

Paper Reference 9EB0/01
Pearson Edexcel
Level 3 GCE

Economics B
Advanced
PAPER 1: Markets and how they
work

Wednesday 15 May 2024 – Morning

Data Booklet

**In the boxes below, write your name,
centre number and candidate number.**

Surname					
Other names					
Centre Number					
Candidate Number					

INSTRUCTIONS

There may be spare copies of some data sheets in case you need them.

**THIS DATA BOOKLET MUST BE
RETURNED WITH THE QUESTION
PAPER AT THE END OF THE
EXAMINATION.**

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23 Question 1(b)

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Extract A

TUI Group lose market share to Jet2holidays

The TUI Group (TUI) has finally responded to being overtaken by
5 **Jet2holidays** as the UK's largest tour operator.

TUI Chief Executive Sebastian Ebel said: “We want to be the market leader not only in numbers but also
10 in quality. We want to grow stronger than our competitors.”

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Turn over

Extract A continued.

The firm aims to take market share from rivals by broadening its product offering and looking beyond its
15 traditional core package—holiday customers. It is targeting the larger and higher growth segments of the leisure market, such as accommodation only, flight only, car
20 hire, tours and experiences.

Sebastian Ebel referred to these potential new customers as ‘energised adventurers’ and ‘travelistas’. Energised adventurers
25 are older, confident, more affluent and adventurous holidaymakers

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Turn over

Extract A continued.

interested in culture and exploration.
Travelistas are younger, independent
and adventurous travellers who
30 spend less on a holiday but travel
more often.

TUI reported record holiday
bookings for summer **2023** and
2024 now that global travel
35 restrictions have been lifted for
consumers.

Statement of comprehensive income of TUI

Group Q3 2023 and Q3 2022

	Q3 2023 (€ million)	Q3 2022 (€ million)
Revenue	5 286·0	4 433·2
Cost of sales	5 018·4	4 313·4
Gross profit	267·6	119·8
Operating profit/(loss)	52·5	(331·2)

Extract C

TUI hails return to profit but warns of €25 million additional costs from Rhodes' wildfires

5 The package holiday operator TUI has enjoyed its first profitable April to June since before the global health crisis but warned that it expects €25 million additional costs from last month's wildfires in Rhodes. TUI

10 had to evacuate 8,000 customers which represented 20% of its customers on the island.

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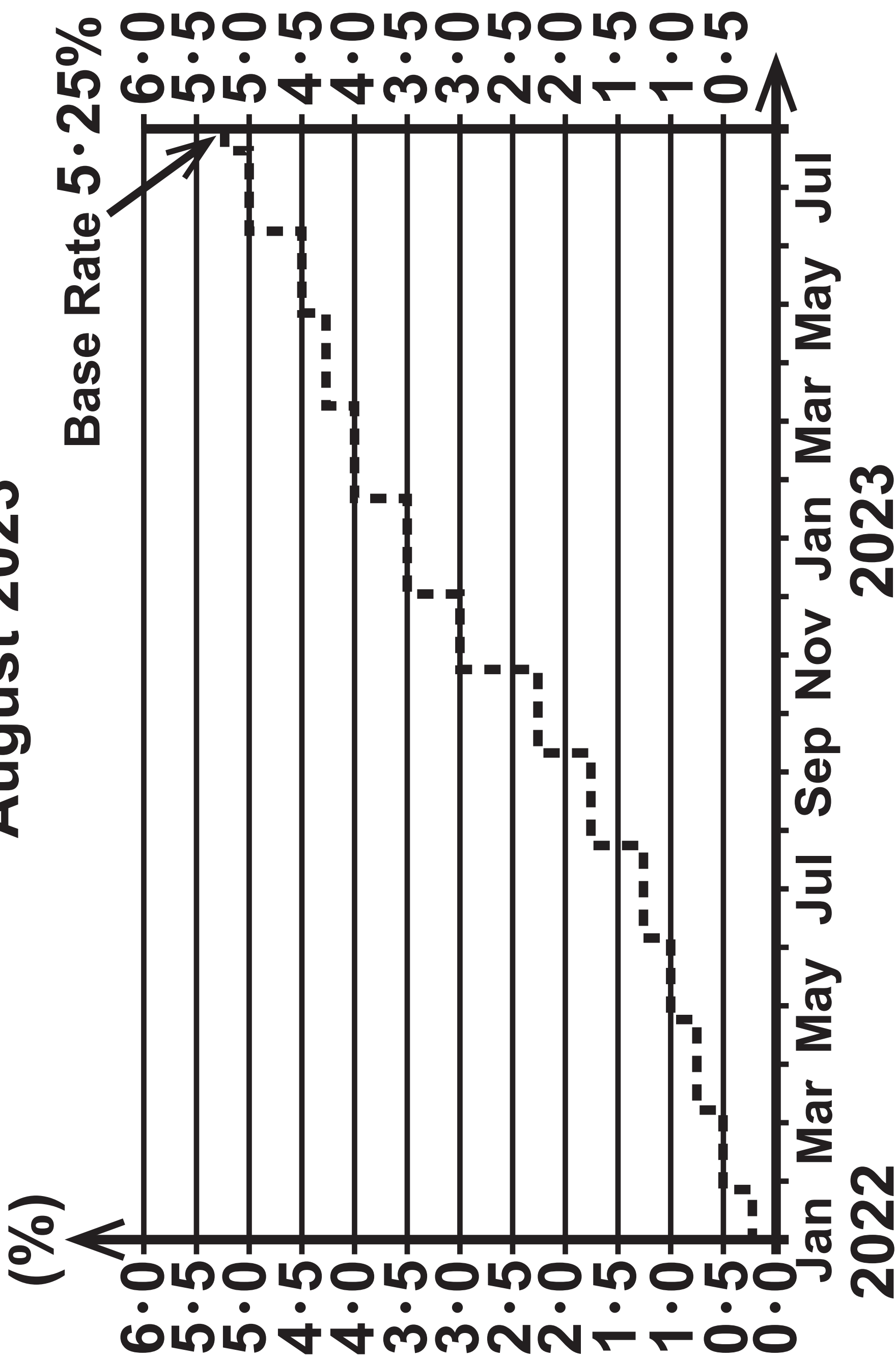
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Extract C continued.

“The financial impact of the wildfires in recent weeks covering cancellations, customer compensation, repatriation flights and welfare costs has added €25 million additional costs to our full year 2023 results,” the company said.

TUI said that Rhodes accounted for about 5% of its summer holiday offering this year, and while bookings had been affected straight after the wildfires in Rhodes and southern Europe, they had recovered quickly. It predicted summer bookings would still be 6% higher than last year.

UK Interest (base) Rate (%) January 2022 – August 2023



Extract E

**UK travel and tourism to
create 700,000 jobs over next
decade**

**The UK travel and tourism sector
5 is highly fragmented and firms
within this sector range from
large tour operators such as TUI
and Jet2holidays to smaller
independent hotels, bed and
10 breakfasts, travel consultants and
leisure activities.**

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Turn over

Extract E continued.

According to the World Travel and Tourism Council, the UK's travel and tourism contribution to GDP
15 is forecast to grow at an average annual rate of 3% between 2022–2032. It is set to reach more than £286 billion or 10·1% of the total economy in 2032. The UK
20 travel and tourism sector is expected to create nearly 700,000 new jobs over the next decade and is a major employer in the UK.

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Turn over

Extract E continued.

**25 The most popular tourist destination
in the UK is the capital, London.
In 2022, there were 15·6 million
international visitors to London
who spent around £14·2 billion.
In England, Manchester is the second
30 most visited city after London.
Manchester has amazing cuisine,
an assortment of museums and
incredible nightlife. Its number of
overseas tourists is rising by 10% a
35 year.**

Question 1(b)

Question 1(d)

Extract F

Sugar tax and childhood obesity

Obesity has become a global public health problem with over half the world predicted to be overweight or obese by **2035**. Estimates suggest obesity could cost the global economy around **£3·3 trillion** annually by **2035**, or **3%** of global GDP.

In England, one in ten reception age children (four to five years old) is obese and this figure doubles

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Extract F continued.

- 15** to one in five children in Year 6
(10 to 11 years). Obese children are more likely to suffer from depression and in later life have serious health problems including high blood pressure and type 2 diabetes.
- 20** In the UK, young people consume significantly more added sugars than the recommended levels. A large source of this is sugary drinks. Children from deprived households
- 25** are more likely to be at risk of obesity and to be heavy consumers of sugary drinks and unhealthy food containing high levels of sugar, salt and fat.

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Extract F continued.

In April 2018, the UK Government
30 introduced a sugar tax on soft drinks
– the soft drinks industry levy. The
tax was targeted at manufacturers
of the drinks to incentivise them
to reduce the sugar content of soft
35 drinks. The levy raised £334 million
in the financial year 2021–22.
Research indicated that the sugar
tax had reduced childhood obesity in
Year 6 girls by over 5,000 cases per
40 year since its introduction.

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Extract F continued.

A planned restriction on advertising unhealthy foods before 9 pm on TV and online has been repeatedly pushed back. The ban, originally
45 planned for April 2022, will now come into force in October 2025, a delay that has been greeted with dismay by health campaigners.

Extract G

Artificial Intelligence (AI) set to affect 300 million jobs across major economies

5 The latest breakthroughs in artificial intelligence (AI) could lead to the automation of 25% of the work done in America and Europe, according to research by Goldman Sachs. The investment bank said that AI systems

10 such as ChatGPT, which can create content that is indistinguishable from human output, could spark a productivity boom that would eventually raise annual global gross

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Extract G continued.

**15 domestic product (GDP) by 7% over
a 10–year period.**

**There are already big claims for
generative AI’s transformational
effects on productivity. A recent
20 paper published by the Brookings
Institution – written with assistance
from the ChatGPT – cites evidence
that it can help coders work at twice
their previous speed, halve the time
25 taken to complete certain writing
tasks and make call centres 14%
more productive.**

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Extract G continued.

But if the technology lived up to its promise, it would also bring
30 significant disruption to the labour market, exposing the equivalent of 300 million full-time workers across large economies to automation. Goldman Sachs calculates that
35 roughly two-thirds of jobs in America and Europe are exposed to some degree of AI automation.

Lawyers and administrative staff would be among those at greatest
40 risk of becoming redundant. It did not foresee AI being adopted for more sensitive tasks such as making a court ruling, checking the status of a patient in critical care or studying
45 international tax laws.

Question 1(b)

Question 1(d)

Sources

Extract A

(Source: adapted from <https://travelweekly.co.uk/news/air/jet2-has-done-very-well-filling-gap-thomas-cook-left-says-tui-chief>)

Extract B

(Source: adapted from: <https://www.tuigroup.com/en-en/investors/news/2023/ir-news/20230809>)

Extract C

(Source adapted from: <https://www.theguardian.com/business/2023/aug/09/tui-hails-return-to-profit-but-warns-of-25m-hit-from-rhodes-wildfires>)

(continued on the next page)

Turn over

Sources continued.

Extract D

(Source: adapted from <https://www.bankofengland.co.uk/monetary-policy/the-interest-rate-bank-rate>)

Extract E

(Source: adapted from: <https://travelweekly.co.uk/news/air/uk-travel-and-tourism-to-create-70000-jobs-a-year-over-next-decade>)

Extract F

(Source: adapted from <https://www.cam.ac.uk/research/news/sugary-drinks-tax-may-have-prevented-over-5000-cases-of-obesity-a-year-in-year-six-girls-alone>)

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Sources continued.

Extract G

(Source adapted from: <https://www.ft.com/content/7dec4483-ad34-4007-bb3a-7ac925643999>)