

BTEC TECH Travel and Tourism

*Inspiring Students;
Transforming Lives*



Component 3

Influences on Global Travel and Tourism

Our mission: To provide a **world-class education**, so students have the **choice** to attend a **top university** or a **real alternative**.

Our Mission and Shared Values



Ambition

To achieve the best for ourselves and others; we **do not settle** for the **ordinary**.

Determination

To **overcome obstacles** and reach **success**.

Respect

Due regard and **consideration** for the **rights, feelings** and **beliefs of others**.



Barnsley Academy Presentation Expectations

High Academic Standards

- All dates, titles and subheadings are **underlined with a ruler.**
- All **diagrams are drawn with a pencil** and ruler (as needed.)
- **No scribbling or graffiti** of any kind on books, folders and any other work – where this occurs home will be contacted, and you will complete a correction
- Mistakes/errors are **crossed out with a single, ruled line.**
- **Self-assess in green pen.**

The Learning Journey

- **Do Now** (if completed in books)
- **Core Knowledge** (Facts, context terminology, formulas)
- **Expert Model** (Naming the Steps/Procedural Knowledge – the processes of applying knowledge)
- **Independent Practice**
- **Self-assessment**
- **Closing the Gap** (Reteaching and practice after whole-class feedback)

Component 3

Influences on Global Travel and Tourism

 L1 - Why is travel increasing

 L2 - Economic Factors

 L3- Political Factors

 L4- Natural Disasters

 L5 - Media factors

 L6 - Security and Safety Measures

 L7- Health Issues

 L8 - Section A2 response to factors

 L9- Tourism Impacts in Antarctica

 L10 - Galapagos Islands



Component 3: Influences on Global Travel and Tourism

Title: 2 - Economic Factors

Date:

Do Now (5 minutes - Independent)

- **What Travel Agents do** – They Provide – i _____; foreign exchange (swapping British money for Foreign Money); sales and booking service for p _____ holidays, a _____, flights, transfers and ground transport, e _____, tickets, insurance, ancillary services.(_____)
- **Products and/or services provided** – information; foreign exchange; sales and booking service for package h _____, accommodation, f _____, transfers and ground transport, excursions, tickets, insurance, ancillary services.

What Travel Agents do – They Provide – information; foreign exchange (swapping British money for Foreign Money); sales and booking service for package holidays, accommodation flights, transfers and ground transport, excursions, tickets, insurance, ancillary services. (car-hire)

Products and/or services provided – information; foreign exchange; sales and booking service for package hotels, accommodation, flights, transfers and ground transport, excursions, tickets, insurance, ancillary services.

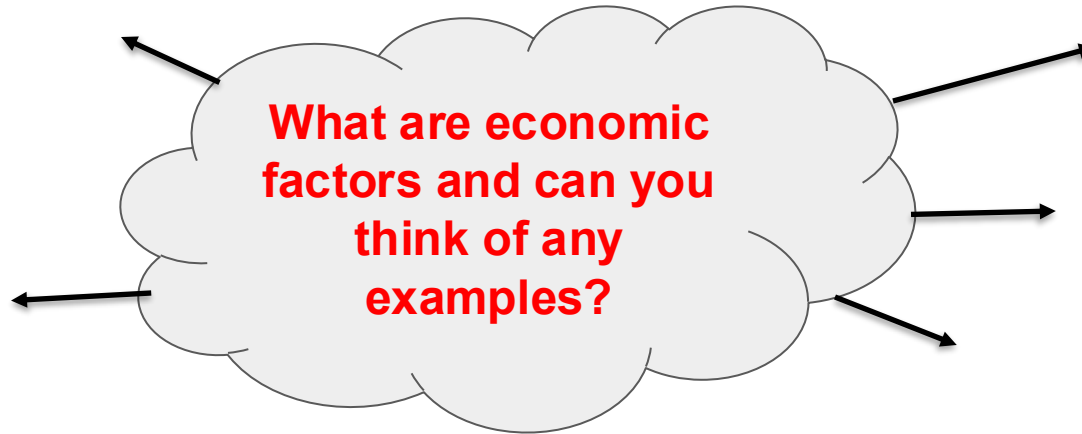
DQ: How do economic factors affect global travel and tourism?

To IDENTIFY the different economic impacts of global travel.	LEVEL 1 MERIT	 EURO	1.0395
To DESCRIBE the economic impacts on the travel and tourism industry.	LEVEL 2 PASS	 USA	1.3947
		 SOUTH AFRICA	9.9772
		 HONG KONG	10.7869
To EVALUATE how each economic impact affects the global travel and tourism industry.	LEVEL 2 MERIT	 JAPAN	130.37
		 AUSTRALIA	1.5058
		 CANADA	1.3924

Children's education should help them to develop their talents and abilities learning to live peacefully, protect the environment and respect other people. – Article 29

DQ: How do economic factors affect global travel and tourism?

1. **What does the term 'economic' mean?**
2. **Can you think of any specific economic factors that would affect travel and tourism?**



What is a recession?

Based on the information on the right, create your own definition of a recession.

A recession is when the economy of a country drops significantly, for at least 6 months.



Unemployment rate rises

16,000 jobs lost in January 2008



Consumer purchases fall off



Businesses go bankrupt

In 2008, business' orders declined .06 percent compared to the prior year



People lose their homes

Housing prices fell 10 percent in 2008



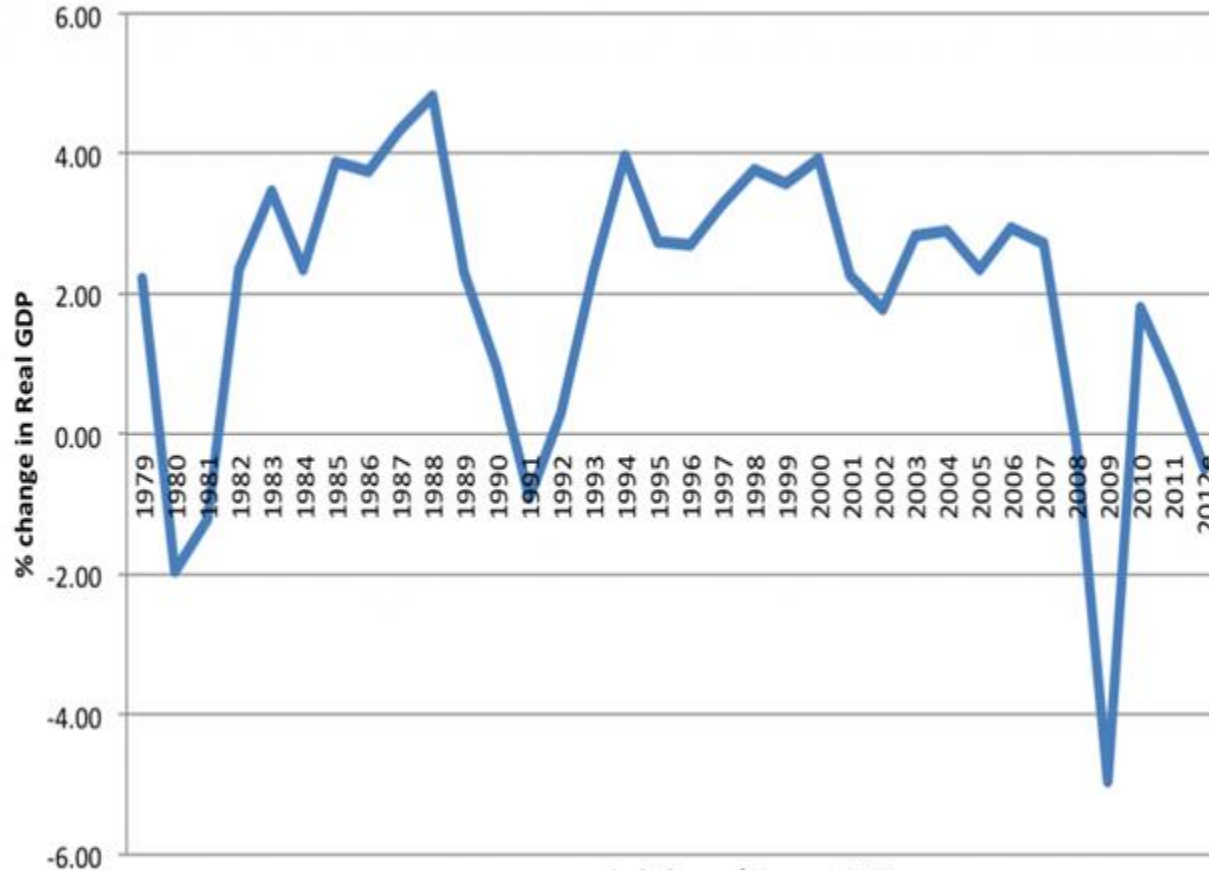
Young people can't get a good job after school

DQ: How do economic factors affect global travel and tourism?

To IDENTIFY what the different economic impacts are.	LEVEL 1 MERIT	 EURO	1.0395
To DESCRIBE the economic impacts on the travel and tourism industry.	LEVEL 2 PASS	 USA	1.3947
		 SOUTH AFRICA	9.9772
		 HONG KONG	10.7869
To EVALUATE which economic impact is worse for the global travel and tourism industry.	LEVEL 2 MERIT	 JAPAN	130.37
		 AUSTRALIA	1.5058
		 CANADA	1.3924

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UK Economic Growth

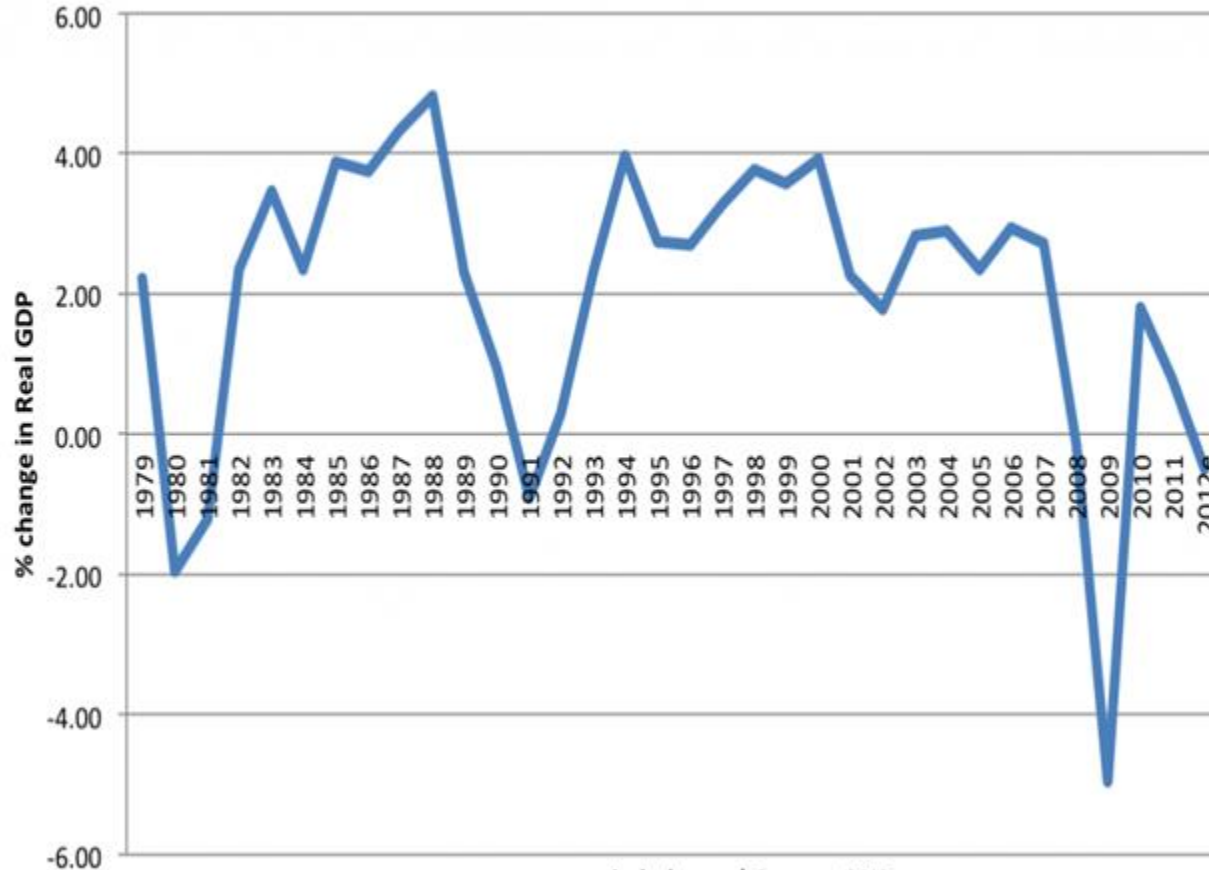


www.economicshelp.org | Source: ONS

What does this graph show?

How might it affect the travel and tourism industry?

UK Economic Growth



www.economicshelp.org | Source: ONS

It shows UK economic growth from 1979 to 2012.

A decrease in GDP can cause a recession, meaning people have less money to spend on travel, less jobs available etc.

Explain how economic recession impacts the
global travel and tourism industry (4 marks)

BUG

Box the command word

Underline key words

Glance over the question again

Explain how economic recession impacts the global travel and tourism industry (6 marks)

1. Good or bad?

Recession has a positive/negative impact on the travel industry...

2. Why?

This is because...

3. Develop... What does this mean?

This means that...

4. The number of holidays therefore... increases/decreases.

Model Answer

Recession has had a negative impact on the global travel and tourism industry. This is because people will have less money to spend. This will mean that tourists will not want to go abroad on holiday, meaning they would rather spend their spare disposable income on things needed for everyday life, rather than holidays. The number of holidays taken overall will therefore decrease.

Green pen this answer, or add to yours in your books!

What is a 'boom'?

A boom is the opposite to a recession, this is where sales have increased, or a countries GDP has also increased. Below is information from a report by Tourism Australia, showing that the Gross Value Added (products and services) provided by tourism industries is increasing.

Within the tourism industry, the biggest contributors were the more traditional industries.

- Food services – up 7.5% to \$9.7 billion
- Air, water and other transport – up 7.1% to \$8.0 billion
- Accommodation – up 7.1% to \$8.0 billion.

Case Study - Dubai

Put the statements into the correct order, to show the development of Dubai as a tourist destination.

Dubai was a small fishing / trading port.

In 2010, the world's tallest building was opened.

In the 1960 population was around 10,000.

1966 oil was discovered. This led to a huge increase in income, with modern roads, schools and hospitals, and a new airport.

1985 – Dubai's flagship carrier airline, Emirates, was founded. This helped to attract tourists.

By 2006 population was around 2.5 million.

Tourism in Dubai started to improve in the late 1990s, with the opening of the Dubai Mall and the Burj Khalifa.

1966 oil was discovered. This led to a huge increase in income, with modern roads, schools and hospitals, and a new airport.

1973 – The Dirham (AED) becomes the official currency of Dubai.



DUBAI IS THE 6TH MOST VISITED CITY IN THE WORLD



Case Study - Dubai

As **global warming** is becoming a more serious and real threat to the livelihood of the planet, there is a rising awareness that such a lifestyle that is dependent on an intensive consumption of **fossil fuels** is not sustainable in the long run.



“Tourism has a negative impact on Dubai” Evaluate this statement.

Using the below structure, answer the above statement.

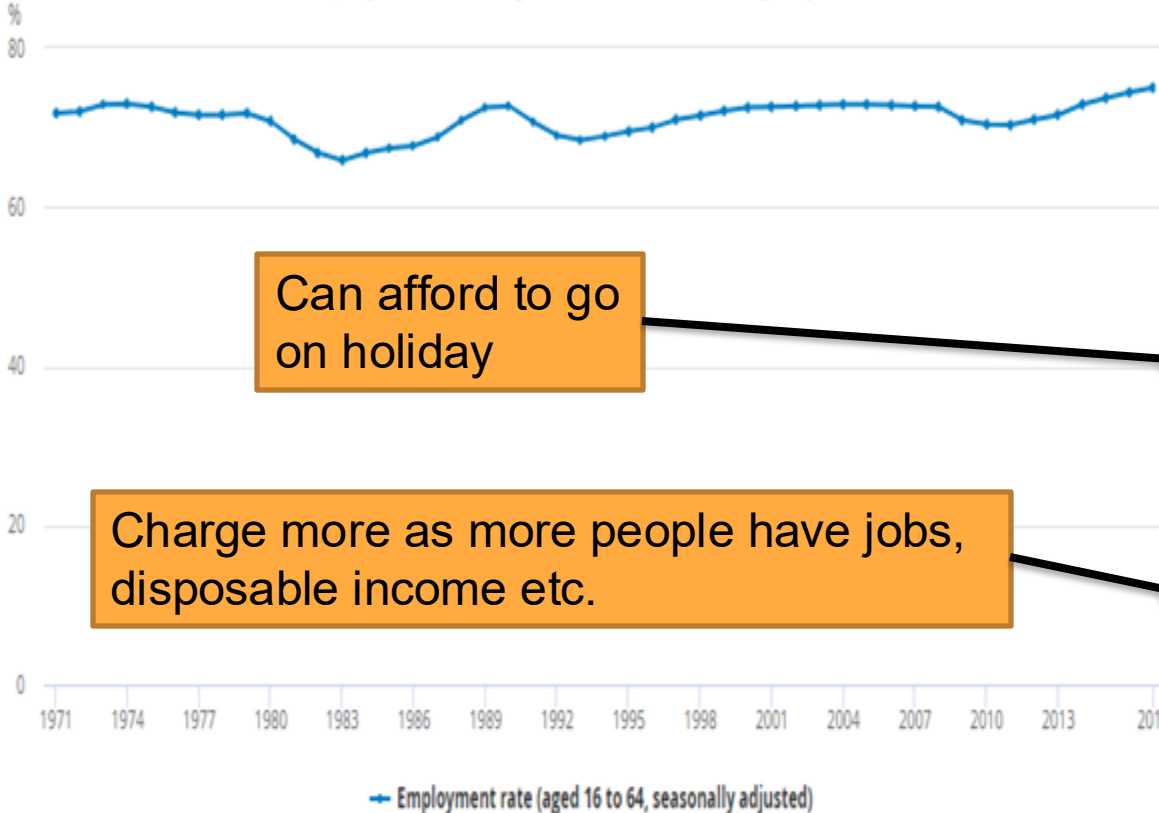
One reason that tourism has had a negative impact on Dubai is... This leads to... This means that...

One reason that tourism has had a positive impact on Dubai is... This leads to... This means that...

Overall I think that tourism has had a positive/negative impact on Dubai. I think this because...

Employment Levels

Employment rate (aged 16 to 64, seasonally adjusted)



Employment levels also affect the travel industry. The higher the percentage of people employed, the more chance people will book holidays.

If employment levels are high, this can also affect prices in a destination on basic amenities.

Disposable Income

Write out the sentence in your books, filling in the gaps...

Disposable income is the money that a person has left over to spend as he/she wishes after all of his required expenses have been paid.

spend

expenses

money

left

wishes

paid

Challenge – Explain why having LESS disposable income could be a problem for the travel industry

Disposable Income

Based on the information below, work out how much disposable income Brooklyn has per MONTH

INCOME

£1300 (MONTHLY wage)

EXPENDITURE

£45 (phone bill MONTHLY)

£350 (rent MONTHLY)

£300 (house bills MONTHLY)

TOTAL -

£1300

-

£605

£695

Exchange Rates

When one currency can be converted into another. For example, when we go on holiday to the USA, we convert our GBP (£) into USD (\$).

To work this out, it is a simple calculation.

$$\text{HOME CURRENCY} \times \text{EXCHANGE RATE} \\ = \text{FOREIGN CURRENCY}$$

Exchange Rates

Inverse 						
	EUR	USD	AUD	CAD	INR	AED
 1 GBP	1.10454	1.25317	1.82248	1.70834	87.7689	4.60226
	£500	£500	£500	£500	£500	£500

Using the **EXCHANGE RATES** above, work out how much UK tourists would get for £500 in each destination. Remember the calculation...

$$\text{HOME CURRENCY} \times \text{EXCHANGE RATE} = \text{FOREIGN CURRENCY}$$

Challenge – Explain what happens when the EXCHANGE RATE goes below 1 ?

Exchange Rates

Inverse 						
	EUR	USD	AUD	CAD	INR	AED
 1 GBP	1.10454	1.25317	1.82248	1.70834	87.7689	4.60226
	£550	£625	£910	£850	£43,880	£2,300

Using the **EXCHANGE RATES** above, work out how much UK tourists would get for £500 in each destination. Remember the calculation...

$$\text{HOME CURRENCY} \times \text{EXCHANGE RATE} = \text{FOREIGN CURRENCY}$$

Challenge – Explain what happens when the EXCHANGE RATE goes below 1 ?

Exchange Rates

When the **EXCHANGE RATES** fall below 1, that means that we will not get as much value for our money.

For example, if we wanted to travel to the USA, and the exchange rate was 0.90, this would be the calculation.

$$\text{£}100 \times 0.90 = \$90$$

This means that we will have less money to spend in the USA, and if the exchange rate is below than 1, people may choose to not go abroad for a holiday.

Fuel/Oil Prices

Transport companies are under constant pressure due to rising oil prices. This means that plane, train, coach and even taxi fares **fluctuate constantly**.



Changes frequently

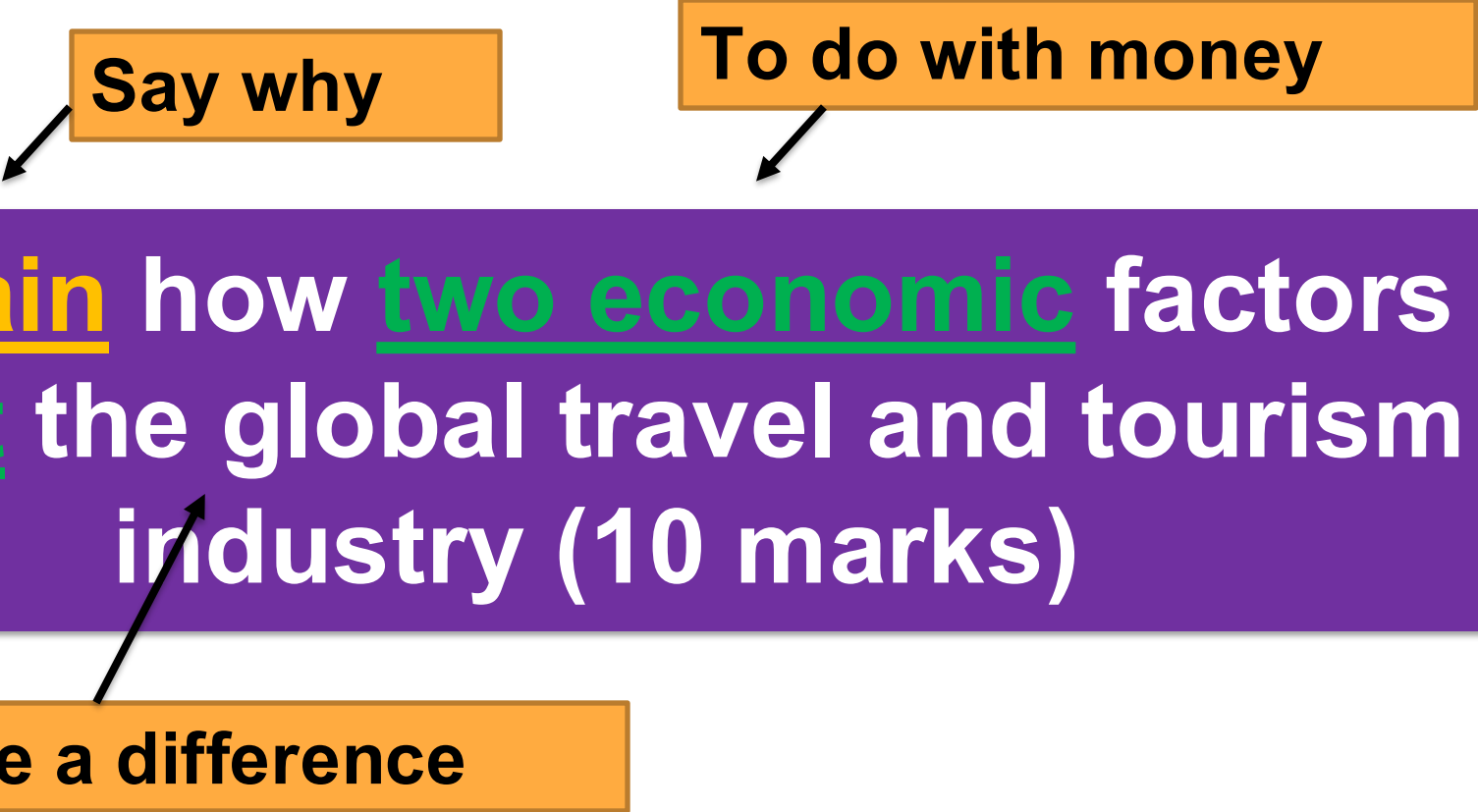
Boeing, one of the main aircraft manufacturers, has adapted its aircraft by increasing the number of seats. This means that they can potentially earn more money, as long as the aircraft is operating at full capacity.

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Say why



To do with money

Explain how two economic factors
affect the global travel and tourism
industry (10 marks)

Make a difference

Explain how two economic factors affect the global travel and tourism industry (6 marks)

BUG

Box the command
word

Underline key
words

Glance over the
question again

One economic factor affecting the global travel and tourism industry is... oil/fuel prices, exchange rates, employment levels, 'boom', disposable income...

*This affects the industry because... INCREASE OR DECREASE?
This means that...*

Another economic factor affecting the global travel and tourism industry is... oil/fuel prices, exchange rates, employment levels, 'boom', disposable income...

*This affects the industry because... INCREASE OR DECREASE?
This means that...*