United Kingdom

Tourism in the economy

Tourism is a major part of the United Kingdom economy. In 2017, the Tourism Satellite Account estimated a direct contribution of GBP 59.7 billion in GVA, 3.2% of total GVA. Tourism is growing at a faster rate than the overall UK economy and an additional 9 million visitors are forecast by 2025. In 2015, 1.6 million jobs were directly attributable to tourism. When considering jobs in tourism-related industries, this figure rises to approximately 3 million, or one in ten of all jobs. Travel exports represented 12.2% of total service exports in 2018.

In 2018, there were 37.9 million visits to the UK, a slight decrease on the record set in 2017, with related spending of GBP 22.9 billion. The top ten markets accounted for 63% of visits and 51% of spending. The top five markets by visitor volume were the United States, France, Germany, Ireland, and Spain.

London receives half of all inbound visits to the United Kingdom, 19.1 million visits in 2018, with 18.8 million overnight stays outside of London. Scotland welcomed 3.5 million and Wales 941 000 visits. Northern Ireland received 2.8 million overnight trips from external visitors, including those from elsewhere in the United Kingdom. The overall volume of overnight domestic trips taken in Great Britain in 2018 decreased by 1.7% to 118.6 million, but related expenditure rose marginally by 1.1% to GBP 23.9 billion.

Tourism governance and funding

The Department for Digital, Culture, Media and Sport (DCMS) is the sponsoring body for tourism in the United Kingdom. Tourism is a devolved competence in Scotland, Wales, Northern Ireland and London. The Department retains responsibility for tourism in England and overseas promotion of Great Britain, and works closely with other UK Government departments, such as the Home Office, Department for Transport, and the Foreign and Commonwealth Office.

VisitBritain is the National Tourist Board responsible for promoting Britain worldwide and developing its visitor economy, with an annual target to increase international visitor spending in England, Wales, Scotland and London by 1.5% above the level recorded by the International Passenger Survey. VisitBritain's five strategic priorities are to: grow the value of tourism for the economy; support the productivity of the tourism industry; drive the dispersal of tourism value to the nations and regions; deliver tourism growth for Britain; and be the expert advisor to the UK Government and the industry on growing tourism.
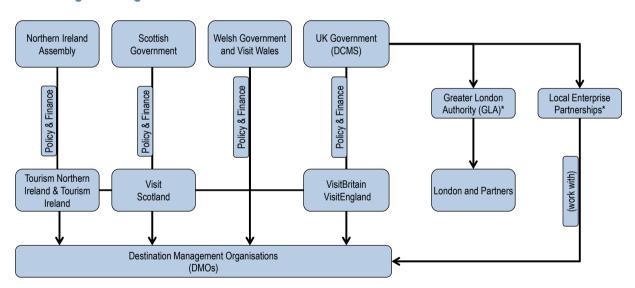
VisitEngland is an advisory body which works to grow the value and quality of tourism in England. Together, VisitBritain and VisitEngland compose the British Tourist Authority. VisitScotland is responsible to the Scottish Government and is charged with marketing Scotland in the United Kingdom and internationally, and other activities relating to quality standards and visitor information. Visit Wales is part of the Welsh Department for Culture Sport and Tourism, and is responsible for formulating tourism policy, encouraging investment, improving quality and marketing Wales in the United Kingdom and internationally.

In Northern Ireland, the Department for the Economy is responsible for tourism strategy and policy and has oversight of two tourism organisations: Tourism Northern Ireland, which is in charge of product development and marketing to visitors from the island of Ireland, and Tourism Ireland, which markets the island of Ireland in Great Britain and overseas. Invest NI administers accommodation grants and provides advice and supports for tourism businesses.

At a UK level, tourism policy development is informed by the Tourism Industry Council, which provides a two-way dialogue between the UK Government and industry. The principal functions of the Council are to act as a voice for the tourism sector to ministers, allow ministers to set challenges to the industry bodies represented, promote cross-industry collaboration within the tourism sector, and be the lead body for industry on the new Tourism Sector Deal. The Council is co-chaired by the Minister for Arts, Heritage and Tourism and a senior tourism industry representative, with members drawn from across the industry. It provides a forum for other UK Government departments to engage. VisitScotland, Visit Wales and Tourism Northern Ireland also attend.

For the spending period 2016-20, the British Tourist Authority received approximately GBP 26.5 million per annum, of which GBP 19.5 million is for VisitBritain and GBP 7 million for VisitEngland. In addition, the British Tourist Authority receives approximately GBP 23 million per annum from the GREAT Campaign to promote Britain abroad. Tourism funding in Scotland, Wales and Northern Ireland is determined by each of the devolved governments.

United Kingdom: Organisational chart of tourism bodies

Note: * Separate funding relationships apply.
Source: OECD, adapted from the Department for Culture, Media and Sport (DCMS), 2020.

Tourism policies and programmes

The UK Government's medium term tourism priorities are to:

- Work with the tourism sector to increase both domestic and international visitor numbers.
- Ensure that government and industry are working with common purpose to boost English and UK tourism.
- Ensure the tourism industry is productive and internationally competitive, and that the labour force is sufficient to meet need (Box 2.6).

- Make it easier for visitors to explore beyond London.

DCMS has been working to implement the 2016 Tourism Action Plan, which outlines the UK Government's five tourism priorities to: strengthen co-ordination and collaboration; increase the attractiveness of tourism as a career; deregulate where possible; improve connectivity; and improve welcome, particularly through refinements to visa arrangements.

A key focus of DCMS and VisitBritain's recent work has been the negotiation of a Tourism Sector Deal between the Government and industry (Box 1.18). Announced in 2019 the Tourism Sector Deal, which is largely focused on England, will take action on the following key challenges and priorities:

- Ensuring the United Kingdom will become the most accessible tourism destination in Europe by 2025 and increasing the number of international disabled visitors by 33%.
- Creating a new independent Tourism Data Hub with support from some of the biggest travel companies (see box). This will allow organisations, including SMEs, to make the most of the big data revolution, to understand activity and product preferences in their area and better tailor their services as a result.
- A commitment from industry to deliver 30 000 apprenticeships per year, in England, by 2025 as well as to lead a mentoring programme aimed at supporting 10 000 employees so that they are more likely to remain in the sector.
- Continuing to be Europe's leading hub for hotel investment for the next decade with over 130 000 additional bedrooms added to accommodation stock by 2025, with 75% of these outside of London.
- Introducing Tourism Zones, bringing businesses and local organisations together to establish a coordinated strategy for growth in their local visitor economy and reduce the impact of seasonality.

Independent Tourism Data Hub in the United Kingdom

Technology and digital connectivity are rapidly changing the way people travel and how audiences interact with the world around them. It is estimated that 85% of inbound visitors to the United Kingdom book their travel online and 56% use location technology to find attractions whilst on holiday. The UK Government sees this change in booking holidays as an opportunity to understand visitor's motivations and habits in new and innovative way. As part of the Artificial Intelligence and Data Grand Challenge the United Kingdom is exploring whether it can transform the way tourism analytics and data is used through the creation of a new independent Tourism Data Hub.

This would help the UK Government to understand visitors' preferences for location, activities and products in real time. For the first time, the sector would also be able to examine tourists who search for the United Kingdom as a holiday destination but ultimately choose a different location. This information would help the United Kingdom understand the gaps in its market and inform the development of the right tourism products to maximise visitor numbers. The information would also help optimise marketing activities and understand, in finer detail, the regional and seasonal spread of visitors. Such data could also prove hugely useful in informing overseas marketing campaigns, such as the GREAT Campaign, which unites the efforts of the public and private sector to generate jobs and growth for Britain. The Hub would serve as the intermediary between large organisations that hold useful data and SMEs that will be able to use this data to drive tourism growth across the regions and nations of the United Kingdom.

While the Sector Deal has a focus on sustainable tourism growth, other initiatives will help to ensure that tourism growth is sustainable and that the UK tourism industry contributes to achieving the UN Sustainable Development Goals.

The UK Government's wider policy priorities include the following:

- Investing in Coastal Communities has a further GBP 40 million for projects that lead to regeneration and economic growth whilst directly or indirectly safeguarding and creating sustainable jobs.

- A new Aviation Strategy to manage a projected 53% growth in passenger numbers over the next 30 years. A key focus of the strategy is ensuring sustainable growth, which meets rising passenger demand but is balanced with action to reduce environmental and community impacts, possibly by individual carbon offsetting.

- West of England Combined Authority has been granted GBP 5.0 million to develop and pilot Augmented Reality and Virtual Reality applications in Bath and Bristol, enabling a virtual Roman soldier to show tourists around the Roman Baths for example. Aligned to this type of project, the UK Government is also supporting the development of smart cities with funding to support innovative transport projects, and a Geospatial Commission to improve location data, which will have tourism applications.

A key focus for VisitEngland is the Discover England Fund. This GBP 40 million fund has developed new itineraries for international audiences, helping 76 destination management organisations develop 66 projects featuring over 3 000 businesses and 1 000 individual products. An example is the Great West Way, a 125-mile touring route from London to Bristol.

In Scotland, the popularity of outstanding scenic areas stimulated by marketing successes such as the North Coast 500 route has led to a rapid increase in visitor numbers. This has resulted in some areas experiencing pressure and negative impacts on a small number of communities. In 2017, the First Minister announced a GBP 6 million Rural Tourism Infrastructure Fund to address some of these concerns. This fund is supporting sustainable, well-planned, inspiring, and collaborative infrastructure projects that focus on improving the visitor experience whilst providing additional and focused investment, stimulating collaboration, and building capacity within Scotland's rural communities.

The Visit Wales 2013-20 Strategy is focused on three main international markets - Ireland, Germany and the United States/Canada. The Strategy is under review and Visit Wales is moving towards a new Action Plan for the Visitor Economy from 2020 onwards. The emphasis is likely to remain on ensuring a sustainable approach to tourism and improving the tourism offer through supporting high quality accommodation, delivering iconic all weather attractions and enhancing the visitor experience at heritage attractions, museums and cultural venues. It also aims to build on Wales's reputation as a major events destination by securing and building potential in international and local business and events.

Northern Ireland will see the production of an updated tourism strategy to 2030 following significant growth over the last decade that has seen visitor revenues grow by 99% to GBP 968 million. The new strategy will develop a stronger destination brand and support a strategic approach to tourism experience development across the country. Events continue to play an important role in tourism promotion with the 2019 Open Golf tournament at Royal Portrush demonstrating the impact of staging world class events with a record attendance of 237 750. The combined economic benefit to Northern Ireland from the event was over GBP 100 million.

Statistical Profile

United Kingdom: Domestic, inbound and outbound tourism

	2014	2015	2016	2017	2018
TOURISM FLOWS, THOUSAND					
Domestic tourism					
Total domestic trips	1 699 240		1 879 162	1 953 655	1 914 080	1 821 600
Overnight visitors (tourists)	114 240		125 162	119 455	120 680	118 600
Same-day visitors (excursionists)	1 585 000		1 754 000	1 834 200	1 793 400	1 703 000
Nights in all types of accommodation	349 550	377 100	359 600	369 400	371 700
Hotels and similar establishments	103 990	..	..	..	144 261
Other collective establishments	106 220	..	..	..	63 793
Private accommodation	..	..	..	..	..
Inbound tourism					
Total international arrivals	34 377	36 115	37 609	39 214	37 905
Overnight visitors (tourists)	32 613	34 436	35 814	37 651	36 316
Same-day visitors (excursionists)	1 764	1 679	1 796	1 563	1 588
Top markets					
United States	2 976	3 266	3 455	3 910	3 877
France	4 114	4 171	4 064	3 956	3 693
Germany	3 220	3 249	3 341	3 380	3 262
Ireland	2 486	2 632	2 897	3 029	2 782
Spain	1 986	2 197	2 397	2 413	2 530
Nights in all types of accommodation	264 367	272 941	278 057	284 781	266 122
Hotels and similar establishments	78 428	73 414	73 926	..	135 996
Other collective establishments	51 858	..	..	..	3 763
Private accommodation	..	..	..	..	..
Outbound tourism					
Total international departures	60 082	65 720	70 815	72 772	71 733
Overnight visitors (tourists)	58 364	64 165	69 375	71 356	70 386
Same-day visitors (excursionists)	1 718	1 555	1 439	1 417	1 347
Top destinations					
..	..	..	..	..	..
..	..	..	..	..	..
..	..	..	..	..	..
..	..	..	..	..	..
..	..	..	..	..	..
TOURISM RECEIPTS AND EXPENDITURE, MILLION GBP					
Inbound tourism					
Total international receipts	38 232	43 205	45 914	36 938	36 431
International travel receipts	30 631	33 259	35 467	36 938	36 431
International passenger transport receipts	7 601	9 946	10 447	..	..
Outbound tourism					
Total international expenditure	52 059	54 927	60 600	50 503	51 742
International travel expenditure	43 183	44 465	49 798	50 503	51 742
International passenger transport expenditure	8 876	10 462	10 802	..	..

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Source: OECD Tourism Statistics (Database).

StatLink 🔗 http://dx.doi.org/10.1787/888934078091

United Kingdom: Enterprises and employment in tourism

	Number of establishments[1]	Number of persons employed				
	2017	2014	2015	2016	2017	2018
Total	..	**1 432 019 |**	**1 605 888 |**	**1 514 139 |**	**1 560 621 |**	**..**
Tourism industries	**233 080**	**1 012 842 |**	**1 119 852 |**	**1 054 869 |**	**1 139 844 |**	**..**
Accommodation services for visitors	17 351	275 423		288 704		249 211		379 857		..
Hotels and similar establishments	..	..		..		..		..		..
Food and beverage serving industry	135 495	349 348		389 238		441 462		418 858		..
Passenger transport	14 217	125 901		146 964		89 760		101 374		..
Air passenger transport	487	41 186		39 431		26 784		27 170		..
Railways passenger transport	68	27 976		37 125		26 845		35 709		..
Road passenger transport	12 937	54 450		68 113		35 012		37 276		..
Water passenger transport	725	2 290		2 295		1 120		1 219		..
Passenger transport supporting services	..	..		..		..		..		..
Transport equipment rental	3 832	916		838		2 599		3 514		..
Travel agencies and other reservation services industry	8 086	86 713		102 093		107 500		51 059		..
Cultural industry	31 428	45 948		47 749		63 205		61 694		..
Sports and recreation industry	18 506	128 322		144 003		100 261		122 881		..
Retail trade of country-specific tourism characteristic goods	..	..		..		..		..		..
Other country-specific tourism industries	4 165	270		263		872		607		..
Other industries	..	**419 177 |**	**486 036 |**	**459 270 |**	**420 777 |**	**..**

.. Not available; | Break in series
1. Data refer to number of enterprises.
Source: OECD Tourism Statistics (Database).

StatLink ⌸ http://dx.doi.org/10.1787/888934078110
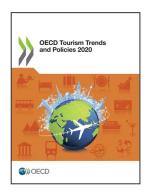
United Kingdom: Internal tourism consumption

Million GBP

	2017		
	Domestic tourism expenditure	Inbound tourism expenditure	Internal tourism consumption
Total	..	..	..
Consumption products	**119 406**	**28 197**	**149 879**
Tourism characteristic products	..	..	..
Accommodation services for visitors	10 318	6 043	16 361
Food and beverage serving services	32 050	4 115	36 165
Passenger transport services	18 318	4 807	23 124
Air passenger transport services	10 539	3 485	14 024
Railways passenger transport services	4 959	422	5 381
Road passenger transport services	1 448	585	2 033
Water passenger transport services	1 371	315	1 686
Passenger transport supporting services	..	..	..
Transport equipment rental services	2 610	125	2 735
Travel agencies and other reservation services industry	3 822	122	3 944
Cultural services	5 422	240	5 662
Sports and recreation services	6 093	231	6 323
Country-specific tourism characteristic goods	..	..	..
Country-specific tourism characteristic services	240	145	385
Other consumption products	40 533	12 370	55 179
Tourism connected products	..	..	..
Non-tourism related consumption products	..	..	..
Non-consumption products	**..**	**..**	**..**

.. Not available
Source: OECD Tourism Statistics (Database).

StatLink ⌸ http://dx.doi.org/10.1787/888934078129

From:

OECD Tourism Trends and Policies 2020

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