

United States Ranks 7th among Most Competitive Countries in Travel & Tourism Sector

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World Economic Forum and Booz Allen Hamilton release second international study on travel and tourism competitiveness - Switzerland, Austria and Germany top the list of the 130 countries ranked

As more countries improve their transportation infrastructure and environmental protection to become more competitive in international travel and tourism, the United States is now the seventh-most competitive country in the travel and tourism sector, dropping two places from a year ago, according to the Global Travel & Tourism Competitiveness Report 2008 (TTCR). The second annual edition of the report by the World Economic Forum in conjunction with global management consulting firm Booz Allen Hamilton places Switzerland, Austria, Germany, Australia, Spain and Great Britain ahead of the U.S., with Sweden, Canada, and France rounding out the top 10.

The rankings, covering 130 countries in total, are based on a measurement of over 60 variables that impact a country's appeal in developing travel and tourism, including statutory regulations, health and safety, infrastructure, local price levels, and environmental and cultural aspects. The researchers expanded the index from the 2007 report in an effort to capture the importance of environmental sustainability for the sector's development. Data from international travel and tourism organizations, industry expert views, and information from the Forum's regularly-conducted 'Executive Opinion Survey' supplemented these variables. The TTCR was developed as a tool to be used to identify the competitive strengths of individual countries as well as the barriers that impede the development of the sector.

U.S. RANKS HIGH IN INFRASTRUCTURE AND NATURAL RESOURCES, BUT LOW IN PERCEPTIONS OF SAFETY AND ENVIRONMENTALISM

The U.S. ranks first for overall business environment and infrastructure, attributed mainly to its ability to meet high capacity air transport and tourism needs, including IT infrastructure. The country ranks low on price competitiveness, placing 105th out of 130 countries.

With a relatively high number of World Heritage national sites and protected wildlife areas, the U.S. ranks 2nd worldwide in natural resources. However, a perception exists that the country is not sufficiently protecting the environment, ranking 100th for environmental sustainability.

'The low score on this pillar is not only a result of relatively weak regulatory measures to combat global warming, but is also driven by inefficient energy consumption and the relatively high levels of air pollution in major cities,' said Justin Zubrod, Vice President at Booz Allen. 'To attract more tourists in the long term, the U.S. might consider adopting environmental policies that not only preserve natural assets but also change global perceptions about our leadership in environmentalism.'

Safety and security, at 119th place, are also of concern for the U.S. Aside from high costs associated with business needs for preventing crime and terrorism, the country also has among the highest rates of road traffic incidents.

The openness of U.S. citizens toward foreign visitors is also ranked low, at 114th place. However, prioritization of travel and tourism has gone up from last year, from 47th to 21st place overall, though the industry still contributes only 3.8% to the GDP, compared with 6.3% for top-ranking Switzerland.

INDUSTRY IMPROVEMENTS REFLECTED IN RANKINGS

Recommendations from the 2007 report were well-received by decision-makers in the tourism and tourist travel sectors in several countries, which is partly reflected in the form of practical changes whose effects can be noted in improved rankings. Switzerland, Austria and Germany continue to top the list, particularly on account of their environmental standards and exemplary transport infrastructure. Sweden has achieved a significant leap of nine places up the rankings, partly due to its heightened efforts on environmental issues, which also account for the high index rankings achieved by the other Scandinavian countries. Improvements are noted for Brazil (up 10 places) and for two Mediterranean states, Spain (up 10 places) and Italy (up 5 places). Progress has also been achieved by other popular Southern European holiday destinations, such as Portugal (up 7 places) and Greece (up 5 places).

Countries placing a stronger emphasis on sustainability come out particularly well in the rankings. 'Implementing strategies is one of the most important success factors in establishing a balance between short-term economic successes and long-term ecological objectives,' says Jürgen Ringbeck, Vice President with Booz Allen.

The travel and tourism sector as the driver of regulatory changes

The travel and tourism sector is a key wealth driver for emerging countries like China and South Africa. These nations have used supportive legislation to decisively improve their competitiveness in these areas. China, which this year is staging the Olympic Games, achieved dramatic improvements in the ranking, due to a combination of regulatory adjustments and infrastructure measures (up to 62nd in the ranking from 71 last year). South Africa also succeeded in moving up the rankings (to 60th spot, up from 62 last year), the country is set to be the first on the African continent to stage the Football World Cup, in 2010.

The full report can be downloaded at the World Economic Forum's homepage:
www.weforum.org/en/initiatives/gcp/TravelandTourismReport/index.htm.

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