**CHAPTER FIVE**

**FUTURE ISSUES IN TRANSPORTATION INDUSTRY**

The future of passenger transportation industry vested on different factors that will affect it either positively or negatively. Here are some of the factors that will determine the future sustainable operation of transportation industry:

1. **Growth of travel and tourism:**

As you know, the travel and tourism industry has grown tremendously in the last few years. The conditions that gave momentum to the growth of vacation and leisure travel are expected to continue due to many factors: ***increased discretionary income***, ***availability of more leisure time*** and ***higher educational levels*** ***and the desire for non-material experiences*** (with more education, people are more aware of and interested in all the things there are to do and see in the world). In addition, ***more travel promotion and creation of new travel products*** will stimulate interest in travel. Some analysts predict that the *demand for charter flights will be 50 % higher than that for scheduled flights.*

In 2007, just over *half of all international tourist arrivals* were motivated by *leisure, recreation and holidays* (51%) - a total of 458 million. *Business travel* accounted for some 15%, and 27% represented *travel for other purposes*, such as *visiting friends and relatives (VFR), religious reasons /pilgrimages, health treatment*, etc. and the purpose of visit for *the remaining 7% arrivals was not specified*.

Slightly *less than half of arrivals* travelled by *air transport* (47%) in 2007, while the remainder arrived in their destinations by *surface transport* (46%)-whether by road (42%) or rail (4%)and the remaining over water (7%). Over time the trend has been for air transport to grow at a faster pace than surface transport, so the share of air transport is gradually increasing.

UNWTO forecasts that international arrivals are expected to reach nearly 1.6billion by the year 2020.

1. **Changing demographics:**

Demographics is statistical information that describes a group of people: how many are male and how many are female, what their ages are, what their occupations are, where they live, etc. The size of world population is increasing and is expected to increase at a higher rate in the coming years. With the rise in population size, demand for every facility and service including transportation boosts up. This in turn will necessitate the global society to develop transportation carrying units with different size so as to move both people and cargo from one place to the other. Demographic information suggests trends that will be important for the travel and tourism industry to follow: for example, the proportion of adults completing additional years of school is increasing. Education not only stimulate people to travel but also makes them more sophisticated and demanding consumers of travel products

1. **Technological advancement:**

Advancements in technology have brought up lots of changes in transportation sector, especially in the motive power. As compared to previous periods, different transportation units with more power and capacity have been developed to cater to the needs of passengers. For example, now a day’s ships that use a battery as a source of energy are introduced and this is a great achievement especially to the environment as it will have a little impact compared to fuel powered ships that leak oil in to fresh water. In addition to this, the average speed of a carrying unit is increasing from time to time and this enable fast communication.

Present day jets, which are voracious consumers of fuel, will gradually be taken out of service. The latest models of boeing 747 (the 747-400) and Mc Donnell Douglas DC-10 (the MD-11) are far more fuel efficient than the earlier models. Innovations can also be expected in passenger areas. The interior of passenger cabin will be designed so that seating configuration can be quickly changed- for example from economy to first class sleeperettes. Rather than craning their necks to see a movie screen at the front of the cabin, passengers are already able to view movies on individual seatback video screens on some planes. Another expected development is the supersonic transport (HTS). Possibly fueled by hydrogen, the HST will cruise at a speed of 4,000 miles per hour-six times the speed of sound.

Trains also become faster and more fuel-efficient-which should encourage more people to return to rail transportation. Scientists are working to develop magnetically levitated trains-trains that don’t touch the track but are propelled along a cushion of air.

Technological advancement also makes passenger transportation more comfortable and offers pleasant satisfaction.

1. **World problems:**

Although the future of the travel industry appears bright certain conditions and events may occur that would discourage or curtail travel and tourism. In fact a few pessimistic observers believe that congested and unsafe airways, labor strikes, terrorist hijackings and bombings and polluted destinations may return travel to its original meaning of travail—that is dangerous and hard work.

1. **Overcrowding and pollution**

Congestion and overcrowding of places by tourists makes freedom of movement difficult or impossible and which may affect the environment negatively. This problem happens at areas like market, highway or traffic area, handicraft or souvenir shops and other facilities. Air pollution created by tourists’ vehicle in the national parks

1. **Availability of oil:**

A given carrying unit have source of energy so as to move forward. Oil is the life blood of travel and tourism industry. Without it, there would be no travel. An increase in oil prices means an increase in the cost of travel. Consequently, the availability and price of petroleum are ever present concerns to the travel industry.

When Syrianand Egyptian forces invaded Israel in 1973, disrupting oil shipments in the Persian Gulf, a worldwide energy crisis was set off. This seriously curtailed airline and automobile industry. Oil prices dropped sharply in the early 1980s and then remained stable for several years. But as tensions in the Middle East increased, uncertainty returned and oil prices began to edge up again.

When an energy crisis occurs, the travel and tourism industry can expect the following developments:

* An in increase in the cost of transportation and other travel products. This again results in an increase in package tours and organized tour group (as opposed to individual travel)
* An increase in travel closer to home
* A decrease in the number of trips as a result of rise in the cost of transportation

1. **Political instability**

The year 1985 was to have the beginning of the season for global tourism. Instead it becomes the beginning of the season for global terrorism. For example at Athens airport, terrorists hijacked a TWA aircraft carrying 145 passengers. Terrorists also hijacked the Italian cruise ship and gunned down travelers at Vienna and Rome airports.

Terrorism as well as open warfare in many countries, has become a major deterrent to travel and tourism. The act of terrorism has affected the transportation industry adversely especially air transportation. To deal with the threat, international airports are taking measures to improve the security. Books such as *Everything You Need to Know Before You’re Hijacked* advise travelers on how to minimize the risk of being victimized by terrorists. Even so, terrorism remains an insidious problem that is extremely difficult to control.

1. **Fluctuating currency rates**

Fluctuation of currency rates is also another vital factor in travel and tourism industry. The value of currency has the power to shift travel patterns. When the exchange rate is favorable at a destination, travelers will go there. But, when their money buys less at a destination, travelers tend to stay away. In recent years dollar remains weak against many foreign countries. This effect for instance forced Americans to cut the length of their trips, settling for lower-cost accommodations, taking package tours with guaranteed prices, and seeking the lowest possible airfares.