic Games and the 2010 FIFA World Cup™ in South Africa.
- 2.6 This was used to develop assumptions regarding the potential scale of gross expenditure change during and after The Games. The data was also used to estimate the shares of expenditure gains that would likely be experienced as a result of The Games across the various sectors of the economy. In addition, the data was utilised to assess the potential for displacement in domestic spending as a result of ‘expenditure switching’ by domestic consumers in favour of Games-linked spending at the expense of other types of discretionary spending.
- 2.7 To provide a baseline assessment of likely underlying domestic and international visitor expenditure in the UK in 2012, Visa also provided a detailed breakdown of card-based expenditure for the equivalent 7-week period in 2010 and 2011. This data was then grossed up to provide estimates of all sources of domestic and visitor consumption expenditure (that is, covering all means of payment) using market share information supplied by Visa.
- 2.8 Assumptions regarding the value of output multipliers are based on SQW’s extensive work in assessing tourism activity across the UK for both public and private sector clients. The specific values used in the model are set out in an Appendix to this report [page 20].
- 2.9 Output multipliers are used in this study to assess the potential impacts of the London 2012 Olympic and Paralympic Games on the UK economy. The rationale is that a major stimulus to an economy such as that brought about by a large influx of consumer spending will have significant downstream impacts on industries that supply goods and services to businesses serving the needs of international visitors and domestic consumers.

- 2.10 Assumptions regarding the regional breakdown of visitor expenditure were sourced from a series of studies and analysis undertaken by the Office for National Statistics that have considered the regional and sub-regional value of international and domestic tourism and the patterns of visitor spending in the UK.¹
- 2.11 All financial values in this report are in 2011 prices.

¹ ONS: The Economic Importance of Tourism: May 2011

ONS: The Sub-regional Value of Tourism in the UK, October 2011

ONS: The Supply Side of Tourism Report, 2009: February 2012

Economic and Labour Market Review: The Economic Impact of Tourism Across Regions and Nations of the UK, May 2010

3: THE IMPACT OF THE GAMES IN 2012

- 3.1 This chapter of the report assesses the expected economic effects of Games-related spending by international visitors and domestic consumers during the period of The Games in the summer of 2012.
- 3.2 The Olympic Games open on 27th July 2012, although some events – such as football – commence on 25th July. The Games close on 12th August 2012. The Paralympic Games start on 29th August 2012 and conclude on 9th September 2012.
- 3.3 To cover the whole period of the two sets of Games we have considered the potential changes in Games-related expenditure over a seven-week period from late July to mid-September 2012. To assess the impacts of the Olympic Games only, we also assessed potential changes over a shorter 3-week period from late July to mid-August.
- 3.4 To establish a baseline we were supplied with detailed expenditure data from Visa Europe covering the equivalent period of weeks in the UK in both 2010 and 2011. The Visa data was broken down across 20 expenditure categories, ranging from airline tickets to utility bills. These categories were then in some cases amalgamated to provide a consolidated list of 15 expenditure categories that form the basis of the analysis in this report.
- 3.5 We were also supplied with confidential market share data to allow the data for spending on Visa cards to be converted into estimates for all consumer spending (Visa and non-Visa) over the same period. For example, in the UK, £1 in every £3 is spent by consumers is on a Visa card.
- 3.6 We were also supplied with Visa Inc. expenditure data covering domestic and international visitor expenditure both before and during other sporting ‘mega-events’ that have taken place elsewhere over the period since 2006². These events included:
- the Torino 2006 Winter Olympic Games
 - the Beijing 2008 Olympic Games
 - the Vancouver 2010 Winter Olympic Games
 - the 2010 FIFA World Cup in South Africa™
- 3.7 This data was used to establish a reference case covering the likely scale and pattern of domestic consumer and international visitor expenditure in London compared to a hypothetical situation where The Games were not taking place. This provided us with a baseline position – termed the reference case – against which potential future changes in scale and pattern of expenditure brought about by The Games can be measured.

THE REFERENCE CASE

- 3.8 The reference case provides a hypothetical estimate of the levels of domestic consumer and international visitor spending in Britain that would be expected during the period of The Games if The Games were not being held. It therefore provides a baseline against which the predicted Games-related changes can be measured.
- 3.9 The reference case was developed by converting Visa’s UK expenditure data for the equivalent period of summer 2011 into spend estimates over The Games period from late July to mid-September 2012³.

²The ‘before’ data was for the equivalent period in the year prior to the event being held. This allowed an appropriate comparison of ‘before and during domestic and international visitor spend for that event so that the overall increase in spending as a result of the event could be estimated.

3.10 The estimated value for average weekly overall domestic consumer spending over the relevant period in summer 2012 was just over £3.8 billion⁴. Average weekly spending by international visitors was estimated at just over £150 million per week over the same period.

EXPENDITURE DURING THE OLYMPIC AND PARALYMPIC GAMES

3.11 The modelling of the anticipated changes in Games-related expenditure was informed by analysis of observed changes in expenditure patterns at a number of major recent sporting events, including the 2010 FIFA World Cup™ and the most recent Olympic and Paralympic Games and Winter Games.

3.12 This was based on detailed expenditure data provided by Visa Inc. for the weeks when these events were being held, together with appropriate benchmark information from equivalent periods prior to those events taking place.

3.13 The numbers in the table below represent the net additional uplift in UK consumption expenditure that is expected to occur during the period of The Games, both for a 7-week and a 3-week period. The net increase compares two scenarios: a 'with Games' scenario compared to the situation that is expected under a 'without Games' reference case.

Table 3-1: Expected Net increase in Expenditure, 2012

Type/origin of spend	(£ millions)
Seven week period (late July to mid-September)	
Domestic consumers	54.3
International visitors	749.3
Total	803.6
Three week period (late July to mid –August)	
Domestic consumers	6.8
International visitors	655.3
Total	662.1

Source: SQW

³ The data from Visa included expenditure on consumer debit, credit, pre-paid and commercial cards.

⁴ All of the figures in this chapter are expressed in 2011 prices.

Seven-week period

- 3.14 The net uplift over the seven-week period is expected to be £804 million. This comprises an increase in expenditure from international visitors of £749 million, and a net increase of £54 million from domestic UK consumers.
- 3.15 All of this estimated increase in expenditure is above and beyond the reference case (that is, the hypothetical situation in 2012 if The Games were not being held). Moreover, the reference case takes account of the normal summer increase in tourism-related visits and expenditure in London, as observed by examining Visa data for 2010 and 2011. The expected £804 million increase in spending, therefore, is wholly additional to what would occur even if The Games were not being held.
- 3.16 The size of the expected overall net increase in spending from UK consumers (£54m) is to an extent muted by displacement. This reflects the recognised practice of 'expenditure switching', whereby increased spending on Games-related activities by domestic consumers is likely to be compensated for by reduced amounts of spending on non-Games related leisure and entertainment activities during The Games period. For example, cinema visits by domestic consumers may decline while The Games provides several weeks of at home entertainment. Patterns of expenditure switching observed in spending patterns on Visa cards by domestic consumers in Canada and South Africa during the most recent Winter Olympics and FIFA World Cup™ events respectively assisted in the development of assumptions regarding likely spend switching by UK consumers during the London 2012 Games.
- 3.17 The results of the model also include an allowance for diversion and displacement effects, reflecting an assumption that there is expected to be an increase in overseas tourism by UK residents during the period of The Games that would not have occurred had The Games not been held in the UK in 2012.
- 3.18 There are potentially several aspects to diversion and displacement by UK residents:
- domestic tourists and day trip visitors who might otherwise have visited London may be deterred by the fear of congestion and higher prices
 - in a similar way, business trips to London by domestic travellers may be deferred
 - expenditure switching, as domestic spectators and at-home viewers re-allocate their disposable incomes towards Games-related purchases and away from other types of discretionary spend including alternatives forms of leisure
- 3.19 Moreover, this latter type of expenditure switching behaviour benefits some categories of spending – notably supermarkets – but potentially disadvantages others, such as DIY retailing.

Three-week period

- 3.20 Over the three-week period the net increase is expected to be £662 million, including an uplift of £655 million in international visitor spending. The reason for the smaller expected increase in net domestic spending compared to the seven-week period is that the shorter period of assessment excludes the 'lagged spending' effect. That is, some spending on non-leisure items is expected to be deferred during the period of the Olympic Games (in order to fund Games-linked leisure spend) and is expected to recover during the four-week period following the conclusion of the Olympic Games. The three-week period, on the other hand, does not provide sufficient time for this spending to recover.

Regional impacts on consumer expenditure

- 3.21 The estimation of regional impacts of Games-related changes in domestic and international expenditure – both gross and net (i.e. taking into account displacement) – were developed using ONS data on the baseline contribution of domestic and international tourism to the UK economy and its constituent regional parts. For example, the baseline contribution of tourism spending ranges from just over 5% for the East Midlands up to 8.9% for the South West: for London the equivalent proportion is 8.2%.
- 3.22 We also reviewed evidence from previous Games on the potential for increases in visitor spending outside of the host city and its immediate hinterland to other regional areas in host countries. Finally, we reviewed evidence on expenditure switching by domestic consumers from host countries hosting mega events such as Olympics and FIFA World Cups™.
- 3.23 The table below presents the results of the detailed regional breakdown of the expected increases in international visitor and domestic consumer expenditure over the three-week and the seven-week periods respectively.

Table 3-2: Regional breakdown of expected consumption expenditure increases (£m)

Region	7-week spend (£ millions)	Contribution to Total (%) millions)	3-week spend	Contribution to Total (%)
East Midlands	17.3	2.2%	11.6	1.8%
East of England	29.9	3.7%	21.9	3.4%
London	546.4	68.0%	481.7	74.1%
North East	7.4	0.9%	4.4	0.7%
North West	7.5	0.9%	6.1	0.9%
South East	87.8	10.9%	63.6	9.8%
South West	36.5	4.5%	26.2	4.0%
West Midlands	16.6	2.1%	11.3	1.7%
Yorkshire/Humber	12.7	1.6%	8.0	1.2%
Scotland	22.0	2.7%	15.1	2.3%
Wales	13.1	1.6%	8.3	1.3%
Northern Ireland	6.3	0.8%	4.0	0.6%
UK	803.6	100.0%	650.2	100.0%

Source: SQW

- 3.24 It can be seen from the table that London can be expected to experience of greatest share of the anticipated net increase in consumer expenditure. Over the three-week period London can be expected to capture 74% of net additional aggregated visitor and domestic spend: this is expected to amount to £482 million over the three-weeks. Over the longer seven-week period, net additional spending for London is expected to grow to £546 million, although this represents a smaller proportion (68%) of the anticipated overall increase in spending.

- 3.25 Also for the seven-week period, the regions such as the South East (£88m) and South West (£36m) are also expected to experience significant net increases in consumer spending.
- 3.26 It is notable that no UK region is expected to experience a net decrease in consumer spending over either the three-week or the seven-week periods, even when the potential for displacement impacts are factored in, as they are in the results that are set out above.

OUTPUT IMPACTS

- 3.27 The next step was to assess what impact the expected changes in expenditure over the period of The Games would have in terms on aggregate demand in the economy. This involved deploying output multipliers to estimate the strength and direction of indirect and induced effects across all sectors of the economy. The specific assumptions used in this report are set out in a table appendix to this report.
- 3.28 Over the seven-week period the expected net increase in economic output is expected to be £1,210 million. Over three weeks it is expected to be slightly under £1 billion. The seven-week estimate is equivalent to around 3.5% of the increase in the overall value of economic output that is expected to be generated in the UK during 2012. The expected breakdowns by sector are summarised in the table below.

Table 3-3: Estimated Net Change in Economic Output associated with the London 2012 Games (£m)

Expenditure Categories	3 weeks	7 weeks
Airlines	23.6	28.9
Car hire	18.4	21.3
Cash	287.6	330.4
Entertainment	55.6	71.3
Food and drink	4.1	6.7
Health	4.9	7.1
High street retailers	252.5	323.9
Hotels	181.5	209.9
Insurance	9.9	11.4
Miscellaneous	19.5	27.6
Motoring	2.8	6.9
Petrol	3.0	15.6
Supermarket	130.9	136.3
Travel	10.2	13.0
Total	998.9	1,210.2

Source: SQW

3.29 The results of our analysis of economic output impacts are in line with other recent research and commentary with respect to the potential impact of the London 2012 Games. For example, the World Travel & Tourism Council have highlighted The Games are likely to contribute to a £1 billion increase in tourism GDP in the UK compared to 2011, and a recent report by Moody's highlighted that the main beneficiaries are likely to be the hotels, retail and consumer products sectors.

Regional impacts on output

3.30 As well as the regional distribution of net additional consumer expenditure, we have also estimated the expected net additional increase in economic output that is anticipated, above-and-beyond the levels that would be expected if The Games were not being held. The table below sets out the results both for the seven-week period of analysis, but the pattern of distribution is very similar for the three-week period also.

Table 3-4: Regional breakdown of expected economic output increases (£m)

Expenditure Categories	7-week period	Contribution to the total (%)
East Midlands	38.0	3.1%
East of England	106.3	8.8%
London	516.0	42.7%
North East	19.7	1.6%
North West	58.1	4.8%
South East	174.2	14.4%
South West	93.3	7.7%
West Midlands	45.0	3.7%
Yorkshire/Humber	43.0	3.6%
Scotland	80.9	6.7%
Wales	21.8	1.8%
Northern Ireland	13.8	1.1%
UK	1,210.2	100.0%

Source: SQW

3.31 The results of the assessment are that producer output can be expected to increase by £516m in London as a consequence of The Games being held. This is equivalent to a 43% increase over and above the level that would be expected if The Games were not being held.

3.32 The increases for the other regions range from 1.1% (Northern Ireland) to 14.4% (South East).

4: THE POTENTIAL LEGACY IMPACTS POST-2012

- 4.1 This chapter considers the post-2012 benefits of The Games in generating additional expenditure and output for the UK and its regions/nations.
- 4.2 The potential for sustained economic impacts following the conclusion of a major event such as an Olympic and Paralympic Games has been noted by most of the studies that have considered the impacts on other hosting cities. The origin of this phenomenon – often termed the ‘legacy’ effect, is driven by the raised international profile of the host city and country, by concentrated international media exposure and the benefit of ‘word of mouth’ recommendations from visitors returning to their country of origin.
- 4.3 In modelling the potential legacy impacts we have considered the years 2013-2015 only. We consider that a diminution of the legacy phenomenon (in terms of stable levels of expenditure attributable to the events of 2012 from 2016 onwards) is plausible, as the memory of the event begins to fade and other events (such as the 2014 FIFA World Cup™ and Rio 2016 Olympic Games) inevitably compete for media attention and visits from sports fans and other tourists.

EXPECTED INCREASES IN VISITOR EXPENDITURE

- 4.4 As with the analysis for the period of the Olympic and Paralympic Games in the previous Chapter, the starting point is to consider the potential impacts on visitor expenditure. Based on our previous model, but focusing on net additional increases in overseas visitors’ spending (so ignoring the spending from UK consumers), our analysis is based on an assumed average increase of 1.8% above trend in the immediate post-Games year (i.e. in 2013), with decreasing rates of increases over the following two years (1.6% in 2014 and 1.3% in 2015).
- 4.5 The results of the modelling are that the net additional increases in annual visitor expenditure over the period 2013-2015 would rise from around £861 million in 2013 to £947 million in 2015, and would therefore amount to some £2.74 billion over the three year period.
- 4.6 These figures are the estimated uplifts compared to situation that would be expected to exist in those years under the reference case – that is, had the London 2012 Games not taken place. Moreover, as the reference case also includes normal summer increases in international visitor expenditure, these estimates are also wholly additional to the usual seasonal increments.
- 4.7 The expected increase in international visitor expenditure is equivalent to a rise of around 18% in tourist spending compared to the levels that would be expected to occur had the London 2012 Games not taken place. Again, these estimates are in addition to normal seasonal uplift effects.
- 4.8 The following table sets out the expected distribution of the anticipated increase in spending across spending categories. The biggest beneficiaries in sector terms are expected to be High Street Retailers and Hotels.

Table 4-1: Games Legacy: Expected Net Increases in Visitor Expenditure 2013-2015 (£m)

Expenditure Categories	2013	2014	2015
Airlines	24.1	26.2	26.5
Car hire	17.7	19.2	19.5
Cash withdrawals	255.1	276.9	280.5
Entertainment	48.8	53.0	53.7
Food and drink	4.7	5.1	5.2
Health	6.7	7.3	7.4
High St Retailers	244.4	265.3	268.7
Hotels	159.2	172.8	175.0
Insurance	10.5	11.4	11.6
Miscellaneous	26.0	28.3	28.6
Motoring	6.7	7.2	7.3
Petrol	14.0	15.2	15.4
Supermarket	32.4	35.2	35.6
Travel	10.9	11.8	11.9
Total	861.1	934.7	946.9

Source: SQW

Regional impacts

4.9 Compared to the economic impact during The Games period itself, the expenditure impacts over the following three years are expected to be much more evenly spread across the UK regions and nations.

4.10 The table below presents the expected distribution by region of net additional visitor expenditure for the years 2013 through to 2015.

Table 4-2: Games Legacy: net increase in visitor spending 2013-2015, by region/nation (£m)

Region/Nation	Visitor spending (£m)	Contribution to the Total (%)
East Midlands	114.3	4.2%
East of England	174.5	6.4%
London	828.5	30.2%
North East	71.9	2.6%
North West	213.6	7.8%
South East	442.8	16.1%
South West	185.7	6.8%
West Midlands	168.4	6.1%
Yorkshire/Humber	157.1	5.7%
Scotland	243.6	8.9%
Wales	73.6	2.7%
Northern Ireland	68.7	2.5%
UK	2,742.7	100.0%

Source: SQW

ECONOMIC OUTPUT

4.11 Next, we converted the forecasts for net additional visitor expenditure into estimates for future increases in economic output. These estimates are presented below.

Table 4-3: Expected Increases in Economic Output and Incomes, 2013-2015 (£m)

Economic Benefit	2013	2014	2015
Output	1,294	1,405	1,423

4.12 Thus, by 2015 the London 2012 Games are expected to have delivered an annual stimulus worth £1.42 billion per annum in additional economic output to the UK economy compared to the situation had The Games not taken place. This expected increase is attributable to additional international visitor spending generated by the additional profile and reputation of London and the UK as a visitor destination compared to what would be expected had The Games not taken place.

Regional impacts

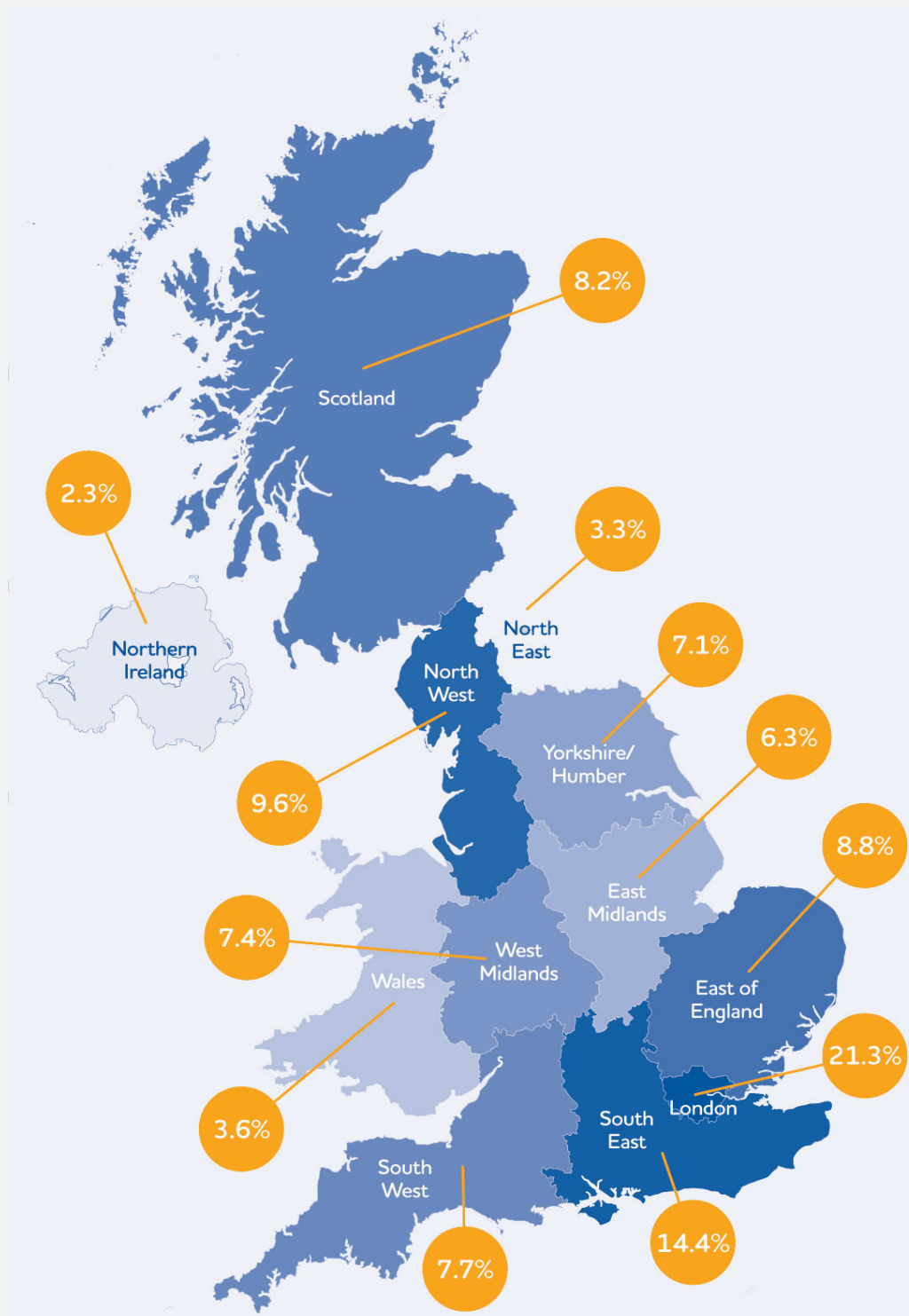
4.13 As was the case for visitor expenditure, the expected legacy impacts in terms of economic output over the three years following The Games are expected to be much more evenly spread across the UK regions and nations.

4.14 The table below presents the expected distribution of anticipated additional economic output generated over the 2013-2015 period as a result of London 2012 legacy visitor spending impacts.

Table 4-4: Games Legacy: net increase in economic output: 2013-2015, by region/nation (£m)

Region/Nation	Output (£m)	(%)
East Midlands	258.9	6.3%
East of England	362.0	8.8%
London	879.7	21.3%
North East	134.5	3.3%
North West	395.9	9.6%
South East	593.2	14.4%
South West	318.0	7.7%
West Midlands	306.7	7.4%
Yorkshire/Humber	292.8	7.1%
Scotland	338.1	8.2%
Wales	148.3	3.6%
Northern Ireland	94.3	2.3%
UK	4,122.2	100.0%

Source: SQW



- 4.15 Although London is the largest single regional beneficiary over the 2013-2015 period (£880m, 21.3%), the shares enjoyed by other regions range from 2.3% (Northern Ireland) to 14.4% (South East). The total amounts of additional economic output in non-London regions/nations range from £94m (Northern Ireland) to £593m (South East) over the same period (2013-2015).
- 4.16 Although London will continue to receive the largest single regional share (21.3%) this is a significantly lower proportion than is expected to be the case during The Games period itself (i.e., 74% over the 3-week period, and 68% over the 7-week period). The proportionate increases for the other regions are greater as a result.

ABOUT VISA EUROPE

In Europe, there are 445 million Visa debit, credit and commercial cards. In the 12 months ending September 2011 those cards were used to make purchases and cash withdrawals to the value of €1.7 trillion. 14% of consumer spending at point of sale in Europe is with a Visa card, and almost 80% of that is on Visa debit cards.

Visa Europe is owned and operated by more than 3,700 European members and was incorporated in July 2004. Visa Europe is independent of global Visa Inc., with an exclusive, irrevocable and perpetual licence in Europe, while both companies operate to ensure global interoperability. As a dedicated European payment system Visa Europe is able to respond quickly to the specific market needs of European banks and their customers - cardholders and retailers - and to meet the European Commission's objective to create a true internal market for payments.

Visa enjoys unsurpassed acceptance around the world. In addition, Visa/PUS is one of the world's largest global ATM networks, offering cash access in local currency in over 200 countries.

For more information, visit **www.visaeurope.com**

ANNEX A: MULTIPLIER ASSUMPTIONS

Table A-1: Output multipliers used in this report

	Output multipliers ⁵
Airlines	1.39
Car hire	1.39
Cash withdrawals	1.49
Entertainment	1.70
Food and drink	1.70
Health	1.24
High St retailing	1.48
Hotels	1.52
Insurance	1.24
Miscellaneous	1.37
Motoring	1.39
Petrol	1.39
Supermarket	1.54
Travel	1.39

⁵ The values for output multipliers in this table are expressed per £1 of additional consumer spending



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