

Executive Summary

The *Travel & Tourism Competitiveness Report 2015* features the latest iteration of the Travel & Tourism Competitiveness Index (TTCI). The TTCI measures “the set of factors and policies that enable the sustainable development of the Travel & Tourism (T&T) sector, which in turn, contributes to the development and competitiveness of a country.” Published biennially, the TTCI benchmarks the T&T competitiveness of 141 economies. It comprises four subindexes, 14 pillars, and 90 individual indicators, distributed among the different pillars:

TRAVEL & TOURISM COMPETITIVENESS INDEX

Enabling Environment

1. *Business Environment (12 indicators)*
2. *Safety and Security (5 indicators)*
3. *Health and Hygiene (6 indicators)*
4. *Human Resources and Labour Market (9 indicators)*
5. *ICT Readiness (8 indicators)*

T&T Policy and Enabling Conditions

6. *Prioritization of Travel and Tourism (6 indicators)*
7. *International Openness (3 indicators)*
8. *Price Competitiveness (4 indicators)*
9. *Environmental Sustainability (10 indicators)*

Infrastructure

10. *Air Transport Infrastructure (6 indicators)*
11. *Ground and Port Infrastructure (7 indicators)*
12. *Tourist Service Infrastructure (4 indicators)*

Natural and Cultural Resources

13. *Natural Resources (5 indicators)*
14. *Cultural Resources and Business Travel (5 indicators)*

The *Report* provides a platform and a strategic benchmarking tool for business and governments to develop the T&T sector. By allowing cross-country comparison and benchmarking countries' progress on the drivers of T&T competitiveness, it informs policies and investment decisions related to T&T development.

RESULTS OVERVIEW

Top 10

Spain tops the 2015 edition of the TTCI global rankings for the first time, followed by France (2nd), Germany (3rd), the United States (4th), the United Kingdom (5th),

Switzerland (6th), Australia (7th), Italy (8th), Japan (9th) and Canada (10th).

Regional Results

Europe, with six economies in the top 10, continues to dominate the rankings thanks to its world-class tourism service infrastructure, excellent health and hygiene conditions, and—notably, thanks to the Schengen Area—high degree of international openness and integration. However, there are still some significant divides across the region—not all European countries are making the most of their cultural resources, prioritizing the T&T sector to respond to new trends, or fostering a dynamic business environment by removing red tape.

In the **Americas**, the United States (4th) and Canada (10th) are followed by Brazil (28th), Mexico (30th) and Panama (34th). There are significantly different challenges in the region: in North America, travel facilitation, price competitiveness and continuous infrastructure upgrade are the main priorities in the T&T development agendas; in Central and South America, infrastructure gaps, safety and security and business environment issues are the main hurdles restraining further T&T development.

The top five performers in the **Asia-Pacific** are among the region's more advanced economies: Australia (7th), Japan (9th), Singapore (11th), Hong Kong SAR (13th) and New Zealand (16th). However, the most significant growth in international arrivals is observed in South-East Asia, thanks in part to its region's price competitiveness and the rapid expansion of its middle class. Developing regional cooperation on visa policies could further boost tourism, though investments are also needed in digital connectivity, infrastructure and protection of rich but depleting natural capital.

In the **Middle East and North Africa**, the United Arab Emirates (24th) leads the ranking, followed by Qatar (43rd), Bahrain (60th), Morocco (62nd) and Saudi Arabia (64th). Most of the economies in this region are price-competitive destinations and several have built significant T&T industries in recent years. However, concerns about security have limited international arrivals, even though secluded tourism resorts are far from the most dangerous areas. Improvement is also

needed in international openness and environmental sustainability.

Sub-Saharan Africa showcases South Africa (48th), the Seychelles (54th), Mauritius (56th), Namibia (70th) and Kenya (78th) as its five most T&T competitive economies. Many countries in the region are working on their openness and visa policies, though the longstanding challenges of infrastructure and health and hygiene standards need to be tackled to unleash the potential of the T&T sector as a catalyst for development. Improving the business environment and preventing depletion of natural resources are also priorities for many countries.

KEY FINDINGS

Published under the theme “Growing through Shocks”, the full edition of the *Report* (available online) features three additional chapters authored by leading experts and practitioners: “Adapting to Uncertainty—The Global Hotel Industry”, by Deloitte (chapter 1.2); “How to Re-Emerge as a Tourism Destination after a Period of Political Instability”, by Strategy& (chapter 1.3), and “Global Air Passenger Markets: Riding Out Periods of Turbulence”, by the International Air Transport Association (IATA) (chapter 1.4). These chapters showcase how the T&T sector has been resilient to various types of shock from different angles (occupancy rates, international arrivals and investments and air passengers).

Four key findings emerge from the results of the 2015 TTCL in combination with other quantitative and qualitative analysis from data partners.

- First, the T&T industry continues to grow more quickly than the global economy as a whole. As proof of its resilience, the analysis shows that the sector’s growth—whether in terms of global air passenger traffic, occupancy rates or international arrivals—tends to return to trend quickly after a shock.
- Second, countries performing more strongly on the TTCL are those that are better prepared to capture the opportunities of new trends: growing demand from emerging and developing countries; the differing preferences of travellers from aging populations and a new generation of younger travellers; and the growing importance of online services and marketing, especially through mobile internet.
- Third, developing the T&T sector provides growth opportunities and social benefits for all countries, regardless of their wealth. Several developing and emerging economies are ranked among the 50 most T&T competitive economies. A strong T&T sector translates into job opportunities at all skill levels.

- Fourth, the development of the T&T industry is complex, requiring inter-ministerial coordination and often international and public-private partnerships to overcome financial, institutional and organizational bottlenecks.

DATA PRESENTATION

The *Report* contains an extensive data section, which features individual scorecards for each of the 141 economies covered by the TTCL. These provide a complete snapshot of a country’s performance in all the components of the TTCL, including the 90 individual indicators as well as additional key indicators, to offer a complete picture of a country’s T&T’s sector. In addition, the data tables reporting global rankings and scores for each of the 90 indicators provide an overview of the global situation of the most relevant T&T measures available. Visit www.weforum.org/ttcr for additional material, interactive scorecards and rankings, and to download data.