News Release

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New Travel & Tourism report focuses on difficulties facing the sector

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• Latest Travel & Tourism report focuses on difficulties facing the sector during the economic downturn
• Switzerland, Austria and Germany continue to lead followed by France, Canada, Spain and Sweden
• The report contains a detailed profile for 133 economies from all of the world's regions
• Download the full report, highlights, summary, economy profiles, rankings and more at: http://www.weforum.org/TTCR09
• Put your questions to the authors on http://www.mogulus.com/worldeconomicforum on Wednesday, 4 March at 17.00 CET

Geneva, Switzerland 4 March 2009 – Switzerland, Austria and Germany have the most attractive environments for developing the travel and tourism industry, according to the third annual Travel & Tourism Competitiveness Report, released today by the World Economic Forum. France, Canada, Spain, Sweden, the United States, Australia and Singapore complete the top ten.

This year's report, published under the theme of "Managing in a Time of Turbulence", reflects the many difficulties the industry currently faces, which must be overcome to ensure strong sectoral growth in the future. This is particularly captured by the topics covered in the analytical chapters, exploring issues such as the impact of oil prices on the tourism industry, the importance of price competitiveness for attracting tourists, and the extent to which the TTCI explains differences in travel intensity between countries.

"Our study aims to measure the factors that make it attractive to develop the travel and tourism industry of individual countries. The top rankings of Switzerland, Austria, Germany, France and Canada 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 for fostering an environment that is attractive for developing the travel and tourism sector," said Jennifer Blanke, Senior Economist of the World Economic Forum's Global Competitiveness Network. (Click here to watch a 4-minute video interview with the authors.) Jennifer Blanke will also answer questions live on http://www.mogulus.com/worldeconomicforum on Wednesday 4 March at 17.00 CET (16.00 GMT)

This cross-country analysis of the drivers of competitiveness in travel and tourism provides useful comparative information to make business decisions and to add value to governments wishing to improve their travel and tourism environments.

Travel & Tourism Competitiveness Index 2009 and 2008 Comparisons

Download the full Travel & Tourism Competitiveness (http://www.weforum.org/TTCR09)

The rankings are based on the Travel & Tourism Competitiveness Index (TTCI) covering 133 countries around the world. The TTCI uses a combination of data from publicly available sources, international travel and tourism institutions and 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 covered by the report. The survey provides unique data on many qualitative institutional and business environment issues.

The last part of the report contains detailed country profiles for the 133 economies featured in the study, providing a comprehensive summary of their overall position in the Index rankings, as well as a guide to the most prominent travel and tourism competitive advantages and disadvantages of each. Also included is an extensive section of data tables covering each indicator used in the Index's computation.

"To thrive, or even survive, in this period of uncertainty and change, both the travel and tourism industry, and destinations themselves will need to approach the challenges in a holistic and systemic manner. This would allow innovative ideas to emerge, new directions to be taken, new alliances to be forged and profits to be reaped. This comprehensive approach to travel and tourism competitiveness taken in the report aims to contribute to this discussion," said Thea Chiesa, Head of Aviation, Travel and Tourism at the World Economic Forum.

"For the past four 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 travel & tourism (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 travel and tourism industries capable of contributing effectively to international economic development," noted Klaus Schwab, Founder and Executive Chairman of the World Economic Forum.

"This Index will help governments and the industry identify areas where support in the sector can show big gains in the response to both the recession and climate change. Tourism competitiveness is a major element to be included in economic stimulation packages and the Green New Deal. Tourism is one of the largest employers in most countries and a fast-entry vehicle into the workforce for young people and women. Encouraging travel boosts consumer and business confidence. It strengthens two-way trade and it promotes export income – particularly for the poorest countries," said Geoffrey Lipman, Assistant Secretary-General, World Tourism Organization (UNWTO), Madrid.

"The economic downturn forces a new view on a country's T&T policy by the local government and the T&T industry to preserve the competitiveness of its destination. Competition between destinations will heat up, as many customers will manage their travel budget more tightly for some time. Moreover, a fast-growing number of customers have started making "green travel" part of their buying decision. And new climate change regulation schemes (e.g. emissions trading scheme ETS) will put additional costs on destinations that underinvest in a sustainable and climate neutral T&T infrastructure. The local tourism players have to address both trends in parallel: on the one hand attracting increasingly budget sensitive customers by a superior marketing and sales initiative in the short term, and rethinking their T&T investment priorities under the emerging new paradigm of sustainable travel and tourism on the other." said Jürgen Ringbeck, Partner and Senior Vice-President, Booz & Company, Germany.

"Competitiveness is built with efficiencies across the entire travel and tourism value chain. This study highlights the benchmarks of best practice that will determine winning destinations. Luring an airline to start or increase transport links is critical in developing tourism markets. But long-term success can only be built with coordinated government policies. As governments battle the economic crisis and build a more solid future for their economies, ensuring a solid platform with effective policy for aviation and tourism growth must be a priority," said Giovanni Bisignani, Chief Executive Officer and Director-General of the International Air Transport Association.

"In these turbulent times the tourism and travel sector must not only focus on addressing immediate challenges but also longer term sustainability. Adaptability, deeper domestic tourism supply chains,

‘quality and skill’ investments, and diversity are of real importance and characteristics clearly evident in the T&T Competitiveness Index,’ said Alex Kyriakidis, Managing Partner, Global Travel, Tourism and Leisure, Deloitte, United Kingdom.

“Although there are many uncertainties as to how long the current crisis will continue, and how deep its impact will be, past experience has shown that travel and tourism always rebounds from cyclical downturns sometimes even stronger,” said Ufi Ibrahim, Chief Operating Officer of the World Travel & Tourism Council (WTTC).

"Many economic stimulus packages are currently focusing on infrastructure development. The TTCI demonstrates the importance of infrastructure provision for tourism competitiveness. It’s time for industry and governments to work jointly together to consider the implications for tourism in infrastructure planning," said Larry Dwyer, Qantas Professor of Travel and Tourism Economics, Australian School of Business, University of New South Wales.

The World Economic Forum produced the report in close collaboration with its Strategic Design Partner, Booz & Company, and its Data Partners, which included Deloitte, the International Air Transport Association (IATA), the International Union for Conservation of Nature (IUCN), the World Tourism Organization (UNWTO) and the World Travel & Tourism Council (WTTC). The Forum also received important feedback from a number of its key Industry Partners in the effort, namely Airbus, Abercrombie & Kent, Bombardier, British Airways, Carlson, Etihad Airways, Emirates Group, Hertz, Jet Airways, NetJets, Silversea, Swiss International Airlines and Rolls-Royce. Several thought leaders from these organizations also contributed insightful papers addressing various aspects of sustainable travel and tourism competitiveness.

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