



KCNOMICS

Student Summaries of Articles on Important Topics

KENT COLLEGE

JUNE 2026

CANTERBURY

TOURISM

GROWTH OF TOURISM BY LAILA

According to BBC News reports, tourism has increased substantially. The latest World Tourism Barometer, an index published annually by the UN, has shown a 4% increase in international tourist arrivals, recording 1.5 billion international tourist arrivals.

However, this immense growth is not evenly concentrated in the usual leading destinations. Instead, countries such as Brazil, Egypt, Ethiopia and Bhutan experienced strong growth within their tourism sectors.

With a strong 37% increase in international arrivals in 2025, Brazil has been recognised as a standout case, making it one of the fastest-growing tourism destinations in the post-pandemic period.

The catalysts of the increase include new archaeological sites (Egypt), promotion of

airline connectivity through subsidies (Brazil), investments in improved accessibility and accommodation (Ethiopia) and collaboration between public and private sectors (Seychelles). While tourism growth has effectively boosted the economies of these countries, leading to economic growth, several dangers include an increased cost of living, economic over-dependence on the tourism sector and negative externalities as a result of overtourism.

Forecasts suggest that travel and tourism growth until 2030 is expected to be nearly 50% faster than growth in the overall global economy. In 2025, the sector generated a record US\$11.6 trillion (9.8% of global GDP).

ECONOMIC THEORY: INDUSTRY GROWTH, NEGATIVE EXTERNALITIES
SOURCE: The BBC, 15th February 2026



IMPACT ON THE ENVIRONMENT BY FLORENCE

Tourism is usually ranked among the three fastest-growing industries in the world, playing an important role in many countries' economies. It creates jobs and increases income while supporting local businesses. However, tourism can also have serious environmental impacts if it is not managed carefully.

One major problem is pollution. Many popular tourist destinations end up with a lot of rubbish in the streets from careless tourists. Additionally, air travel and cruise ships release large amounts of greenhouse gases, contributing significantly to climate change. As increasing numbers of people travel each year (with tourism growing 6.7% in 2025), these emissions only continue to increase. Another environmental impact is the ongoing damage to natural wildlife and habitats. Building infrastructure related to tourism can destroy places of natural beauty like forests and beaches,

while wildlife itself can often be disturbed and even displaced by large numbers of visitors, affecting animal behaviour and, in some cases, their survival. There is also an impact on the local people who live in tourist destinations. In some places, tourists use large amounts of water and energy, leaving fewer resources available for local residents, therefore decreasing their standard of living. This is very visible in Venice, where housing is becoming increasingly scarce for residents due to the growth of short-term tourist accommodation.

Despite these problems, tourism can become more sustainable. Governments, businesses and tourists can help reduce environmental damage by offsetting their flights (e.g. paying for the planting of trees), saving energy and choosing to treat the places they visit with respect. Responsible tourism can help to protect the environment while still supporting economic growth.

ECONOMIC THEORY: NEGATIVE EXTERNALITIES
SOURCE: sustainabletravel.org

CAUSES OF OVERTOURISM BY ALMA

Tourism has become one of the world's fastest-growing industries, but this growth has also contributed to the problem of overtourism, where destinations receive more visitors than they can sustainably accommodate. Two major factors behind this trend are the growth of the global middle class and the increasing affordability of travel. In recent decades, rapid economic development in countries such as China and India has lifted millions of people into the middle class. As incomes rise, more people can afford to travel and take international holidays. For example, international departures from China increased dramatically between 2000 and 2019, reflecting the growing demand for global tourism.

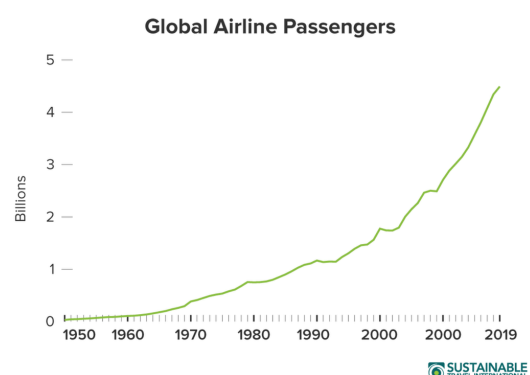
At the same time, travel has become cheaper and more accessible. The rise of low-cost carriers and advances in aircraft technology have reduced airfares significantly. As ticket prices fell, the number of airline passengers worldwide rose



sharply, reaching billions of passenger journeys each year. Online travel agencies and package holidays have also made it easier for consumers to compare prices and book affordable trips. Another important factor is the growth of cruise tourism. Modern cruise ships can carry thousands of passengers and offer relatively low-cost holidays. Global cruise passenger numbers continue to rise, bringing large numbers of visitors to popular destinations. However, cruise tourism can place significant pressure on local infrastructure, create congestion, and generate environmental impacts.

Overall, rising incomes, cheaper transport, and the expansion of cruise tourism have made travel more accessible than ever. While this creates economic opportunities, it also highlights the need for sustainable tourism policies to balance growth with environmental and social responsibility.

ECONOMIC THEORY: OVERCONSUMPTION
SOURCE: Sustainable Travel International, 15th April 2025



ECONOMIC VALUE OF TOURISM IN THE UK

UK Tourism Impacts for 2024

BY DOMINIC



£147B
GDP



2.4M
Jobs Supported



£52B
Tax Revenues

Tourism is a significant contributor to the UK economy. In 2024, it generated approximately £147 billion in GDP, supported 2.4 million jobs, and produced approximately £52 billion in tax revenue. This makes tourism one of the UK's most important industries.

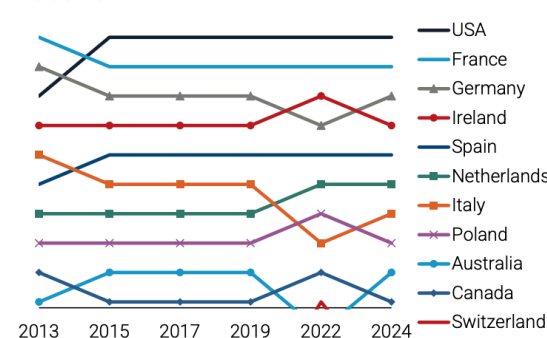
Tourists spend money on hotels, restaurants, transport and attractions, creating a multiplier effect that benefits a wide range of related other businesses. Tourism is particularly important for cities such as London and Edinburgh, but also supports jobs in rural and coastal areas.

As shown in the chart, the United States has remained the United Kingdom's largest source market for inbound travel since 2015, followed by France, Germany and Ireland. However, future trends may shift due to changing global travel

patterns, including increased competition from European destinations such as France.

Although the industry faces challenges such as international competition and rising costs, tourism continues to play a key role in economic growth. Overall, tourism remains essential to the UK economy by increasing output, employment and government revenue.

Rankings of source markets over time
2013 to 2024



Source: Tourism Economics

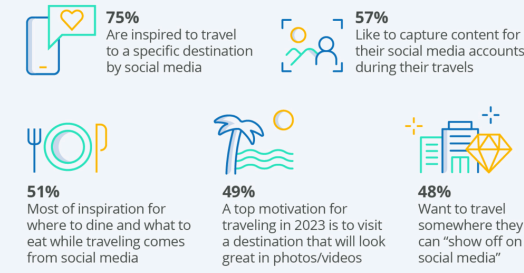
ECONOMIC THEORY: ECONOMIC GROWTH
SOURCE: visitbritain.org

Contributors: ELLA, FLORENCE, ALMA, ISAAC, DOMINIC, LAILA, SAMUEL

guidance: Mrs E. Koralewska

SOCIAL MEDIA SHAPES TRAVEL EXPERIENCES

Share of global respondents who agreed to the following statements



Methodology: The online poll survey was conducted between February 3rd – 11th, 2023, among a sample of 1,000 travellers from Australia, Canada, India, Japan, Mexico, UK and 2,000 travellers in the US who have a household income of at least a \$70k equivalent, and who typically travel by air at least once a year.
Sources: American Express, Morning Consult

Social media has transformed how people choose, book, and experience holidays, making it one of the most powerful forces shaping the modern tourism industry. For businesses and destinations, this creates both huge opportunities and challenges.

For consumers, social media is now the main source of travel inspiration. Around 75% of leisure travellers say social media posts influence where they go on holiday, and 81% use platforms like Instagram and TikTok to research destinations before booking. User-generated photos, short videos, reviews, and hashtags act as free advertising and are often more trusted than traditional marketing. This has led to “Instagram tourism”, where visually appealing locations go viral and see sudden spikes in demand.

Travel firms have responded by putting social media at the centre of their marketing strategies. Roughly 71% of travel

professionals now rank social media as their top marketing method. Social media platforms offer precise algorithm-driven targeting tools, allowing hotels, airlines, and tour operators to reach very specific demographics with tailored advertisements. Many also use influencers and encourage guests to post content, which allows satisfied customers to become unpaid advertisers.

However, the benefits come with downsides. Overexposure can create overtourism, pushing destinations like Santorini or Bali beyond their capacity and damaging local infrastructure and resident welfare. Negative reviews or complaints can quickly harm a brand’s image, while social pressure to post “perfect” trips encourages some young travellers to overspend. For policymakers and businesses, the key challenge is to harness social media’s demand-boosting power while managing the associated risks and impacts on local communities.

Source: Mize.tech, 27th April 2026 “Positive and negative effects of Social Media on the Tourism industry.”

ECONOMIC THEORY: INNOVATION

TRAVEL FOR LESS: THE RISE OF BUDGET TOURISM

BY ELLA

Low-cost travel has reshaped global tourism, making it possible for many people to explore the world for the first time. Budget airlines, cheaper hotels and smarter travel-search tools have dramatically lowered the cost of getting away, opening the door to travellers who once found holidays out of reach.

Technology plays a major role in this shift: comparing fares is now quick and intuitive, and low-fare finders help consumers pinpoint the cheapest dates to fly. This efficiency is especially appealing to Gen Z, a generation eager to travel but constrained by financial concerns. In fact, around 76% of Gen Z holidaymakers say finances are their biggest concern when planning trips, and two in three actively seek out the cheapest available travel options.

The rise of budget tourism has also changed how people travel. Affordable flights have encouraged impulsive weekend trips and shorter getaways. Moreover, many travellers prefer independent planning over traditional all-inclusive packages. Platforms like Airbnb offer cheaper, personalised accommodation options, using machine learning to match guests with hosts and provide travellers with greater flexibility and control.

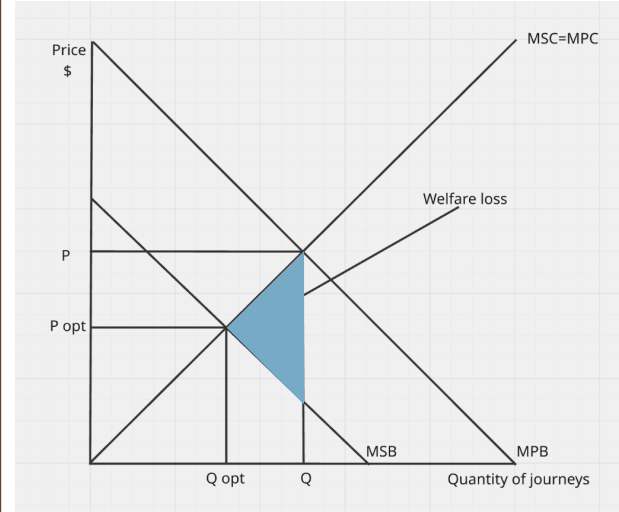
Although young budget tourists may spend less on hotels and meals, they often redirect their money toward local experiences, benefiting attractions and small businesses.

As more people take advantage of low-cost travel, destinations enjoy increased economic activity. However, they also face challenges around sustainability and overcrowding. The future of budget tourism will depend on balancing accessibility with responsible travel practices to ensure long-term benefits for both travellers and local communities.

ECONOMIC THEORY: LAW OF DEMAND

SOURCE: www.europeanfinancialreview.com

BY SAMUEL



A negative externality of consumption occurs when consumers do not take into account the external costs imposed on third parties when consuming a good or service. In the case of overtourism, tourists consider their own private benefits from travelling but often ignore the negative impacts their visits have on local residents, businesses, and the environment. As a result, the marginal private benefit (MPB) exceeds the marginal social benefit (MSB).

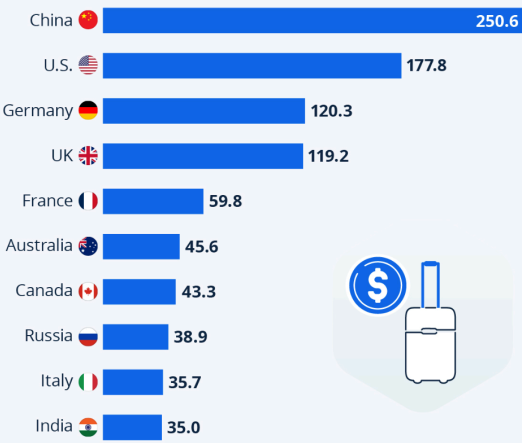
The market equilibrium occurs at Q, where MPB equals MPC. However, the socially efficient level of tourism is Q_{opt}, where MSB equals MSC. Since Q is greater than Q_{opt}, tourism is overconsumed, leading to market failure.

The external costs of overtourism may include congestion, overcrowding of public spaces, increased pressure on transport and public services, noise pollution, environmental degradation, and rising housing costs due to the growth of short-term holiday rentals. These costs are mainly borne by local residents

KEY TERMS: NEGATIVE EXTERNALITIES OF CONSUMPTION

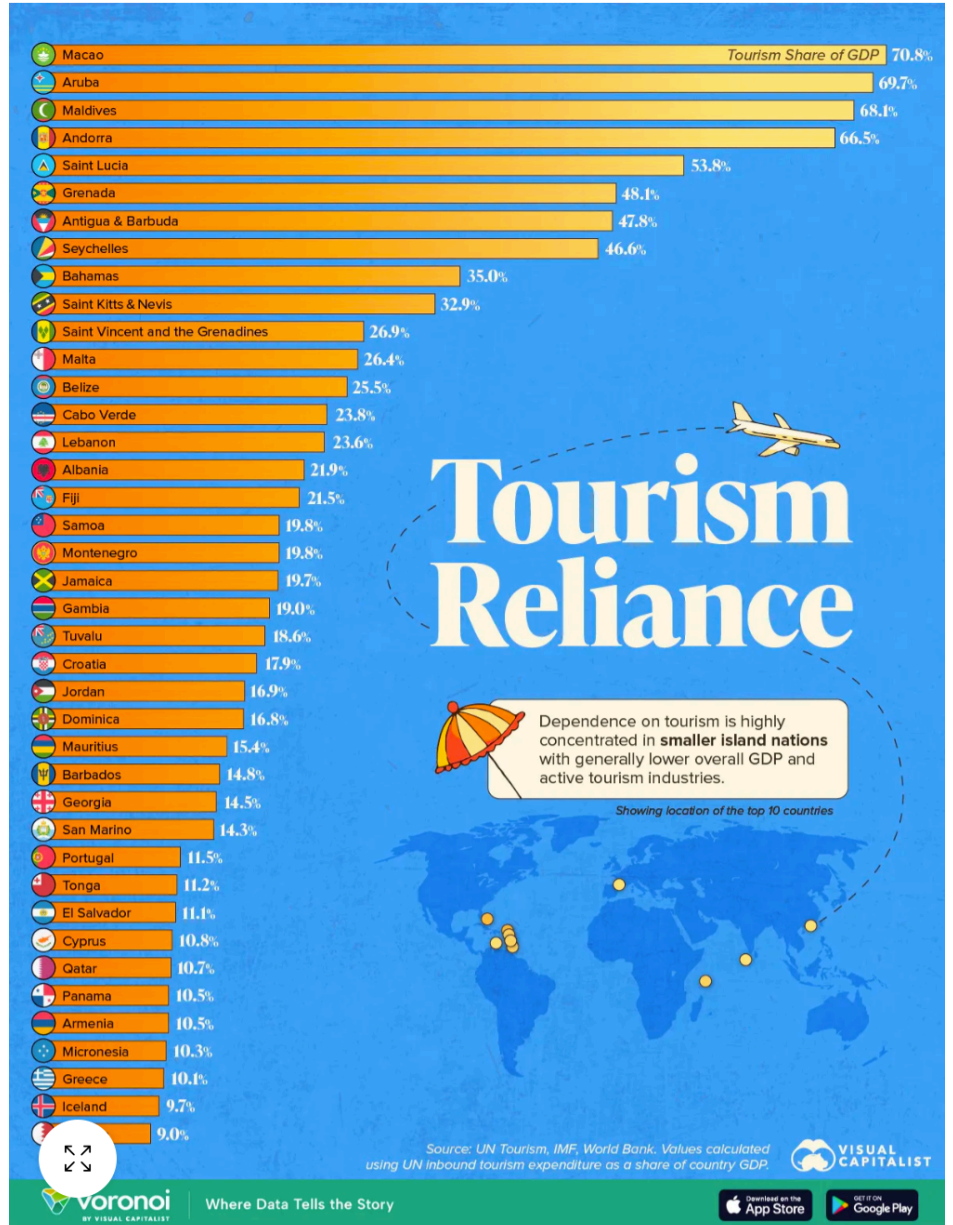
The World’s Biggest Tourism Spenders

Expenditure on foreign travel by residents of the following countries in 2024 (in billion U.S. dollars)*



* All tourism spending by residents of a country abroad, including payments to foreign transport companies for international transportation
Sources: IMF, UNWTO, Statista calculations

statista



Tourism Reliance

Dependence on tourism is highly concentrated in smaller island nations with generally lower overall GDP and active tourism industries.

Showing location of the top 10 countries

Source: UN Tourism, IMF, World Bank. Values calculated using UN inbound tourism expenditure as a share of country GDP

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TOURISM CROSSWORD

BY SAM, ALMA, ELLA AND LAILA

SUBMIT YOUR COMPLETED CROSSWORD TO MRS KORALEWSKA (ECO1) TO GET A CHANCE OF WINNING A CHOCOLATE BAR AND HOUSE POINTS. THE DEADLINE IS THE 26TH JUNE 2026



- Across:**
2. A common consequence of too many users competing for limited space.
 3. The process of improving living standards and economic well-being over time.
 4. Costs or benefits experienced by people who were not directly involved.
 5. The relationship between income and the ability to purchase something.
 6. What remains after all costs have been accounted for.
- Down:**
1. When visitor numbers become a burden rather than a benefit.
 7. A necessity for visitors staying away from home.
 8. An unintended by-product that often accompanies economic activity.
 9. A method used by firms to influence consumer choices.
 10. Natural inhabitants that may be affected by human activity.
 11. The underlying systems that support economic and social activity.