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The Travel & Tourism Competitiveness Report 2007

Furthering the Process of Economic Development

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Editors



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OF THE WORLD

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The terms *country* and *nation* as used in this report do not in all cases refer to a territorial entity that is a state as understood by international law and practice. The terms cover well-defined, geographically self-contained economic areas that may not be states but for which statistical data are maintained on a separate and independent basis.

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Preface

KLAUS SCHWAB,

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The World Economic Forum has been actively engaged in studying issues related to national competitiveness for nearly three decades, motivated by a desire to better understand the drivers of growth and prosperity. Over the years, our goal has been to provide benchmarking tools that enable countries to identify key obstacles to competitiveness, and to provide a platform for dialogue among government, business, and civil society to discuss the best ways of removing them. In this light, given the importance of the Travel & Tourism (T&T) industry to the world economy, the fundamental objective of the *Travel & Tourism Competitiveness Report* (TTCR) is to explore the factors driving T&T competitiveness worldwide.

Travel & Tourism is currently one of the world's largest economic activities. It is the leading industry in many countries, as well as the fastest growing economic sector in terms of job creation worldwide. In 2006, the sector generated 10.3 percent of world gross domestic product (GDP), providing 234 million jobs, or 8.2 percent of total world employment.

The economic significance and potential of Travel & Tourism is particularly prominent in the developing world. Most new jobs in developing economies are created in tourism industries. In addition, Travel & Tourism helps diversify economic activity and enables the creation of wealth and jobs in rural areas.

The industry also triggers important indirect development effects that improve the quality of life of citizens and enhance a country's overall economic prospects. The desire to improve the national environment for Travel & Tourism encourages governments to make infrastructure improvements such as better roads, electricity, telephone, and public transport networks. Furthermore, the industry contributes positively in raising cultural awareness and enhancing environmental sustainability.

Recognizing the important development potential of this industry, the World Economic Forum has engaged a number of industry and thought leaders through its Industry Partnership Programme to carry out an in-depth analysis of the T&T competitiveness of economies around the world. The goal is to construct a platform for multi-stakeholder dialogue to ensure the development of strong and sustainable national T&T industries capable of contributing effectively to international economic development.

Drawing on our expertise in developing tools for measuring national competitiveness, the World Economic Forum has developed the first Travel & Tourism

Competitiveness Index (TTCI), which is at the core of this *Report*. The aim of the TTCI, which covers 124 economies, is to provide a comprehensive strategic tool for measuring “the factors and policies that make it attractive to develop the Travel & Tourism sector in different countries.” By providing detailed assessments of the T&T environments in 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.

The *Report* contains detailed profiles for each of the 124 economies featured in the study, as well as an extensive section of data tables with global rankings covering all of the indicators included in the TTCI. In addition, the *Report* includes insightful contributions from a number of industry organizations and firms. These essay contributions examine the different aspects of T&T competitiveness, exploring issues such as the relationship between Travel & Tourism and economic development, the role of electronic payments in driving tourism and growth, and the economic impact of improving air transport networks.

The *Travel & Tourism Competitiveness Report* 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 Allen Hamilton, and our Data Partners: the International Air Transport Association (IATA), 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*—Bombardier, Carlson, Emirates Group, Qatar Airways, Royal Jordanian Airlines, Silversea Cruises Group, Swiss International Airlines, and Visa International—for their support in this important venture. We also wish to thank the editors of the *Report*, Jennifer Blanke and Thea Chiesa, for their energy and their commitment to the project. Appreciation also goes to Fiona Paua, who leads the Global Competitiveness Network, and the other members of the team: Ciara Browne, Margareta Drzeniek, Thierry Geiger, Irene Mia, and Aviva Rajczyk. Finally, we would like to convey our sincere gratitude to all the business executives around the world who took the time to participate in our Executive Opinion Survey, and whose valuable input made the publication of this *Report* possible.

Executive Summary

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Since 1979, the World Economic Forum has been at the forefront of national competitiveness research. Our competitiveness work is aimed at contributing to a better understanding of why some countries grow prosperous, while others are left behind. Given the Forum's long-standing interest in economic development, coupled with the growing importance of Travel & Tourism (T&T) for national economies, a study focusing on the T&T industry is extremely relevant. In this context, *The Travel & Tourism Competitiveness Report* aims to explore the factors and policies driving travel and tourism competitiveness in nations worldwide.

The measurement of national T&T competitiveness an important undertaking, as it has become a key sector in the world economy and is a critical source of economic growth and development in many countries. Between 1950 and 2004, international tourism receipts increased from US\$2.1 billion to US\$622.7 billion;¹ by 2006, the T&T sector accounted for 10.3 percent of world GDP. In the same year, there were 234 million jobs in the industry, making up 8.2 percent of total employment worldwide.² The rising economic importance of the industry has been fueled by the large and growing number of international travelers. According to the World Tourism Organization (UNWTO), the number of international arrivals grew from 25 million in 1950 to an estimated 763 million in 2004, corresponding to an average annual growth rate of 6.5 percent.³

Travel & Tourism is thus one of the most important international economic activities internationally, and the main industry in many countries, as well as the fastest-growing economic sector in terms of foreign exchange earnings and job creation, according to the UNWTO. The sector is an important driver of growth and prosperity and, within developing countries, for poverty reduction. In fact, according to the World Travel & Tourism Council (WTTC), most new jobs in developing countries are created in tourism industries.⁴

The sector also has important indirect positive development effects. It encourages governments to make infrastructure improvements such as better roads, electricity, telephone, and public transport networks, which, as well as facilitating tourism, improve the economy's overall development prospects and the quality of life for its residents.

The dependence of tourism on the quality of the natural environment also places it in a special position in terms of environmental sustainability. The T&T industry

can make a positive contribution to the quality of the natural environment by, for example, communicating the value of the natural environment to residents, by creating business incentives for environmental improvements, and through raising awareness of environmental issues and encouraging tourists to advocate environmental conservation.⁵

Given these potential significant benefits of fostering strong national T&T sectors worldwide, the World Economic Forum has embarked on an effort to better understand the drivers of T&T competitiveness and the challenges that face the industry at the present time. This *Report* is the first in what we expect to be an annual series dedicated to this effort.

A principal aim of this *Report* is to measure the competitiveness of individual economies' T&T competitiveness, using the comprehensive vehicle that has been developed for this purpose, the Travel & Tourism Competitiveness Index (TTCI), described in more detail below. The TTCI was produced by the World Economic Forum in close collaboration with Booz Allen Hamilton, the International Air Transport Association (IATA), the UNWTO, and the WTTC. We have also received important feedback from a number of key companies that are industry partners in the effort: Bombardier, Carlson, Emirates Group, Qatar Airways, Royal Jordanian Airlines, Silversea Cruises, Swiss International Airlines, and Visa International. Several thought leaders from these companies and organizations have also contributed insightful papers addressing various aspects of T&T competitiveness, which are described following the section on the TTCI below.

The Travel & Tourism Competitiveness Index

The Travel & Tourism Competitiveness Index (TTCI), described in Chapter 1.1, aims to measure *the factors and policies that make it attractive to develop the T&T sector in different countries*. The TTCI is composed of a number of "pillars" of T&T competitiveness, of which there are 13 in all. These are:

1. *Policy rules and regulations*
2. *Environmental regulation*
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. *National tourism perception*
13. *Natural and cultural resources*

The pillars are organized into three subindexes capturing broad categories of variables that facilitate or drive T&T competitiveness. These categories are (1) T&T regulatory framework, (2) T&T business environment and infrastructure, and (3) T&T human, cultural, and natural resources. The first subindex captures those elements that are policy related and generally under the purview of the government (policy rules and regulations, environmental regulation, safety and security, and prioritization of Travel & Tourism); the second subindex captures elements of the business environment and the infrastructure of each economy (air transport infrastructure, ground transport infrastructure, tourism infrastructure, ICT infrastructure, and price competitiveness); and the third subindex captures the human and cultural elements of each country's resource endowments (human capital, national tourism perception, and natural and cultural resources).

Each of the pillars is made up of a number of individual variables. The dataset includes both hard data and Survey data from the World Economic Forum's annual Executive Opinion Survey. The hard data were obtained from publicly available sources, international T&T institutions, and T&T experts (for example, IATA, ICAO, UNWTO, WTTC, 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. The exact methodology underlying the construction of the TTCI is described in Chapter 1.1.

The TTCI Rankings for 2007

The rankings from the TTCI for the 124 countries covered in this year's *Report* are presented in Table 1, with the rankings in each of the three subindexes. Tables 2, 3 and 4 show the rankings within each subindex and individual pillar.

Switzerland takes the leading position in the TTCI rankings, followed closely by Austria and Germany. Switzerland owes its position at the top to strengths in all areas covered by the Index. As is well known, Switzerland is an extremely safe country, with excellent health and hygiene indicators, as well as environmental regulation that is among the most stringent and effective in the world. And in a country that has some of the most well regarded hotel management schools in the

world, the quality of the country's human resources is second to none, ensuring an adequate supply of high-quality staff for the industry. The T&T infrastructure is also among the best in the world, making it very easy and comfortable for visitors to move around the country. Further, the country's natural and cultural resources are among the richest in the world. Switzerland is home to six World Heritage sites, a significant number for such a small country, and nearly 30 percent of the land area in the country is protected. Given the importance of policy in driving T&T competitiveness, it is also notable that Switzerland is one of the only high-income countries, together with Spain, that is among the top 10 countries with regard to the prioritization of Travel & Tourism. All of this comes together to make Switzerland a very attractive place to develop the T&T sector.

Austria and Germany, ranked 2nd and 3rd, respectively, share a number of characteristics with regard to their own T&T environments. For example, both countries are among the top three countries, together with Denmark, in the quality of environmental regulation, and they are among the top four in terms of safety and security in the country, with very low crime and violence and reliable police services. Most strikingly they hold the top two spots in natural and cultural resources, ranks attributable to several World Heritage sites in both countries (especially in Germany) and large protected national parks and such areas. But there are some nuances. For example, Germany is rated as doing better with regard to the quality of transport infrastructure, particularly ground transport infrastructure, where it is rated number 1, whereas Austria's tourism-specific infrastructure is rated as the best in the world, ahead of Germany. And Austria also outperforms Germany quite strongly in the prioritization of Travel & Tourism by the country.

The United States is ranked 5th in the Index. It is among the top three of the 124 economies covered regarding natural and cultural resources, with a large number of World Heritage sites (20 of them), as well as much protected land area, making the country an attractive destination. The country also has an excellent infrastructure and business environment for Travel & Tourism, ranked number 1 in the overall subindex: it has the most well developed air transport infrastructure in the world, by a significant margin, as well as excellent tourism infrastructure. The country's human resources also get excellent marks (ranked 5th overall). It should be noted, however, that hiring foreign labor is highlighted as difficult (ranked 43rd). This is an area of concern because of the seasonality of much of the tourism labor force.

France, the most-traveled-to destination in the world, is ranked just outside the top 10 at 12th place. The country's strengths lie in areas such as natural and cultural resources (with, for example, 30 World Heritage sites, among the highest in the world), the quality of the air and ground transport infrastructures (both ranked 4th),

and health and hygiene (9th). However, these strengths are offset by weaknesses such as the country's policy rules and regulations (ranked 40th), and, most particularly, issues related to national tourism perception, particularly the general attitude of the French toward visitors (ranked a very low 122nd overall).

Spain, a country that has seen an impressive increase in tourism over the years, is ranked 15th overall, just behind France within Europe. Spain's strengths can be traced to its excellent tourism infrastructure (ranked 2nd) and air transport infrastructure (ranked 7th), as well as excellent natural and cultural resources (with the second highest number of World Heritage sites in the world, second only to Italy). And Spain is notably ranked 3rd overall with regard to the prioritization of the T&T sector by the country, the top-ranked European country in this area, demonstrating the recognition within Spain of the importance of the sector as an important driver of economic growth.

Italy, the country with the highest number of World Heritage sites in the world, ranks a mediocre 33rd in the TTCI ranking. The country is strongly assessed for its cultural aspects and its very good tourism infrastructure. However, Italy's T&T competitiveness suffers from several weaknesses, which bring the overall rating down. These include policy rules and regulations, where it ranks a dismal 70th—below most European countries because of its very strong foreign ownership restrictions and rules governing FDI. Further, the government is not seen to be prioritizing the sector (ranked 92nd).

Within Asia, Hong Kong is measured as the economy with the strongest T&T competitiveness (ranked 6th overall), followed closely by Singapore (8th). These economies have excellent infrastructures: both their ground transport infrastructures are assessed as among the top three in the world, and their air transport infrastructures also get high marks. They also have top-notch human resources, providing healthy and well-educated people to work in the sector. With regard to the policy environment, they hold the top two places out of all economies, with regulatory environments that are extremely conducive to the development of the T&T industry (policies facilitating foreign ownership and foreign direct investment, well-protected property rights, few visa restrictions). Further, they are among the safest countries of all assessed with regard to crime and security issues. Hong Kong is unsurpassed in the quality of health and hygiene, and Singapore is ranked second in the overall prioritization of Travel & Tourism.

Australia is ranked 13th overall, just ahead of New Zealand (14th). Both countries are characterized by excellent natural and cultural resources, with much nationally protected land area and, in the case of Australia, many World Heritage sites as well (16, placing the country 12th). And given the importance of the natural environment for much of their leisure tourism, it is notable that they also have comparatively stringent

environmental regulations, which are aimed at ensuring that this remains a sustainable strength. Further, both countries are characterized by a relatively strong prioritization of the T&T sector and effective destination marketing campaigns.

Malaysia, ranked 31st, has good ground transport infrastructure and excellent price competitiveness—it is ranked 2nd overall on this indicator, with very low ticket taxes and airport charges, low comparative fuel prices, and a favorable tax regime. The country is perceived as quite safe (24th), although health and hygiene indicators lag behind many other countries in the region, with in particular a low physician density. The country's policy environment is measured as relatively conducive to the development of the sector (ranked 26th), and the government is prioritizing Travel & Tourism, with one of the highest T&T fair attendances in the world (ranked 2nd) and an excellent evaluation for its destination marketing campaigns (ranked 6th).

Thailand is ranked 43rd in the TTCI, just behind Korea (ranked 42nd). Thailand benefits from a very friendly attitude toward tourists (ranked 6th), and the sector is indeed prioritized by the government (ranked 14th) with excellent destination marketing campaigns and an effort to ensure national presence at major travel and tourism fairs internationally. However, important weaknesses remain, particularly regarding the quality of transport and tourism infrastructure, both of which remain relatively underdeveloped.

India is ranked 65th overall. The country has some clear strengths, linked mainly to cultural endowments. It ranked a very high 7th overall with regard to the number of World Heritage sites in the country, and it also benefits from a famously welcoming attitude toward foreign travelers. The country also benefits from excellent price competitiveness, ranked 6th overall, with very low ticket taxes and airport charges as well as low prices in the economy as a whole. With regard to the policy environment, property rights are indeed well protected and foreign ownership is authorized, although the stringency of visa requirements places India a very low 106th overall. However, the tourism infrastructure remains underdeveloped. Furthermore, despite government and industry efforts to promote the country abroad (India is ranked 4th with regard to tourism fair attendance) and the exposure given to recent promotional campaigns, the assessment of marketing and branding to attract tourists remains mediocre (ranked 59th).

China is ranked 71st in the TTCI. Although China is ranked 3rd in terms of World Heritage sites and 11th in terms of price competitiveness, it has a policy environment that is not at all conducive for T&T development (ranked a low 97th), with property rights that are not sufficiently protected, strong foreign ownership restrictions, and stringent visa requirements. Environmental regulation also gets low marks, with the government not seen to be prioritizing the development of the sector in

Table 1: The Travel & Tourism Competitiveness Index

Country/Economy	SUBINDEXES							
	OVERALL INDEX		Regulatory framework		Business environment and infrastructure		Human, cultural, and natural resources	
	Rank	Score	Rank	Score	Rank	Score	Rank	Score
Switzerland	1	5.66	2	5.80	2	5.36	2	5.81
Austria	2	5.54	3	5.79	12	4.97	1	5.86
Germany	3	5.48	6	5.62	3	5.23	6	5.61
Iceland	4	5.45	5	5.69	8	5.04	5	5.61
United States	5	5.43	33	5.06	1	5.74	12	5.50
Hong Kong SAR	6	5.33	4	5.75	14	4.81	14	5.44
Canada	7	5.31	15	5.31	4	5.22	16	5.40
Singapore	8	5.31	1	5.81	11	5.01	42	5.11
Luxembourg	9	5.31	17	5.28	9	5.04	8	5.60
United Kingdom	10	5.28	21	5.20	6	5.08	10	5.58
Denmark	11	5.27	8	5.46	16	4.76	9	5.59
France	12	5.23	13	5.34	5	5.10	28	5.27
Australia	13	5.21	16	5.28	10	5.04	26	5.30
New Zealand	14	5.20	10	5.44	20	4.57	7	5.60
Spain	15	5.18	25	5.15	7	5.05	19	5.34
Finland	16	5.16	7	5.61	18	4.68	33	5.18
Sweden	17	5.13	19	5.25	13	4.88	27	5.27
United Arab Emirates	18	5.09	18	5.28	19	4.68	24	5.31
Netherlands	19	5.08	22	5.17	15	4.77	25	5.30
Cyprus	20	5.07	29	5.09	23	4.50	3	5.62
Belgium	21	5.07	24	5.16	29	4.41	4	5.62
Portugal	22	5.05	11	5.40	22	4.50	30	5.23
Norway	23	5.04	9	5.45	21	4.56	40	5.12
Greece	24	4.99	20	5.21	32	4.36	15	5.41
Japan	25	4.99	28	5.10	17	4.71	38	5.15
Malta	26	4.96	23	5.16	31	4.37	21	5.33
Ireland	27	4.93	14	5.32	26	4.44	46	5.03
Estonia	28	4.90	32	5.07	25	4.45	34	5.18
Barbados	29	4.86	31	5.08	36	4.14	17	5.38
Taiwan, China	30	4.82	45	4.73	28	4.43	23	5.32
Malaysia	31	4.80	27	5.12	27	4.44	57	4.84
Israel	32	4.80	36	4.93	33	4.28	35	5.18
Italy	33	4.78	42	4.77	30	4.38	32	5.18
Tunisia	34	4.76	12	5.34	47	3.77	37	5.15
Czech Republic	35	4.75	40	4.80	37	4.13	22	5.32
Qatar	36	4.71	34	5.04	39	4.10	49	4.99
Slovak Republic	37	4.68	37	4.86	45	3.81	18	5.37
Croatia	38	4.66	58	4.37	40	4.06	11	5.55
Mauritius	39	4.63	35	4.96	46	3.77	39	5.15
Hungary	40	4.61	26	5.15	51	3.71	51	4.98
Costa Rica	41	4.60	39	4.80	52	3.66	20	5.34
Korea, Rep.	42	4.58	46	4.61	24	4.46	73	4.67
Thailand	43	4.58	41	4.78	35	4.14	59	4.82
Slovenia	44	4.58	44	4.74	38	4.11	53	4.88
Chile	45	4.58	38	4.83	42	3.87	47	5.03
Jordan	46	4.52	30	5.09	54	3.65	58	4.82
Bahrain	47	4.45	61	4.24	34	4.24	54	4.86
Jamaica	48	4.41	49	4.54	59	3.53	36	5.17
Mexico	49	4.38	48	4.55	57	3.60	50	4.98
Dominican Republic	50	4.35	51	4.52	71	3.28	29	5.24
Lithuania	51	4.34	57	4.39	43	3.84	61	4.79
Turkey	52	4.32	53	4.45	63	3.49	48	5.00
Latvia	53	4.31	60	4.32	41	4.00	77	4.63
Bulgaria	54	4.31	66	4.17	56	3.64	41	5.11
Panama	55	4.28	56	4.41	53	3.66	63	4.76
Uruguay	56	4.28	43	4.76	67	3.32	64	4.75
Morocco	57	4.27	47	4.60	72	3.27	52	4.93
Egypt	58	4.24	50	4.52	60	3.51	68	4.70
Brazil	59	4.20	67	4.14	48	3.76	67	4.70
Indonesia	60	4.20	54	4.45	68	3.30	56	4.85
Serbia and Montenegro	61	4.18	79	3.99	80	3.09	13	5.47
South Africa	62	4.18	59	4.35	44	3.81	96	4.37
Poland	63	4.18	63	4.22	62	3.50	60	4.81
Argentina	64	4.18	85	3.90	58	3.58	45	5.05
India	65	4.14	62	4.24	55	3.64	81	4.55
Georgia	66	4.13	55	4.44	98	2.77	31	5.18

(cont'd.)

Table 1: The Travel & Tourism Competitiveness Index (cont'd.)

Country/Economy	SUBINDEXES							
	OVERALL INDEX		Regulatory framework		Business environment and infrastructure		Human, cultural, and natural resources	
	Rank	Score	Rank	Score	Rank	Score	Rank	Score
Kuwait	67	4.08	71	4.07	50	3.71	86	4.46
Russian Federation	68	4.03	100	3.64	49	3.75	65	4.71
Guatemala	69	4.00	68	4.14	76	3.16	69	4.69
Botswana	70	3.99	64	4.21	69	3.30	85	4.47
China	71	3.97	78	4.00	61	3.51	93	4.39
Colombia	72	3.96	69	4.12	77	3.15	78	4.62
Namibia	73	3.95	73	4.05	64	3.44	95	4.37
Armenia	74	3.93	65	4.21	96	2.80	62	4.77
Azerbaijan	75	3.92	77	4.01	70	3.29	88	4.45
Romania	76	3.91	87	3.86	74	3.20	71	4.68
El Salvador	77	3.90	75	4.01	66	3.34	98	4.36
Ukraine	78	3.89	76	4.01	73	3.21	89	4.45
Sri Lanka	79	3.89	70	4.11	91	2.86	70	4.69
Tanzania	80	3.86	72	4.07	89	2.88	75	4.64
Peru	81	3.86	74	4.04	85	2.95	80	4.59
Kazakhstan	82	3.81	81	3.97	81	3.03	90	4.44
Macedonia, FYR	83	3.81	114	3.34	82	3.01	44	5.07
Gambia	84	3.81	52	4.48	106	2.66	101	4.28
Trinidad and Tobago	85	3.79	88	3.83	65	3.35	104	4.20
Philippines	86	3.79	80	3.98	79	3.10	100	4.29
Vietnam	87	3.78	84	3.91	95	2.81	76	4.63
Honduras	88	3.78	83	3.93	83	2.97	91	4.44
Nicaragua	89	3.76	82	3.97	99	2.76	82	4.54
Albania	90	3.75	94	3.70	114	2.49	43	5.07
Mongolia	91	3.72	92	3.74	109	2.57	55	4.86
Mauritania	92	3.71	95	3.68	97	2.80	74	4.67
Algeria	93	3.67	89	3.81	93	2.82	97	4.37
Zambia	94	3.66	86	3.87	120	2.44	72	4.67
Moldova	95	3.65	99	3.65	100	2.75	83	4.54
Cambodia	96	3.64	90	3.77	103	2.71	87	4.45
Ecuador	97	3.64	98	3.66	90	2.87	94	4.38
Kenya	98	3.62	91	3.76	86	2.94	107	4.15
Venezuela	99	3.62	117	3.32	78	3.12	92	4.41
Guyana	100	3.56	96	3.67	88	2.93	109	4.09
Uganda	101	3.56	105	3.54	119	2.44	66	4.70
Kyrgyz Republic	102	3.54	111	3.41	104	2.69	84	4.52
Pakistan	103	3.52	106	3.50	75	3.19	118	3.88
Bosnia and Herzegovina	104	3.51	101	3.59	94	2.82	108	4.14
Mali	105	3.50	93	3.72	121	2.41	99	4.36
Nepal	106	3.49	113	3.39	117	2.47	79	4.60
Zimbabwe	107	3.48	108	3.49	84	2.97	114	3.99
Suriname	108	3.47	110	3.44	87	2.94	112	4.02
Bolivia	109	3.46	109	3.46	101	2.73	103	4.20
Tajikistan	110	3.46	97	3.67	112	2.52	105	4.18
Paraguay	111	3.44	107	3.50	92	2.84	113	4.00
Madagascar	112	3.44	104	3.54	105	2.68	110	4.09
Burkina Faso	113	3.41	102	3.58	115	2.48	106	4.17
Malawi	114	3.31	103	3.57	118	2.46	117	3.90
Nigeria	115	3.30	118	3.32	102	2.72	119	3.86
Benin	116	3.28	112	3.40	116	2.47	115	3.96
Ethiopia	117	3.26	120	3.13	110	2.57	111	4.08
Cameroon	118	3.25	119	3.16	122	2.37	102	4.22
Mozambique	119	3.23	115	3.34	107	2.63	121	3.71
Bangladesh	120	3.21	121	3.07	108	2.61	116	3.96
Lesotho	121	3.12	116	3.34	111	2.54	123	3.48
Angola	122	2.89	122	2.91	113	2.50	124	3.25
Burundi	123	2.88	123	2.82	123	2.31	122	3.50
Chad	124	2.68	124	2.51	124	1.80	120	3.72

Table 2: The Travel & Tourism Competitiveness Index: Regulatory framework

Country/Economy	PILLARS											
	Regulatory framework		Policy rules and regulations		Environmental regulation		Safety and security		Health and hygiene		Prioritization of Travel & Tourism	
	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score
Albania	94	3.70	84	4.14	124	2.50	80	4.09	58	4.81	107	2.94
Algeria	89	3.81	113	3.37	82	3.66	74	4.18	53	4.91	109	2.92
Angola	122	2.91	121	2.93	115	2.92	92	3.85	119	2.61	121	2.27
Argentina	85	3.90	78	4.30	94	3.41	91	3.90	90	4.04	64	3.85
Armenia	65	4.21	92	3.81	102	3.28	49	4.79	40	5.46	67	3.68
Australia	16	5.28	52	4.81	13	5.58	20	5.50	22	5.91	30	4.62
Austria	3	5.79	22	5.33	2	6.09	4	6.20	14	6.18	14	5.17
Azerbaijan	77	4.01	96	3.76	104	3.18	38	4.97	63	4.70	84	3.42
Bahrain	61	4.24	62	4.71	77	3.74	61	4.55	61	4.76	81	3.46
Bangladesh	121	3.07	99	3.69	112	2.96	119	3.08	105	3.27	118	2.37
Barbados	31	5.08	27	5.24	42	4.43	35	5.13	42	5.40	11	5.19
Belgium	24	5.16	20	5.33	18	5.44	36	5.06	2	6.59	86	3.40
Benin	112	3.40	119	3.22	76	3.75	82	4.09	113	3.12	110	2.84
Bolivia	109	3.46	85	4.13	114	2.95	103	3.56	98	3.73	108	2.93
Bosnia and Herzegovina	101	3.59	83	4.18	119	2.79	75	4.16	57	4.85	123	1.97
Botswana	64	4.21	59	4.74	59	4.11	55	4.65	86	4.09	83	3.45
Brazil	67	4.14	75	4.35	46	4.38	90	3.91	72	4.43	71	3.64
Bulgaria	66	4.17	82	4.25	103	3.24	107	3.46	27	5.81	45	4.11
Burkina Faso	102	3.58	105	3.65	57	4.16	65	4.47	120	2.59	103	3.05
Burundi	123	2.82	122	2.92	118	2.85	108	3.45	111	3.16	124	1.75
Cambodia	90	3.77	93	3.78	73	3.82	98	3.72	122	2.21	7	5.34
Cameroon	119	3.16	111	3.39	116	2.91	89	4.01	110	3.19	119	2.32
Canada	15	5.31	16	5.46	19	5.43	21	5.40	38	5.66	32	4.60
Chad	124	2.51	123	2.78	123	2.62	120	2.98	123	1.78	117	2.38
Chile	38	4.83	7	5.66	36	4.61	30	5.22	51	5.03	73	3.61
China	78	4.00	97	3.76	88	3.53	83	4.08	84	4.09	33	4.54
Colombia	69	4.12	41	4.99	58	4.12	105	3.48	55	4.88	98	3.14
Costa Rica	39	4.80	17	5.40	35	4.63	67	4.40	50	5.05	34	4.54
Croatia	58	4.37	72	4.55	52	4.26	63	4.54	66	4.59	57	3.89
Cyprus	29	5.09	49	4.87	53	4.26	34	5.17	36	5.69	4	5.49
Czech Republic	40	4.80	32	5.15	31	4.82	52	4.74	44	5.32	52	3.97
Denmark	8	5.46	10	5.56	1	6.11	8	6.00	16	6.14	80	3.47
Dominican Republic	51	4.52	14	5.47	72	3.84	87	4.05	79	4.18	18	5.05
Ecuador	98	3.66	77	4.32	107	3.08	102	3.56	80	4.12	96	3.21
Egypt	50	4.52	69	4.59	75	3.79	64	4.54	69	4.50	12	5.18
El Salvador	75	4.01	9	5.63	63	3.97	118	3.10	73	4.27	100	3.11
Estonia	32	5.07	47	4.92	32	4.78	28	5.25	30	5.75	28	4.67
Ethiopia	120	3.13	115	3.33	111	2.98	58	4.60	124	1.67	102	3.10
Finland	7	5.61	15	5.46	5	5.98	1	6.55	6	6.32	65	3.76
France	13	5.34	40	5.00	15	5.50	29	5.22	9	6.27	27	4.69
Gambia	52	4.48	74	4.38	43	4.41	48	4.80	95	3.81	20	4.98
Georgia	55	4.44	80	4.27	68	3.89	47	4.80	43	5.37	59	3.87
Germany	6	5.62	6	5.67	3	6.05	2	6.26	11	6.23	56	3.90
Greece	20	5.21	57	4.77	45	4.39	18	5.53	3	6.53	22	4.85
Guatemala	68	4.14	18	5.37	79	3.68	114	3.17	76	4.23	38	4.24
Guyana	96	3.67	79	4.29	93	3.44	124	2.39	87	4.08	41	4.16
Honduras	83	3.93	37	5.12	87	3.54	113	3.24	83	4.09	70	3.65
Hong Kong SAR	4	5.75	2	5.76	24	5.11	6	6.07	1	6.62	13	5.18
Hungary	26	5.15	25	5.26	33	4.75	25	5.32	12	6.20	39	4.22
Iceland	5	5.69	36	5.12	12	5.60	3	6.21	4	6.42	16	5.10
India	62	4.24	86	4.12	41	4.45	39	4.96	100	3.59	48	4.06
Indonesia	54	4.45	43	4.97	81	3.66	50	4.77	103	3.48	6	5.36
Ireland	14	5.32	4	5.69	22	5.18	31	5.22	35	5.69	24	4.84
Israel	36	4.93	30	5.18	30	4.86	69	4.34	7	6.31	53	3.93
Italy	42	4.77	70	4.58	54	4.26	53	4.73	5	6.41	60	3.86
Jamaica	49	4.54	3	5.70	67	3.92	111	3.30	67	4.59	10	5.22
Japan	28	5.10	38	5.05	17	5.47	23	5.37	28	5.78	63	3.85
Jordan	30	5.09	29	5.18	56	4.21	19	5.53	41	5.41	17	5.10
Kazakhstan	81	3.97	106	3.54	80	3.67	76	4.15	45	5.30	97	3.20
Kenya	91	3.76	116	3.33	60	4.07	116	3.12	106	3.26	19	4.99
Korea, Rep.	46	4.61	56	4.78	37	4.60	37	5.00	60	4.78	58	3.87
Kuwait	71	4.07	100	3.69	96	3.35	22	5.38	37	5.67	120	2.28
Kyrgyz Republic	111	3.41	120	3.10	106	3.16	115	3.15	74	4.27	89	3.37
Latvia	60	4.32	71	4.57	49	4.31	41	4.92	68	4.56	94	3.22
Lesotho	116	3.34	87	4.04	105	3.17	94	3.80	109	3.21	115	2.46
Lithuania	57	4.39	68	4.59	51	4.29	57	4.60	47	5.24	95	3.21

(cont'd.)

Table 2: The Travel & Tourism Competitiveness Index: Regulatory framework (cont'd.)

Country/Economy	PILLARS											
	Regulatory framework		Policy rules and regulations		Environmental regulation		Safety and security		Health and hygiene		Prioritization of Travel & Tourism	
	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score
Luxembourg	17	5.28	5	5.67	11	5.65	13	5.70	19	5.97	85	3.41
Macedonia, FYR	114	3.34	89	3.96	110	3.01	97	3.75	96	3.80	122	2.20
Madagascar	104	3.54	117	3.23	62	3.98	93	3.81	118	2.69	50	3.99
Malawi	103	3.57	73	4.45	86	3.56	81	4.09	104	3.28	114	2.47
Malaysia	27	5.12	26	5.25	20	5.31	26	5.30	62	4.75	21	4.98
Mali	93	3.72	110	3.45	69	3.87	66	4.45	114	3.12	66	3.71
Malta	23	5.16	53	4.79	55	4.21	16	5.62	26	5.82	5	5.37
Mauritania	95	3.68	112	3.38	98	3.34	54	4.71	115	3.05	55	3.90
Mauritius	35	4.96	63	4.67	34	4.67	40	4.95	46	5.25	9	5.24
Mexico	48	4.55	33	5.13	47	4.35	104	3.54	49	5.05	29	4.65
Moldova	99	3.65	118	3.22	92	3.46	88	4.01	56	4.87	113	2.69
Mongolia	92	3.74	94	3.78	117	2.87	77	4.13	75	4.26	68	3.66
Morocco	47	4.60	48	4.90	64	3.97	43	4.88	81	4.11	15	5.16
Mozambique	115	3.34	108	3.50	91	3.48	100	3.60	121	2.50	72	3.64
Namibia	73	4.05	44	4.95	48	4.32	85	4.07	107	3.23	69	3.66
Nepal	113	3.39	91	3.83	97	3.35	123	2.73	116	3.02	49	4.04
Netherlands	22	5.17	12	5.50	10	5.69	27	5.29	15	6.16	91	3.24
New Zealand	10	5.44	19	5.36	8	5.85	12	5.72	23	5.90	36	4.37
Nicaragua	82	3.97	39	5.04	99	3.32	68	4.36	97	3.76	88	3.38
Nigeria	118	3.32	109	3.49	78	3.69	117	3.10	108	3.21	101	3.10
Norway	9	5.45	34	5.13	9	5.83	9	5.96	10	6.24	46	4.10
Pakistan	106	3.50	98	3.73	85	3.57	106	3.46	91	4.04	111	2.71
Panama	56	4.41	31	5.16	70	3.85	59	4.58	65	4.63	62	3.85
Paraguay	107	3.50	95	3.77	121	2.68	101	3.58	88	4.08	87	3.39
Peru	74	4.04	35	5.13	71	3.85	110	3.38	93	3.97	61	3.86
Philippines	80	3.98	61	4.72	83	3.65	96	3.75	77	4.22	74	3.59
Poland	63	4.22	66	4.66	65	3.96	71	4.26	89	4.07	42	4.15
Portugal	11	5.40	28	5.23	26	5.05	11	5.82	17	6.13	26	4.78
Qatar	34	5.04	65	4.66	29	4.89	17	5.61	24	5.88	40	4.17
Romania	87	3.86	67	4.61	101	3.31	72	4.26	99	3.68	82	3.45
Russian Federation	100	3.64	124	2.71	113	2.96	99	3.66	31	5.73	99	3.13
Serbia and Montenegro	79	3.99	76	4.33	120	2.72	62	4.55	48	5.11	92	3.23
Singapore	1	5.81	1	5.78	6	5.92	7	6.02	29	5.77	2	5.57
Slovak Republic	37	4.86	24	5.30	38	4.59	24	5.37	18	5.99	104	3.05
Slovenia	44	4.74	81	4.27	27	5.01	33	5.21	34	5.69	77	3.51
South Africa	59	4.35	46	4.94	28	4.97	95	3.77	82	4.10	51	3.99
Spain	25	5.15	45	4.95	40	4.51	46	4.84	21	5.93	3	5.54
Sri Lanka	70	4.11	64	4.67	74	3.80	112	3.27	70	4.49	37	4.33
Suriname	110	3.44	107	3.54	122	2.67	84	4.07	71	4.48	116	2.43
Sweden	19	5.25	23	5.30	7	5.87	15	5.64	13	6.19	93	3.22
Switzerland	2	5.80	21	5.33	4	6.04	5	6.08	8	6.29	8	5.28
Taiwan, China	45	4.73	8	5.65	21	5.19	32	5.21	85	4.09	78	3.51
Tajikistan	97	3.67	102	3.68	89	3.52	78	4.11	92	4.00	106	3.03
Tanzania	72	4.07	101	3.68	44	4.40	79	4.09	101	3.55	31	4.61
Thailand	41	4.78	55	4.78	39	4.58	42	4.91	59	4.80	25	4.84
Trinidad and Tobago	88	3.83	60	4.74	100	3.32	121	2.85	64	4.68	75	3.57
Tunisia	12	5.34	42	4.98	16	5.47	14	5.64	52	5.02	1	5.59
Turkey	53	4.45	51	4.82	61	4.04	56	4.61	54	4.90	54	3.91
Uganda	105	3.54	103	3.66	66	3.94	109	3.44	112	3.13	79	3.51
Ukraine	76	4.01	88	3.99	109	3.04	73	4.23	39	5.55	90	3.25
United Arab Emirates	18	5.28	54	4.78	25	5.07	10	5.83	25	5.84	23	4.85
United Kingdom	21	5.20	11	5.54	14	5.52	44	4.88	33	5.70	35	4.38
United States	33	5.06	13	5.48	23	5.15	45	4.84	32	5.72	47	4.10
Uruguay	43	4.76	50	4.84	50	4.30	60	4.57	20	5.95	44	4.13
Venezuela	117	3.32	90	3.84	108	3.06	122	2.80	78	4.20	112	2.70
Vietnam	84	3.91	104	3.66	84	3.59	51	4.77	94	3.96	76	3.55
Zambia	86	3.87	58	4.76	95	3.39	70	4.33	117	2.69	43	4.15
Zimbabwe	108	3.49	114	3.36	90	3.51	86	4.07	102	3.48	105	3.04

Table 3: The Travel & Tourism Competitiveness Index: Business environment and infrastructure

Country/Economy	Business environment and infrastructure		PILLARS									
	Rank	Score	Air transport infrastructure		Ground transport infrastructure		Tourism infrastructure		ICT infrastructure		Price competitiveness in T&T industry	
			Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score
Albania	114	2.49	113	2.00	122	1.94	86	2.39	106	1.80	81	4.31
Algeria	93	2.82	101	2.25	78	3.00	114	1.69	118	1.63	9	5.52
Angola	113	2.50	98	2.29	120	2.00	115	1.63	121	1.58	30	5.01
Argentina	58	3.58	43	3.49	69	3.37	51	3.51	55	2.95	62	4.56
Armenia	96	2.80	95	2.32	98	2.56	110	1.86	84	2.20	28	5.05
Australia	10	5.04	5	5.41	20	5.18	14	5.44	8	5.57	111	3.59
Austria	12	4.97	23	4.10	17	5.49	1	6.92	22	4.79	113	3.55
Azerbaijan	70	3.29	77	2.75	49	3.87	101	2.14	73	2.39	17	5.30
Bahrain	34	4.24	27	3.95	39	4.21	31	4.18	52	3.00	3	5.84
Bangladesh	108	2.61	114	1.99	87	2.82	120	1.29	112	1.71	19	5.25
Barbados	36	4.14	53	3.22	41	4.14	42	3.78	25	4.62	33	4.93
Belgium	29	4.41	26	3.99	9	6.05	33	4.15	29	4.39	114	3.49
Benin	116	2.47	122	1.71	100	2.47	97	2.18	113	1.70	79	4.32
Bolivia	101	2.73	68	2.87	121	1.96	98	2.17	98	1.89	49	4.74
Bosnia and Herzegovina	94	2.82	117	1.88	114	2.12	56	3.27	61	2.67	92	4.14
Botswana	69	3.30	59	3.13	66	3.49	73	2.68	97	1.89	16	5.32
Brazil	48	3.76	28	3.94	79	2.96	28	4.36	48	3.22	80	4.31
Bulgaria	56	3.64	76	2.75	70	3.33	25	4.43	50	3.05	59	4.63
Burkina Faso	115	2.48	119	1.81	103	2.44	109	1.87	110	1.74	67	4.53
Burundi	123	2.31	123	1.58	117	2.10	111	1.86	123	1.46	66	4.54
Cambodia	103	2.71	89	2.54	82	2.93	122	1.09	111	1.71	18	5.27
Cameroon	122	2.37	120	1.80	113	2.19	89	2.29	122	1.51	100	4.04
Canada	4	5.22	2	5.68	13	5.67	16	5.31	4	5.76	110	3.68
Chad	124	1.80	124	1.54	124	1.63	117	1.44	124	1.32	123	3.08
Chile	42	3.87	41	3.59	30	4.61	61	3.12	41	3.54	69	4.52
China	61	3.51	36	3.78	45	3.99	113	1.72	63	2.62	11	5.42
Colombia	77	3.15	50	3.34	86	2.83	79	2.53	67	2.52	71	4.51
Costa Rica	52	3.66	44	3.49	93	2.59	36	4.10	45	3.32	42	4.83
Croatia	40	4.06	80	2.71	46	3.98	11	5.73	34	3.79	96	4.09
Cyprus	23	4.50	34	3.83	51	3.84	5	6.10	31	4.26	72	4.48
Czech Republic	37	4.13	48	3.39	38	4.27	23	4.49	26	4.49	101	4.03
Denmark	16	4.76	17	4.63	7	6.21	22	4.61	10	5.44	124	2.90
Dominican Republic	71	3.28	63	3.04	71	3.20	39	3.90	79	2.33	104	3.94
Ecuador	90	2.87	82	2.67	97	2.58	94	2.19	85	2.15	45	4.76
Egypt	60	3.51	49	3.35	58	3.73	85	2.39	74	2.39	5	5.68
El Salvador	66	3.34	57	3.15	63	3.54	78	2.55	66	2.54	36	4.89
Estonia	25	4.45	56	3.17	31	4.48	21	4.84	19	4.86	34	4.92
Ethiopia	110	2.57	94	2.35	118	2.07	118	1.43	119	1.60	13	5.39
Finland	18	4.68	19	4.55	10	5.88	29	4.33	15	5.24	117	3.41
France	5	5.10	4	5.45	4	6.44	15	5.40	21	4.83	118	3.35
Gambia	106	2.66	102	2.21	80	2.95	108	1.87	104	1.82	73	4.48
Georgia	98	2.77	106	2.16	76	3.07	106	1.87	87	2.09	58	4.65
Germany	3	5.23	6	5.39	1	6.58	18	5.28	13	5.31	112	3.56
Greece	32	4.36	37	3.72	34	4.42	7	6.02	38	3.65	103	3.99
Guatemala	76	3.16	55	3.18	73	3.12	76	2.64	71	2.46	74	4.41
Guyana	88	2.93	69	2.83	92	2.60	80	2.52	65	2.54	90	4.15
Honduras	83	2.97	74	2.77	75	3.09	82	2.45	90	2.03	68	4.53
Hong Kong SAR	14	4.81	12	4.83	2	6.46	70	2.79	16	4.98	31	4.98
Hungary	51	3.71	65	2.98	56	3.74	34	4.15	39	3.61	97	4.07
Iceland	8	5.04	13	4.81	29	4.61	10	5.82	2	6.16	108	3.80
India	55	3.64	33	3.86	40	4.17	96	2.18	75	2.38	6	5.61
Indonesia	68	3.30	64	2.98	89	2.80	87	2.36	80	2.28	1	6.10
Ireland	26	4.44	20	4.33	50	3.85	13	5.58	30	4.31	91	4.15
Israel	33	4.28	40	3.59	24	4.94	41	3.79	23	4.78	78	4.32
Italy	30	4.38	22	4.20	55	3.77	8	6.00	27	4.48	116	3.43
Jamaica	59	3.53	47	3.39	57	3.74	64	3.05	44	3.37	95	4.09
Japan	17	4.71	16	4.68	6	6.32	43	3.76	17	4.95	107	3.84
Jordan	54	3.65	67	2.88	47	3.95	49	3.56	72	2.44	12	5.42
Kazakhstan	81	3.03	75	2.76	72	3.19	100	2.15	78	2.34	51	4.72
Kenya	86	2.94	71	2.82	84	2.89	71	2.75	93	2.02	82	4.25
Korea, Rep.	24	4.46	24	4.10	19	5.30	68	2.88	3	5.81	84	4.24
Kuwait	50	3.71	62	3.06	43	4.02	52	3.49	53	2.98	29	5.01
Kyrgyz Republic	104	2.69	107	2.15	104	2.41	95	2.19	99	1.89	40	4.83
Latvia	41	4.00	54	3.19	36	4.29	37	4.08	36	3.73	55	4.68
Lesotho	111	2.54	121	1.75	115	2.11	103	1.98	117	1.67	24	5.17
Lithuania	43	3.84	61	3.07	32	4.47	40	3.80	40	3.54	77	4.35

(cont'd.)

Table 3: The Travel & Tourism Competitiveness Index: Business environment and infrastructure (cont'd.)

Country/Economy	PILLARS											
	Business environment and infrastructure		Air transport infrastructure		Ground transport infrastructure		Tourism infrastructure		ICT infrastructure		Price competitiveness in T&T industry	
	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score
Luxembourg	9	5.04	38	3.68	21	5.10	6	6.05	6	5.69	56	4.67
Macedonia, FYR	82	3.01	108	2.12	83	2.92	63	3.10	76	2.38	64	4.55
Madagascar	105	2.68	110	2.03	106	2.40	81	2.48	115	1.68	43	4.82
Malawi	118	2.46	118	1.87	111	2.32	112	1.74	116	1.67	54	4.68
Malaysia	27	4.44	31	3.91	15	5.58	60	3.14	37	3.69	2	5.89
Mali	121	2.41	116	1.92	105	2.40	105	1.89	107	1.79	98	4.06
Malta	31	4.37	42	3.58	60	3.62	12	5.60	11	5.39	109	3.68
Mauritania	97	2.80	111	2.03	99	2.47	72	2.71	96	1.90	38	4.88
Mauritius	46	3.77	60	3.12	53	3.79	38	3.99	59	2.75	20	5.23
Mexico	57	3.60	32	3.87	62	3.57	47	3.58	60	2.74	85	4.23
Moldova	100	2.75	103	2.19	110	2.35	88	2.32	81	2.26	60	4.62
Mongolia	109	2.57	96	2.31	109	2.35	116	1.45	91	2.02	52	4.71
Morocco	72	3.27	83	2.66	54	3.78	62	3.11	92	2.02	46	4.76
Mozambique	107	2.63	105	2.17	108	2.37	92	2.20	120	1.60	41	4.83
Namibia	64	3.44	45	3.45	33	4.46	83	2.43	86	2.10	47	4.75
Nepal	117	2.47	112	2.02	116	2.11	123	1.08	105	1.81	14	5.35
Netherlands	15	4.77	14	4.80	8	6.20	32	4.16	12	5.37	119	3.34
New Zealand	20	4.57	15	4.69	25	4.83	35	4.12	20	4.85	75	4.37
Nicaragua	99	2.76	73	2.78	112	2.24	77	2.58	103	1.85	76	4.35
Nigeria	102	2.72	104	2.18	88	2.80	107	1.87	102	1.85	35	4.91
Norway	21	4.56	18	4.61	22	5.10	17	5.30	24	4.70	121	3.10
Pakistan	75	3.19	84	2.64	52	3.84	99	2.17	89	2.09	22	5.19
Panama	53	3.66	39	3.66	42	4.04	57	3.18	62	2.63	44	4.79
Paraguay	92	2.84	66	2.89	119	2.04	90	2.28	109	1.76	21	5.22
Peru	85	2.95	88	2.55	96	2.58	66	2.96	68	2.49	89	4.15
Philippines	79	3.10	72	2.80	91	2.70	93	2.19	83	2.22	7	5.59
Poland	62	3.50	86	2.60	61	3.60	46	3.61	43	3.46	83	4.24
Portugal	22	4.50	35	3.81	23	4.99	9	5.89	33	3.83	102	3.99
Qatar	39	4.10	29	3.93	48	3.94	26	4.40	49	3.12	25	5.12
Romania	74	3.20	93	2.38	77	3.01	50	3.55	56	2.85	87	4.19
Russian Federation	49	3.75	21	4.23	65	3.52	58	3.17	51	3.01	39	4.84
Serbia and Montenegro	80	3.09	99	2.29	107	2.38	54	3.34	46	3.29	88	4.16
Singapore	11	5.01	10	4.88	3	6.45	44	3.73	18	4.87	26	5.10
Slovak Republic	45	3.81	97	2.30	44	4.01	30	4.29	35	3.78	57	4.66
Slovenia	38	4.11	79	2.72	37	4.28	20	5.22	28	4.47	106	3.87
South Africa	44	3.81	30	3.92	35	4.34	48	3.58	70	2.46	48	4.74
Spain	7	5.05	7	5.17	18	5.42	2	6.80	32	3.93	105	3.93
Sri Lanka	91	2.86	91	2.48	74	3.11	102	2.01	94	1.99	53	4.70
Suriname	87	2.94	81	2.71	102	2.46	59	3.14	82	2.26	93	4.11
Sweden	13	4.88	11	4.87	12	5.74	27	4.39	1	6.31	122	3.10
Switzerland	2	5.36	9	4.97	5	6.36	4	6.48	9	5.54	115	3.46
Taiwan, China	28	4.43	52	3.22	14	5.66	74	2.67	14	5.27	15	5.32
Tajikistan	112	2.52	109	2.09	94	2.58	124	1.01	101	1.86	27	5.08
Tanzania	89	2.88	100	2.26	68	3.39	84	2.40	108	1.77	63	4.56
Thailand	35	4.14	25	4.07	28	4.67	53	3.45	58	2.78	4	5.71
Trinidad and Tobago	65	3.35	46	3.43	90	2.77	65	2.97	57	2.85	50	4.72
Tunisia	47	3.77	78	2.74	27	4.78	45	3.70	69	2.46	23	5.17
Turkey	63	3.49	51	3.34	59	3.66	55	3.30	54	2.95	86	4.21
Uganda	119	2.44	115	1.98	101	2.46	119	1.36	100	1.86	65	4.55
Ukraine	73	3.21	87	2.56	67	3.39	75	2.66	64	2.56	37	4.89
United Arab Emirates	19	4.68	8	5.05	26	4.82	24	4.47	42	3.53	8	5.53
United Kingdom	6	5.08	3	5.59	16	5.52	19	5.23	5	5.73	120	3.30
United States	1	5.74	1	6.75	11	5.77	3	6.50	7	5.64	99	4.06
Uruguay	67	3.32	92	2.47	64	3.54	69	2.80	47	3.29	70	4.51
Venezuela	78	3.12	58	3.14	95	2.58	67	2.90	77	2.36	61	4.60
Vietnam	95	2.81	90	2.52	85	2.88	121	1.11	88	2.09	10	5.47
Zambia	120	2.44	85	2.61	123	1.90	104	1.91	114	1.69	94	4.10
Zimbabwe	84	2.97	70	2.82	81	2.94	91	2.21	95	1.90	32	4.95

Table 4: The Travel & Tourism Competitiveness Index: Human, cultural, and natural resources

Country/Economy	PILLARS							
	Human, cultural, and natural resources		Human resources		National tourism perception		Natural and cultural resources	
	Rank	Score	Rank	Score	Rank	Score	Rank	Score
Albania	43	5.07	35	5.37	10	6.17	93	3.68
Algeria	97	4.37	86	4.82	114	4.01	65	4.28
Angola	124	3.25	118	3.09	121	3.64	119	3.02
Argentina	45	5.05	66	5.08	52	5.13	35	4.93
Armenia	62	4.77	53	5.23	53	5.11	78	3.98
Australia	26	5.30	17	5.64	80	4.60	15	5.64
Austria	1	5.86	23	5.53	33	5.53	2	6.52
Azerbaijan	88	4.45	36	5.36	65	4.82	116	3.15
Bahrain	54	4.86	79	4.94	36	5.37	66	4.27
Bangladesh	116	3.96	99	4.30	119	3.88	92	3.69
Barbados	17	5.38	42	5.32	2	6.56	68	4.25
Belgium	4	5.62	27	5.49	59	4.99	4	6.38
Benin	115	3.96	104	4.08	79	4.61	112	3.19
Bolivia	103	4.20	91	4.79	113	4.02	90	3.80
Bosnia and Herzegovina	108	4.14	90	4.79	111	4.10	100	3.52
Botswana	85	4.47	113	3.52	28	5.59	62	4.30
Brazil	67	4.70	83	4.85	87	4.54	42	4.71
Bulgaria	41	5.11	67	5.08	30	5.56	43	4.70
Burkina Faso	106	4.17	117	3.18	12	6.15	114	3.18
Burundi	122	3.50	119	3.08	98	4.42	120	2.99
Cambodia	87	4.45	105	4.08	32	5.53	91	3.75
Cameroon	102	4.22	103	4.16	24	5.67	123	2.83
Canada	16	5.40	12	5.69	76	4.66	11	5.86
Chad	120	3.72	120	2.99	37	5.34	122	2.83
Chile	47	5.03	24	5.52	92	4.44	32	5.13
China	93	4.39	74	5.00	120	3.82	60	4.36
Colombia	78	4.62	58	5.18	89	4.53	72	4.16
Costa Rica	20	5.34	28	5.49	39	5.30	28	5.22
Croatia	11	5.55	54	5.22	4	6.52	36	4.90
Cyprus	3	5.62	49	5.24	5	6.48	31	5.15
Czech Republic	22	5.32	26	5.50	77	4.65	12	5.80
Denmark	9	5.59	4	6.08	69	4.72	7	5.97
Dominican Republic	29	5.24	57	5.18	21	5.88	45	4.65
Ecuador	94	4.38	96	4.51	86	4.55	74	4.10
Egypt	68	4.70	69	5.06	85	4.55	55	4.49
El Salvador	98	4.36	41	5.32	102	4.36	103	3.41
Estonia	34	5.18	30	5.45	31	5.54	49	4.54
Ethiopia	111	4.08	112	3.55	101	4.36	61	4.32
Finland	33	5.18	8	5.87	109	4.15	18	5.52
France	28	5.27	32	5.42	96	4.42	9	5.95
Gambia	101	4.28	107	3.96	25	5.65	108	3.25
Georgia	31	5.18	33	5.40	7	6.26	81	3.89
Germany	6	5.61	25	5.52	88	4.54	1	6.75
Greece	15	5.41	55	5.21	23	5.71	23	5.29
Guatemala	69	4.69	78	4.95	74	4.67	56	4.46
Guyana	109	4.09	95	4.62	68	4.73	121	2.91
Honduras	91	4.44	82	4.86	63	4.83	97	3.62
Hong Kong SAR	14	5.44	7	5.93	27	5.60	39	4.78
Hungary	51	4.98	37	5.34	100	4.39	30	5.20
Iceland	5	5.61	3	6.19	49	5.19	22	5.44
India	81	4.55	85	4.83	81	4.60	70	4.22
Indonesia	56	4.85	62	5.14	57	5.00	58	4.40
Ireland	46	5.03	9	5.83	67	4.77	54	4.49
Israel	35	5.18	13	5.69	78	4.61	27	5.23
Italy	32	5.18	46	5.26	66	4.79	20	5.50
Jamaica	36	5.17	39	5.33	15	6.10	76	4.08
Japan	38	5.15	11	5.75	116	3.97	14	5.73
Jordan	58	4.82	63	5.13	34	5.51	86	3.83
Kazakhstan	90	4.44	60	5.17	58	5.00	117	3.15
Kenya	107	4.15	100	4.20	75	4.67	98	3.59
Korea, Rep.	73	4.67	48	5.24	118	3.88	37	4.89
Kuwait	86	4.46	16	5.64	117	3.94	89	3.80
Kyrgyz Republic	84	4.52	71	5.05	72	4.69	88	3.82
Latvia	77	4.63	38	5.33	107	4.29	67	4.27
Lesotho	123	3.48	116	3.37	103	4.34	124	2.72
Lithuania	61	4.79	61	5.15	93	4.44	38	4.80

(cont'd.)

Table 4: The Travel & Tourism Competitiveness Index: Human, cultural, and natural resources (cont'd.)

Country/Economy	PILLARS							
	Human, cultural, and natural resources		Human resources		National tourism perception		Natural and cultural resources	
	Rank	Score	Rank	Score	Rank	Score	Rank	Score
Luxembourg	8	5.60	14	5.69	22	5.84	24	5.29
Macedonia, FYR	44	5.07	56	5.21	13	6.11	82	3.89
Madagascar	110	4.09	108	3.93	73	4.68	94	3.66
Malawi	117	3.90	121	2.84	40	5.29	99	3.56
Malaysia	57	4.84	34	5.38	26	5.64	101	3.52
Mali	99	4.36	114	3.49	8	6.21	104	3.37
Malta	21	5.33	43	5.32	16	6.03	44	4.66
Mauritania	74	4.67	101	4.19	1	6.58	110	3.23
Mauritius	39	5.15	89	4.80	14	6.10	50	4.54
Mexico	50	4.98	50	5.24	91	4.50	29	5.22
Moldova	83	4.54	80	4.94	48	5.19	102	3.49
Mongolia	55	4.86	68	5.07	11	6.16	105	3.34
Morocco	52	4.93	72	5.04	45	5.24	52	4.50
Mozambique	121	3.71	124	2.54	44	5.27	106	3.32
Namibia	95	4.37	122	2.83	9	6.17	73	4.12
Nepal	79	4.60	106	4.05	20	5.91	85	3.83
Netherlands	25	5.30	21	5.55	82	4.60	13	5.74
New Zealand	7	5.60	20	5.60	38	5.34	10	5.88
Nicaragua	82	4.54	59	5.18	84	4.58	83	3.87
Nigeria	119	3.86	102	4.18	110	4.13	107	3.25
Norway	40	5.12	18	5.62	108	4.26	21	5.46
Pakistan	118	3.88	98	4.45	123	3.57	96	3.62
Panama	63	4.76	88	4.81	61	4.92	48	4.56
Paraguay	113	4.00	92	4.79	115	3.97	109	3.24
Peru	80	4.59	77	4.95	105	4.32	53	4.49
Philippines	100	4.29	93	4.64	83	4.58	95	3.66
Poland	60	4.81	44	5.31	122	3.59	19	5.52
Portugal	30	5.23	40	5.32	54	5.10	25	5.28
Qatar	49	4.99	19	5.60	41	5.28	75	4.08
Romania	71	4.68	76	4.96	95	4.43	46	4.64
Russian Federation	65	4.71	70	5.05	104	4.34	41	4.74
Serbia and Montenegro	13	5.47	47	5.25	19	5.92	26	5.25
Singapore	42	5.11	2	6.21	47	5.20	79	3.94
Slovak Republic	18	5.37	10	5.78	71	4.71	16	5.62
Slovenia	53	4.88	52	5.23	60	4.99	57	4.43
South Africa	96	4.37	111	3.64	56	5.08	59	4.40
Spain	19	5.34	45	5.30	55	5.09	17	5.62
Sri Lanka	70	4.69	84	4.84	70	4.71	51	4.51
Suriname	112	4.02	97	4.48	97	4.42	115	3.17
Sweden	27	5.27	31	5.43	99	4.42	8	5.96
Switzerland	2	5.81	1	6.25	62	4.88	6	6.30
Taiwan, China	23	5.32	15	5.69	17	5.97	63	4.29
Tajikistan	105	4.18	87	4.82	90	4.51	113	3.19
Tanzania	75	4.64	110	3.69	42	5.28	34	4.96
Thailand	59	4.82	75	4.97	35	5.43	77	4.05
Trinidad and Tobago	104	4.20	64	5.10	106	4.30	111	3.21
Tunisia	37	5.15	22	5.54	50	5.17	40	4.75
Turkey	48	5.00	65	5.09	43	5.28	47	4.63
Uganda	66	4.70	109	3.88	18	5.94	64	4.29
Ukraine	89	4.45	73	5.00	46	5.21	118	3.12
United Arab Emirates	24	5.31	29	5.47	3	6.53	80	3.92
United Kingdom	10	5.58	6	5.97	94	4.43	5	6.32
United States	12	5.50	5	5.99	112	4.09	3	6.42
Uruguay	64	4.75	51	5.23	64	4.83	71	4.20
Venezuela	92	4.41	94	4.63	124	3.52	33	5.08
Vietnam	76	4.63	81	4.92	51	5.14	84	3.84
Zambia	72	4.67	115	3.40	6	6.39	69	4.23
Zimbabwe	114	3.99	123	2.60	29	5.56	87	3.82

a sustainable way. China has a relatively good air transport infrastructure (ranked 36th), and ground transport infrastructure that is ranked 45th overall. However, its tourism infrastructure remains highly underdeveloped (ranked 113th). There are also some safety and security concerns (83rd), as well as issues related to health and hygiene (84th), with a low physician density and access to improved sanitation and drinking water that is low by international standards.

Barbados, at 29th, is the highest-ranked country in the Latin America and Caribbean region. Barbados is ranked 2nd overall with regard to national tourism perception, with a positive attitude toward tourists and toward the value of tourism in the country. The government is prioritizing the sector to a very high degree (ranked 2nd), spending a high percentage of government resources on the sector, and ensuring quality destination marketing campaigns. Further, the country has a regulatory environment that is quite conducive to the development of the sector, with low visa requirements and very open bilateral Air Service Agreements.

Costa Rica, ranked 41st, is second in the region. The country's strengths are in the area of natural resources, where it is ranked 12th with regard to the percentage of nationally protected areas. Its policy environment is extremely conducive to the development of the sector (ranked 17th), with very open bilateral Air Service Agreements, low visa requirements, and an environment that welcomes foreign investment. However, safety and security remains a concern (67th). And while tourism infrastructure is quite well developed (36), ground transport infrastructure remains highly underdeveloped (93rd), particularly roads and ports, making travel in the country somewhat difficult.

Mexico, in 49th place, gets quite high marks for its natural and cultural resources (ranked 29th) with nationally protected areas and a large number of World Heritage sites (ranking the country 7th). This "natural attractiveness" is reinforced by a relatively good policy environment for the development of Travel & Tourism, ranked 33rd overall with low visa requirements and low foreign ownership restrictions, for example. Mexico also has a relatively well developed air transport infrastructure (32nd), although its tourism infrastructure (47th) and ground transport infrastructure (62nd) get lower marks. And for a developing country, it has some weaknesses that are eroding at its price competitiveness—which is ranked a low 85th—in particular, very high ticket taxes and airport charges (ranked a very low 114th overall). Safety and security is also a major concern for the country, with high levels of crime and violence.

Brazil is ranked 59th overall. The country clearly benefits from some excellent cultural and natural resources, in particular many World Heritage sites. And the air transport network gets relatively high marks (28th), as well as measures of the dedicated tourism infrastructure (also 28th), such as the presence of major car rental

companies. However, the general ground transport network remains underdeveloped with the quality of roads, ports, and railroads ranked 96th, 88th, and 81st respectively. Safety and security also continues to be of serious concern, ranked 90th overall, as it is for a number of countries in the region. More generally, the overall policy environment is not particularly conducive to the development of the sector, ranked 75th, with, for example, highly stringent visa requirements and foreign ownership restrictions.

Among countries in the Middle East and North Africa region, the United Arab Emirates (UAE) ranks highest, at 18th, well ahead of the second-ranked country, Israel, at 32nd place. Although UAE ranks quite low with regard to natural and cultural resources (80th), it makes up for this with a number of strengths in other areas captured by the Index. For example, national tourism perception is rated 3rd in the world, with an extremely positive attitude toward foreign travelers and the attractiveness of the country for tourism. The country also does very well with regard to price competitiveness, ranked 8th in this area despite a very high price level. This is because of its very low ticket taxes and airport charges, low taxation more generally, and low fuel price levels in the country. The UAE's infrastructure also gets good marks, particularly its air transport infrastructure, which is ranked a very high 8th out of all countries assessed. The government is seen as prioritizing the sector strongly (ranked 4th) and carrying out very effective destination-marketing campaigns (ranked 1st).

Egypt, a country so rich in cultural heritage (with seven World Heritage sites), ranks a low 58th overall in the TTCI. And this is despite a number of clear strengths beyond the cultural richness. For example, Egypt has excellent price competitiveness, ranked 5th overall with low comparative prices, including fuel prices, as well as relatively low ticket taxes and airport charges. Further, the government is prioritizing the sector, with relatively high government spending on Travel & Tourism and ensuring the country's presence at major tourism fairs. This level of prioritization is reflected in some policy areas such as the favorable policy on visa requirements. On the other hand, the country's infrastructure is underdeveloped, particularly its tourism infrastructure (85th). An upgrading of the quality of the country's human resources available to work in the sector, ranked 69th, would also improve the country's overall T&T competitiveness.

Mauritius is by far the most competitive country in the sub-Saharan Africa region with regard to Travel & Tourism, ranked 39th overall. The general attitude of the population to foreign travelers is quite welcoming, and this is buttressed by great support by the government, which demonstrates the greatest prioritization of the industry of all countries analyzed. The country's tourism infrastructure is quite well developed, with a high concentration of hotel rooms and many major car rental

companies operating in the country. On the negative side, the policy environment could be improved; it is ranked a low 63rd in this area because of foreign ownership restrictions and rules on foreign direct investment, as well as a visa regime that could be simplified to allow foreign tourists to enter the country with less hassle (ranked 43rd).

The rest of the countries of sub-Saharan Africa are situated quite a bit lower in the rankings. South Africa is the region's second-strongest performer, ranked 62nd in the TTCI. The country is endowed with a significant number of World Heritage sites; its infrastructure is also relatively well developed, particularly its air and ground transport infrastructure. Some aspects of the regulatory environment are conducive to the sector's development, such as the excellent protection of property rights and visa requirements that are not extremely onerous. And the country is assessed as carrying out very effective destination marketing. However, there are also some areas of weakness that have brought down South Africa's overall ranking. Safety and security is of serious concern (ranked 95th), as well as health and hygiene, where it is ranked 82nd overall, with a low physician density and concerns about access to improved sanitation and drinking water.

Selected Issues of Travel & Tourism Competitiveness

The *Report* also features a number of excellent contributions from T&T industry practitioners and experts, dealing with issues related directly to T&T competitiveness or broader industry themes. All are concerned with the importance of improving T&T environments for economic growth and development. These special studies are highly business relevant and complement the TTCI, the country profiles, and the data tables elsewhere in the *Report*.

In their chapter "Taking Travel & Tourism to the Next Level: Shaping the Government Agenda to Improve the Industry's Competitiveness," Jürgen Ringbeck and Stephan Gross of Booz Allen Hamilton employ the TTCI to analyze more in detail the results for countries at different stages of development to identify the key success factors for improving competitiveness in the T&T sector. They explore best practice examples in each of the defined peer groups, looking in detail at the T&T competitiveness of Hong Kong and Iceland, Estonia and the Slovak Republic, and Bulgaria and Egypt, as well as two growing markets: India and China. This section of the chapter presents a number of important lessons for countries wishing to improve their T&T competitiveness.

The authors identify liberalization and deregulation of the T&T industry as key factors for improving the industry's competitiveness—showing that countries that have liberalized have increased demand and industry efficiency and, hence, have achieved overall economic growth. Taking the European aviation sector as a case

study, the authors describe how, as a result of deregulation, all industry players were forced to improve efficiency and to expand their network at competitive prices to survive the pressure of new market entrants. They describe how Europe's experience with market deregulation provides valuable lessons that can be applied both domestically and internationally across borders.

The authors end the chapter with recommendations for countries at different stages of development, outlining the steps that need to be taken to improve their T&T competitiveness. They elaborate a framework for nations trying to build a highly competitive T&T sector, composed of several evolutionary steps. To begin, governments must first make sure the appropriate infrastructure capacity is in place to provide access for domestic and international travelers. Once the infrastructure is in place, governments should ensure that market demand is fully met—in terms of both service quality and quantity. They then argue that to increase performance efficiency of the T&T sector, governments should engage in deregulation and privatization to stimulate demand and growth. Following domestic deregulation, they favor a cross-border liberalization of a whole region's policy framework, which can effectively attract new market entrants and improve the industry's overall performance. In their view the last step would be a full intercontinental liberalization of travel regulations. Although this has not yet been reached, they hope this may become a reality in coming years. To succeed, governments must make a determined effort to work together hand-in-hand with the private sector to be able to fully leverage the T&T sector's potential to stimulate economic efficiency and growth.

In "Using Policy Measures and Economics to Improve Travel & Tourism-Related Policy and Business Decision Making," WTTC's Richard Miller explores the implications of the TTCI's results from a policy-making perspective. In particular, he looks at how the Index might be used by the T&T industry to engage in a useful dialogue with the public sector to improve T&T competitiveness.

The author describes WTTC's Tourism Satellite Accounting (TSA) economic research, the efforts it has taken to create a policy vision for T&T, and the qualitative and quantitative approaches it has taken to measure country-level performance. He then presents ideas about how the public sector should interpret and react to the TTCI's results in order to improve national T&T competitiveness. In particular, he points out that it will be important to take into account not only what the rankings indicate at a given point in time, but also how performance evolves over time, to get a sense of progress in particular areas.

Finally, Miller takes the analysis of the TTCI results a step further, comparing the Index scores with the TSA data. This analysis is aimed at assessing how countries' TTCI findings are correlated with the concept of risk

and return. The goal is to clarify how particular countries are perceived in this regard and to help them plan their strategy for decreasing risk, or increasing return, to make investment in the T&T environment more attractive in their respective countries.

In “Tourism Competitiveness and the Development Agenda,” Geoffrey Lipman and John Kester of the UNWTO reflect on the potential of the TTCI to contribute to increasing the awareness of the importance of the tourism sector in global and national socioeconomic activity—especially for the world’s poorest countries. They emphasize that by providing an overview of the factors driving the sector’s competitiveness, the Index will enhance tourism’s relevance for policymakers. Of particular interest is its potential for enhancing the competitiveness of the poorest countries and contributing to the Millennium Development Goals.

Although the Index rankings make clear the great competitive advantages that industrialized states currently enjoy in this sector, as the authors explain this also implies a significant potential for improving the competitiveness of the poorest. Although low-income countries are generally characterized by a number of disadvantages, such as low skill levels, poor infrastructure, and poor transport services, they also have important comparative advantages, such as excellent natural and cultural attributes, relatively unspoiled environments that can be attractive for ecotourism, and abundant, low-cost labor. Further, tourism is growing rapidly in many developing countries. The authors argue that the global development agenda obliges states to help proactively to reduce their disadvantages and enhance the comparative advantages.

They conclude with three recommendations. First, that there should be widespread adoption of the Tourism Satellite Account (UNTSA) to ensure routine provision of data on the macroeconomic importance of the sector for policymaking. Second, that tourism should be integrated more explicitly into development processes—particularly by including the sector in national Poverty Reduction Strategy Papers and in the overall support strategies of international aid agencies. Third, they argue that, given tourism’s importance for developing countries, there is a window of opportunity for tourism services to be taken more explicitly into account in the Doha Development Round of trade negotiations, and that this opportunity should not be missed.

In “Fulfilling the Promise: Positives and Potentials of Travel & Tourism,” Marilyn Carlson Nelson of Carlson examines the potential of Travel & Tourism to contribute positively to the world’s economies and societies, and explores whether the industry is living up to that potential.

With regard to economic development, the author notes that developed economies already benefit fully from Travel & Tourism’s potential, as the industry there is mature, strong, and resilient. And in developing countries, Travel & Tourism currently holds the promise of

further development, as the industry is growing very rapidly. Further, developing countries also benefit greatly from indirect effects of the industry, such as the infrastructure development so often needed in developing nations, and the tax revenue that can be used for development purposes that it generates. The author also discusses how the benefits of Travel & Tourism go beyond economic development. She explains, for example, that since the industry depends on a destination’s attractions and culture, it is in its interest to work for their preservation, creating an agenda of sustainability. Tourism also promotes improved cultural understanding among nations.

Nelson also highlights a number of challenges that remain to developing the sector and fulfilling its promise. These include security concerns, hostile regulatory environments, difficulties in attracting and retaining quality employees, legislation hindering the hiring of immigrant labor, and gender inequality in management. As well as challenges, she also explores a number of opportunities that exist, such as sharing best practices, building public-private partnerships, and practicing corporate social responsibility.

The author concludes by noting that although Travel & Tourism has accomplished much, and although it still holds much promise, it requires commitment and action. Specifically, governments must have a clear strategy, and they must work together with industry leaders to seek out barriers to tourism development and address them.

In his chapter “Electronic Payments: A Catalyst for Tourism and Economic Growth,” John Elkins of Visa International discusses how electronic payments have been an important driver of tourism in recent years. He also outlines the role that electronic payments will play in less-developed economies moving forward and how this will impact the T&T industry.

The chapter begins with an overview of some of the critical challenges facing the growth of the T&T industry in developing and less-developed economies—such as poor communication and transportation infrastructure, legal uncertainties over ownership, high taxes, and bureaucratic obstacles to business. It then puts forward some broad approaches that can be implemented to increase global T&T spending as well as improve access to this important source of wealth creation and growth. Approaches covered include potential government actions, the need for public and private organizations to act in partnership, the importance of the development of mobile commerce for all economies, and the need to shape a new mindset (within both government and the private sector) that recognizes the value of tourism as a spur to development.

Elkins goes on to highlight the great potential of electronic payments as a driver of economic development and an enabler of tourism growth. As he points out, payment cards and other electronic payment enablers are ubiquitous, secure, reliable, and convenient, and they make it easier for people to conduct business and easier

to travel. Further, with the introduction and application of new technologies such as mobile commerce, the economic opportunities that can be derived from electronic payment are expected to grow dramatically. Such technology advancements are a major asset for economies lacking the advanced telecommunications and physical infrastructure that have been important building blocks for growth in the past.

The chapter closes with an important message: what you get out of investment depends to a great extent on what you are willing to put into it. There are some vital infrastructure needs, as well as marketing, that must be met to ensure tourism growth.

In his chapter “Investing in Air Transport Connectivity to Boost National Productivity and Economic Growth,” Brian Pearce, Chief Economist at IATA, explores new evidence that the air transport network is a key capital asset that enhances productivity and supply-side economic growth. He points out that greater connections to the global air transport network, which is included as a pillar in the TTCI, do not just bring tourists into a country but are also important to the productivity of a country’s wider business sector. This network is an infrastructure asset connecting a country’s businesses to global markets and sources of inputs and ideas, offering the potential for boosting national productivity, economic growth, and living standards.

The author measures the quality of a country’s air transport network by its “connectivity” from the point of view of its businesses. This connectivity is defined as the scope of access between an individual airport or country and the global air transport network. It measures the number and economic importance of the destinations served, the frequency of service to each destination, and the number of onward connections available from each destination. Connectivity therefore increases as the range of destinations and/or frequency of service increases.

Pearce finds a clear positive relationship between higher levels of connectivity and higher levels of labor productivity. Quantifying this relationship through regression analysis, he finds that the estimated impact of connectivity on productivity is statistically significant and shows that a 10 percent rise in connectivity, relative to a country’s GDP, will boost long-term productivity by 0.07 percent. He further finds that investing in air transport capacity in developing or transition countries, where connectivity is currently relatively low, will have a much larger impact on their productivity and economic success than that same scale of investment in a relatively developed country. He explains that realizing these benefits will require investment in infrastructure but may also require the liberalization of markets and other institutional changes to bring about the rise in connectivity.

In “Long-Haul Hubs and the Future of Air Transport,” Maurice Flanagan, Executive Vice Chairman, Emirates Group, discusses the shifts in global air traffic flows from the dawn of modern commercial aviation to

the present day, and considers how the future of air transport might take shape. The author takes the development of Dubai in the United Arab Emirates as an example of the ways new long-haul hubs will enact their role in that future.

As a region, the Middle East enjoys a geocentric location that is a key advantage in facilitating and optimizing global air traffic flows east–west or north–south. Operating from a relatively lower cost base than airports and airlines in other parts of the world, traffic at airports in this region is surging. Passenger traffic at airports in the Middle East has outstripped all other regions. A tourism boom in the Middle East is also contributing to the region’s air traffic growth, powering the rapid expansion of airports and airlines.

The author argues that in the future of air transport, geo-centrally located long-haul hubs—particularly in the Middle East—are set to play an increasingly important role if the resources are invested in the constructive way that Dubai and some Gulf nations have done. He believes that European hubs will continue to play an important role in global air traffic flows, but that the rise of new long-haul hubs in the Middle East, combined with the advent of new ultra-long-haul aircraft, will influence these flows and affect the way travelers experience long-haul travel. Specifically, for global businesses and international travelers, the development and strengthening of long-haul hubs in the Middle East ultimately promises to deliver more air transport options and potentially more efficient ways to travel or to ship products to international markets.

In their chapter “The Challenge of Open Skies in the Middle East: How to Manage Competition in the High-Growth Air Transport Sector,” Samer Majali and Geoffrey Weston of Royal Jordanian Airlines also explore the air travel environment in the growing Middle East market. The authors describe seven drivers of change to the sector in the region that they have identified. The first force is the increased demand for air travel stimulated by the rapid growth in Middle Eastern economies. Second is an increasing relaxation of bilateral agreements among Middle Eastern states, which opens up international traffic. Third, several Middle Eastern governments are granting new operating licenses that directly increase the number of carriers, thus stimulating competition and expanding capacity. Fourth is the increasing reluctance of some states to subsidize the incumbent airline directly. Fifth is the rapid increase in the flows of labor from other regions to the Middle East. Sixth, several states in the Middle East are pursuing an economic policy that requires a strong airline at its core. The seventh driver concerns the infrastructure development that accompanies the strategic use of airlines as a wider economic policy.

The authors generally welcome these developments, as they see the virtuous circle of increased capacity, lowering fares, and stimulating demand for air transport supporting regional markets and strengthening their

relevance to the wider global economy. However, they point out that it is not clear whether these generally positive trends are leading to a genuinely fair competitive environment that will result in healthy and sustainable growth of the regional air transport sector. In this context, they call for progress in two areas.

The first area concerns the Middle East, where the evolution of a group of states that is committed internally to fair competition is deemed crucial. The authors stress that a fair and sustainable air transport sector in the region is something that all Middle Eastern airlines should aspire to in the medium to long term, as they each have a stake in a balanced and correctly structured market. They propose that those countries willing to agree to a fair competition environment should thus come together and campaign for comprehensive liberalization in the region. The second area, in parallel to the first, is the consideration that it is in the interests of nearby countries and regional blocs, such as the European Union, to support initiatives that lead to economically rational and stable outcomes. In this context, they call on the European Union to reconsider its current negotiating stance with regard to the further liberalization of ASAs, suggesting that it should deal differently with those states willing to engage in truly comprehensive negotiations within a framework of fair competition.

In “Driving Tourism Growth through Consumer-Centric Marketing,” Brad Corrodi of Rosetta Marketing Group discusses how changes in the structure of travel distribution have opened up new opportunities for collaboration between the public and private sectors to achieve tourism development objectives. He describes how travel suppliers, tourist boards, and commercial intermediaries can radically improve the productivity of their marketing spending while accelerating sustained, profitable growth. The author draws on experiences with both government tourist boards and commercial travel companies to distill the core engine of sustainable tourism growth—a consumer awareness and experience “feedback loop.” Destinations must drive consumer awareness in key source markets, with consistent messaging and brand positioning—and then visitors to these destinations must find the experience consistent with the brand promise.

Unfortunately, the author notes that there are many cases where substantial investments in destination infrastructure and tourism marketing have not led to such positive feedback “turbocharged growth,” and identifies five of the most common pitfalls. Most stem from the difficulty that public and private sectors have had in collaborating to define target consumer groups and creating effective marketing capabilities to reach them. As a result, tourism marketing has fallen far behind the levels of productivity achieved in other industries.

However, Corrodi notes that over the last three years the structure of the travel distribution value chain has changed radically, opening new ways for multiple

public and private stakeholders to collaborate in destination marketing. Rapid growth in consumers’ online travel research activity, increased transparency into the travel-buying process, and innovative new intermediary business models all make it much easier (and practical) for suppliers and government tourism ministries to develop consumer-marketing programs that take advantage of leading marketing techniques developed in other industries. Specific actions and enablers for such marketing programs are also identified. He concludes by stressing that the destinations that are able to work together with a broad range of stakeholders toward a common set of marketing objectives will likely be the ones to ensure that the tourism sector delivers its substantial social and economic development potential, as Google and others turn travel consumer access into a true global marketplace.

Part 2 of the *Report* is a comprehensive data section that includes country/economy profiles for each of the 124 economies covered, as well as data tables for each of the individual variables used to assess national T&T competitiveness. Each section is preceded by a description of how to interpret the data provided. Technical notes, included at the end of Part 2, provide details on the characteristics and sources of the individual hard data variables included in the *Report*.

Notes

- 1 UNWTO, *Historical Perspective of World Tourism*, available online at <http://www.unwto.org/facts/menu.html>.
- 2 WTTC 2006a.
- 3 UNWTO, *Historical Perspective of World Tourism*, available online at <http://www.unwto.org/facts/menu.html>.
- 4 2006 Tourism Satellite Accounting research of the World Travel & Tourism Council (WTTC) and Accenture.
- 5 See UNCED (1992).

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