

WORLD ECONOMIC FORUM'S TRAVEL AND TOURISM REPORT HIGHLIGHTS THE IMPORTANCE OF ENVIRONMENTAL SUSTAINABILITY



Switzerland, Austria and Germany have the most attractive environments for developing the travel and tourism industry, according to the second annual Travel & Tourism Competitiveness Report 2008, released by the World Economic Forum. Australia, Spain, the United Kingdom, the United States, Sweden, Canada and France complete the top-10 list.

“The dependence of tourism on the quality of the natural environment leads national governments and the tourism industry to focus increasingly on environmental protection,” said Thea Chiesa, head of Aviation, Travel and Tourism at the World Economic Forum.

In this context, this year’s Report, under the theme Balancing Economic Development and Environmental Sustainability, places a particular focus on the issue, both through a reinforced environmental component of the Index used to measure travel & tourism (T&T) competitiveness and through topics covered by the analytical chapters.

Improvements have been made to the Travel & Tourism Competitiveness Index (TTCI) this year. The “environmental regulation” pillar has been revised and improved as well as being re-named the “environmental sustainability” pillar to better reflect its components and to capture the increasingly recognized importance of sustainability in the sector’s development. Also, last year’s single pillar – natural and cultural resources – has been broken into its two subcomponents to create the two distinct pillars of “natural resources” and “cultural resources”. This provides a more nuanced and useful description of the strengths and weaknesses of countries. The model also uses better data proxies for some variables and includes a number of new concepts that were previously missing. The TTCI measures the factors and policies that make it attractive to develop the T&T sector in different countries. It is composed of 14 pillars of travel and tourism competitiveness: Policy rules and regulations, Environmental sustainability, Safety and security, Health and hygiene, Prioritization of travel and tourism, Air transport infrastructure, Ground transport infrastructure, Tourism infrastructure, Information and communication technology (ICT) infrastructure, Price competitiveness, Human capital, Affinity for travel & tourism, Natural resources, Cultural resources. This cross-country analysis of the drivers of competitiveness in travel and tourism provides useful comparative information for making business decisions and additional value to governments wishing to improve their travel and tourism environments.

The rankings cover 130 countries around the world. The TTCI uses a combination of data from publicly available sources, international T&T institutions and T&T experts, as well as the results of the Executive Opinion Survey, a comprehensive annual survey conducted by the World Economic Forum, together with its network of Partner Institutes (leading research institutes and business organizations) in the countries included in the Report. The Survey provides unique data on many qualitative institutional and business environment issues.

“Our study is not a ‘beauty contest’ on the attractiveness of a country. Rather, we aim to measure the factors that make it attractive to develop the travel and tourism industry of individual countries. The top-ranked countries demonstrate the importance of supportive business and regulatory frameworks, coupled with world-class transport and tourism infrastructure and a focus on nurturing human and natural resources,” said Jennifer Blanke, Senior Economist of the World Economic Forum’s Global Competitiveness Network

Travel & Tourism Competitiveness Report 2008

1. Switzerland
2. Austria
3. Germany
4. Australia
5. Spain
6. United Kingdom
7. United States
8. Sweden
9. Canada
10. France
11. Iceland
12. Finland
13. Denmark
14. Hong Kong SAR

15. Portugal

16. Singapore

17. Norway

18. Netherlands

19. New Zealand

20. Luxembourg

“Over the past three years, the World Economic Forum has engaged key industry and thought leaders through its Aviation, Travel & Tourism 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 multistakeholder dialogue to ensure the development of strong and sustainable national T&T industries capable of contributing effectively to international economic development,” noted Klaus Schwab, Executive Chairman of the World Economic Forum.

“The World Tourism Organization is a strong supporter of this competitive analysis to encourage improvement in the capacity of countries and companies to provide quality sustainable tourism. We welcome this second index, particularly its strengthened environmental criteria. Once again, we reiterate that the results should not be seen as a league table of global tourism performance. Countries have vastly different underlying operational conditions, dependant where they fall in the development spectrum. But all have unique tourism products to offer and the central goal is to encourage improvement in the underlying competitive conditions and infrastructure in every country. In the poorest countries, this will mean policy and development support. As a partner, we are committed to ensuring that the process encourages a framework that gives all countries a fair chance to compete as well as to meet the global imperatives of greenhouse gas and poverty reduction. We are working with our members and other partners to better elaborate how these elements can be factored more effectively into future analyses,” said Geoffrey Lipman, Assistant Secretary-General of the World Tourism Organization (UNWTO).

World Travel and Tourism Council (WTTC) President Jean-Claude Baumgarten said: “The Travel & Tourism Competitiveness Report creates a platform for dialogue among all stakeholders, which is invaluable in a world where competitiveness is no longer a government-driven process but has reshaped into a bilateral process between the public and private sectors. The report assists both sectors in identifying their strengths and their weaknesses, in order to outline an approach for attaining long-lasting and sustainable tourism from a global perspective. The completion of this report complements the aims and objectives of the WTTC.”

"This year's Index focuses on the importance of sustainability in tourism. There has been much debate about the responsibilities of governments, of businesses and of individuals towards climate change. Naturally, the tourism industry is in the spotlight. The long-haul flights that bring tourists to countries around the world, plus their use of hotel accommodation, add to the ongoing debate about the impact travel is having on climate change. The time is right for the hotel industry to make sure its own house is in order," said Alex Kyriakidis, Global Managing Partner of Tourism, Hospitality & Leisure at Deloitte.

"Nature-based tourism is increasingly becoming a driver in tourism development for many destinations. This makes a clear business case for the implementation of effective policies and measures that will ensure that the effective conservation of nature is at the heart of the tourism economy," said Julia Marton-Lefevre, Director-General of IUCN-The World Conservation Union. "The index confirms the vital role played by air transport in underpinning international competitiveness and economic development. There is an environmental cost. Air transport contributes 2% of global carbon emissions. Our goal is simple: keep the economic benefits and eliminate the environmental impact. That is why IATA is uniting the industry around a vision for carbon-neutral growth leading to a carbon-free future," said Giovanni Bisignani, Chief Executive Officer and Director General, the International Air Transport Association (IATA).

"One of the key success factors of driving competitiveness in the Travel and Tourism Industry is to implement a sustainable strategy that balances both short-term economical as well as long-term ecological goals. This needs to be driven by a smart regulatory framework that gives private operators the incentive to embrace environmental management as part of their business objectives," says Dr Jürgen Ringbeck, Partner and Senior Vice-President of Booz Allen Hamilton. "Customers increasingly demand 'green' tourism services and global private T&T players have a growing need to take this opportunity and promote destinations that value environmental sustainability."

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, and with a particular focus this year on environmental sustainability. The chapters explore issues such as the best mechanisms for reducing travel-related emissions, the ways in which green strategies will alter how the tourism industry operates, and how environmental sustainability has more generally become a key driver of tourism competitiveness. The last part of the report contains detailed country profiles for the 130 economies featured in the study, providing a comprehensive summary of the overall position in the Index rankings as well as a guide to what are considered to be the most prominent T&T competitive advantages and disadvantages of each. Also included is an extensive section of data tables, including each indicator used in the Index's computation.

"Among the formidable challenges facing governments, businesses, and consumers today is how to accurately gather data and business intelligence on our environmental impact - particularly carbon footprints - at a time when climate change is a critical global issue," noted Jeff Clarke, President and CEO of Travelport, one of the world's largest travel conglomerates. "The industry cannot advance environmentally sustainable travel without a detailed understanding of its current impact on the environment. As an industry, we are committed to environmentally sustainable Travel & Tourism and we need to create greater awareness by leveraging reports such as this to communicate the importance of tourism to economic development, cultural understanding, and peace among nations." The Travel & Tourism Competitiveness Report 2008 was produced by the World Economic Forum in close collaboration with our Strategic Design Partner, Booz Allen Hamilton, and our Data Partners: Deloitte, the International Air Transport Association (IATA), IUCN-The World Conservation Union, 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 Abercrombie & Kent, Bombardier, British Airways, Carlson, Emirates Airline, Hertz, Silversea Cruises Group, Swiss International Airlines and Travelport. Several thought leaders from these companies and organizations have also contributed insightful papers addressing various aspects of sustainable travel & tourism competitiveness.

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