Tourism State of the Nation

VisitBritain/VisitEngland

October 2025

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Recent trend:

- September numbers showed moderate growth in inbound flight arrivals. Arrivals from Europe growing faster than long haul recently (though many of the latter performed well last year). Arrivals to regional airports growing much faster than to London airports.
- Domestic tourism showing mixed performance year to date. Spending holding up better than number of trips.

Forward look:

- Recent inbound flight bookings have been sluggish, so the short term outlook has softened somewhat. US economic outlook is still holding up despite challenges.
- Domestic trip intentions are down, although fewer say they are cutting the number of domestic trips due to the cost of living, and UK consumer confidence is up slightly.

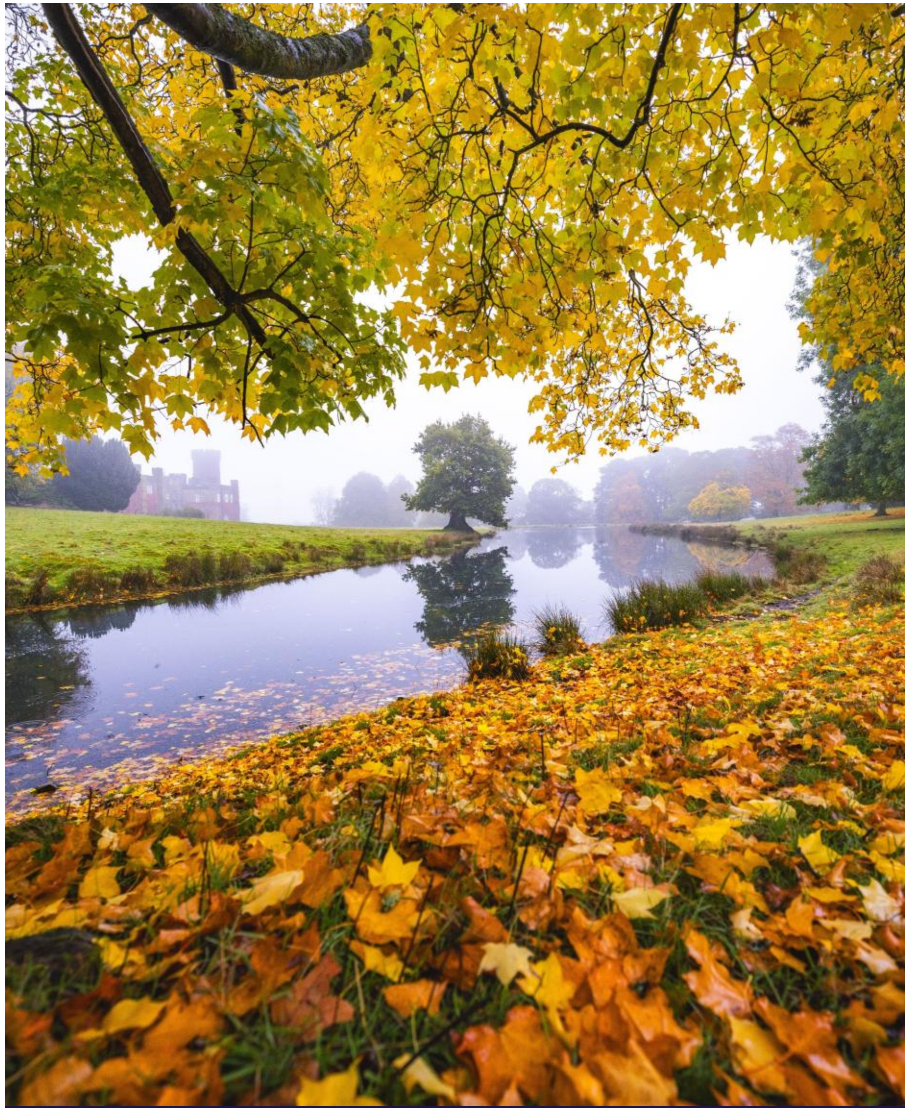

Image: Autumn leaves sit on the grass with a lake and castle beyond © VisitBritain/Michael Matti

Tourism State of the Nation October 2025: Inbound performance and prospects

- **Recent performance:** Modest growth overall. Inbound flight arrivals were 3% up on 2024 in September, and across the three months July-September 2% up, with this trend of moderate growth continuing into the first two weeks of October. European arrivals are growing at a good pace, up 6% in the past three months, although arrivals from long haul markets were flat vs last year and those from Asia down 2%. Arrivals to non-London airports were up 10% in the same period. VisitBritain estimates from looking across several data sources that year to date visits are around 4% up on 2024.
- **Prospects:** VisitBritain's forecast for the full year 2025 is for 4% growth in visits and 6% in spend. However, the pace of flight bookings has dropped in recent weeks. After strong growth in July and August, bookings made in each of the last five weeks are down on 2024, eroding the outlook for the end of the year. The risks to this forecast are therefore to the downside. Similar to the recent performance, bookings are steadier from Europe but are currently tracking down from long haul markets (albeit from several markets this is compared to a strong 2024).
- **Traveller behaviour and travel trade:** Feedback from the trade in Europe is that the introduction of the ETAs has not caused a major blocker to travel to the UK, although some agents note concern about the extra cost (especially given the UK is seen as an expensive destination) and an additional hurdle. There is concern about the US having a low pickup rate for ETAs. Feedback from German tour operators is that bookings for 2026 are looking strong.

Source: VisitBritain, Visa, Home Office, Forward Keys

Tourism State of the Nation October 2025: Global context and drivers

- **Economic outlook:** Despite several risks, the global economic outlook has improved slightly. The growth forecast for 2026 has been upgraded again, from 2.5% to 2.6%, although this is a little lower than this year (2.8%). The US is forecast to grow 2.3% but the EU only 1.0% next year. In the US, consumer spending – probably the most relevant indicator – remains solid, aided by an interest rate cut in September with another expected in late October, so the short term spending outlook is still healthy. However, inflation remains above target and recent employment numbers have been weak. There are also some concerns about problems in the private credit market following the collapse of two US companies, as well as high valuations of AI stocks. The Chinese economy continues to slow, with historically weak growth of 4.0% expected next year.
- **Exchange rate:** A US dollar currently buys £0.75, slightly up from a low of £0.73 in June but weak by the standards of the last few years, meaning lower outbound purchasing power from the US and any countries pegged to the dollar. A euro buys £0.87, steady in recent months and sightly up on a year ago.
- **Geopolitical:** Oil price hit a five-month low but has rebounded in recent days. Gaza peace plan could enable more flights over Israel and many flights to/from Israel itself have restarted.
- **Competitive view:** With inbound visits to Western Europe forecast to grow by 4% this year, the UK is likely to maintain market share with its closest neighbours. Global arrivals are forecast to grow 6% this year, with North East Asia and Africa seeing the fastest growth.

Source: VisitBritain, Oxford Economics

Tourism State of the Nation October 2025: Domestic and tourism industry

- **Domestic and outbound outlook:** Domestic trip intentions are down year-on-year as of October (75% intending to take a trip in the next 12 months, down from 78% a year ago), and just 1% up on the two-year low seen in September. Outbound intentions are holding up, level with last year. However, the proportion who are cutting the number of domestic trips due to the cost of living has fallen to its lowest level since tracking began in 2022. Concern about the cost of visitor attractions fell back after a spike last month.
- **Economic outlook:** Fragile but confidence improved slightly. GDP growth estimates for 2025 have been revised up to 1.5% (although consumer spending is weaker at 1.0%), but are forecast to fall back to just 0.9% next year, and 1.3% in 2027. Inflation has remained at 3.8%: lower than expected though almost double target, constraining the possibility of further interest rate cuts this year. Consumer confidence ticked up in October, with confidence about making major purchases showing a big improvement year-on-year.
- **Recent performance:** In the first half of 2025, the number of overnight trips was down on 2024 by 7% (and vs 2022/23) but the value of spending was up, by 12% on a weak 2024. Day trips were down vs 2024 for both volume and value.
- **Industry data:** Revenue growth generally slow in August but better year to date. Accommodation sector revenues were up 3% year-on-year in August, below inflation, the same as July. Food/drink services revenues were up 7%. Both are 5% up year to date. Arts/entertainment/recreation sector revenues are up 9% year to date, but August was slower at 1%.

Source: VisitEngland, ONS, Oxford Economics, NIQ