

Executive Summary

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The Travel & Tourism (T&T) industry is slowly recovering from the economic downturn, with the strong recovery in emerging economies compensating somewhat for the still weaker mature markets in Europe and North America. In this context, this fourth edition of *The Travel & Tourism Competitiveness Report* is being released at a time when the industry is looking for ways to develop new market segments and attract new customers.

Indeed, Travel & Tourism remains a critical economic sector worldwide, with the potential to provide economic growth and development internationally. A growing national T&T sector contributes to employment, raises national income, and can improve the balance of payments. Thus the sector is an important driver of growth and prosperity, and, particularly within developing countries, it can also play a key role in poverty reduction.

Although developing the T&T sector provides many benefits, numerous obstacles at the national level continue to hinder its development. In this context, five years ago the World Economic Forum, together with its Industry and Data Partners, embarked on a multi-year research effort aimed at exploring various issues related to the T&T competitiveness of countries around the world. This year's *Report* is published under the theme "Beyond the Downturn," which reflects the forward-looking attitude of the sector as it aims to ensure strong growth going into the future.

The Travel & Tourism Competitiveness Index

Although developing the T&T sector provides many benefits, numerous obstacles at the national level continue to hinder its development. The Travel & Tourism Competitiveness Index (TTCI) aims to measure the many different regulatory and business-related issues that have been identified as levers for improving T&T competitiveness in countries around the world. Through detailed analysis of each pillar and subpillar of the Index, businesses and governments can address their particular challenges to the sector's growth.

The TTCI has been developed within the context of the World Economic Forum's Industry Partnership Programme for the Aviation, Travel & Tourism sector. The Index was developed in close collaboration with our Strategic Design Partner Booz & Company and 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). We have also received important feedback from a number of key companies that are Industry Partners in the effort, namely Airbus, Bombardier, Etihad Airways, Gulf Air, Hertz, Jet Airways, Jumeirah, Rolls-Royce, Silversea, SWISS, and Visa.

The TTCI aims to measure *the factors and policies that make it attractive to develop the T&T sector in different countries*. It is based on three broad categories of variables that facilitate or drive T&T competitiveness. These categories are summarized into the three subindexes of the Index: (1) the T&T regulatory framework subindex; (2) the T&T business environment and infrastructure subindex; and (3) the T&T human, cultural, and natural resources subindex. The first subindex captures those elements that are policy related and generally under the purview of the government; the second subindex captures elements of the business environment and the “hard” infrastructure of each economy; and the third subindex captures the “softer” human, cultural, and natural elements of each country’s resource endowments.

Each of these three subindexes is composed in turn by a number of pillars of T&T competitiveness, of which there are 14 in all. These are:

1. *Policy rules and regulations*
2. *Environmental sustainability*
3. *Safety and security*
4. *Health and hygiene*
5. *Prioritization of Travel & Tourism*
6. *Air transport infrastructure*
7. *Ground transport infrastructure*
8. *Tourism infrastructure*
9. *ICT infrastructure*
10. *Price competitiveness in the T&T industry*
11. *Human resources*
12. *Affinity for Travel & Tourism*
13. *Natural resources*
14. *Cultural resources*

Each of the pillars is, in turn, made up of a number of individual variables. The dataset includes both Survey data from the World Economic Forum’s annual Executive Opinion Survey, and quantitative data from publicly available sources, international organizations, and T&T institutions and experts (for example, IATA, IUCN, the UNWTO, WTTC, UNCTAD, and UNESCO). The Survey is carried out among CEOs and top business leaders in all economies covered by our research; these are the people making the investment decisions in their respective economies. The Survey provides unique data on many qualitative institutional and business environment issues, as well as specific issues related to the T&T industry and the quality of the natural environment. The exact methodology underlying the construction of the TTCI is described in Chapter 1.1.

The Travel & Tourism Competitiveness Index rankings 2011

Table 1 shows the overall rankings for the 139 countries included in this year’s TTCI, comparing this year’s rankings with those from the 2009 edition of the *Report*.

The table shows that Switzerland remains the top-ranked country, a place it has held since the first edition of the *Report*.

Tables 2–6 show the rankings in a regional context, grouping countries into the following five regional groups: Europe, the Americas, Asia Pacific (including Central Asia), the Middle East and North Africa, and sub-Saharan Africa. We discuss here a selection of countries from each region to provide a sense of the results and how they are interpreted at the national level. More countries are discussed in detail in Chapter 1.1.

Europe

Table 1 shows that many countries from Europe do very well in the rankings, with all of the top 5 places taken by European countries and 14 of the top 20 countries hailing from the region. Table 2 shows the rankings just for European countries, with the first column showing the rank within the region and the second column showing the overall rank out of all 139 economies included in the Index this year. As the table shows, Switzerland is ranked 1st. Germany, France, Austria, Sweden, the United Kingdom, and Spain follow as the other countries among the top 10 overall.

Switzerland is a country rich in cultural and natural resources, including an impressive number of World Heritage cultural and natural sites for a country of its size. A large percentage of the country’s land area is protected and the natural environment is assessed as being among the most pristine in the world (ranked 5th). This natural heritage is buttressed by a strong national focus on environmental sustainability: Switzerland is ranked 2nd overall on this pillar, based on strong and well-enforced environmental legislation and with a particular focus on developing the T&T sector sustainably.

Switzerland is not only an attractive leisure tourism destination but is also an important business travel hub, with many international fairs and exhibitions held in the country each year. Staffing of the industry is facilitated by the availability of qualified labor to work in Travel & Tourism (ranked 2nd), perhaps not surprising in a country with many of the best hotel management schools. Added to these strengths is Switzerland’s excellent ground transport infrastructure (ranked 5th), with top-quality roads and railroads and an excellent domestic transport network. Also well assessed is the specific tourism infrastructure (ranked 8th), with readily available hotel rooms and automated teller machines (ATMs) for cash withdrawals. Such high-quality infrastructure makes a tourist’s stay in the country easy and comfortable, an experience that is reinforced by the high level of general safety and security (ranked 2nd, just behind Finland).

Germany is ranked 2nd out of all countries in the TTCI, having moved up one place since the last assessment and overtaking Austria. The country is characterized by abundant cultural resources, ranked 6th worldwide for its 32 World Heritage cultural sites, 2nd

Table 1: Travel & Tourism Competitiveness Index 2011 and 2009 comparison

Country/Economy	2011		2009		Country/Economy	2011		2009	
	Rank/139	Score	Rank/133			Rank/139	Score	Rank/133	
Switzerland	1	5.68	1		Lebanon	70	4.03	n/a	
Germany	2	5.50	3		Albania	71	4.01	90	
France	3	5.41	4		Dominican Republic	72	3.99	67	
Austria	4	5.41	2		Georgia	73	3.98	73	
Sweden	5	5.34	7		Indonesia	74	3.96	81	
United States	6	5.30	8		Egypt	75	3.96	64	
United Kingdom	7	5.30	11		Macedonia, FYR	76	3.96	80	
Spain	8	5.29	6		Colombia	77	3.94	72	
Canada	9	5.29	5		Morocco	78	3.93	75	
Singapore	10	5.23	10		Trinidad and Tobago	79	3.91	84	
Iceland	11	5.19	16		Vietnam	80	3.90	89	
Hong Kong SAR	12	5.19	12		Sri Lanka	81	3.87	78	
Australia	13	5.15	9		Serbia	82	3.85	88	
Netherlands	14	5.13	13		Azerbaijan	83	3.85	76	
Luxembourg	15	5.08	23		Namibia	84	3.84	82	
Denmark	16	5.05	14		Ukraine	85	3.83	77	
Finland	17	5.02	15		Guatemala	86	3.82	70	
Portugal	18	5.01	17		Ecuador	87	3.79	96	
New Zealand	19	5.00	20		Honduras	88	3.79	83	
Norway	20	4.98	19		Cape Verde	89	3.77	n/a	
Ireland	21	4.98	18		Armenia	90	3.77	91	
Japan	22	4.94	25		Botswana	91	3.74	79	
Belgium	23	4.92	22		Gambia, The	92	3.70	87	
Cyprus	24	4.89	21		Kazakhstan	93	3.70	92	
Estonia	25	4.88	27		Philippines	94	3.69	86	
Malta	26	4.88	29		Kuwait	95	3.68	95	
Italy	27	4.87	28		El Salvador	96	3.68	94	
Barbados	28	4.84	30		Bosnia and Herzegovina	97	3.63	107	
Greece	29	4.78	24		Guyana	98	3.62	102	
United Arab Emirates	30	4.78	33		Moldova	99	3.60	93	
Czech Republic	31	4.77	26		Nicaragua	100	3.56	103	
Korea, Rep.	32	4.71	31		Mongolia	101	3.56	105	
Slovenia	33	4.64	35		Rwanda	102	3.54	n/a	
Croatia	34	4.61	34		Kenya	103	3.51	97	
Malaysia	35	4.59	32		Senegal	104	3.49	101	
Montenegro	36	4.56	52		Syria	105	3.49	85	
Taiwan, China	37	4.56	43		Venezuela	106	3.46	104	
Hungary	38	4.54	38		Kyrgyz Republic	107	3.45	106	
China	39	4.47	47		Ghana	108	3.44	110	
Bahrain	40	4.47	41		Cambodia	109	3.44	108	
Thailand	41	4.47	39		Tanzania	110	3.42	98	
Qatar	42	4.45	37		Zambia	111	3.40	100	
Mexico	43	4.43	51		Nepal	112	3.37	118	
Costa Rica	44	4.43	42		Algeria	113	3.37	115	
Puerto Rico	45	4.42	53		Iran, Islamic Rep.	114	3.37	n/a	
Israel	46	4.41	36		Uganda	115	3.36	111	
Tunisia	47	4.39	44		Swaziland	116	3.35	n/a	
Bulgaria	48	4.39	50		Bolivia	117	3.35	114	
Poland	49	4.38	58		Tajikistan	118	3.34	109	
Turkey	50	4.37	56		Zimbabwe	119	3.31	121	
Latvia	51	4.36	48		Benin	120	3.30	120	
Brazil	52	4.36	45		Malawi	121	3.30	117	
Mauritius	53	4.35	40		Ethiopia	122	3.26	123	
Slovak Republic	54	4.35	46		Paraguay	123	3.26	122	
Lithuania	55	4.34	49		Libya	124	3.25	112	
Panama	56	4.30	55		Pakistan	125	3.24	113	
Chile	57	4.27	57		Cameroon	126	3.18	125	
Uruguay	58	4.24	63		Madagascar	127	3.18	116	
Russian Federation	59	4.23	59		Mozambique	128	3.18	124	
Argentina	60	4.20	65		Bangladesh	129	3.11	129	
Oman	61	4.18	68		Nigeria	130	3.09	128	
Saudi Arabia	62	4.17	71		Côte d'Ivoire	131	3.08	130	
Romania	63	4.17	66		Burkina Faso	132	3.06	126	
Jordan	64	4.14	54		Mali	133	3.05	119	
Jamaica	65	4.12	60		Timor-Leste	134	2.99	n/a	
South Africa	66	4.11	61		Lesotho	135	2.95	132	
Brunei Darussalam	67	4.07	69		Mauritania	136	2.85	127	
India	68	4.07	62		Burundi	137	2.81	131	
Peru	69	4.04	74		Angola	138	2.80	n/a	
					Chad	139	2.56	133	

(Cont'd.)

Table 2: The Travel & Tourism Competitiveness Index 2011: Europe

Country/Economy	SUBINDEXES								
	OVERALL INDEX			T&T regulatory framework		T&T business environment and infrastructure		T&T human, cultural, and natural resources	
	Regional rank	Overall rank	Score	Rank	Score	Rank	Score	Rank	Score
Switzerland	1	1	5.68	1	5.99	1	5.58	2	5.48
Germany	2	2	5.50	12	5.67	2	5.57	5	5.26
France	3	3	5.41	7	5.71	8	5.35	9	5.18
Austria	4	4	5.41	3	5.89	12	5.19	10	5.13
Sweden	5	5	5.34	11	5.67	15	5.15	8	5.21
United Kingdom	6	7	5.30	21	5.35	11	5.27	3	5.28
Spain	7	8	5.29	22	5.34	10	5.32	6	5.22
Iceland	8	11	5.19	2	5.90	6	5.36	41	4.31
Netherlands	9	14	5.13	16	5.50	18	5.10	16	4.78
Luxembourg	10	15	5.08	14	5.51	7	5.35	38	4.37
Denmark	11	16	5.05	15	5.51	16	5.11	26	4.53
Finland	12	17	5.02	5	5.74	30	4.75	25	4.55
Portugal	13	18	5.01	19	5.47	24	4.84	17	4.73
Norway	14	20	4.98	8	5.71	26	4.79	32	4.45
Ireland	15	21	4.98	10	5.68	23	4.88	37	4.37
Belgium	16	23	4.92	18	5.48	35	4.66	20	4.64
Cyprus	17	24	4.89	23	5.33	14	5.15	44	4.19
Estonia	18	25	4.88	17	5.50	19	5.09	50	4.06
Malta	19	26	4.88	9	5.69	22	4.93	54	4.02
Italy	20	27	4.87	45	5.00	27	4.79	15	4.83
Greece	21	29	4.78	34	5.11	29	4.75	29	4.48
Czech Republic	22	31	4.77	26	5.26	37	4.56	31	4.48
Slovenia	23	33	4.64	29	5.19	33	4.70	53	4.03
Croatia	24	34	4.61	42	5.02	36	4.58	43	4.23
Montenegro	25	36	4.56	32	5.15	49	4.15	36	4.38
Hungary	26	38	4.54	24	5.29	45	4.28	48	4.06
Bulgaria	27	48	4.39	54	4.79	44	4.32	51	4.05
Poland	28	49	4.38	49	4.86	65	3.81	30	4.48
Turkey	29	50	4.37	66	4.58	55	4.02	28	4.50
Latvia	30	51	4.36	38	5.07	39	4.36	83	3.66
Slovak Republic	31	54	4.35	39	5.05	57	3.96	52	4.04
Lithuania	32	55	4.34	33	5.14	46	4.21	85	3.66
Russian Federation	33	59	4.23	73	4.49	53	4.07	45	4.15
Romania	34	63	4.17	51	4.85	66	3.80	66	3.84
Albania	35	71	4.01	53	4.79	91	3.30	61	3.93
Georgia	36	73	3.98	35	5.11	94	3.21	92	3.62
Macedonia, FYR	37	76	3.96	56	4.78	78	3.49	93	3.62
Serbia	38	82	3.85	67	4.57	84	3.39	94	3.60
Ukraine	39	85	3.83	64	4.63	76	3.53	118	3.33
Armenia	40	90	3.77	58	4.75	100	3.09	107	3.47
Bosnia and Herzegovina	41	97	3.63	92	4.24	97	3.14	103	3.49
Moldova	42	99	3.60	68	4.57	98	3.11	129	3.12

for the number of international fairs and exhibitions held in the country, and 3rd for its creative industries. The country's infrastructure is among the best in the world, ranked 3rd for the quality of its ground transport infrastructure and 7th for its air transport infrastructure. In addition, Germany makes great efforts to develop the T&T industry in a sustainable way, with the world's most stringent and best-enforced environmental regulations and strong support of international environmental efforts, as demonstrated through its ratification of many international environmental treaties.

France moves up this year by one place to 3rd position, also overtaking Austria. France attracts

tourists with its rich cultural heritage (ranked 4th for the number of World Heritage cultural sites and 7th for creative industries). The country also hosts many international fairs and exhibitions (ranked 5th), thereby attracting business travelers as well. France's ground transport infrastructure is among the best in the world (ranked 4th), with the quality of roads and railroads particularly well assessed, as well as its air transport infrastructure (ranked 6th). Ensuring that the sector is developed in a sustainable way is also a significant priority for the government, with France ranked 9th on this pillar.

Austria drops by two positions this year, although the country is still ranked a high 4th out of all 139

economies. Its ranking is attributable to its rich cultural resources, with eight World Heritage cultural sites, rich creative industries, and many fairs and exhibitions catering to business travelers. The natural environment is also well assessed, along with the country's focus on environmental sustainability (ranked 5th). In addition, Austrians are perceived as open and welcoming to foreign travelers. Austria's tourism infrastructure is assessed as second to none, with abundant car rental facilities, hotel accommodations, and ATMs. Other strengths include Austria's assessment as one of the safest countries in the world (ranked 10th) and its excellent health and hygiene levels (ranked 3rd).

Sweden joins the top five countries for the first time, having improved by two places since the 2009 T&T Report. The country is ranked 1st out of all countries in three key areas that span the three subindexes of the TTCI: environmental sustainability, ICT infrastructure, and cultural resources. The country's supportive policy environment (ranked 8th), excellent safety and security environment (7th), and excellent air transport infrastructure (10th) contribute to this strong result and help the country to overcome its lack of price competitiveness (ranked 120th).

The United Kingdom moves up by an impressive four positions since the last edition of the Report to reach 7th place this year. The country's T&T competitiveness is based on its excellent cultural resources (ranked 3rd), strong human resources (ranked 8th), and solid ICT and air transport infrastructures (ranked 9th and 5th, respectively). The country also benefits from a supportive policy environment as well as significant focus on environmental sustainability. Its rise in rank since the last assessment is driven largely by greater safety and security, a greater affinity for Travel & Tourism in the country, and more competitive prices, particularly hotel prices.

Spain is ranked behind the United Kingdom within Europe, falling two places to 8th position. The country is ranked 2nd worldwide for the richness of its cultural resources, with many World Heritage sites, a large number of international fairs and exhibitions, and a significant sports stadium capacity. Spain's tourism infrastructure is ranked 8th internationally, with many hotel rooms, car rental facilities, and ATMs, and its air transport infrastructure also gets good marks (ranked 8th). The government prioritizes the sector significantly, taking great care to collect comprehensive and timely data on the T&T sector, and the country makes strong efforts to attract tourists through solid destination-marketing campaigns and by ensuring Spain's presence at many international tourism fairs. Spain's decline in rank is driven in large part by increased concerns about the availability of qualified labor and a comparative weakening of some aspects of the policy environment.

Italy moves up by one position to 27th overall, and is ranked 20th in Europe. As well as its cultural richness, with many World Heritage Sites, international

fairs and exhibitions, and rich creative industries, Italy's strengths lie in areas such as the health and hygiene of the country (27th), its air transport infrastructure (30th), and especially its excellent tourism infrastructure (ranked 1st). However, it faces a number of challenges that bring its overall rating down. These include policy rules and regulations, where Italy ranks 84th (consistently getting worse over the past few years) because of its lack of foreign ownership (ranked 112th) and its lack of transparency in government policymaking (119th). In addition, ground transport infrastructure requires upgrading, there is insufficient focus on developing the sector in an environmentally sustainable way, and the country continues to suffer from a lack of price competitiveness.

Greece is ranked 21st in Europe and 29th overall, down by five positions since the last assessment. The country benefits from rich cultural resources (ranked 25th), excellent health and hygiene (ranked 20th overall), and a top-notch tourism infrastructure (5th). Further, there is a strong national affinity for tourism compared with many other European countries, including a generally open and positive attitude toward tourists (26th). The decline in rank can be traced to factors such as a weaker policy environment and increased concerns about safety and security, as well as a lower prioritization of Travel & Tourism within the country (perhaps not surprising given the country's recent more general economic travails).

The Americas

Table 3 shows the regional rankings for the countries in the Americas. As this table shows, the **United States** is the highest-ranked country in the Americas and 6th out of all countries, up two positions from the last assessment and with a somewhat stable performance since the TTCI was conceived. The country places 3rd for its overall business environment and infrastructure and 1st for its human, cultural, and natural resources. In particular, the United States has an excellent air transport infrastructure (ranked 2nd) and high-quality tourism infrastructure. Its cultural resources are ranked 6th and its natural resources are ranked 3rd out of all countries, with many nationally protected areas and many World Heritage natural sites, although a perception exists that the environment is not being sufficiently protected (ranked 105th for environmental sustainability).

Canada falls four places this year to 9th overall and 2nd in the region. Canada's natural resources constitute a key strength, with the country's nine World Heritage natural sites placing it 4th internationally. Its cultural resources are also a strong point, with many international fairs and exhibitions in the country and strong creative industries in particular. Canada's air transport infrastructure is ranked 1st out of all countries, and it also gets good marks for its tourism and ICT infrastructure, facilitating the online T&T environment. Canada's policy environment is very conducive to the development of the sector (ranked 4th, up one place since the 2009 T&T Report).

Table 3: The Travel & Tourism Competitiveness Index 2011: The Americas

Country/Economy	SUBINDEXES									
	OVERALL INDEX			T&T regulatory framework		T&T business environment and infrastructure		T&T human, cultural, and natural resources		
	Regional rank	Overall rank	Score	Rank	Score	Rank	Score	Rank	Score	
United States	1	6	5.30	44	5.01	3	5.42	1	5.48	
Canada	2	9	5.29	25	5.28	5	5.38	7	5.21	
Barbados	3	28	4.84	20	5.45	21	4.99	47	4.07	
Mexico	4	43	4.43	74	4.48	61	3.91	13	4.90	
Costa Rica	5	44	4.43	47	4.92	58	3.95	33	4.43	
Puerto Rico	6	45	4.42	40	5.05	38	4.55	88	3.65	
Brazil	7	52	4.36	80	4.40	75	3.55	11	5.13	
Panama	8	56	4.30	52	4.84	52	4.08	57	3.97	
Chile	9	57	4.27	48	4.91	56	3.99	62	3.89	
Uruguay	10	58	4.24	30	5.19	71	3.62	60	3.93	
Argentina	11	60	4.20	72	4.51	70	3.66	35	4.41	
Jamaica	12	65	4.12	55	4.79	59	3.93	87	3.65	
Peru	13	69	4.04	87	4.30	82	3.40	34	4.42	
Dominican Republic	14	72	3.99	63	4.66	69	3.66	89	3.65	
Colombia	15	77	3.94	102	4.17	92	3.30	39	4.36	
Trinidad and Tobago	16	79	3.91	100	4.18	51	4.13	111	3.42	
Guatemala	17	86	3.82	103	4.08	81	3.40	58	3.96	
Ecuador	18	87	3.79	93	4.24	93	3.26	64	3.87	
Honduras	19	88	3.79	90	4.27	80	3.41	77	3.68	
El Salvador	20	96	3.68	84	4.35	79	3.49	124	3.19	
Guyana	21	98	3.62	91	4.25	99	3.10	102	3.50	
Nicaragua	22	100	3.56	105	3.99	104	3.03	84	3.66	
Venezuela	23	106	3.46	120	3.67	96	3.15	99	3.55	
Bolivia	24	117	3.35	133	3.36	111	2.87	67	3.82	
Paraguay	25	123	3.26	107	3.95	122	2.72	130	3.11	

Note: Suriname is not covered this year.

Barbados is ranked 3rd in the region, at 28th overall, up two places since the last assessment. Barbados is ranked 2nd overall for the country's affinity for Travel & Tourism, with a positive attitude toward tourists and toward the value of tourism in the country. The country is prioritizing the sector to a very high degree (ranked 3rd), spending a high percentage of GDP on the sector, ensuring effective destination-marketing campaigns, and collecting relevant sector data on a timely basis. Increased efforts toward environmental sustainability would further reinforce the country's strong T&T competitiveness.

Mexico has improved by eight places and is now ranked 4th in the region and 43rd overall, overtaking Costa Rica and Brazil since the last assessment. Mexico gets impressive marks for its natural resources (ranked 10th), an area that shows an improvement since the last assessment, with many World Heritage natural sites and rich fauna. The country's cultural resources are also among the best in the world (19th), with 33 World Heritage cultural sites, several international fairs and exhibitions, and strong creative industries. These inherent strengths are reinforced by the overall prioritization of the sector in the country (30th), with effective marketing and branding campaigns for attracting tourists and significant efforts to collect T&T sector data in a comprehensive and timely manner. Some areas requiring attention are the ground transport infrastructure (79th),

insufficient health and hygiene (ranked 64th), and safety and security concerns, ranked 128th.

Costa Rica is ranked 5th in the region and 44th overall. The country gets excellent marks for its natural resources (ranked 6th), with several World Heritage sites, a high percentage of nationally protected areas, and its very diverse fauna. Given the importance of the natural environment for the country's tourism industry, it is notable that it ranks a high 25th overall for environmental sustainability, an area where it has continued to improve over the past few years. However, health and hygiene remains a concern (74th). Further, although its tourism infrastructure is relatively well developed (39th), with a strong presence of major car rental companies and abundant hotel rooms, ground transport infrastructure requires significant upgrading (93rd), particularly roads and ports, making travel in the country somewhat difficult.

Brazil is ranked 7th in the Americas and 52nd overall, declining by seven places since the last assessment but with a stable score. The country is ranked 1st out of all countries for its natural resources and 23rd for its cultural resources, with many World Heritage sites, a great proportion of protected land area, and the richest fauna in the world. This is buttressed by a focus on environmental sustainability (ranked 29th), an area that has been improving over recent years. Safety and security has also improved impressively since the last assessment.

Table 4: The Travel & Tourism Competitiveness Index 2011: Asia Pacific

Country/Economy	SUBINDEXES									
	OVERALL INDEX			T&T regulatory framework		T&T business environment and infrastructure		T&T human, cultural, and natural resources		
	Regional rank	Overall rank	Score	Rank	Score	Rank	Score	Rank	Score	
Singapore	1	10	5.23	6	5.72	4	5.39	23	4.59	
Hong Kong SAR	2	12	5.19	4	5.80	13	5.19	24	4.59	
Australia	3	13	5.15	36	5.08	17	5.11	4	5.28	
New Zealand	4	19	5.00	13	5.60	25	4.80	22	4.60	
Japan	5	22	4.94	27	5.24	32	4.72	14	4.86	
Korea, Rep.	6	32	4.71	50	4.86	28	4.76	27	4.53	
Malaysia	7	35	4.59	60	4.71	40	4.35	18	4.72	
Taiwan, China	8	37	4.56	46	4.95	31	4.73	55	4.00	
China	9	39	4.47	71	4.52	64	3.84	12	5.06	
Thailand	10	41	4.47	77	4.45	43	4.32	21	4.64	
Brunei	11	67	4.07	96	4.20	50	4.14	63	3.87	
India	12	68	4.07	114	3.84	68	3.71	19	4.65	
Indonesia	13	74	3.96	94	4.21	86	3.33	40	4.35	
Vietnam	14	80	3.90	89	4.28	89	3.31	46	4.12	
Sri Lanka	15	81	3.87	79	4.41	83	3.40	68	3.81	
Azerbaijan	16	83	3.85	59	4.72	87	3.33	105	3.49	
Kazakhstan	17	93	3.70	65	4.59	88	3.32	123	3.19	
Philippines	18	94	3.69	98	4.18	95	3.18	75	3.69	
Mongolia	19	101	3.56	97	4.20	112	2.82	86	3.65	
Kyrgyz Republic	20	107	3.45	95	4.21	132	2.59	100	3.54	
Cambodia	21	109	3.44	110	3.92	118	2.73	81	3.67	
Nepal	22	112	3.37	106	3.97	128	2.62	101	3.52	
Tajikistan	23	118	3.34	88	4.28	130	2.60	128	3.13	
Pakistan	24	125	3.24	129	3.45	102	3.06	122	3.21	
Bangladesh	25	129	3.11	130	3.45	113	2.82	131	3.05	
Timor-Leste	26	134	2.99	123	3.64	138	2.42	134	2.90	

On the other hand, the ground transport network remains underdeveloped (116th), with the quality of roads, ports, and railroads requiring improvements. The country also continues to suffer from a lack of price competitiveness (114th), attributable in part to high ticket taxes and airport charges in the country, as well as high prices and high taxation more generally. Further, the overall policy environment is not particularly conducive to the development of the sector (ranked 114th), with discouraging rules on FDI, much time required for starting a business, and somewhat restrictive commitments to opening up tourism services under GATS commitments.

Chile is ranked 9th in the region and 57th overall, maintaining a very stable performance since the last assessment. It has notable cultural resources, with six World Heritage cultural sites and several international fairs and exhibitions held in the country. In addition, policy rules and regulations are conducive to the development of the T&T sector (12th), with few foreign ownership restrictions, a liberal visa regime, and open bilateral Air Service Agreements, although the time and cost for starting new businesses remains relatively high. The country also benefits from good safety and security by regional standards (27th). However, Chile's T&T competitiveness would be strengthened by upgrading

both its transport and tourism infrastructures and by a greater focus on developing the industry in a more environmentally sustainable way.

Asia Pacific

Table 4 displays the regional rankings and data for the Asia Pacific region. As the table shows, **Singapore** is the top-ranked country in the region at 10th position, the same position it held in the last edition of the *Report*. Singapore benefits from excellent transport infrastructure, with ground transport infrastructure and air transport infrastructure ranked 2nd and 14th, respectively. Singapore is ranked 2nd for the quality of its human resources available to work in the country. And with the country's famously well-functioning public institutions, it is perhaps not surprising that it ranks 1st out of all countries for its policy environment, with rules and regulations that are extremely conducive to the development of its T&T industries (policies facilitating foreign ownership and FDI, well-protected property rights, and few visa restrictions). Further, Singapore is among the safest countries of all assessed and is ranked 2nd for the overall prioritization of Travel & Tourism in the country. Price competitiveness also remains an area of strength compared with many other countries at the same advanced stage of development.

Singapore is followed in the regional ranking by **Hong Kong SAR** at 12th overall, the same place it held in the last edition. Hong Kong's transport is even better assessed than Singapore's, with ground transport and air transport infrastructures ranked 1st and 12th, respectively. Hong Kong gets relatively good marks for cultural resources, with many international fairs and exhibitions held in the country and strong creative industries. Hong Kong's policy environment is rated second only to Singapore's, and the tourism sector is a clear priority (ranked 12th). Like Singapore, Hong Kong is safe from crime and violence (ranked 5th), and the country is unsurpassed for the quality of health and hygiene, where it ranks 1st.

Australia continues to decline in the rankings by four more places, and is now at 13th position overall. Australia's T&T competitiveness continues to be characterized by a number of clear strengths, including its rich natural resources: the country ranks 1st for its World Heritage natural sites, benefiting from diverse fauna and a pristine natural environment. Given the importance of the environment for much of its leisure tourism, it is notable that the stringency and enforcement of its environmental regulations are well assessed. And given the country's distance from other continents and the related importance of domestic air travel to overcome the large distances between major sites, its competitiveness is also buttressed by excellent air transport infrastructure (ranked 3rd) as well as good general tourism infrastructure (ranked 16th). The drop in rank since the last edition can be traced in large part to a perceived weakening of the focus on environmental sustainability and increased concerns about the availability of qualified labor in the country.

New Zealand is ranked 4th in the region and 19th overall, up one position since the last edition. The country benefits from its rich natural resources, with a number of World Heritage natural sites (ranked 17th) and a pristine natural environment (ranked 3rd), protected by strong and well-enforced environmental legislation. The overall policy rules and regulations in the country are conducive to the development of the sector (ranked 3rd), with very transparent policymaking and among the least time and lowest cost required to start a business internationally. Although the country's ground transport network remains somewhat underdeveloped, its air transport infrastructure gets excellent marks (ranked 11th), and both the tourism and ICT infrastructures are quite good by international standards. New Zealand also benefits from high-quality human resources (ranked 14th) and a very safe and secure environment overall (14th).

Japan is ranked 5th regionally and 22nd out of all countries in the TTCI, up three places since the last assessment. Japan benefits from its cultural resources (ranked 12th), attributable to its 29 World Heritage cultural sites, the many international fairs and

exhibitions held in the country, and its rich creative industries. Its ground transport infrastructure is among the best in the world (ranked 6th), especially railroads, and Japan continues to be a leader in the area of education and training (ranked 12th). However, Japan ranks third from the bottom for the affinity of the country for Travel & Tourism (131st), and it struggles with prices that are not competitive by international standards (ranked 137th).

Malaysia is ranked 7th regionally and 35th overall, down three positions since the 2009 T&T Report. Malaysia benefits from its rich natural resources (ranked 22nd) and its cultural resources (ranked 33rd). The country also benefits from excellent price competitiveness (ranked 3rd), with low comparative hotel and fuel prices, low ticket taxes and airport charges, very competitive hotel prices, and a favorable tax regime. Malaysia's policy environment is assessed as conducive to the development of the sector (ranked 21st), and the country is characterized by a strong affinity for Travel & Tourism more generally (ranked 17th). With regard to weaknesses, health and hygiene indicators lag behind those of many other countries in the region, with, in particular, a low physician density (placing the country 96th).

China, ranked 9th regionally, has continued its ascent in the rankings, moving up an additional eight places to 39th overall this year. China has been building on a number of clear strengths: it is ranked 5th for its natural resources, with many World Heritage natural sites and fauna that are among the richest in the world. It is ranked 16th for its cultural resources, with several World Heritage cultural sites, many international fairs and exhibitions held in the country, and creative industries that are unsurpassed. Moreover, the country is ranked 24th in price competitiveness. In addition, China has a relatively good air transport infrastructure (ranked 35th). However, there are some weaknesses pulling the country's ranking down. China has a policy environment that is not conducive for T&T development (ranked 80th), although this is an area that has improved somewhat since the last assessment. Furthermore, policies related to environmental sustainability, while also improving, require further attention (95th). There are also some concerns related to health and hygiene (96th). Ground transport infrastructure gets middling marks (59th), and the country's tourism infrastructure remains underdeveloped (ranked 95th), with few hotel rooms available and few ATMs.

Thailand is ranked 10th in the region and 41st overall, down two places since the last edition. It is endowed with rich natural resources and a strong affinity for Travel & Tourism (ranked 21st and 24th, respectively), with a very friendly attitude of the population toward tourists (ranked 8th). This is buttressed by the government's strong prioritization of the sector (ranked 16th), with good destination-marketing campaigns and price competitiveness. However, some weaknesses remain: despite the prioritization of the sector by the

Table 5: The Travel & Tourism Competitiveness Index 2011: The Middle East and North Africa

Country/Economy	SUBINDEXES									
	OVERALL INDEX			T&T regulatory framework		T&T business environment and infrastructure		T&T human, cultural, and natural resources		
	Regional rank	Overall rank	Score	Rank	Score	Rank	Score	Rank	Score	
United Arab Emirates	1	30	4.78	57	4.77	9	5.32	42	4.24	
Bahrain	2	40	4.47	62	4.66	20	5.06	78	3.68	
Qatar	3	42	4.45	43	5.02	34	4.68	90	3.64	
Israel	4	46	4.41	41	5.04	42	4.33	65	3.87	
Tunisia	5	47	4.39	31	5.17	54	4.05	59	3.94	
Oman	6	61	4.18	61	4.67	47	4.18	76	3.69	
Saudi Arabia	7	62	4.17	81	4.38	41	4.35	70	3.77	
Jordan	8	64	4.14	37	5.08	72	3.61	74	3.73	
Lebanon	9	70	4.03	78	4.42	63	3.86	69	3.80	
Egypt	10	75	3.96	70	4.53	74	3.59	71	3.77	
Morocco	11	78	3.93	69	4.55	77	3.50	73	3.74	
Kuwait	12	95	3.68	108	3.94	60	3.92	126	3.18	
Syria	13	105	3.49	101	4.17	109	2.91	113	3.39	
Algeria	14	113	3.37	112	3.87	110	2.89	116	3.35	
Iran, Islamic Rep.	15	114	3.37	131	3.43	103	3.03	91	3.64	
Libya	16	124	3.25	122	3.64	107	2.92	125	3.18	

government, some aspects of the regulatory environment—such as stringent foreign ownership restrictions, visa restrictions for many travelers, and the long time required for starting a business in the country—are not particularly conducive to developing the sector (ranked 76th). In addition, given the importance of the natural environment for the country's tourism, environmental sustainability should be a greater priority (ranked 97th).

India is ranked 12th in the region and 68th overall, down six places since the last edition. As with China, India is well assessed for its natural resources (ranked 8th) and cultural resources (24th), with many World Heritage sites, both natural and cultural, rich fauna, many fairs and exhibitions, and strong creative industries. India also has quite good air transport (ranked 39th), particularly given the country's stage of development, and reasonable ground transport infrastructure (ranked 43rd). However, some aspects of its tourism infrastructure remain somewhat underdeveloped (ranked 89th), with very few hotel rooms per capita by international comparison and low ATM penetration. Another area of concern is the policy environment, which has weakened measurably since the last assessment and is now ranked 128th, with much time and cost for starting a business, bilateral Air Service Agreements that are not assessed as open, and visas required for most visitors. Other areas requiring attention are health and hygiene standards (112th) and the country's human resources base (96th).

Indonesia is ranked 13th in the regional ranking and 74th overall, up seven places since the last edition. In terms of strengths, Indonesia places 17th for its natural resources, with several World Heritage natural sites and the richness of its fauna as measured by the known species in the country. Indonesia also has rich cultural

resources (ranked 39th), with eight World Heritage cultural sites, a number of international fairs and exhibitions held in the country, and strong creative industries.

Further, the country is ranked 4th overall on price competitiveness in the T&T industry because of its competitive hotel prices (ranked 6th), low ticket taxes and airport charges, and favorable fuel prices. In addition, it is ranked 15th for its national prioritization of Travel & Tourism. However, these strengths are held back by underdeveloped infrastructure in the country, including to a certain extent air transport (58th) and especially ground transport (82nd), tourism infrastructure (116th), and ICT infrastructure (96th), representing significant investment opportunities in the country. There are also some concerns related to safety and security, particularly a lack of trust of police services and the business costs of potential terrorism. In addition, the country is not ensuring the sustainable development of the tourism sector (ranked 127th), an area of particular concern given the sector's dependence on the quality of the natural environment.

The Middle East and North Africa

Table 5 shows the regional rankings for the Middle East and North Africa region. Note that these rankings were established prior to the political unrest experienced in North Africa in early 2011. As the table shows, the **United Arab Emirates (UAE)** continues to lead the region at 30th overall, up three places since the last assessment. While the UAE is not endowed with rich natural resources (116th), it sees a significant improvement in the assessment of its cultural resources (34th, up from 84th). In addition, the country is characterized by a strong affinity for Travel & Tourism (25th). The UAE's infrastructure also gets good marks, particularly its air

transport infrastructure, which is ranked a very high 4th out of all countries assessed. The government is seen as prioritizing the sector strongly (ranked 8th) and carrying out very effective destination-marketing campaigns (ranked 1st). An area of clear improvement over recent years is in the rules and regulations, which have been adjusted to better support the sector's development, with the UAE moving up from 81st place in the 2009 *Report* to 38th place this year.

Bahrain is ranked 2nd in the region and 40th overall, up one place since the last assessment. The country benefits from good transport infrastructure, particularly ground transport infrastructure (ranked 11th), and from a well-developed tourism infrastructure (ranked 26th). Bahrain also has high-quality human resources to call on in the country (29th), along with high levels of safety and security. On the other hand, policy rules and regulations could be more supportive of the sector's development (ranked 58th), and environmental sustainability remains a particular area of concern (123rd).

Qatar is ranked 3rd in the region and 42nd overall, down five places since the 2009 T&T *Report*. Qatar benefits from a safe and secure environment (ranked 28th), high-quality human resources in the country (ranked 18th), good tourism infrastructure (34th), and excellent air transport infrastructure (21st), in line with its increasing role as an air transportation hub. In order to further improve the country's T&T competitiveness, the country should continue to improve its policy environment and also to focus on environmental sustainability (67th).

Israel is ranked 4th in the region, dropping 10 places to 46th overall. Israel benefits from its cultural attributes, including a number of World Heritage cultural sites. The country's human resources base is also well evaluated (31st), providing healthy and well-trained people to work in the T&T sector. Further, its ICT infrastructure is quite well developed compared with those of other countries in the region. But although Israel gets excellent marks related to health and hygiene (ranked 16th), some aspects of safety and security continue to be a concern, primarily related to concerns about terrorism (ranked 105th). The decline in rank since the last assessment is in large part attributable to a weakening in the policy environment, and a sense that the sector is no longer being prioritized as strongly as in the past.

Sub-Saharan Africa

Table 7 shows the rankings for sub-Saharan Africa.

Mauritius remains the highest-ranked country in this region at 53rd overall, despite dropping 13 places in the rankings since the last assessment. Mauritius is ranked 1st out of all countries for the overall prioritization of the sector, with high government spending on the tourism industry (ranked 3rd), ensuring excellent destination-marketing campaigns to attract tourists

(ranked 8th), and collecting tourism data in a timely fashion. Mauritius is ranked 4th for the country's overall affinity for Travel & Tourism, with the sector representing an important part of the economy and the general attitude of the population to foreign travelers being extremely welcoming. The country's tourism infrastructure is well developed by regional standards (47th), and its policy environment is supportive of the development of the sector (ranked 27th). Mauritius also benefits from price competitiveness (ranked 18th), with relatively low prices overall and taxation that is not overly burdensome, although this would be improved through lower ticket taxes and airport charges, and more competitive hotel prices. Safety and security levels are also good by regional standards (ranked 45th). In terms of challenges, although the government is seen to be making an effort to develop the industry in a sustainable way (ranked 10th), this effort could be backed up by more stringent and well-enforced environmental regulations (ranked 60th and 55th, respectively). The drop in rank is attributable to declines across most areas measured by the Index, and particularly those measuring the quality of infrastructure, including transport, tourism, and ICT infrastructures.

South Africa is ranked 2nd in the region and 66th overall, joining Mauritius as one of the only two sub-Saharan African countries in the top half of the overall rankings. South Africa comes in at a high 14th for its natural resources and 55th for its cultural resources, based on its many World Heritage sites, its rich fauna, its creative industries, and the many international fairs and exhibitions held in the country. The 2010 FIFA World Cup has reinforced South Africa's position as a key international tourist destination. South Africa also benefits from price competitiveness (37th), with reasonably priced hotel rooms and a favorable tax regime. Infrastructure in South Africa is also well developed for the region, with air transport infrastructure ranked 43rd and a particularly good assessment of railroad quality (47th) and road quality (43rd). Overall, policy rules and regulations are conducive to the sector's development (ranked 31st); this is an area where the country has improved since the last assessment, with well-protected property rights and few visa requirements for visitors. Indeed, in 2010 the government selected tourism as one of the five priority sectors in its growth plan and has been reviewing tourism legislation in an effort to streamline it further. However, there are also some areas of weakness that have brought down the country's overall ranking. Safety and security remains of serious concern (ranked 129th), as is the level of health and hygiene, where South Africa is ranked 88th as a result of its low physician density and concerns about access to improved sanitation in particular. Related to this, health indicators are extremely worrisome. South Africa's life expectancy is low (albeit improving), at 53 years, placing the country 124th overall, a ranking

Table 6: Travel & Tourism Competitiveness Index 2011: Sub-Saharan Africa

Country/Economy	SUBINDEXES								
	OVERALL INDEX			T&T regulatory framework		T&T business environment and infrastructure		T&T human, cultural, and natural resources	
	Regional rank	Overall rank	Score	Rank	Score	Rank	Score	Rank	Score
Mauritius	1	53	4.35	28	5.24	48	4.15	79	3.67
South Africa	2	66	4.11	82	4.37	62	3.88	49	4.06
Namibia	3	84	3.84	83	4.37	67	3.71	109	3.45
Cape Verde	4	89	3.77	85	4.33	73	3.61	114	3.39
Botswana	5	91	3.74	86	4.32	85	3.34	98	3.56
Gambia, The	6	92	3.70	76	4.46	90	3.31	117	3.35
Rwanda	7	102	3.54	75	4.46	120	2.73	110	3.43
Kenya	8	103	3.51	113	3.87	106	2.93	72	3.75
Senegal	9	104	3.49	111	3.90	108	2.92	82	3.67
Ghana	10	108	3.44	115	3.82	105	3.01	104	3.49
Tanzania	11	110	3.42	121	3.67	127	2.62	56	3.97
Zambia	12	111	3.40	104	4.02	131	2.60	95	3.58
Uganda	13	115	3.36	116	3.75	125	2.65	80	3.67
Swaziland	14	116	3.35	99	4.18	101	3.07	136	2.81
Zimbabwe	15	119	3.31	118	3.71	126	2.64	96	3.57
Benin	16	120	3.30	119	3.68	117	2.75	106	3.47
Malawi	17	121	3.30	109	3.93	133	2.54	112	3.42
Ethiopia	18	122	3.26	132	3.42	114	2.81	97	3.56
Cameroon	19	126	3.18	127	3.49	129	2.61	108	3.45
Madagascar	20	127	3.18	126	3.49	116	2.76	120	3.29
Mozambique	21	128	3.18	124	3.64	119	2.73	127	3.15
Nigeria	22	130	3.09	134	3.22	115	2.76	119	3.30
Côte d'Ivoire	23	131	3.08	135	3.22	124	2.67	115	3.36
Burkina Faso	24	132	3.06	117	3.71	135	2.50	132	2.99
Mali	25	133	3.05	128	3.47	137	2.42	121	3.26
Lesotho	26	135	2.95	125	3.54	123	2.70	138	2.63
Mauritania	27	136	2.85	136	3.16	136	2.44	133	2.95
Burundi	28	137	2.81	137	3.08	134	2.52	135	2.82
Angola	29	138	2.80	138	3.07	121	2.72	139	2.61
Chad	30	139	2.56	139	2.88	139	2.09	137	2.70

related in large part to the very high rates of communicable diseases such as HIV/AIDS. Improving the health of the workforce is of urgent concern for the future of the T&T sector, as well as for all other sectors in the economy.

Namibia follows South Africa in the regional rankings, placing 84th overall. The country benefits from its rich natural resources, with rich fauna and a pristine natural environment. Indeed, environmental sustainability is prioritized in the country (ranked 22nd), which is critical given the importance of the quality of the environment for Namibia's tourism. In addition, ground transport infrastructure is well developed by regional standards (44th). In order to further develop the sector, a more conducive policy environment will be important. For example, despite efforts in recent years, it remains costly and time consuming to start a business in the country. Health and hygiene is also not up to international standards (106th): the country has few doctors and insufficient access to improved sanitation and drinking water. More generally, improving the country's human resources base through better education and training and more conducive labor laws will be critical.

Botswana is ranked 5th in the region at 91st overall, down 12 places after a significant improvement in the last edition of the Index. The country, known for its beautiful natural parks, is ranked 33rd out of all countries for its natural resources, with much nationally protected land area (ranked 6th), rich fauna, and a lack of environmental damage. The country also benefits from excellent price competitiveness, where it is ranked 8th because of low ticket taxes and airport charges, a favorable tax regime, and low prices more generally. In addition, some aspects of the policy environment are supportive of the sector's development, including well-protected property rights and few visa restrictions. However, Botswana does face some challenges that lead to its rather low ranking overall. The country's bilateral Air Service Agreements are not evaluated as open (105th), and, despite improvements, much time is still required for starting a new business (61 days, placing the country 126th). Further, Botswana's transport infrastructure is somewhat underdeveloped, as is its tourism infrastructure, with a low hotel room concentration, a limited presence of international car rental companies, and relatively few ATMs. There are also some concerns in

the area of health and hygiene (100th), attributable to a low physician density, limited hospital beds, and insufficient access to improved sanitation. Associated with this, the greatest comparative weakness relates to the health of the workforce, although it must be noted that the country's average life expectancy of 62 years represents a significant improvement over the situation in recent years.

Kenya, a country long famous for its tourism attributes, is ranked 8th regionally and 103rd overall. Kenya is ranked 28th for its natural resources, with its two World Heritage natural sites and its rich diversity of fauna. Tourism is a recognized priority within the country (ranked 18th on this pillar), with high government spending on the sector and effective destination-marketing campaigns. In addition, there is a strong focus on environmental sustainability in the country (ranked 26th), which is particularly important for Kenya given the sector's dependence on the natural environment. On the downside, the policy environment is not at present sufficiently conducive to the development of the sector (ranked 103rd), with bilateral Air Service Agreements that are not open, insufficiently protected property rights, and much time and cost required for starting a business. In addition, infrastructure remains underdeveloped and health and hygiene levels require improvement. Finally, the security situation in the country remains a significant hindrance to further developing the sector (ranked 139th).

Exploring issues of T&T competitiveness

The *Report* also features excellent contributions from T&T industry experts, complementing the TTCI analysis described above. Many of the chapters focus on particular challenges facing the industry, providing suggestions on how to overcome them.

In their chapter "Crisis Aftermath: Pathways to a More Resilient Travel & Tourism Sector," Jürgen Ringbeck and Timm Pietsch of Booz & Company analyze structural trends in the global T&T sector and assess how the economic crisis of 2008–09 accelerated these trends, which have led to the sharpest decline in international tourist arrivals in history.

The authors highlight the interplay between long-term trends such as the high growth dynamics of emerging tourism regions, maturing travel spending in the western hemisphere, and new opportunities for domestic/regional tourism as well as short-term volatility as a consequence of disruptive events. Collectively these all constitute new challenges but also opportunities in Travel & Tourism for national governments.

The authors review which countries have felt the pain from the current downturn and which have managed to grow through the crisis, and they outline reasons and change factors driving these different experiences. From these case studies, the authors outline

implications for policymakers and map out pathways on how to prepare the T&T sector for the emerging new global environment. They highlight the fact that tourism destinations first need to manage downturn periods tactically in order to mitigate their short-term demand impact. At the same time, they also need to develop consistent strategies to transform structural market drifts into opportunities for more crisis-resilient long-term growth.

In their chapter on "Tourism Development in Advanced and Emerging Economies: What Does the Travel & Tourism Competitiveness Index Tell Us?" John Kester and Valeria Croce from the World Tourism Organization (UNWTO) discuss the expansion and diversification of the tourism sector and the rising role of emerging economies as drivers of growth. They note that over the past decade an increasing number of emerging economies have successfully been leveraging tourism to boost their economic and social development. Even during the recent economic crisis, emerging destinations showed fewer losses and rebounded faster than advanced economies. In 2009, international tourist arrivals to advanced economies declined by 4.3 percent and arrivals to emerging economies by 3.5 percent, and in 2010 they enjoyed increases of 5.3 percent and 8.2 percent, respectively.

The authors point out that, despite the increasing importance of emerging economies in the T&T sector, the 2011 edition of the TTCI continues to see its top ranks held primarily by advanced economies. In this context the authors try to shed some light on why this is the case. Analyzing the four editions of the TTCI, the authors investigate whether changes in the rankings over time reflect the progress made by emerging destinations in terms of tourism development. The 14 pillars of the Index are also analyzed in detail to highlight the comparative advantages of each group of countries. Finally, the authors compare the rankings in the TTCI relative to the overall stage of development of each economy, in order to understand which economies perform better or worse than what might be expected based on their respective stages of development.

Given the tendency of the TTCI to rank advanced economies higher than countries at lower stages of development, the authors suggest that, looking forward, some readjustment of the Index could be warranted, drawing on the various qualities of successful emerging destinations.

In their chapter "Premium Air Travel: An Important Market Segment," Selim Ach and Brian Pearce of IATA quantify the relative impact of the most important business travel drivers determining the size of premium travel markets between country pairs.

The authors begin by identifying and then quantifying, through an econometric model, the various factors related to the number of premium passengers. They then study the extent to which these particular drivers explain

differences between country pairs. Finally, they investigate how changes in aspects of a country's attractiveness to business travelers—measured by different pillars of the TTCI—could boost business and premium travel to a country.

The results of their analysis show that the number of passengers in premium seats are not driven only by economic activities between countries, but also depends on other factors. For particular country pairs, factors captured by the T&T pillars—such as policy rules and regulations, ICT infrastructure, and price competitiveness—explain to some extent the number of premium passengers. The model demonstrates that any effort to make improvements in these areas will tend to boost the size of this travel market.

In “Hospitality: Emerging from the Crisis,” Alex Kyriakidis, Simon Oaten, and Jessica Jahns of Deloitte take a look back at hospitality performance across the globe, before and during the crisis and then review where we are today as we emerge from it. The year 2011 sees the hospitality sector across the world emerging from a period of significant challenge and considerable change, and the authors look at how this has impacted different regions of the world in contrasting ways. Some regions are already seeing a strong recovery, as demonstrated by Asia; others continue to lag quite a bit behind, as is the case in Europe.

The authors note that 2007 was a record year, with world tourist arrivals reaching 900 million and healthy double-digit revPAR growth across the globe. The global economic crisis, the absence of credit, and the fragile recovery in Europe we are now witnessing is seeing some markets continuing to struggle while others resurge. In contrast to 2007, in 2010 Asia Pacific leads the pack in revPAR growth at 21.8 percent, exceeding Europe's absolute revPAR for the first time. Comparing the 2010 performance with that of 2007 shows that only one region, Central and South America, is ahead of its 2007 peak by \$12. Asia Pacific is now just \$2 away from its peak while Europe, at the back of the pack, is \$16 away.

The authors conclude that the economic crisis has undoubtedly impacted regions in differing ways in the context of the hospitality sector, yet its most significant impact may have been to accelerate the shift eastward. While the mature markets of Europe and the United States remain large in absolute terms, their continued growth is likely to be significantly outstripped by the Asia Pacific region, which is already proving its strength in the speed of its recovery.

In their chapter “Investment: a Key Indicator of Competitiveness in Travel & Tourism,” Nancy Cockerell from WTTC and Dave Goodger from Oxford Economics highlight the importance of T&T investment for the industry's performance and outlook, as well as the implications of recent investment trends.

The authors describe how global T&T investment closely tracked global tourism spending from the late 1980s to the mid 2000s along a stable upward trend path and how, over the period 2005–08, growth began to significantly outpace global tourism spending growth. On the other hand, more recent trends show that, between 2008 and 2010—as the global economy entered recession and easy access to finance dried up—investment in Travel & Tourism fell back sharply and corrected much more than the drop in global tourism spending. Nevertheless, over the 15-year period 1995–2010, global T&T investment increased by approximately US\$280 billion (measured in 2000 prices), with over half this increase attributable to the United States and China alone.

As of 2011, WTTC's annual economic impact research, carried out in partnership with Oxford Economics, is being even more closely aligned with the UN Statistics Commission-approved *2008 Tourism Satellite Account: Recommended Methodological Framework (TSA:RMF 2008)*. However, as the authors explain, the traditional approach understates the full economic impact of Travel & Tourism, since it ignores the indirect and induced effects of the industry. T&T investment is a prime example of this phenomenon, since is not a component of the direct economic impact of the industry but is rather an important aspect of the broader indirect impacts, as well as being critical in determining future capacity and improving quality, competitiveness, productivity, and sustainability. For this reason, WTTC and Oxford Economics will continue to track T&T investment across individual countries and regions, while remaining consistent with the recommended TSA framework.

In their chapter “Green Growth, Travelism, and the Pursuit of Happiness,” Geoffrey Lipman from Beyond Tourism and Shaun Vorster from the Ministry of Tourism of South Africa discuss the important role to be played by the T&T sector in the important shift toward the green economy.

The authors describe how Travel & Tourism will be an integral part of this process at global, regional, and local levels, compatible with a low carbon development trajectory, and will be a key sector driving the shift to a green economy. Beyond compliance, this is also about market leadership, consumer satisfaction, and competitiveness. Further, because of its multiplier effect that cascades through interrelated value chains in the economy, a green revolution in the T&T sector could be a catalyst for green growth and transformation in the broader economy.

However, they caution that in order to fully capitalize on its potential, the sector has to break out of its historic inclination toward siloed goals, policies, and institutional frameworks that in turn limit its value in green growth decision making. Indeed, because of their interconnectivity and mutual dependence, the T&T

sector and its constituting industries are in need of greater convergence and closer collaboration. Key policies will have to be consolidated and/or aligned to meet the twin objectives of sustainable mobility and sustainable destinations. Convergence will enable the sector to speak with one voice, and a louder voice, on issues that affect the sector.

The authors conclude by stressing the importance of transforming “classic tourism” dominated by considerations of growth and market share to “smart tourism” that is clean, green, ethical, and customer- and quality-orientated. This in turn will ensure that the sector becomes a market leader in the green growth paradigm and its related green jobs, investment, trade, and development.

In “A New Big Plan for Nature: Opportunities for Travel & Tourism,” Julia Marton-Lefevre and Maria Ana Borges from IUCN discuss how 2010 was an important year for understanding how the world values, protects, and respects nature. In addition, the authors point out that the T&T sector is in a unique position to mainstream biodiversity-friendly practices and nature-based solutions.

Biodiversity is vital for T&T, with many tourism products and services owing their attractiveness to surrounding natural environments. Yet the value of the natural assets used by the industry is often not internalized, leading to serious biodiversity impacts.

In 2010, a new “Big Plan” for nature, with 20 biodiversity targets for 2020, was adopted by the world’s governments; this Big Plan aims to steer public and private decision making in the next decade. The authors stress that collective action to conserve biodiversity and implement this plan is a shared responsibility of governments, the private sector, and civil society.

The authors also stress that, if Travel & Tourism is to support global biodiversity goals, threats to nature must be minimized through the integration of biodiversity considerations into tourism management systems. On the other hand, there are many opportunities for the industry to reap the rewards of being biodiversity-friendly, including market differentiation and increased competitiveness and the development of premium products and services as well as new business propositions and emerging markets.

In order to capitalize on the opportunities and minimize the risks, four focus areas are suggested for Travel & Tourism: (1) adoption and integration of biodiversity-friendly operating practices in T&T supply chains, (2) destination stewardship, (3) capacity building and market creation for “biodiversity businesses”, and (4) emerging businesses and markets based on biodiversity-friendly goods and services.

In their chapter “Assessing the Openness of Borders,” Thea Chiesa, Sean Doherty, and Margareta Drzeniek Hanouz of the World Economic Forum discuss the measurement of “open borders.” As the authors point out, travel and trade facilitation have

traditionally been considered fairly separate disciplines. The governing institutions, ministries, and interested parties from the private sector are often separate for each sector. Nonetheless, they share common areas of interest—both trade across national borders and are affected by their physical and administrative manifestations.

The World Economic Forum has developed Indexes for both the travel and trade sectors: the Travel & Tourism Competitiveness Index discussed in this *Report* and the Enabling Trade Index featured in *The Global Enabling Trade Report* series. They have remained distinct because academic research and data are still, for the most part, compartmentalized. In this context, the authors attempt to pull together those elements of the data that overlap to produce a common view on the openness of borders both from a travel perspective and from a trade one. The intent is to heighten awareness of the impact borders can have in hindering both travel and trade, and reveal how that hindrance can be minimized.

As the authors point out, both travel and trade are enabled by factors that extend far beyond physical and administrative borders and include elements such as the general business environment or infrastructure. This approach identifies market access, border administration, transport and ICT infrastructure and services, the business environment, and physical safety as the common areas across the Travel & Tourism Competitiveness and Enabling Trade Indexes. These are the elements that are included in the new Open Borders Index (OBI) introduced in the chapter.

While they admit that this is a cursory and preliminary look at the synergies between the two areas, the authors stress its usefulness in demonstrating the symbiotic relationship between Travel & Tourism and trade facilitation. This is particularly critical in an era when security and economic concerns threaten to slow—or even, in some cases, reverse—progress in opening borders.

The final sections of the *Report* provide detailed country profiles for all 139 countries included in the TTCI, as well as tables displaying all of the data used in the computation of the Index.

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