Tour Operators

Summary

After witnessing strong growth for the past 5 years, the tourism industry is expected to face a slack period in the medium term owing to a global slowdown, rising interest rates and higher cost of travel. Also, in recent years, the travel market has seen a fundamental change in the distribution of travel products following the rise in online travel agents and reduction of airline commissions from the current 5 per cent to zero per cent by the end of 2008. Online travel agents will derive growth from the air ticketing, hotels and package tour businesses. This will see traditional travel agents facing intensifying competition from the more agile online travel agents.

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