

Travel adaptors

This is a critical time for tourism. In the West, as some airlines raise ticket prices and others go to the wall, people are making fewer overseas trips amid concerns about climate change and squeezed finances. Meanwhile, travellers from China and India are set to swell tourist numbers, putting pressure on destinations and aviation alike. How will the industry – and the global travelling public – adjust? And how will it affect communities for whom tourism is their lifblood? Mark Rowe reports

Above: a cruise ship arrives in St John's Harbour, Antigua. According to the World Travel and Tourism Council, by 2018, 95 per cent of jobs in Antigua and Barbuda will be connected to tourism in some way

CHRIS JACKSON/GETTY IMAGES

When the budget airline Zoom grounded all operations in August, marooning thousands of Britons in the USA, it was the 26th 'no-frills' airline to fold or hit financial turbulence this year. You could almost hear a collective nodding of heads by those who felt that cheap, unfettered tourism was finally getting its well-overdue comeuppance.

But those who view Zoom's demise as another harbinger of the end of fossil-fuelled travel would do well not to hold their breath. Mass global tourism isn't about to self-combust, at least not just yet. The expansion of the travel industry shows no immediate or even medium-terms signs of slowing down. According to the World Travel and Tourism Council (WTTC), tourism globally will grow by around four per cent in each of the next ten years.

every 10.8 jobs, by 2018. The USA will build 720,000 new hotel rooms over the next ten years, and a further 432,000 will be built in Asia over the same period.

And tourism is, of course, hugely important to many economies. By 2018, tourism is projected by the WTTC to be worth 80 per cent of the GDP of Antigua and Barbuda, with 95 per cent of all jobs on the two islands expected to be related in some way to tourism – the highest dependency on the planet.

GRIM CONSEQUENCES

You might conclude that such figures paint a picture of an industry operating blithely within its own bubble, oblivious to climate change and related issues such as increasing fuel prices and peak oil. Yet the WTTC predicated these figures on an oil price of around

Right: Indian women wait with their luggage at Chhatrapati Shivaji airport in Mumbai. The growth of the middle classes in both India and China is expected to lead to an increase in air travel, with millions more taking foreign trips



TRAVEL TRENDS
 'In order to survive high fuel costs, the aviation industry has to fill aeroplanes to be as energy- and cost-efficient as possible. Consolidation, route rationalisation, more efficient operational procedures and low-cost competition will tend to moderate prices to enable airlines to fill seats, especially on popular routes'

Francesca Ecsery, GENERAL MANAGER, CHEAPFLIGHTS.CO.UK

In economic terms, the WTTC anticipates that tourism will have a global value of US\$10.8trillion by 2018, almost double its present worth. The UN's World Tourism Organisation reckons that, by 2020, the number of travelling tourists will approach 1.6 billion, double the number who packed their bags this year. Those directly employed by tourism worldwide will rise from 238 million this year to 296 million, or one in

US\$130 a barrel – previous, higher figures were based on US\$103 a barrel.

Tricia Barnett, director of Tourism Concern, feels that the consequences of unabated tourism will be grim. 'The present scenario is that the maid at your hotel is paid US\$3 a day but can't afford to buy food for her family. But she's told she's lucky because the wage outside the industry is US\$1 a day,' she says. 'That will just get

worse if we continue as we are. The more people who travel, the more people will be affected. There needs to be a shift in consumer demand, but it just isn't happening. We have to realise that we will have to pay more for our holidays.'

Despite the WTTC projections, most observers argue that travel can't continue in its post-war vein. 'International arrivals can't grow at the same rate, simply because, in the long term, the price of flying will go up with the cost of fuel,' says Justin Francis, chief executive of responsibletravel.com. 'In effect, we will wind the clock back 20 years to the days before cheap flights, when we all took one long summer break and perhaps one other holiday.'

'But it isn't all going to be nice and smooth – it will have to involve a change in mindset from everybody,' he continues. 'A few years back, any tourism minister would have put the aim of doubling tourism numbers at the top of their wishlist, and that every incremental tourist increase made them money. Now they realise that you don't necessarily make more money that way. They look at the cost of tourism, the cost to their local environment and

the cost to their culture. They will become a lot smarter.

'Spain did very well for three decades with flying people to the sun and the coast,' Francis says. 'But now Spanish tourism officials openly question if they did the right thing. People pay £100 for a week at a hotel that you pay to build, the holiday profits go to a foreign tour operator, and you have to clean up afterwards. Why is that a good tourist business model?'

CHANGING HABITS

By common agreement, if the cost of fuel remains high, one element that won't be with us for much longer is the cheap flight. This will have a huge impact on the conventional holiday market, according to the Association of British Travel Agents (ABTA).

'One impact of cheap flights was that people took short holidays,' says Sean Tipton, a spokesperson for ABTA. 'But if prices are high, then they aren't going to take a week-end in Valencia – you'll see people taking one two-week break, instead of two one-week breaks. That's fine for tour operators as they will still make more or less the same money, but it isn't good for airlines.'

However, David Tarsh, managing director of Tarsh Consultancy, a travel-company policy advisor, feels that the effect of high fuel prices could be overplayed. 'There is a risk of being alarmist,' he says. 'It depends how high oil goes. If prices stay as they are now, I wouldn't think that that is enough to change people's flying habits. I'm not sure

anyone can say what point would be the trigger would be for that to happen.'

Tarsh also feels that the emergence of alternative fuels may actually enable aviation to continue to satiate its appetite for kerosene. 'It's easy to confuse issues,' he says. 'Travel per se is good. Some things, such as enormous fuel consumption if the world is running out of oil, aren't good. These two things don't have to be linked. Pretty much every sort of transport except for flying can use fuels other than fossil fuels – take a train in France and its run on electricity from nuclear power stations.'

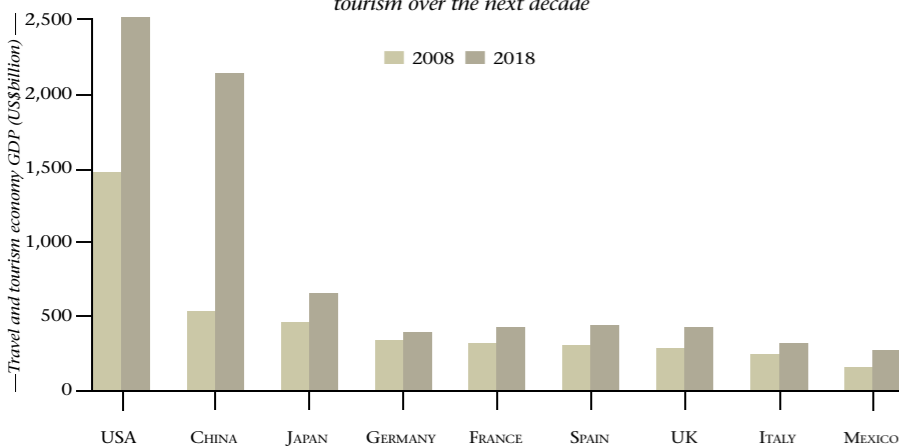
'Aviation still accounts for a very small proportion of fossil fuel emissions,' he continues. 'It's dwarfed by domestic and industrial demand – and those two sectors are where the options for alternative fuels exist. If oil prices stay high, then substitutes will come in and become economically viable. You would have a scenario where 98 per cent of fossil fuel use is transferred to new fuel sources, leaving aviation alone.'

Others, however, argue that this would simply be a lazy opt-out for the aviation industry. 'I can't see every other industry sweating and paying to reduce their carbon emissions just so aviation can continue to pollute,' says Francis. 'But I do see a scenario where aviation will take longer to reduce its carbon footprint, and it may be that if other industries reduce by a greater amount, then the world can tolerate the aviation industry producing proportionately more carbon.'

SOCIAL TRENDS

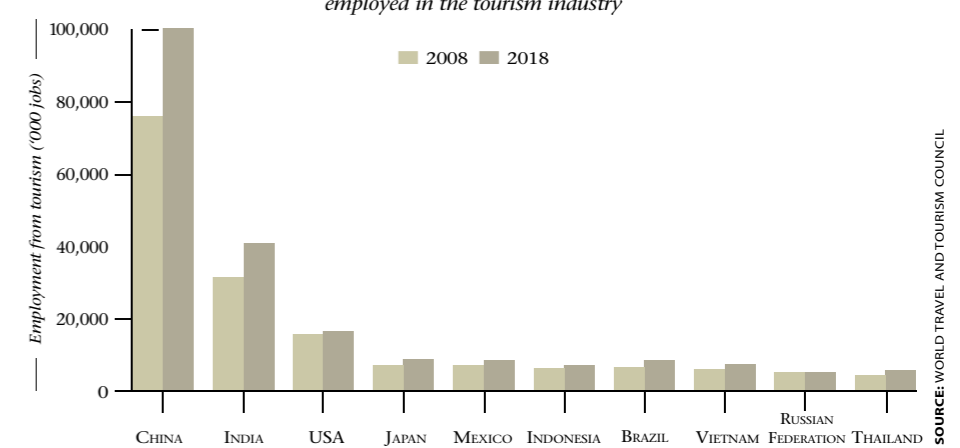
There's a widespread acceptance within the tourism industry that whichever direction aviation goes, the nature of tourism is going to change. 'The growth of tourism has

TRAVEL AND TOURISM ECONOMY
 China and the USA are expected to see the biggest gains in income from tourism over the next decade



SOURCE: WORLD TRAVEL AND TOURISM COUNCIL

EMPLOYMENT FROM TOURISM
 By 2018, China is expected to have almost one billion people employed in the tourism industry



SOURCE: WORLD TRAVEL AND TOURISM COUNCIL

been fuelled by increasing prosperity, longer holidays and cheap fuel. The future of all of these elements is now questionable,' says Professor Harold Goodwin, director of the International Centre for Responsible Tourism at Leeds Metropolitan University. He points to a number of social trends that may shape the way tourism looks in the future. 'More and more people are in contracted employment without holiday rights, while increasingly, people don't take their full holiday entitlement because of the pressures of work and everyday life.'

The general consensus is that the responsible tourism sector will benefit from our changing travelling habits. 'You just have to look at the growth in ethical consumption,' says Goodwin. 'People buy into fair trade, organics and local produce, so why would they not take that [mindset] with them when they go on holiday?'

And yet, at the heart of responsible or, indeed, any form of travel, lies a quandary. Tourism can provide huge benefits for local economies, particularly in the developing world; flying may be part of the problem of climate change but to cut it out would have hugely negative impacts on those communities. Can this ever be resolved?

'If people don't travel, it's likely that people will become even more seriously impoverished,' says Tourism Concern's Barnett. 'We need to find a middle path. We just have to find better ways of taking our holidays – not going to Dubai for three days or New York for shopping when the pound is strong against the dollar.'

This could potentially pose a long-term threat to tourism with a conscience. 'There's a chance that the whole responsible tourism sector could be derailed if the prevailing

view is that the most important thing to do is to stop flying,' says Francis. 'I suspect it's going to be an everlasting sticking point. Every other sector has an alternative energy source, but even the optimists among us aren't expecting someone to magic up a fuel cell or electric motor for an aircraft.'

For now, it seems, individuals will simply have to weigh up the issues, suggests Francis. 'It's going to be ten to 15 years before we're any clearer on whether the good for local communities and local environments that can come from tourism outweighs the carbon cost of travelling there.'

TAKING RESPONSIBILITY

And do we care? Most evidence from major opinion polls suggests we talk a good game about climate change but can't kick our kerosene habit. 'Ask anyone if they care about climate change or don't want their holiday to mess up a destination and of course they'll say yes,' says ABTA's Tipton. 'But when push comes to shove, we find people will always vote for a holiday abroad over a soggy break in the UK.'

A 2006 poll for the Commission for Integrated Transport on attitudes to climate change and aviation among leisure and business flyers found widespread concern for the environmental impacts of air travel. Consumers vehemently supported measures to tackle the issue – 74 per cent believed that it was important that the UK 'does what it can' to tackle climate change. However, of those flyers questioned, 49 per cent of leisure flyers knew 'nothing at all', or 'a little' about climate change.

What's more, support lessened for any government policies directly designed to restrict growth in air travel, and 38 per cent



Left: a Union Jack flag flies above sunbathers on Brighton beach. As Britons fly less due to rising costs and increased environmental awareness, holidays at home could make a comeback. But it's likely that people will continue to prefer travelling abroad, albeit less often and for longer periods

were unwilling to reduce their own air travel or sacrifice an overseas summer holiday in the name of the environment. However, half of those interviewed said they would be willing to pay higher ticket prices to offset climate change.

To a degree, the travel industry is ahead of its customers. Travel companies are placing an increasing emphasis on corporate social responsibility (CSR), and Thomas Cook, MyTravel and others have introduced CSR reports in recent years. 'It's a clever marketing niche but it's also enlightened self-interest,' says Tipton. 'CSR is actually being driven by the industry rather than customers. Operators recognise that if you send too many people to a place or don't look after it, then customers won't want to go back.'

Even so, the tourism industry is likely to have to be more accountable, on a legal basis, for environmental impacts that go beyond carbon emissions. 'Look at the mining and oil industries,' says Francis. 'If you want to open a new mine or drill for oil you are required to leave the site in a better condition than you found it. That may not always happen, but the industries are very strictly regulated. None of that ever happens in tourism, but it has to

TRAVEL TRENDS

'More and more destinations will become accessible, making the international tourism market more cluttered and bombarding potential visitors with increasingly sophisticated brands and products. People will have more and more diverse interests, and travel will increasingly be about the experience and participation. Niches are the future. Britain will need to ensure it has its own 'brag factor' to help it compete in this more cluttered tourism environment'

Tom Wright, CEO, VISIT BRITAIN

follow a similar path. For now, if you want to open a hotel development, essentially if you have the money, you can go ahead, and that happens all around the world. Mining and oil have poor reputations but they have stricter environmental requirements than tourism.'

Others take the view that responsible travel will be market driven and won't result in a reduction in people's earnings from tourism. 'There's no reason why a more sustainable approach to tourism has to mean a contraction in economic terms,' says James Goodman of Forum for the Future. 'For sustainable development to happen, you need to have commercial success working alongside working for people's

quality of life. From a principled point of view, that makes sense.'

Goodman is involved in Tourism 2023, a project that is consulting widely across the tourism industry, including shipping, aviation, land travel and engineering sectors, to construct a range of 'potential future worlds' in which the tourism industry will have to operate. The committee will report back next year. 'The future is unknown,' says Goodman. 'Most people are anticipating growth in the sheer number of people travelling around the world for tourism, mainly from the emerging new markets of India and China. But essentially, this is about preparing for uncertainty rather than predicting what will happen.'

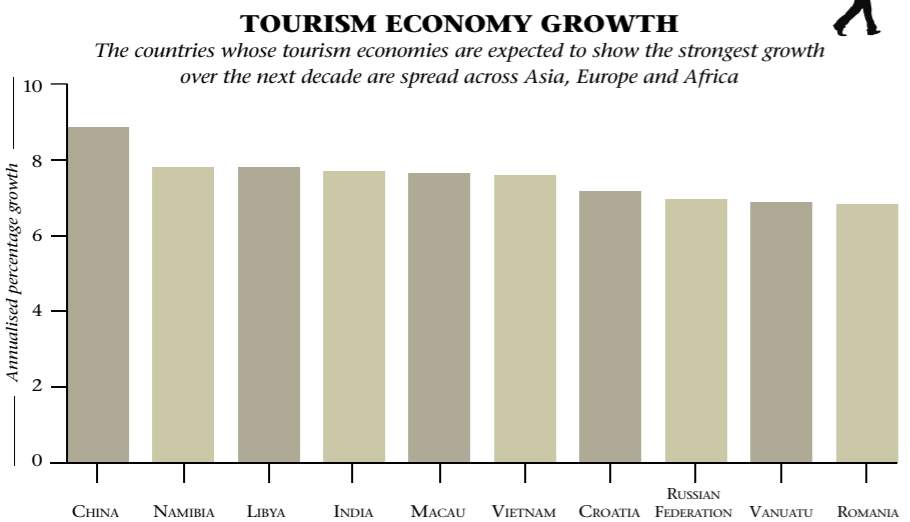
Homebodies: the rise of the 'staycation'

You will know someone, perhaps a relative or a neighbour, who chooses to spend most of their holidays at home. You may find their approach bewildering – why waste those precious few days of annual leave in this fashion? Yet they may be ahead of the game. The newest buzzword in travel this year is anti-travel in nature – the 'staycation' – a neologism that may be as anathema to *Geographical* readers as the concept it represents.

But there is more to the staycation than DIY and catching on to the gardening: the concept has gained ground in the context of fears of a global recession but is also rooted in environmental concern and reducing your carbon footprint. Sound like fun? It doesn't have to be puritanical in nature. The reasoning is that you use the time to explore your local environment – perhaps go to the city museum you've been meaning to nose around in for years, stay in a swish hotel there, or explore the countryside on your doorstep.

Harold Goodwin, professor of responsible tourism management at Leeds Metropolitan University, feels that the staycation may become essential to the way we act as tourists in the near future. 'We might take a staycation one year, travel by train the next and in the third take a long-haul flight,' he says. 'Cultural shifts may see us taking a four-week holiday at such times to get the most out of that long-haul flight. People think the way we take holidays today is the way it's been done for ever, but it's only been since the end of the Second World War. It's incredibly fluid.'

This year, in the USA, more than two thirds of people planned to shorten or cancel summer road trips, according to a survey by Rand McNally, the US map publisher (although a poll at the end of the summer reported back that half still went ahead and travelled).



EASTERN PROMISE

The emergence of China and India as major international tourism players, as with their economies in general, appears, on the face of it, to present huge challenges for global travel. Does the capacity exist for aircraft and fuels, and can the world's coastlines and beautiful places cope with what could amount to millions more visitors? Can we feed them when they get there? According to the Pacific Asia Travel Association, tourism in that region is expected to soar, with nearly 500 million visitors arriving by 2010, generating US\$4.6trillion in revenue.

According to the WTTC, China is set to provide more than 100 million visitors for other destinations by 2018, as well as employing 98 million people in its internal tourism industry. Currently valued at US\$508billion, China's tourism sector is projected to grow by an average of 8.8 per cent a year for each of the next ten years and be worth US\$2.1trillion by 2018. 'This is an unbelievably important issue,' says Jean-Claude Baumgarten, president of the WTTC. 'But it needs to be planned. We see the question of infrastructure as being more important than issues around energy and oil. Those countries that prepare themselves for growth will do well.'

Global resources may pre-empt discussion of the subject, suggests Goodwin. 'If the Chinese and Indians do travel in greater numbers, then we can expect more planes and more consumption, creating greater global warming, more crowded areas and greater pressure on national parks. But it won't go on indefinitely: it can't – either market forces or natural forces will see to

Right: high-rise hotels dominate the skyline of Benidorm, a resort on the Costa Blanca in eastern Spain. Formerly a small coastal village, Benidorm was developed during the 1950s as a resort and has since become the archetypal cheap package-holiday destination for Northern Europeans. Benidorm is visited by about 1.2 million British tourists a year – but recent research suggests that this figure is decreasing



that. The middle classes of these nations will face the same problems as you or I.'

Intriguingly, China and India will bring different influences to bear on future travel patterns, not all of them positive, according to Tarsh. 'Generally, Indians travelling is a good thing,' he says. 'They are more affluent than the Chinese and the middle class is used to the concept of luxury hotels. They speak English, which makes it easier for tour operators to sell into the Indian

market. But Chinese tourists are incredibly price-conscious. If they can travel for two and sixpence they will. Consequently, it's difficult for the tourism industry to make money out of them.'

And there may also be benefits of an increased ability and inclination to travel within developing nations. Francis anticipates that intra-regional travel and domestic tourism will increase – not just within the UK or Europe, but further afield. 'This means more Indians travelling in India, more Africans visiting their own game parks,' he says. 'As these economies develop, people will get the chance to see the special places in their own countries. It will involve a rebalance, rather than the elite, comparatively wealthy flying in planes.'

INNOVATIVE INDUSTRY

Closer to home, while huge changes may take place in the nature of holidays, the number of British tourists should remain broadly static, estimated at 46 million holidays a year into the medium term, according to ABTA. 'The very large majority of Britons take holidays in Spain, France and Italy,' says Tipton. 'That won't change much unless we have a huge, unexpected rise in the population. We've more or less reached capacity in these countries.'

So, where does this leave our future traveller in, say, 2040? The archetypal traveller

TRAVEL TRENDS

'Young people are living more structured lives than ever before, and as we move towards 2020, the days of carefree, spontaneous travel will disappear in favour of more organised, planned and researched trips. Students and young travellers will continue to be trailblazers, craving adventure and experiences they can share, but they will also be very aware of how their travel will contribute to the rest of their lives. Working abroad, voluntary and conservation projects, and learning something new will all be high on the travel agenda'

John Constable, MANAGING DIRECTOR, STA TRAVEL

is likely, demographics suggest, to increasingly be older – by 2015, over 65s will outnumber those under 16 in the UK for the first time. Everything else is less certain. 'It's just about impossible to say what the industry will look like in 30 years time,' says Tipton. 'Let's not forget that 100 years ago, we barely knew about aircraft and kerosene, so we could be reliant on totally different fuel sources. But if we're still reliant on fossil fuels for our aircraft in 2040, the travel industry will be unrecognisable – it will be the preserve of the super-rich.'

The WTTC feels that tourism will respond to environmental and energy pressures. 'It's an innovative industry,' says Baumgarten. 'It doesn't make sense to me when people say they will no longer travel by air. We will always need to fly. Airlines,

hotels and other infrastructure are responding to the environmental challenges. The whole world is changing gear and looking to save energy. Travel and tourism are fundamental consumer habits, and I simply can't imagine that something that's so deep-rooted will decline.'

Among industry analysts and observers, there is also the increasing recognition that, as the doomsayers of the budget airline suggest, tourism is merely holding up a mirror to our own unsustainable, fossil-fuel driven lifestyles. 'Can the planet carry on meeting the levels of consumption that we demand? It's important to remember that tourism is just one form of conspicuous consumption,' says Goodwin. 'I suspect that, in the bigger picture, tourism is going to be one of the least of our worries.'



Taking care of business

For many, business travel is a dearly held perk. For others, it's a chore: time away from family, an interminable round of same-same hotels and perma-smiling receptionists. Either way, those who turn left on entering an aircraft subsidise the rest of us, and forecasts suggest little sign of the market shrinking over the medium term. The World Travel and Tourism Council (WTTC) estimates that the global business-travel market, worth US\$843billion today, will increase in value to US\$1,443billion by 2018.

But business travel is no more immune to wider environmental concerns and changing technology than conventional tourism. Video-conferencing in particular is on the verge of scratching large numbers of cherished frequent flyer cards. There are still limits around its technology, but very soon, video-conferencing is going to become as common as the fax machine used to be,' says Diane Clarkson, a business travel analyst with Jupiter Research. 'It's getting much better at facial recognition and following a user around the room. It will drive a major shift away from business travel as people become more comfortable with it.' Indeed, in recent survey of 100 FTSE 350 companies, WWF found that 85 per cent believe that videoconferencing has the potential to reduce their business flying. And of the companies already using videoconferencing, three quarters said that it has had an impact in reducing air travel.

However, Clarkson cautions that meeting real human beings in the flesh will remain the primary benefit of business travel. 'Nothing can replicate face-to-face meetings,' she says. 'Business travel has subsidised everybody else – that's been a fundamental part of the cost structure of travel for a long time and it's not going to change any time soon. It will remain of huge value to the tourism sector – there may be fewer travellers, but they will pay more.'

Jean-Claude Baumgarten, president of the WTTC, also suspects that technology will merely complement business travel. 'You can design goods by computer, but in the end, you always need meetings with people. The only thing that affects business travel is the state of the economy.'

INTERNATIONAL ARRIVALS

The UN World Tourism Organization forecasts that international arrivals will reach almost 1.6 billion by 2020: 1.2 billion intraregional and 378 million long-haul

