Economic Value of Tourism in the United Kingdom

Published 20 January 2026

Prepared by:

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AN OXFORD ECONOMICS COMPANY

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VISIT BRITAIN
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CONTENTS

KEY FINDINGS

Image credits: Windermere Lake Cruises

Economic Impact

Visitor activity contributed to a GDP impact of £147 billion and supported 2.4 million jobs in 2024.

Direct visitor activity in the UK in 2024 generated an estimated £70 billion in direct GDP impacts. As the money flowed through the economy, it supported an additional £78 billion in indirect (supply-chain) GDP impacts.

The indirect impacts (£78 billion) represent the wider economic activity that spreads through the supply chain. As a result of direct spending, tourism businesses, such as hotels, tour operators, airlines, and attraction venues, will need to buy goods and services from other sectors to meet demand. These sectors include food and beverage manufacturers, accountancy services, insurance, and construction, amongst others. This additional economic activity, along with tourism-linked investment and government spending, is what is captured in the indirect impacts.

Visitor-generated tax revenues generated £52 billion.

The majority of tax revenues came from taxes on production and products, contributing over £27 billion in 2024. This includes both the production and consumption side, with examples being VAT and import taxes. The second biggest contributor was income tax and National Insurance Contributions (NICs) by employees and employers (£17 billion). Air passenger duties added a further £3.9 billion. Tax revenue is supported by inbound and domestic tourism, including spending in the UK before a trip abroad.

Summary of GDP impacts 2024

£70B Direct GDP Impact + **£78B** Indirect GDP Impact = **£147B** Tourism GDP Impact

Note: total may not sum due to rounding

UK Tourism Impacts for 2024

£147B
GDP

2.4M
Jobs Supported

£52B
Tax Revenues

Image credits: VisitBritain/Hanadzi Stryievichb

Wider Economic Impact

When induced impacts are included, the GDP contribution rises to £206 billion, accounting for over 7% of the national economy.

Additional impacts are supported in the induced (wage-linked) channel. This increases the total GDP contribution to £206 billion, jobs supported increases to 3.1 million, and tax revenues reach £67 billion in 2024.

The tourism economy consists of both direct and indirect impacts. When employees in the tourism sector—whether from direct or indirect channels—spend their wages on goods and services, they contribute to additional economic activity, known as the induced impact. By combining the direct, indirect, and induced impacts, we obtain the total impact of the visitor activity.

The value of tourism activity in the UK on real GDP is expected to reach £161 billion by 2030, up from £147 billion in 2024. Most of the growth will come from inbound tourism.

Detailed UK Tourism Impacts for 2024

	GDP	Jobs Supported	Tax Revenues
Direct	**£70B** GDP	**1.4M** Jobs Supported	**£29B** Tax Revenues
Tourism Economy (includes direct & indirect)	**£147B** GDP	**2.4M** Jobs Supported	**£52B** Tax Revenues
Total (also includes induced)	**£206B** GDP	**3.1M** Jobs Supported	**£67B** Tax Revenues

Impacts by Region & Nation

Tourism has a significant economic impact across the UK

In 2024, Tourism activity had the largest impact on London, contributing over £41 billion to the capital's GDP. This was followed by the South East (£17 billion) and the North West (£15 billion).

London, along with the South East and the North West, accounted for a significant portion of total tourism jobs in the UK, contributing 26%, 11% and 11% of overall tourism employment, respectively, in 2024. In contrast, the regions/nations with the lowest levels of tourism-related employment were Wales, the North East, and Northern Ireland, which together supported only 9% of the overall tourism workforce.

UK Tourism by Region & Nation

London's labour market is highly dependent on tourism, with one in ten jobs linked to tourism spending.

Tourism contributes at least 4% to GDP across all regions & nations in the UK.

Rural areas with weather-dependent activities exhibit higher seasonality. Examples include East Sussex, Devon, Oxfordshire, and North Yorkshire.

Tourism Economic Impact for 2024 Regions & Nations

	Tourism GDP	Jobs supported
London	£41.2 bn	640k
South East	£17.3 bn	270k
North West	£15.5 bn	263k
East of England	£12.1 bn	193k
Scotland	£11.9 bn	204k
South West	£11.1 bn	194k
West Midlands	£9.4 bn	162k
Yorkshire & TH*	£8.8 bn	156k
East Midlands	£7.2 bn	124k
Wales	£5.9 bn	109k
North East	£4.2 bn	72k
Northern Ireland	£2.7 bn	45k

* Yorkshire & the Humber

Visitor Activity

Economic activity linked to tourism in the UK is underpinned by visitor spending. In 2024, this reached £166 billion.

The UK welcomed 43 million international visitors who spent £32 billion in local economies and an additional £5 billion on transportation to reach the UK. Further, there were 1.2 billion domestic visits, comprised of 108 million overnight stays and 1.0 billion day trips, spending £89 billion in the UK economy. During the same year, UK residents took nearly 95 million trips abroad for leisure or business, spending around £40 billion in the UK to prepare for their trips before leaving. Examples of this include flights with domestic carriers, travel agent fees, and pre-departure retail, amongst other items.

Tourism visits are dominated by domestic day visits, at 81% as a share of the total volume. However, these have a much lower average spend than overnight or outbound trips and hence represent only 34% of total tourism-related spend. In contrast, inbound visitors spend more than the average, representing 3% of tourism visits which accounts for 22% of tourism spend in the UK. For the latest visitor statistics from VisitBritain and VisitEngland you may visit the Research & Insights section of their website at https://www.visitbritain.org/research-insights.

Image credits: VisitBritain/Alasdair McIntosh

Visitor Activity | 2024

Estimates based on VisitBritain and VisitEngland surveys

43M	108M	1.0B	95M
International visits	Domestic overnight visits	Domestic day-trips	Outbound trips

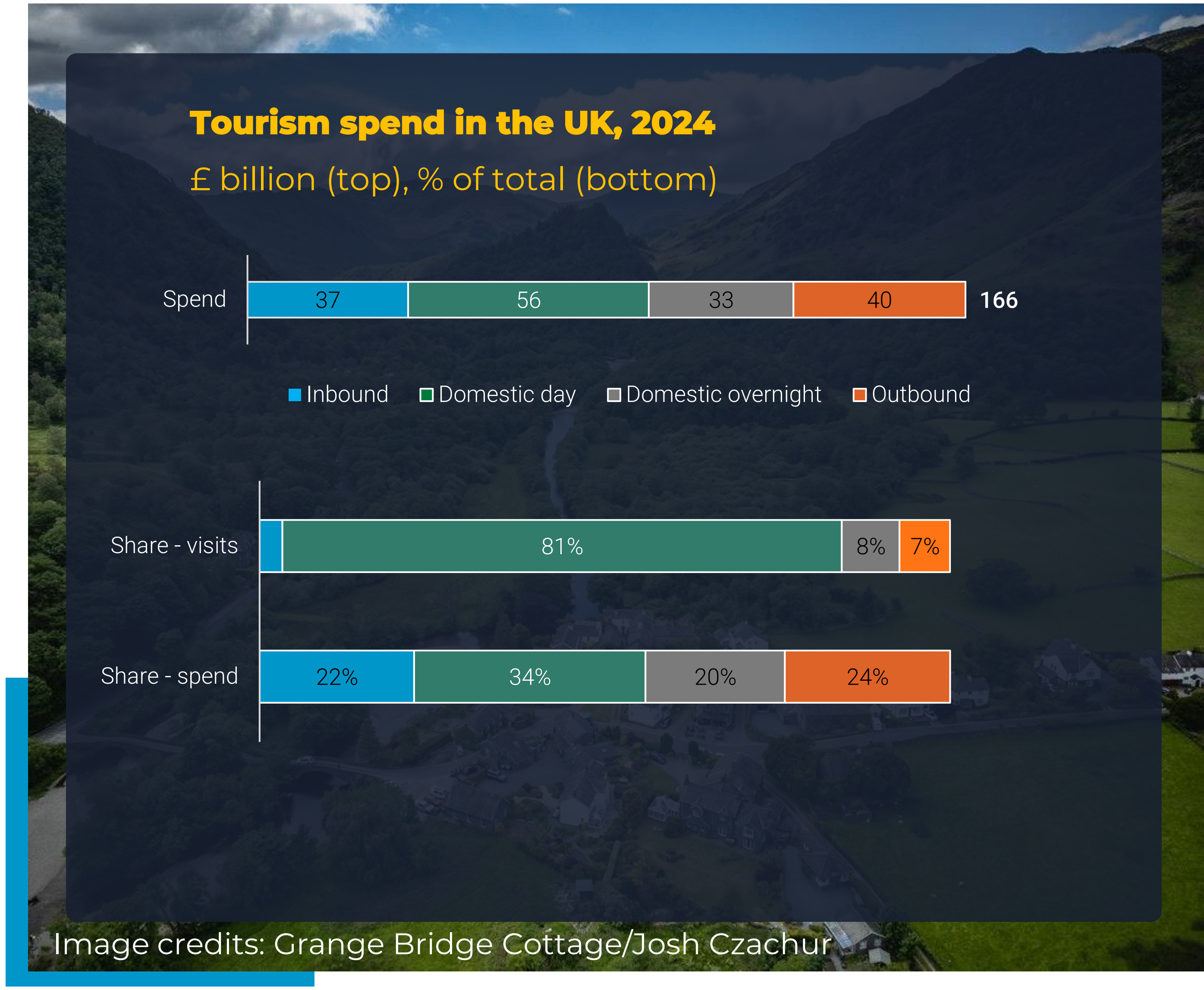


Image credits: Grange Bridge Cottage/Josh Czachur

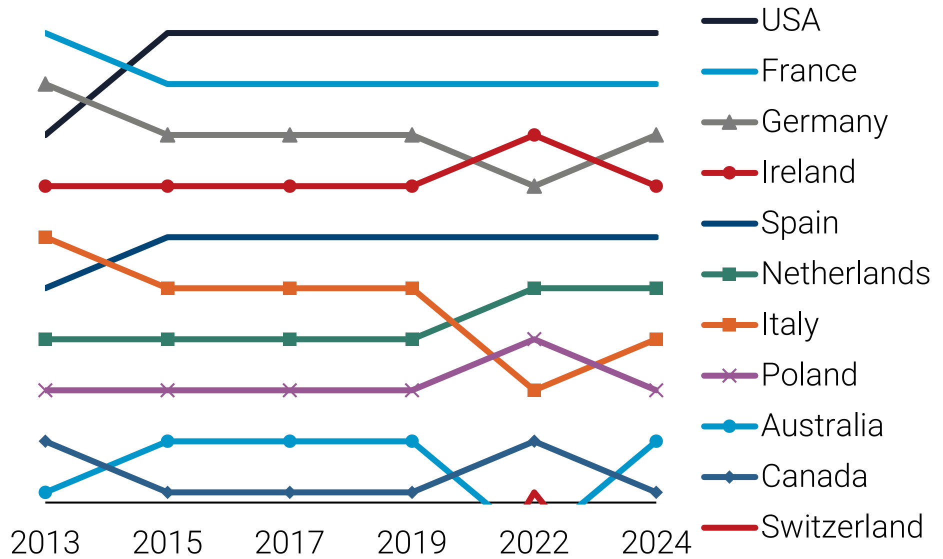
International Arrivals

For most of the past twenty years, the United States has been Britain's largest single source market for international inbound travel.

Over the past twelve years, the top four source markets have consistently been the United States, France, Germany and the Republic of Ireland. Only in 2013 and 2014 was France the largest single source market in terms of arrivals. Partly owing to the UK's source market mix, spend per visit has not grown significantly in real terms during this time.

Rankings of source markets over time

2013 to 2024



Source: Tourism Economics

In the coming decade, we expect the UK to lose market share in some of its traditional source markets.

In Western Europe, the UK is forecast to lose market share from some of its traditional source markets such as the US and France. Keeping these visitors, or replacing them, presents an important challenge for the UK tourism industry. Further, current trends show the UK is expected to lose market share from China, with France, already the favourite destination, set to grow in importance as a destination for Chinese tourists.

While losing market share does not necessarily mean a drop in visitor volumes, the forecasts indicate stronger competition from other countries in Western Europe.

In 2024, international arrivals to the UK accounted for 2.6% of global travel, a level similar to that of Germany.

France and Spain typically compete for the top place in attracting the most tourists from abroad. Collectively, these two countries make up over 13% of international tourism arrivals globally, welcoming 100 million and 94 million visitors respectively in 2024. Both countries offer different options for leisure travel compared to the UK, benefiting from a drier and sunnier climate year-round.

Meanwhile, the UK competes in other areas of the travel market, such as culture, activities, and events. The UK is the eighth largest international destination globally, slightly larger than Germany but smaller than Italy which is 4% of the global market.

International tourism is concentrated in London, with 54% of overnight visits staying in the capital.

Outside London, the South East, Scotland and the North West also attract a significant share of visits from overseas, supported by solid airport infrastructure. Scotland has seen significant growth recently, attracting a larger share of international arrivals to the UK compared to the 2010s.

International Tourism to the UK

Spend per visit has remained relatively stable in real terms, struggling to grow. This partly reflects the UK's stable source market mix.

The UK captures close to 30% of the trips from Saudi Arabia, Qatar and UAE to Western Europe. These countries exhibit high spend per visit.

Scotland has been attracting a larger share of international arrivals to the UK compared to the 2010s.

Domestic Tourism

Domestic tourism is responsible for over half of total tourism spending in the UK. However, domestic overnight spend has been falling in recent years.

Spending on domestic tourism consists of domestic overnight stays and day trips. Since 2022, domestic overnight spending has fallen 9% in constant prices (after inflation) to reach £33 billion in 2024. This decline reflects a slight weakening in demand for overnight travel within the UK, potentially driven by cost-of-living pressures, and increased competition from international destinations. Despite this drop, overnight stays still represent 20% of total tourism expenditure in the UK.

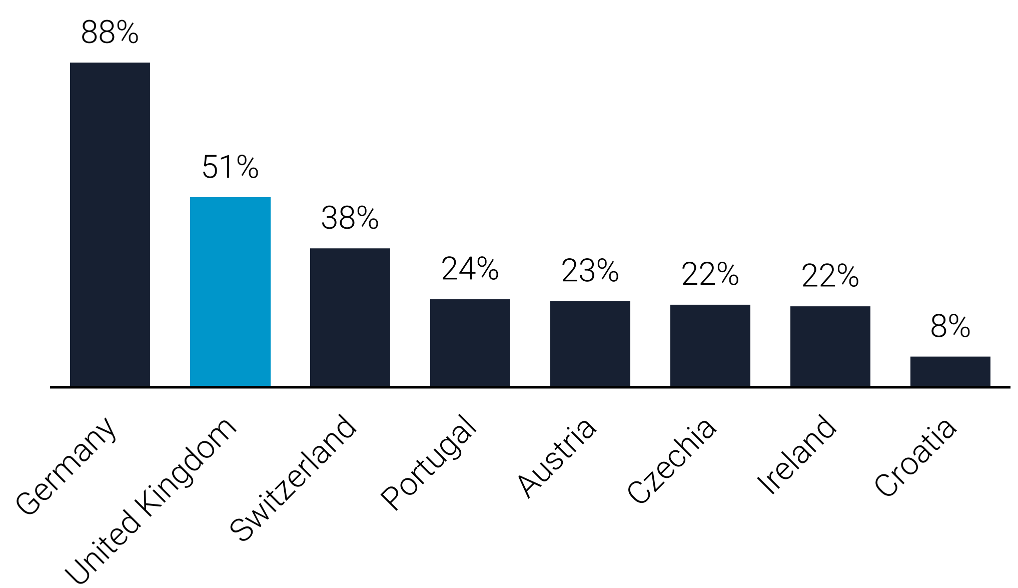
When compared to other countries with similar characteristics, the UK has a strong domestic overnight travel market.

Countries with large domestic populations and relatively high incomes per capita, such as Germany, tend to have high domestic shares of total tourism expenditure. In contrast, smaller countries that attract visitors for their good weather and cultural sites (see Croatia and Portugal) are heavily reliant on inbound tourist spending.

The UK sits slightly above the average of the range. While it has a relatively affluent and dense resident population, the country's high degree of air connectivity pushes up the inbound share of spending.

Domestic spending share of total overnight travel, 2024

% of total overnight visitor spending which is domestic



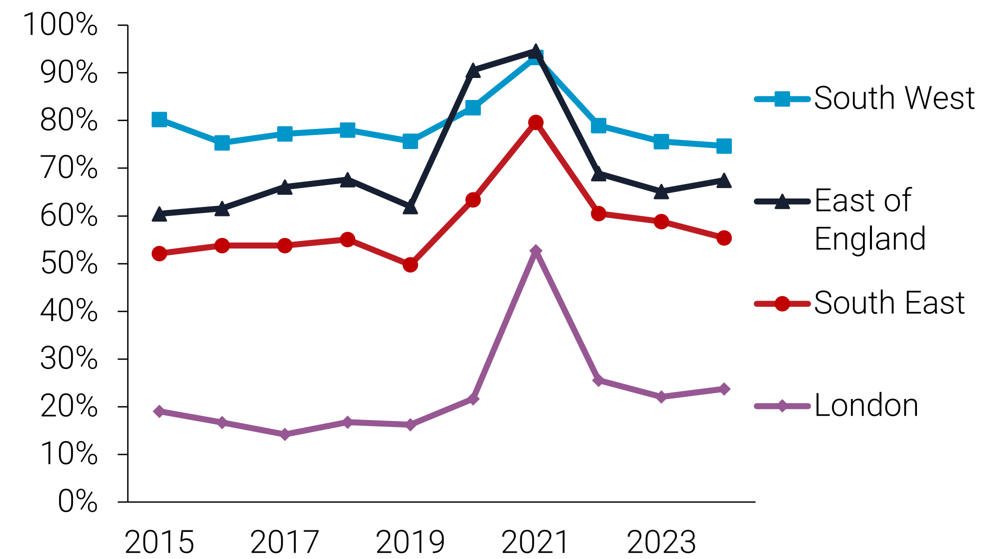
Source: GBTS, National Statistical Agencies, Tourism Economics

Domestic overnight spend is more evenly distributed across regions than international spend.

As an example, three quarters of overnight tourism spend in the South West came from domestic visitors in 2024, compared to a quarter for London. Attracting international visitors can help a region diversify its economy and attract investment from abroad.

Share of overnight tourism spend from domestic travellers, 2015 to 2024

Domestic spend % share of total tourism spend (excluding spend by day visitors)



Source: Great Britain Tourism Survey, International Passenger Survey

Domestic Tourism to the UK

Overnight tourism has struggled in recent years, with real spending decreasing by 9% over 2022 to 2024.

The UK tourism industry is more reliant on domestic activity when compared to most other benchmark countries.

Domestic tourism is less concentrated in London, with 16% of spend from overnight visits happening in the capital, compared to 54% for international arrivals.

International Outlook

International arrivals to the UK are expected to grow at an average rate of 2.8% over the 2024 to 2035 period.

International arrivals of overnight visitors to the UK are expected to increase from 38 million in 2024 to 52 million by 2035.* This suggests a compound annual growth rate (CAGR) of 2.8% over the forecast period. Arrivals from Europe are expected to steadily recover some of the market share they lost during the pandemic.

Over the past ten years, we saw a sharp increase in arrivals from the US fuelled by an appreciating dollar. We expect the US to return to a moderate pace of growth over the next ten years. On the other hand, we expect arrivals from the main source markets in both Western and Southern Europe to grow faster than the US over 2024 to 2030. Their growth is expected to slow down after 2030. Uncertainty associated with global economic and trade developments, as well as geopolitical tensions, represent some downside risk to the travel outlook.

UK international arrivals – overnight visitors

Millions, 2013 to 2035

Source: International Passenger Survey, Tourism Economics

The importance of international tourism to the UK is expected to grow, contributing £38 billion to the UK economy by 2030.

The direct real GDP impact of international tourism spend is expected to rise to £22 billion by 2030. As spending flows through the economy, it is expected to support an additional £16 billion of GDP through indirect (supply-chain) impacts and £14 billion through induced (wage-linked) impact. All impacts are in constant (2024) prices.

In recent years, the industry faced significant challenges in staff shortages and increases in the cost of living.

Industry experts have identified rising costs and staffing issues as major obstacles for tourism growth. Findings from the Tourism Industry Monitor suggest that both tourism businesses and consumers are increasingly burdened by rising expenses, specifically relating to accommodation, business operations, and flights. The UK has also been facing a relatively tight labour market, with staff shortages in sectors such as hospitality, which has struggled to recover since the pandemic.

*Note: Value excludes international day visits, mostly impacting Northern Ireland. Values for Northern Ireland align with 2023 IPS, grown out by the NISRA 2023 to 2024 visits/spend growth for consistency with historical data. Therefore, total UK visitor and spend numbers may not align with those used elsewhere in the report.

1

INTRODUCTION

Image credits: VisitBritain/Alex Zouaghi

Introduction

The travel sector is an integral part of the UK economy.

Visitors generate significant economic benefits to households, businesses, and government alike and represent a critical driver of the UK's future.

By monitoring the visitor economy, policymakers can inform decisions on funding and properly prioritise the sector's development. They can also carefully track its progress over time and better identify future needs.

To quantify the economic significance of the tourism sector in the UK, Tourism Economics has prepared a comprehensive model detailing the far-reaching impacts arising from visitor spending. The results of this study exhibit the scope of the travel sector in terms of direct visitor spending—plus, GDP, jobs, and fiscal (tax) impacts in the broader economy.

As part of this report, Tourism Economics explores the following:

- **International Tourism –** provides context for inbound travel to the UK, examining different source markets and the UK's capture rate, as well as benchmarking industry's recent performance. We also compare the UK's performance with other countries and examine the distribution of international visitors across regions/nations and seasons of the year. Finally, we look at recent trends in the reasons people choose the UK as their destination, and at emerging trends and opportunities.
- **Domestic Tourism –** examines travel by UK residents within the country and across the year. Further, it looks at the recovery of the domestic market from the pandemic. Although this section focuses on domestic travel, it also explores the balance between domestic and international tourism.
- **Economic Impact –** examines the direct and total economic impact of tourism in the UK over 2022 to 2024, including detailed results by region and sector. Key metrics produced include GDP, Jobs, and Taxation.
- **Forecasts to 2035 –** account for macro-economic developments in the UK and abroad to project international visitor activity in the country to 2035, and its potential economic impact. This includes a range of scenarios that capture prevailing macroeconomic and geopolitical risks across the global economy.

2

INTERNATIONAL TOURISM

2. International Tourism

Introduction

This section explores the UK international tourism sector's performance and compares it with that of benchmark countries.

This section provides context for the recent performance of international tourism in the UK. We compare the UK with other countries in terms of visitor spend, volume, and source market mix. Where possible, the group of comparator countries chosen is kept consistent to align with a list developed in consultation with VisitBritain. It includes key European markets (France, Germany, Italy, Spain, the Netherlands and the Republic of Ireland) alongside major competitors from beyond Europe, represented by the United States and Australia.

This chapter is organised into three main sections. First, we explore the composition of international arrivals to the UK in detail. We also examine the UK's share of outbound visits from various countries to Western Europe and compare it to that of France, Italy, and Germany.

Next, we analyse the regional patterns of tourism, focusing on the geographical distribution of international visitors across different areas of the UK, as well as the seasonality of tourism in these regions and nations.

Finally, we investigate recent developments in UK tourism. A panel of tourism experts highlights the primary challenges facing the UK tourism industry and discusses potential opportunities for growth.

Arrivals Growth

In 2024, over 38 million visitors came to the UK from abroad, and stayed for at least one night. This represents 2.6% of the 1.5 billion international overnight visits worldwide.*

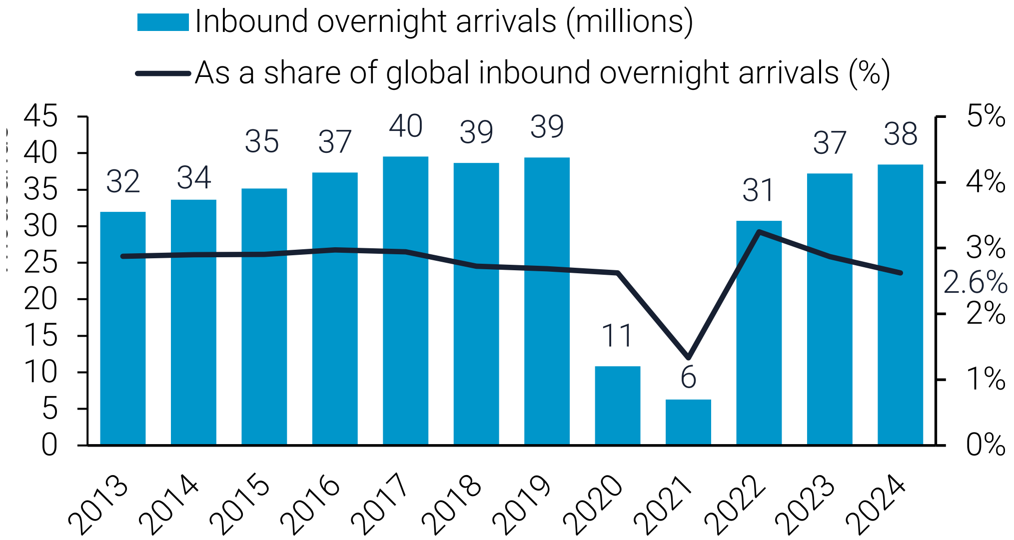
In the UK, the number of international arrivals increased from 32 million in 2013 to a peak of 40 million in 2017. Following this growth, the volume of international tourism remained relatively stable until it was significantly affected by travel restrictions in 2020 and 2021. Since then, the UK has made steady progress in its recovery, with international visitor arrivals reaching over 38 million in 2024.

As of 2024, international overnight visits to the UK have yet to fully recover to 2019 levels, remaining 2.5% below. Arrivals to the UK represent 2.6% of the global international travel volume. This places it broadly in the middle of the comparator countries chosen in terms of size.

Although many countries have surpassed 2019 levels of inbound visitor arrivals, average annual growth since 2019 remains low. The United States, Italy, Germany and Australia are yet to recover to their pre-pandemic levels of international arrivals. Within Europe, Germany's slower recovery in Europe is due to its reliance on business travel, which has been slower to rebound than leisure travel.

Inbound overnight arrivals

Millions of arrivals (left axis) and as a share of global overnight arrivals (right axis)



Source: International Passenger Survey (IPS), Tourism Economics

*Note: values for Northern Ireland align with the 2023 IPS, grown out by the NISRA 2023 to 2024 visits/spend growth for consistency with historical data. Therefore, total UK visitor and spend numbers reported in this section may not align with those used elsewhere in the report.

Key Source Markets

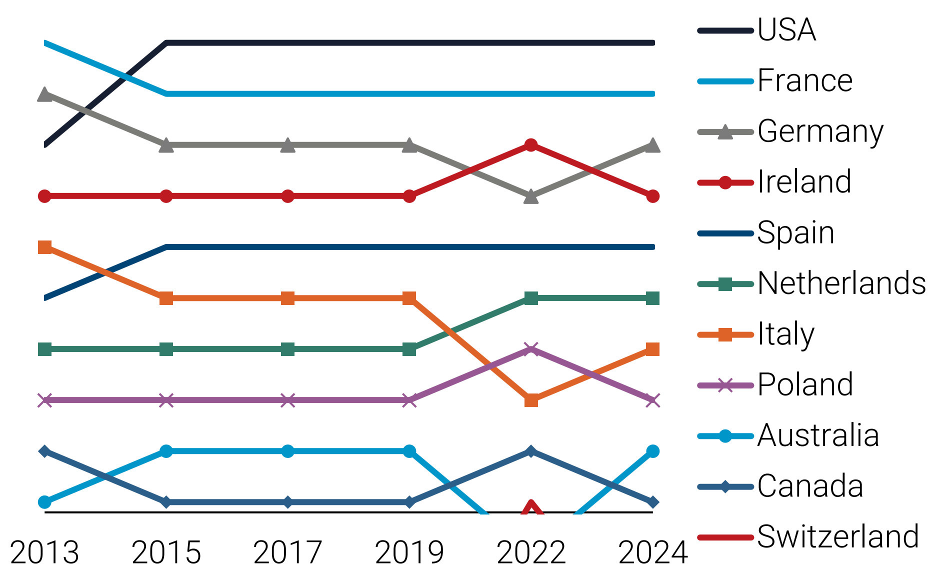
For most of the past ten years, the United States has been the UK's largest single source market.

The graph below shows how the rankings have changed since 2013 (excluding the pandemic years of 2020 and 2021). Over the whole period the top four source markets have consistently been the United States, France, Germany and Republic of Ireland. Briefly in the recovery period, Ireland ranked third, overtaking Germany. France has ranked second for most of the last decade, while Spain has ranked fifth consistently over the same period. Other important markets include Poland, Australia, and Canada.

In recent years, the Netherlands has climbed the rankings, rising from seventh place in 2019 to sixth in 2022 and 2024. On the other hand, Italy's position as a source market has dropped from fifth in 2013 to sixth in 2015 and seventh in 2024. A significant factor driving outbound travel is the growth of household disposable income in the origin market. From 2013 to 2023, real disposable income in the Netherlands increased by 15%, while in Italy, it grew by only 6%*.

Rankings of source markets over time

2013 to 2024



Note: Only odd years are shown up to 2019, and even years from 2022

Source: IPS, Tourism Economics

*Eurostat (July 2025) "The real gross disposable income of households per capita (index = 2008)"

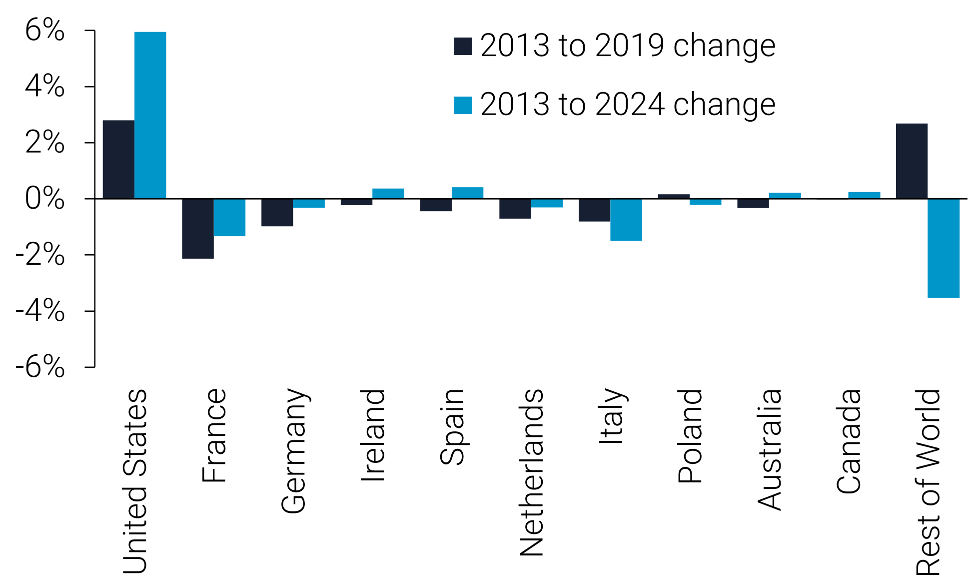
The share of arrivals from many European countries has declined since 2013, in favour of visitors from the United States.

The United States has increased its share of total arrivals to the UK by 5.9 percentage points (ppts) since 2013. During the same period, the significance of key European markets has declined, with a few exceptions. For example, Spain has remained relatively stable, gaining 0.4 ppts in market share from 2013 to 2024. Additionally, Poland and Ireland have also shown stability in their share of international arrivals. Arrivals from Poland were supported by reduced border frictions following its accession to the EU, while arrivals from Ireland benefited from increases in real disposable income.

The recent significant decline in the Rest of the World is driven by the slow return of long-haul tourism from China and Japan after the pandemic; however, this is expected to recover.

Change in source market share of visits relative to 2013

2019 and 2024 percentage point difference from 2013



Note: Chart only considers overnight visits, which constitute the majority of international arrivals.

Source: IPS, Tourism Economics

International Tourism Spending

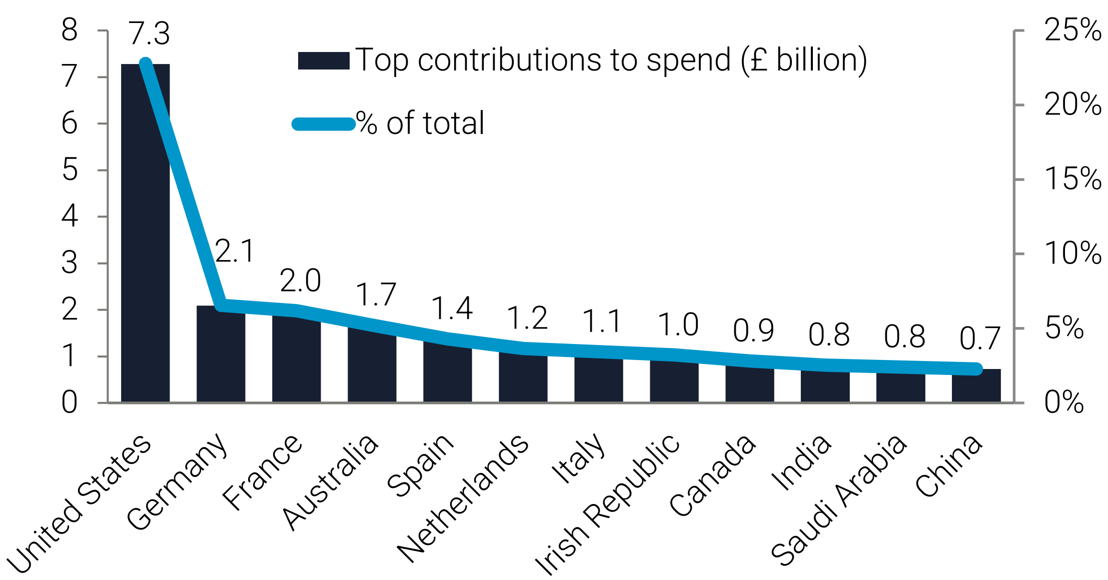
In 2024, spending by international visitors to the UK reached £37 billion, representing 4.4% of UK exports.*

International visitors to the UK spend money on accommodation, transport, retail, food and drinks, amongst other items. Such expenditure is an export, as it brings money in the country from abroad. More than one pound in five of total visitor spending is accounted for by visitors from the United States. This is more than three times the share of any other individual country. The £7.3 billion brought into the economy by visitors from the United States is equivalent to the sum of the next four countries in the ranking (Germany, France, Australia and Spain).

The top ten source markets in spending importance accounted for 61% of total spending in 2024.

Volume and share of total inbound spending by source market, 2024

£ billions, 2024 prices / %



Source: IPS, Tourism Economics

Over the last two decades, the United States has been a crucial source market for UK tourism, accounting for a notable share of total inbound spending. Other key markets over this period have included major Western European economies such as France and Germany, as well as Ireland and Australia. Over the previous decade, the UK has become more reliant on North America as a source market and less reliant on Western Europe.

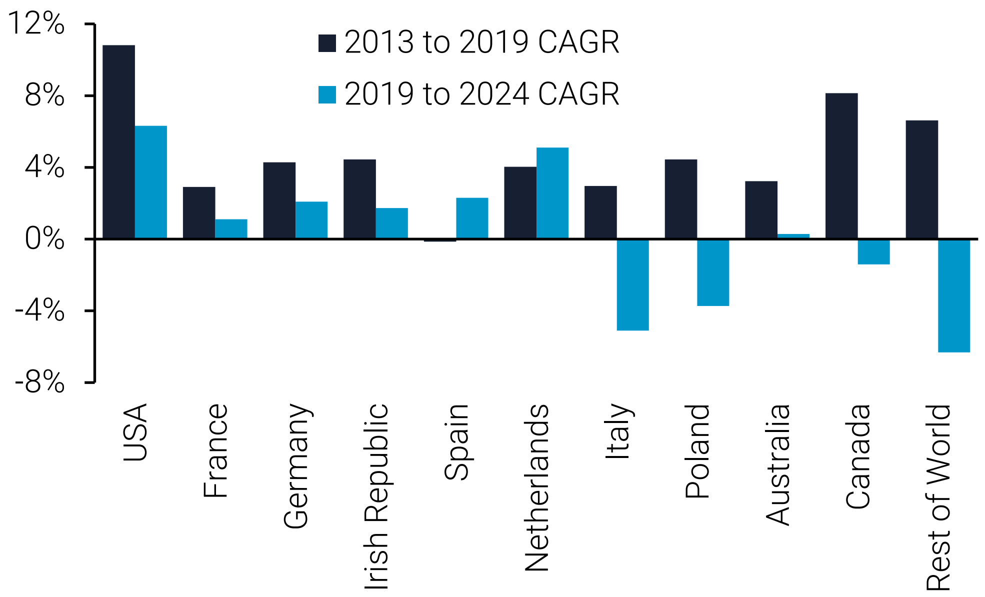
*£37 billion includes £32.5 billion of in-destination spend and an estimated £4.7 billion for inbound flight costs.

Changes in spending by source market follow a similar pattern to visits, with US spending growing 10.8% annually between 2013 and 2019, and 6.3% in the subsequent years in real terms. Spending from Italy has fallen since 2019, at an annual rate of decline of -5.1%. This is likely driven by slow growth in disposable income in Italy, and hence Italian tourists becoming more price conscious in recent years.**

The Netherlands has seen stronger spending growth in the later period despite the intervening pandemic years. Note that the steep decline in Rest of the World since 2019 is heavily impacted by the slow return of Chinese and some other Asian tourists.

Annual change in inbound spending, 2013 to 2019 and 2019 to 2024

Real Compound Annual Growth Rate (CAGR), %



Source: IPS, Tourism Economics

**Based on research carried out by the European Trade Union Confederation and Piepoli Institute

Other source markets, such as members of the Gulf Cooperation Council (GCC), Indonesia and China, are also important due to their high levels of spend per night. Some of these key markets have been slow to recover since the pandemic but should be target markets for the UK entering into the second half of the 2020s.

Global Tourism Market Share Analysis

The UK attracts a large share of international arrivals to Western Europe coming from the Middle East, North America and Australia.

A large share of North American outbound travellers visiting Western Europe choose the UK. For the US, the UK is the third most visited destination behind Mexico and Canada and ahead of France. Almost 16% of U.S. residents who travel to Western Europe choose to visit the UK. For Canada, the UK is the third-largest European destination, behind France and Italy, and ranks sixth overall. The UK captures 14.7% of all visits from Canada to Western Europe.

The UK ranks tenth as a destination for Germans, who prefer proximate locations such as France, Austria, and Italy, as well as Mediterranean destinations such as Spain, Turkey, and Greece. Among French travellers, the UK ranks as the third most popular destination, behind Spain and Italy, and ahead of Morocco and Greece. For Italians, France and Spain are the top destinations, with the UK coming in fourth place, just behind Greece.

China's top destinations are within Asia, with Japan, Thailand, South Korea, Vietnam, and Malaysia leading the rankings. The UK ranked nineteenth, behind the US, which was the top destination outside Asia, and France, which was the top European destination. For Australians, the UK was the third most popular destination country behind Indonesia and New Zealand. In terms of Western European market capture, the UK secured 9.2% and 22.0% of Chinese and Australian visits, respectively.

The UK captures a high share of Middle Eastern visits, which is important given their tourists have a high spend per visit. Although top destinations for Middle Eastern countries tend to be regional, the UK is the fourth most popular destination for Qataris overall, capturing 49.5% of all Western European visits (although historically this has fluctuated quite sharply). For Emirati and Saudi visitors, the UK captures 27.7% of their travel, which is notably higher compared to other major global source markets. The UK is the top European destination for Emiratis and ranks second for Saudis, following Turkey.

Overall, the UK appears to be losing ground in traditional short-haul markets, while maintaining its position in long-haul segments. The UK's share of short-haul travel within Western Europe has remained broadly flat since 2019, while France improved its position (+1.7 ppts). In contrast, the UK's share of global long-haul travel to Western Europe has held steady at 14.7%, while France and Germany have seen declines (-1.3 ppts and -1.7 ppts, respectively). Notably, emerging destinations such as the UAE are gaining share in the long-haul markets, increasing competitive pressure.

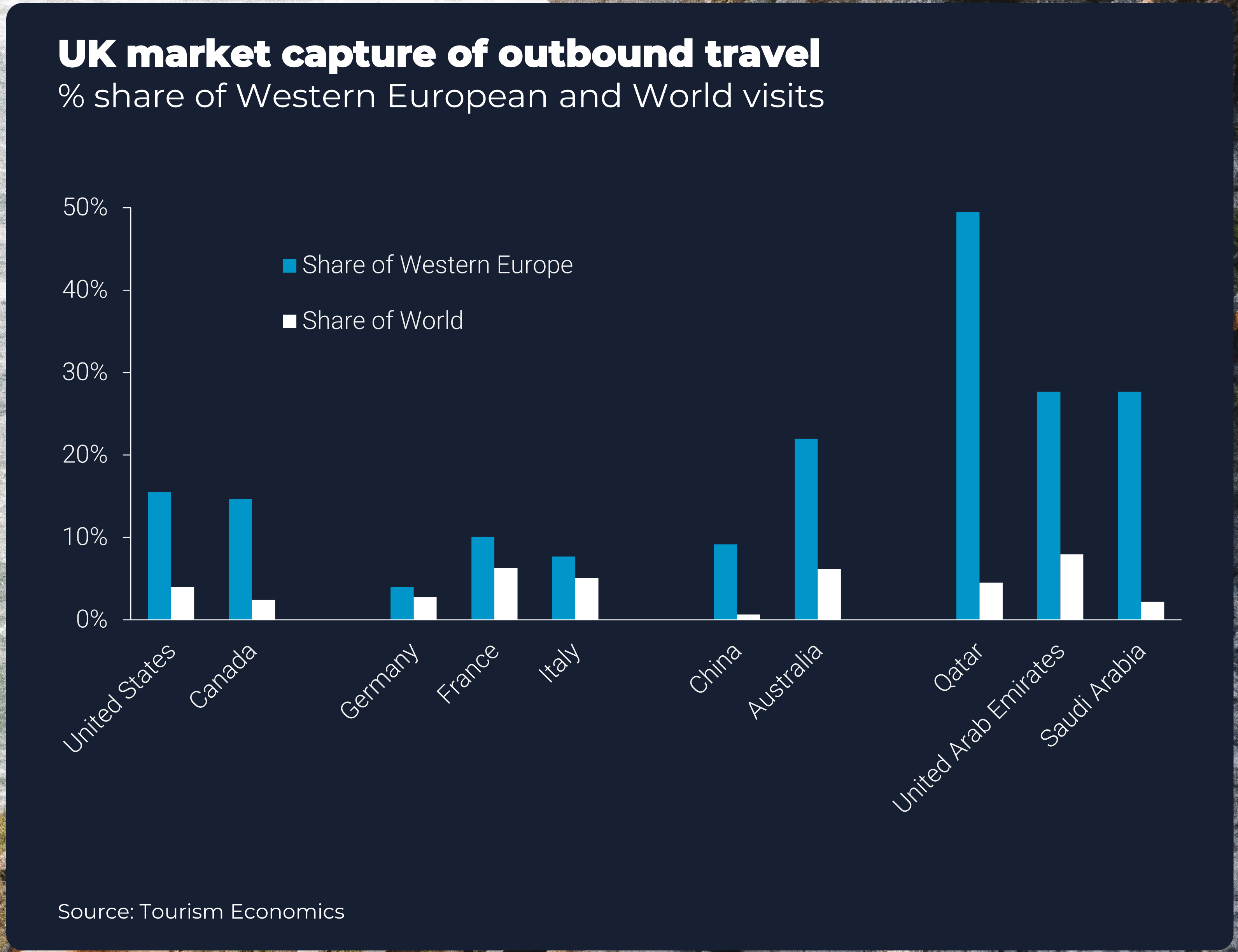


Image credits: VisitBritain/@themissmarple

Western Europe Tourism Market

In Western Europe, the UK is forecast to lose market share from some of its traditional source markets such as the US and France. Keeping these visitors, or replacing them, presents an important challenge for the UK tourism industry.

This section examines arrivals to Western Europe from the UK's top 20 source markets and Saudi Arabia. This analysis looks at shares of arrivals only. It is worth noting that a decline in % share does not necessarily mean a declining value, as the overall arrivals from a country could be increasing by more than the loss in market share.

The UK was the top destination for US travellers bound for Western Europe in 2024, at 16% of arrivals. This is an important source market for the UK, being a large and high-income country. France is also popular with US travellers, receiving 14% of arrivals to the region, while Germany and Italy received 9% and 10%, respectively. Nevertheless, the UK is expected to experience a 2.2 percentage points (ppts) decline in its market share of US arrivals from 2024 to 2035. France and Germany are also expected to see a decline or stagnation. Out of the four, only Italy is expected to see an increase in its market share of US arrivals, which is forecast to grow by 3.5 ppts by 2035.

The UK is a popular destination for Irish tourists to Western Europe, capturing 31% of arrivals to the region. This is significantly higher than the share of France (10%), Italy (7%) and Germany (3%), due to the geographical proximity and cultural ties between the two countries. Despite an expected decline, Ireland will remain an essential market for the UK.

Similar geographical and cultural ties drive Belgian tourists to France, with the latter capturing 40% of Belgian trips to Western Europe, compared to the UK's 4%.

France is a popular end destination for visitors from China to Western Europe, welcoming 19% of arrivals. This share is similar to that of Germany, but higher than the UK's 9%. Attracting more arrivals from this growing source market has the potential to pay high dividends for the UK tourism industry. Current trends indicate that the UK is likely to lose market share to China, while France is expected to become a more popular destination for Chinese tourists.

The UK has a significant lead in arrivals from Middle Eastern countries, attracting 28% of arrivals from the UAE and Saudi Arabia. Over the next ten years, the UK is expected to gain 10.3 ppts in its arrivals market share from the UAE, whilst its market share of arrivals from Saudi Arabia is expected to decline by 4.3 ppts.

Share of arrivals into Western Europe by source market in 2024

Share of arrivals into Western Europe (%) and expected change to 2035 (percentage points)

Europe Destination →	United Kingdom		France		Germany		Italy	
Origin ↓	Share 2024	Direction 2035	Share 2024	Direction 2035	Share 2024	Direction 2035	Share 2024	Direction 2035
United States	16%	-2.2%	14%	-0.3%	9%	0.0%	10%	3.5%
France	10%	-1.8%	0%	N/A	5%	-0.5%	18%	1.2%
Germany	4%	-0.8%	19%	-2.8%	0%	N/A	12%	3.9%
Ireland	31%	-2.3%	10%	-0.2%	3%	0.0%	7%	-0.9%
Spain	12%	-0.8%	35%	-3.3%	5%	0.7%	21%	-2.7%
Italy	8%	0.8%	35%	-3.0%	7%	0.5%	0%	N/A
Netherlands	6%	-0.1%	24%	-0.5%	17%	-1.2%	8%	-0.7%
Poland	11%	1.4%	7%	0.7%	11%	-2.3%	16%	-1.9%
Australia	22%	-4.2%	14%	-1.9%	6%	-0.1%	11%	9.1%
Belgium	4%	0.3%	44%	-3.2%	7%	0.1%	7%	-0.5%
Romania	12%	3.2%	10%	-2.9%	7%	-1.9%	18%	-0.3%
China	9%	-1.8%	19%	4.4%	16%	-2.3%	3%	0.2%
Switzerland	4%	-0.3%	38%	-6.9%	16%	-1.6%	13%	4.1%
Canada	15%	0.9%	19%	-0.5%	5%	0.7%	15%	-1.2%
Sweden	7%	-0.4%	7%	0.4%	9%	-1.2%	6%	-1.6%
India	22%	-0.6%	25%	-8.0%	10%	1.3%	8%	0.9%
Denmark	6%	-0.6%	4%	1.4%	14%	0.0%	5%	2.5%
Norway	9%	-2.5%	3%	-1.1%	5%	-0.9%	3%	0.6%
Portugal	9%	0.9%	21%	-0.3%	3%	0.2%	11%	-4.0%
United Arab Emirates	28%	10.3%	20%	-1.7%	0%	N/A	16%	-4.6%
Saudi Arabia	28%	-4.3%	10%	0.2%	0%	0.0%	24%	-6.2%

Source: Tourism Economics

The UK is expected to gain market share in arrivals from the **UAE**, but may lose market share from traditional source markets like the **US** and **Ireland.**

Benchmarking UK Performance

The UK growth in inbound arrivals since 2013 has averaged 2% a year, a higher rate than France or Germany.

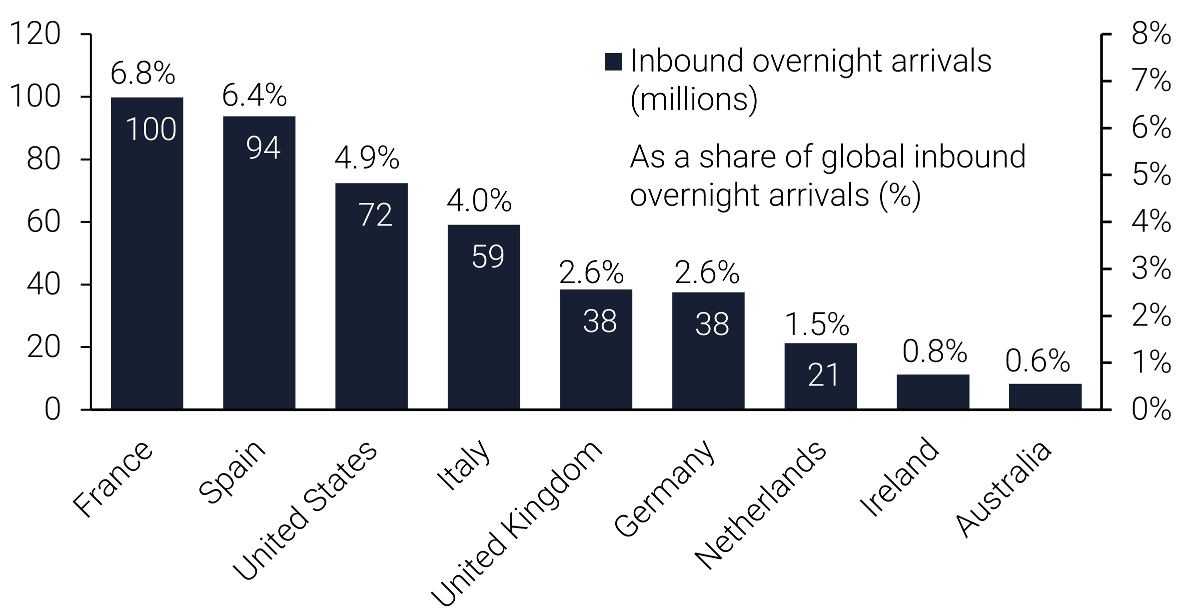
The comparators chosen represent thirty percent of global international tourism arrivals. Most of them are in Europe, located near other countries with relatively high disposable incomes, a large middle class and affordable flight connections – all of which contribute to a healthy international tourism market.

France and Spain typically compete for the top place in attracting the most tourists from abroad. Collectively, these two countries make up over 13% of international tourism arrivals globally, welcoming 100 million and 94 million visitors respectively in 2024. Both countries offer different options for leisure travel compared to the UK, benefiting from a drier and sunnier climate year-round.

Meanwhile, the UK competes in other areas of the travel market, such as culture, activities, and events. The size of the UK's inbound tourism is slightly larger than Germany's but smaller than Italy's, and almost twice that of the Netherlands.

Inbound overnight arrivals, 2024

Millions of arrivals (left axis) and as a share of global overnight arrivals (right axis)



Source: Tourism Economics

Demand Patterns for the UK's regions & nations

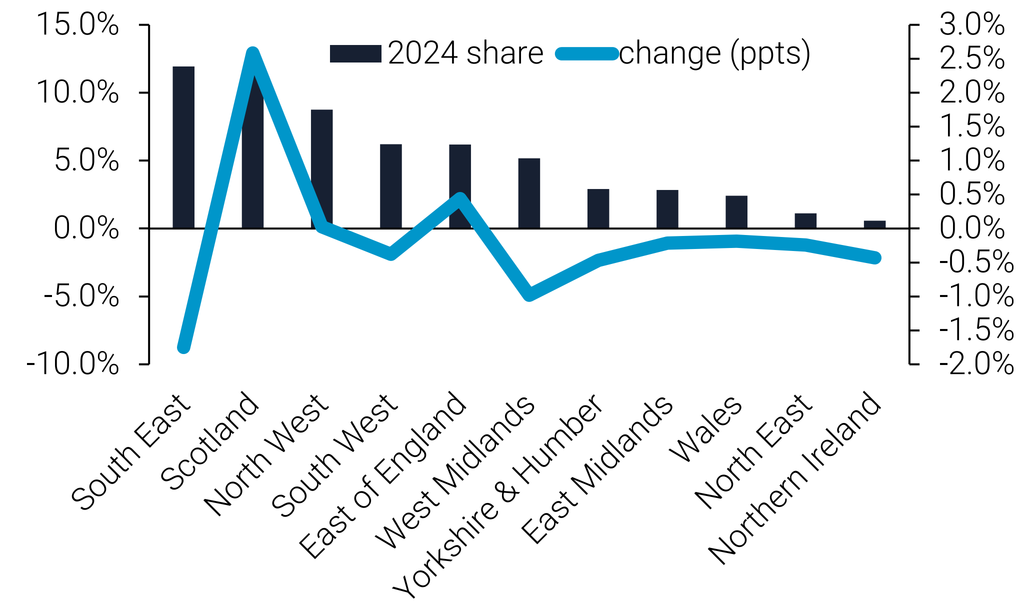
International tourism is concentrated in London, visited by 54% of overseas visits in 2024.

Outside London, the South East, Scotland and the North West also attract a significant share of trips from overseas, supported by solid airport infrastructure (see page 28 for more detail). Out of these regions & nations, Scotland has seen a significant growth in the share of overnight international visitors it attracts, rising from 8.8% in 2019 to 11.4% in 2024. London (not shown) has maintained its dominance over 2019-24, losing a small part of its overnight visits market share (0.6 ppts).

It is worth noting here that London's share of holiday trips is even higher than the total shown above. This is because Visiting Friends or Relatives (VFR) drives visits to many regions outside the capital.

Inbound overnight arrivals by UK region/nation, 2024

Share of UK arrivals (left axis) and percentage difference from 2019 (right axis)



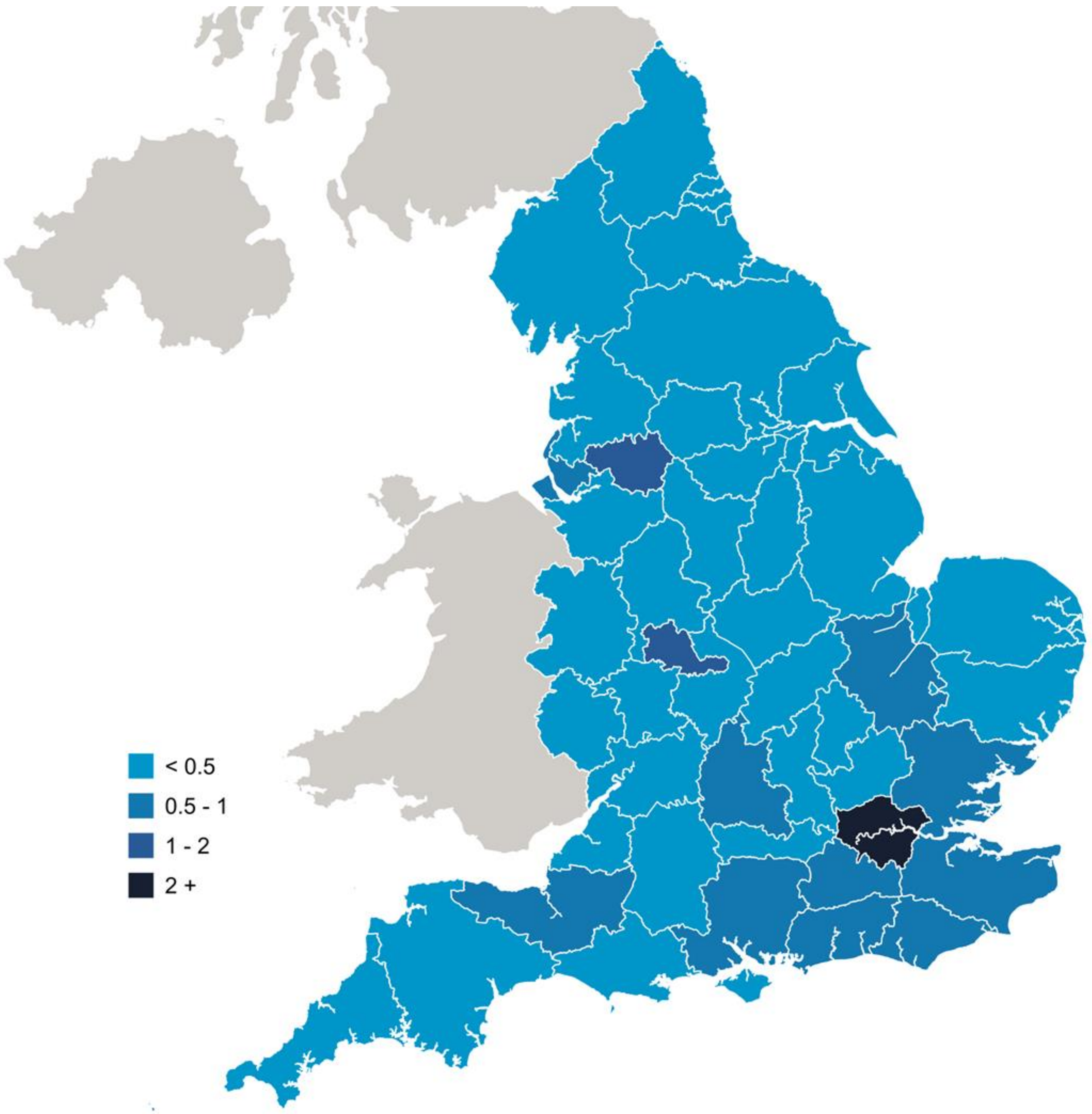
Source: International Passenger Survey, Tourism Economics

Note: London is excluded from the chart above for visualisation purposes, as its large share would distort the chart.

The map in the next page shows a more detailed distribution of international arrivals by English county.

International visits in 2024, by England county

Millions of visits



Source: IPS, Tourism Economics
Note: The IPS measures where people stay overnight, hence the locations of day trips are not recorded.

International Visits by County

Greater London absorbs a large share of international visitor spend, while rural counties in England struggle to attract international visitors.

International tourism to England is highly concentrated in the Southeast, with London as the main destination. In 2024, London attracted nearly 21 million international visitors, accounting for approximately 51% of all inbound travel to the UK and 61% of inbound travel to England.

This concentration is higher than other large cities in Europe, compared to Paris at 20%, Barcelona at 13%, and Rome at 10%. The influx is driven by London's famous attractions, cultural landmarks, and world-class shopping in the capital. Additionally, London's extensive airport infrastructure—including Heathrow, Gatwick, and Stansted—makes it one of the busiest and most well-connected cities globally, facilitating easier access for international tourists.

The surrounding counties, including Kent, Essex, and East Sussex, benefit from their proximity to London and access to the countryside and coastlines. Beyond the South East, Greater Manchester accounts for approximately 5% of international visits, supported by its vibrant cultural scene, sporting events, and growing conference tourism. Similarly, West Midlands County, home to Birmingham, draws around 4% of inbound arrivals, supported by its diverse communities and increasing recognition as a destination for business and leisure.

London attracted **51%** of international visitors to the UK in 2024.

Seasonality in International Travel

When compared to other European countries, the UK has relatively low seasonality but high regional concentration of inbound tourism.

The Mediterranean countries showed the highest degree of seasonality, relative to wider European travel. In particular, Croatia, Greece, Montenegro, and Bulgaria welcomed approximately 45% to 60% of their visitors between July and September in 2024. In contrast, the UK saw a smaller seasonal variation, with the numbers of visitors during the summer quarter being only 29% of the total for the year. This is similar to the levels seen in Finland, Romania, and Slovakia.

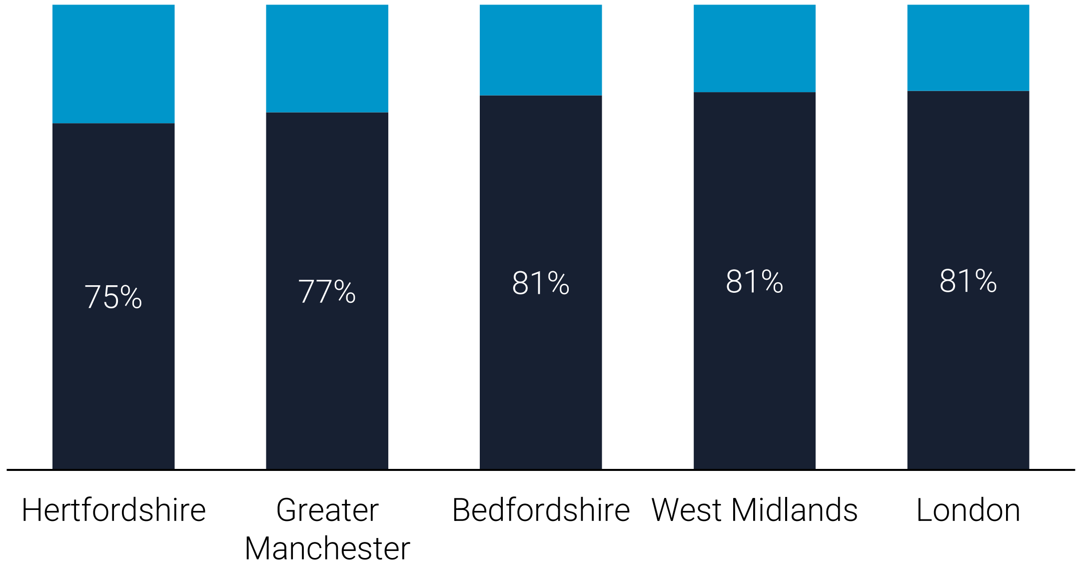
The lowest seasonality is seen in larger towns and cities where tourism activities are less weather dependent.

Tourism in the UK exhibits a high degree of regional variation, both in terms of tourist composition and seasonality. Cities with fewer weather-dependent activities tend to exhibit less seasonality than coastal areas and tend to attract more international visitors.

In London and the West Midlands (Birmingham), the number of inbound visitors during the least busy quarter was 81% of their busiest quarter. Slightly lower percentages were also seen in Bedfordshire, Greater Manchester, and Hertfordshire, just outside the capital.

Counties with lowest variation in terms of visits

Lowest quarter relative to highest quarter (%), 2023 to 2024 average



Source: IPS, Tourism Economics

Note: Values are based on IPS towns data for 2023 and 2024.

Based on a reduced list of counties due to small sample sizes.

Areas where tourism activities are more weather dependent tend to see higher amounts of seasonality.

International visitors during the winter months in Cornwall were just 11% of their peak quarter during the summer. Similar patterns were also seen in Cumbria and Herefordshire which also rely heavily on outdoor activities, less attractive during the winter.

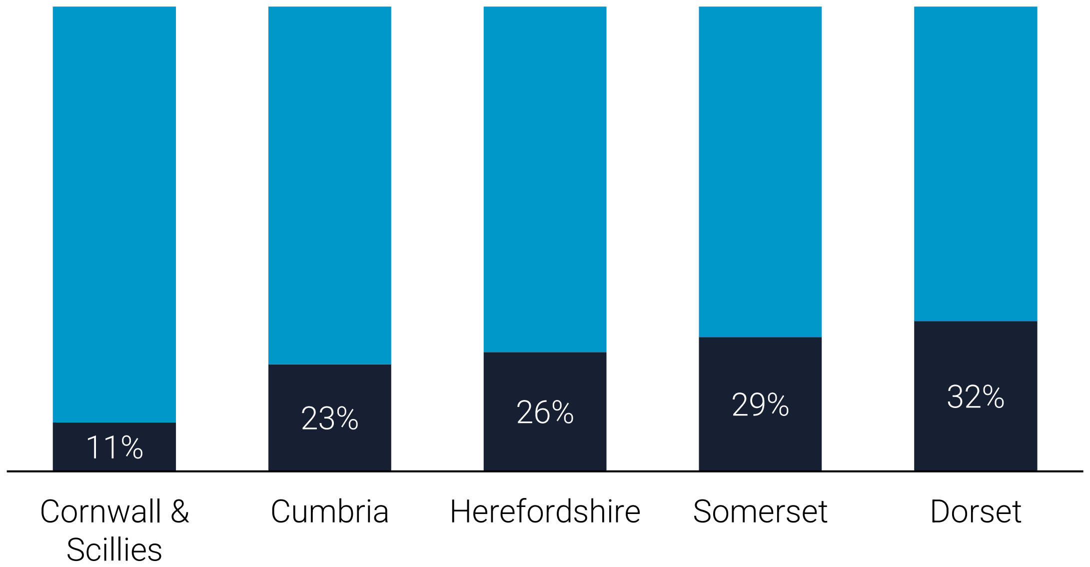
Somerset, which depends on outdoor tourism attractions like Exmoor National Park, experiences considerable seasonality. This trend suggests that rural destinations focused on outdoor activities tend to see greater variations in visitor numbers between peak and low seasons. To help extend the tourism season in these areas, introducing festivals or other attractions that are less reliant on good weather could significantly boost local tourism earnings.

Increasing international visitation to highly seasonal rural/coastal destinations remains challenging. Many of these areas lack the infrastructure and year-round services needed to support larger visitor numbers outside the peak season. Additionally, they are often limited by the seasonal nature of their hospitality employment.

Supporting initiatives that promote off-season tourism can therefore have an outsized impact on areas outside London. This is especially true for rural areas, where tourism remains heavily concentrated in the summer months.

Counties with highest variation in terms of visits

Lowest quarter relative to highest quarter (%), 2023 to 2024 average



Source: IPS, Tourism Economics

Note: Values are based on IPS towns data for 2023 and 2024.

Based on a reduced list of counties due to small sample sizes.

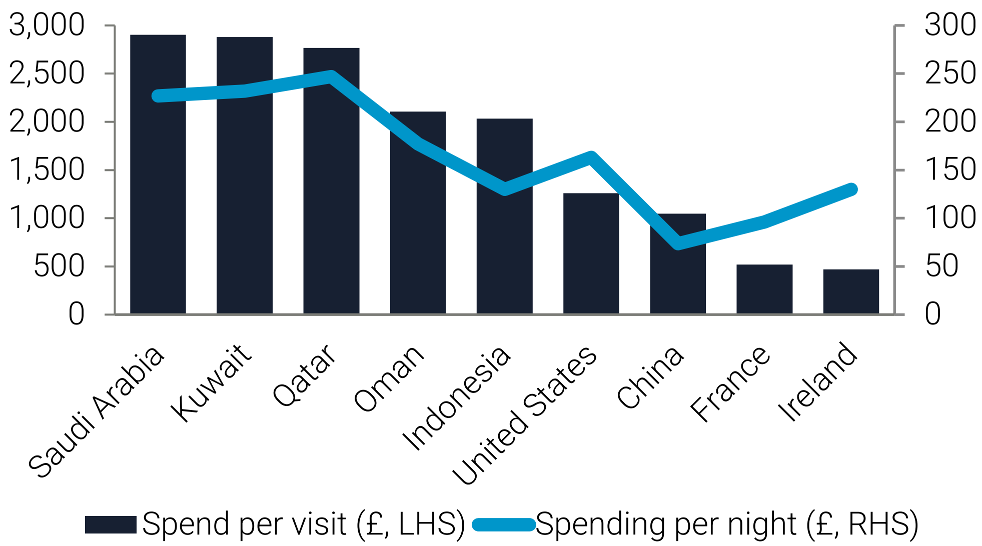
Spend Per Visit

Visitors from the Middle East tend to spend among the highest amounts during their visits to the UK.

Saudi Arabia and Qatar top the rankings for spend per visitor and for spend per day, respectively. Typical spend per visit for these countries and for Kuwait is around £2,900. Visitors from the main European source markets (such as those from France and Ireland) tend to spend less per day and stay for a shorter period of time. Part of the reason for shorter stays is distance to the UK, making it easy to come for short breaks. Further, medium and long-haul travel is a luxury good, which a small proportion of the population of most countries can afford. This means that those that do make these longer trips can typically afford to spend more on a per day basis.

Spending per visit and per night

Selected countries in 2024, £



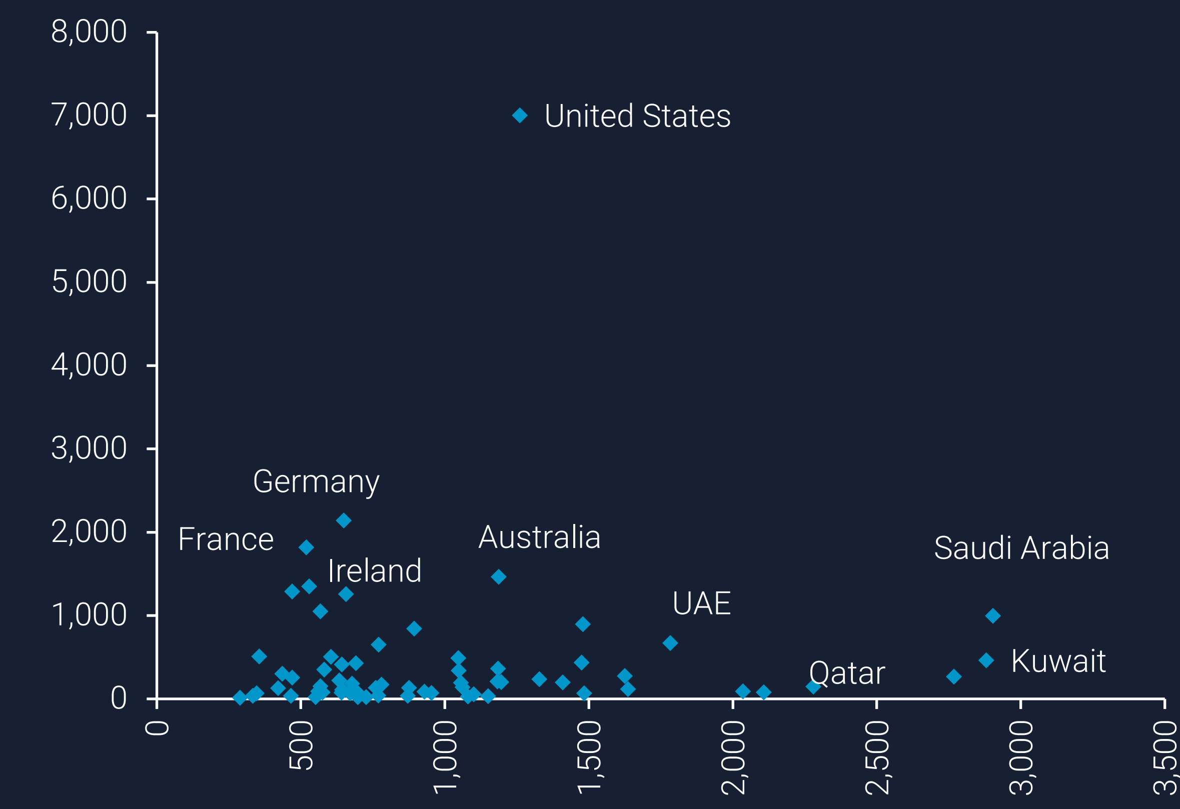
Source: Tourism Economics

Although some of Britain's key source markets have relatively high spend per visit and per day—such as the United States—Britain will be missing out if it does not take full advantage of those countries with very high spend per visitor. These include a variety of GCC states, alongside Indonesia and China.

In the long term, the spend per night for international visitors has been quite stable in real terms, at around £100 in 2024 prices. Total spend per visit has varied more, depending on the average length of stay of international arrivals. Between 2013 and 2024, spend per night decreased by 9% in real terms, while spend per visit decreased by 14%. This change partly reflects larger tourist volumes, as well as a strong recovery of VFR tourism following the pandemic, which generally has a low average spend.

2024 total spending and spend per visit

£ per visit (x-axis), £ million (y-axis)



Source: Tourism Economics

Image credits: VisitBritain/Zut Media

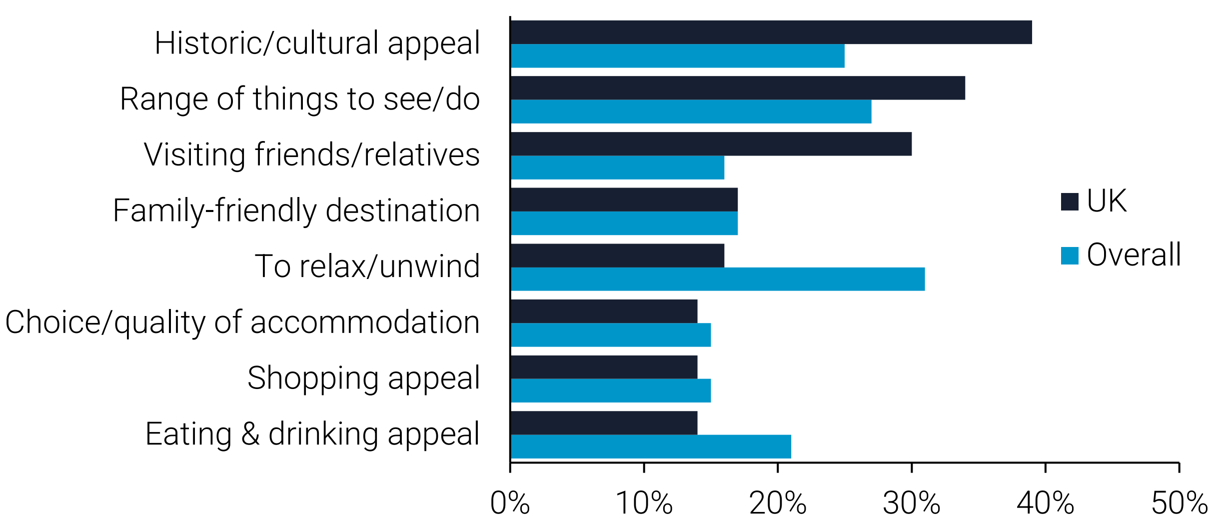
International Travel Trends

International visitors are likely to travel to the UK for its historical and cultural appeal and to visit friends and family.

The latest Tourism Economics' Travel Trends Survey, based on insights from over 4,000 consumers across eight major outbound markets, underscores the UK's strong appeal as a travel destination. Among respondents from the seven international markets interviewed,* 39% who visited the UK in the past year cited its rich history and culture as the main reason for visiting the country. This percentage is significantly higher than that of travellers who cited the same reason for choosing any other international destination.

On the other hand, tourists are less likely to come to the UK to relax/unwind when compared to other destinations. This suggests that the UK is perceived as a more activity-driven destination rather than a place for relaxation, with 34% of respondents highlighting the country's diverse range of attractions and activities as a key benefit, higher than the overall average of 27%.

Top 8 reasons international travellers visit the UK



Q: What were the main reasons for visiting the United Kingdom?
Source: Tourism Economics, n=132

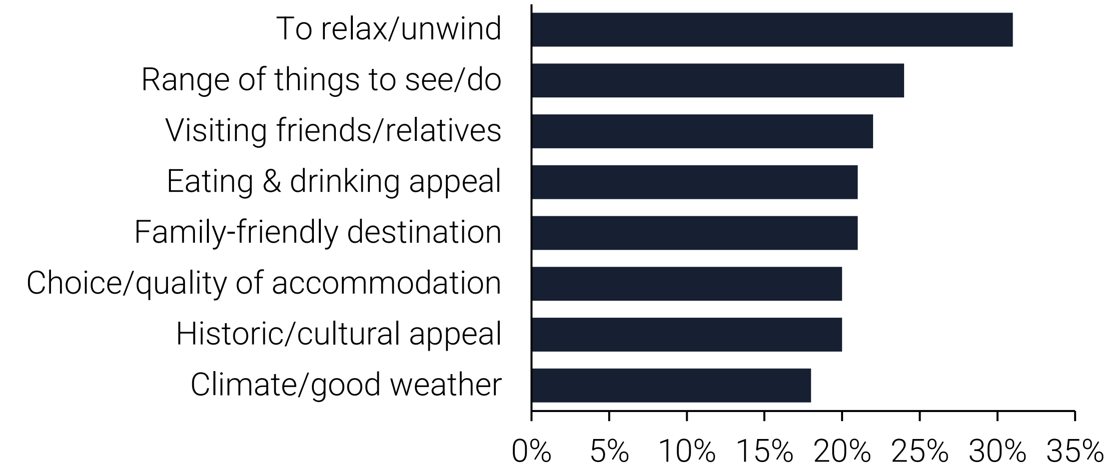
* France, Germany, Italy, Canada, United States, Australia, China

Domestic Travel in the UK

Domestic overnight visits are shorter than international trips and carried out primarily to relax/unwind.

Among British respondents who travelled domestically in the past year, the primary motivation was to relax and unwind, while approximately a quarter cited the range of things to see and do as a key reason.

Top 8 reasons domestic travellers visit the UK

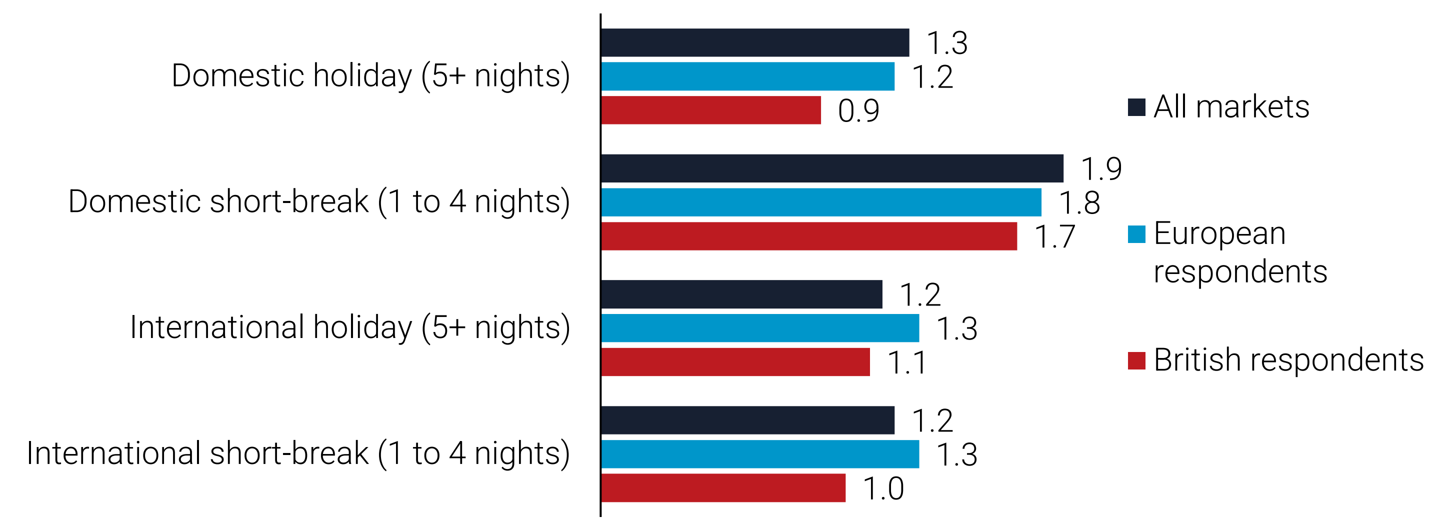


Q: Thinking of your last domestic overnight trip, what were the main reasons for visiting this destination?
Source: Tourism Economics, n=454

British respondents take domestic short breaks (trips of one to four nights) more frequently than international short-breaks, or holidays (five nights or more). On average, British respondents revealed taking 1.7 domestic short breaks last year compared to 1.1 international short breaks and 1.0 international holidays.

The findings also highlight a reluctance among British travellers to extend their domestic trips, when compared to other surveyed markets. British respondents take an average of 0.9 domestic holidays, lower than the overall average of 1.3 and the European average of 1.2 domestic holidays. The findings also show that British respondents generally travel slightly less than other key tourist markets across all trip categories.

Average number of leisure trips taken in the last 12 months

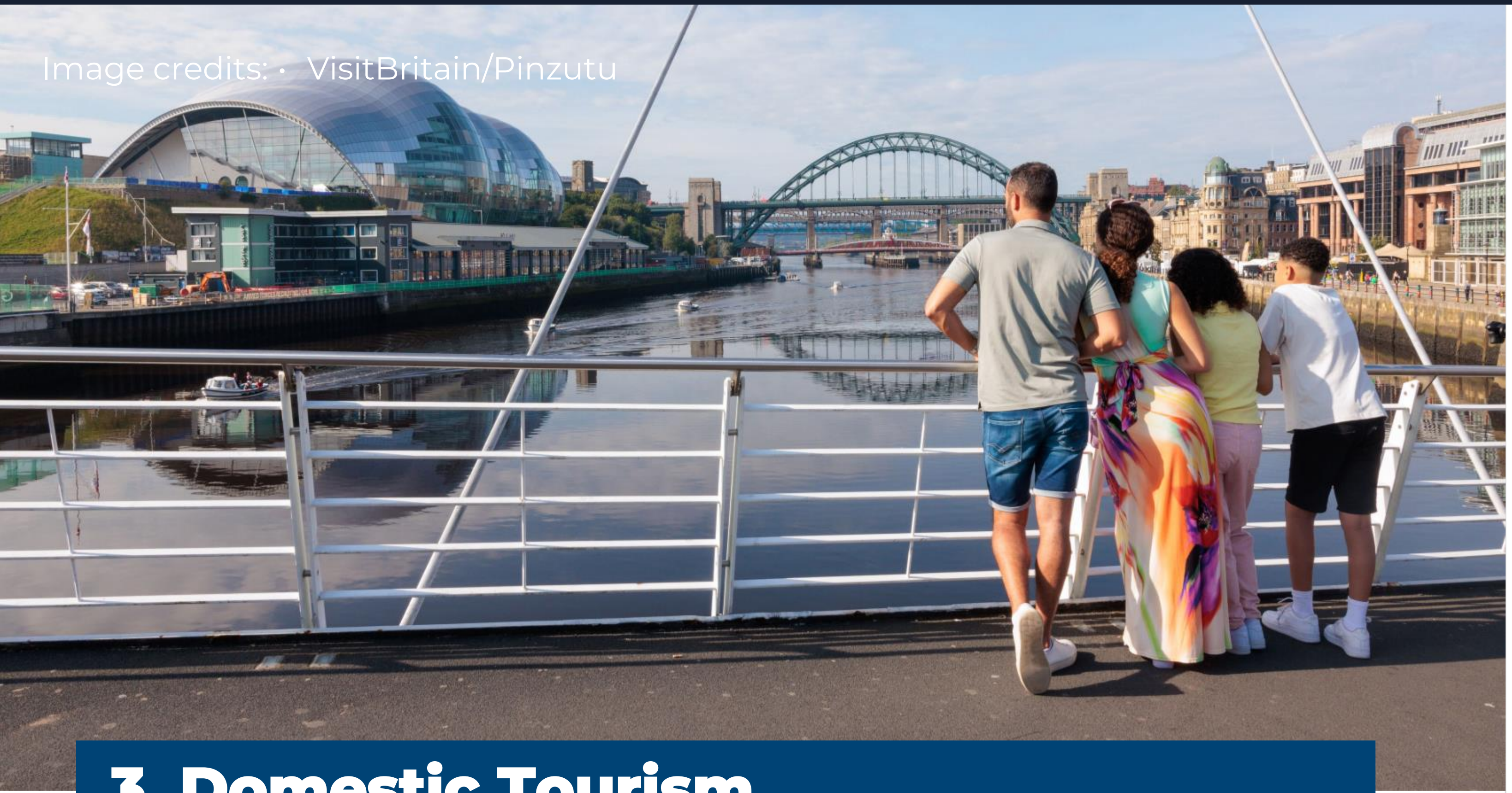


Q: How many of the following leisure trips, including trips to see family and friends, have you undertaken in the last 12 months?
Source: Tourism Economics, n=454

3

DOMESTIC TOURISM

Image credits: The Bay Hotel 2024



3. Domestic Tourism

Introduction

This section examines the UK domestic tourism market in detail. It uses the Great Britain Tourism Survey (GBTS), among other available data, to look at the following aspects in detail:

- **Visitor Volumes -** looks at the evolution of domestic tourism over the recent past. While we focus on overnight visitors, we also examine tourism day trips.
- **Pandemic & Recovery -** examines the impact of the pandemic on the domestic travel market. This section also examines the implications of a methodological break between 2019 and 2022 in the GBTS and assesses the industry's recovery to pre-pandemic levels.
- **Regional trends -** examines the distribution of domestic overnight visitors across the nations, regions and counties in the UK.
- **Seasonality -** draws on granular geographic data on the seasonal distribution of domestic overnight tourism.

The analysis focuses on 2024 but also refers to recent developments and trends. Although this section focuses on domestic travel, it also examines the balance between domestic and international visits.

Visitor Volumes

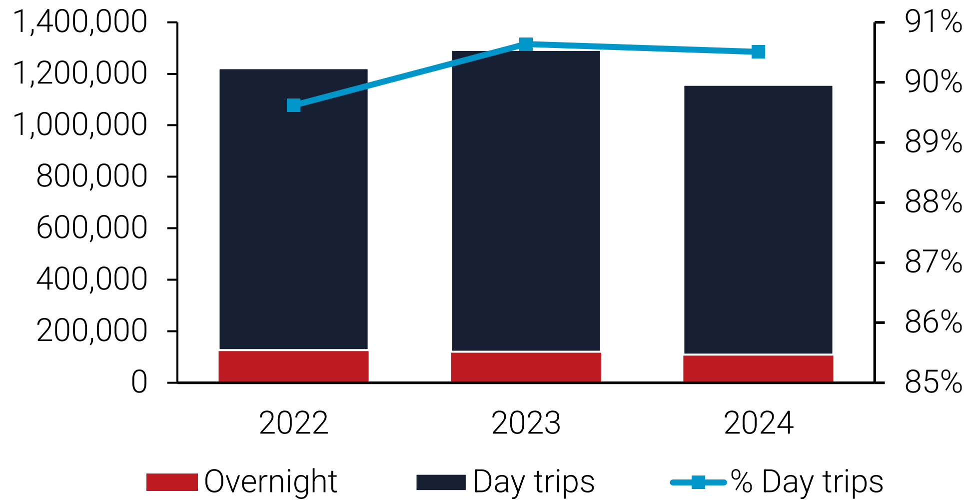
Domestic visits, both day and overnight, are a large contributor to tourism in the UK.

In 2024, a total of nearly 1.2 billion domestic visits were recorded, with 91% of these being day visits. This represents an 11% decrease from 2023, as UK residents continued to substitute domestic travel for international trips following the reopening after the pandemic, and the availability of affordable air fares.

The large number of domestic day and overnight visits underscores the importance of the domestic market to the UK's tourism sector. Given the decline in 2024, enticing previous visitors to return to domestic travel could support significant growth in the UK tourism sector.

Domestic overnights and day visits, and domestic share of day visits

Left axis: thousands of visits; Right axis: % share



Source: GBTS, Tourism Economics

Fewer than one in ten domestic trips are overnight stays, with the rest being day visits.

The Pandemic and the Subsequent Recovery

Metrics on transport usage indicate that domestic day tourism in the UK recovered to its pre-pandemic level by 2023 and 2024.

We estimate that day trip visitor activity neared its 2019 levels by 2024, even as the wider domestic tourism industry faced ongoing challenges and weaker recovery. However, the extent of the recovery cannot be directly measured in this report due to a methodological break in the official domestic tourism surveys between 2019 and 2022. This break primarily impacts estimates related to domestic day visits. To address this issue, we utilise a range of metrics that provide insights into domestic overnight and day tourism activity across the UK since 2019. Specifically:

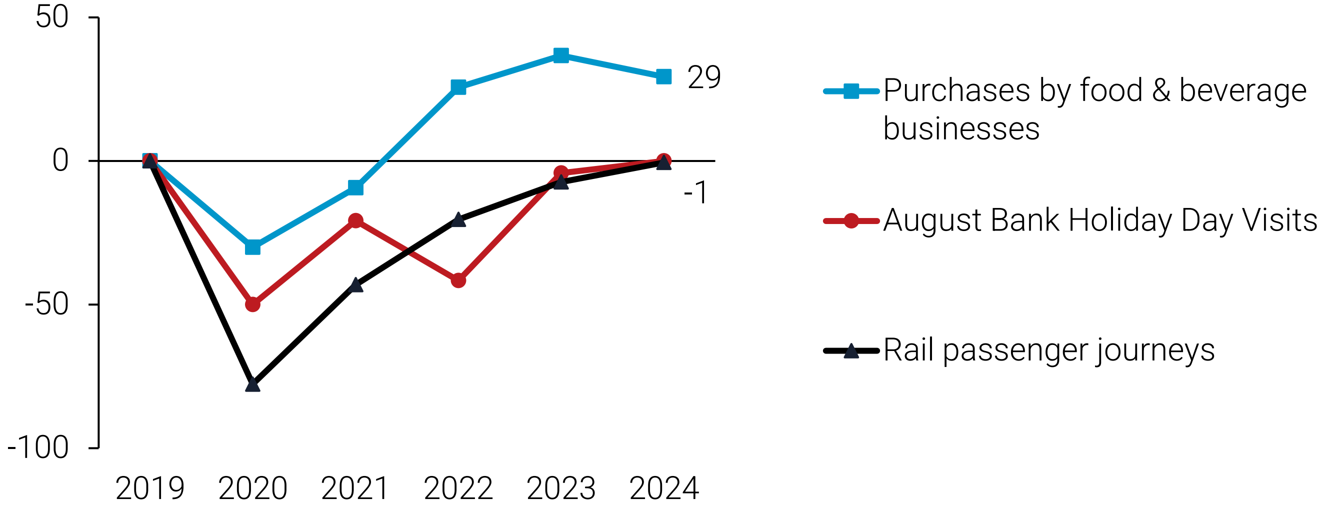
- **Domestic Bank Holiday Trip Tracker** provides an uninterrupted time series of England residents' intent to travel on August bank holidays since 2013, a good indicator of domestic tourism activity.
- **Passenger rail usage** is published regularly by the Office of Rail and Road (ORR). This provides a good guidance of people movements in the country. Nevertheless, it is worth noting that rail accounted for only 8% of the miles travelled within the UK, compared to 78% for cars. Commuting, which is not classified as tourism, is a big driver of rail traffic.
- **Domestic Air Passenger Volumes** also provide an uninterrupted time series of domestic travel, published regularly by the UK Civil Aviation Authority (UK CAA). Limitations in using this as an indication of developments in UK domestic travel include changes in consumer preference between air and rail for domestic travel, as well as a reduction in business travel, which is more likely to happen by air.
- **Industry-to-industry payment flows** (experimental statistics) from the ONS provide an uninterrupted time series of annual inter-business digital payments by detailed sector. This would make payments made by the food & beverages sector a good indicator of developments in the UK tourism industry. Increased digitisation might affect comparisons across time.

A comprehensive analysis of these datasets indicates August bank holiday trips, as well as rail travel recovered to their 2019 levels.

This pattern suggests domestic day visits are near their 2019 levels in 2024, despite the recent decline recorded in domestic overnight stays (not shown).

UK Domestic Tourism Day Visits, selected metrics

Index, 2019=0

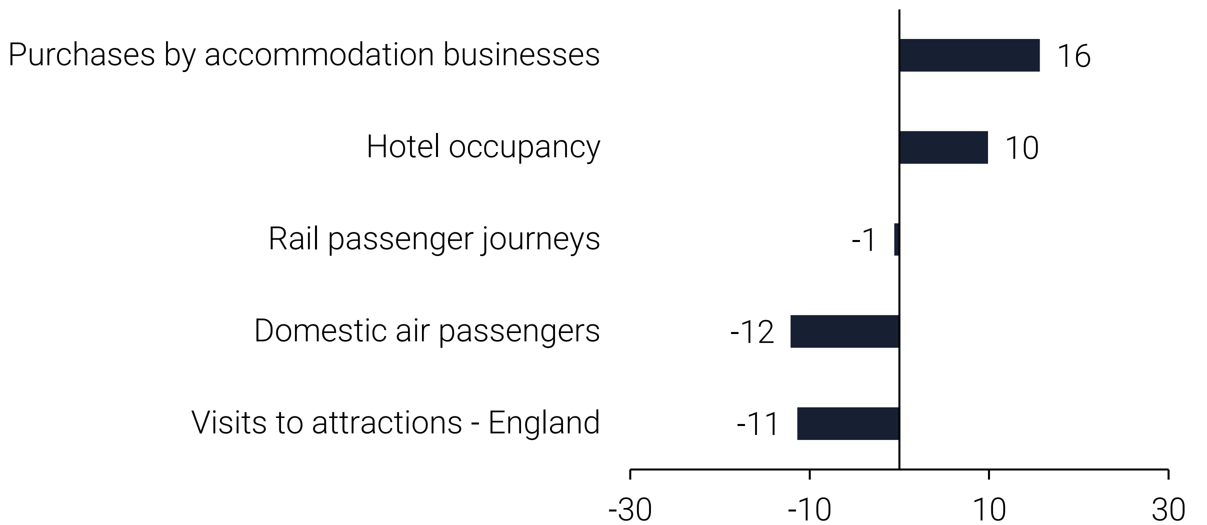


Source: VisitEngland, GBTS, ORR, ONS, Tourism Economics

Domestic overnight travel has slowed down in recent years as a result of the post-covid opening of international borders, and then the cost-of-living crisis in the UK, which impacted consumers' disposable incomes. Domestic air travel is more indicative of the slower domestic overnight travel recovery rather than day visits. Domestic air passenger traffic partly recovers since the pandemic, to meet overnight stays at 12% below its 2019 level.

Domestic tourism recovery, selected metrics

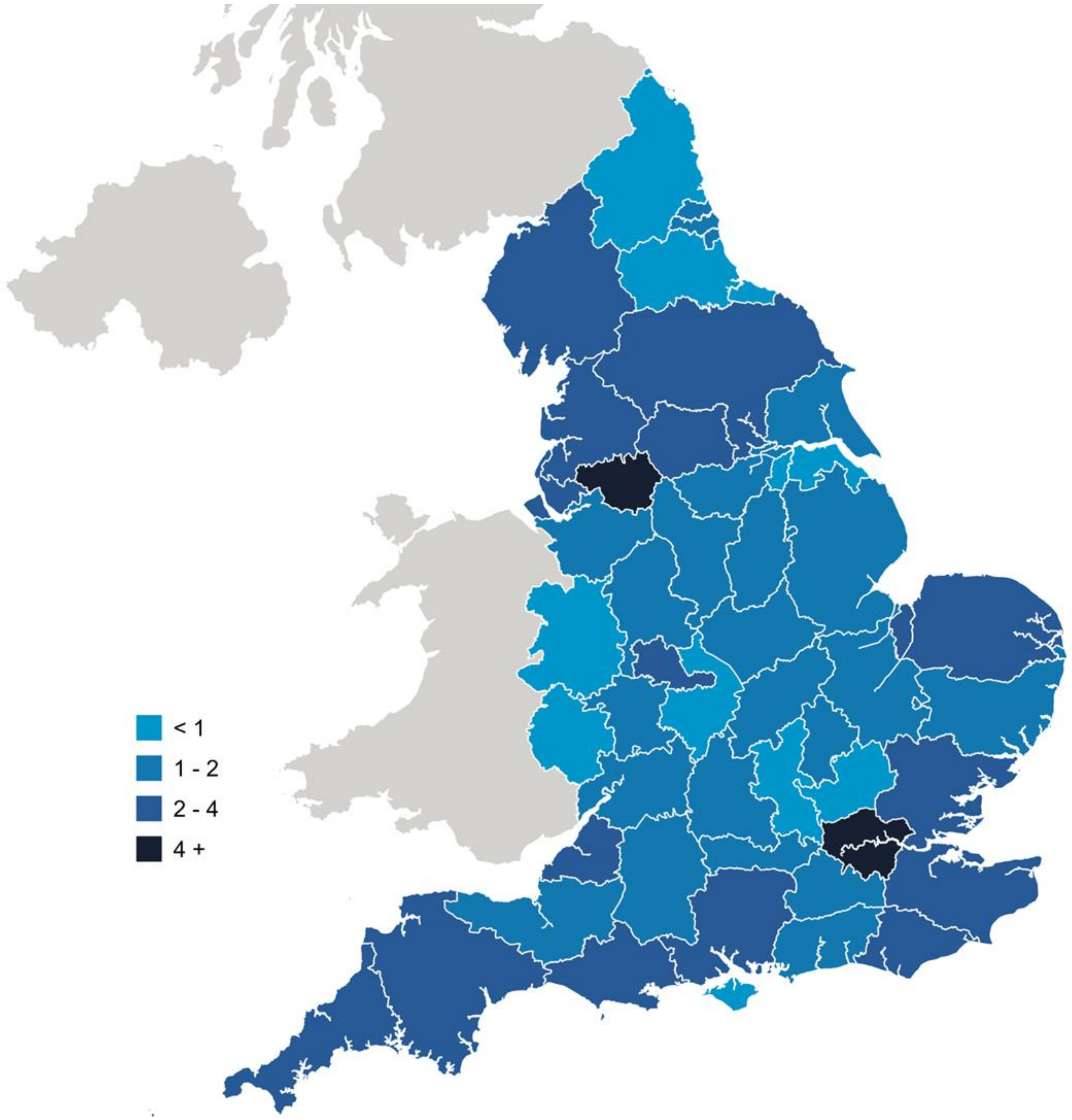
Difference between 2024 and 2019, Index, 2019=0



Source: VisitEngland, GBTS, Amadeus, ORR, Tourism Economics

Domestic overnight visits in 2024, by England county

Millions of visits



Source: GBTS, Tourism Economics

Domestic Overnight Visits by Counties

Domestic overnight visits are more evenly distributed across counties than international visits.

Domestic overnight tourism in the UK is more widespread than inbound tourism; however, certain regions attract higher volumes of visitors. London accounted for 14% of all domestic overnight trips in 2024, with approximately 15 million visits. This compares to 54% of international visits. Rural and coastal destinations are also prominent destinations for domestic tourists, particularly since the growth in the popularity of staycations. Regions such as the South West, which includes Cornwall & Scillies and Devon, attracts millions of domestic visitors each year, offering scenic landscapes, seaside resorts, and outdoor activities. In 2024, there were over 7.0 million domestic overnight visits to Cornwall and Devon combined.

Similarly, Yorkshire and the Humber and the Lake District (North West) are key destinations, known for their national parks and heritage towns. While urban centres like Greater Manchester and the West Midlands also attract a share of domestic visitors, domestic tourism remains heavily influenced by natural beauty, family-friendly attractions, and seasonal leisure travel.

Domestic overnight tourism has a large impact on areas outside the capital, with 84% of UK spending occurring in destinations outside of London.

London, Greater Manchester, and West Midlands County collectively attracted **25 million** domestic overnight visits in 2024, representing **23%** of the UK total of 108 million.

Domestic Day Visit and Overnight Spend

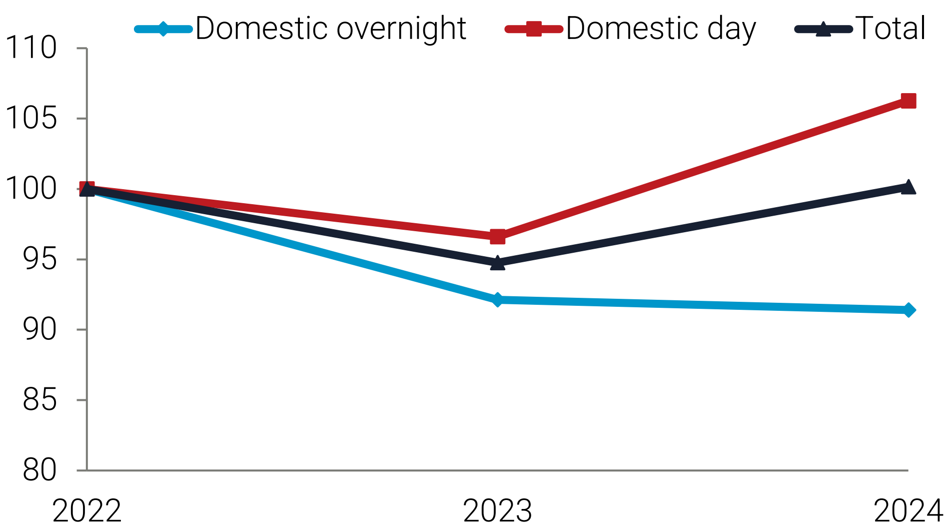
Spending on domestic overnight trips is decreasing, while spending on day trips continues to grow.

Spending on domestic tourism consists of domestic overnight stays and day trips. Pre-trip spending attached to an international (outbound) trip is not considered in this section. In 2024, domestic overnight visitors spent an estimated £33 billion. Additionally, domestic day trip spending contributed £56 billion, bringing the total to £89 billion.

Since 2022, domestic overnight spending has fallen 9% in constant prices (after inflation) to reach £33 billion in 2024. This decline reflects a slight weakening in demand for overnight travel within the UK, potentially driven by cost-of-living pressures, changing travel preferences, and increased competition from international destinations. Despite this drop, overnight stays still represent a significant portion of total domestic tourism expenditure, though their share has narrowed in comparison to the faster-growing day trip spend segment.

Index of domestic spending growth, by type

Real spending (adjusted for inflation), 2022=100



Source: GBTS, NISRA, Tourism Economics

Domestic day visit spending has increased by 6% in real terms since 2022, from £52 billion to £56 billion by 2024. Day visits have also grown as a share of total domestic tourism expenditure — increasing from 59% in 2022 to 62% in 2024.

This upward trend could be driven by several factors, including rising living costs and economic uncertainty making shorter, more affordable leisure activities more appealing to UK residents. Additionally, investment in local attractions, transport infrastructure and regional marketing campaigns may have made day trips more accessible and attractive.

Domestic Overnight Visitor Spending Share

In the UK, there is an even balance between domestic and international overnight tourism.

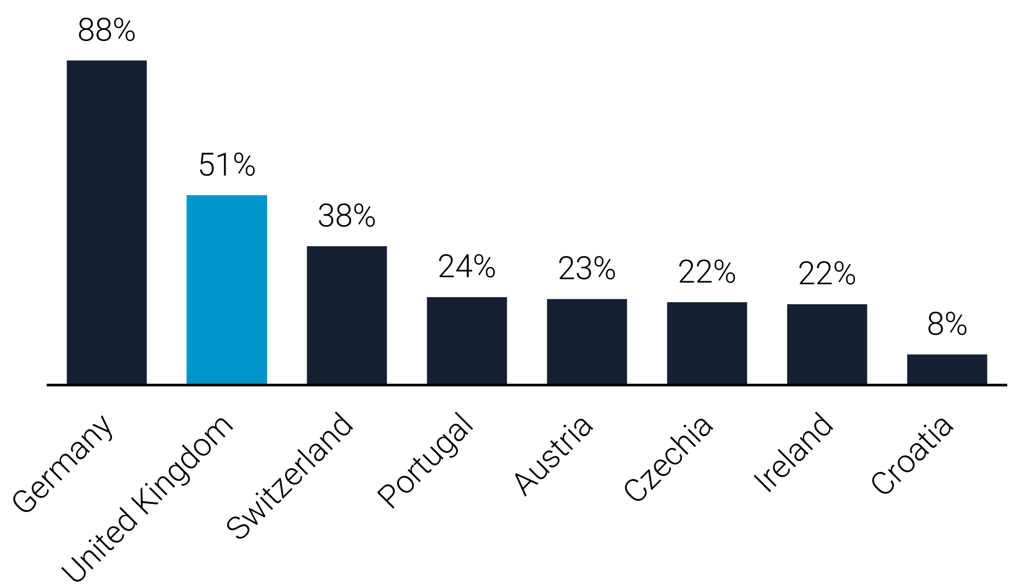
Only a limited number of countries publish data for both domestic expenditure and inbound tourist expenditure excluding day visitor spend from both. This includes the UK but not the full comparator set.

Countries with large domestic populations and relatively high incomes per capita, such as Germany, tend to have high domestic shares of total tourism expenditure. In contrast, smaller countries that attract visitors for their good weather and cultural sites (see Croatia and Portugal) are heavily reliant on inbound tourist spending. Ireland also falls into this category.

The UK performs above average in the specified range for domestic overnight tourism, benefiting from a relatively affluent and densely populated resident base. However, the high level of air connectivity, which makes international travel more accessible, also encourages many UK residents to travel abroad. This trend partially contributes to a reduction in domestic overnight tourism spending.

Domestic spending share of total, 2024

% of total visitor spending which is domestic



Source: GBTS, National Statistical Agencies, Tourism Economics

Domestic and International Tourism Spend by Region & Nation

The share of tourism revenue coming from domestic visitors varies significantly by region and nation.

Typically, international tourists stay for longer than domestic travellers and spend more per night. Regions and nations with a higher dependence on domestic travel may be able to boost their tourism industry by attracting more international visitors.

Tourism to London is international, aided by good flight connections and global recognition. As a result, only 24% of its overnight tourism revenue in 2024 came from domestic visitors. On the other end of the spectrum, Wales and Yorkshire & the Humber showed a much higher dependence to the domestic market, which generated 82% of revenue from overnight tourism.

Since 2015, some regions and nations have managed to attract an increasing share of spending from international travellers. Scotland's reliance on the domestic market decreased from 66% in 2015 to 45% in 2024, as it attracted more visitors from abroad. The South West has also gained some popularity with international visitors, reducing its reliance on the domestic market from 80% in 2015 to 75% in 2024.

Domestic share of overnight tourism spending, 2015 to 2024

	2015	2017	2019	2022	2024
London	19%	14%	16%	26%	24%
Scotland	66%	55%	55%	51%	45%
South East	52%	54%	50%	60%	55%
West Midlands	62%	58%	58%	67%	64%
East of England	60%	66%	62%	69%	67%
North West	66%	59%	65%	72%	68%
South West	80%	77%	76%	79%	75%
East Midlands	71%	70%	71%	79%	77%
Northern Ireland	71%	72%	76%	89%	78%
North East	73%	73%	69%	76%	78%
Wales	83%	80%	80%	83%	82%
Yorkshire & the Humber	77%	72%	73%	82%	82%

Note: GBTS methodology change between 2019 and 2022.

Source: GBTS, IPS, Tourism Economics

Seasonality in Domestic Travel Spend

Spend from domestic overnight trips in the UK is highly seasonal, with the lowest quarter receiving at most 61% of the income in the highest quarter (West Midlands).

Generally, in the UK, domestic overnight visitor numbers and spending peaks during the summer months (Q3) and are at their lowest during the winter (Q1). The following table shows spend in the quietest quarter as a percentage of the busiest quarter, demonstrating the degree of seasonal variation in earnings from domestic tourism. Note that this excludes day trips.

In 2024, the North East stands out as seeing relatively low spending from overnight domestic tourism, and large swings between its peak in the summer and its trough in spring. Unstable income from tourism can present a challenge, creating more part-time jobs and potentially leading to higher seasonal unemployment. Nevertheless, there is an opportunity in the regions/nations affected to attract more visitors year-round by offering a wider range of activities and promoting the local area. West Midlands and the South East show the smallest degree of seasonality. However, income at the quietest quarter is still around 60% of that in the busiest quarter.

While these seasonal patterns are most visible in domestic tourism, they are not unique to it. International tourism also follows a similar rhythm, largely influenced by weather, events, and holiday patterns. In Scotland, revenues from international visitors in the quietest quarter amount to only around 21% of those in the busiest period, a sharper contrast than for domestic tourists.

Domestic overnight tourism spend by quarter, 2024

£ millions, 2024 prices

Region/Nation	Q1	Q2	Q3	Q4	Min / Max
North East	136	153	380	201	36%
East of England	373	537	937	619	40%
South West	674	1,280	1,604	942	42%
East Midlands	263	461	586	528	45%
Scotland	517	673	1,058	1,088	47%
London	844	1,335	1,666	1,611	51%
Wales	394	591	775	484	51%
North West	693	938	1,341	1,318	52%
Yorkshire & the Humber	437	586	818	604	53%
West Midlands	373	353	613	541	58%
South East	641	777	1,083	862	59%

Note: The Min / Max shows spend in the quietest quarter as a percentage of the busiest quarter, demonstrating the degree of seasonal variation in earnings from domestic overnight tourism.

Source: GBTS, Tourism Economics

4

ECONOMIC IMPACT OF TOURISM IN THE UK

Image credits: VisitBritain/Robin Creative Media

4. The Economic Impact of Tourism in the UK

Introduction

This section examines the direct and total economic impact of tourism in the UK over the period 2022 to 2024, including detailed results by region and nation and sector. Key metrics produced include GDP, employment, and tax intake.

The analysis begins with an estimate of visitor volumes and spend. The direct sales generated by tourism activity, which are equal to visitor spend, are then run through Oxford Economics' Input-Output model to estimate the knock-on effects on the wider economy. We present results on the GDP, employment, and tax impact in this report.

Visitor and spend numbers have been compiled using findings from the International Passenger Survey (IPS) and the Great Britain Tourism Survey (GBTS). They include information on both day visits and overnight stays, as well as UK residents travelling abroad (outbound trips). An estimate of spend on travel to the UK with UK-based carriers is added to in-destination spend data from the IPS.

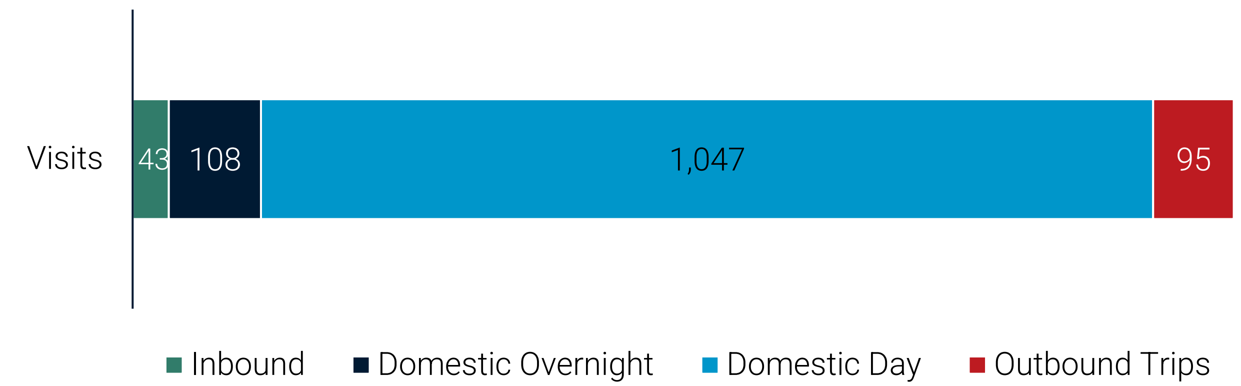
Visitor Activity in the UK

Domestic day visits accounted for 81% of total visits to the UK in 2024, reaching 1.0 billion visits.

The volume of total visitors (including day trips) in 2024 was 1.2 billion. The majority of these visits (81%) came from domestic same-day tourists; UK residents who visit another area in the country for leisure, but do not stay overnight.*

Visitor volume, 2024

Millions of visits



Overnight visitor spend in the UK in 2024 was 1% below its 2022 level. International overnight visitor spend has surpassed its 2022 levels, while domestic overnight visitor spend is 9% below it.

The total visitor spend in 2024 was 2% higher than in 2023, driven by increases in both international and domestic spending in the UK. Domestic day trip spending accounted for the highest share of the total spend, at 34%, followed by outbound (24%), inbound (22%), and domestic overnight spend (20%).

UK visitor spending

£ millions, 2024 prices

	2022	2023	2024
Inbound	34,463	36,329	37,126
Domestic Overnight	36,593	33,126	33,446
Total Overnight	71,056	69,455	70,572
Domestic Day	52,321	54,954	55,599
Outbound Spend	33,266	38,514	39,706
Total UK Spend	156,643	162,923	165,877

Source: IPS, GBTS, ONS, Tourism Economics

* The definition for day visitors includes trips *"with a duration over 3 hours outside the local authority of main residence, undertaken less often than once a week"*.

Visitor Spending

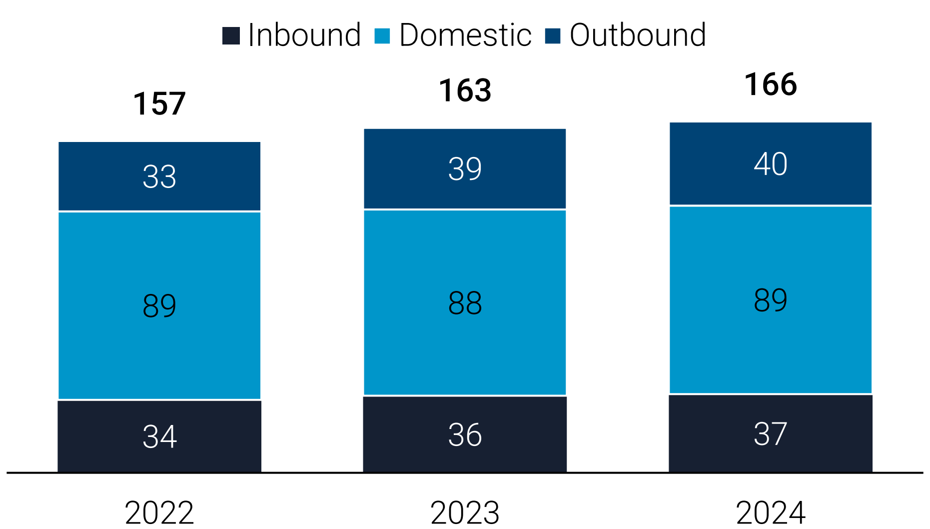
Spending by tourists in the UK consists of three components:

- **Domestic Tourism** is defined as spending by UK tourists as part of a trip to the UK. It includes both overnight and day visitors and is based on results from the Great Britain Tourism Survey (GBTS).
- **Inbound Tourism** is defined as local spending by international visitors to the UK. It also includes spending by both overnight and day visitors, although the latter constitute a much smaller share of inbound spending (0.6% in 2024). In-destination spend estimates are based on data from the International Passenger Survey (IPS), to which we have added a component for inbound air transport with UK-based air carriers based on the Tourism Satellite Account (TSA) for the UK.
- **Outbound Tourism** in the UK as part of a trip abroad is included in the TSA definition of internal tourism spending. This can include air fares with UK-based carriers, or other expenditure that occurs in the UK and is related to an international trip such as retail at the airport, local transport and travel agency costs. It is based on the 2023 TSA for the UK, grown in line with our forecast of UK outbound travel.

The sum of these three channels constitute the direct tourism spending injection to the UK's economy. This was £166 billion in 2024, a 1.8% increase in real terms from 2023.

UK visitor spending

£ billions, 2024 prices



Source: IPS, GBTS, ONS, VISA, Amadeus, Tourism Economics

Spending by Category

Visitors to the UK spent £166 billion overall across all sectors in 2024. Most of this came from domestic travel.

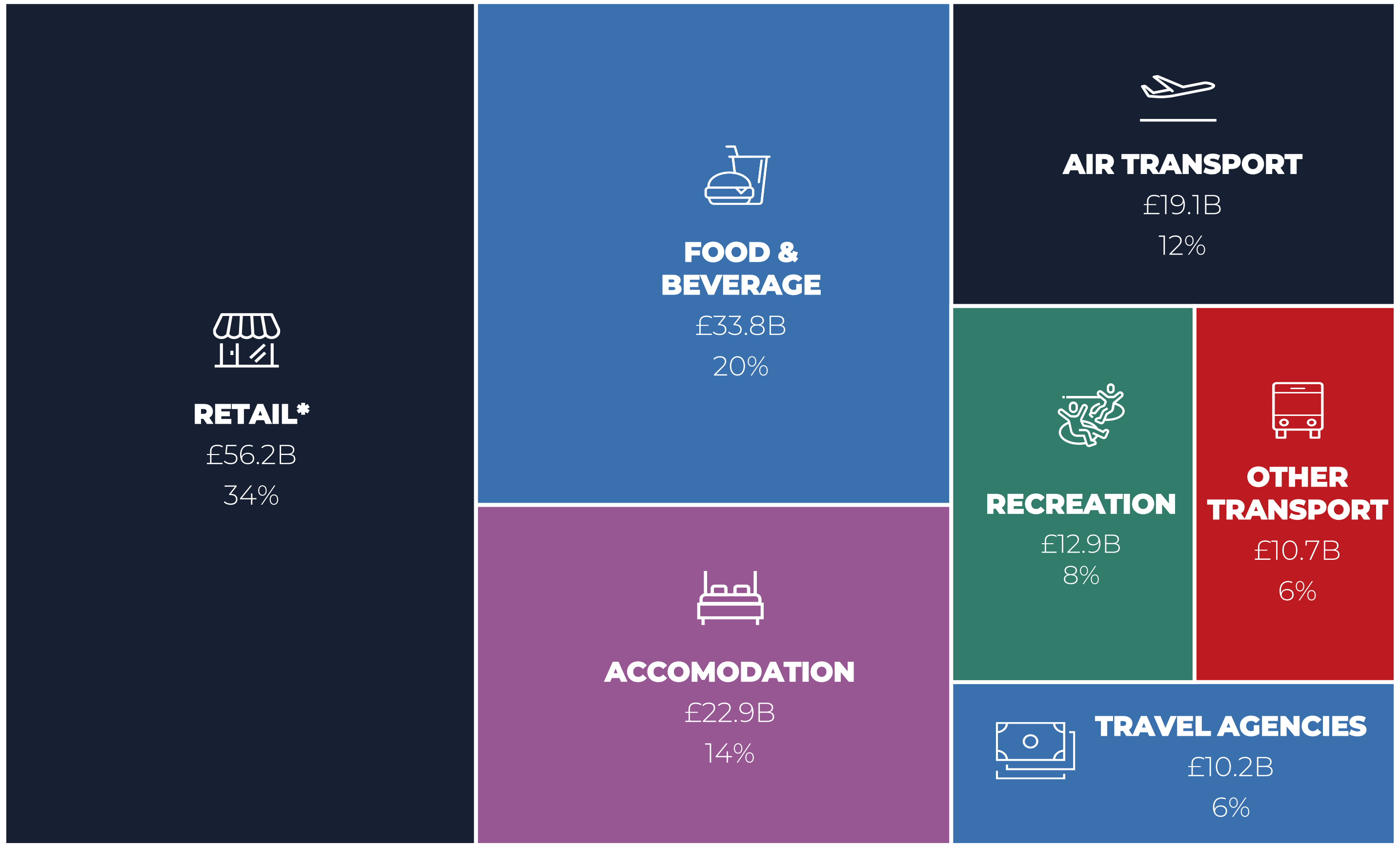
In 2024, real visitor spending rose by 1.8% when compared to 2023 and was 5.9% higher than in 2022. The distribution of spending among domestic, inbound, and outbound visitors remained relatively stable over these years. Notably, domestic spending accounted for over half (54%) of the total.

Outbound and inbound tourism, which made up the remaining portion, are comparable in terms of total spend. However, the number of UK residents going abroad are over twice the number of international arrivals in the UK. Therefore, an inbound visitor spends over double what a UK resident spends domestically as part of their international trip.

The largest share of spending in 2024 were in the retail, food & beverage, and accommodation sectors, totalling 34%, 20%, and 14% of overall spending, respectively.

UK visitor spending by category in 2024

£ billions, 2024 prices



Source: IPS, GBTS, ONS, VISA, Amadeus, Tourism Economics

* Other consumption is modelled through retail. We assume that other consumption products mainly refer to the purchase of consumer goods, but this category may also include items not accounted for in other sectors, such as personal transportation costs (e.g., fuel, car park fees, toll fees)

Private Investment in Travel & Tourism

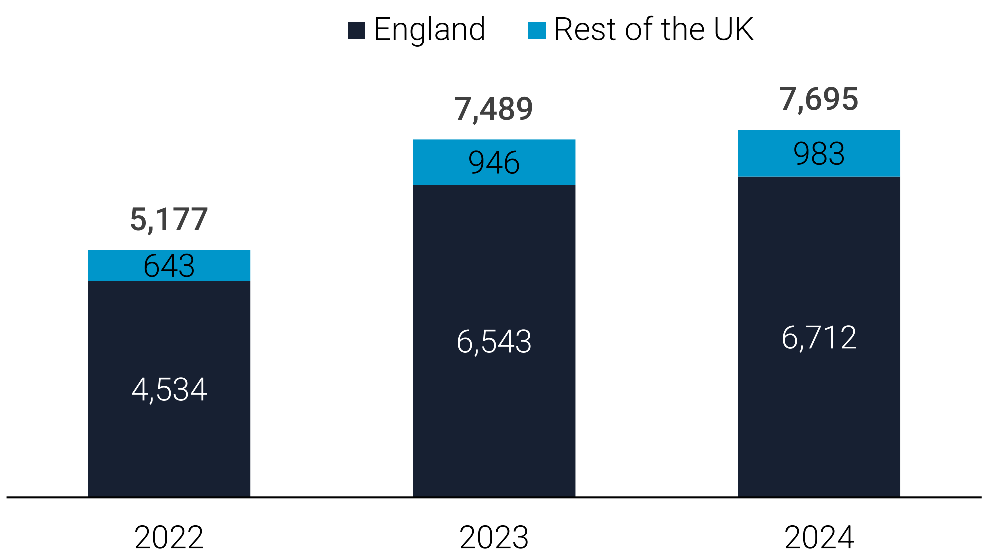
Tourism investment reached £7.7 billion in 2024, a 2.8% increase on its 2023 level.

Investment in the tourism industry is estimated using the UK capital accounts for tourism sectors along with the country's Input-Output statistics. Most investment by the tourism industry goes towards infrastructure development, followed by warehousing, land transport and electricity transmission and distribution. Examples include the construction of new hotels or the purchase of transport vehicles such as aircraft, buses and locomotives.

In 2024, we estimate investment in travel and tourism to be £7.7 billion, 2.8% higher than in 2023 in real terms. This indicates that there is potential for growth as confidence in the future demand for tourism increases.

Travel & tourism investment

£ millions, 2024 prices



Note: Imports used for investment activity are excluded from the analysis.

Source: Tourism Economics

High levels of private investment ensures that the UK remains an attractive destination for tourists. In the absence of investment, tourism infrastructure will depreciate and become worse over time, and tourists may choose to travel to other destinations with superior infrastructure, offering a higher quality experience. As a result, high levels of private investment ensure that future demand remains strong and revenue growth is sustainable and therefore should be a key priority for UK policy makers.

Government spending is also included in our estimates, which is composed of national, regional, and local government spending. For example, it includes tourism promotion, visitor information services, administrative services, aviation, security services, and sanitation services.

Image credits: VisitBritain/The Noodles

Economic Impact Methodology

Our analysis of the UK visitor economy begins with direct visitor spending and analyses the downstream effects of this spending on the broader economy. To determine total economic impact, we input direct spending into a model of the UK economy, constructed using a regional Input-Output (I-O) model.

I-O models represent a profile of an economy by measuring the relationships among industries and consumers, quantifying three levels of impact:

1. **Direct impacts:** Visitor spending creates direct economic value within a discrete group of sectors (such as recreation and transportation). This supports a relative proportion of spending, jobs, GDP, and taxes within each sector.
2. **Indirect impacts:** Each directly affected sector also purchases goods and services as inputs (e.g. food wholesalers, utilities) into production. These impacts are called indirect impacts or supply-chain effects. Further, we account for investment made by businesses in travel & tourism, as well as government consumption related to travel.
3. **Induced impacts:** Lastly, the induced impact is generated when employees whose wages are generated either directly or indirectly by visitor spending spend those wages in the local economy. This is called the induced impact or income effect.

The sum of the three channels above constitute the total economic contribution of visitor activity to the UK's economy. The Tourism Economics model calculates these three levels of impact—direct, indirect and induced—for a broad set of indicators, including output, employment, GDP and taxes.

Image credits: VisitBritain/Zut Media

Tourism Contribution to the UK's GDP

The value of all visitor-associated goods and services produced in the UK in 2024 including multiplier effects is estimated at £147 billion, or 5% of the national economy.

Of the total £147 billion GDP impact, £70 billion came directly from visitor activity. As tourism spending flows through the economy, it supports an additional £78 billion in indirect (supply-chain) impacts.**

The indirect impacts by sector depend on the relationship between direct tourism sectors where visitor spending occurs and their suppliers in the rest of the economy. Indirect impacts also include private investment and an estimate of the share of collective government spending attributable to tourism activities.

The sectors that are impacted the most by tourism activity include accommodation & food (48% of GDP) and arts & entertainment (26%). Other sectors that benefit include retail, transport, and administrative services; ranging between 8% and 15%. Sectors such as health, and education are less closely linked to the tourism industry's supply chain and therefore show a lower reliance on visitor activity.

In addition to this total, a further £58 billion in induced impacts is generated through employee wage spending across supported industries.

Summary of GDP Impacts in 2024

£70B Direct GDP Impact + **£78B** Indirect GDP Impact = **£147B** Tourism GDP Impact (+ **£58B** Induced GDP Impact)

GDP impacts attributable to UK tourism by industry
£ millions, 2024

	Direct GDP	Indirect GDP	Tourism GDP	Induced GDP	% Tourism share*
All Industries (£ millions)	**69,738**	**77,590**	**147,329**	**58,406**	**5%**
By industry					
Agriculture	-	814	814	730	4%
Mining	-	226	226	130	5%
Manufacturing	-	16,776	16,776	6,773	7%
Power	-	944	944	931	3%
Utilities	-	1,076	1,076	702	3%
Construction	-	3,418	3,418	1,293	2%
Retail & wholesale	15,951	6,231	22,183	7,480	8%
Transport & storage	6,884	7,895	14,779	2,335	15%
Accommodation & food	32,726	3,254	35,980	4,390	48%
Info & communications	-	3,730	3,730	2,672	2%
Financial services	-	4,550	4,550	4,508	2%
Real estate	-	2,392	2,392	14,634	1%
Professional services	-	6,821	6,821	2,862	3%
Administrative services	6,560	5,517	12,077	2,673	8%
Public admin	-	4,036	4,036	350	3%
Education	-	2,695	2,695	1,193	2%
Health	-	5,132	5,132	1,460	2%
Arts & entertainment	7,617	1,832	9,449	1,454	26%
Other services	-	253	253	1,713	1%
HHs as employers	-	-	-	124	0%

Source: Tourism Economics

*Shares calculated from direct and indirect GDP only.

Note: totals may not sum due to rounding.

**GDP is a different measure to tourism spending (£166 billion), which is referenced on page 31, as it only considers the value added on any inputs to production.

Image credits: VisitBritain/Faith Mergatroyd

Tourism Contribution to Employment in the UK

The tourism industry supported nearly one in every fifteen jobs in the UK in 2024.

Visitor activity sustained a total of nearly 2.4 million jobs in the UK 2024. This was generated through 1.4 million direct jobs, which refers to jobs that exist specifically due to spending within the tourism sector. A further 1.0 million jobs were supported through the indirect channel, representing jobs generated within the supply chain due to demand from direct purchases. In addition, 0.6 million jobs were linked to induced impacts, generated as wages earned in tourism-supported roles were spent across the wider economy.

Tourism activity supports nearly two out of five jobs in the accommodation & food industry (37%), This is compared to around one in six in the arts & entertainment and one in ten in the transport sector.

In 2024, every £69,000 of spend in hospitality (accommodation & food industry) supported one job, up from previous years due to wage growth.

Employment impacts attributable to UK tourism by industry

Number of jobs, 2024

	Direct Jobs	Indirect Jobs	Tourism Jobs	Induced Jobs	% Tourism share*
All Industries	**1,411,149**	**1,020,676**	**2,431,825**	**645,779**	**7%**
By industry					
Agriculture	-	21,936	21,936	17,045	6%
Mining	-	875	875	456	2%
Manufacturing	-	155,147	155,147	39,962	6%
Power	-	7,661	7,661	5,929	6%
Utilities	-	8,603	8,603	3,918	3%
Construction	-	34,508	34,508	12,934	2%
Retail & wholesale	198,465	101,882	300,347	157,450	6%
Transport & storage	100,344	104,784	205,128	39,462	11%
Accommodation & food	926,225	51,666	977,890	101,604	37%
Info & communications	-	38,803	38,803	21,701	2%
Financial services	-	23,259	23,259	22,689	2%
Real estate	-	17,010	17,010	18,262	2%
Professional services	-	100,519	100,519	42,030	3%
Administrative services	28,787	121,403	150,190	46,133	5%
Public admin	-	47,032	47,032	4,365	3%
Education	-	50,391	50,391	25,337	2%
Health	-	108,173	108,173	32,955	2%
Arts & entertainment	157,329	22,607	179,936	29,430	16%
Other services	-	4,418	4,418	24,119	0%
HHs as employers	-	-	-	-	-

Source: Tourism Economics

*Shares calculated from direct and indirect employment only.

Note: totals may not sum due to rounding.

Image credits: VisitBritain/The Noodles

UK Tourism – Fiscal (Tax) Impacts

Tourism in 2024 supported government revenues worth £52 billion, including £27 billion from taxes on production and products.

Visitor activity generates direct taxes, which includes air passenger duties and visa fees. As visitor spending flows through the economy, it generates additional (supply-chain) impacts. In total, direct and indirect tax impacts reached £52 billion in 2024. It is important to note that the induced impacts, driven largely by consumption taxes, are not included in the tourism tax impact figure. The £15 billion in induced taxation is added on top to reach a total tax revenue estimate of nearly £67 billion.

Taxes on production and products contributed the most, amounting to over £27 billion of tourism-driven tax revenues in 2024. This includes both the production and consumption side. This was followed by Income Tax & National Insurance Contributions (NICs), which contributed £17 billion to government tax revenue in 2024.

Air Passenger Duty (APD) and Visa Fees further contribute to the tourism-related tax revenue with an additional £4.3 billion. Most of that comes from APD, supported by strong airport infrastructure and high volumes of outbound travel.

Out of the total £52 billion in taxes, we estimate £14 billion came as a result of inbound travel, or 27%, just over the share of spending represented by inbound travel. The higher tax per pound spent for inbound travellers is mainly driven by the application of the Air Passenger Duty.

Summary of Total Fiscal Impacts in 2024

£52B Tourism Tax Impact + **£15B** Induced Tax Impact = **£67B** Total Tax Impact

Fiscal (tax) impacts
£ millions, 2024

	Tourism Taxes	Induced Taxes	Total Taxes
Total Taxes, All Categories (£ millions)	**52,107**	**14,787**	**66,894**
By category			
Corporation Tax	3,516	1,255	4,771
Taxes on Production and Products	27,185	8,187	35,372
Income Tax & NICs	17,112	5,345	22,457
Air Passenger Duty*	3,884	-	3,884
Visa Fees	411	-	411

Source: Tourism Economics

*Value for 2023-24 financial year

Note: totals may not sum due to rounding.

Image credits: Visit County Durham/Critical Tortoise/Andy Jones

Tourism Impacts over 2022 to 2024

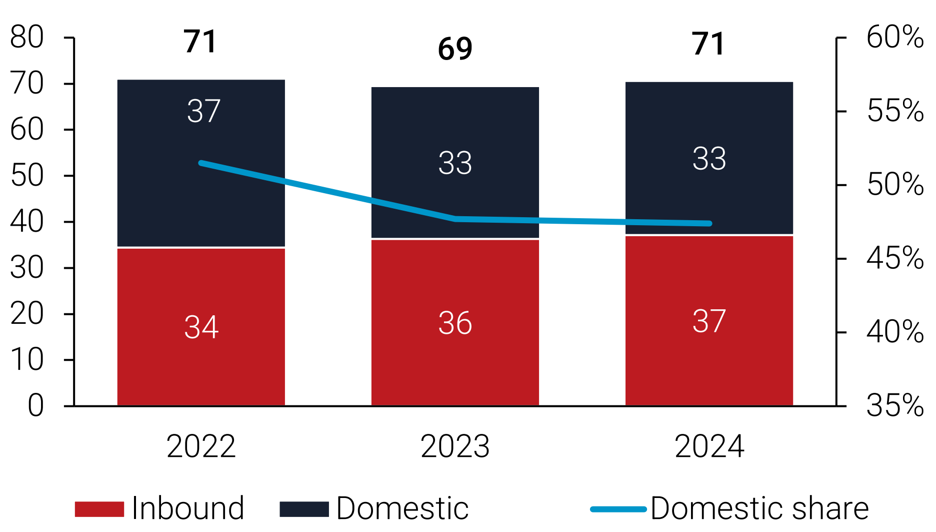
The share of overnight tourism spending linked to domestic visitors fell from 51% in 2022 to 47% in 2024.

Overnight tourism spend in the UK reached £71 billion in 2024, representing a 1.6% increase compared to 2023, in real terms, but remaining 0.7% lower than in 2022. The unusually high spending in 2022 was largely driven by higher-than-average savings accumulated during the pandemic, when consumers had more limited opportunities to spend their income. Once borders opened travel was the main item people had missed, hence they spent part of these savings on leisure trips at home and abroad.

In 2024, both inbound and domestic overnight tourism spending showed signs of recovery, with domestic spending growing at a slightly faster pace. However, the volume of domestic stays has dropped since 2023, reflecting higher prices at home, and pressure on household incomes.

Overnight tourism spend in the UK & domestic share

£ billions, 2024 prices

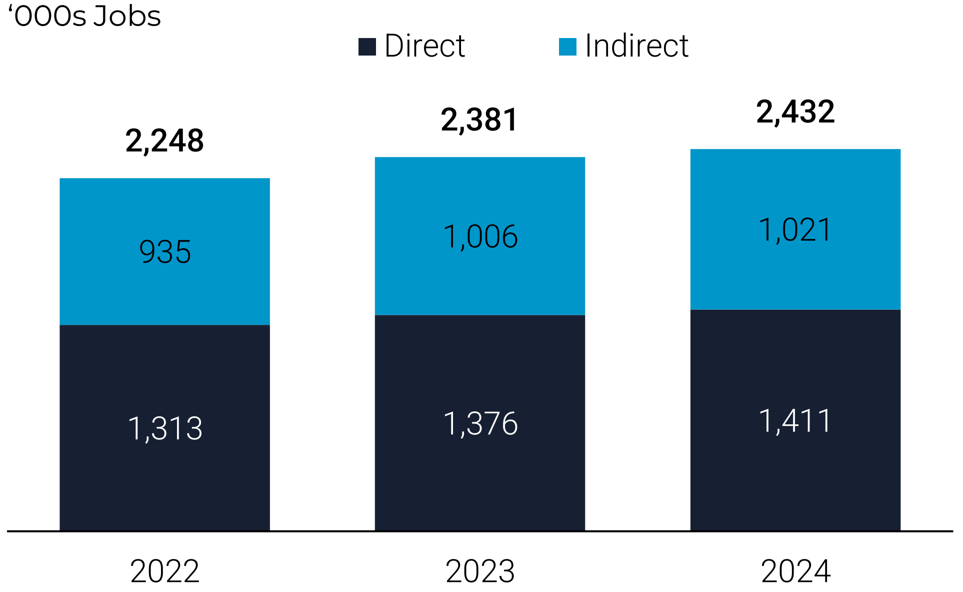


Source: Source: IPS, GBTS, ONS, VISA, Amadeus, Tourism Economics

The share of overnight tourism spending linked to domestic visitors fell from 51% in 2022 to 47% in 2024. This slight decrease coincides with the reopening of international borders and the return of overseas visitors. The quick return of inbound visitors suggests a return to pre-pandemic trends, with the importance of international tourism growing steadily, supported by affordable flights.

Employment impacts of tourism

'000s Jobs



Source: Tourism Economics

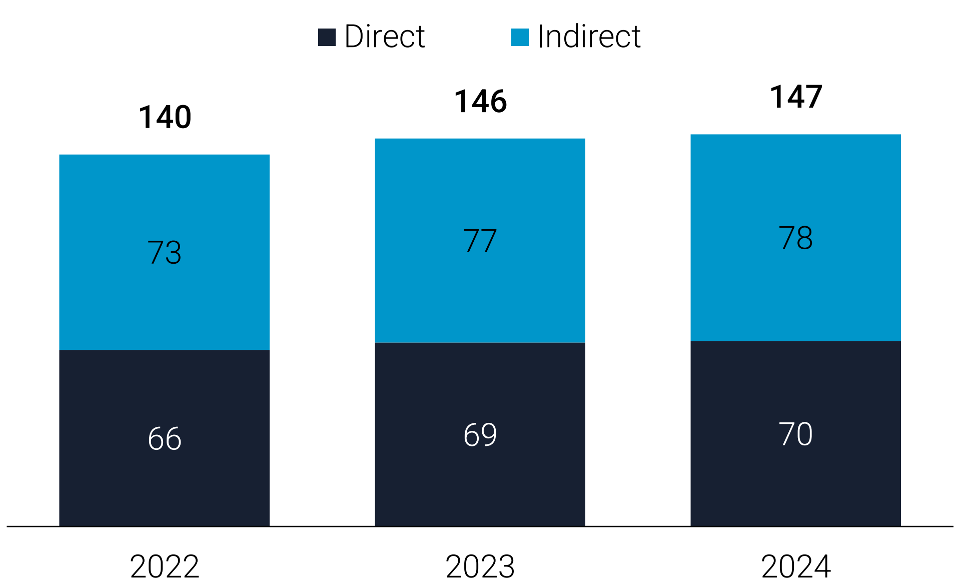
Tourism-related jobs have increased 8% since 2022, reaching 2.4 million in 2024.

This total is generated though the direct and indirect channels. When the induced jobs are included, the total impact increases to 3.1 million, a 2.1% increase on 2023. Total employment in the accommodation sector grew 1.3% between 2023 and 2024 but remains below 2019 levels. This highlights the difficulties still present for tourism and its related sectors following the pandemic.

GDP also demonstrates a trend of growth, reaching £147 billion in 2024 - a 1.1% increase on 2023. When including the induced channel, the total GDP impact rises to £206 billion.

GDP impacts of tourism

£ billions, 2024 prices



Note: GDP is measured as the sum of profits, taxes, and employee compensation. It is lower than output (or spend), as it excludes intermediate consumption.

Source: Tourism Economics

Comparison With Other Sectors

Tourism's recent contribution to UK GDP is comparable to that of the insurance and pensions sector and smaller than financial services, yet it employs more people than both sectors combined.

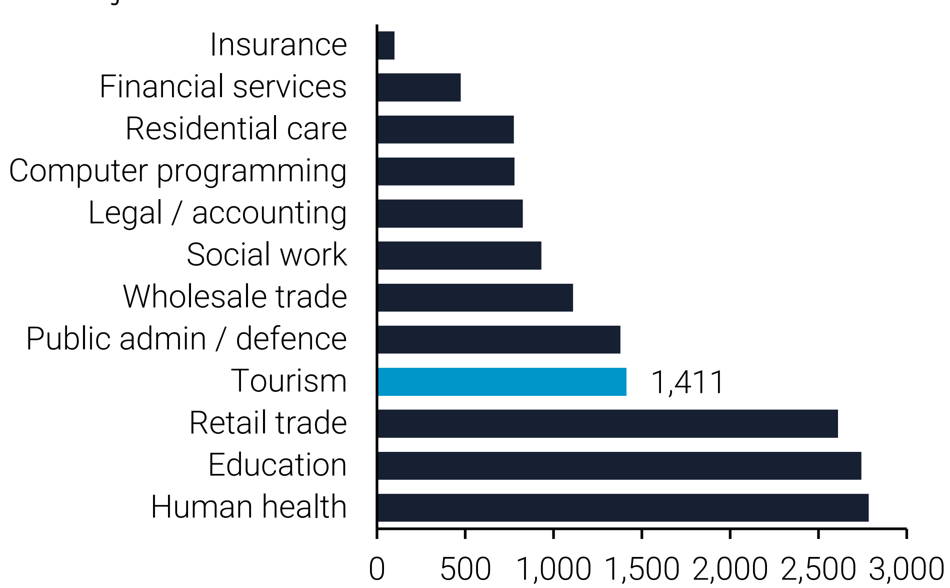
This section compares the size of the UK's tourism industry to other sectors of the economy. It is important to note that tourism is not typically defined as a sector, but comprises consumption in various parts of the economy, including the accommodation industry, food & beverage services, retail, and transport, among others. As a result, there are some methodological complications when comparing with other sectors, and those with considerable overlaps have been excluded from the analysis.

This study estimates that the tourism sector's direct contribution to GDP is broadly comparable to the insurance and pension sector as of 2023.

In employment terms, the analysis suggests over 1.4 million people worked within the tourism industry in 2024. Tourism is a relatively low productivity sector, so it employs far more people than financial services, even though its GDP contribution is smaller.

Direct employment contribution by sector, 2024

'000s jobs

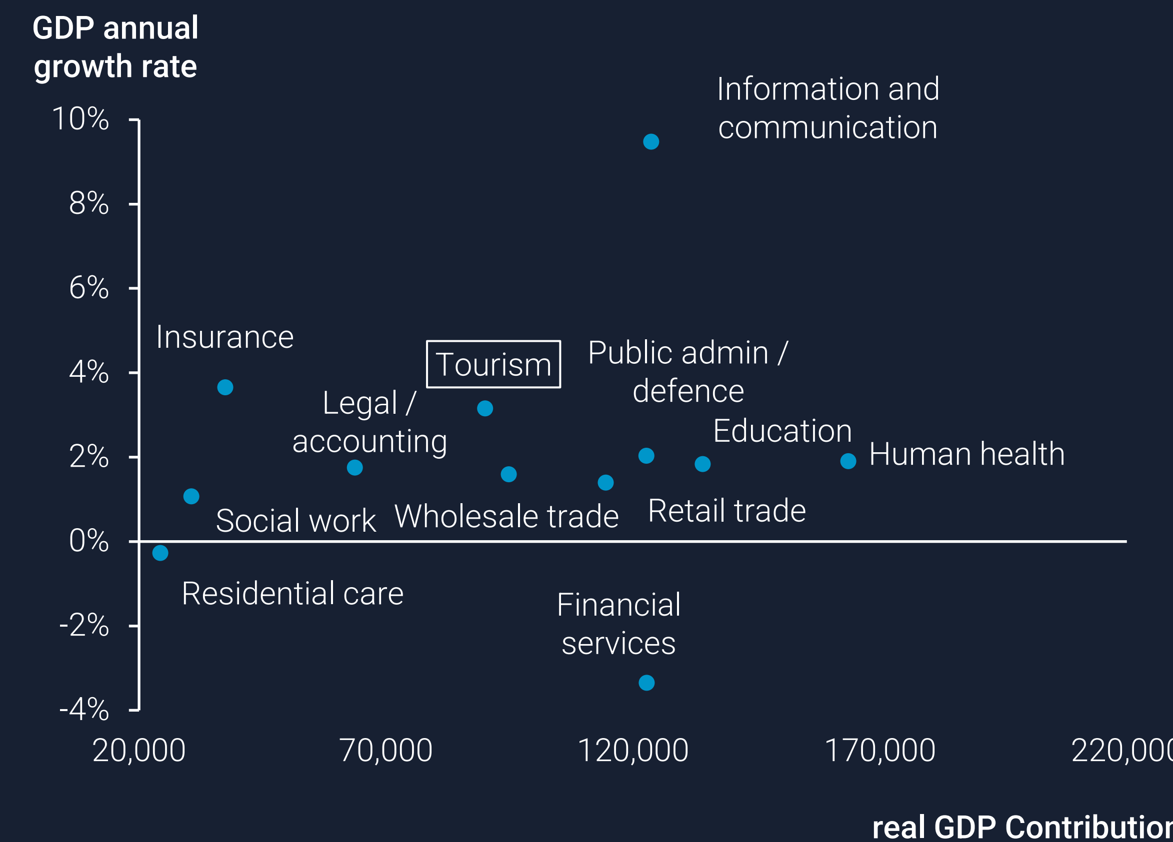


Source: ONS, Tourism Economics, VisitBritain

The tourism industry tends to employ a younger workforce than other economic sectors. For example, 46% of restaurant employees are between 16 and 24, while this age group comprises only 11% of the UK workforce. This highlights the tourism sector's significant role in upskilling younger workers at the beginning of their careers. Many young individuals acquire transferable skills within the tourism sector that they can later apply to other sectors of the UK economy.

GDP contribution and growth rate

£ million in 2024 prices (x-axis), % CAGR over 2013 to 2019 (y-axis)



Source: ONS Tourism Satellite Account, ONS, Tourism Economics

Note: The 2013 to 2019 period is chosen to avoid distortions caused by the pandemic and subsequent recovery. A methodological break in tourism data prevents comparisons of 2019 activity levels with post-pandemic years.

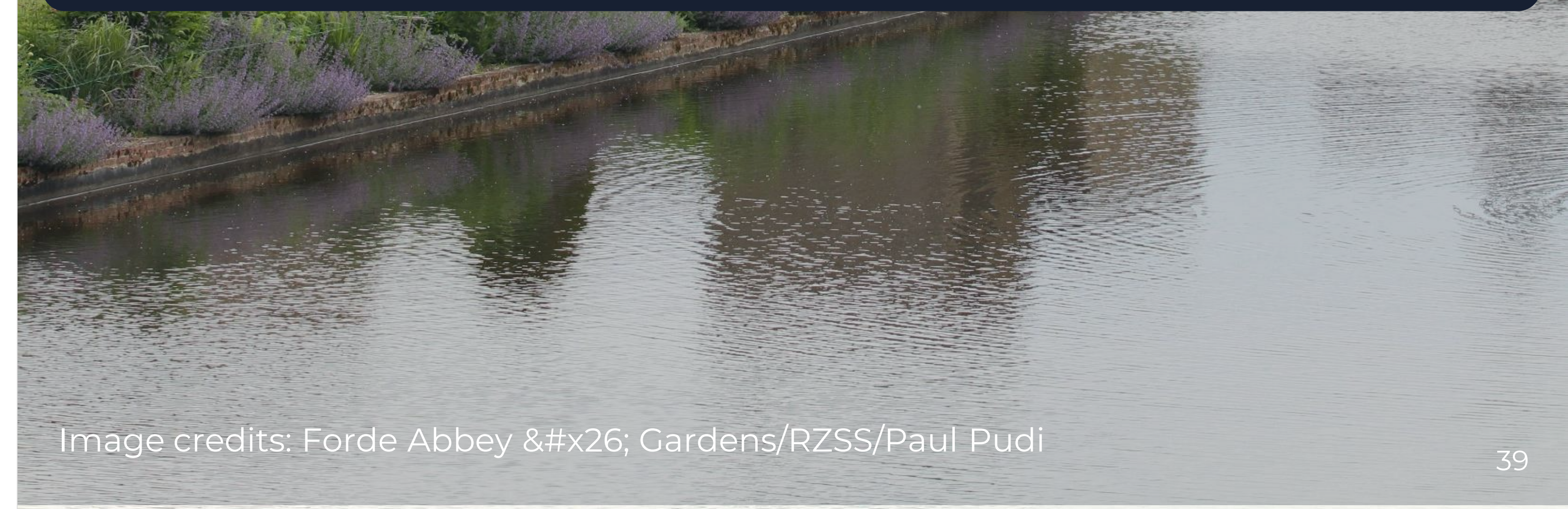


Image credits: Forde Abbey & Gardens/RZSS/Paul Pudi

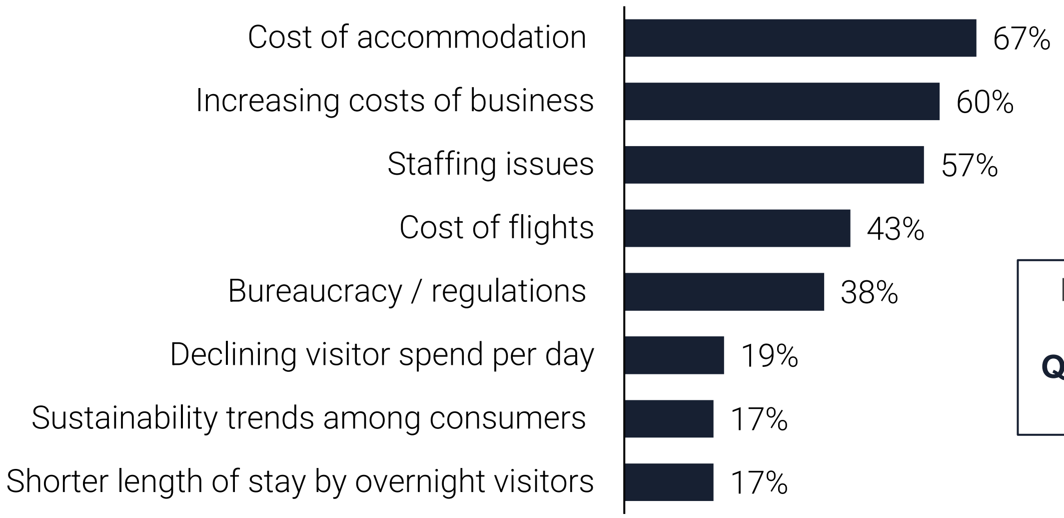
UK Tourism Challenges

Between Q3 2023 and Q4 2024, industry experts have identified rising costs and staffing issues as major obstacles for tourism growth.

Since its launch in Q3 2023, Tourism Economics' Travel Industry Monitor, a quarterly survey of tourism professionals, has captured the views of 42 UK-based industry experts. The survey highlights key tourism growth opportunities and challenges during this period.

When financial factors were aggregated, 86% of respondents reported rising costs and staffing issues as a key challenge for the industry. These findings suggest that both tourism businesses and consumers are increasingly burdened by rising expenses, specifically relating to accommodation, business operations, and flights.

Top 8 tourism challenges



Financial Factors:

Q3 2023 to Q4 2024: 86%

Q: Which, if any, of the following are currently tourism barriers or challenges? Please choose up to five barriers which are most important in your country.
Source: Tourism Economics, n=42

The UK has been facing staff shortage problems in sectors such as hospitality, which have struggled to recover since the pandemic.

In the second half of 2022, the hospitality sector experienced a gross labour shortfall of 114,000 or 7% of its workforce. These supply-side issues have been a key contributor to inflation problems within tourism adjacent sectors such as food and beverage services. while this problem is not limited to the UK, it has made international travel to the UK more expensive, likely reducing demand from inbound tourists.

Tourism Growth Opportunities

The tourism experts surveyed in the Travel Industry Monitor survey have identified bleisure (business + leisure) travel, improved tourism infrastructure, and leisure events as major opportunities for tourism growth in the UK over the next few years.

Additionally, 26% of respondents identified domestic visitors in the United Kingdom as a key growth opportunity.

Top 8 tourism opportunities

Q: Which, if any, of the following are opportunities for tourism growth over the next few years? Please choose up to five opportunities which are most important in your country.
Source: Tourism Economics, n=42

Since October 2021, EU residents require a passport to visit the UK. Only two out of three residents in the EU possess a passport, adding a barrier to travel.

Overall, Tourism Econometrics has found that a policy change from a visa-free regime to an E-Visa is correlated with a decrease of 1.9% in arrivals. This additional complexity, alongside visa requirements for non-EU nationals residing in Europe, will have an outsized impact on school trips, a key source of inbound visits for the UK. The government has reached an agreement to overcome this issue with France and may look to reach similar arrangements with other nations.

The UK is introducing the Electronic Travel Authorisation in 2025 (ETA). ETAs will be used for short stay visitors who do not currently require a visa and from April, costing them £10. EU nationals are the main group affected by this, currently facing increased bureaucracy when planning a trip to the UK.

Contribution of Tourism to the Regional & National Economy

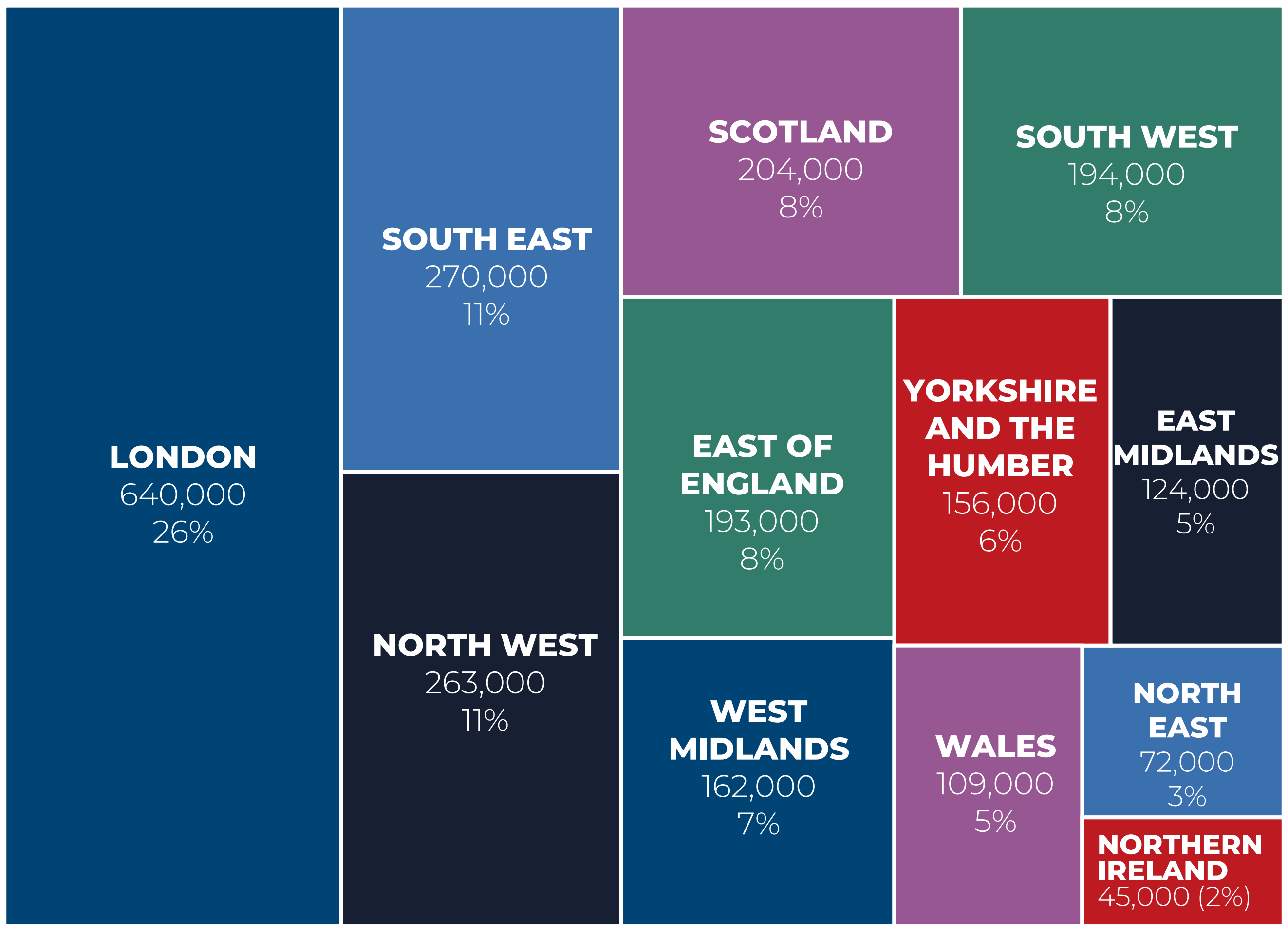
The importance of tourism can vary significantly across the UK.

London, as well as the South East and the North West, supported a large share of total tourism jobs in the UK, making up 26% and 11% of overall tourism employment respectively in 2024.

The lowest levels employment linked to tourism were seen in Wales, the North East and Northern Ireland, collectively supporting 9% of overall tourism employment, a similar level to that of Scotland or the South West.

Tourism employment by region & nation

Number of jobs, 2024



Source: Tourism Economics

The shares above are partially driven by the size of each region/nation's overall economy and workforce. Therefore, looking at tourism linked jobs as a share of each area's total employment can better reflect the benefits each area draws from tourism activity.

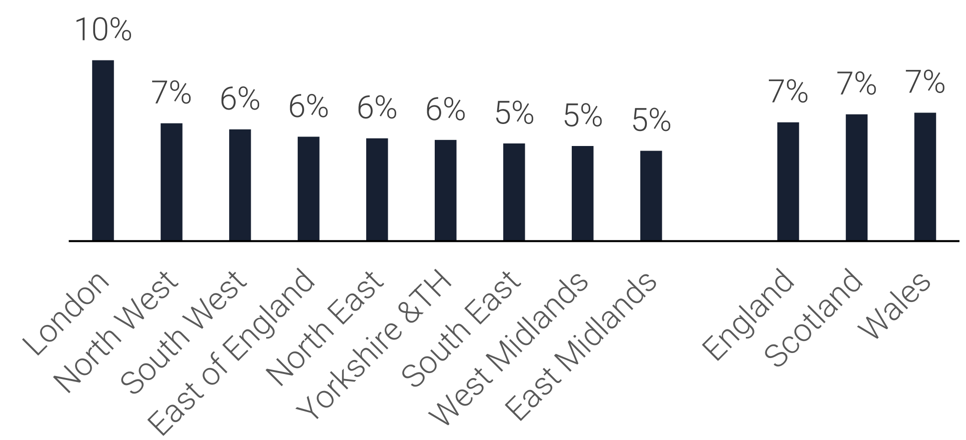
It is estimated that tourism supports around 7% of total employment in England.

In London, this figure is 3 ppts higher at 10%, indicating the relatively high importance of tourism, particularly inbound tourism, in the capital. Any disruption to tourism will be more damaging to the local labour market there, as more jobs rely directly on visitors and may cease to exist in their absence.

The South East, along with the West and East Midlands, have the lowest relative and absolute shares of tourism jobs. This presents a potential opportunity for tourism employment growth, especially considering the presence of several national parks and Areas of Outstanding Natural Beauty (AONBs) in these areas.

Relative tourism employment by region/nation, 2024

Expressed as % of regional/national employment



Source: ONS, Tourism Economics

In contrast to employment, tourism as a share of GDP is consistent across regions/nations in England, ranging between 4 to 6% of the local economy. GDP shares are more condensed than employment because tourism has lower-than-average productivity, defined as value added per job). The presence of high-productivity sectors in regions like London exacerbates this effect.

Labour productivity by region/nation, 2024

£ 000s

	UK Productivity	Tourism Productivity
London	102	51
South East	80	50
Scotland	71	48
East of England	69	54
North West	68	49
South West	67	47
Yorkshire & the Humber	66	46
West Midlands	64	48
East Midlands	63	46
North East	62	47
Wales	60	46

Source: ONS, Tourism Economics

Detailed GDP and Employment Impacts, by Region & Nation

The tables in this section provide the key results of this study by region & nation. The left column (direct + indirect) excludes any induced impacts; that is, the impact of wages earned and spent as a result of business revenue from tourism spending (direct) and its supply-chain (indirect).

In 2024, London benefitted the most from tourism activity in the UK, supporting over £41 billion in GDP in the capital region. It was followed by the South East (£17 billion) and the North West (£15 billion).

Wales has the greatest share of GDP attributed to the tourism sector, at 6.4%. This is followed by London (6.4%) and Scotland (5.8%).

GDP impacts in 2024, by region/nation

£ millions, 2024 prices

	Tourism GDP (Direct + indirect)	Total GDP (including induced)	% Tourism share*
London	41,208	52,683	6.4%
South East	17,337	23,956	4.3%
North West	15,495	21,199	5.7%
East of England	12,101	17,447	5.3%
Scotland	11,910	15,989	5.8%
South West	11,145	16,029	5.3%
West Midlands	9,364	14,135	4.8%
Yorkshire & the Humber	8,829	13,261	4.8%
East Midlands	7,165	11,149	4.6%
Wales	5,889	8,892	6.4%
North East	4,203	6,873	5.4%
Northern Ireland	2,682	4,118	4.3%

Source: Tourism Economics
*Shares calculated from direct and indirect GDP only.

The distribution of tourism employment followed a similar pattern to GDP, with an estimated 640,000 jobs supported in London. The South East (270,000) and the North West (263,000) also came in second and third place. The relationship between tourism jobs and GDP is fairly consistent across regions & nations. That is because productivity (GDP per job) varies more by sector rather than geography. This means that a job in a tourism-related sector will support a similar amount of added value regardless of where it is located.

Tourism accounts for at least 5% of jobs in every region and nation in Great Britain. London leads with 10.1% of its jobs being linked, directly or indirectly, to tourism. This is followed by Wales (7.1%) and Scotland (7.0%).

Employment impacts in 2024, by region/nation

'000s jobs

	Tourism Jobs (Direct +indirect)	Total Jobs (including induced)	% Tourism share*
London	640	723	10.1%
South East	270	338	5.4%
North West	263	332	6.5%
Scotland	204	256	7.0%
South West	194	252	6.2%
East of England	193	254	5.8%
West Midlands	162	221	5.3%
Yorkshire & the Humber	156	207	5.6%
East Midlands	124	175	5.0%
Wales	109	152	7.1%
North East	72	105	5.7%
Northern Ireland	45	63	4.7%

Source: Tourism Economics
*Shares calculated from direct and indirect jobs only.

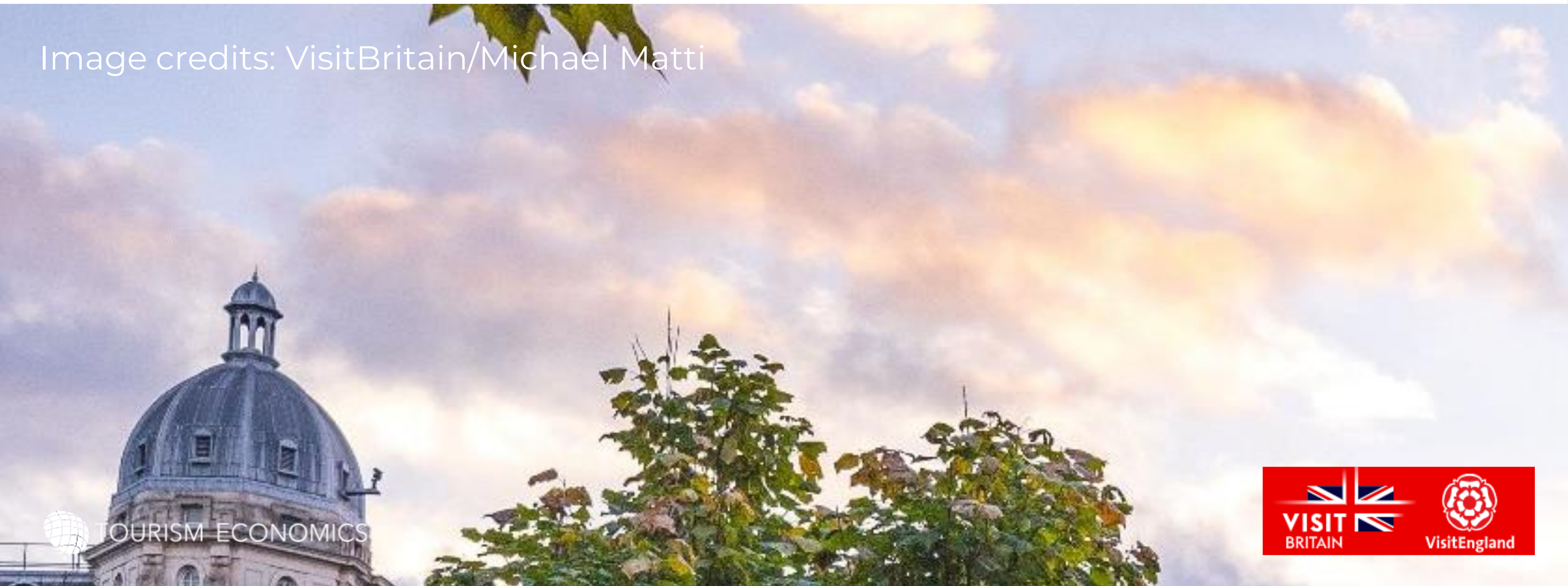
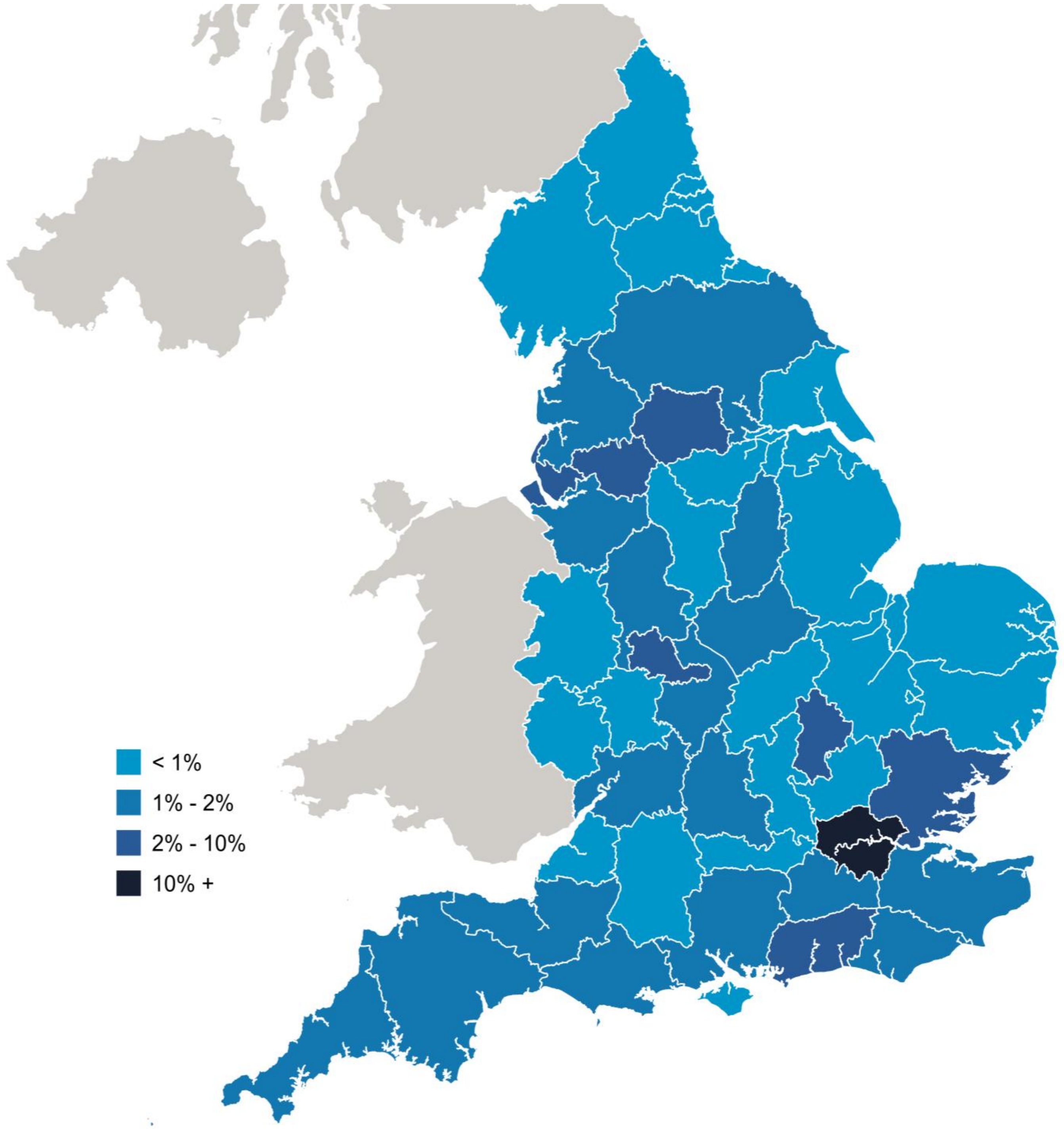


Image credits: VisitBritain/Michael Matti

Share of tourism employment in 2024, by England county

% of total



Source: Tourism Economics

Total tourism employment by Counties

Tourism employment is highly concentrated urban centres, such as London and Manchester, as well as more rural/coastal areas in England.

In 2024, the counties with the highest share of total employment in the tourism industry included London, Greater Manchester, and the West Midlands, reflecting the strength of urban tourism in driving regional economies.

Nearly a third (27%) of the individuals employed in the tourism industry in England were based in London, highlighting its role as a key destination for as for both domestic and international tourists, driven by its strong historical and cultural attraction, as well as its global connectivity through major airports. Greater Manchester and the West Midlands also attracted high levels of international and domestic tourists, supported by cultural attractions, major events, and business travel. Notably, these three regions are among the least affected by seasonality, offering more stable, year-round employment in the sector.

Beyond the urban centres, rural/coastal counties such as West Yorkshire, Essex, and Somerset, also reported above-average tourism employment shares, driven by their appeal for leisure tourism and seasonal holiday travel.

In 2024, London accounted for nearly **30%** of total employment.

5

FORECASTS TO 2035

Image credits: VisitBritain/Robin Creative Media

Image credits: Visit County Durham/Critical Tortoise/Andy Jones

5. Forecasts to 2035

Introduction

This section examines the potential of UK tourism over a ten-year horizon to 2035. It looks at:

- **Drivers of growth -** International arrivals to the UK and its regions & nations depend on developments both at home (destination drivers) and abroad (source market demand drivers). Such drivers are examined in detail, along with research available on reactions to changes in the cost of a trip to the UK (Price Elasticity of Demand).
- **Baseline forecasts -** examine the potential change in international inbound arrivals to the UK over a ten-year period. They are based on Tourism Economics' Global Travel Service (GTS) and include detail by region & nation.
- **Projected economic impact -** quantifies the implications of the baseline forecasts for UK GDP and employment.
- **Scenarios -** examine the impact of some of the major global geopolitical and macroeconomic risks on UK international tourism arrivals.

Key Findings

International arrivals to the UK are expected to grow at an average rate of 2.8% over the 2024 to 2035 period to reach almost 52 million. These are driven by modelled macro-economic developments such as exchange rate movements and income levels, as well as recent travel trends. The United States will remain the largest source market overall, but the recent growth in arrivals from the US is expected to slow down, while arrivals from Europe and Asia pick up in the medium term.

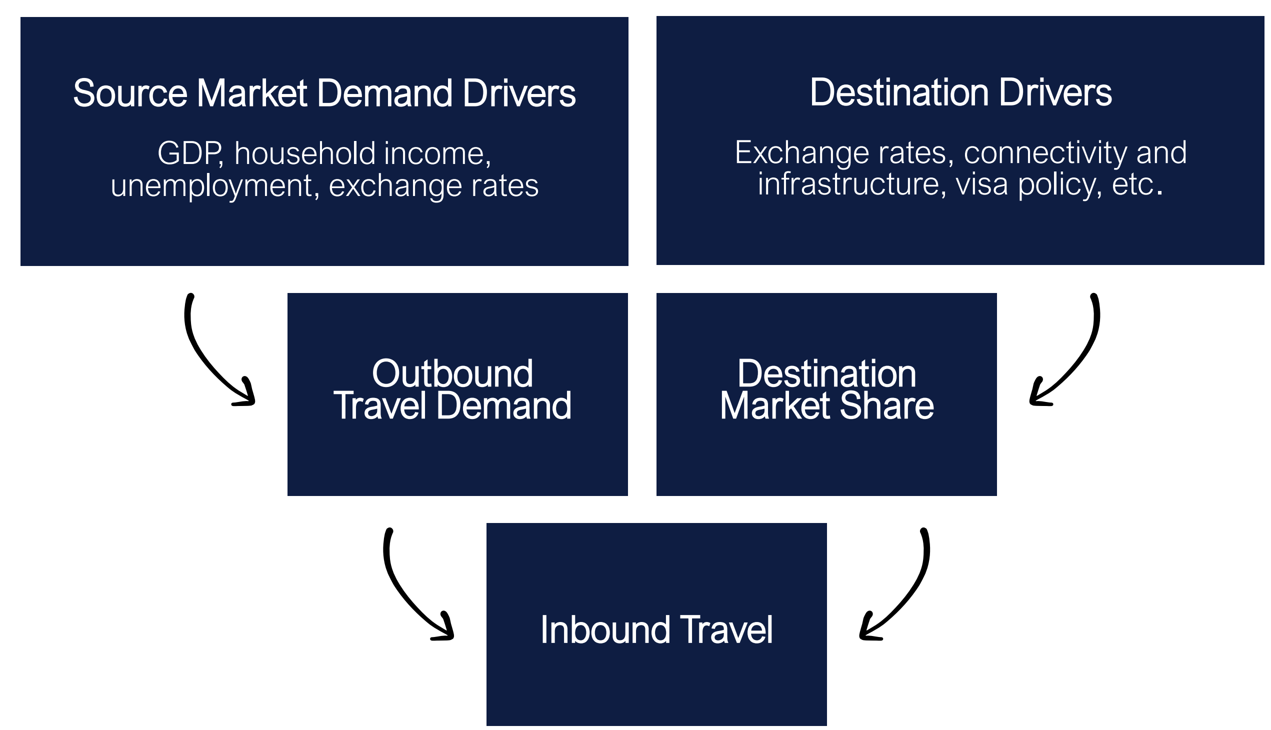
London is forecast to remain the UK's top destination for international visitors. However, Scotland is expected to see the fastest overall growth among the nations and regions, while Birmingham and Manchester lead city-level growth in tourism spend.

Modelling Approach

The baseline forecasts combine historical tourism data from national statistics offices (e.g. ONS), tourism agencies (e.g. VisitBritain) and economic indicators from the Oxford Economics Global Economic Model. Key macroeconomic indicators that have been identified as key drivers of growth to the travel sector include, GDP, unemployment, income levels and exchange rates.

The econometric relationships between these economic drivers and travel trends in source markets are complemented by destination-specific indicators such as price competitiveness, attractiveness, and market share across 185 countries worldwide.

Travel flow modelling framework



International arrivals to the UK **increased by 29%** between 2006 and 2019, while **air fares fell by 24%** and the pound **depreciated by 17%.**

Image credits: VisitBritain/Maria Grazia Sinatra

Destination Drivers

International tourism arrivals to the UK grew over the pre-covid years, supported by the rise of low-cost air travel.

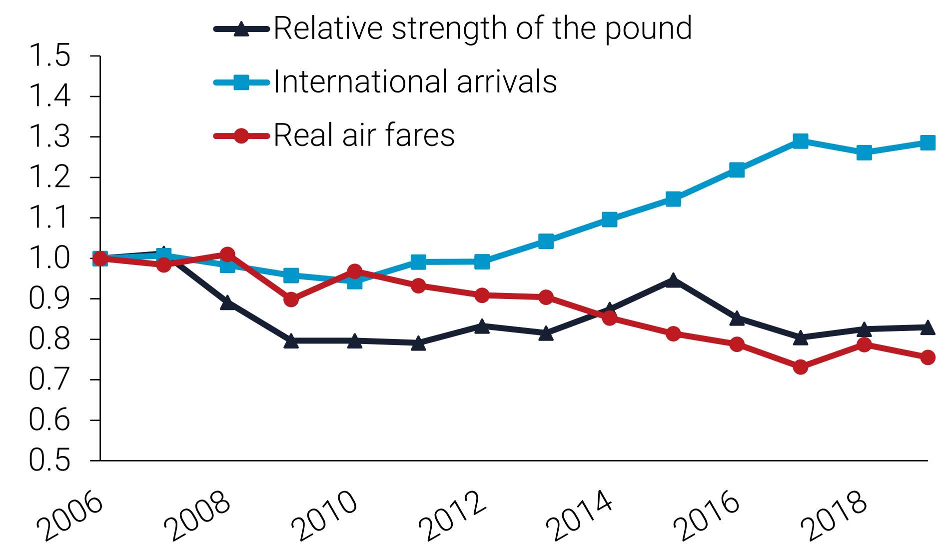
International arrivals to the UK and its regions and nations depend on developments both at home (destination drivers) and abroad (source market demand drivers).

Destination drivers include mostly consist of cost items such as air fares and the relative exchange rate of the pound (a weaker pound implies a stronger foreign currency resulting in lower prices when travelling to the UK). Further, higher in-destination costs (not shown) will make a destination more expensive and therefore a less attractive option to travel to, which will result in fewer arrivals to that destination. These are relative to each country of origin and depend on the strength of the pound at the time.

Between 2006 and 2019, international arrivals increased by 29%. This was likely supported by air fares and currency movements making the UK a cheaper destination to travel to. Real air fares to the UK fell by 24% over this period, while the pound depreciated by 17%. There was a visible jump in arrivals following 2016 as the pound fell nearly 6% following the result of the Brexit referendum.

International arrivals, air fares and the strength of the pound

Index, 2006 = 1.0



Source: IPS, Tourism Economics

Source Market Demand Drivers – United States

Overnight arrivals from the US, an example of a developed source market to the UK, grew by 24% between 2002 and 2019, while the US dollar appreciated by 18% relative to the pound.

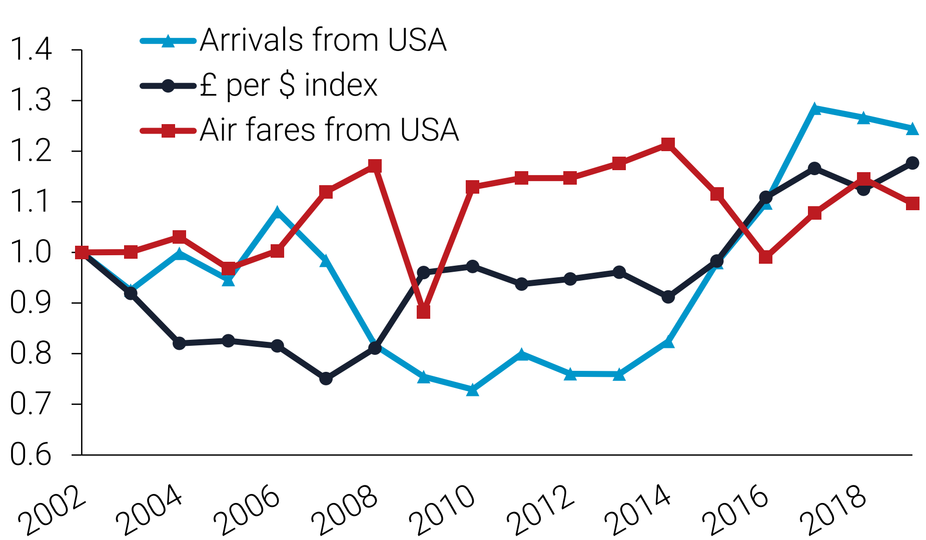
Source market drivers consist of indicators relating to economic growth, such as real income and the local currency strength vs the pound. Further, the cost of air fares from the source market to the UK is a key contributing factor to people's decision to travel to the UK.

Overnight arrivals from the USA, an example of a developed source market for the UK, increased by 24% between 2002 and 2019. This was against a backdrop of a strengthening dollar (18% appreciation since 2002) and rising air fares between the USA and the UK. This suggests that currency appreciation is very closely linked to arrivals within developed markets. This effect has become evident in the post-covid period, where arrivals from the US surged alongside a sharp appreciation of the dollar.

US arrivals fell sharply over 2006 to 2008, following a 17% increase in air fares. This decline continued after the 2008 financial crisis, reaching a trough of 73% of their 2002 level. Long-haul travel, especially to more expensive destinations such as the UK is a luxury, and during periods of economic uncertainty consumers typically cut back spending on these luxuries, explaining this large decline.

Arrivals from the US to the UK

Index, 2002 = 1.0



Source: IPS, Tourism Economics, Oxford Economics

Source Market Demand Drivers – India

Overnight arrivals to the UK from India, an example of a developing source market, increased more than threefold between 2002 and 2019, supported by a 96% increase in household incomes over the same period.

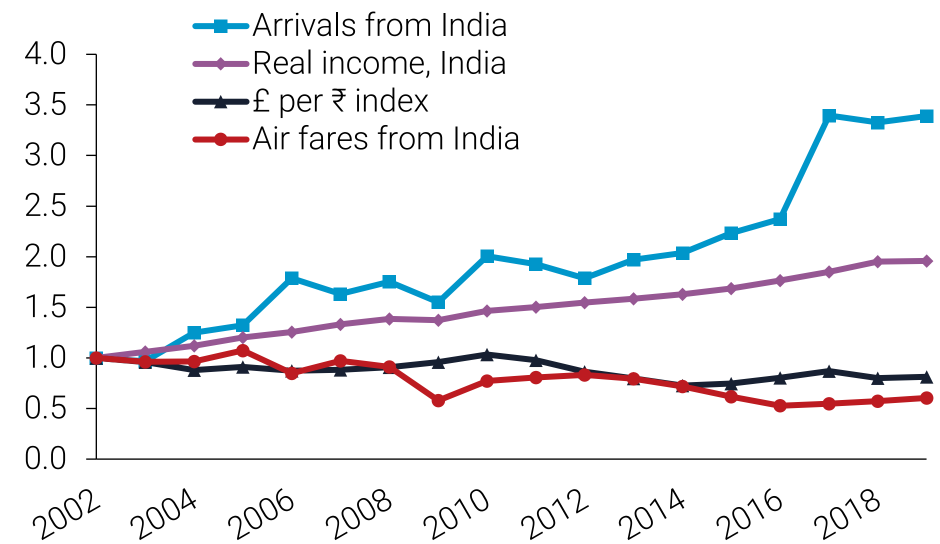
India, an example of a developing source market for the UK, has seen much more rapid development between 2002 and 2019, with real household incomes 96% higher in 2019 relative to 2002. During this same period, air fares fell by 40% between the two regions, but the Indian rupee depreciated by 19% relative to the pound. Arrivals to the UK from India increased by 239% over this period.

This suggests a high degree of association between rising incomes in source markets and increasing arrivals to the UK from these markets. Similar changes in China, where real incomes increased by 273% saw arrivals to the UK increase by a factor of around 14 between 2002 and 2019. The impact of income on international travel is more evident in middle and lower-income countries, where increases in wealth often coincide with a growing middle class that can afford travel.

Post covid, arrivals from India have continued to grow, supported by a further 14% increase in real incomes from 2019 to 2024.

Arrivals from India to the UK

Index, 2002 = 1.0



Source: IPS, Tourism Economics, Oxford Economics

Price Elasticity of Demand

Most published studies find a relatively inelastic demand for tourism. When a destination becomes more expensive, the number of visitors decreases, but by a smaller proportion than the rise in prices.

Price elasticity of demand (PED) measures the responsiveness of consumers to price changes. This responsiveness depends on a variety of factors, including the availability of substitutes, the duration of the price change, the income of the perspective buyer, and whether the good or service in question is perceived as essential. It is typically measured as:

$$\frac{\%\ change\ in\ quantity\ demanded}{\%\ change\ in\ price}$$

A value between 0 and -1 suggests that a good is relatively inelastic, with demand responding weakly to a change in price. For example, a PED of -0.5 suggests that international tourism arrivals to the UK are expected to decrease by 0.5% following a 1% increase in the overall cost of a trip. A value smaller than -1 shows a disproportionate reaction of demand to a price increase. Price elasticity is always negative for normal goods, i.e. goods or services whose demand falls after an increase in price. Tourism is found to be a normal good by nearly all the studies examined.

Literature review

Most published studies find a relatively inelastic demand for tourism, although estimates can vary significantly depending on their sample and estimation approach, as well as the regional focus of the study.

At the global level, Martins, Gan and Ferreira-Lopes (2017) analysed data from 218 countries to find the PED for international tourism to range between (-0.33) and (-0.08). Gunter and Smeral (2016) took a more regional approach and estimated a PED of (-0.74) for destinations in Northern Europe, and (-0.28) for Central and Western Europe. Kusumah (2018) finds outbound tourism from the US to be price inelastic whereas outbound tourism from the EU is price elastic. The PED for US is estimated to be (-0.92) whereas the PED for EU is estimated to be (-1.83).

In Australia, Athanasopoulous, Deng, Li and Song (2014) estimate the short-run PED for the Australian outbound travel demand for UK to be (-0.93) and a long-run PED of (-0.85). However, studies by Kusumah (2018) and Seetaram et al. (2015) estimate a PED of (-1.18) and (-1.07) respectively, suggesting Australian outbound tourism globally is somewhat more responsive to price changes and classified as price elastic.

PED estimates can vary significantly between studies due to a multitude of reasons such as but not limited to different models to find price elasticity, different methods to calculate tourism demand, different control variables, time horizon, etc.

For example, Athanasopoulous, Deng, Li and Song (2014), who found demand to be price inelastic, use two versions of Almost Ideal Demand System (AIDS) model, namely STATIC-AIDS and EC-AIDS to calculate the short-run and long-run estimates of PED for Australian outbound tourism demand for the UK. Kusumah (2018), who found Australian outbound travel demand to be elastic (-1.18), uses a simpler econometric model to estimate travel demand. Furthermore, Seetaram et al. (2018) develop a proprietary method to calculate a price index that is used to estimate the PED, while Balcilar, Aghazadeh and Ike (2021) use two different procedures to control for common correlated effects between the 32 countries and hence produce 3 different estimates of PED within a wide range. These different approaches opted by the authors to estimate similar metrics lead to varied PED results.

UK-specific estimate

To model the effect of changes in in-destination costs on tourism arrivals, we follow the literature and rely on a gravity model of tourism arrivals to estimate the response of international tourism arrivals to price changes as a result of the proposed levy (price elasticity of demand).

Our estimates suggest tourism to the UK is price inelastic, with a PED of (-0.9). This implies that a 1% increase in in-destination costs would lead to a 0.9% decrease in visitor arrivals to the UK.

A gravity model rests on the concept that the flow of tourists between two destinations can be predicted by the size of these destinations and the distance between them. Destinations that are closer to a traveller are a more attractive option, whereas destinations further away are less attractive. Other parameters, such as relative incomes and exchange rates, also play a role in determining travel flows. Adding the relative cost of a trip to the UK in the model allows us to estimate the price elasticity of demand for UK-bound tourists.

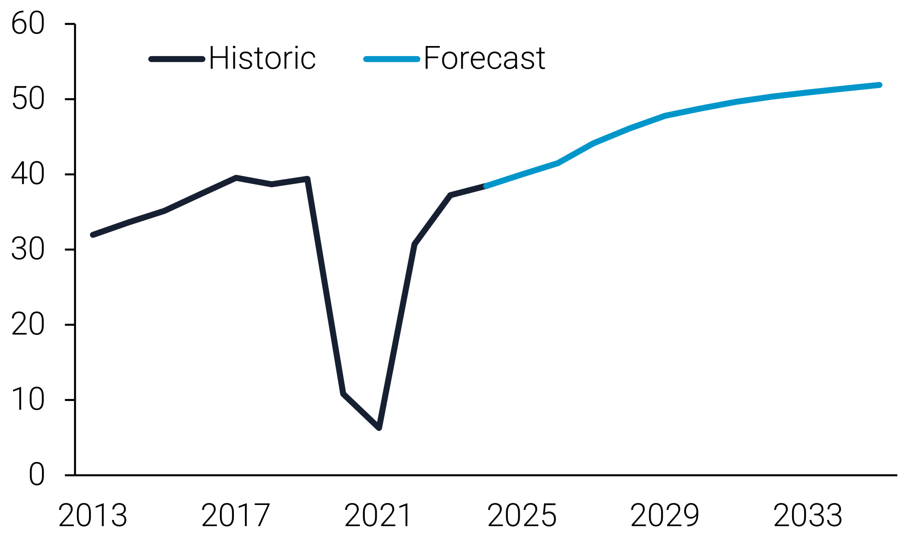
Forecasts to 2035

International overnight arrivals to the UK are expected to grow at an average rate of 2.8% over the 2024 to 2035 period.

International arrivals of overnight visitors to the UK are expected to increase from over 38 million in 2024 to nearly 52 million by 2035. This suggests a compound annual growth rate (CAGR) of 2.8% over the period of 2024 to 2035.

UK international arrivals

Millions, 2013-2035



Source: IPS, Tourism Economics

The growth rate in arrivals from Europe is expected to recover and be close to pre-pandemic growth rates.

Over the past ten years, we saw a sharp increase in arrivals from the US fuelled by an appreciating dollar. We expect the US to return to a lower growth rate over the next ten years, as the dollar's appreciation slows down. On the other hand, we expect arrivals from the main source markets in both Western and Southern Europe to grow faster than the US over 2024 to 2030. Their growth is expected to slow down after 2030.

China and India are expected to grow rapidly. Arrivals from these countries were impacted heavily by the pandemic, with their market share in terms of arrivals shrinking from 4% in 2019 to 2.7% in 2024. This is expected to recover quickly, reaching 4.3% again by 2030 and growing to 4.9% by 2035. Further, their strong growth is also fuelled by the continuing rise in middle income households, who can afford medium and long-haul travel.

Growth in overnight arrivals by source market

CAGR (%)

	2013 to 2019	2019 to 2024	2024 to 2030	2030 to 2035
United States	8.6%	4.5%	1.3%	0.4%
Western Europe*	0.7%	1.2%	2.6%	0.4%
Southern Europe*	1.8%	-0.2%	3.9%	1.2%
Ireland	3.0%	1.3%	3.0%	0.3%
Asia*	12.3%	-7.3%	11.8%	4.1%
Rest of World	3.9%	-2.6%	5.3%	1.7%
All UK arrivals	**3.6%**	**-0.5%**	**4.0%**	**1.2%**

Source: IPS, Tourism Economics

*Notes on country groupings

Western Europe: France, Germany, Netherlands

Southern Europe: Spain, Italy

Asia: China, India

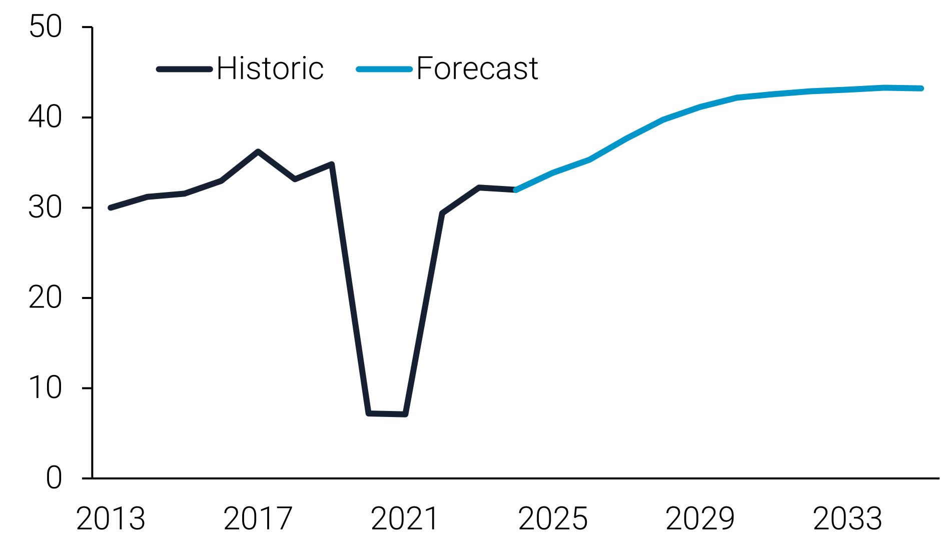
Visitor spend

Total spending by overnight international visitors could reach £43.2 billion by 2035, making an important contribution to UK's exports. Nevertheless, real spend per visit is expected to remain stable, reflecting the UK's relatively stable source market mix.**

Real spending by international visitors to the UK, which takes inflation into account, is expected to grow at 2.8% a year between 2024 and 2035, a similar rate to the growth in visits. This suggests that real expenditure per visitor will remain broadly constant in real terms. This high level of spend illustrates how tourism will play an increasingly important role for UK's exports.

UK international visitor spend excluding air fares

£ billions, 2024 prices



Source: IPS, Tourism Economics

**monetary values are in real prices (2024 level), reflecting inflation expectations. Excludes air fares.

Scenarios

International arrivals to the UK are expected to reach 52 million by 2035. Depending on various of macroeconomic scenarios examined, this can range from 47 to 55 million.

Changes in the wider macro-economic environment over the forecast period can have an impact to the drivers of tourism growth, most notably the relative exchange rates and the disposable income by country. These metrics can then impact our expectations about international arrivals to the UK.

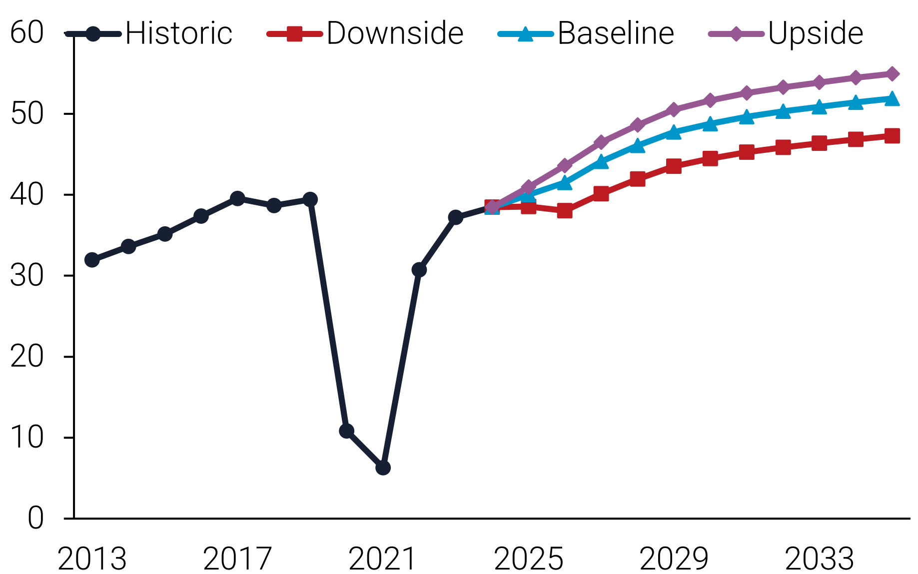
In the upside scenario, tariffs between the US and its trading partners are negotiated down and retaliatory tariffs are lowered. Further, inflation pressures are relatively contained and tension in the Middle East eases as the ceasefire between Israel and Iran is lasting. As a result, major source markets experience higher rates of growth, raising household incomes, spending power, and therefore the demand for international tourism.

In the downside, the US imposes 120% tariffs on China, and high rates elsewhere, and the US economy goes into recession. Elevated uncertainty and supply-chain disruptions lead to higher inflation and greater pressure on consumers' incomes internationally, affecting their ability to travel. In China, slower economic growth delays its travel recovery as the property market endures further downturn.

As a result of these differences, visits are expected to grow faster in the upside scenario, reaching 55 million by the end of 2035. In the downside scenario, arrivals growth is expected to be 0.8 percentage points (ppts) slower per year than in the baseline, resulting in a 2035 value of 47 million, around 5 million fewer visits than the baseline scenario.

UK inbound arrivals timeline

Millions, 2013 to 2035



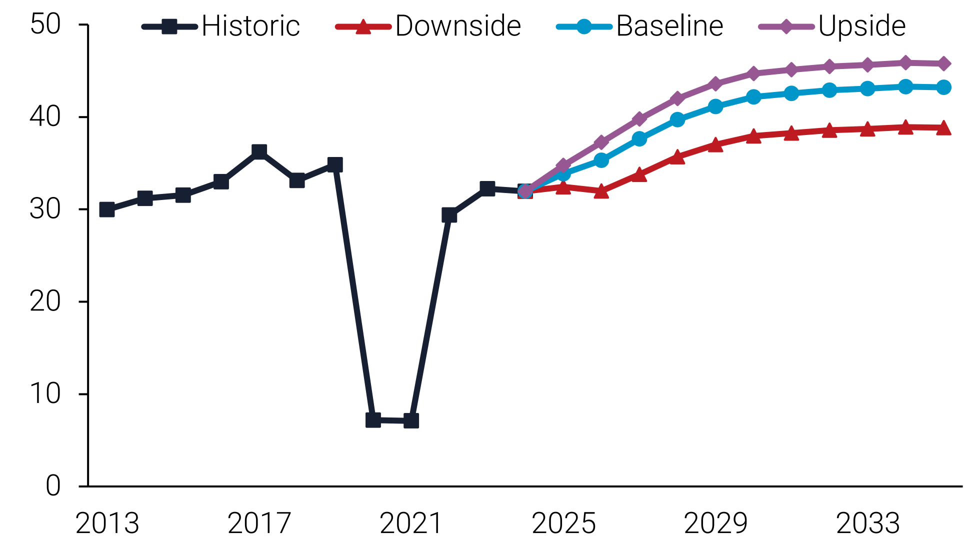
Source: IPS, Tourism Economics

Spend from international visitors could vary between £39 billion and £46 billion by 2035, following a similar pattern to visits.

A similar pattern is seen in visitor spend. Annual growth is 0.5 ppts higher in the upside scenario than the baseline, resulting in spend around £2.6 billion higher than the baseline scenario by 2035. Growth is 0.9 ppts slower per year in the downside scenario than the baseline scenario, resulting in a spend level £4.4 billion below the baseline level by 2035.

UK international overnight visitor spend (excluding air fares) timeline

£ billions, 2024 prices



Source: IPS, Tourism Economics

Growth in spend and visits by inbound source market and scenario

CAGR (%) 2024 to 2035

	Visits			Spend		
	Downside	Baseline	Upside	Downside	Baseline	Upside
United States	-0.5%	0.9%	1.6%	-0.2%	1.1%	1.8%
Western Europe*	0.8%	1.6%	2.0%	0.6%	1.4%	1.8%
Southern Europe*	2.0%	2.7%	3.1%	3.0%	3.7%	4.1%
Ireland	0.9%	1.8%	2.2%	0.6%	1.4%	1.9%
Asia*	7.1%	8.3%	9.1%	6.6%	7.7%	8.5%
Rest of World	2.8%	3.6%	4.2%	2.3%	3.3%	3.8%
All UK arrivals	**1.9%**	**2.8%**	**3.3%**	**1.8%**	**2.8%**	**3.3%**

Source: IPS, Tourism Economics

*Notes on country groupings

Western Europe: France, Germany, Netherlands

Southern Europe: Spain, Italy

Asia: China, India

Forecasts by Region & Nation to 2035

Scotland and the East of England are expected to outperform relative to the UK, while other regions & nations take longer to recover to their 2019 levels.

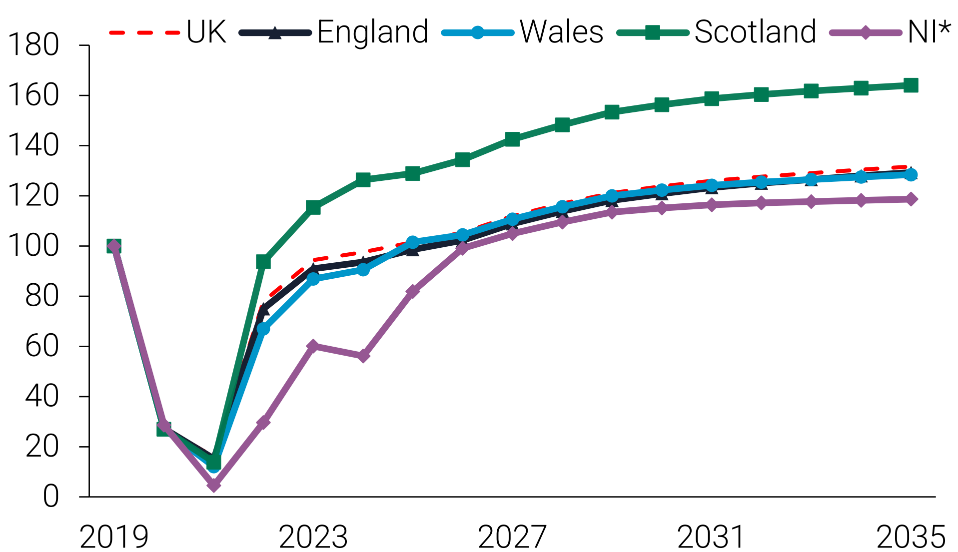
Under the baseline scenario, international visits to the UK are expected to grow at a rate of 1.7% per year between 2019 and 2035.

However, there is a reasonable degree of regional variation in these growth paths. Scotland is expected to outperform relative to the UK, with international visits expected to be over 60% higher in 2035 than in 2019. In contrast, international visits to Northern Ireland are only expected to recover to just over 2019 levels over this period.

Many regions outside London and Scotland are yet to see visits ahead of 2019 levels. They have only partially benefitted from the surge in US visitors since 2019, as they head to alternative areas in the UK such as Scotland and London. However, regions outside the capital could see strong growth from emerging source markets such as India. The West Midlands, as well as the North West of England, are known for having the largest Indian diaspora outside of London. In 2024, arrivals from India to the UK were 12% below their 2019 levels. Their recovery is likely to boost leisure and VFR visits to these two areas.

Inbound visits growth by nation, 2019 to 2035

Index: 2019 = 100



Source: International Passenger Survey, Tourism Economics

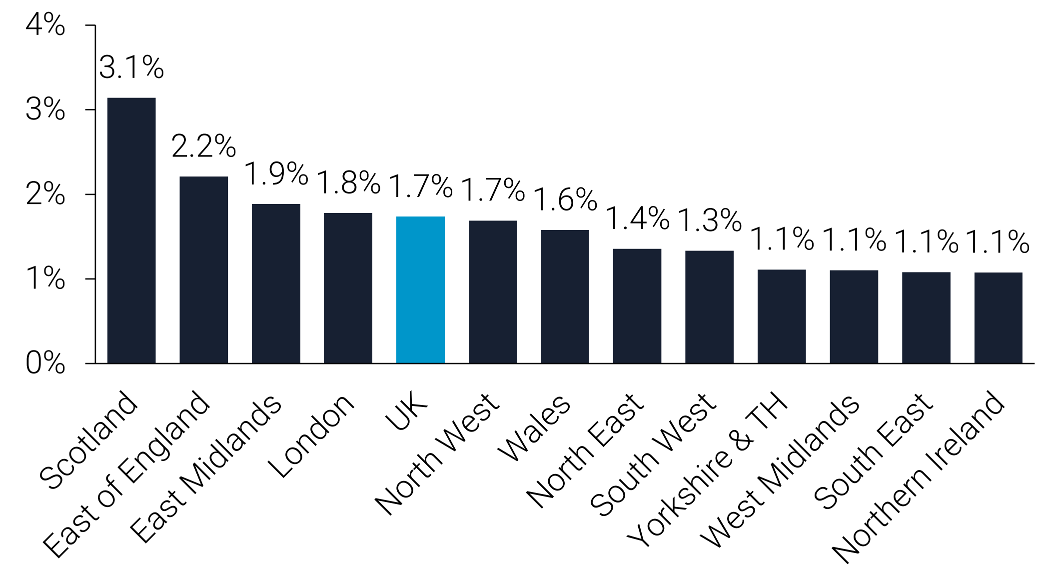
* There is a discrepancy between IPS and Northern Ireland Tourism in the Northern Ireland arrivals data. We have opted for the former to use a consistent source across nations.

Scotland was the first nation to recover after the pandemic, finishing 2024 with 26% more visits than in 2019.

Over 2019 to 2035 Scotland is expected to grow the fastest, at an annual rate of 3.1%. Alongside Scotland, the East of England and East Midlands are also expected to perform well, achieving annual growth rates of 2.2% and 1.9% respectively. The South East and Northern Ireland are expected to grow the least over the period achieving an average annual increase in visits of 1.1% over the same period.

Annual visits growth by region & nation, 2019 to 2035

CAGR (%)



Source: International Passenger Survey, Tourism Economics

Scotland's faster growth is partly driven by a recovery in its traditional source markets in Europe, including France, Germany, and Italy. This is supported by continuing growth in arrivals from the US, which were a key driving force behind its above-average performance over 2019 to 2024.

This suggests a degree of association between how well a region is expected to perform and how well it can retain visitors from its traditional source markets, while attracting visitors from growing areas such as Asia and the GCC will also be important, retaining visitors from Western Europe and the USA is crucial for maintaining a region's tourism industry.

In the medium term, economic activity generated by tourism is forecast to grow by at least 7% across England, Scotland and Wales from 2024 to 2030. For more detail see pages 53 to 55.

Growth Across UK Cities to 2035

London is the largest city in the UK in terms of overall travel spend and saw £15.4 billion in total travel spending in 2024. This is expected to grow to over £20.6 billion by 2035 in real terms.

UK cities, total travel spend excluding air fares, 2024 and 2035
Combined domestic overnight and inbound travel spend, £ millions, 2024 prices

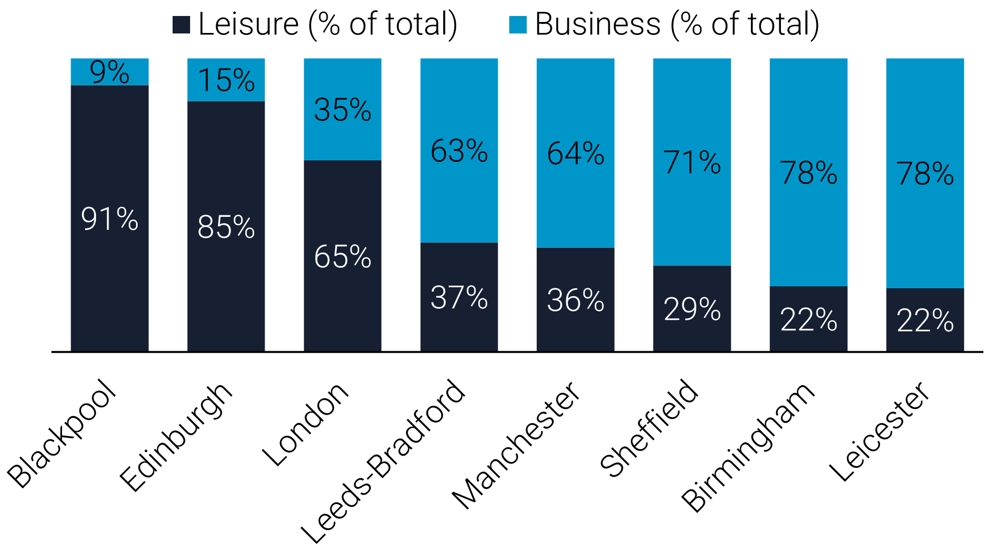
Location	2024 Total Spend (£ millions)	2035 Total Spend (£ millions)	Annual Growth Rate (%)
London	15,432	20,617	2.7%
Edinburgh	3,435	4,084	1.6%
Glasgow	1,162	1,405	1.7%
Manchester	1,114	1,503	2.8%
Birmingham	931	1,259	2.8%
Aberdeen	569	638	1.0%
Liverpool	503	649	2.3%
York	475	621	2.5%
Brighton	448	628	3.1%
Blackpool	420	478	1.2%
Portsmouth	391	484	2.0%
Bristol	353	461	2.5%
Leeds-Bradford	339	432	2.2%
Newcastle	322	398	1.9%
Belfast	309	412	2.6%
Cardiff	246	309	2.1%
Sheffield	232	337	3.5%
Nottingham	216	270	2.1%
Leicester	88	98	1.0%
United Kingdom	**64,585**	**82,669**	**2.3%**

Source: Tourism Economics

Manchester and Birmingham are expected to be the fastest-growing UK major cities between 2024 and 2035 in terms of total tourism spend, growing at an annual rate of 2.8%.

This is higher than the growth rate of other major UK cities, such as Edinburgh, which is expected to grow at 1.6% year on year and London, which is forecast to grow by 2.7%. Leicester is expected to grow at the slowest pace over this period, at real growth rates of 1.0%. Some cities with lower tourism may grow at a faster rate. Examples include Sheffield and Belfast. This growth is driven by historical trends and strong tourism prospects for their source market mix.

UK key cities, leisure vs business spend comparison (2024)



Source: Tourism Economics

In terms of spend purpose, Leicester has the lowest proportion of travel spend coming from leisure, at 22%. This is followed by Birmingham, which also receives 22% of its total spend from leisure visitors. Blackpool and Edinburgh receive the highest proportion of their spend from leisure, totalling 91% and 85% respectively.

The cities with a higher share of business arrivals are likely to be more resilient to changes in the economic climate, as leisure travellers cut down on expenditure during difficult economic conditions when disposable income may be under stress. On the other hand, cities dependent on business travel may be more affected by the increasing popularity of online meetings.

UK City Travel

Blackpool has the largest share of leisure as a percentage of inbound spend at 91%.

Manchester and Birmingham are expected to be the fastest growing major cities for tourism spend over 2024 to 2035.

London is expected to grow at 2.7% per year.

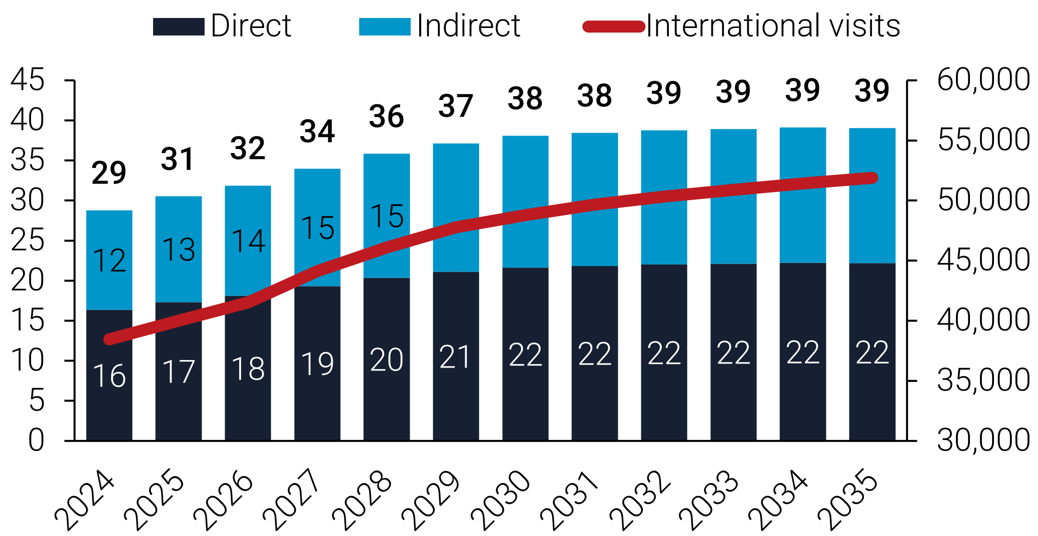
Projected GDP Impact – Inbound Tourism

The contribution of inbound tourism to the UK to real GDP is expected to grow in line with visitor volumes to reach £38 billion by 2030.

The direct real GDP impact of tourism spend is expected to rise and reach £22 billion by 2030.[1] This is based on in-destination spending and air fares with domestic carriers. As it flows through the economy, it is expected to support an additional £16 billion of GDP through indirect (supply-chain) impacts and £14 billion through induced (wage-linked) impacts in 2030. The relatively high induced impacts reflect the labour intensity of tourism-related sectors when compared to the rest of the economy. A larger share of GDP goes towards employing people and paying their wages. These earnings are spent back into the economy to generate a significant wage-induced impact.

UK inbound tourism GDP impacts, 2024 to 2035

£ billions, 2024 prices (LHS); Visits in '000s (RHS)



Source: IPS, Tourism Economics

International tourism's direct contribution to the country's GDP is expected to grow at an average rate of 4.8% a year over 2024 to 2030, faster than the UK economy as a whole.[2] The retail and wholesale and accommodation sectors are expected to benefit the most from an increase in international tourism. In relative terms, accommodation & food is the sector most reliant on international tourism, which is expected to support 16% of its GDP by 2035. The tourism inbound GDP growth is also expected to outpace that of the manufacturing and finance & insurance industries, with their total GDP forecast to grow at 0.6% and 1.3% a year, respectively.

1. All monetary values presented in real (2024) prices, taking inflation projections into account.
2. UK real GDP forecasts based on Oxford Economics' Global Economics Model

Inbound GDP Impacts in 2030 and 2035

	Direct GDP	Indirect GDP	Tourism GDP	Induced GDP
2030	£22B	£16B	£38B	£14B
2035	£22B	£17B	£39B	£15B

Note: all numbers are in 2024 prices.

GDP impacts attributable to inbound tourism in 2035, by industry

£ millions, 2024 prices

	Direct GDP	Indirect GDP	Tourism GDP	Induced GDP
Total GDP, All Industries	**22,176**	**16,865**	**39,041**	**14,661**
By industry				
Agriculture	-	187	187	184
Mining	-	50	50	32
Manufacturing	-	3,432	3,432	1,699
Power	-	289	289	236
Utilities	-	291	291	178
Construction	-	261	261	269
Retail & wholesale	4,362	2,674	7,035	1,880
Transport & storage	2,429	2,136	4,565	589
Accommodation & food	12,773	999	13,772	1,115
Info & communications	-	790	790	652
Financial services	-	1,186	1,186	1,139
Real estate	-	714	714	3,716
Professional services	-	1,582	1,582	707
Administrative services	561	1,432	1,993	674
Public admin	-	176	176	88
Public admin	-	150	150	301
Health	-	25	25	371
Arts & entertainment	2,052	444	2,496	368
Other services	-	47	47	435
HHs as employers	-	-	-	32

Source: Tourism Economics

Projected Employment Impact – Inbound Tourism

Inbound travel to the UK is expected to support nearly 644,000 jobs by 2030, including multiplier effects.

Spending by international visitors to the UK will directly support 432,000 jobs by 2030. As spending flows through the economy, it supports an additional 212,000 jobs through indirect (supply-chain) impacts and 155,000 through induced (wage-linked) impacts in 2030.

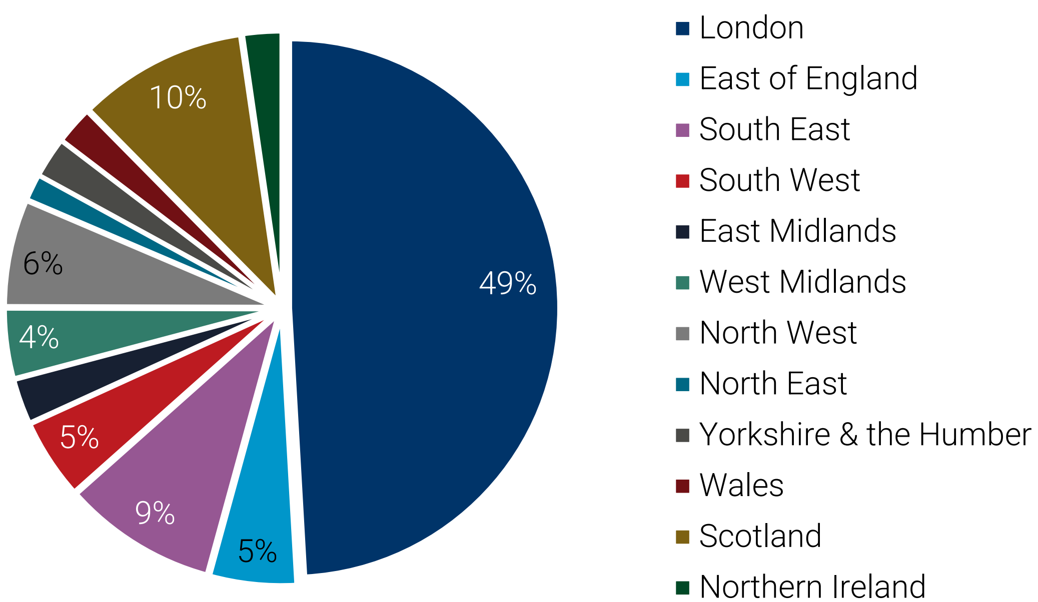
This is a significant increase from the 496,000 jobs supported in 2024, an average growth rate of 4.4% a year. The number of jobs linked to tourism spending are expected to grow slightly slower than the industry's GDP contribution, and we can see a decline between 2030 and 2035. This difference is driven by the expected gains in labour productivity over the forecast period, which is driven by technological improvements.

Most jobs supported by international visitor spending will be in the retail and wholesale and accommodation sectors, a similar pattern to the GDP distribution by industry. In relative terms, accommodation and food jobs are the reliant on international tourism, which is expected to support 10% of the total employment in the sector.

Most of these jobs will be concentrated in London and the South East, supported by a strong visitor economy and busy international airports. A significant part of these jobs are in Scotland, with over 56,000 people working directly or indirectly for the visitor economy there in 2024.

Total jobs supported by inbound tourism, 2035

%, by region/nation



Source: Tourism Economics

Inbound Employment Impacts in 2030 and 2035

	Direct jobs	Indirect jobs	Tourism jobs	Induced jobs
2030	432K	212K	644K	155K
2035	426K	209K	636K	153K

Employment impacts attributable to inbound tourism in 2035, by industry

Jobs

	Direct jobs	Indirect jobs	Tourism Jobs	Induced jobs
Total Employment, All Industries	**426,162**	**209,380**	**635,542**	**153,005**
By industry				
Agriculture	-	4,750	4,750	4,050
Mining	-	148	148	103
Manufacturing	-	26,595	26,595	9,326
Power	-	2,205	2,205	1,417
Utilities	-	2,025	2,025	935
Construction	-	2,488	2,488	2,539
Retail & wholesale	51,948	50,134	102,082	37,508
Transport & storage	30,367	24,289	54,656	9,399
Accommodation & food	296,114	13,850	309,963	24,382
Info & communications	-	7,686	7,686	4,929
Financial services	-	5,772	5,772	5,418
Real estate	-	3,857	3,857	4,374
Professional services	-	22,161	22,161	9,850
Administrative services	2,459	32,780	35,239	10,942
Public admin	-	1,936	1,936	1,034
Public admin	-	2,642	2,642	6,049
Health	-	560	560	7,907
Arts & entertainment	45,275	4,701	49,976	7,053
Other services	-	800	800	5,788
HHs as employers	-	-	-	-

Source: Tourism Economics

Total Tourism Projections

The total value of tourism activity in the UK on real GDP is expected to reach £161 billion by 2030.

Inbound tourism is forecast to drive much of this, growing by 32% (+£9.4 billion) between 2024 and 2030. In comparison, domestic (inc. outbound) tourism activity is expected to grow by 3% over the same period. As domestic activity covers the majority of UK tourism spend, tourism overall will grow by 9.3% by 2030, faster than the UK economy as a whole (8.8%).

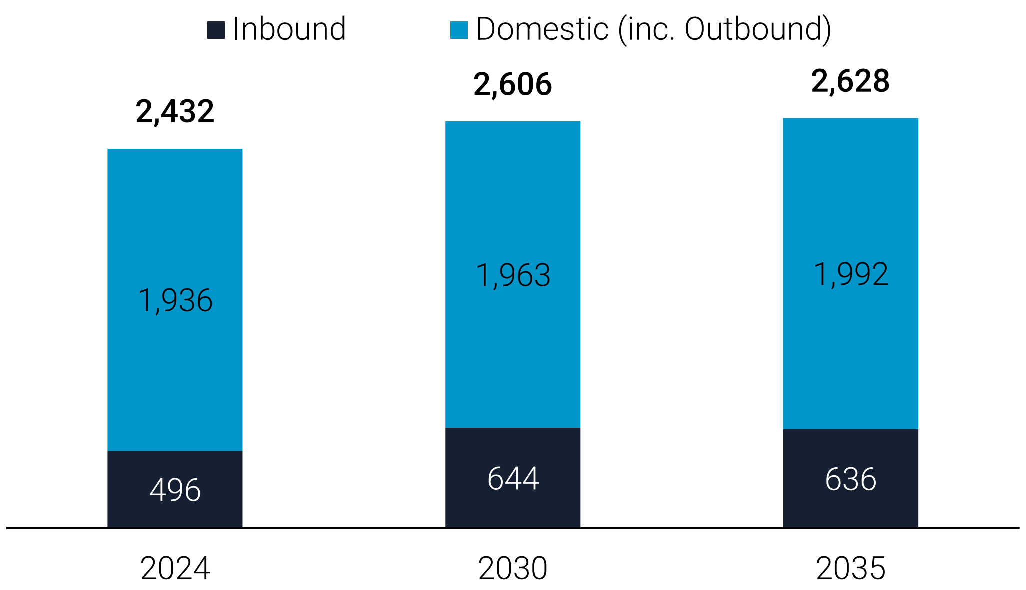
The inclusion of domestic tourism activity in the projections for economic impact takes the value of tourism in the UK to £161 billion of GDP in 2030, an annual growth rate of 1.2% from 2024. By 2035, the impact is expected to reach £169 billion in constant prices. In the same year, the accommodation & food services industry is expected to depend on tourism for 48% of its GDP, similar to the 46% seen in 2024.

The number of jobs supported are expected to grow at a slower pace, reflecting gains in labour productivity from the adoption of new technologies. Employment linked to direct and indirect (supply-chain) tourism activity are expected to grow from 2.4 million in 2024 to approximately 2.6 million in 2030 and 2035. This implies an additional 175,000 jobs supported by 2030.

In the forecast period, most jobs in the tourism industry are still expected to be supported by domestic travel, reaching 2.0 million in 2035 (76% of total jobs). By 2030, jobs supported by inbound tourism are expected to be 24% higher than 2024. This compares to a 2% increase for the equivalent jobs relating to domestic tourism.

UK tourism employment impacts, 2024-35

000s of jobs



Source: Tourism Economics

Summary of Tourism Impacts

	GDP	Employment
2030	£161B	2.6M
2035	£169B	2.6M

Note: all numbers are in 2024 prices.

Detailed GDP impacts attributable to Tourism in 2035

£ millions, 2024 prices

	Direct GDP	Indirect GDP	Total GDP	Induced GDP
Total GDP, All Industries	**79,785**	**88,769**	**168,554**	**66,820**
By industry				
Agriculture	-	931	931	835
Mining	-	258	258	148
Manufacturing	-	19,193	19,193	7,748
Power	-	1,080	1,080	1,065
Utilities	-	1,232	1,232	804
Construction	-	3,911	3,911	1,479
Retail & wholesale	18,250	7,129	25,379	8,558
Transport & storage	7,876	9,032	16,908	2,672
Accommodation & food	37,441	3,723	41,163	5,022
Info & communications	-	4,268	4,268	3,057
Financial services	-	5,205	5,205	5,157
Real estate	-	2,736	2,736	16,743
Professional services	-	7,804	7,804	3,275
Administrative services	7,505	6,312	13,817	3,059
Public admin	-	4,618	4,618	400
Education	-	3,083	3,083	1,364
Health	-	5,871	5,871	1,670
Arts & entertainment	8,715	2,096	10,810	1,663
Other services	-	289	289	1,960
HHs as employers	-	-	-	142

Source: Tourism Economics

TECHNICAL APPENDIX

Image credits: VisitBritain/Pinzutu Films/Ula Blocksage

Glossary and Data Sources

This report was published in **January 2026**

This report reflects data available as of December 2025.

For the latest visitor statistics from VisitBritain and VisitEngland you may visit the Research & Insights section of their website at https://www.visitbritain.org/research-insights.

Glossary

International (inbound) visits—arrivals of non-UK residents from abroad to the UK.

Domestic overnight visits—a trip taken by a UK resident to a location within the UK that includes at least one overnight stay away from home.

Domestic day trips—a trip taken by a UK resident to a location within the UK, where the traveller returns home the same day without staying overnight.

Outbound trips— trips made by the residents of the UK to a destination outside of the UK.

Visitor spending—total expenditure made by tourists during their trip, including all purchases related to travel and stay. This includes spending on accommodation, food and beverages, transportation, entertainment, shopping, and other travel-related services. This can be broken down into the following categories:

- **Domestic visitor spending:** expenditure by UK residents travelling within the UK.
- **Inbound visitor spending:** expenditure by non-UK residents during their visit to the UK.
- **Outbound pre-trip visitor spending:** expenditure by UK-residents in the UK before departing on an international trip. Examples include airport transfers, spend with UK-based travel agents and pre-trip retail purchases such as sun cream.

Output—this consists of those goods or services that are produced by the tourism industry. To calculate output, we add together the value of the inputs used in the production process including labour, capital, and intermediate goods and services. Output is closely linked to revenue.

GDP—the gross-value added contribution to GDP. This reflects the value (after accounting for costs) that a business or sector receives for producing goods and services. This value is distributed between wages and profits.

Employment—the number of jobs supported, reflecting the productivity in the sectors where tourism spending occurs.

Taxes—the additional government revenue contributed by the tourism industry.

International visitor density—the concentration of international tourists within a specific geographic area over a given period. This metric measures how likely one is to encounter an international visitor on a typical day.

Average length of stay (ALOS)—the average number of nights that visitors spend at a destination during a trip. It is calculated by dividing the total number of overnight stays by the total number of trips involving at least one overnight stay.

Source market capture—the share of tourists or tourism expenditure that a destination attracts from a specific international market or country. It reflects how effectively a destination draws visitors compared to the total outbound travel from that source market.

Data Sources

International Passenger Survey (IPS)—a survey conducted by the UK Office for National Statistics that collects data on international travel patterns, including visitor numbers, purposes, and spending for inbound and outbound trips. This is the primary source for data on inbound visits and spending.

Great Britain Tourism Survey (GBTS)—a survey that collects data on overnight trips taken by residents within Great Britain, including trip characteristics, spending, and visitor demographics. This is used for data on domestic overnight/day visits and spend.

Office for National Statistics (ONS)—the UK's national statistical agency, that is responsible for collecting and collating a lot of tourism and other economic data used in this report.

Tourism Satellite Accounts (TSA)—is an extension to the System of National Accounts (SNA). It enables users to gain an understanding of the size and role of tourism-related economic activity, which is usually "hidden" within standard national accounts. We use this to split tourism spending by category.

Amadeus—global travel technology company that provides data on real-time and forward-looking insights into hotel occupancy, booking trends, average daily rates (ADR), and distribution channel performance. This is used for calculating average spending on hotels.

Office for Road and Rail (ORR)—the UK's agency collecting the rail usage statistics in this report. Source of rail passenger journey data.

UK Civil Aviation Authority (CAA)—is the national regulatory body responsible for overseeing civil aviation in the United Kingdom. It published statistics on passenger numbers, flight movements, safety incidents, airline finances, and environmental factors such as emissions and aircraft noise. It is the source of our air passenger data.

Report Details

Tourism Definition

For this report, tourism is defined as the consumption of good and services by both domestic and international visitors across a range of tourism-related industries. The industries included in this analysis are:

- Accommodation services for visitors
- Food and beverage serving activities
- Passenger transport services—including railway, road, water, and air transport
- Transport equipment rental services
- Travel agencies and other reservation services
- Cultural activities
- Sport and recreation activities
- Exhibitions and conferences etc.
- Other consumption products (Retail)

Data source and methodology

International visitor numbers and spending are sourced from the International Passenger Survey (IPS). Data collection for Northern Ireland was replaced by the Northern Ireland Statistics and Research Agency's (NISRA) own Northern Ireland Passenger Survey (NIPS) from April 2024. These figures are not directly comparable with previous years' estimates from the International Passenger Survey (IPS). To produce an estimate for visitors to and spending in Northern Ireland, we applied NISRA's 2023 to 2024 growth rate to the 2023 IPS value. As a result, our time series does not align with the overall UK total published by the ONS. However, for our economic impact calculations, we have matched our visit/spend data with the ONS by using the exact NISRA value for Northern Ireland.

GBTS data is used for domestic visitor numbers and spending. A bottom-up approach has been applied, using county-level estimates to build regional and national figures, ensuring consistency with local patterns of tourism activity. For Northern Ireland domestic visits and spend, we have combined the GBTS values for visits/spend within Northern Ireland by residents of Great Britain and the NISRA values for visits/spend by residents of Northern Ireland within Northern Ireland.

It is important to note that in 2021, changes were made to the survey definitions and methodology of the GBTS. As a result, data published from this point onward are **not directly comparable** with figures from 2019 and earlier years.

Retail Spending Adjustment

The spending for each type of visitor is then distributed across various items and sectors according to TSAs that are publicly available at the time of writing, and card spending data from VISA. This is complemented with data on accommodation spend in the UK from Amadeus. Retail spending in the TSA includes a broad category called “other consumption products”, which tends to slightly overestimate visitor spending attributed solely to retail. To improve accuracy, a portion of this retail spend was redistributed into other relevant sectors, excluding accommodation and air transport, which have separate adjustments. This approach ensures visitor expenditure is allocated more realistically across industries in line with established spending patterns.

Economic Metrics

In this report, impacts are presented as GDP (Gross Domestic Product) values. Unlike Gross Value Added (GVA), GDP includes taxes on products and subsidies, making it a broader measure of economic activity. This approach provides a more comprehensive view of tourism’s contribution to the economy, particularly in sectors like hospitality, retail, and transport, where product taxes (e.g. VAT) form a significant part of final spending. As a result, the values reported here are **not directly comparable** to GVA-based figures published elsewhere.

Channels of Impacts

This report quantifies only the **direct and indirect economic impact** of tourism. The direct impact refers to the contribution made by industries directly receiving tourism spending, for example hotels, tour operators, airlines, and attraction venues. The indirect impact represents the wider economic activity that spreads through the supply chain, for example a hotel purchasing food from a local supplier.

The analysis **does not** include the induced impact, which measures the economic activity generated by the spending of wages earned by those directly or indirectly employed in the tourism industry, for example, hotel staff spending their income in local shops. However, the induced impact is presented separately in certain sections of the report.

The Department for Culture, Media & Sport (DCMS) have commissioned a report on the ‘Tourism Sector Scenario Modelling and Government Intervention Impact Analysis’. Although it uses the same modelling approach, the focus of that report is on the direct impact, as opposed to the combined direct and indirect contribution.

Report Details (Continued)

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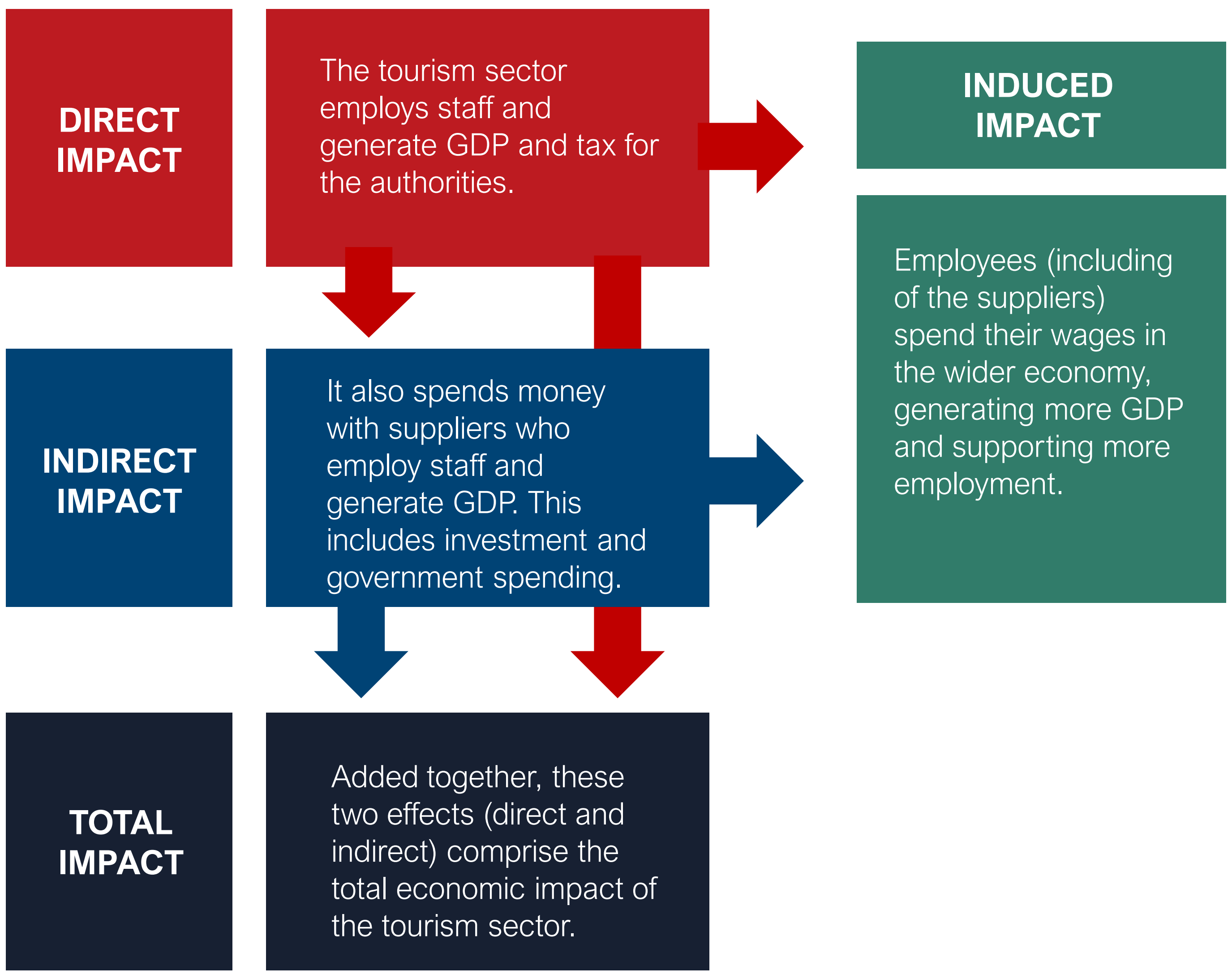

Image credits: VisitBritain/Jon Attenborough

Modelling Approach

The baseline forecasts have been developed using a conceptual framework adapted from our Global Travel Service. This model combines historical tourism data from national statistics offices (e.g. ONS), tourism agencies (e.g. VisitBritain/VisitEngland) and economic indicators from the Oxford Economics Global Economic Model. Key macroeconomic indicators that have been identified as key drivers of growth to the travel sector include, GDP, unemployment, income levels and exchange rate.

The econometric relationships between these economic drivers and travel trends in source markets are complemented by destination-specific indicators such as price competitiveness, attractiveness, and market share. This approach allows for robust forecasts of travel across 185 countries worldwide.

Forecasts for the UK, and all other destinations, are produced within a consistent and comparable framework balancing source market demand and destination performance; any growth in destinations from supportive policy are derived from market share gains relative to other destinations. The regional forecasts in this section are produced on a top-down basis, by distributing UK level forecasts to each of the regions/nations using location quotients that indicate the relative importance of each destination according to historical data trends.

GTS includes both short-run dynamics in response to immediate demand effects, as well as longer-run structural relationships within an Error Correction Model (ECM) framework.

Travel flow modelling framework

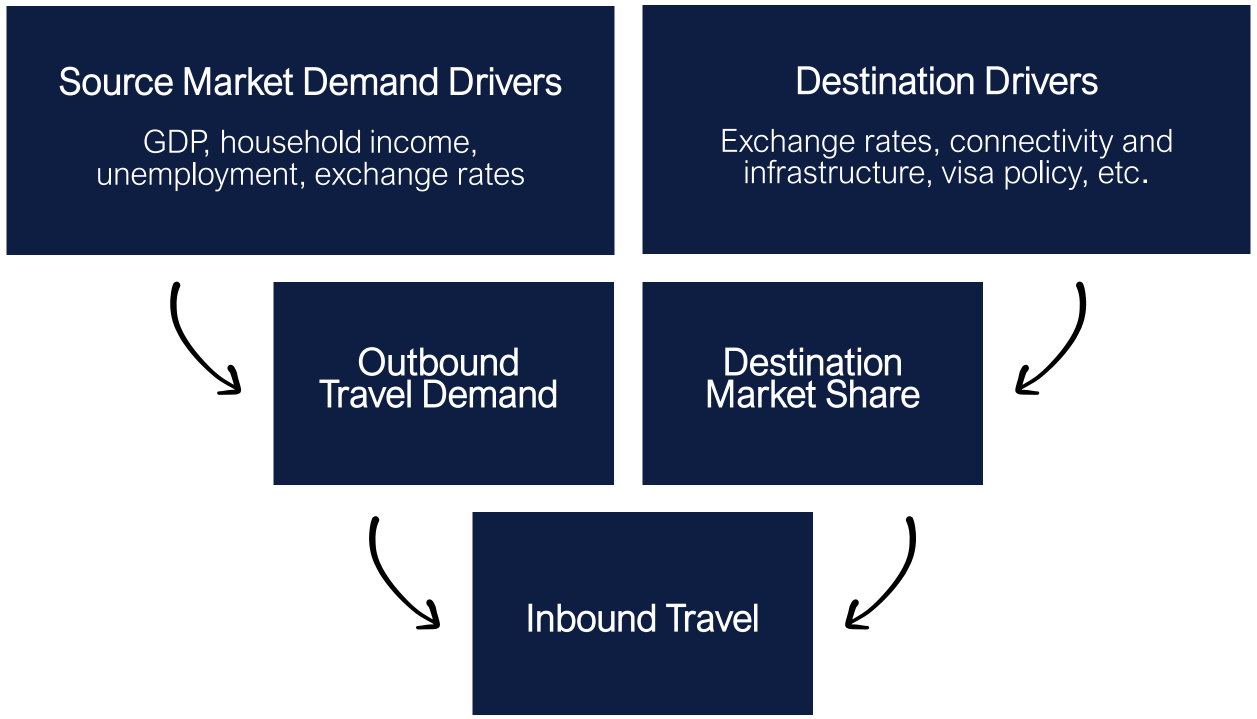

Image credits: Visit Hertfordshire/ Rebecca Douglas

About the Research Team

Oxford Economics was founded in 1981 as a commercial venture with Oxford University's business college to provide economic forecasting and modelling to UK companies and financial institutions expanding abroad. Since then, we have become one of the world's foremost independent global advisory firms, providing reports, forecasts and analytical tools on 200 countries, 100 industrial sectors and over 3,000 cities. Our best-of-class global economic and industry models and analytical tools give us an unparalleled ability to forecast external market trends and assess their economic, social and business impact.

Oxford Economics is an adviser to corporate, financial and government decision-makers and thought leaders. Our worldwide client base comprises over 2,000 international organisations, including leading multinational companies and financial institutions; key government bodies and trade associations; and top universities, consultancies, and think tanks.

This study was conducted by the Tourism Economics group within Oxford Economics. Tourism Economics combines an understanding of traveller dynamics with rigorous economics in order to answer the most important questions facing destinations, investors, and strategic planners. By combining quantitative methods with industry knowledge, Tourism Economics designs custom market strategies, destination recovery plans, forecasting models, policy analysis, and economic impact studies.

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