



Cost of a bank holiday

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The Government estimates that an additional bank holiday costs the economy £2.9 billion. The CBI puts the figure at £6 billion and the TUC estimates £1.2 billion.

Library Standard Note [Bank Holidays](#) details the history and legal position of bank holidays.

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1 Government estimates

The Department for Business, Innovation and Skills (BIS) expects the cost to the economy of an additional bank holiday to be around **£2.9 billion**.¹ This figure is based on estimates made for bank holidays marking the Queen's Golden Jubilee in 2002 and the Queen's forthcoming Diamond Jubilee in 2012.²

This figure ties in with an estimate of £2.5 billion given by then Trade Minister Lord Jones in the House of Lords in 2008³ and a 2001 estimate of £2 billion.⁴ The Office for National Statistics calculations behind the £2.9 billion estimate have not yet been published and BIS were not able to provide an estimate in response to the latest PQ on the subject.⁵

2 Other estimates

2.1 Business groups

The Confederation of British Industry (CBI) estimated in 2007 that a regular extra bank holiday would cost the economy up to **£6 billion**,⁶ though it has described the additional bank holiday for the royal wedding as "appropriate".⁷

The Federation of Small Businesses has expressed concern about the combined effects on business of the forthcoming increase in VAT and several public holidays in quick succession.⁸

2.2 Trade unions

The Trades Union Congress (TUC) estimates the average economic cost of a bank holiday is **£1.2 billion**. This figure includes the economic benefits of a public holiday to the tourism, retail, transport and hospitality sectors.⁹

¹ Department for Business, Innovation and Skills personal communication

² This estimate and others considered here are considered further in Channel 4 Fact Check, [The 2.9 billion pound Royal Wedding bank holiday](#), 23 November 2010

³ [HL Deb 19 Feb 2008 c128](#)

⁴ [HC Deb 10 Oct 2005 c22W](#)

⁵ [HC Deb 9 Mar 2010 c288W](#)

⁶ [Extra bank holiday would cost economy up to six billion pounds](#), CBI, 27 August 2007

⁷ [Royal Wedding: four bank holidays in 11 days](#), *The Daily Telegraph*, 24 November 2010

⁸ *Ibid*

⁹ TUC Touchstone Blog, [Royal Wedding: Give workers a day off to toast Will and Kate](#), 19 November 2010