

## Consumer confidence hits onboard spend

Contributed by Shaun Robinson  
Saturday, 31 January 2009  
Last Updated Saturday, 31 January 2009

CONSUMER confidence has plunged to its second lowest level on record with young people showing a marked drop.

Our cruise finder will always find you the best deal in the market place whether that's with: Carnival, P&O, Cunard, Star Cruises, Royal Caribbean or if on a budget search for easyCruise [bucket and spade] or try Ocean Village, last two years in UK market before going to P&O's Aussie programme.

The GfK NOP index, which charts consumer sentiment, fell four points in the last month to minus 37, below its levels during the previous recessions of the past three decades.

The only score lower than this was minus 39, recorded last July amid soaring oil prices and the worst performance since the survey began in 1974.

The index is created through a monthly survey of more than 2,000 people who are interviewed by GfK researchers on behalf of the European Commission.

They found 16 to 29-year-olds surveyed this January showed a drop of 10 points in their consumer confidence since last month.

Younger people, often unencumbered by mortgages and families, have been seen as more sanguine about the economic crisis than older consumers, but dire warnings about recruitment appear to have had an impact.

Rachael Joy of GfK NOP said the drop was perhaps "a reaction to the recent spate of reported job losses, with fears that those wanting to enter the job market will be unable to do so".

Even older cruisers, are not booking as early. With the waves in stockmarkets still up and down like a bad storm, Brits are chasing for last minute bargains. Only last month MSC Cruises offered bookings for £1 in a special booking deal.

Royal Caribbean CEO Adam Goldstein told Wall Street analysts recently that onboard spending on the line's 21 ships is "meaningfully down," and about half of the decline is the result of less gambling in shipboard casinos.

Cruise passengers are increasingly gloomy about the future, with the forecast for their personal finances over the next year dropping to rock bottom.

Commenting on the latest figures, David Kuo of financial website Fool.co.uk warned there was a risk of a total collapse in consumer confidence unless the Government acted swiftly by cutting taxes.

"We are calling on the Government to slash personal taxes instead of encouraging banks to lend more," he said.

"Britain does not need a nation of heavily indebted consumers, but instead a nation of people agile enough to pay off their debts quickly."

Dan Hanrahan, CEO of Celebrity Cruises also cited the economic downturn for the cutbacks by cruisers.

"Onboard revenue was a mixed bag in the fourth quarter," noted Hanrahan, who joined Goldstein in a conference call to discuss parent company Royal Caribbean's fourth quarter earnings. Spending on "beverage, shore excursion, spa and communication services held up well. Onboard shopping and gambling were off."

Gambling, it seems, is one of the first things vacationers are cutting as they try to slash their spending during the current economic downturn.

PLANNING to book a cruise today you can expect the following rates for sterling:

(30 Jan'09)

Australia 2.08 dollars

Bangladesh 91.67 taka

Brazil 2.92 reals

Canada 1.66 dollars

China 8.70 yuan

Czech Republic 28.29 korunas

Denmark 7.83 krone

Euro 1.05 euro

Hong Kong 10.47 dollars

Hungary 289.52 forints

India 61.42 rupees

Japan 121.27 yen

Mexico 18.06 pesos

New Zealand 2.59 dollars

Norway 9.38 krone

Pakistan 105.97 rupees

Philippines 57.69 pesos

South Africa 13.47 rand

South Korea 1710.00 won

Sri Lanka 153.08 rupees

Sweden 11.26 krona

Switzerland 1.57 francs

Taiwan 41.83 dollars

Turkey 2.17 new lira

USA 1.36 dollars

(Rates for indication purposes only)

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