Tourism State of the Nation

VisitBritain/VisitEngland

March 2026

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Recent trend:

- Inbound: Flight data suggests that early 2026 was below 2025.
- Domestic: Indications of recent overnight trip taking have been slow, although Easter intentions are up on last year.

Forward look:

- Inbound: Overall expectations are being revised down, with huge uncertainty about prospects. Overall, flight on the book for the short-term are tracking below last year. There has been a boom in bookings from some long-haul source markets securing flights that do not transit through the Gulf, or before prices rise; a slump in net bookings from Gulf and India; steady from North America and slightly down from Europe.
- Domestic and industry: We are already seeing domestic trip intentions falling noticeably, although they are down for outbound too. The economic outlook has deteriorated suddenly. Fuel prices and availability a major concern.

Image: A woman rides in a vintage car at Black Country Living Museum © VisitBritain/Mikaela Serur

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

- **Recent performance:** Flight data suggests a slow start to 2026, with bookings in the Forward Keys database down 6% in January and 7% in February, with the latter half of February particularly weak. Arrivals in March are down on 2025, but with tremendous variation by source market.
- **Prospects:** Flights on the book for April are currently tracking 7% below 2026, for May 3% below, for June and July around on par (1% below), and tracking ahead for August, although ticket maturity is low beyond May and the outlook is changing rapidly. The pace of bookings overall in the last two weeks of data has been around on par with 2025, but with some regions well down and others well ahead.
- **Global regions:** Booking and arrival patterns have been highly volatile in recent weeks, due to the Iran situation as well as the timing of Easter and Ramadan. Net bookings to the UK from the Middle East have been around half normal levels over the last month, and from India have also been down by around a third. (Bookings from these regions were also slow before the Iran conflict began.) Bookings have been much stronger than last year from Australia and New Zealand, North East Asia and South East Asia, in many cases securing seats on flights that transit outside the Gulf, or before prices rise. From North America, bookings have been tracking 2025 levels over the last month, and for Europe slightly below.
- **Competitive view:** Oxford Economics have revised up their forecast for growth in inbound tourism to Western Europe this year but have revised down their forecast for UK. In part this reflects the Middle East comprising a greater share of tourism to the UK than to Europe, as well as high growth expected this year for sunshine destinations in southern Europe.
- **2025 performance:** In 2025, VisitBritain estimates that inbound visits grew by 2% overall in 2025, and the value of spending by inbound visitors by 3%. Throughout most of 2025, European markets showed better year-on-year performance in aggregate than long haul.

Source: VisitBritain, Visa, Forward Keys (flight data to December)

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

- **Oil price:** Due to the Iran conflict and the near-closure of the Strait of Hormuz, the oil price, the biggest single driver of short-term inflation, has jumped. It has risen from around $70/barrel before the conflict began, and lows of below $60 around the turn of the year, to around $110 at time of writing (and has reached highs of around $120), the highest since 2022. This is already exacerbating cost of living pressures globally. More specifically, the jet fuel price has risen by an even greater degree, more than doubling between late February and late March.
- **Economic outlook:** The outlook has degraded and is highly uncertain. The forecast for US real economic growth in 2026 has been lowered from 2.8% to 2.4% and for the Eurozone from 1.1% to 0.8%. Forecasts for next year are 2.7% and 1.5% respectively. In the US, consumer spending is forecast to grow by a more sluggish 1.9% (in the Eurozone 0.9%), a sharp downgrade from the 2.5% expected as of February. These are central forecasts and there is a very wide range of plausible outturns either side. Different countries are being affected by varying degrees, for example related to their dependence on oil and gas imports.
- **Exchange rate:** The US dollar has strengthened somewhat. At time of writing it stands at 76p, up from a low of 74p before the conflict and 72p in late January, and similar to its level of 77p a year ago. The euro is currently trading at 87p, having been quite stable against the pound over the last several months.
- **Global consumer confidence & trends:** For European source markets the main concern is around the cost of flights, and general cost pressures, especially if the conflict continues, with few cancellations seen yet. The main booking period for the year for many Europeans has now passed. There is more volatility from markets such as Australia/NZ (booking/rebooking on flights that transit through hubs outside the Gulf), China (prices rising as we approach a key booking window) and India (disruption to airspace, despite good direct flight connectivity).

Source: VisitBritain, Oxford Economics, Bank of England, IATA

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

- **Domestic outlook:** Even in the early days of the conflict, consumer concern over the impact was evident. In March, domestic overnight trip intentions for the next 12 months were down year-on-year, falling from 80% in 2025 to 75% in 2026; this also represents a dip from numbers seen in the last few months. Outbound intentions have also fallen by a similar degree, from 63% last year to 58% this year, with many respondents citing global conflicts as a reason for preferring a UK trip. There was also an increase in concern about the cost of living. In the short term, however, Easter domestic trip intentions are up on last year; but more than a quarter of those surveyed, 28%, expressed concern about the impact of the Middle East conflict on their upcoming travel plans in April and May. The top concern was having less money to spend due to the economic impact followed by deciding to holiday at home instead of abroad.
- **Economic outlook:** The outlook has worsened sharply. Consumer confidence dipped in March to an 11-month low, driven by a decline in expectations about the economy and in confidence about making major purchases. Inflation was 3.0% in February, and had been expected to fall, but is instead likely to rise to over 4%, with risks of an even greater increase should the Iran conflict persist and/or escalate. Expectations of interest rate cuts have faded. Consumer spending growth forecast for 2026 has been cut from 0.9% to 0.3%. Fuel could start to be a barrier to trip taking; petrol prices are up 13% and diesel 24% in the last four weeks (as of 30 March) and likely to rise further, with some petrol stations seeing shortages.
- **Recent performance:** Recent trip taking is slightly down on a year ago, with 14% having taken a trip in December-February, down from 16% a year ago.
- **Industry data:** Revenues in the accommodation sector have been weak over the last few months, but much stronger in the food/drink serving and wider cultural and entertainment sectors, pointing towards a strengthening day trip / local market compared to overnight tourism.

Source: VisitEngland, ONS, Oxford Economics, DESNZ