

# Tourism State of the Nation

VisitBritain/VisitEngland

August 2025



# Tourism State of the Nation August 2025

## Recent trend:

- Inbound tourism in the first half of the year probably around on par with 2024. Encouraging signals for July. Domestic overnight volumes down in May and year to date.

## Forward look:

- Forward bookings for inbound showing growth for Europe but down vs last year for many long haul markets, including USA (though vs a strong 2024), China and Middle East. High uncertainty weighing on economic outlook next year. Some travellers adopting a wait-and-see attitude towards decisions, adding to the uncertainty.
- Domestically, overall trip intentions are steady, with bank holiday intent slightly up on last year.



Image: A Young Person Cycling An Ovo E-bike Over The River Kelvin in Glasgow's popular Westend with a university and park in the background. © VisitScotland / Kenny Lam

# Tourism State of the Nation August 2025: Inbound performance and prospects

- **Recent performance:** Indicators suggests that inbound tourism volumes in the first half of 2025 were around on par with 2024. Arrivals from non-British nationals were 1% up on 2024 according to Home Office (2% in the first quarter and level with 2024 in the second). Flight arrivals from Forward Keys data were down 2%, with European and North American arrivals both down 1%, although July showed an improvement with 2% growth. Visa cardholder count was up 3% in the first half of the year, although spend was on par with 2024, pointing to pressure on spend per visit, and on real-terms spend. The fall in real spend was driven by a decline of 4% in average length of stay. Inbound arrivals to London airports are down -2% year to date on 2024 though to non-London airports were up 4%, including 10% up in July.
- **Prospects:** The recent pace of flight bookings has picked up, with bookings made in July up 5% on 2024. However, the outlook for the next few months is still mixed. European bookings are tracking up 4% for August-October but from long-haul markets are down 6%, with the US down 7% (albeit on a record 2024), China down 20% and Middle East down 4%.
- **Traveller behaviour:** Operators reporting that many travellers, especially from North America, are adopting a wait-and-see approach. Feedback from the US is that the luxury segment is doing well and mid market is performing OK but air costs and pricing are perceived as expensive for the UK. Reports from operators of nervousness amongst some US travellers about potential border problems on their return, dampening demand.

# Tourism State of the Nation August 2025:

## Global context and drivers

- **Economic outlook:** Global forecasts for 2025 have been upgraded fractionally but high uncertainty is weighing on prospects for 2026. Global GDP growth of 2.6% is forecast for this year and downgraded to 2.4% next year. The EU is forecast to grow by 1.3% and 1.0%; the US 1.7% and 2.0%. Recent tariff announcements have not affected growth forecasts much. Mixed signals from the US, with inflation forecasts raised and recent labour market data weak but speculation about a rate cut.
- **Economic drivers:** The oil price has settled down to \$65, after a short bump in late July, and down from \$76 a year ago, easing price pressures for passengers. The US dollar remains weak by recent standards at 75p (vs 77p a year ago), well down from high of 82p in Jan, and close to a 4 year low, making travel more expensive for US travellers and for countries with currencies pegged to the dollar. The Euro is stable, and at 86p is very similar to its value a year ago (85p).
- **Geopolitical:** Iran airspace has re-opened, aiding journey times on some routes from India and the Middle East. A resolution to the Ukraine war could bring down price pressures and re-open more airspace.
- **Competitive view:** The UK stands to lose market share this year, with visits to Western Europe forecast to grow by 5% and globally by 8%, and the UK forecast to see 3% growth, although this came on the back of the UK performing well and gaining share within Europe in 2024. Inbound tourism to the US is forecast to decline by 8% this year.



# Tourism State of the Nation August 2025:

## Domestic and tourism industry

- **Recent performance:** Visitor volumes have been slow, although spending by overnight visitors is doing better. Domestic overnight trips were down 5% on 2024 in Jan-May, with volumes well behind 2022/23. The value of spending was strongly up on a weak 2024, and also up on 2022/23. May itself was down for both volume and value. Day trips are 3% lower in volume and 8% down in value year to date.
- **Domestic and outbound outlook:** Intentions for domestic overnight trips in the next 12 months are stable, standing at 78% for August 2025, which is +1% on last month and -1% on last year. Outbound trip intentions have slipped slightly, and are at their lowest level since March 2024. Intentions to travel in the August bank holiday are slightly up on last year (11.2m vs 11m). Concerns about the cost of living have risen, although the proportion saying this is reducing their trip taking has fallen.
- **Economic outlook:** Despite an interest rate cut in August, rising inflation is dampening prospects, and weak short-term growth will constrain spending. GDP growth surprised on the upside in Q2; growth of 1.3% is forecast for the year overall. Growth in 2026 is forecast to be slower, at 0.9%. Consumer confidence is steady recently, though down on a year ago. Inflation has risen to its highest since the start of 2024.
- **Industry data:** ONS industry data showed growth in revenues in Q2 in hospitality. Accommodation services was up 4%, food/drink services up 6%. However, creative/art/entertainment revenues were down 7%.