

Article

Coronavirus and the impact on the UK travel and tourism industry

Analysis of how industries related to travel and tourism in the UK have been affected by the coronavirus (COVID-19) pandemic, using data on business performance and the labour market.

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1 . Main points

- Monthly air passenger arrivals to the UK fell from 6,804,900 in February 2020 to 112,300 in April 2020, a fall of 98.3%.
- Greater London saw the largest fall in room occupancy of any English region from 2019 to 2020, with just 20% of rooms occupied in July 2020 compared with 90% in the same month in 2019.
- Accommodation and travel agency businesses saw the sharpest decline in turnover during the first national lockdown, falling to 9.3% of their February levels in May 2020.
- The proportion of businesses in travel and tourism industries trading peaked at 85% in October 2020, before declining in response to increasing restrictions in November.
- In the three months to June 2020, employment in accommodation for visitors fell by 21.5% compared with the same three months of 2019.
- In travel and tourism industries overall, the number of people aged 16 to 24 years saw the largest fall in employment of any age group between Quarter 3 (July to Sept) 2019 and Quarter 3 2020.

2 . Introduction to travel and tourism analysis

The travel and tourism industries contributed [6.7% of all gross value added in the UK in 2018](#). Since then, the coronavirus (COVID-19) pandemic has impacted the sector heavily in 2020 and into 2021, with government restrictions both in the UK and worldwide preventing tourism for large periods of time. Within the UK, [unnecessary travel was first discouraged on 16 March](#), before a [nationwide lockdown was announced on 23 March](#). The Foreign and Commonwealth Office advised against all non-essential overseas travel [on 17 March](#). As restrictions were gradually relaxed with the [opening of non-essential retail on 15 June](#), followed by the implementation of [quarantine-free travel corridors in July](#), operation in these industries became easier, although varying devolved and regional restrictions have led to differing impacts on businesses. Travel was again impacted by the second and third English lockdowns in November 2020 and January 2021 and travel corridors were suspended on 18 January 2021.

Throughout this analysis the definition of travel and tourism industries is consistent with the compilation of the [Tourism Satellite Account](#). Some industries have been combined or omitted for statistical disclosure reasons. A list of the industries and categories used is available in [Section 7](#).

3 . Demand for travel and tourism during the coronavirus pandemic

Passenger numbers

Official data on visits to the UK by overseas residents up to Quarter 2 (Apr to June) 2020 can be found in [Overseas travel and tourism, provisional: April to June 2020](#). According to these estimates, in Quarter 2 2020 overseas residents made 96% fewer visits and spent 97% less than in Quarter 2 2019.

Data from the Civil Aviation Authority show how [international passenger traffic at UK airports fell to 1.9% of its February 2020 levels in April](#), recovering to a peak of 36.7% in August before falling again in response to increased restrictions. Domestic air passenger traffic followed a similar pattern, although fell at a slower pace after the peak in August, as more international restrictions were imposed. Notably, the two types of passenger traffic have performed similarly in 2020, relative to their levels in February 2020, while in 2019 international passenger traffic was far more seasonal.

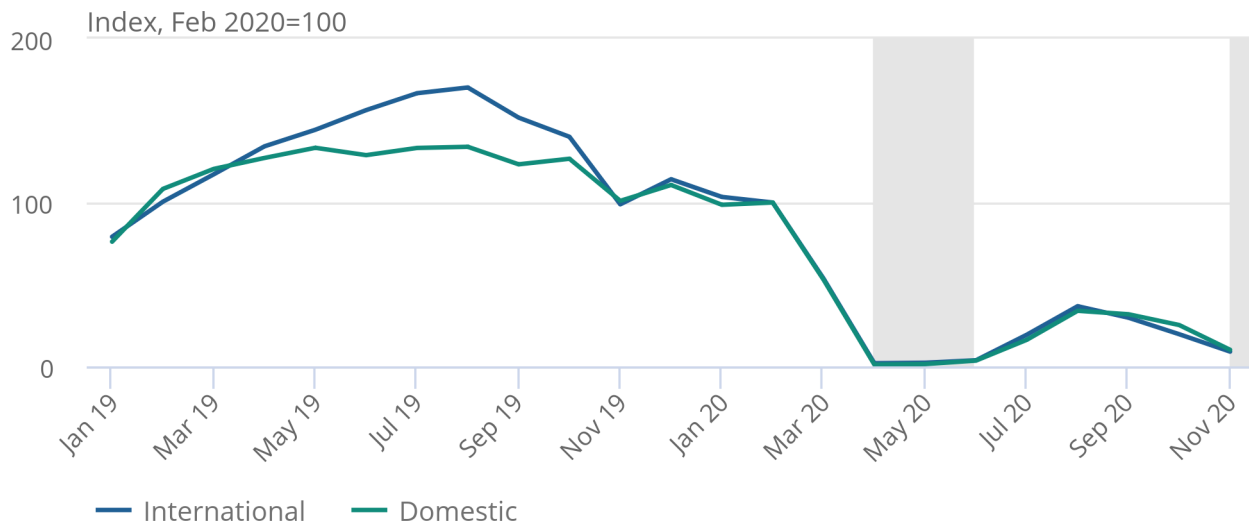
Figure 1: Domestic and international air passenger traffic fell to less than 2% of its February 2020 levels in April 2020

Air passenger traffic, non-seasonally adjusted, indexed to February 2020

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Air passenger traffic, non-seasonally adjusted, indexed to February 2020



Source: Civil Aviation Authority

Data from the Home Office, taken from the Advanced Passenger Information provided by airlines allows us to [identify arrivals](#) alone, and to distinguish between all arrivals and British national arrivals. International passenger arrivals fell from 6.8 million in February 2020 to 112,300 in April, of which 56.5% were British nationals, an increase of 5.6 percentage points on the proportion in February. British nationals, as a proportion of all arrivals to the UK, fell to a low of 33.6% in June before rising again to 57.0% in August as national restrictions relaxed further.

Data released by GetLink, the operator of EuroTunnel, show how traffic through the tunnel has changed this year.

In April 2020, only 19,862 passenger vehicles travelled, compared with 227,393 in the same month in 2019, a decrease of 91.3%. This includes cars, motorcycles, vehicles with trailers, caravans, camper vans and coaches.

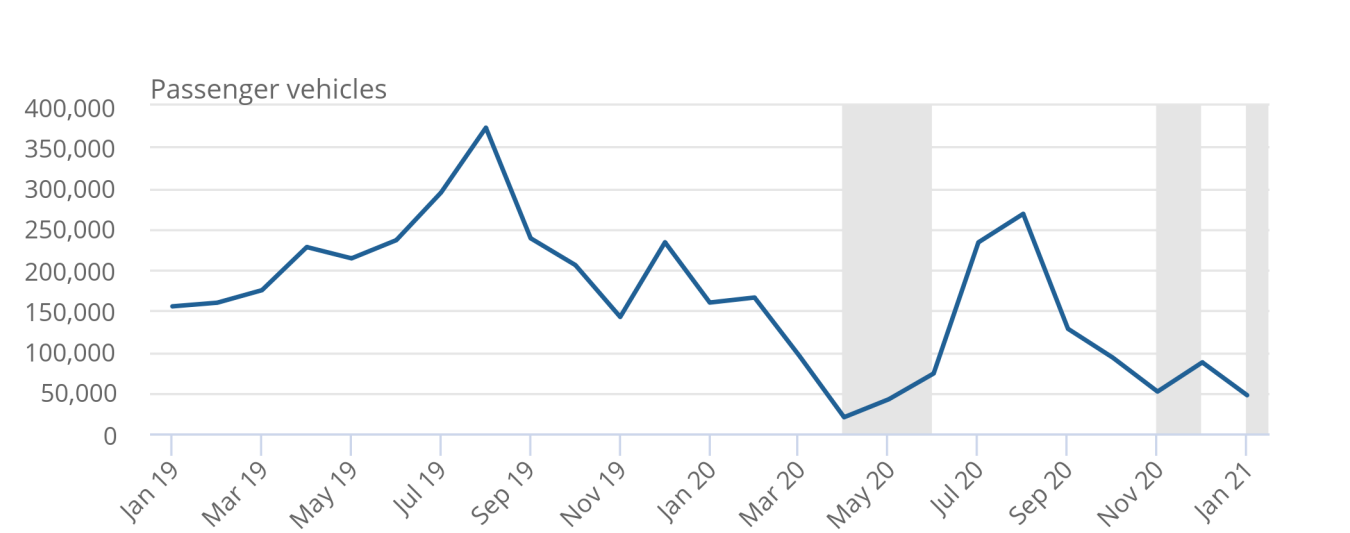
After the partial relaxation of restrictions in both the UK and France, passenger traffic rose to a peak of 267,942 in August, a decrease of 28.2% from the same month in 2019. In comparison with air passenger traffic, this is a proportionately stronger recovery, likely the result of cars representing a large component of traffic in EuroTunnel's operations, enabling easier social distancing between passengers through remaining in their vehicles.

Figure 2: After an initial decline, passenger vehicle traffic on EuroTunnel responded strongly to the easing of restrictions

Volume of passenger vehicles

Figure 2: After an initial decline, passenger vehicle traffic on EuroTunnel responded strongly to the easing of restrictions

Volume of passenger vehicles



Source: Getlink (Eurotunnel)

Notes:

1. "Passenger vehicles"; includes cars, motorcycles, vehicles with trailers, caravans, camper vans and coaches.

Hotel occupancy in England

VisitEngland carry out a monthly survey of [occupancy in hospitality businesses](#). Occupancy in every English region declined sharply at the start of the pandemic, with room occupancy in the West Midlands at just 17% of available rooms in open accommodation businesses in April 2020, compared with 71% the previous year.

The recovery for different regions has been at different rates. Greater London saw the weakest recovery of hotel room occupancy of any English region in the summer of 2020, with just 20% of rooms occupied in July 2020 compared with 90% in the same month the previous year. This was in contrast to 2019 when Greater London had the highest occupancy rate in every month except for August.

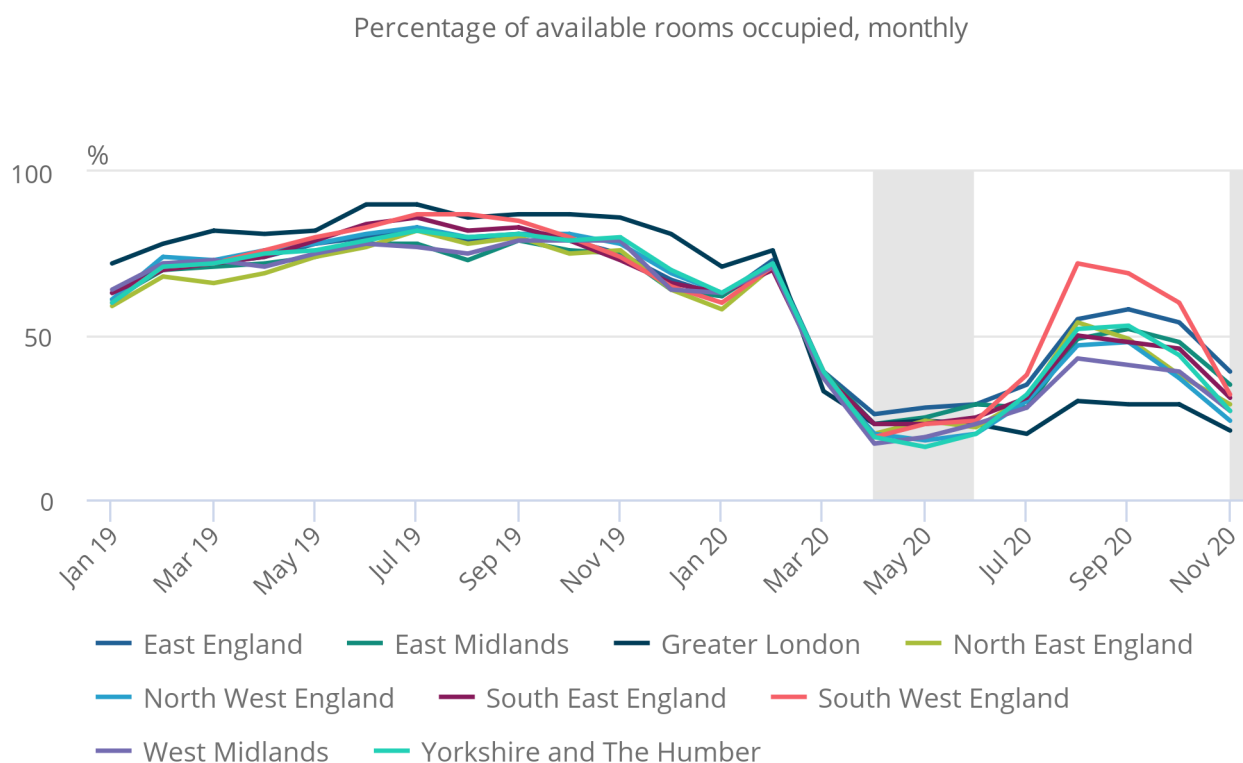
This is a notable reversal and suggests that the loss of international tourism has been felt most severely in the capital.

Figure 3: The South West of England saw the highest rates of occupancy, in accommodation businesses that were open, in 2020

Percentage of available rooms occupied, monthly

Figure 3: The South West of England saw the highest rates of occupancy, in accommodation businesses that were open, in 2020

Lockdown 1
(Eng)



Source: VisitEngland

In the South West of England, occupancy increased from 19% in April 2020 to 72% in August. No other English region exceeded 58% occupancy after March 2020, indicating that this region experienced closer to a “normal” summer season than any other in 2020, and is likely to have been the result of a relative increase in domestic tourism.

Among all English regions, there was a notable decrease of around 10 percentage points in the regions where tiered restrictions were put in place in October, with all decreasing further in response to the English lockdown in November. In the South West, room occupancy fell by 37 percentage points between September and November 2020. In the same months of 2019, the decline was 11 percentage points.

More about coronavirus

- Find the latest on [coronavirus \(COVID-19\) in the UK](#).
- [Explore the latest coronavirus data](#) from the ONS and other sources.
- All ONS analysis, summarised in our [coronavirus roundup](#).
- View [all coronavirus data](#).
- Find out how we are [working safely in our studies and surveys](#).

4 . Impacts on businesses in travel and tourism industries

Business turnover

Data from the Monthly Business Survey show that there have been differing impacts of the coronavirus (COVID-19) between industries. Turnover in travel and tourism businesses fell to its lowest level in 2020 in May, at just 26.0% of February levels, compared with 73.6% in all other industries. Accommodation and travel agency businesses saw the sharpest decline in turnover during the first national lockdown, falling to 9.3% of their February levels in May.

In every sub-industry except exhibitions and conferences, there was a response to relaxing restrictions in the summer, with the turnover in food and beverage serving industries peaking at 90.0% of February levels in August. In this industry, we have previously reported on the [impact of the Eat Out to Help Out scheme on consumer behaviour](#).

Exhibitions and conferences have shown a different pattern of seasonality in previous years' data, tending to see highest turnover in the autumn and spring. This sub-industry did see some recovery in the autumn, to 35.7% of February levels in November, up from 18.1% in August, the only sub-industry not to see a decline in turnover in response to the national lockdown in November.

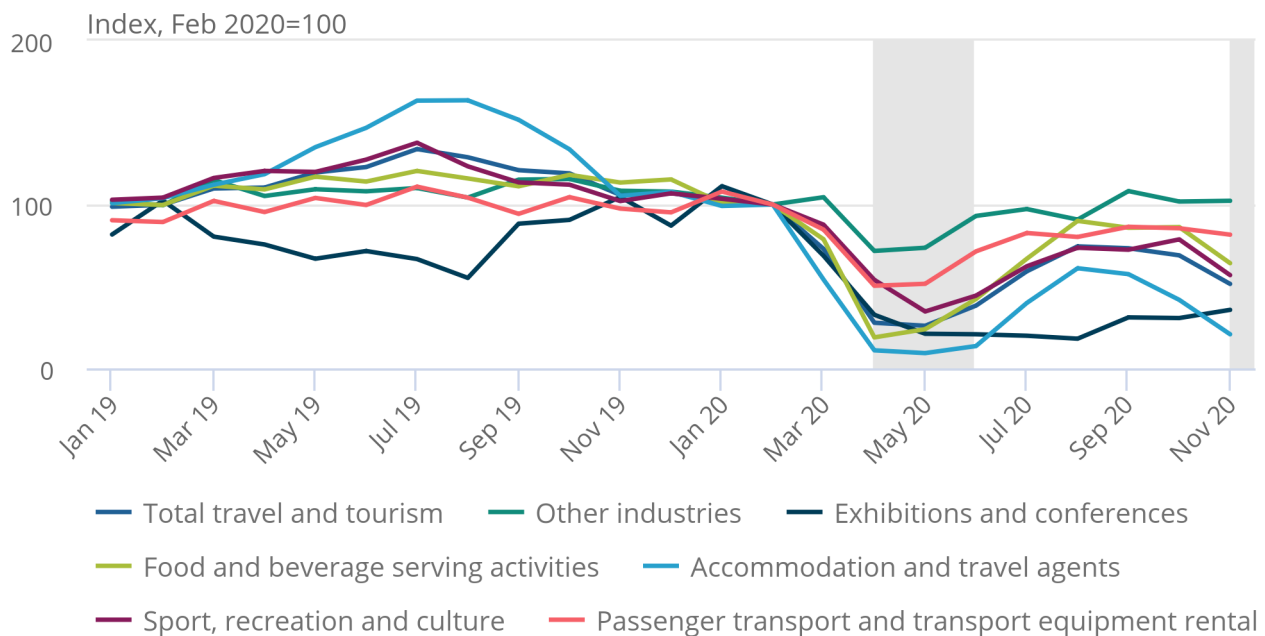
Figure 4: Turnover for travel and tourism businesses fell to 26.0% of February levels in May 2020

Turnover by industry, indexed (February 2020 = 100), non-seasonally adjusted, UK

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Lockdown 1
(Eng)

Turnover by industry, indexed (February 2020 = 100), non-seasonally adjusted, UK



Source: Office for National Statistics - Monthly Business Survey

Notes:

1. "Total travel and tourism" is the sum of the lower level industries.
2. "Other industries" is all businesses not included in "Total travel and tourism".

Trading status

Data from the [Business Impacts of Coronavirus Survey](#) measures the impact of COVID-19 and the end of the EU transition period on UK businesses and the economy. The first wave with comparable estimates took place in June 2020.

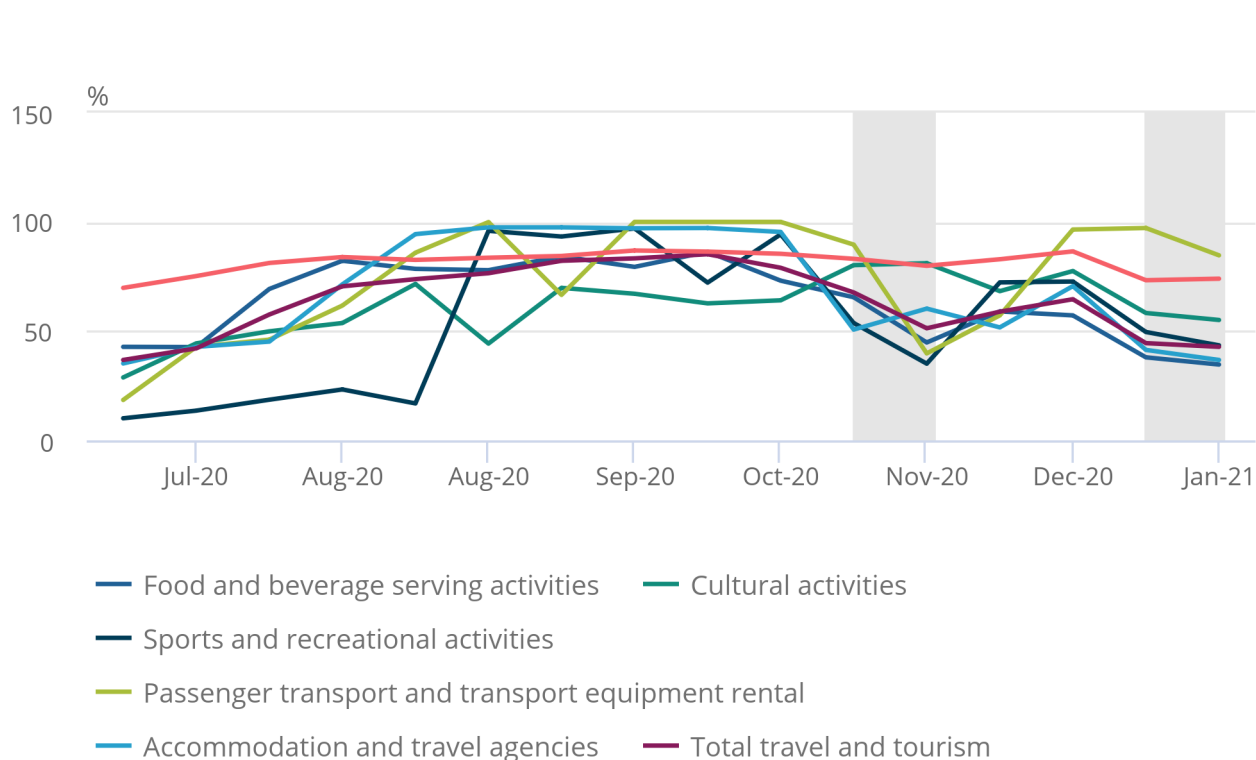
The proportion of businesses currently trading increased in most travel and tourism industries in July and August, with the proportion of accommodation and travel agency businesses increasing from 43% trading in early July 2020 to 98% in late August, before declining to 51% in November in response to national lockdown restrictions. By mid-January 2021, this proportion had declined further, with only 37% of accommodation business trading, likely the result of both seasonality and new government restrictions.

Figure 5: The proportion of businesses currently trading in travel and tourism industries peaked at 85% in October 2020

The percentage of businesses currently trading, broken down by industry, weighted by count, UK, 15 June 2020 to 24 January 2021

Figure 5: The proportion of businesses currently trading in travel and tourism industries peaked at 85% in October 2020

The percentage of businesses currently trading, broken down by industry, weighted by count, UK, 15 June 2020 to 24 January 2021



Source: Office for National Statistics - Business Impact of Coronavirus Survey

Notes:

1. Final weighted results, Wave 7 to Wave 22 of the Office for National Statistics' (ONS') Business Impact of Coronavirus (COVID-19) Survey (BICS).
2. For presentational purposes, currently trading categories have been combined.
3. Exhibition and conferences has been removed for disclosure purposes, but its total is included in "Total travel and tourism total".
4. "Total travel and tourism" is the sum of the lower level industries.
5. "Other industries" is all businesses not included in "Total travel and tourism".

5 . Impact on the labour market in travel and tourism industries

The impact of the coronavirus (COVID-19) pandemic on employment in the travel and tourism industry can be investigated using data from the Labour Force Survey (LFS). LFS responses are weighted to official population estimates and projections that do not currently reflect the impact of the coronavirus pandemic. This analysis uses changes in levels of employment and should be interpreted with caution. For more information on how labour market data sources are affected by the coronavirus (COVID-19) pandemic, see the [article published on 6 May 2020](#), which details some of the challenges that we have faced in producing estimates at this time. In addition, industry breakdowns using the LFS should also be interpreted with caution, as they are based on respondents' views about the business for which they work. This may not be the same as the industry in which businesses are classified in estimates of the national accounts.

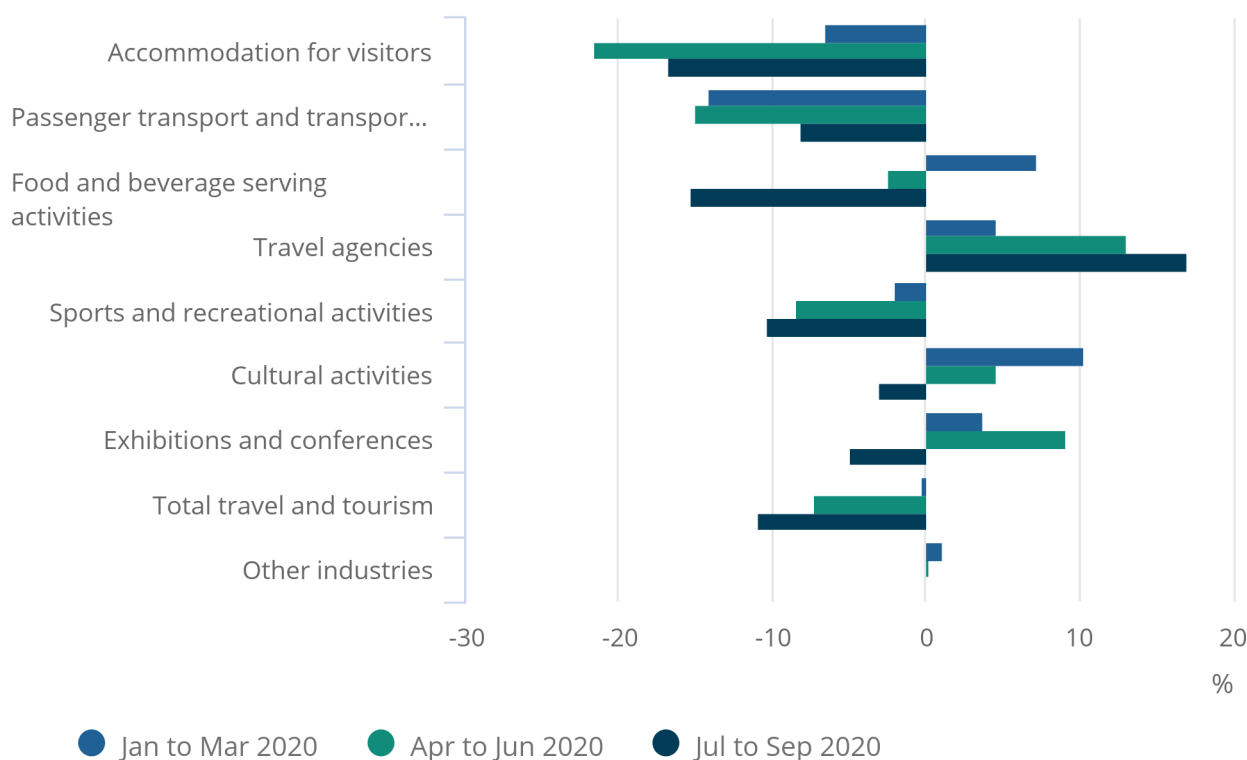
The number of people reporting their main job as being in the travel and tourism industry during Quarter 3 (July to Sept) 2020 was 10.8% lower than in the same quarter of 2019. Over the same period, employment in other industries increased by 0.1%. (Figure 6).

Figure 6: Quarter 2 (Apr to June) 2020, employment in accommodation for visitors fell by 21.5% compared with the same three months of 2019

Percentage change in number of people employed by industry of main job, quarter on same quarter of previous year, non-seasonally adjusted, UK

Figure 6: Quarter 2 (Apr to June) 2020, employment in accommodation for visitors fell by 21.5% compared with the same three months of 2019

Percentage change in number of people employed by industry of main job, quarter on same quarter of previous year, non-seasonally adjusted, UK



Source: Office for National Statistics - Labour Force Survey

Notes:

1. "Total travel and tourism" is the sum of the lower level industries.
2. "Other industries" is all employment not included in Total travel and tourism.

Of the industries within travel and tourism, accommodation for visitors saw the largest percentage fall in employment (negative 21.5%). Food and beverage serving activities saw smaller percentage falls, but this industry made up 40% of employment in travel and tourism in the three months to March 2020.

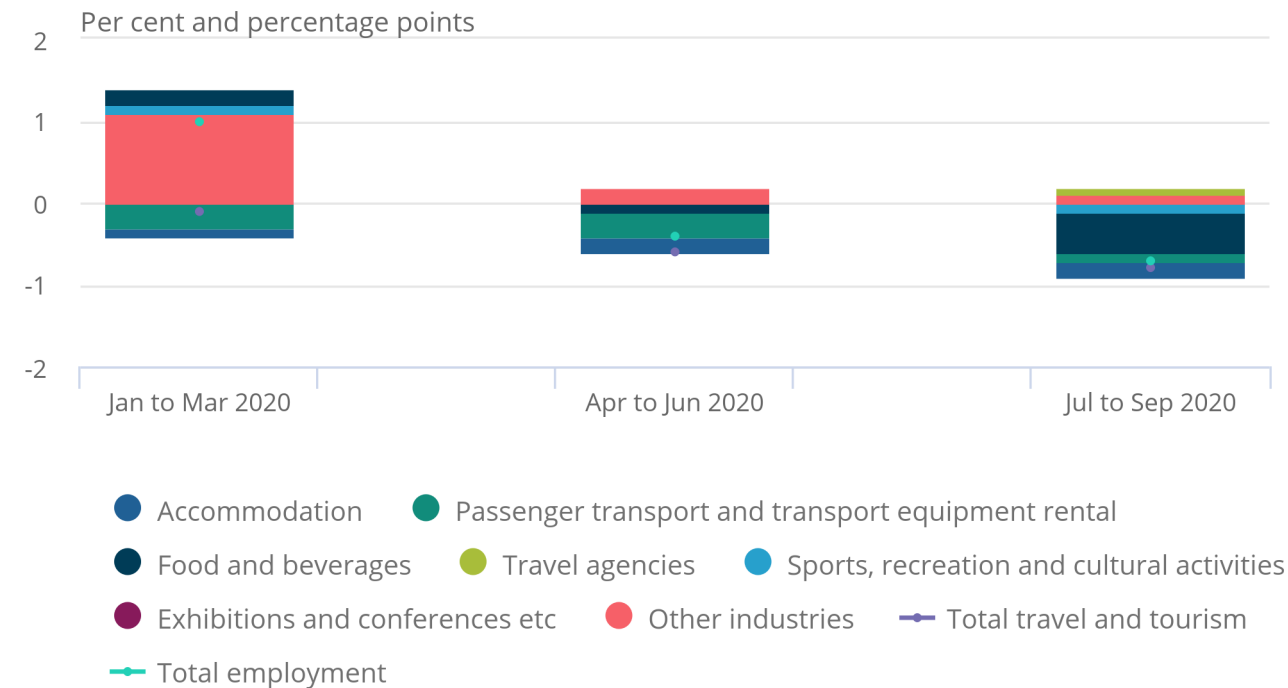
Breaking down changes in employment between 2019 and 2020, travel and tourism industries subtracted from overall employment growth in the first three quarters of 2020 (Figure 7).

Figure 7: Falls in travel and tourism employment outweighed increases in other industries in the second and third quarters of 2020

Contribution to percentage change in number of people employed by industry of main job, quarter on same quarter of previous year, non-seasonally adjusted, UK

Figure 7: Falls in travel and tourism employment outweighed increases in other industries in the second and third quarters of 2020

Contribution to percentage change in number of people employed by industry of main job, quarter on same quarter of previous year, non-seasonally adjusted, UK



Source: Office for National Statistics

Notes:

1. “Total travel and tourism” is the sum of the lower level industries.
2. “Other industries” is all employment not included in Total travel and tourism.

Passenger transport services, including passenger vehicle rental, made the largest negative contribution to travel and tourism employment in the first two quarters of 2020 compared with the same quarters of 2019. However, it should be noted that this is predominantly because of declines in employment in road and rail passenger transport in the second half of 2019. In Quarter 3 2020, food and beverage services contributed negative 0.5 percentage points of the 0.7% fall in total employment, compared with the same quarter of 2019.

Figure 8 breaks down the fall in total employment between Quarter 3 (July to Sept) 2019 and Quarter 3 2020, based on age, working pattern and industry (travel and tourism or other). In travel and tourism industries, the number of people aged 25 to 34 years working full-time saw the largest fall, followed by people aged 16 to 24 years working part-time. Over the same period, the number of people employed full-time in other industries increased in all but the youngest age group, while all age groups saw decreases in part-time employment in other industries.

Figure 8: The largest fall in employment was in people aged 25 to 34 years working full-time in travel and tourism industries

Contribution to percentage change in number of people employed by industry of main job, age and working pattern, between Quarter 3 (July to Sept) 2019 and Quarter 3 2020, non-seasonally adjusted, UK

Figure 8: The largest fall in employment was in people aged 25 to 34 years working full-time in travel and tourism industries

Contribution to percentage change in number of people employed by industry of main job, age and working pattern, between Quarter 3 (July to Sept) 2019 and Quarter 3 2020, non-seasonally adjusted, UK



Source: Office for National Statistics - Labour Force Survey

Notes:

1. "Total travel and tourism" is the sum of the lower level industries.
2. "Other industries" is all employment not included in Total travel and tourism.

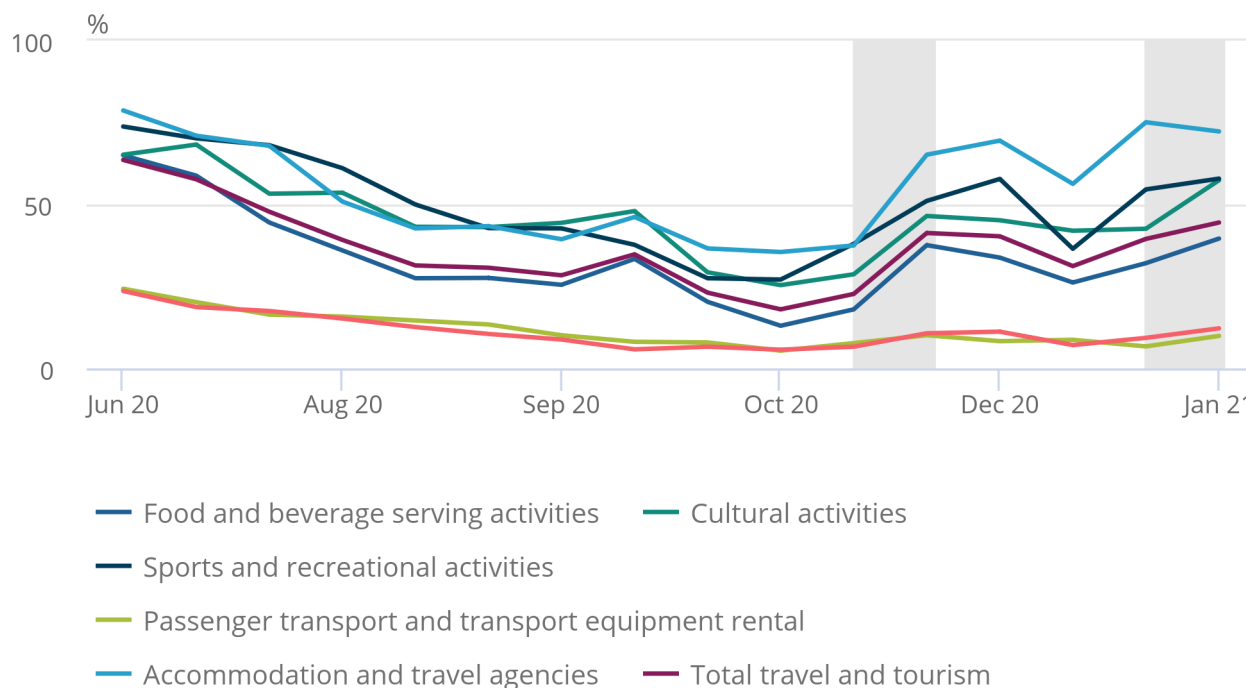
As well as seeing larger declines in employment relative to other industries, travel and tourism industries have also tended to have higher rates of people on full or partial [furlough leave](#). Even as restrictions eased over the summer of 2020, the percentage of the workforce on furlough leave in most travel and tourism industries was higher than in other industries, before increasing again in November in response to further lockdown measures.

Figure 9: Most travel and tourism industries had a higher percentage of people on furlough leave, and were more responsive to changes in lockdown restrictions

Percentage of workforce on full or partial furlough leave, weighted by employment, UK, 1 June 2020 to 10 January 2021

Figure 9: Most travel and tourism industries had a higher percentage of people on furlough leave, and were more responsive to changes in lockdown restrictions

Percentage of workforce on full or partial furlough leave, weighted by employment, UK, 1 June 2020 to 10 January 2021



Source: Office for National Statistics - Business Impact of Coronavirus Survey

Notes:

1. Final weighted results, Wave 7 to Wave 22 of the Office for National Statistics' (ONS') Business Impacts of Coronavirus Survey (BICS); businesses not permanently stopped trading
2. Businesses were asked for their experiences for the reference period. However, for questions regarding the last two weeks, businesses may respond from the point of completion of the questionnaire.
3. Exhibition and conferences has been removed for disclosure purposes, but its total is included in "Total travel and tourism"
4. "Total travel and tourism" is the sum of the lower level industries
5. "Other industries" is all employment not included in Total travel and tourism

6 . Employment in travel and tourism by local authority

While comparable sub-regional data on the impact of the coronavirus (COVID-19) on travel and tourism industries are not yet available, Business Register and Employment Survey (BRES) data can provide an indicator of where these impacts will be felt strongest, by showing the relative weight of the travel and tourism industry in different areas, in terms of employment in 2019. Data from the Inter-Departmental Business Register (IDBR) produced similar results.

Figure 10: Employment in travel and tourism industries tends to be more concentrated in coastal areas

Percentage of employment in local authority in travel and tourism industries, 2019, Great Britain

Download the data

[.xlsx](#)

In 2019, the local authorities with the highest proportions of local employment in the travel and tourism industries could generally be found in coastal regions, particularly in the west of Great Britain. Those with the lowest proportions tended to be located across the Pennines in the north of England, and in the East Midlands. The Isles of Scilly had the highest proportion of any local authority, with 46% of the workforce employed in the travel and tourism industry.

7 . List of industries used in this analysis

Table 1: List of industries used in this analysis

Tourism industries	SIC 2007	Description
Accommodation for visitors	55100	Short term accommodation activities
	55201	Holiday centres and villages
	55202	Youth hostels
	55209	Other holiday and other short stay accommodation (not including holiday centres and villages or youth hostels) n.e.c.
	55300	Camping grounds, recreational vehicle parks
	55900	Other accommodation
Exhibitions and conferences etc	68202	Letting and operating of conference and exhibition centres
	82301	Activities of exhibition and fair organisers
	82302	Activities of conference organisers
Food and beverage serving activities	56101	Licensed restaurants
	56102	Unlicensed restaurants and cafes
	56103	Take away food shops and mobile food stands
	56210	Event catering activities
	56290	Other food service activities
	56300	Beverage serving activities
Passenger transport	49100	Passenger rail transport, interurban
	49311	Urban, suburban or metropolitan area passenger railway transportation by underground, metro and similar systems
	49319	Urban, suburban or metropolitan area passenger land transport other than railway transportation by underground, metro and similar systems
	49320	Taxi operation
	49390	Other passenger land transport
	50100	Sea and coastal passenger water transport
	50300	Inland passenger water transport
	51101	Scheduled passenger air transport
	51102	Non-scheduled passenger air transport
Transport equipment rental	77110	Renting and leasing of cars and light motor vehicles
	77341	Renting and leasing of passenger water transport equipment
	77351	Renting and leasing of passenger air transport equipment
Travel agencies and other reservation service activities	79110	Travel agency activities
	79120	Tour operator activities
	79901	Activities of tourist guides
	79909	Other reservation service and related activities (not including activities of tourist guides)
Cultural activities	90010	Performing arts
	90020	Support activities to performing arts
	90030	Artistic creation

	90040 Operation of arts facilities
	91020 Museums activities
	91030 Operation of historical sites and buildings
	91040 Botanical and zoological gardens and activities
Sports and Recreational activities	77210 Renting and leasing of recreational and sports goods
	92000 Gambling and betting activities
	93110 Operation of sports facilities
	93199 Other sports activities
	93210 Activities of amusement parks and theme parks
	93290 Other amusement and recreation activities n.e.c.

Source: Office for National Statistics

Notes

1. n.e.c is not elsewhere classified.