

## RESEARCH

# In UK, luxury sector now accounts for 3.7pc of total GDP: Walpole

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Luxury goods sold in Britain generated approximately \$100 billion for the nation last year. Image credit: Walpole

By EMILY IRIS DEGN

A new report analyzes the growth of the U.K.'s current luxury sector over the past five years.

Produced in collaboration with independent consultancy Frontier Economics, British luxury trade association Walpole's [Luxury in the Making](#) uncovers the amount approximately \$100 billion that activity spurred by high-end brands contributes to Britain's economy annually. One industry is rising above the rest as far as value goes: automotive.

"We are delighted to publish our first study for five years, and the most comprehensive to date, demonstrating that the British luxury sector is valued at 81 billion pounds and vital to the UK economy," said Helen Brocklebank, chief executive of [Walpole](#), in a statement.

"We have quantified the significant high-quality employment offered by the sector throughout every region in the U.K. across hospitality, retail and manufacturing," Ms. Brocklebank said. "The U.K. luxury industry deserves recognition and support to ensure our high-growth sector continues to flourish."

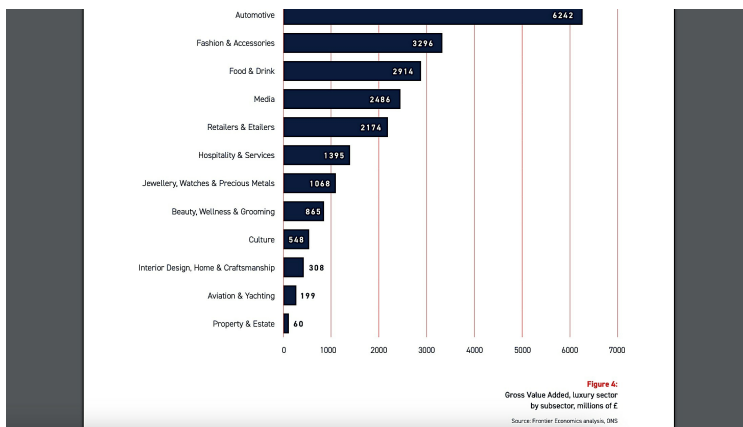
For the report, information is sourced from Bain Consulting, the Office for National Statistics, the International Database for Production and Estimation, the United Nations Commodity Trade Statistics Database and Companies House, which enabled access to the U.K. business register. In addition, Walpole association surveyed and interviewed its member brands and students from the Fashion Retail Academy, a vocational training college in London.

## Booms in Britain

Walpole identified and tracked 12 sectors for the report. Automotive, food and drink, and fashion and accessories, which overall accounted for over two-thirds of the total market, prove to be England's luxury heavyweights.

Luxury vehicle companies were the biggest driver, reporting a revenue turnover of 32.93 billion pounds, or \$42.31 billion at current exchange. The next two giants, dining and apparel, brought in 12.02 billion and 9.93 billion pounds, or \$15.45 billion and \$12.76 billion, respectively.

The gap between British automakers and the second and third-highest earning categories is sizable.



Luxury auto marques are bringing in more than double the sales of the next highest-earning category. Image credit: Walpole

In 2022, names such as Aston Martin, Bentley, Rolls-Royce and JLR comprised 41 percent of sales within the segment. That year, top-dollar brands made up 54 percent of the U.K.'s total automotive turnover.

Recently, these leaders have been rolling out a number of initiatives and partnerships that fit in with global trends. Sustainability (see story) and immersive retail (see story) are often centered, which as Walpole outlines in the report, are major sticking points for consumers.

Innovation, selective distribution, international appeal, digital expertise and "aura," or the reputation of luxury, also play a key role in determining desirability.



Originality, heritage and digital prowess are among the elements that are putting certain luxury brands at the top in the U.K. Image credit: Walpole

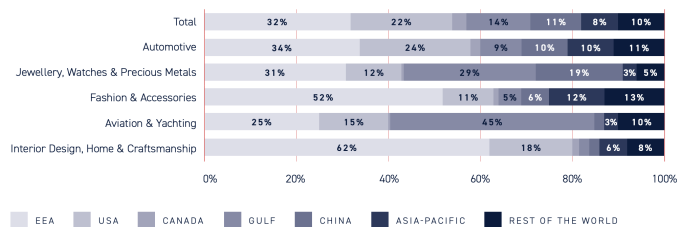
Walpole predicts that by 2028, the U.K.'s high-end sector could contribute as much as 135 billion pounds, or \$173.61 billion at current exchange, to the economy annually. For comparison, the construction and life science industries are currently making 110 billion pounds and 97 billion pounds, or \$141.47 billion and \$124.75 billion at current exchange, per year, respectively.

This progress comes after a period of substantial expansion.

Between 2017 and 2022, Britain's luxury business grew 69 percent with a compound annual growth rate of 11 percent. In the five years before, CAGR landed at 9.6 percent.

The sector's exports hit 56 billion pounds in 2022, or \$71.01 billion at current exchange. This is a 45 percent increase over the previous five years and is particularly noteworthy, considering Brexit's impact on commerce (see story).

Fragmentation in global trade, rising energy costs, the conflict in Ukraine and the COVID-19 pandemic also created headwinds during the period.



**Figure 8:**  
Distribution of exports by subsector and major export market  
Source: Frontier Economics analysis, based on COMTRADE,  
ONS, ITPD-E, and Bain. Note: share for Canada is 1.6%

*Automotive accounts for the largest export figures in the region. Image credit: Walpole*

“British luxury has shown incredible resilience and strength over the past unprecedented few years,” said Michael Ward, chairman at Walpole and managing director at Harrods, in a statement.

“Since our last report, published in 2019, the sector has faced many challenges,” Mr. Ward said. “Despite this, I am immensely proud Walpole, with this comprehensive report, has demonstrated how critical the U.K.’s luxury sector is to our economic and cultural life, and more than that, that is one of the most vibrant and high-growth industries of the future.”

### ‘Ad’ it up

According to the report, the U.K.’s high-end sector provides 450,000 jobs in the country. Ranging from digital positions to roles within heritage ateliers, these professionals are helping boost the economy.

Walpole’s new Luxury in the Making campaign spotlights craftspeople, designers and member brands, shining a light on the talents that hold these titles.

Ads include scenes shot by British photographer Sam Walton. These close-ups of their handiwork are getting printed in major publications.



*A new advertising campaign brings the report's findings to the public. Image credit: Walpole/Sam Walton*

Bespoke tailoring, textile manufacturing, shoe production and bedmaking are just a few of the skills on display. The accompanying text draws attention to the report's findings, spreading awareness about the ways that luxury can benefit the U.K.

The imagery, designed by Walpole partner Nous, has already landed on the front page of the *Financial Times*. Materials will also debut in British editions of *Men's Health*, *Elle*, *Elle Decoration*, *Country Living*, *Wallpaper*, *Esquire* and *Harper's Bazaar* in the months ahead.

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