Global Tourism Update 2020

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The COVID-19 outbreak brought the world to a standstill. The global tourism industry was amongst the most severely affected of its economic activities. Around the world, airlines grounded thousands of aircraft, hundreds of cruise ships lay idle at anchor, hotels closed, and millions of tourism employees were stood down as governments implemented travel bans, closed borders and instituted quarantine measures. More broadly, the pandemic had an unparalleled and unforeseen impact on our lives, our economies, our societies and our livelihoods. There is a very real risk that the world is on the verge of a deep and prolonged recession – a decline so pronounced that it could eclipse the Great Depression of the 1930s. It may take years for the global tourism industry to recover.

Figure 1: April 2020. A worker sanitizes Venice's St. Mark square during the national lockdown for Covid-19 pandemic. Typically packed with tourists the square is eerily empty.

Why does it matter?

Global tourism is big business. According to the World Tourism Organisation (WTO), the industry accounts for some 10 per cent of global GDP (US$8.9 trillion) and one in 10 jobs (330 million workers). More than 100million of these employees, and some $2.7 trillion in GDP, are at immediate risk because of the current crisis.

Global tourism before the onset of the pandemic

In 2019, before the COVID–19 pandemic lay waste to the industry, global tourism reached a level of activity never before experienced. More than 1,460 million people travelled internationally in the calendar year (see figure 3) an increase of a healthy 3.8 per cent increase over 2018 but just below the decade long average of 4.2 per cent annual growth (see Figure 4). Europe continues to be the most popular destination (51%) followed by Asia–Pacific (25%). (See figure 5).

The rapid rate of growth in international tourist arrivals evident since World War II illustrates just how important the industry is to the global economy. In the years following the war, just 25 million people travelled internationally each year and most of these journeys involved cross-border movements within Europe and North America. By 1980, the number of international tourists had increased to 202 million driven by declines in the real cost of air travel and rising standards of living. By 2000, 699 million people travelled internationally.

Tourism receipts exceeded US$1,507 billion in 2019. Again, Europe dominates with 39 per cent of the revenue generated by the industry, followed by Asia and the Pacific (30%) (See Figure 6). Tourism economic importance by highlighted by the observation that it is the world's third most valuable export after fuels and chemicals. (See Figure 8). Africa is the most tourism-dependent region. The Asia–Pacific region is the least dependent (See Figure 9).

Figure 2: Grounded Qantas aircraft

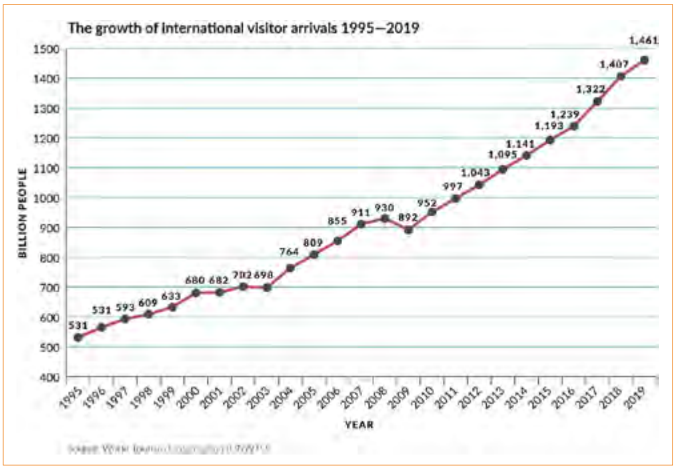


Figure 3: This line graph illustrates the growth of international visitor arrivals 1995–2019.

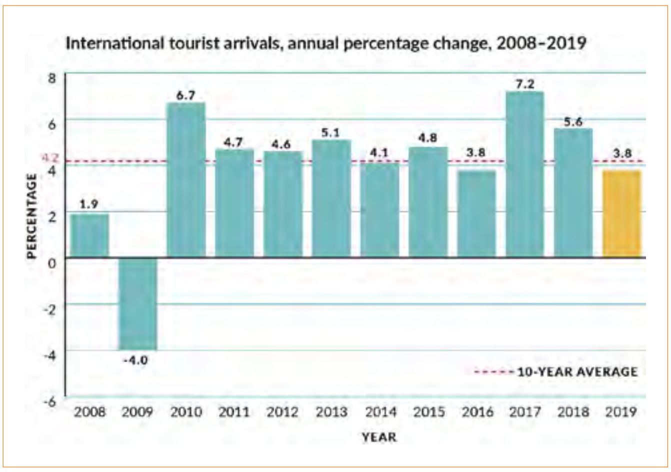


Figure 4: International tourist arrivals, annual percentage change, 2008–2019

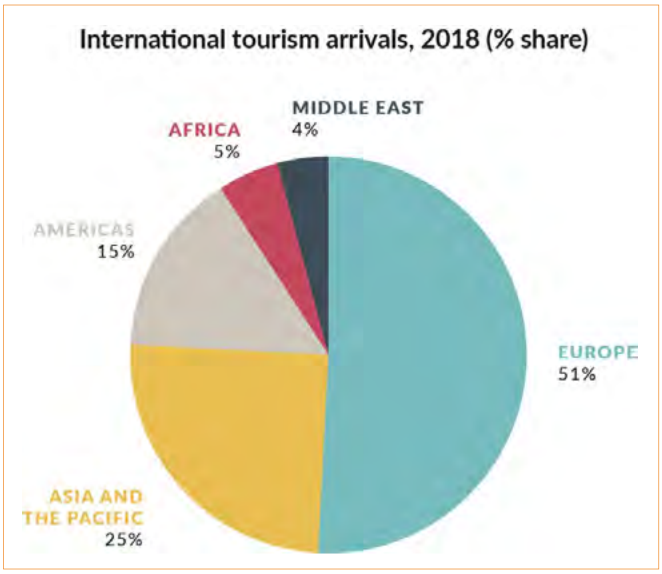


Figure 5: International tourism arrivals, 2018 (% share)

Figure 6: International tourism receipts, 1995–2018

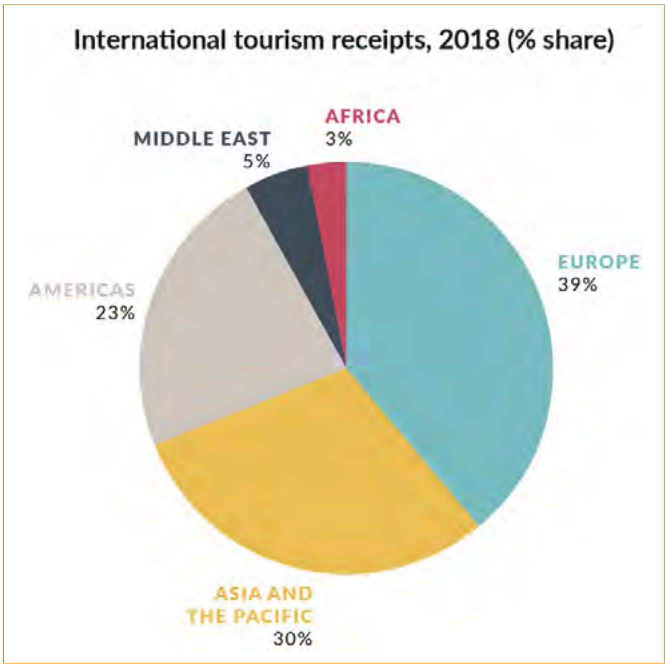


Figure 7: International tourism receipts, 2018 (% share)

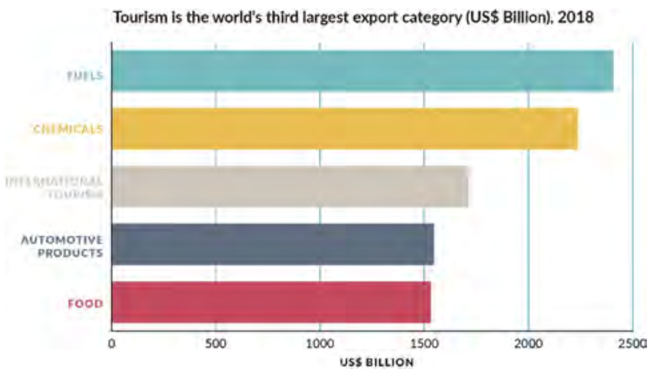


Figure 8: Tourism is the world's third-largest export category (US$ Billion), 2018

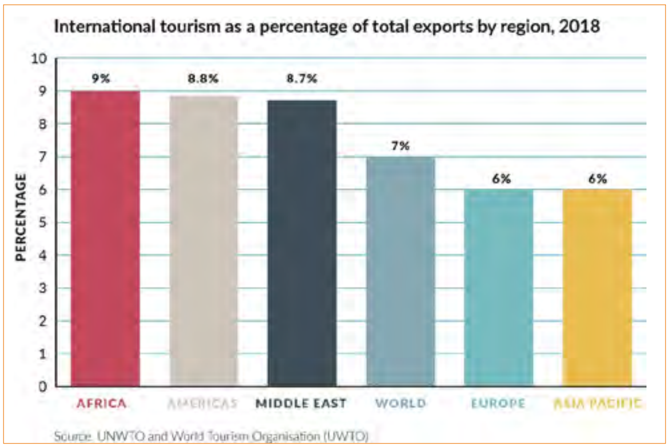


Figure 9: International tourism as a percentage of total exports by region, 2018

Figures 10 and 11 highlight the key features of global tourism in 2018. Figure 10 shows the purpose of travel. Travel for leisure, recreation and holidays dominate followed by visiting friends and relatives and religion (27%). The principal mode of travel is air (58%) followed by road (37%). (See Figure 11).

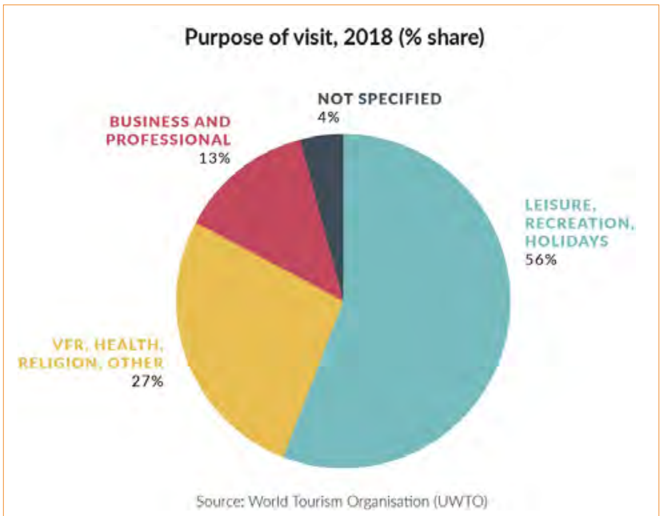


Figure 10: Purpose of visit, 2018 (% share)

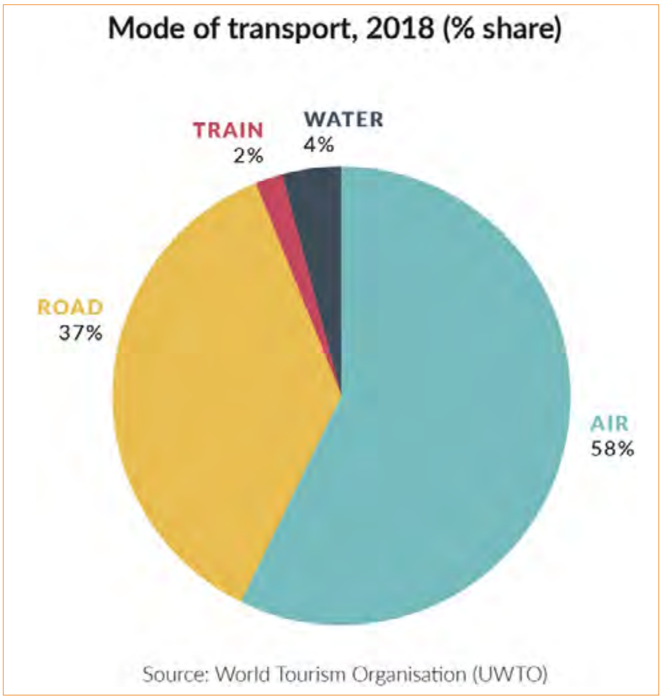


Figure 11: Mode of transport, 2018 (% share)

A key feature of global tourism is its increasing product diversity and specialisation. The degree of specialisation, expressed in terms of revenue, is shown in Figure 12. Cultural tourism continues to be the largest sector, followed by culinary tourism, ecotourism and wellness tourism.

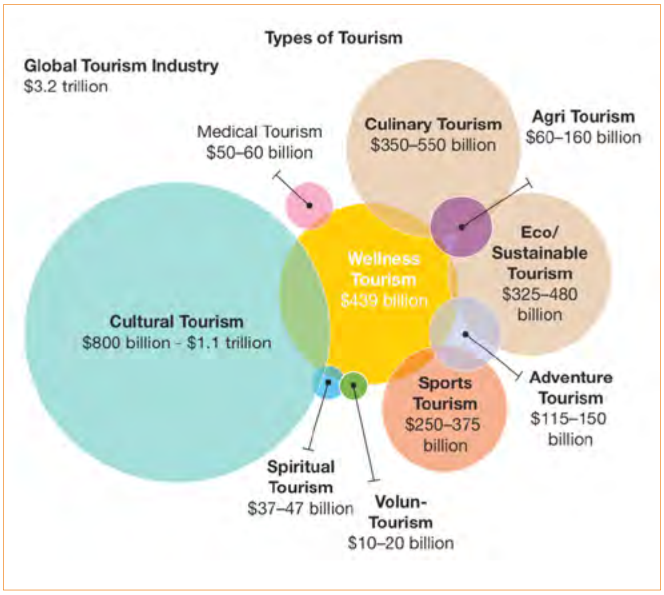


Figure 12: Types of tourism

Figures are included in the PPT that supports this Edition.

Figure 13: Young Chinese tourists in London. The rapidly growing Chinese middle class is a major driver in the growth of global tourism

Accounting for the growth in global tourism

Much of the growth in global tourism can be accounted for by the decline in the real cost of travel (driven largely developments in aviation technologies, especially the introduction of high capacity aircraft beginning with the Boeing 747 in 1969) and the rise of a global middle class with enough discretionary income to engage in travel.

In terms of the latter, the world's middle class continues to grow rapidly. By 2020, half the world's population were part of the middle class or lived in wealthy households. Specifically, out of a total of 7.6 billion people in the world, 3.6 billion now belong to the middle class. This is a significant figure, especially when you consider that only 10 years ago the number of people making up the middle class was just half that (around 1.8 billion).

After reaching the first 1.0 billion at the end of the 1980s, the middle class took more than 20 years to add another 1.0 billion. It took just eight years to add the last 1.6 billion.

Looking ahead, the growth of the middle class shows no signs of slowing. Indeed, the latest estimates place the total population of the middle class at around 5.2 billion by 2030 (around 1.6 billion more than today), which will represent some two-thirds of the world's population.

Since 2009, China has been responsible for the entry of around 700 million people into the ranks of the global middle class: 40 per cent of all new entrants. Furthermore, taking China and India together, the two countries account for around 60 per cent of the new middle class (some 1.0 billion people).

So why does this matter? The purchasing power of the middle class is projected to increase from $35 trillion in 2018 to $64 trillion in 2030. Households entering the middle-class increase the demand for both consumer durables and services including tourism, entertainment, health, education and transport. The lifestyle aspirations of the middle class are central to the tourism industry's future.

One consequence of the growth of the global middle class has been a surge in the number of Chinese tourists. In 2019, almost 220 million Chinese travelled internationally and accounted for one-fifth of international tourism spending, or $277 billion. By way of contrast, tourists from the United States spent $144 billion.

Before the onset of the pandemic, the WTO projected that the number of Chinese tourists would reach 400 million by 2030 (that's nearly a quarter of all international travellers). Of the increase in total international movements between 2019 and 2030 (from 1.3 billion to 1.8 billion) almost half are projected to originate in China.

Even at 400 million, there is still potential for further growth. Significantly, China's outbound tourists represent less than 28 per cent of the country's total population. This suggests there exists a huge potential to grow the number of Chinese engaged in international tourism.

Figure 14: Venice crowds pre-pandemic. The iconic Italian city is in danger of depopulation due to the crowing and high cost of living

The impacts of growth

The growth in global tourism is not without its consequences. Before the onset of COVID–19, overcrowding was the most pressing issue facing the industry as the surge in visitor numbers alienated residents of popular destinations, overwhelmed local infrastructure and degraded the environment.

Take Venice for example, one of the most visited places on earth. Before the onset of COVID–19, the greatest tourism-related challenge facing the iconic Italian city was how to cope with the rapidly growing number of tourists crowding into its squares, canals and narrow laneways. Today, the city is largely deserted. Travel bans and lockdowns have resulted in the collapse of both international and domestic travel.

Prior to the pandemic, as many as 30 million tourists from all over the world descend on Venice, pumping up to $5 billion into the local economy. But relatively few of those visiting the city is Italian. Italians who have never been as enamoured with the city and its canals as the rest of the world.

Many local are not keen for the city to resume 'business as usual' once the pandemic is controlled. The non-profit group, ***We Are Here Venice***, for example, has been fighting to get authorities to recognise the advantages of sustainable tourism. Of particular note is the campaign to keep massive cruise ships out of Venice.

Figure 15: Cruise ships disembark thousands of tourists into an already crowded Venice every day

Venice has become a victim of its popularity. Over tourism, driven by the low-cost air travel and the growth of the cruise ship industry has initiated the flight of residents unsettled by the tourist invasion. Many have simply relocated to the mainland, driven out by the crowds, high prices and rising rents as owners have found the short-term, Airbnb market more lucrative.

Activists hope to see a new Venice emerging in the post-pandemic world. They claim that the lack of permanent residents is a greater threat than the number of tourists. The population of Venice has declined from 175,000 after World War II to just over 52,000 today. Many of those who are left are elderly and alone. With more residents, activists claim the city will better reflect the Venetian culture and the wonderful lifestyle that this amazing city offers.

Threats to ban visiting cruise ships that decant thousands of tourists into the city each day have met some resistance, especially from the thousands employed at the city's massive cruise terminal.

Activists argue that the pandemic gives Venice the opportunity to rethink mass tourism and try to create a new type of sustainable visitor experience for the fragile city. They want to transition away from a focus on designer shops and luxury goods to goods made in Venice. They want to promote local artisans. They also want to promote Venice as a place of education with tourist apartments housing students and bringing new energy to the city.

The Australian tourism industry

Tourism is one of Australia's major exports. In 2019, Australia attracted 8.6 million international visitors (i.e. 980 arrivals per hour). Together, they spent $43.9 billion on goods and services. The following observations highlight the economic importance of the industry:

- Tourism is Australia's largest services export industry. Education comes in second. Iron Ore is number one!
- Since 2009, Australia has seen a steady increase in international arrivals, with dramatic growth observed every year from 2012 onwards.
- In 2018, the top six source countries were China (1.43 million), New Zealand (1.38 million), the United States (789,000), the United Kingdom (733,000), Japan (469,000), and Singapore (448,000).
- NSW is the most visited state (4.3 million) followed by Victoria (3.0 million) and Queensland (2.7 million).
- The summer months of December, January, and February attract the most visitors to the country. The warmer weather, combined with popular seasonal sporting events (such as the Australian Open and the cricket), is major factors in high international arrivals during the summer. It is also the peak of the cruising season when an increasing number of ships base themselves in Sydney. Autumn was the quietest season for international visitors to Australia.
- The average length of trips to Australia has decreased over the past decade. In 2009, the average international trip to Australia lasted 35 nights. In 2018, the average international trip to Australia lasted 32 nights.
- Australia's isolation from other continents makes it a difficult destination for travellers living in the northern hemisphere. Australia does not make the WTO's list of top ten countries visited in 2018. The long distances and cost of flights act as a deterrent to people wishing to visit Australia from the northern hemisphere. The abundance of cheaper travel destinations around Australia such as Indonesia and Thailand also affect the number of tourists visiting Australia.

- In 2018, Australian residents undertook 9.5 million outbound international trips – 5.39 million of those trips were for holiday purposes, while 4.4 million were for other purposes such as visiting friends and relatives and business trips.
- Outbound international trips have nearly doubled in the past decade, increasing from 5.1 million in 2008. Indonesia (principally Bali) has seen the greatest increase in outbound trips in the last decade, from 287,000 trips in 2008 to over 1.4 million trips in 2018.
- New Zealand remains the most popular destination with 1.26 million Australian visitors in 2018.

A global tourism catastrophe: The pandemic and its impacts

The COVID–19 pandemic was a disaster for global tourism. The pandemic brought both international and domestic travel and tourism to an abrupt standstill. The shutdown affected everything from the smallest tourism operator to the massive global hotel chains, such ACOR, the Intercontinental Hotel Group (IHG), Hilton and Marriott International. The world's airlines grounded thousands of aircraft and the fleets of the cruise industry giants, Carnival Corporation and Royal Caribbean, lay idle.

Data from the first three months of 2020 highlights the speed and depth of the downturn in global tourism. In the January–March period international tourist arrivals dropped by 22 per cent, with arrivals in March down by 57 per cent following the lockdowns, travel bans, and border closures implemented by many countries including Australia. This represented a loss of 67 million international arrivals in the first quarter of 2020 compared to the same period in 2019. The economic impact of this downturn resulted in an US$80 billion hit in terms of lost export earnings.

The impacts of the slowdown varied by region. Asia and the Pacific, the first region to suffer the impact of COVID-19, saw a 35 per cent decrease in arrivals. The second-hardest hit was Europe with a 19 per cent decline, followed by the Americas (-15%), Africa (-12%) and the Middle East (-11%).

The WTO estimates that the full-year impact of the pandemic could be a decline of 60–80 per cent in terms of international arrivals compared with 2019. This would result in a decline of between 850 million and 1.1 billion tourist arrivals costing US$910 billion to US$1.2 trillion in lost export revenue. That compares with a 0.4 per cent decline during the SARS epidemic in 2003 and a 4.0 per cent drop in 2009 following the global financial crisis.

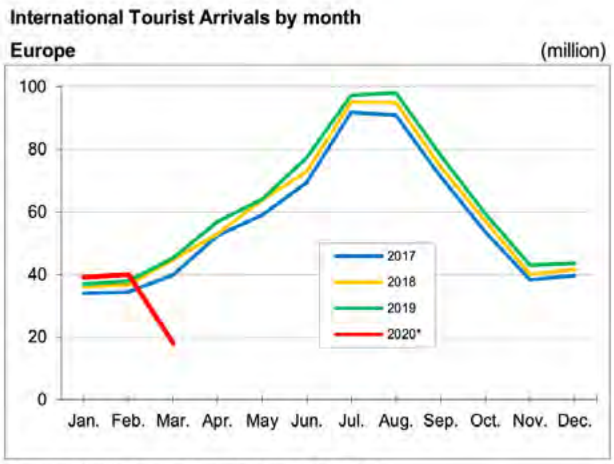


Figure 16: This graph of international tourism arrivals by month shows the dramatic decline experienced in March 2020.

Jobs losses of 100–120 million are predicted in one of the most labour-intensive sectors of the global economy. The losses will, however, vary from country to country depending on how dependent the country is on tourism. Of the world's twenty largest economies, Australia ranks sixth in terms of the industry's contribution to GDP (10.8%). Mexico is first (14.5%), followed by Spain (14.3%) and Italy (13.0%). Others include Germany (9.1%), the UK (9.0%) and the USA (8.6%).

Worldwide, 44 countries rely on the travel and tourism industry for more than 15 per cent of their total share of employment. Unsurprisingly, many of the countries suffering the most economic damage are island nations, especially those in the Caribbean. The island nation of Antigua & Barbuda, for example, has 95 per cent of its workforce engaged in the tourism industry.

New Zealand has 479,000 people employed in the tourism industry. Cambodia, which attracted 8.3 million tourists in 2019, has 2.4 million jobs in the sector. Croatia, one the world's tourism 'hot spots', generated US$13 billion from tourism in 2019. Twenty-five per cent of the country's workforce is engaged in tourism.

The downturn could have been worse had it coincided with the peak summer tourism season in the Northern Hemisphere. (See Figure 16). If the current crisis extends through the northern summer the economic impact of the downturn will be massive, especially in tourism-dependent regions.

The duration of the downturn in global tourism will depend on the following factors:

- How long the pandemic lasts and how long it takes to develop an effective treatment or vaccine.

- The time it takes to lift travel restrictions and lockdown measures, and social distancing rules.
- The time it will take consumers and businesses it will resume travel. And. How travel behaviours change as a result of the pandemic.
- How deep and how long will the global recession be.
- The impact of the pandemic on consumers' discretionary spending decisions.
- The extent to which governments enact measures that support tourism.

The COVID–19 is by far the worst crisis international tourism has faced since World War II. The impact will be felt to varying degrees in the different global regions, with the Pacific expected to be the first to rebound once the travel bans are relaxed between Australia, New Zealand and perhaps the Pacific Islands.

Impacts on aviation

Those of us living in Sydney will have noticed how empty the skies are of aircraft. We are conscious of the absence of the deep roar of domestic and international flights descending on the approaches of Sydney's (Kingsford Smith) International Airport at the end of the overnight curfew at 6.00 am. In the evening, we no longer see the lights of descending aircraft stretching into the distance, especially to Sydney's southwest. No one knows when these flights will resume. Qantas has grounded more than 150 aircraft, suspended its international flights and reduced its domestic and regional services to a minimum. Even these had to be heavily subsidised by the Federal Government. Qantas stood down 20,000 employees as a result of the COVID–19 outbreak. Australia's second airline, Virgin Australia, collapsed into receivership as a result of the travel restrictions imposed by the government. Eight thousand Virgin Australia employees were stood down.

The following observations highlight the extent of the Australian aviation industry's plight:

- International scheduled passenger traffic in March 2020 was 1.725 million compared to 3.285 million in March 2019 – a decrease of 47.5 per cent.
- In April 2019, there were up to 722 international flights arriving and departing Australian airports each day – with New Zealand (174), Singapore (88) and China (64) topping the list. In early April 2020, just 147 arrived and departed Australia, a decline of more than 80 per cent.
- The air corridor between Sydney and Melbourne, usually the second busiest in the world, typically has as many as 210 flights a day. At the height of the pandemic, there were fewer than 15 flights a day between Australia's capital cities.
- Over Easter, 2020, one of the busiest weekends for domestic air travel, there were 77 per cent fewer aircraft in the air. On those few flights operating, only an average of 30 per cent of seats is occupied, compared to a regular average of up to 85 per cent.

Foreign-owned airlines fared little better than their Australian counterparts. Singapore Airlines, for example, grounded all but 10 of its 200 aircraft. Seventeen of these were mothballed at the Asia Pacific Aircraft Storage facility near Alice Springs. The Alice Springs facility is ideal for housing grounded aircraft due to its very dry climate. This reduces the risk of corrosion of planes as compared to humid climates such as that of Singapore's.

Plane storage facilities, such as the one near Alice Springs, have been getting more crowded in recent months as airlines grapple with the impact of a decline in passenger traffic. The International Air Transport Association (IATA) described the plunge in global passenger traffic as the "largest decline in recent history" last month. Traffic nosedived 52.9 per cent in March, compared with the same period in 2019. Asia-Pacific airlines led the fall, losing 65.5 per cent of passenger traffic. In the USA, airline passenger traffic fell by about 94 per cent and half of the industry's 6,215 planes are parked at major airports and desert airstrips.

The impacts of the pandemic on the global aviation industry are likely to be far-reaching. In 2019, before the onset of the pandemic, the global airline industry carried 4.54 billion passengers – a 4.2 per cent increase on the previous year. Industry figures expect only a slow recovery, made worse by the inevitable economic slowdown.

The government imposed travel restrictions have had the greatest impact on the industry. According to the UN's WTO COVID–19, 100 per cent of all worldwide destinations had introduced travel restrictions of one type or another in response to the pandemic. Ninety-seven destinations (45%) totally or partially closed their borders for tourists. Sixty-five destinations (30%) suspended totally or partially international flights. Thirty-nine destinations (18%) closed their borders in a more differentiated manner by banning the entry for passengers from specific countries of origin.

Airlines are responding to the crisis by reducing their cost base to ensure the ongoing viability of their business. They are reducing their workforce, reducing their fleet size, cutting out less profitable, or loss-making, routes and bringing forward the retirement of older, less fuel-efficient aircraft. Airlines cancelled orders for new aircraft resulting in aircraft manufacturers laying off thousands of workers.

Airports have also been seriously affected. Many have reported up to a 97 per cent decline in passenger numbers since the pandemic took hold. These important transport hubs, which are typically very large employers, have also been adversely affected, with greatly reduced passenger traffic. And it's not only those involved in making sure that aircraft are refuelled, serviced and cleaned, and passengers checked in and their luggage handled, it's also those employed in airport cafes and shops.

The pandemic's impact on the Australian tourism industry

Australia's tourism industry has been especially hard hit by the COVID-19 pandemic. Travel restrictions imposed by the Federal Government resulted in the country suffering the biggest drop in overseas arrivals ever recorded. The Australian Bureau of Statistics (ABS), noted that overseas arrivals to Australia slumped 60 per cent in March – the largest-ever drop in overseas travel the country has seen.

During March there were 331,900 short-term visitors to Australia, down from 836,300 in March 2019. Visitor numbers from China fell 78 per cent to 27,900, Japan fell 75 per cent to 13,300 and the United States fell 61.5 per cent to 34,300. Visitors from New Zealand, which is Australia's largest source of overseas arrivals, fell 56 per cent to 48,200. (See Figure 17). There was also a record fall in the number of Australian residents returning from short-term trips overseas, down 29 per cent to 538,400.

Visitor arrivals, March 2020 – Top 10 source countries, Number of Arrivals and Annual % Change

Country of Residence	'000	% Change
New Zealand	48.2	-56.2
UK (a)	39.4	-46.8
USA	34.3	-61.5
China(b)	27.9	-77.5
India	20.1	-40.8
Japan	13.3	-75.1
Singapore	13.0	-66.3
Germany	11.8	-46.4
Canada	10.1	-55.4
Malaysia	9.5	-68.5
Total	**331.9**	**-60.3**

(a) Includes the United Kingdom, Channel Island and the Isle of Man.(b) Excludes SARs & Taiwan.

Figure 17: Visitor arrivals, March 2020 – Top 10 source countries

The March numbers capture the impact of Australia's ban on visitors from mainland China on February 1, and the gradual expansion of these bans on all non-Australian citizens and non-residents from 20 March.

The full impact of these measures became evident in the ABS data for April. In April, overseas arrivals to Australia fell 99 per cent due to the COVID–19 travel restrictions. The strict border controls resulted in just 22,000 arrivals through April, more than two-thirds of which were Australian citizens returning home from overseas. Just under 7000 arrivals were non-Australian citizens. (See Figures 18 and 19).

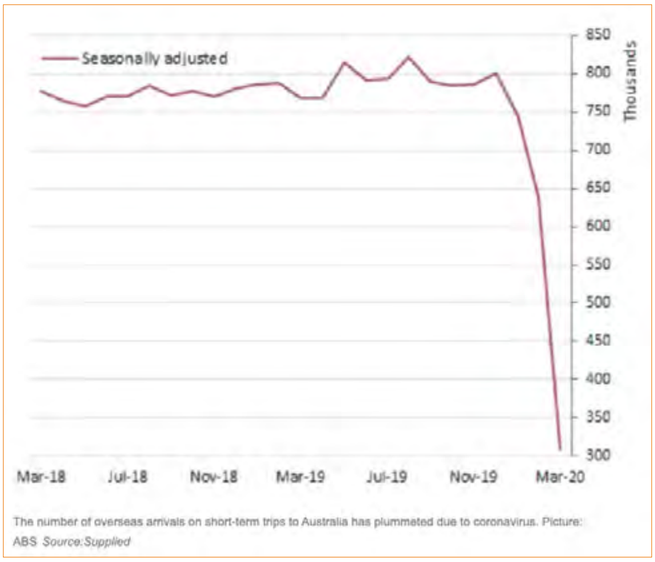


Figure 18: Tourist arrivals (seasonally adjusted), 2018–2020 (ABS)

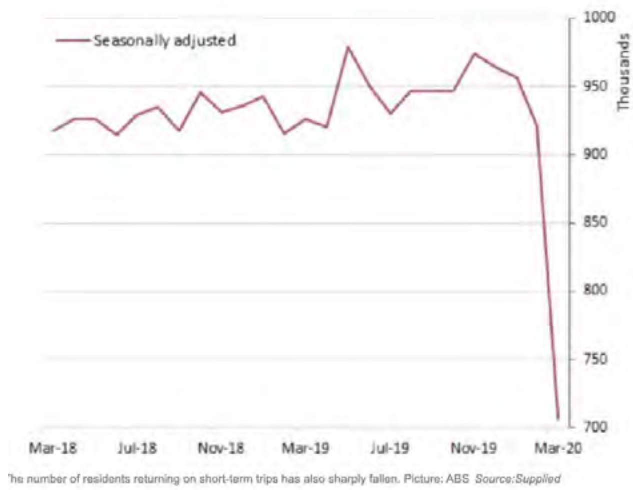


Figure 19: Returning Australian residents on short-term trips (ABS)

In March, the Northern Territory suffered the biggest drop in inbound tourist arrivals (66%) followed by NSW (64%), Queensland (63%) and Victoria (58%). (See Figure 20).

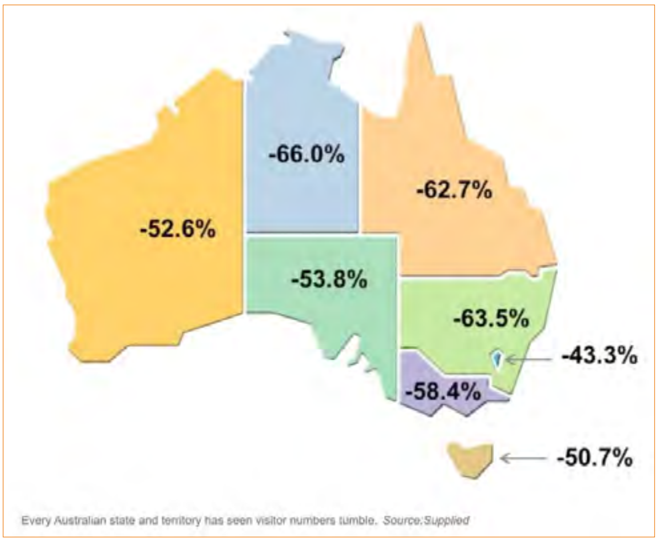


Figure 20: Change in visitor numbers by state and territory, March 2020

Coronavirus is expected to deal a heavy blow to Australia's tourism industry, which had already suffered due to the devastating summer bushfires.

Industry megatrends

While the global tourism industry may take years to recover from the impacts of the COVID–19 pandemic two megatrends are likely to endure. These are the polarisation evident within the industry and diversification of the tourism market.

The polarisation taking place within the industry is especially evident in the tensions between globalisation and localisation (See Figure 22). At one end of the continuum are the transnational corporations – the global travel companies, airlines, cruise lines, and multi-brand hotel corporations. At the other end of the continuum are local entrepreneurs – the entertainers, tour guides, stallholders, restaurant and bar owners, operators of local attractions and the owners of small hotels, B&Bs and Airbnb accommodation. Local entrepreneurs typically take advantage of the economic opportunities stemming from the flow of tourists generated by tourism-focused TNCs.

Figure 21: China is a major source of tourists.

Budget tourist accommodation. Source: https://upload.wikimedia.org/wikipedia/commons/4/46/Motel_%22Formule_1%22_-_panoramio.jpg

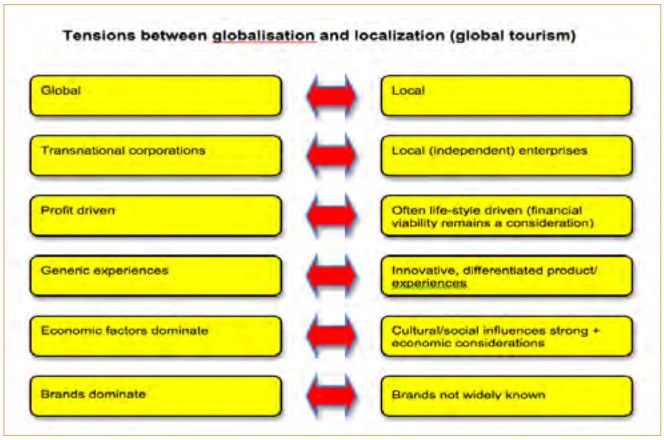


Figure 22: The polarisation evident in the global tourism industry is exemplified in the tensions between the forces of globalisation and localisation

The hotel industry provides an example of this polarisation. Over time, the hotel industry has become more diverse. In addition to the smaller, family-operated hotels, lodges, B&Bs and, more recently, the proliferation of Airbnb rentals there are the large, multi-brand global hotel chains (TNCs). The product differentiation evident within the sector reflects the increasingly diverse needs of the business and leisure traveller.

The world's largest hotel corporations have grown through a process of mergers and acquisitions, and by introducing new hotels brands targeting specific travel markets. They have also been very active in expanding into the rapidly developing Chinese tourism market.

Of the top four hotel TNCs featured in Figure 23, all target the business and leisure traveller seeking luxury and up-market accommodation. They also target the mid-market accommodation sector. Of the big four, only Accor targets the budget traveller.

Figure 23: Global hotel corporations and the brands they control

GROUP (CORPORATE HQ)	NUMBER OF PROPERTIES	NUMBER OF ROOMS	LUXURY BRANDS	UP-MARKET BRANDS	MID-MARKET BRANDS	BUDGET BRANDS
Marriott International (Bethesda, Maryland, USA)	30 brands with 7,003 properties in 131 countries	1,332,826	• Ritz-Carlton • Bulgari Hotels • JW Marriott • St Regis • Luxury Collection	• Renaissance • Marriott • Delta • Gaylord Hotels • W Hotels • Design Hotels • Westin Hotels & Resorts • Le Méridien • Sheraton • Courtyard by Marriott • Residence Inn by Marriott • Four Points by Sheraton • Aloft Hotels	• Fairfield Inn by Marriott • Protea Hotels • TownePlace Suites	
Hilton Worldwide (McLean, Virginia, USA)	16 brands with 6,110 properties across 120 countries	893,494	• Waldorf Astoria • LXR Hotels & Resorts • Conrad Hotels & Resorts	• Hilton Hotels & Resorts • Canopy by Hilton • Curio Collection by Hilton • Signia by Hilton • Embassy Suites by Hilton • DoubleTree	• DoubleTree by Hilton • Tapestry by Hilton • Tempo by Hilton • Hilton Garden Inn • Homewood Suites by Hilton • Hampton By Hilton • Motto by Hilton	
InterContinental Hotels Group (Denham, Buckinghamshire, UK)	17 brands with 5,656 properties across 100 countries	842,749	• InterContinental Hotels • Regent Hotels & Resorts • Six Senses	• Crowne Plaza • Kimpton Hotels • Hotel Indigo • EVEN Hotels • Indigo hotels • Hualuxe Hotels & Resorts • Voco	• Avid Hotels • Candlewood Suites • Holiday Inn • Holiday Inn • Holiday Inn Resort Express • Staybridge Suites • Atwell Suites	
Accor (Paris, France)	33 + brands with 4,800 properties in 100 countries	704,000	• Sofitel Legend • Banyan Tree • Delano • Sofitel • Fairmont Hotels & Resorts • Raffles • Rixos	• Pullman • Swissôtel • MGallery • The Sebel • Adagio Premium • Grand Mercure • Mantis • Art Series • Mandarin • Orient Express • Angsana • Hyde • Movenpick • Peppers • The Sebel	• Novotel • Adagio • Mercure • Mantra • Tribe	• Break Free • Ibis • Ibis Style • Ibis Budget • Jo&Joe • Hotel F1

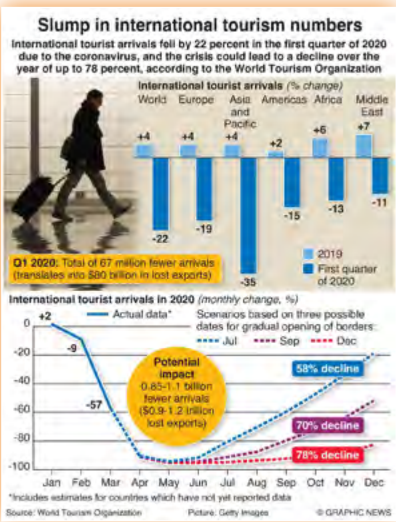
Figure 24: Royal Caribbean's Spectrum of the Seas. Royal Caribbean targets the mass tourism market. Its cruises are popular with families and the younger demographic.

In the case of the global cruise industry, two TNCs dominate, Carnival and Royal Caribbean. Carnival Corporation & PLC's (a British–American company) brands include Princess Cruises, Costa Cruises, AIDA Cruises, Holland American Line, P&O Cruises, P&O Cruises Australia, Cunard and Seabourn. Royal Caribbean Cruises Ltd. brands include Royal Caribbean International, Celebrity, Azamara and Silversea. Other large players include Norwegian Cruise Line Holdings (Norwegian Cruise Lines, Oceania Cruises and Regent Seven Seas). MSC Cruises and Genting. Carnival and Royal Caribbean together account for 70.5 per cent of all cruise passengers (Carnival 47.5% and Royal Caribbean 23%) – 18.3 million out of a total of 26 million passengers. The revenue of the two companies exceeds 27.6 billion (Carnival accounts for 39.4% of the industry's revenue while Royal Caribbean garners 20.2% of all revenue).

Unlike other sectors of the global tourism industry, there are few small players in the cruise industry. The large capital costs involved in building and operating cruise ships is a major barrier to new entrants. Small, local and highly specialised operators have had some success in specific locations. Typically, however, the vessels operated are very small.

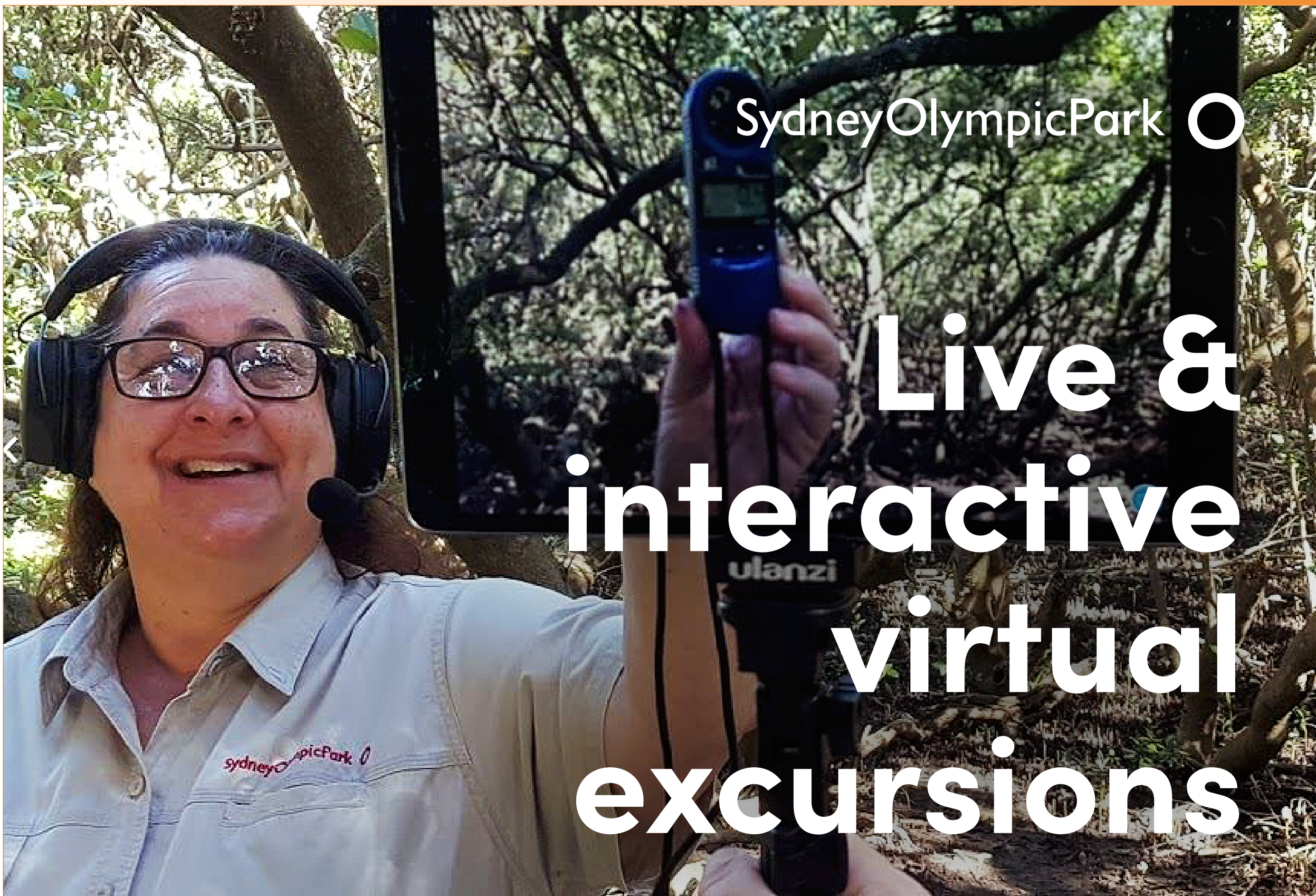
Like the hotel industry, there is an increasing degree of specialisation or diversification within the cruise industry. There are those cruise companies that target the (budget) family market (Disney Cruise Line, P&O Australia, Carnival, Royal Caribbean, Norwegian, MSC and Costa), those that target the more mature traveller (Princess Cruises, Holland America, Cunard and Celebrity), those that target the ultra-luxury (well-healed) tourists with a preference for smaller, all-inclusive, cruise experiences (Seabourn, Viking, Silversea, Crystal and Regent Seven Seas) and, those targeting the expedition cruise ship market (Silversea Expeditions, Ponant, Scenic and Hurtigruten).

Figure 25: Silversea's Silver Muse. All-inclusive cruises on smaller vessels are popular with older, more affluent travellers.



Skills activities linked to tourism are included in the Stage 6 Skills section

Live & interactive virtual excursions



Sydney Olympic Park is now offering the full suite of curriculum-based school excursion programs as live and interactive virtual excursion experiences.

Excursions are available from Kindergarten to Year 12 focused on Geography, Biology, Science, History and cross-curriculum priorities of Aboriginal and Torres Strait Islander History and Cultures and Sustainability.

Teachers can choose from the Gold, Silver or Bronze packages.

Gold Package

- A Live and Interactive Virtual Excursion (K–6, 45 minute sessions. Yr7–12 up to 2hr sessions)
- Excursion Booklet for students and accompanying answer sheets
- Teacher Resource Pack. A comprehensive resource pack of exclusive onsite fieldwork video's and information specific to each excursion program.
- Exclusive login access to the Sydney Olympic Park GIS system.

Silver Package

This pack includes everything in the Gold Pack, but without the Virtual Excursion experience.

Bronze Package

A free booklet guiding you to all the excursion resources on our website.

Live Virtual Excursion Programs:

K–6 Geography, Science & History
– Features of Places, Life Cycles, Adaptations, First Contact and Indigenous focused programs.

Stage 4 Landscapes and Landforms
– Coastal Wetlands

Stage 4 Place and Liveability at Sydney Olympic Park

Stage 5 Changing Place
– History of Sydney Olympic Park

Stage 5 Environmental Change and Management

Stage 6 Biophysical Interactions
– Intertidal Wetlands

Stage 6 Ecosystems at Risk
– Intertidal Wetlands

Visit **ParkLIVE** for information on individual school excursion programs

Bookings
Book your Gold or Silver education package with us today. Complete the **online booking form** to submit your package requirements or email **education@sopa.nsw.gov.au**.

We are always open to being flexible with our offering and can customise a package or experience to suit your teaching requirements.