

CREDIT CRUNCH THREATENS TOURISM?



The world has witnessed a global credit crunch in recent months. However, tourism and travel experts claim it will not have major negative impacts on the industry. The growth is expected to continue in 2008 but slower than in the past.

The development in the tourism industry was quite promising in 2007. The international tourism arrivals increased by approximately 6%, totaling nearly 900 million tourists. It also seems that spending per capita increase and International Air Transport Association reported that international air passenger traffic rose at a record 9.3%.

World Travel & Tourism Council president Jean-Claude Baumgarten said that the tourism growth has been particularly rapid in the developing countries, with the fastest average growth in tourism arrivals in the Middle East region. These countries are making huge investments into their infrastructure.

However, there are also some negatives. The global economic troubles and especially problems in the housing sector may cause serious negative impacts on the travel and tourism industry. Higher prices of energy not only limit people's disposable incomes but it also makes holidays more expensive.

Nevertheless, so far the economic development does not hurt the industry. According to Ian Bradley of the Association of Independent Tour Operators, bookings are up, from luxury holidays to city breaks. These days holidays have become somewhat a necessity. People simply do not feel holidays as a luxury but as their right.

Some experts even see the development as an opportunity for growth in the domestic tourism. For example in the UK the slowing down of the housing market could cause people to buy more mini breaks within the country. As Superbreak joint managing director Nick Cust sees it, when people are moving house they are not willing to go on holiday or taking short breaks. In the UK, however, the majority of the "newly created vacationers" is likely to travel to London.

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