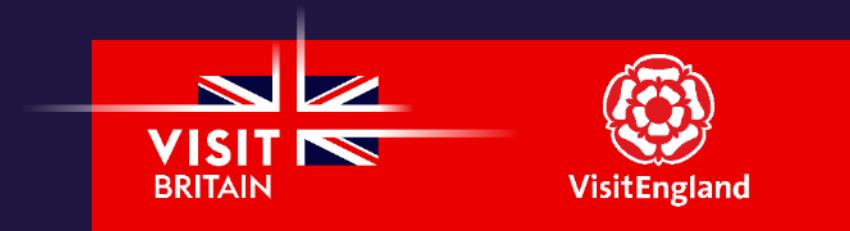


Tourism State of the Nation

VisitBritain/VisitEngland
January 2026



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Recent trend:

- Data suggests a good end to the year from Europe in terms of year-on-year growth, but slower from long haul. 2025 overall probably saw moderate growth, again led by Europe.
- The domestic market remains challenging. In 2025 data available so far, domestic overnight volumes have been weak but spend is up; day trip performance has been similar to 2024.

Forward look:

- Weak recent bookings means the short term outlook has softened and long haul bookings (especially from Asia) are down on last year.
- Domestically, mixed signals in terms of trip intent. Economic outlook muted. Business confidence low.



Image: A man and woman stand on a cliff edge in front of a sea view

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Tourism State of the Nation January 2026: Inbound performance and prospects

- **Recent performance:** Flight data suggests a good end to the year from Europe. In Q4, flight arrivals looking across the Forward Keys and Amadeus databases were up 5% on 2024 (8% up from Europe though 2% down from long haul). This was a little higher than the growth seen in Q3 (4%). Visa card data showed a 4% increase in trip volumes in Q3 with spend growing at a similar pace (5%). Year to date, Home Office data shows that arrivals by non-British nationals were up fractionally on 2024 in the first nine months of the year although Visa and flight data suggest modest growth. Sources agree that arrivals from Europe grew at a faster pace than long haul throughout most of the year, though in comparison to a strong 2024 for the latter. Across 2025, flight arrivals from the US were down 1% on 2024.
- **Prospects:** Flight bookings have been slow since mid-September. Those made in November were flat vs 2024, following a 3% decline in October, and down around 5% in December. Bookings have been down recently from most long haul regions. This has worsened the short term outlook; bookings for arrival in Dec-May are currently tracking flat with a year ago, although 5% up for Europe and 3% down for long haul. With the early part of the year the key booking window from many markets, this picture could change rapidly.
- **Nations/regions:** Looking at regional trends, Visa card spending data for the first nine months of 2025 shows higher than average year-on-year growth in Scotland (6%), North of England (6%) and Wales (4%). Spend in London grew by 2%. Flight arrivals by inbound visitors to non-London airports grew by 5% for 2025 overall, and were down 1% to London.

Tourism State of the Nation January 2026: Global context and drivers

- **Economic outlook:** The global economy is forecast to grow by 2.7% this year, a little lower than the 2.9% expected for 2025. In 2027, growth is expected to return to 2.9%. The US is forecast to grow 2.5% but the EU only 1.1% this year. In the US, consumer spending growth is steady, and inflation and interest rates have come down, although the labour market is mixed. In the EU, most economies are forecast to grow slowly in 2026 although Spain is an outlier with solid growth.
- **Economic drivers:** The pound is relatively strong against the US dollar and steady against the euro. The dollar stands at £0.73, well down on its £0.82 level a year ago, and matching recent lows. It is below its 2022-24 level, making outbound travel from the US more expensive. The pound has been stable against the euro recently; at £0.87, it is up from £0.84 a year ago but well within its recent range.
- **Geopolitical:** The oil price has been volatile recently. It fell to a 5-year low following the US strike on Venezuela, but then rebounded close to a 6 month high due to Iran concerns. A lower price would ease inflationary concerns and help ease transport prices. The Greenland dispute has threatened to re-ignite the tariff war, which could weigh on growth.
- **Competitive view:** Oxford Economics estimate that inbound arrivals to the UK grew by 2% in 2025, a little behind the 4% seen for Western Europe; for 2026 they are forecasting similar performance with 5% (WE) and 4% (UK). Global arrivals are forecast to grow 8% this year, following 5% last year, with emerging destinations generally seeing faster growth.

Tourism State of the Nation January 2026: Domestic and tourism industry

- **Recent performance:** Overnight volumes are still slow but there have been other encouraging signs. In the first nine months of 2025, overnight trips were down 5%, although spend was 9% up on a weak 2024. Day trips have performed better, with volumes and values slightly up on 2022-24 levels. Seaside destinations are continuing to struggle, with overnight volumes and spending well down; city breaks are performing better.
- **Domestic outlook:** Mixed signals. Although perceptions of cost of living have improved, perceived financial barriers to taking overnight domestic trip have increased, as well concern about the cost of accommodation and drinking/eating out. Domestic trip intentions for the next 12 months are down year on year (77% vs 80%).
- **Economic outlook:** Forecasts have been revised up fractionally but the economy, as well as consumer spending, are forecast to grow just 1.0% in 2026 in real terms. Inflation rose to 3.4% in December, although is forecast to ease to 2.3% this year. The Bank of England cut the base rate in December, easing conditions for consumers and businesses, with more cuts likely in 2026. Unemployment has continued to tick up.
- **Industry data:** Hotel room demand in England was 2% lower in 2025 vs 2024, and in Dec 3% lower, broadly reflecting weak domestic overnight trends. Average daily rates were flat across 2025, well below inflation.
- **Industry data:** Confidence is low. Only 25% of businesses in the hospitality sector and 22% in the “Arts, entertainment and recreation” sector have high or moderate confidence about their outlook for growth over the next 12 months. This is lower than the 35% of business across all sectors who are confident.