

United Kingdom

Tourism in the economy and outlook for recovery

Tourism is an important economic sector in the United Kingdom. In 2019, tourism directly contributed GBP 73.6 billion or 3.7% of total GVA. The impacts of the pandemic saw this fall to GBP 34.4 billion or 1.8% of national GVA in 2020. Tourism directly supported 1.7 million jobs in 2019, with 240 944 enterprises involved in tourism activities.

International overnight visitors fell 73% to 11.1 million in 2020. This greatly impacted tourism receipts, which declined 64% to GBP 14.8 billion. There were 6.2 million international visits to the United Kingdom in 2021, with a gradual increase throughout the year as travel restrictions loosened and international travel resumed. The 2021 top source markets were the United States, Ireland, France, Spain and Germany.

The impact on domestic trips is also crucial as domestic tourism typically makes up more than 80% of tourism expenditure in the United Kingdom. Domestic tourism is not expected to recover to 2019 levels until 2023. The latest forecast suggests that international arrivals to the United Kingdom will not return to 2019 levels until 2025.

Tourism governance and funding

The Department for Digital, Culture, Media and Sport (DCMS) is the lead department responsible for tourism policy in the United Kingdom. It co-ordinates tourism policy across the United Kingdom, leads the relationship with the British Tourist Authority (the national tourist board) and has control over a number of distinct policy areas such as tourism marketing, heritage, arts, culture, and business events.

Engagement with other departments is overseen on an ad-hoc basis by the Tourism Minister responsible for policy which affects the overall tourism sector, including the departments for Business, Energy and Industrial Strategy, Transport, and Environment, Food and Rural Affairs, Her Majesty's Treasury, and the Home Office. This was formalised in 2021 with the creation of an inter-Ministerial Group for the Visitor Economy.

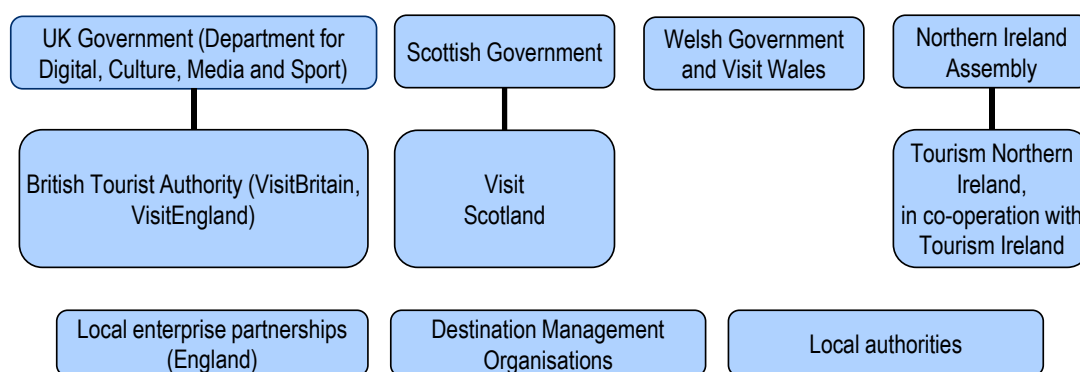
The British Tourist Authority has a statutory duty to encourage visits to Britain and improve tourist amenities. VisitBritain markets and promotes Britain abroad through a global office network. VisitEngland undertakes domestic marketing and business support and development activities. The British Tourist Authority also undertakes tourism research, administers bespoke grant schemes and has a number of commercial revenue streams. In 2021/22, the BTA received GBP 34.2 million of funding from DCMS and GBP 18.9 million from GREAT, an international marketing campaign encouraging people to visit, do business, invest and study in the United Kingdom.

Tourism is largely a devolved competence; thus, the Scottish and Welsh Governments, and the Northern Ireland Executive, formulate their own tourism policy and have their own tourist boards. Tourism Ministers from the four nations meet once a quarter.

The Tourism Industry Council, co-chaired by the Minister for Sport and Tourism and a senior representative of Hilton Worldwide, drives engagement with the tourism sector, facilitating a two-way dialogue. Other forums include the 'Tourism Industry Emergency Response' group run by VisitBritain, which has met regularly during COVID-19, and the Events Industry Board, which supports the government in developing its business tourism policy.

Destination Management Organisations (DMOs) are an important part of the United Kingdom tourism landscape. However, they have no formal relationship with the national government outside of ad-hoc relationships on bespoke grant funding programmes. There is no consistent funding model for DMOs, but some are funded by Local Authorities. In 2021, the United Kingdom commissioned a review of the DMO model (see Box 2.10).

United Kingdom: Organisational chart of tourism bodies



Source: OECD, adapted from the Department for Digital, Culture, Media and Sport, 2022.

Tourism policies and programmes

In June 2021, the United Kingdom published its Tourism Recovery Plan, describing how the government will help the sector recover from the COVID-19 pandemic and 'build back better'. This provides policies to address the challenges caused by the pandemic and sets out high-level aims and objectives for where the United Kingdom would like to be once tourism recovers.

The Tourism Recovery Plan lists a range of policy measures responding to each objective of the Plan. In the short to medium term. Key policy measures include stimulating demand via enhanced domestic and international marketing activities, for example, a GBP 10 million holiday voucher scheme administered by the National Lottery to stimulate domestic tourism in the off-season and introducing a new integrated rail pass for domestic tourists. Other measures include detailed sector guidance on COVID-19 rules, maintenance of the "Good to Go" COVID-19 secure accreditation, consultations on reforming Aviation Tax and Package Travel Regulations, and continued pan-economic support, such as business rates relief, loans and discretionary grant schemes administered by local authorities.

The United Kingdom has spent at least GBP 37 billion in support of the tourism, hospitality and leisure sectors through wage subsidy schemes, tax cuts and reliefs, bespoke COVID-19 loans and other measures.

In the medium to long term, the government has set five high-level objectives:

- The benefits of tourism are spread across every nation and region. This particularly focuses on encouraging inbound visitors to see more of the United Kingdom beyond London.

- A more productive, innovative and resilient sector with better use of digital technologies and data and more employment in year-round, quality jobs.
- A sector that contributes to enhancing and conserving the United Kingdom's cultural, natural and historical heritage and minimises damage to these environments.
- A sector providing an inclusive and accessible offer open to all.
- A leading nation for hosting business events.

Some of these objectives were already being looked at pre-pandemic. For example, the 2019 Tourism Sector Deal included a section on accessibility. Others have emerged during the pandemic or due to a change in government, such as, for example, the focus on spreading visitors and the heightened focus on the green transition.

A range of measures will support these longer-term objectives, such as investment in tourism infrastructure, including attractions and transport (particularly rail and electric vehicles); reform of England's Destination Management Organisations (Box 2.10); exploration of a 'Tourism Data Hub' and consultation on an accommodation registration scheme, relating primarily to regulation of the sharing economy and holiday letting market; commitment to developing a national Sustainable Tourism Plan; and an enhanced Ministerial advocacy programme for business events.

Statistical Profile

United Kingdom: Domestic, inbound and outbound tourism

	2017	2018	2019	2020	2021
TOURISM FLOWS, THOUSAND					
Domestic tourism					
Total domestic trips	1 914 080	1 821 600	1 775 780	..	..
Overnight visitors (tourists)	120 680	118 600	122 780	..	..
Same-day visitors (excursionists)	1 793 400	1 703 000	1 653 000	..	..
Nights in all types of accommodation	..	208 054	220 812	..	..
Hotels and similar establishments	..	144 261	161 881	..	..
Other collective establishments	..	63 793	58 931	..	..
Private accommodation	..	..	..	..	..
Inbound tourism					
Total international arrivals	41 080	40 283	40 857	11 101	6 194
Overnight visitors (tourists)	39 543	38 664	39 418	..	..
Same-day visitors (excursionists)	1 538	1 619	1 439	..	..
Top markets					
United States	..	..	..	..	699
Ireland	..	..	..	..	685
France	..	..	..	..	610
Spain	..	..	..	..	492
Germany	..	..	..	..	388
Nights in all types of accommodation	..	139 759	158 335	..	..
Hotels and similar establishments	..	135 996	155 280	..	..
Other collective establishments	..	3 763	3 055	..	..
Private accommodation	..	..	..	..	..
Outbound tourism					
Total international departures	87 242	90 571	93 086	23 827	19 098
Overnight visitors (tourists)	85 449	88 759	91 516	..	..
Same-day visitors (excursionists)	1 793	1 811	1 570	..	..
Top destinations					
Spain	..	..	..	..	4 232
France	..	..	..	..	1 598
Portugal	..	..	..	..	1 159
Greece	..	..	..	..	1 132
Ireland	..	..	..	..	1 057
TOURISM RECEIPTS AND EXPENDITURE, MILLION GBP					
Inbound tourism					
Total international receipts	38 353	36 742	41 306	14 681	..
International travel receipts	38 353	36 742	41 306	14 681	16 504
International passenger transport receipts	..	..	..	..	..
Outbound tourism					
Total international expenditure	51 330	53 059	55 324	16 849	..
International travel expenditure	51 330	53 059	55 324	16 849	17 657
International passenger transport expenditure	..	..	..	..	..

.. Not available

Source: OECD Tourism Statistics (Database).

StatLink  <https://stat.link/6p14jh>

United Kingdom: Enterprises and employment in tourism

	Number of establishments ¹	Number of persons employed				
	2019	2017	2018	2019	2020	2021
Total	..	1 585 611	1 547 496	2 165 000	..	..
Tourism industries	240 944	1 144 441	1 115 496	1 742 000	..	..
Accommodation services for visitors	18 300	396 000	378 000	424 000	..	..
Hotels and similar establishments	..	..	..	..	..	..
Food and beverage serving industry	140 260	411 000	404 000	421 000	..	..
Passenger transport	14 352	105 000	105 000	120 000	..	..
Air passenger transport	470	32 000	31 000	34 000	..	..
Railways passenger transport	73	36 000	30 000	30 000	..	..
Road passenger transport	13 085	36 000	43 000	55 000	..	..
Water passenger transport	724	1 000	1 000	1 000	..	..
Passenger transport supporting services	..	..	..	..	..	..
Transport equipment rental	3 808	5 000	4 000	8 000	..	..
Travel agencies and other reservation services industry	8 597	55 000	55 000	71 000	..	..
Cultural industry	31 587	61 000	82 000	85 000	..	..
Sports and recreation industry	19 734	111 000	87 000	119 000	..	..
Retail trade of country-specific tourism characteristic goods	..	..	..	..	..	..
Other country-specific tourism industries	4 306	441	496	494 000	..	..
Other industries	..	441 171	432 000	423 000	..	..

.. Not available; | Break in series

1. Data refer to number of enterprises.

Source: OECD Tourism Statistics (Database).

StatLink  <https://stat.link/5hu7d4>


United Kingdom: Internal tourism consumption

Million GBP

	2019		
	Domestic tourism expenditure	Inbound tourism expenditure	Internal tourism consumption
Total	..	..	..
Consumption products	144 149	33 295	179 220
Tourism characteristic products	91 772	18 335	110 108
Accommodation services for visitors	11 086	6 705	17 791
Food and beverage serving services	33 968	4 572	38 540
Passenger transport services	23 422	6 040	29 463
Air passenger transport services	15 765	4 651	20 416
Railways passenger transport services	4 478	472	4 950
Road passenger transport services	1 906	624	2 530
Water passenger transport services	1 273	293	1 567
Passenger transport supporting services	..	..	..
Transport equipment rental services	4 163	211	4 375
Travel agencies and other reservation services industry	5 636	131	5 767
Cultural services	6 429	260	6 688
Sports and recreation services	6 584	227	6 811
Country-specific tourism characteristic goods	..	..	..
Country-specific tourism characteristic services	484	189	673
Other consumption products	52 377	14 960	69 112
Tourism connected products	..	..	..
Non-tourism related consumption products	..	..	..
Non-consumption products	..	..	..

.. Not available

Source: OECD Tourism Statistics (Database).

StatLink  <https://stat.link/t18s65>



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