

Preface

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The World Economic Forum has, for the past seven years, engaged key industry and thought leaders through its Aviation, Travel & Tourism Industry Partnership Programme, along with its Global Agenda Council on New Models for Travel & Tourism, to carry out an in-depth analysis of the T&T competitiveness of economies around the world. The resulting *Travel & Tourism Competitiveness Report* provides a platform for multi-stakeholder dialogue to ensure the development of strong and sustainable T&T industries capable of contributing effectively to international economic development. The theme of this year's *Report*, "Reducing Barriers to Economic Growth and Job Creation," reflects the importance of the sector for this purpose.

Encouraging the development of the Travel & Tourism (T&T) sector is all the more important today given its important role in job creation, at a time when many countries are suffering from high unemployment. The sector already accounts for 9 percent of GDP, a total of US\$6 trillion, and it provides 120 million direct jobs and another 125 million indirect jobs in related industries. This means that the industry now accounts for one in eleven jobs on the planet, a number that could even rise to one in ten jobs by 2022, according to the World Travel & Tourism Council.

This edition of the *Report* comes at an uncertain time for the T&T sector. Although the global economy is showing signs of fragile recovery, the world is becoming increasingly complex and interconnected. In this context, it is notable that the T&T sector has remained remarkably resilient in a number of ways. The number of travelers has increased consistently over the past year, notwithstanding the difficult economic climate and shrinking budgets. Indeed, the UNWTO reports that international tourist arrivals grew by 4 percent in 2012, and forecasts that they will continue to increase by 3 percent to 4 percent in 2013. Although this trend is primarily driven by increasing demand from the emerging-market middle class, the picture has also been brightening for many developed economies.

The industry has responded to the changing environment with a number of structural adjustments. Indeed, 2012 witnessed a number of alliances, mergers, and strategic investments both in the aviation

industry and in online travel services. Resilience has also been demonstrated in the way that some aviation companies responded to erratic fuel prices by exploring new business models and acquiring energy assets. Additionally, industry players have made commitments to a low-carbon economy through several initiatives aimed at optimizing operations, retrofitting, recycling, and preserving the environment.

Yet despite these many positive developments, the need for greater openness remains one of the major trends impacting the T&T sector, especially with regard to the freer movement of people. The importance of efforts in this area has been highlighted specifically by the G20 Los Cabos communiqué in June 2012, in which the group recognized the importance of tourism "as a vehicle for job creation, economic growth and development" and furthermore committed to "work towards developing travel facilitation initiatives in support of job creation, quality work, poverty reduction and global growth."

At the core of the *Report* is the fifth edition of the Travel & Tourism Competitiveness Index (TTCI). The aim of the TTCI, which covers a record 140 economies this year, is to provide a comprehensive strategic tool for measuring the "factors and policies that make it attractive to develop the T&T sector in different countries." By providing detailed assessments of the T&T environments of countries worldwide, the results can be used by all stakeholders to work together to improve the industry's competitiveness in their national economies, thereby contributing to national growth and prosperity. It also allows countries to track their progress over time in the various areas measured.

The full *Report* is downloadable from www.weforum.org/ttci; this contains detailed profiles for each of the 140 economies featured in the study, as well as an extensive section of data tables with global rankings covering over 75 indicators included in the TTCI. In addition, it includes insightful contributions from a number of industry experts. These chapters explore issues such as how visa facilitation can play a relevant role in stimulating economic growth, the importance of policymakers leveraging local competitive advantages to thrive in a volatile environment, the impact of the tourism sector on employment creation, how the connectivity that the

aviation sector creates sustains economic development, and the essential role of green growth in enhancing the resilience of the sector.

The Travel & Tourism Competitiveness Report 2013 could not have been put together without the distinguished thinkers who have shared with us their knowledge and experience. We are grateful to our Strategic Design Partner Booz & Company, and our Data Partners Deloitte, the International Air Transport Association (IATA), the International Union for Conservation of Nature (IUCN), the World Tourism Organization (UNWTO), and the World Travel & Tourism Council (WTTC) for helping us to design and develop the TTCI and for providing much of the industry-relevant data used in its calculation. We thank our Industry Partners in this *Report*—namely Airbus/EADS, BAE Systems, Bahrain Economic Development Board, Bombardier, Delta, Deutsche Lufthansa/Swiss, Embraer, Etihad Airways, Jet Airways, Hilton, Lockheed Martin, Marriott, Safran, Starwood Hotels & Resorts, and VISA—for their support in this important venture.

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