

THE TRAVEL & TOURISM COMPETITIVENESS REPORT 2019

The 2019 edition of the Travel & Tourism Competitiveness Report features the latest iteration of the Travel & Tourism Competitiveness Index (TTCI). Published biennially, the TTCI benchmarks the T&T competitiveness of 140 economies and measures “the set of factors and policies that enable the sustainable development of the Travel & Tourism (T&T) sector, which in turn, contributes to the development and competitiveness of a country. The top 10 TTCI scorers remain the same. Spain is the top performer for the third consecutive report, while the United Kingdom’s slight decline in competitiveness has led to it being overtaken by the United States. The top 10 are, from highest to lowest score: Spain, France, Germany, Japan, the United States, the United Kingdom, Australia, Italy, Canada and Switzerland. India (40th to 34th) had the greatest improvement over 2017 among the top 25% of all countries ranked in the report. Egypt (74th to 65th) had the best improvement among countries ranked 36 to 70, Serbia (95th to 83rd) had the largest improvement for economies ranked 71st to 105th and Bangladesh (125th to 120th) was the most improved among the remaining 25% of scorers.

The Enabling Environment subindex captures the general conditions necessary for operating in a country and includes 5 pillars:

1. Business Environment (12 indicators): This pillar captures the extent to which a country has in place a policy environment conducive for companies to do business;
2. Safety and Security (5 indicators);
3. Health and Hygiene (6 indicators);
4. Human Resources and Labour Market (9 indicators);
5. ICT Readiness (8 indicators): Online services and business operations have increasing importance in T&T, with the internet being used for planning itineraries and booking travel and accommodation;

The T&T Policy and Enabling Conditions subindex captures specific policies or strategic aspects that impact the T&T industry more directly and includes 4 pillars:

6. Prioritization of Travel and Tourism (6 indicators): The extent to which the government prioritizes the T&T sector has an important impact on T&T competitiveness;
7. International Openness (3 indicators): Developing a competitive T&T sector internationally requires a certain degree of openness and travel facilitation;
8. Price Competitiveness (4 indicators): Lower costs related to travel in a country increase its attractiveness for many travellers as well as for investing in the T&T sector;
9. Environmental Sustainability (10 indicators): The importance of the natural environment for providing an attractive location for tourism cannot be overstated, so policies and factors enhancing environmental sustainability are an important competitive advantage in ensuring a country’s future attractiveness as a destination.

The Infrastructure subindex captures the availability and quality of physical infrastructure of each economy and includes 3 pillars:

10. Air Transport Infrastructure (6 indicators): Air connectivity is essential for travellers' ease of access to and from countries, as well as movement within many countries;

11. Ground and Port Infrastructure (7 indicators): The availability of efficient and accessible transportation to key business centres and tourist attractions is vital for the T&T sector;

12. Tourist Service Infrastructure (4 indicators): The availability of sufficient quality accommodation, resorts and entertainment facilities can represent a significant competitive advantage for a country;

The Natural and Cultural Resources subindex captures the principal «reasons to travel» and includes 2 pillars:

13. Natural Resources (5 indicators): Countries with natural assets clearly have a competitive advantage in attracting tourists. In this pillar we include a number of attractiveness measures, including the number of UNESCO natural World Heritage sites, a measure of the quality of the natural environment which proxies the beauty of its landscape, the richness of the fauna in the country as measured by the total known species of animals, and the percentage of nationally protected areas, which proxies the extent of national parks and nature reserves;

14. Cultural Resources and Business Travel (5 indicators): A country's cultural resources are another critical driver of T&T competitiveness. In this pillar we include the number of UNESCO cultural World Heritage sites, the number of large stadiums that can host significant sport or entertainment events, and a new measure of digital demand for cultural and entertainment – the number of online searches related to a country's cultural resources can allow the level of interest to be inferred. The number of international association meetings taking place in a country is included to capture, at least partially, business travel.

The top 10 scoring economies remain unchanged, consisting – in descending order by global rank – of Spain, France, Germany, Japan, the United States, the United Kingdom, Australia, Italy, Canada and Switzerland. Of these, only the United Kingdom lost its position since 2017 (5th to 6th), switching places with the more competitive United States (6th to 5th).

Spain remains the most competitive economy in the world when it comes to T&T. The nation is the second-most visited destination in the world and has developed an economy that is focused on tourism, with over half of internal T&T spending coming from international visitors. Spain's main points of attraction are its excellent natural (9th) and cultural (3rd) resources, with the latter being its greatest advantage relative to the rest of the world. The country is a centre for international meetings (4th) and sporting events and has the strongest combination of intangible culture and heritage sites (1st) in the world.

Ukraine had the fastest rate of TCI 2019 score growth in the subregion, rising 10 places to rank **78th** globally. In particular, as the country stabilized and recovered economically, Ukraine drastically improved its business environment (124th to 103rd), safety and security (127th to 107th), international openness (78th to 55th) and overall infrastructure (79th to 73rd).