

# Travel & Tourism Development Index 2021 Rebuilding for a Sustainable and Resilient Future

INSIGHT REPORT

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# Preface



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When the World Economic Forum published its 2019 edition of the *Travel & Tourism Competitiveness Report* (TTCR), growth in the Travel & Tourism (T&T) sector was achieving new records. According to the World Tourism Organization (UNWTO), international tourist arrivals worldwide reached 1.4 billion in 2018, two years ahead of predictions, though the TTCR findings warned of a potential tipping point at which the endless pursuit of growth and competitiveness in the sector might serve to undermine the very assets on which it is built and depends.

Two years later, the T&T sector looks very different. Demand in this sector was one of the hardest hit by the COVID-19 pandemic, leaving not only companies but also tourism-driven national economies severely affected by shutdowns, travel restrictions and the disappearance of international travel. Fortunately, there are positive signals, and analysis shows that recovery has started, albeit not at the same pace across the globe or in the same market segments. New factors, such as the war in Ukraine, are also adding to the complexity of this uneven recovery.

However, the sector and its customers have probably changed permanently. Travellers have become more discerning, not least about the health and hygiene conditions in potential destinations; they are also cautious about the impact of future COVID variants or challenges in the form of government policies, border closures and travel disruptions. Moreover, the halt in international travel gave some travellers, both leisure and business, a pause to consider the impact of their choices on climate and environment. Governments and T&T businesses have had to reassess where they invest, how they mitigate risk and an increase in the volatility of demand, and how they respond to the changing expectations of their customers.

In an effort to support the sector and avoid the aforementioned tipping point, the World Economic Forum's Platform for Shaping the Future of Mobility set about redesigning the *Travel & Tourism Competitiveness Index* (TTCI), upon which the TTCR has been based for the past 15 years. During 2020 and 2021, deep engagement with our diverse community of stakeholders, including policy-makers, expert practitioners and leaders in the sector, reinforced the need to improve the ability of the index to reflect the growing role of

sustainability and resilience in T&T growth, as well as the sector's role in broader economic and social development. We are therefore proud to deliver this inaugural publication of the *Travel & Tourism Development Index* (TTDI), an evolution of the widely recognized TTCI.

Supported by an expert advisory group and our community of partners, we believe that the 2021 TTDI effectively demonstrates the imperative to embed sustainability and resilience into the design and management of the sector as it rebuilds in the context of the pandemic and increasing geopolitical tensions that are leading to volatility in multiple markets. The new framework provides a useful and flexible tool for leaders and practitioners to benchmark performance and assess their T&T development, management and long-term strategies, addressing the myriad factors that contribute to more resilient and sustainable destinations and travel markets overall.

We invite leaders, both public and private, to collaborate with us in using insights from the index to inform and shape new practices, solutions and policies that ensure T&T returns in a way that preserves the many assets on which it is founded, future-proofs it in the face of environmental, social and economic risks, and reinstates it as a meaningful contributor to inclusive economic development, cultural exchange and job creation globally.

Lastly, this work relies on the dedicated collaboration of a network of distinguished thinkers and practitioners who provided their knowledge and insights towards its production. We are grateful to our advisory group, which comprises representatives from Bloom Consulting, the International Air Transport Association (IATA), JLL Hotels & Hospitality Group, the Pacific Asia Travel Association (PATA), the University of Surrey, the World Tourism Organization (UNWTO) and the World Travel & Tourism Council (WTTC), and to our data partners AirDNA, Bloom Consulting, Euromonitor International, GlobalPetrolPrices.com, IATA, the International Civil Aviation Organization (ICAO), STR, Tripadvisor, the UNWTO and the WTTC. We also thank the authors of this publication, Maksim Soshkin and Lauren Uppink Calderwood, for their stewardship of this community and the delivery of the *Travel & Tourism Development Index*.

# Executive summary

Embedding inclusivity, sustainability and resilience into the Travel and Tourism sector as it recovers will ensure it can continue to be a driver of global connectivity, peace and economic and social progress.

“As the sector slowly recovers, it will be crucial that lessons are learned from recent and current crises.

The *Travel & Tourism Development Index (TTDI) 2021* is an evolution of the 15-year-old *Travel & Tourism Competitiveness Index (TTCI)* series, a flagship index of the World Economic Forum’s Platform for Shaping the Future of Mobility. This revised index serves as a strategic benchmarking tool for policy-makers, companies and complementary sectors to advance the future development of the Travel and Tourism (T&T) sector by providing unique insights into the strengths and development areas of each country/economy to enhance the realization of sector potential and growth. Furthermore, it serves as a platform for multistakeholder dialogue to understand and anticipate emerging trends and risks in global T&T, direct policies, practices and investment decisions, and accelerate new models that ensure the longevity of this important sector.

The publication’s theme is “Rebuilding for a Sustainable and Resilient Future”. The COVID-19 pandemic has been one of the greatest challenges the T&T sector has faced, undermining not only the prosperity of businesses within the sector but also the well-being of tens of millions of employees, local communities and entire economies around the world. At the time of writing, the sector, and the world at large, is starting to assess the impact of the war in Ukraine. Global shocks such as this bring additional instability and economic disruption to the sector and could have long-term impacts on T&T development, as has happened with the pandemic. As the sector slowly recovers, it will be crucial that lessons are learned from recent and current crises

and that steps are taken to embed long-term inclusivity, sustainability and resilience into the T&T sector as it faces evolving challenges and risks. In doing so, the sector can continue to be a driver of global connectivity, peace and economic and social progress. T&T development strategies will play an important role in accomplishing this. Accordingly, important changes have been made between the TTCI and the TTDI.

The TTDI benchmarks and measures “the set of factors and policies that enable the sustainable and resilient development of the T&T sector, which in turn contributes to the development of a country”. The transformation of the TTCI into the TTDI reflects the index’s increased coverage of T&T development concepts, including sustainability and resilience impact, on T&T growth and is designed to highlight the sector’s role in broader economic and social development as well as the need for T&T stakeholder collaboration to mitigate the impact of the pandemic, bolster the recovery and deal with future challenges and risks. Some of the most notable framework and methodology differences between the TTCI and TTDI include the additions of new pillars, including Non-Leisure Resources, Socioeconomic Resilience and Conditions, and T&T Demand Pressure and Impact.

The index is comprised of five subindexes (used for presentation and categorization purposes only), 17 pillars and 112 individual indicators, distributed among the different pillars.

↓ Japan tops the ranking for the 2021 TTDI index.



## Top-line results

Relatively stagnant TTDI results reinforce the difficult situation the T&T sector faces. On average, TTDI scores increased by just 0.1% between 2019 and 2021, with only 39 out of 117 economies covered by the index improving by more than 1.0%, 51 increasing or decreasing within a 1.0% range and 27 declining by over 1.0%.

Aside from the **United States** (2nd), the top 10 scoring countries are high-income economies in the Europe and Eurasia or Asia-Pacific regions. **Japan** tops the ranking, with fellow regional economies **Australia** and **Singapore** coming in

7th and 9th, respectively. Meanwhile, **Italy** joined the top 10 (up from 12th in 2019) in 2021, while **Canada** slid out (10th to 13th). The remaining top 10 TTDI performers are **Spain** (3rd), **France** (4th), **Germany** (5th), **Switzerland** (6th) and the **United Kingdom** (8th). **Viet Nam** experienced the greatest improvement in score (+4.7%, 60th to 52nd) on the overall index, while **Indonesia** (+3.4%, 44th to 32nd) and **Saudi Arabia** (+2.3%, 43rd to 33rd) had the greatest improvement in rank. Meanwhile, **Malaysia** (-3.0%, 29th to 38th), **India** (-2.6%, 46th to 54th) and **Mongolia** (-2.1%, 76th to 84th) had the largest declines in ranking.



↑ Italy joined the top 10 (up from 12th in 2019) in 2021.

“ Supporting T&T development and recovery – which in turn will help the global recovery, build resilience and support all of those who depend on the sector for work – will be critical.

## The key findings of the index show the following:

**The need for T&T development has never been greater:** The T&T sector is a major driver of economic development, global connectivity and the livelihood of some of the populations and businesses most vulnerable to, and hardest hit by, the pandemic. Therefore, supporting T&T development and recovery – which in turn will help the global recovery, build resilience and support all of those who depend on the sector for work – will be critical.

**The T&T sector has faced difficult operating conditions, but shifting demand dynamics have created opportunities and a need for adaptation:** In the shorter term, challenges such as reduced capacity, geopolitical tensions and labour shortages are slowing recovery. However, opportunities have been created in markets such as domestic and nature-based tourism, the rise of digital nomads and “bleisure”.<sup>1</sup> The T&T sector stakeholders’ ability to

adapt under these conditions highlights its capacity for adaptation and flexibility.

**T&T development strategies can be employed to help the sector build back better:** Amid the current challenges, shifting demand dynamics and future opportunities and risks, a more inclusive, sustainable and resilient sector can be – and needs to be – built. However, this calls for thoughtful and effective consideration. It also requires leveraging development drivers and strategies, including: restoring and accelerating international openness and consumer confidence, via, for example, improved health and security; building favourable and inclusive labour, business and socioeconomic conditions; focusing more on environmental sustainability; strengthening the management of tourism demand and impact; and investment in digital technology.

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# About the Travel & Tourism Development Index 2021

A new framework for the index reflects the role of Travel and Tourism in broader economic and social development.

↓ Viet Nam saw the largest increase in score.



“ To ensure a productive and long-standing recovery, the sector must ensure better preparedness for future headwinds.

The *Travel & Tourism Development Index* (TTDI) is a direct evolution of the *Travel & Tourism Competitiveness Index* (TTCI), which has been published biennially for the past 15 years. The TTDI benchmarks and measures “the set of factors and policies that enable the sustainable and resilient development of the Travel and Tourism (T&T) sector, which in turn contributes to the development of a country”.

The transition from TTCI to TTDI reflects the index’s increased coverage of travel and tourism (T&T) development concepts, including the expanding role of sustainability and resilience in T&T growth, and is designed to focus more attention on the sector’s role in broader economic and social development as well as the greater need for T&T stakeholder collaboration and integrated development strategies (local, regional and international) to mitigate the impact of the pandemic, bolster the recovery and deal with future challenges and risks. The TTDI framework and methodology have also been enhanced to reduce index bias and improve flexibility in use. Despite these changes, the TTDI and TTCI remain very close. Earlier editions of the TTCI have always looked at the concept of “competitiveness” as a means of developing the T&T sector and thus measured elements that enabled such development. In this context, it is also important to point out that the new TTDI does not measure the level of T&T development that an economy possesses, but the potential drivers of such development.

The development of the TTDI was pursued following the publication of the *Travel & Tourism Competitiveness Report 2019: Travel and Tourism at a Tipping Point*, which considered the challenges linked to tourism development and growth such as overcrowding, unbalanced distribution of T&T economic benefits and damage to tourism-generating natural and cultural assets that ultimately diminished liveability for residents, created a local backlash against T&T development and harmed visitor experiences. Since the publication of the

2019 TTCI, the impact of COVID-19 and now geopolitical disruptions have further demonstrated the potential volatility of the sector and the need to reassess how it embeds resilience into its design and management practices.

In order to ensure a productive and long-standing recovery, the sector must incorporate lessons learned from current crises and ensure better preparedness for future headwinds, many of which can be historic and long term in nature and impact. The new TTDI framework is designed to support this pivot in strategy and practice.

The TTDI framework has been created with input from T&T stakeholders, including an advisory group that includes representatives from: Bloom Consulting, the International Air Transport Association (IATA), JLL Hotels & Hospitality Group, the Pacific Asia Travel Association (PATA), the University of Surrey, the United Nations World Tourism Organization (UNWTO) and the World Travel & Tourism Council (WTTC). In addition, the index relies on close collaboration with the following data partners: AirDNA, Bloom Consulting, Euromonitor International, GlobalPetrolPrices.com, IATA, the International Civil Aviation Organization (ICAO), STR, Tripadvisor, the UNWTO and the WTTC.

Please note that while the TTDI is an update of the TTCI, due to the altered methodology, framework and other differences, the 2021 TTDI should not be compared to the 2019 TTCI. To help address this, the 2019 results were recalculated using the new framework, methodology and indicators of the TTDI. Therefore, all comparisons in score and rank throughout this publication are between the 2019 results and the 2021 results of the TTDI.

For more detailed information on the TTDI methodology and new framework, country peer and income group classification, indicator details, partner information and to explore the index results through interactive data visualizations, please visit the [index website](#).

↓ Indonesia had the largest rank increase (44th to 32nd).



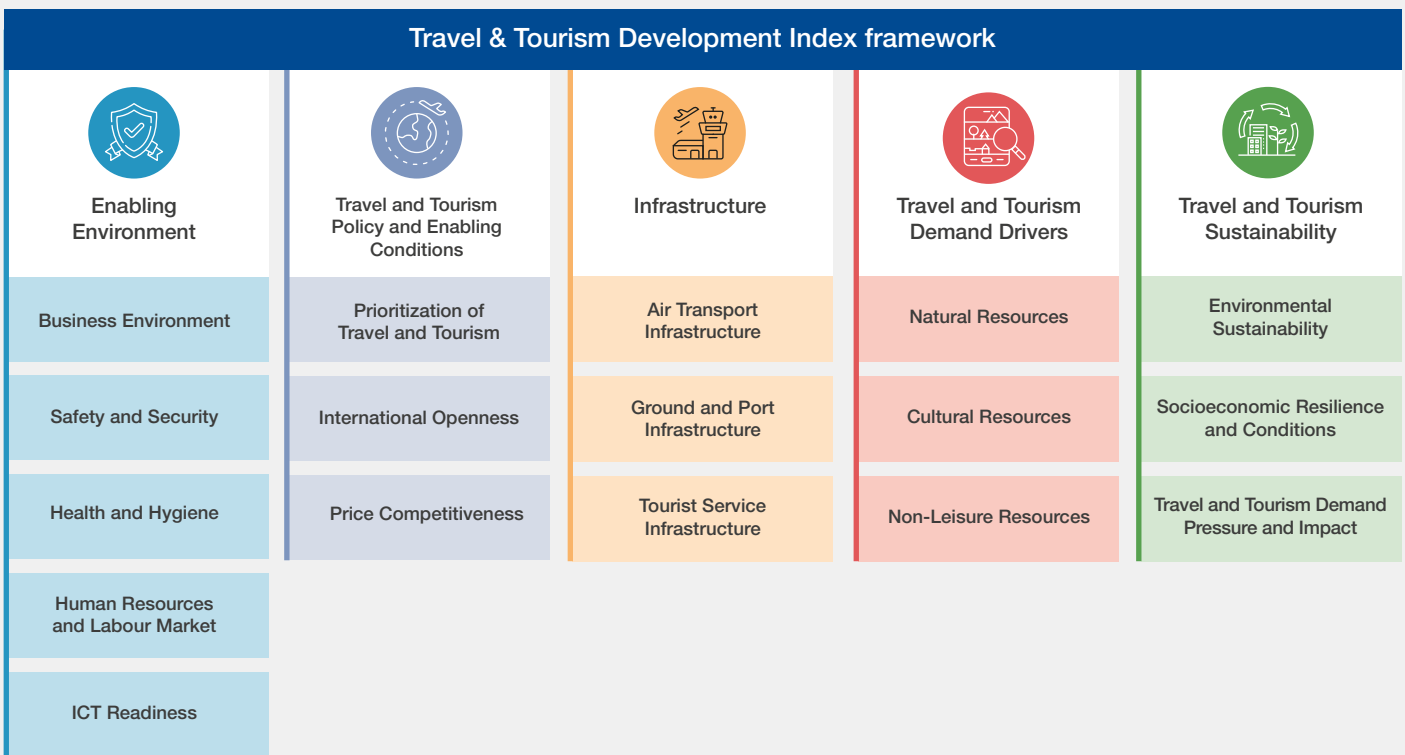
# 1.1 Benchmarking the enablers of T&T development

The index provides a strategic benchmarking tool for business, governments, international organizations and others to develop the T&T sector. By allowing cross-country comparison and by benchmarking countries' progress on the drivers of T&T development, it informs policies and investment decisions related to the development of T&T businesses and the sector as a whole. The index provides unique insights into the strengths and areas for development of each country to support their efforts to enhance the long-term growth of their T&T sector in a sustainable and resilient manner. Furthermore, it provides a valuable

platform for multistakeholder dialogue to formulate appropriate policies and actions at local, national, regional and global levels.

The index is comprised of five subindexes, 17 pillars and 112 individual indicators, distributed among the different pillars. However, the five subindexes are not factored into the calculation of the index and are used only for presentation and categorization purposes. The Non-Leisure Resources, Socioeconomic Resilience and Conditions, and T&T Demand Pressure and Impact pillars are all new when comparing earlier TTCI editions with the new TTDI.

FIGURE 1 The Travel & Tourism Development Index framework



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

**Business Environment (9 indicators):** This pillar captures the extent to which a country's policy environment is conducive to companies doing business. Research has found significant links between economic growth and aspects such as how well property rights are protected and the efficiency of the legal framework. Policy stability and levels of regulatory burdens and corruption also play a critical role in determining economic development, productivity and overall investment decisions. These factors are important for all sectors, including T&T. In addition, we consider access to financing for

small and medium-sized enterprises (SMEs), which is a particularly relevant issue for T&T development as the majority of operators are SMEs.

**Safety and Security (6 indicators):** Safety and security are critical factors in determining the success of a country's T&T sector. This pillar measures the extent to which a country exposes locals, tourists and businesses to security risks. In addition to creating barriers to T&T investment, countries with a high incidence of crime or violence are likely to deter visitors, making it less attractive to develop the T&T sector in those places. Here, the costliness and occurrence of common crime and violence, police reliability, and terrorism and armed conflict are considered.





↑ Canada lost its place in the top 10 (down from 10th to 13th).

**Health and Hygiene (6 indicators):** This pillar measures healthcare infrastructure, accessibility and health security. COVID-19 has highlighted the potential impact of communicable diseases on the T&T sector. In particular, the pandemic has demonstrated how important a country's healthcare system is when it comes to mitigating the impact of pandemics and ensuring safe travel conditions, and workforce availability and resilience. In general, if tourists or sector employees do become ill, the country's health sector must be able to ensure that they are properly cared for, as measured by the availability of and access to physicians, hospital beds and general healthcare services. Moreover, access to safe drinking water and sanitation is important for the comfort and health of travellers and locals alike. Please note that due to evolving COVID-19 conditions, this pillar does not track the pandemic itself.

**Human Resources and Labour Market (9 indicators):** This pillar measures the availability of quality employees and the dynamism, efficiency and productivity of the labour market. High-quality human resources in an economy ensure that the sector has access to the collaborators it needs.

Regarding a quality workforce, this means that years of schooling, formal educational attainment rates, the education system's ability to meet economic needs and private-sector involvement in upgrading human resources are measured. Regarding the labour market, the flexibility, efficiency and openness of labour markets, as well as labour productivity in the hospitality, restaurant and transport sectors, are tracked.

**ICT Readiness (8 indicators):** This pillar measures the development and use of ICT infrastructure and digital services. Online services and digital platforms continue to grow in importance for T&T business operations. Such services and platforms are being used for everything from planning itineraries to booking travel and accommodation. Moreover, ICT has become crucial for businesses to access and advertise to new markets, improve efficiency and gain insights into consumer needs. The components of this pillar measure not only the existence of modern physical infrastructure (e.g. mobile network coverage and electricity supply), but also the degree to which digital platforms are used for T&T and related services.



The **Travel and Tourism Policy and Enabling Conditions** subindex captures specific policies or strategic aspects that affect the T&T sector more directly and includes three pillars:

**Prioritization of Travel and Tourism (5 indicators):** This pillar measures the extent to which the government and investors actively promote and invest in the development of the T&T sector. The extent to which the government prioritizes the T&T sector has an important impact on T&T development. By making clear that the sector is of primary concern, the government can channel funds to essential development projects and coordinate the actors and resources necessary to develop the sector. The government can also play an important role in directly attracting tourists through national marketing campaigns. This pillar includes measures of government spending, country branding and the completeness and timeliness of providing T&T data to international organizations, as these indicate the importance that a country assigns to its T&T sector. Moreover, overall capital investment in T&T is accounted for as it measures the degree to which public and private stakeholders are willing to invest resources in T&T relative to other parts of the economy.

**International Openness (4 indicators):** This pillar measures how open a country is to visitors and providing travel services. Developing a T&T sector internationally requires a certain degree of openness and travel facilitation. Restrictive policies such as cumbersome visa requirements diminish tourists' willingness to visit a country. Components measured in this pillar include: the number of bilateral air service agreements that the government has entered into, which affects the availability of air connections to the country; and the number of regional trade agreements in force, which indicates the extent to which it is possible to provide world-class tourism services. Financial openness is also measured as the free flow of capital is important for cross-border trade and investment in T&T services.

**Price Competitiveness (5 indicators):** This pillar measures how costly it is to travel or invest in a country. Lower costs related to travel in a country increase its attractiveness for many travellers as well as making its T&T sector more appealing to investors. Among the aspects of price competitiveness taken into account in this pillar are: airfare ticket taxes and airport charges, which can make flight tickets much more expensive; the relative cost of hotel and short-term rental accommodation; the cost of living, represented by purchasing power parity; and fuel price costs, which directly influence the cost of travel.



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

**Air Transport Infrastructure (4 indicators):**

Air connectivity is essential for travellers' ease of access to and from countries, as well as movement within many countries. In this pillar we measure international and domestic air route capacity and quality, using indicators such as available seat kilometres, the number of operating airlines and the efficiency of air transport services. The extent to which a country's airports are integrated into the global air transport network is also measured.

**Ground and Port Infrastructure (7 indicators):**

This pillar measures the availability of efficient and accessible ground and port transportation to important business centres and tourist attractions. Sufficiently extensive road and railway networks, indicated by road and railway densities,

as well as road, railway and port infrastructure that meets international standards of comfort, security and modal efficiency are vital to enabling a T&T economy. This pillar also accounts for the efficiency of and access to public transport services such as underground rail systems and taxis as these are regularly used by visitors and T&T employees, especially in urban locations.

**Tourist Service Infrastructure (5 indicators):**

This pillar measures the availability and competitive provision of key tourism services such as accommodation and car rentals. The availability of sufficient accommodation, resort and leisure facilities can represent a significant advantage for a country. We measure the level of tourism service infrastructure through the number of hotel rooms and short-term rental units, complemented by the extent of access to services such as car rentals and ATMs. Competition among tourism services is also accounted for because it plays a role in the pricing and quality of services.

↓ Hong Kong SAR scored highest for Ground and Port Infrastructure.



The **Travel and Tourism Demand Drivers** subindex captures the principal "reasons to travel" and includes three pillars:

**Natural Resources (5 indicators):** This pillar measures the available natural capital as well as the development of outdoor tourism activities. Natural capital is defined in terms of the landscape, natural parks and richness of fauna. Countries with natural assets may be better positioned to attract tourists. In this pillar, we include several attractiveness measures, including the number of United Nations Educational, Cultural and Scientific Organization (UNESCO) natural World Heritage Sites, the richness of fauna and biodiversity in the country and the scope of protected areas, which indicates the extent of national parks and nature reserves. Digital Demand<sup>2</sup> for nature and relevant activities is also measured as an illustration of how well known and effectively marketed a country's natural assets are.

**Cultural Resources (6 indicators):** This pillar measures the availability of cultural resources such as archaeological sites and entertainment facilities.

To an extent, this pillar captures how cultural resources are protected, developed and promoted. Included here are the number of UNESCO cultural World Heritage Sites, the number of large stadiums that can host significant sport or entertainment events, and a measure of Digital Demand for a country's cultural sites and entertainment. Also included are the number of UNESCO Creative Cities, representing efforts to protect and develop cultural and creative activities and industries in urban centres.

**Non-Leisure Resources (4 indicators):** This pillar measures the extent and attractiveness of factors that drive business and other non-leisure travel, which account for a significant share of T&T revenue and profit. We have included the presence of major multinational corporations and cities that are highly integrated into the global economy as proxies for business travel. Meanwhile, the number and quality of a country's universities play an important role in attracting academic travel. Lastly, online searches related to business, academic and medical travel are also measured to imply global interest in a country's non-leisure resources.



The **Travel and Tourism Sustainability** subindex captures the current or potential T&T sustainability challenges and risks and includes three pillars:

**Environmental Sustainability (15 indicators):**

This pillar measures the general sustainability of an economy’s natural environment, protection of its natural resources, and vulnerability to and readiness for climate change. The importance of the natural environment in providing an attractive location for tourism cannot be overstated, so policies and factors enhancing environmental sustainability are an important aspect of ensuring a country’s future attractiveness as a destination. Water stress, marine and air pollution, loss of forest cover and the degree of extinction risk for species provide an insight into the status of a country’s environment. Additionally, public- and private-sector protection of the environment and national parks and the ratification of international environmental treaties indicate the degree to which the government and the private sector are preserving the natural assets that generate nature-based T&T. Lastly, metrics related to greenhouse gas emissions (GHGs), the use of renewable energy, investment in green infrastructure and exposure to weather-related events are important in understanding how exposed, ready and willing a country is to address climate change, which in itself is one of the greatest long-term threats the T&T sector faces.

**Socioeconomic Resilience and Conditions**

**(7 indicators):** This pillar captures the socioeconomic well-being and resilience of an economy. Gender equality, inclusion of a diverse workforce, greater workers’ rights and reducing the number of young adults not in education, employment or training are all important for

improving employee productivity and creating a larger and higher-quality labour pool. This is particularly important for the T&T sector as it often employs an above-average number of women, members of minorities and youths. Investment in and greater coverage of social protection services such as child and maternity support, unemployment and disability benefits are also key to making the labour market more resilient in the face of economic downturns and other shocks. Furthermore, combined with access to basic resources, as measured by poverty rates, all of the factors above play a role in broader social and economic stability, which affects investment in T&T.

**Travel and Tourism Demand Pressure and Impact (7 indicators):**

This pillar measures factors that may indicate the existence of, or risk related to, overcrowding and demand volatility, as well as the quality and impact of T&T. The T&T sector does not operate in a vacuum. Unmanaged tourism development can lead to destinations operating beyond their capacity, leading to overcrowding, damaged natural and cultural resources, strained infrastructure, increased housing prices and overall reduced liveability for local residents. If left unaddressed, such issues can lead to a backlash by residents towards tourism, reduced visitor satisfaction and lower overall destination attractiveness, all of which negatively affect T&T development. Aspects measured include length of visitor stays, tourism seasonality, proxies for the dispersion of tourism, and the distribution of T&T economic benefits to local communities. Such factors can all help mitigate these issues by lowering the strain on destination capacity, creating resident buy-in, promoting more travel options and markets, and enriching travellers’ experiences.

↑ Yosemite National Park, California, USA. Natural environments are crucial to providing an attractive location for tourism.

## 1.2 Data and methodology

Most of the dataset for the TTDI is statistical data from international organizations, with the remainder based on survey data from the World Economic Forum's annual Executive Opinion Survey, which is used to measure concepts that are qualitative in nature or for which internationally comparable statistics are not available for enough countries.

The sources of statistical data include, but are not limited to, AirDNA, Bloom Consulting, Euromonitor International, IATA, ICAO, the International Labour Organization (ILO), the International Telecommunications Union (ITU),

the International Union for the Conservation of Nature (IUCN), STR, Tripadvisor, UNESCO, UN Statistics Division, UNWTO, the World Health Organization (WHO), World Bank, CIA World Factbook, WTO, WTTC and the World Database on Protected Areas (WDPA). The overall TTDI score is computed through successive aggregations of scores, from the indicator level (e.g. the lowest, most disaggregated level) through the pillar levels, using a simple average (i.e. the arithmetic mean) to combine the components. Scores on each indicator are first normalized and rated on a common scale.

## 1.3 Country coverage

The TTDI covers 117 countries. Economies that were covered in the TTDI 2019 but are not covered in the TTDI 2021 are Algeria, Brunei Darussalam, Burkina Faso, Burundi, Democratic Republic of the Congo, Ethiopia, Eswatini, Gambia, Guinea, Haiti, Iran, Jamaica, Liberia,

Mauritania, Mozambique, Norway, Oman, Russian Federation, Seychelles, Uganda, Ukraine, Zimbabwe and Taiwan, China. The 117 economies covered this year account for approximately 96% of the world's direct T&T GDP in 2020.

↓ The economies covered this year account for approximately 96% of the world's direct T&T GDP in 2020.

*Please note that that data for the TTDI 2021 was collected before the war in Ukraine. We therefore removed the Russian Federation and Ukraine from the ranking as data for these economies no longer reflects current or longer-term trends and conditions.*



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# At a glance: Travel & Tourism Development Index 2021 overall rankings

Covering 117 economies, the Travel & Tourism Development Index measures the set of factors and policies that enable the sustainable and resilient development of the Travel and Tourism (T&T) sector, which in turn contributes to the development of a country.

FIGURE 2 *Travel & Tourism Development Index 2021 overall rankings<sup>1</sup>*

Rank	Economy	Score <sup>2</sup>	Change since 2019 <sup>3</sup>		Diff. from TTDI Avg. (%)	Rank	Economy	Score <sup>2</sup>	Change since 2019 <sup>3</sup>		Diff. from TTDI Avg. (%)	Rank	Economy	Score <sup>2</sup>	Change since 2019 <sup>3</sup>		Diff. from TTDI Avg. (%)
			Rank	Score					Rank	Score					Rank	Score	
1	Japan	5.2	1	0.7%	31.8%	40	Mexico	4.3	-6	-1.2%	7.4%	79	Cambodia	3.6	3	1.1%	-9.2%
2	United States	5.2	-1	-1.0%	30.7%	41	Bulgaria	4.3	-2	-0.4%	7.3%	80	Tunisia	3.6	-3	-0.5%	-9.2%
3	Spain	5.2	2	0.0%	29.5%	42	Lithuania	4.3	3	0.6%	7.2%	81	Tanzania	3.6	5	2.6%	-10.2%
4	France	5.1	2	-0.2%	28.8%	43	Qatar	4.3	-2	-0.2%	7.0%	82	Cape Verde	3.6	1	1.4%	-10.2%
5	Germany	5.1	-1	-1.8%	27.3%	44	Georgia	4.3	3	1.4%	6.8%	83	Pakistan	3.6	6	2.9%	-10.2%
6	Switzerland	5.0	1	-2.1%	26.0%	45	Turkey	4.2	4	1.3%	6.4%	84	Mongolia	3.6	-8	-2.1%	-10.6%
7	Australia	5.0	1	-1.3%	25.6%	46	Croatia	4.2	-4	-0.6%	6.4%	85	Trinidad and Tobago	3.6	0	1.5%	-10.7%
8	United Kingdom	5.0	-5	-4.5%	24.8%	47	Israel	4.2	-7	-1.0%	6.2%	86	Kuwait	3.5	-7	-1.8%	-11.0%
9	Singapore	5.0	0	-1.4%	24.6%	48	Latvia	4.2	0	0.6%	5.9%	87	North Macedonia	3.5	-3	-0.3%	-12.1%
10	Italy	4.9	2	0.8%	23.9%	49	Brazil	4.2	3	2.3%	5.2%	88	Namibia	3.5	0	0.0%	-12.6%
11	Austria	4.9	0	0.4%	23.6%	50	Costa Rica	4.2	1	1.2%	4.5%	89	Rwanda	3.5	1	0.7%	-12.7%
12	China	4.9	3	2.3%	23.5%	51	Egypt	4.2	6	4.3%	4.4%	90	Kyrgyz Republic	3.4	3	1.9%	-13.9%
13	Canada	4.9	-3	-2.1%	22.9%	52	Vietnam	4.1	8	4.7%	4.1%	91	Bolivia	3.4	5	1.6%	-14.5%
14	Netherlands	4.9	0	0.2%	22.3%	53	Romania	4.1	-3	-0.7%	3.6%	92	Tajikistan	3.4	-1	-0.3%	-14.6%
15	Korea, Rep.	4.8	4	1.9%	21.4%	54	India	4.1	-8	-2.6%	3.6%	93	Lao PDR	3.4	1	0.7%	-15.0%
16	Portugal	4.8	-3	-2.1%	19.8%	55	Uruguay	4.1	6	3.6%	3.0%	94	Lebanon	3.4	-7	-3.1%	-15.1%
17	Denmark	4.7	-1	-1.5%	18.9%	56	Slovak Republic	4.1	-3	0.2%	2.9%	95	Bosnia and Herzegovina	3.4	-3	-0.7%	-15.2%
18	Finland	4.7	-1	-2.2%	17.3%	57	Bahrain	4.1	-2	1.0%	2.1%	96	El Salvador	3.3	2	1.7%	-16.1%
19	Hong Kong SAR	4.6	-1	-3.0%	16.3%	58	Colombia	4.0	4	2.3%	1.6%	97	Guatemala	3.3	-2	-0.6%	-16.1%
20	Sweden	4.6	1	-1.9%	16.0%	59	Argentina	4.0	-5	-1.2%	0.6%	98	Zambia	3.3	1	1.7%	-16.3%
21	Luxembourg	4.6	2	-0.5%	15.4%	60	Panama	4.0	-2	0.5%	0.3%	99	Paraguay	3.3	2	2.1%	-17.1%
22	Belgium	4.6	3	-0.6%	14.4%	61	Armenia	4.0	4	1.9%	-0.2%	100	Bangladesh	3.3	3	2.0%	-17.6%
23	Iceland	4.5	-1	-1.8%	14.2%	62	Mauritius	4.0	-6	-0.9%	-0.5%	101	Ghana	3.3	-1	0.9%	-17.6%
24	Ireland	4.5	-4	-3.9%	13.9%	63	Azerbaijan	4.0	-4	-0.3%	-0.6%	102	Nepal	3.3	0	1.8%	-17.8%
25	United Arab Emirates	4.5	1	0.7%	13.9%	64	Jordan	3.9	-1	-0.6%	-1.8%	103	Benin	3.2	3	4.0%	-18.7%
26	Czech Republic	4.5	1	0.3%	13.3%	65	Peru	3.9	4	2.1%	-2.1%	104	Nicaragua	3.2	-7	-2.0%	-19.1%
27	New Zealand	4.5	-3	-2.5%	12.6%	66	Kazakhstan	3.9	0	0.3%	-2.3%	105	Senegal	3.2	0	0.4%	-20.2%
28	Greece	4.5	0	0.2%	12.1%	67	Montenegro	3.9	-3	-0.7%	-2.6%	106	Honduras	3.1	-2	-2.1%	-21.5%
29	Estonia	4.4	2	-0.6%	10.7%	68	South Africa	3.8	0	-0.3%	-3.8%	107	Côte d'Ivoire	3.1	3	2.6%	-22.6%
30	Poland	4.4	3	0.8%	10.6%	69	Dominican Republic	3.8	3	2.6%	-3.9%	108	Venezuela	3.1	-1	-0.5%	-23.1%
31	Cyprus	4.4	-1	-0.8%	10.5%	70	Serbia	3.8	0	1.3%	-3.9%	109	Malawi	3.0	-1	0.2%	-24.0%
32	Indonesia	4.4	12	3.4%	10.3%	71	Morocco	3.8	-4	-2.1%	-4.8%	110	Nigeria	3.0	1	0.6%	-24.1%
33	Saudi Arabia	4.3	10	2.3%	9.3%	72	Albania	3.8	-1	1.0%	-5.0%	111	Lesotho	3.0	-2	-1.5%	-25.6%
34	Chile	4.3	4	0.9%	9.1%	73	Ecuador	3.8	1	1.0%	-5.7%	112	Cameroon	2.9	0	1.6%	-26.2%
35	Malta	4.3	-3	-1.9%	9.0%	74	Sri Lanka	3.7	1	1.4%	-6.0%	113	Angola	2.9	0	2.8%	-26.5%
36	Thailand	4.3	-1	0.2%	8.8%	75	Philippines	3.7	-2	0.1%	-6.3%	114	Sierra Leone	2.8	1	1.5%	-30.6%
37	Hungary	4.3	0	0.3%	8.7%	76	Botswana	3.7	2	3.0%	-6.6%	115	Mali	2.7	-1	-0.5%	-31.0%
38	Malaysia	4.3	-9	-3.0%	8.4%	77	Moldova	3.6	4	1.2%	-8.6%	116	Yemen	2.6	0	2.7%	-34.2%
39	Slovenia	4.3	-3	-0.7%	7.8%	78	Kenya	3.6	2	0.5%	-9.1%	117	Chad	2.5	0	1.3%	-37.5%

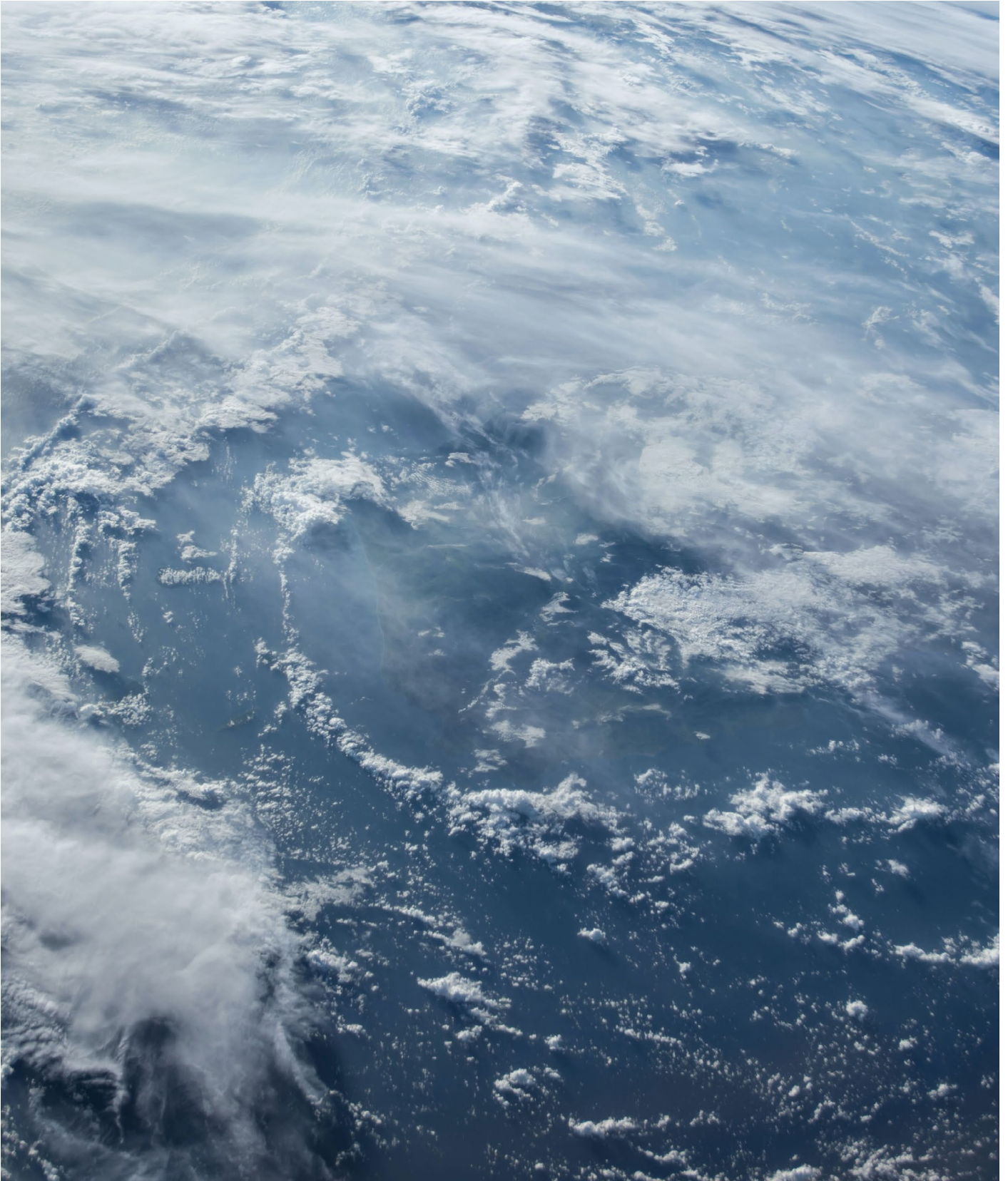
● The Americas
 ● Asia-Pacific
 ● Europe and Eurasia
 ● Middle East and North Africa
 ● Sub-Saharan Africa

1. Index results represent the latest data available at the time of collection (end of 2021).
2. Overall scores range from 1 to 7 where 1 = worst and 7 = best.
3. Change since 2019 refers to 2019 results using new index framework and methodology.

3

## Global context

While the recovery is well under way, stakeholders must address its uneven nature and review the sector's development plans.



“ Lockdowns, travel restrictions, consumer fears and economic downturns led to a loss of \$4.5 trillion in T&T GDP and 62 million jobs in 2020 alone.

The COVID-19 pandemic has been the worst crisis the global Travel and Tourism sector has faced in modern times. Lockdowns, travel restrictions, consumer fears and economic downturns led to a loss of \$4.5 trillion in T&T GDP and 62 million jobs in 2020 alone.<sup>3</sup> While increasing vaccination rates, easing of travel restrictions and economic growth have helped kickstart a recovery, it remains slow, uneven and fragile. For instance, while international tourist arrivals increased by 18 million in January 2022 compared to January 2021, which equals the total increase in 2021, they were still 67% below 2019 levels<sup>4</sup> and, according to a recent outlook from the United Nations World Tourism Organization (UNWTO) Panel of Experts, the majority of those surveyed do not expect total international arrivals to return to pre-pandemic levels until 2024 at the earliest.<sup>5</sup>

Differences in travel or other restrictions and the pace of vaccination roll-out are also leading factors in the uneven nature of the global T&T recovery. As of 8 May 2022, 75% of

the population in high-income economies had completed an initial COVID-19 vaccination protocol, while only about 52% and 13% of populations in lower-middle-income and low-income economies, respectively, had completed theirs.<sup>6</sup> Lower vaccination rates create more uncertainty around travel policies, reduce consumer confidence and prolong the overall negative impact of the pandemic on T&T and on society in general. T&T recovery and travel confidence are also hampered by shifting cross-border and domestic regulatory environments. As of 8 May 2022, 20 out of the 30 largest T&T economies, which accounted for over 65% of direct T&T GDP in 2019,<sup>7</sup> scored above the global mean on the University of Oxford's COVID-19 Stringency Index, a composite measure indicating restriction stringency based on nine response indicators, including school closures, workplace closures and travel bans.<sup>8</sup> The proliferation of the Omicron variant of COVID-19 earlier this year, and the recent discovery of the BA.2 sublineage,<sup>9</sup> also highlights the constant danger of new virus variants derailing the recovery.



↑ The COVID-19 pandemic was an unprecedented disruptor for the Travel and Tourism sector.

As will be discussed in the key findings section of this publication, in addition to vaccine distribution and travel policy uncertainty, the uneven nature of the recovery is fuelled by challenges such as supply-chain disruptions, inflation, labour shortages and varied recoveries in domestic, international, nature, rural, urban, leisure and business travel markets. Moreover, the recent outbreak of war in Ukraine has placed additional stress on the recovery because it has created further supply-chain disruptions, increased energy prices, introduced travel restrictions, disrupted air routes and, overall, heightened geopolitical uncertainty and safety concerns.

Within this context, sector and government decision-makers in T&T are continuously reviewing their tourism strategies and policies to bolster recovery, address the aforementioned challenges and changing market dynamics, and position their organizations and destinations to succeed and grow in a post-pandemic world.

However, challenges posed by the pandemic and the ongoing recovery also highlight how vulnerable the T&T ecosystem can be to broader socioeconomic conditions and global risks. Social safety nets, access to basic services and workers'

rights have all been at the forefront of pandemic-mitigation policies, which is especially important for the T&T sector because of its ability to absorb unskilled labour and employ some of the most vulnerable populations in society. Moreover, longer-term risks related to overcrowding, natural and cultural asset preservation, more equitable development, resident liveability and climate change will likely resurface in the coming years. Therefore, sustainability and resilience will have to become integral to any T&T development plans and the sector's vital role in global connectivity, peace and economic and social development.

The Forum's *Travel & Tourism Development Index (TTDI)* is designed to reflect this reality by looking at "the set of factors and policies that enable the sustainable and resilient development of the Travel and Tourism (T&T) sector", including everything from business, safety and health conditions, infrastructure and natural resources to environmental, socioeconomic and demand pressures. The analysis below uses the TTDI's key findings to consider the current T&T landscape and the growing role of inclusivity, sustainability and resilience in rebuilding the sector and ensuring its long-term development.

4

# Key findings

The key findings of the TTDI relate to Travel and Tourism development, the challenges of recovery and how to build back better.

↓ Bryce Canyon National Park, Utah, USA.





“ The need for T&T development has never been greater as it plays a critical role in helping the global economic recovery.

Several key findings have been identified in the *Travel & Tourism Development Index (TTDI) 2021* results and research. First, the need for T&T development has never been greater as it plays a critical role in helping the global economic recovery by supporting the livelihoods of some of the populations hardest hit by the pandemic and by building resilience, especially when it comes to lower-income countries. Moreover, by investing in the factors that help drive T&T, many economies can leverage tourism to further their overall development.

Second, the key findings show not only how ongoing challenges such as reduced capacity and labour shortages are tempering the recovery but also how shifting demand has created opportunities, forcing many T&T businesses and destinations to adapt, highlighting the sector's impressive flexibility. Third, the analysis explores in more detail how various aspects and drivers of T&T development can be more thoughtfully and effectively considered and employed to bolster the recovery and build a more inclusive, sustainable and resilient T&T sector.

## 4.1 The need for T&T development has never been greater

### The case for T&T development

As already alluded to in the global context section above, the T&T sector's significant contribution to global economic and social development makes its recovery and long-term growth paramount. In 2019, the sector's direct, indirect and induced output accounted for about 10% of global GDP. Moreover, for many emerging economies, T&T is a major source of export revenue, foreign exchange earnings and investment. On average, out of the economies covered by the TTDI, T&T contributed 70% more towards the exports of middle-income economies than to the exports of high-income economies in 2019.<sup>10</sup> Consequently, restoring T&T sector growth will be particularly vital for developing economies' recovery. For instance, the World Bank forecasts that emerging markets and developing economies (EMDEs) will not return to pre-pandemic economic output trends until after 2023, with more than 80% of tourism-reliant EMDEs still below their 2019 economic output at the end of 2021.<sup>11</sup> Recent concerns about the slowdown in globalization and trade due to the impact of the pandemic and geopolitical tensions<sup>12</sup> further enforce how important T&T is for global connectivity.

It is also important to note that T&T is vital not only to overall economic performance but also to the livelihood of some of the populations and businesses most vulnerable to, and hardest hit by, the pandemic. This sector contributed to about 10% of global jobs in 2019,<sup>13</sup> employs almost twice as many women as other sectors, has a large share of youth employment and is a major source of jobs for minorities, migrants, informal workers and low-skilled workers.<sup>14</sup> Moreover, SMEs account for more than 80% of T&T businesses.<sup>15</sup> Unsurprisingly, research has shown that T&T growth can support social progress and create opportunities and well-being for communities.<sup>16</sup> Consequently, investing in T&T could not only mitigate the impact of the pandemic but also improve socioeconomic progress and resilience.

### Enabling the T&T development landscape

With the case for T&T's recovery and development clear, it will be critical to focus on and invest in the factors and policies (beyond the critical need for vaccine distribution) that can help enable these goals, many of which are measured by the TTDI. World Economic Forum research shows that TTDI performance correlates with direct T&T GDP, international tourist arrivals and receipts.<sup>17</sup>

↓ Hassan II Mosque, Casablanca, Morocco.

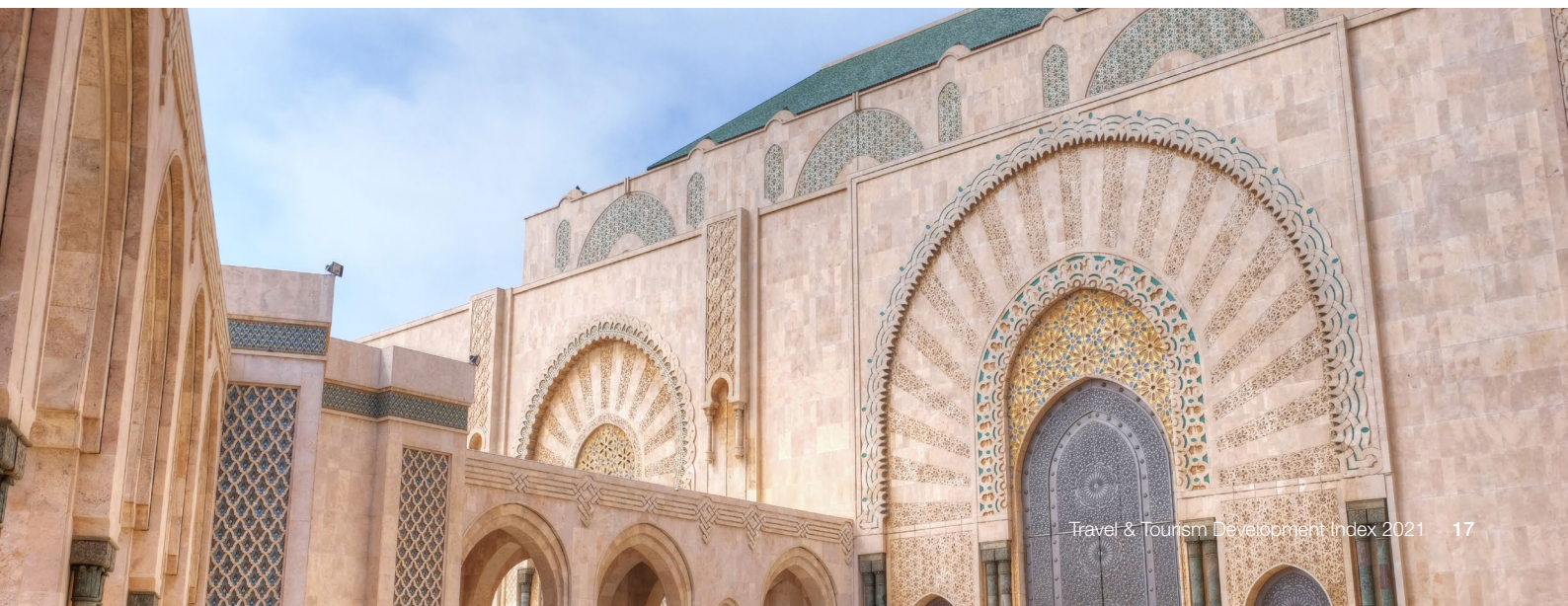
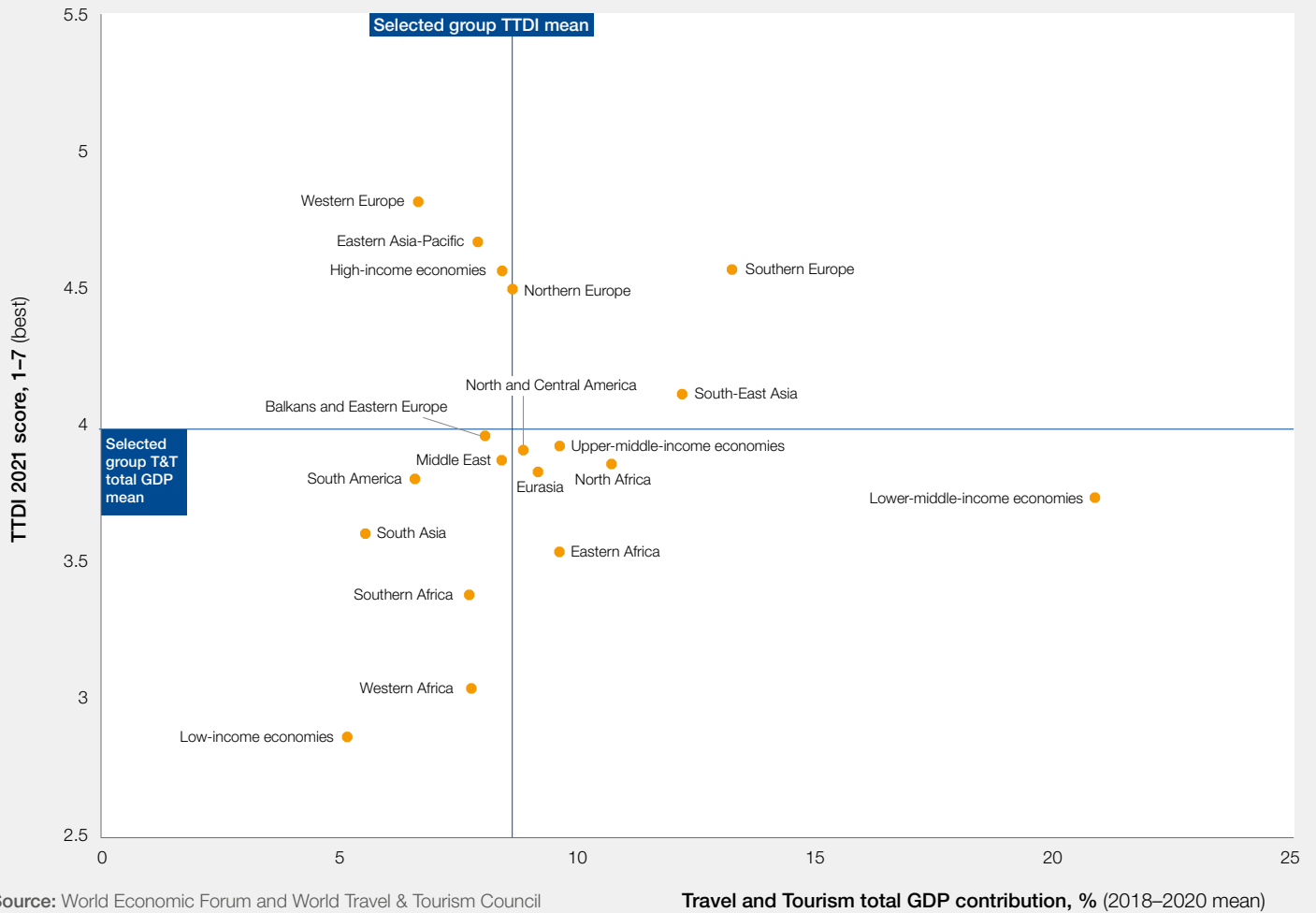


FIGURE 3 | Travel and Tourism economic and enabling development landscape



Source: World Economic Forum and World Travel & Tourism Council

Travel and Tourism total GDP contribution, % (2018–2020 mean)

Notes: Index and GDP data axis values are based on the mean of the 117 economies ranked in the Travel & Tourism Development Index 2021. Values for regional and income groups are also based on mean scores. GDP data represent average direct, indirect and induced output for 2018, 2019 and 2020.

Figure 3 can help us understand which economies are likely to be best positioned from a T&T recovery and resiliency point of view, and which may need to prioritize greater investment in T&T enabling factors. This is illustrated by comparing the TTDI scores to economic dependence on T&T. Low- and middle-income economies tend to score below the TTDI average, indicating a potential constraining factor for their economic recovery. In particular, economies in the bottom-right quadrant would gain the most by investing in the drivers of T&T development because they are more dependent on the sector for economic development. Such investment will help their economic recovery by enabling stronger tourism growth as well as supporting their overall economies to be more robust and resilient. On the other hand, while economies in the bottom left are less dependent on T&T, their below-average TTDI score may indicate that their conditions are leading to an underuse of the sector’s ability to drive development, weakening their economic potential – a resiliency issue in itself.

Higher TTDI scores for economies in the top two quadrants indicate that they are more mature

markets and are best positioned for the sector’s recovery. Countries in the top-left quadrant are in a more optimal position from a resiliency point of view as they have favourable conditions for T&T operations but are also less reliant on it for their overall economic performance. However, that is not to say that T&T does not play an important role in their overall economic development, especially at the local level and for specific segments of the labour force and SMEs. Meanwhile, economies in the top-right quadrant, like those below them, have also been more vulnerable to the impact of the pandemic, especially given that analysis shows they are typically more reliant on the export of T&T services. These factors may limit their ability to recover economically from the pandemic, but they are also better positioned to generate tourism-led economic growth as international tourism returns. In general, for the most mature T&T countries such as those higher in the top quadrants, sector performance and resilience may be less about making major improvements in aspects of T&T development such as infrastructure and more about continuously calibrating their T&T strategies to adapt to changing demand dynamics, local needs and overall T&T trends.

FIGURE 4 | TTDI 2021 pillar performance



Source: World Economic Forum

Figure 4 shows in more detail what gaps remain to achieving improved T&T performance and development for various countries. High-income economies and countries in the Europe and Eurasia (Europe) and Asia-Pacific (APAC) regions tend to lead the overall index in results. Among the largest differentiators between index leaders and laggards are: the distribution and promotion of natural, cultural and non-leisure assets and activities; the availability of quality transport and tourist service infrastructure; the degree of international openness; and favourable factors such as (increasingly important) ICT readiness and health and hygiene. However, as shown in the *Travel and Tourism Competitiveness Report 2019*, because T&T growth is so dependent on

factors such as infrastructure and health and hygiene, which if improved bring benefits to more than the tourism sector, sector leaders can play a valuable role in encouraging investment that benefits a country's economy as a whole. This is especially true for developing economies that have innate natural and cultural assets around which to mobilize investment.<sup>18</sup> The next section detailing key findings will use the TTDI results to discuss the T&T challenges and opportunities created over the past few years, as well as examining how various drivers of T&T development can be employed to bolster T&T recovery and build a more inclusive, sustainable and resilient T&T sector, thereby unleashing its potential for economic and social progress.

## 4.2 Recovery challenges and shifting demand dynamics

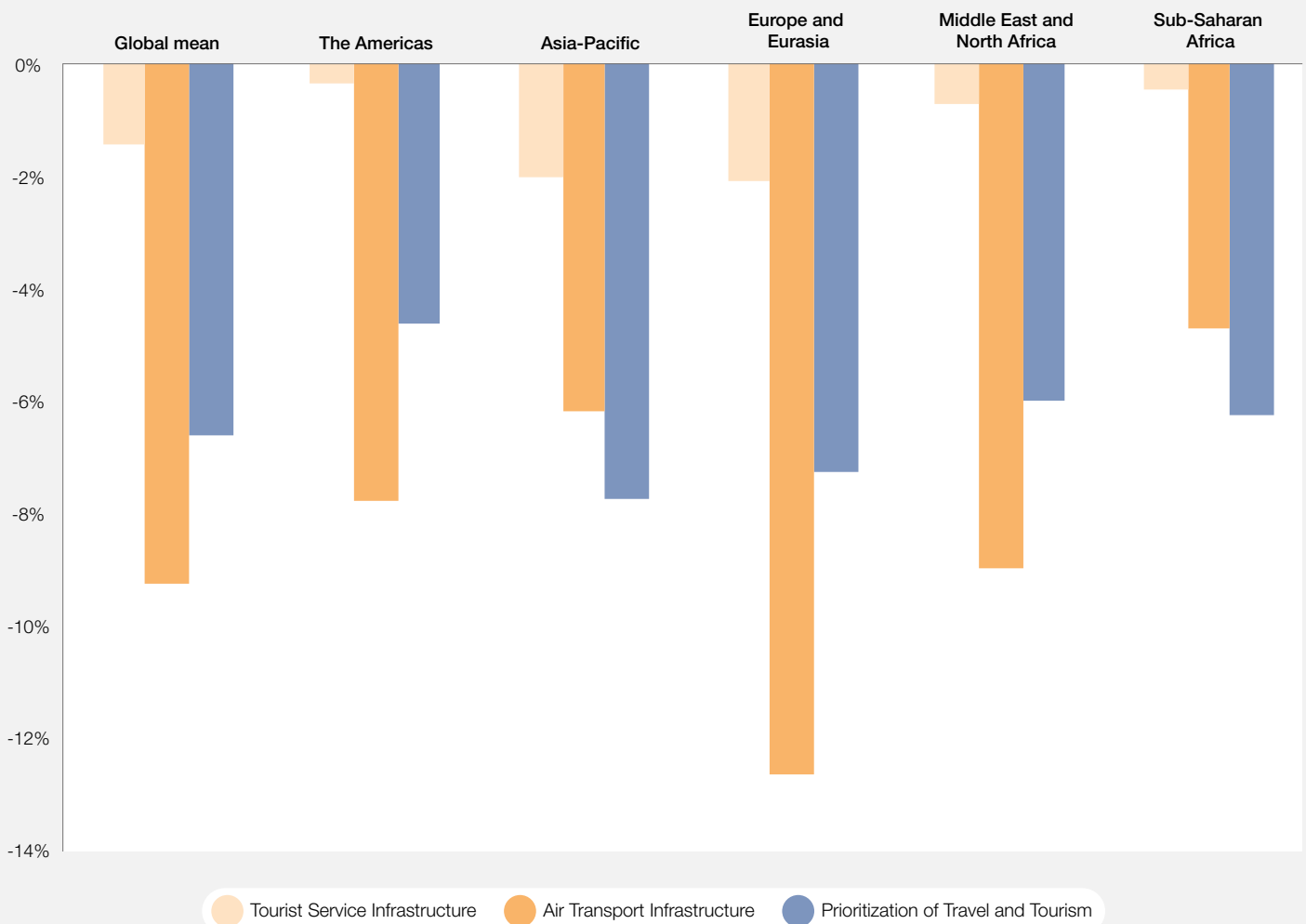
### The results highlight difficult operating conditions

While varying greatly based on local, segment, national and regional conditions, the TTDI results and research help highlight some of the various and common operational challenges the T&T sector faces in its recovery.

With T&T activities being severely restricted over the past few years, the greatest decline in index performance has come from the contraction of related operations and investment. As such, average scores fell in the Air Transport Infrastructure (-9.4%), Prioritization of Travel and Tourism (-6.7%) and Tourist Service Infrastructure (-1.5%) pillars. Air route capacity and airport connectivity plummeted, especially in more mature and high-income economies. Similarly, the decline in tourist service

infrastructure reflects initially reduced capacity in the accommodation and related segments. The average number of per capita short-term rental units dropped by about one-fifth between mid-2019 and 2021 across economies ranked in the index.<sup>19</sup> While not reflected in the TTDI results, STR data indicates that, over a similar timespan, the number of hotel rooms did not recover to pre-pandemic levels in many countries.<sup>20</sup> In line with these trends, both T&T capital investment and government T&T expenditures also fell. The decline in sector capacity has also been compounded by the fact that most businesses are SMEs and do not have the means to survive prolonged drops in demand or restrictions on person-to-person contact. The disproportionate impact of the pandemic on the sector is indicated by the direct T&T contribution to global GDP falling from 3.2% to 1.6% and the contribution to global employment falling from 3.8% to 3.1% between 2019 and 2020.<sup>21</sup>

FIGURE 5 Select pillar 2019 to 2021 average score change



Source: World Economic Forum



↑ COVID-19 caused many T&T businesses to close.

Yet, as demand resumes in line with easing travel restrictions and somewhat improving COVID-19 conditions, the initial reductions in capacity increase the potential for supply-side constraints. In advanced economies, in particular, rising demand, earlier lay-offs that disproportionately hit T&T, and competition for talent with other sectors have resulted in widespread labour shortages. A WTTC report focusing on the United States, the United Kingdom, France, Spain, Italy and Portugal estimates that the T&T sectors in these countries experienced staff shortfalls ranging from 9% to 18% in 2021.<sup>22</sup> The interconnected nature of the T&T supply chain and ecosystem has also created challenges. Hotels, airlines, car rental firms, tour operators, cruise lines and others all form a chain of service providers dependent on each other along the traveller journey. Bankruptcies or other disruption issues at any point along this chain have the potential to negatively affect the others.

In addition to labour shortages and capacity constraints, the sector has also been exposed to broader global disruptions that are complicating recovery. Over the course of the pandemic, growth in merchandise trade coincided with production, worker, equipment and space shortages to create a global supply-chain crisis. For instance, hotels have faced shortages of items ranging from slippers for clients to kitchen equipment.<sup>23</sup>

The recent outbreak of war in Ukraine and resulting sanctions and travel restrictions related to Russia have added further pressure on the recovery. Airlines around the world have had to reroute operations, increasing travel times and costs. Meanwhile, the still fragile recovery in international tourism demand could be tempered by increased hesitancy among travellers when it comes to visiting Europe.<sup>24</sup> Many T&T economies in Europe, Eurasia and beyond may also be hard hit due to reduced demand from Russia and Ukraine. Combined, these two economies account for about 3% of international tourism spending, with Russia having been a major source of visitors to destinations ranging from Azerbaijan, Georgia and Turkey to Israel, the United Arab Emirates and Thailand.<sup>25</sup>

“ In addition to labour shortages and capacity constraints, the sector has also been exposed to broader global disruptions that are complicating recovery.

While not yet fully reflected in the TTDI's Price Competitiveness pillar, rising travel demand, the stated labour, capacity and other shortages, global supply-chain disruptions and rises in fuel prices and inflation caused by factors such as the war in Ukraine will likely increase costs and service prices throughout the entire T&T supply chain and ecosystem. For example, as of 13 May 2022, jet fuel prices were more than double what they were a year ago,<sup>26</sup> and if they remain high, airline yields and ticket prices will likely rise.<sup>27</sup> Recent UNWTO analysis cites how conflict-induced uncertainty, higher energy and food prices and inflation in general are putting pressure on consumer purchasing power and tempering global economic growth, potentially affecting T&T sector performance. Moreover, as economies such as the United States combat inflation by increasing interest rates, consumer demand and T&T investment may be further hit by the rising cost of credit.<sup>28</sup>

## The pandemic shifts demand dynamics, creating opportunities and driving adaptation

With travel restrictions still common and traveller confidence hampered by pandemic concerns, the past few years have also seen a shift in demand trends in global T&T. According to the UNWTO Panel of Experts, the major trends driving the T&T recovery include domestic tourism, travel close to home, open-air activities, nature-based products and rural tourism.<sup>29</sup> The World Travel and Tourism Council (WTTC) data shows that, on average for the 117 economies covered by the index, domestic spending's share of T&T spending increased from 50.8% in 2019 to 62.6% in 2020 as domestic demand fared better than collapsing international demand.<sup>30</sup> Moreover, current projections for 2021 show that domestic spending growth is expected to substantially outpace international spend in every region outside of the Caribbean and Middle East.<sup>31</sup>

“ In 2020, 10.9 million Americans said they were digital nomads, a 49% increase from 2019. This sample of independent workers is also increasingly willing to travel.

↓ Perito Moreno Glacier, Argentina. The number of recognized UNESCO Heritage natural sites, including national parks, has expanded.

The TTDI results further reinforce the shift in demand dynamics that the world has witnessed. The second most improved pillar is Natural Resources (+2.5% average score increase). While this was driven largely by an expansion in the number of recognized UNESCO World Heritage natural sites and protected areas, such as national parks, the greatest improvement has come from destinations' ability to garner interest in nature-related segments as illustrated by the 20.8% average growth in natural tourism Digital Demand value, a measure of online searches for topics such as natural wonders, outdoor activities and rural accommodation.

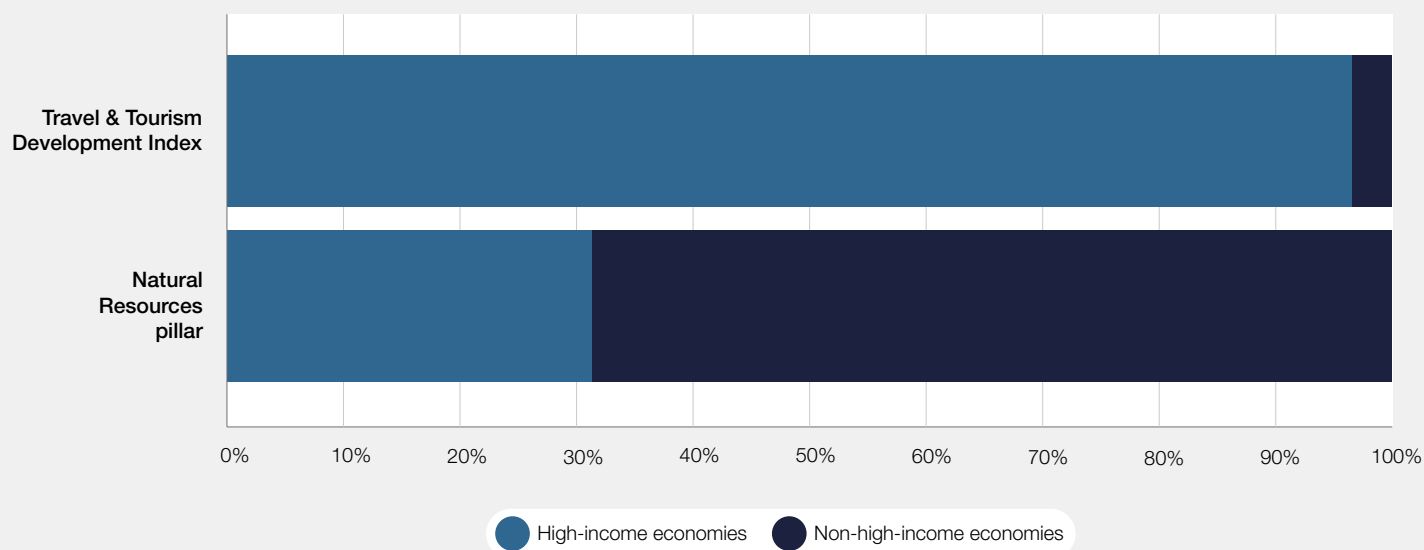
On the other hand, the Non-Leisure Resources pillar had one of the greatest declines in average performance (-1.9%) as business travel declined. While this sector is recovering, it has rebounded at a slower rate than leisure, with factors such as workplace flexibility and the availability of virtual alternatives for in-person meetings tempering demand and potentially leading to some permanent loss in corporate travel. This will force many T&T segments to adapt. For example, operators in the meetings, incentives, conferences and events (MICE) area may have to rely more on smaller and hybrid events.<sup>32</sup> T&T businesses and destinations are increasingly looking to capture opportunities offered by the changing nature of work. Over the course of the pandemic, more businesses have gone virtual, and an increasing share of the labour force is becoming independent. In 2020, 10.9 million Americans said they were digital nomads, a 49% increase from 2019. This sample of independent workers is also increasingly willing to travel. A recent survey showed that the share of US independent workers doing business outside the country jumped from 12% in 2013 to 28% in 2020.<sup>33</sup> Additionally, the trend in “bleisure” travel – the addition of leisure activities to business trips – is also growing.<sup>34</sup>

To cater to these growing markets, T&T businesses will have to become more flexible and create new, innovative products. For instance, some major hospitality groups are creating new long-stay properties that include kitchens and living spaces, while other have introduced packages that offer reduced rates for those staying longer, which include IT and boardroom services.<sup>35</sup> Furthermore, while virtual business may require less office space, corporations and their employees may need options for occasional company meetings and events that the sector could provide. However, it is important to note that these new market opportunities are primarily for the high-end travel market and are not likely to replace the overall loss in business travel. Lastly, T&T operators have also had to introduce more flexible booking and cancellation policies in order to address uncertainty about travel regulations and the pandemic, in addition to increased consumer desire to make last-minute changes or to add leisure stays to their business trips.<sup>36</sup>

From a destination point of view, many governments have also adapted to changing conditions to take advantage of shifting demand dynamics. For one thing, many countries have provided various incentives to boost domestic tourism. For example, Hong Kong, Singapore, South Korea and Japan have rolled out various programmes that provide discounts, coupons and subsidies for domestic travel.<sup>37</sup> Meanwhile, Aruba targeted the digital nomad market through extended work visas and other benefits via its One Happy Workation programme.<sup>38</sup> The trends towards more rural and nature-based tourism also offer an opportunity for less-developed economies to harness the benefits of T&T given that the distribution and quality of natural assets are less tied to overall economic development, with Natural Resources being one of the few pillars where non-high-income economies typically outperform high-income countries (see Figure 6).



FIGURE 6 | Composition of top quartile, by income group



Source: World Economic Forum

Note: Top quartile consists of top 29 scoring economies for the Travel & Tourism Development Index and Natural Resources pillar.

Overall, the above adaptations to shifting demand and COVID-19 conditions help highlight how flexible T&T business and destinations can be in times of crisis. As the sector rebuilds and addresses future risks, its adaptability will become more crucial than ever. In particular,

as can be seen in the key findings that follow, the shift to domestic and nature-based travel, as well as other trends, coincides with an increased emphasis on sustainable and safe travel. Therefore, T&T development will have to become increasingly sustainability oriented.

### 4.3 Building back better

Given the current challenges, shifting demand dynamics and future opportunities and risks, it is vital that T&T development strategies are employed to rebuild the sector in a more inclusive, sustainable and resilient manner.

#### Restoring and accelerating international openness and consumer confidence, including investment in health and security

For starters, as travel restrictions are removed, ensuring that T&T markets are open to visitors and investors will become vital. In particular, it is important that the historical trend of ever greater international openness in T&T continues. Reduced visa requirements fuel international tourism and additional air service agreements open up markets to more airlines, routes, competition and, ultimately, better service (see Figure 7). Given the recent

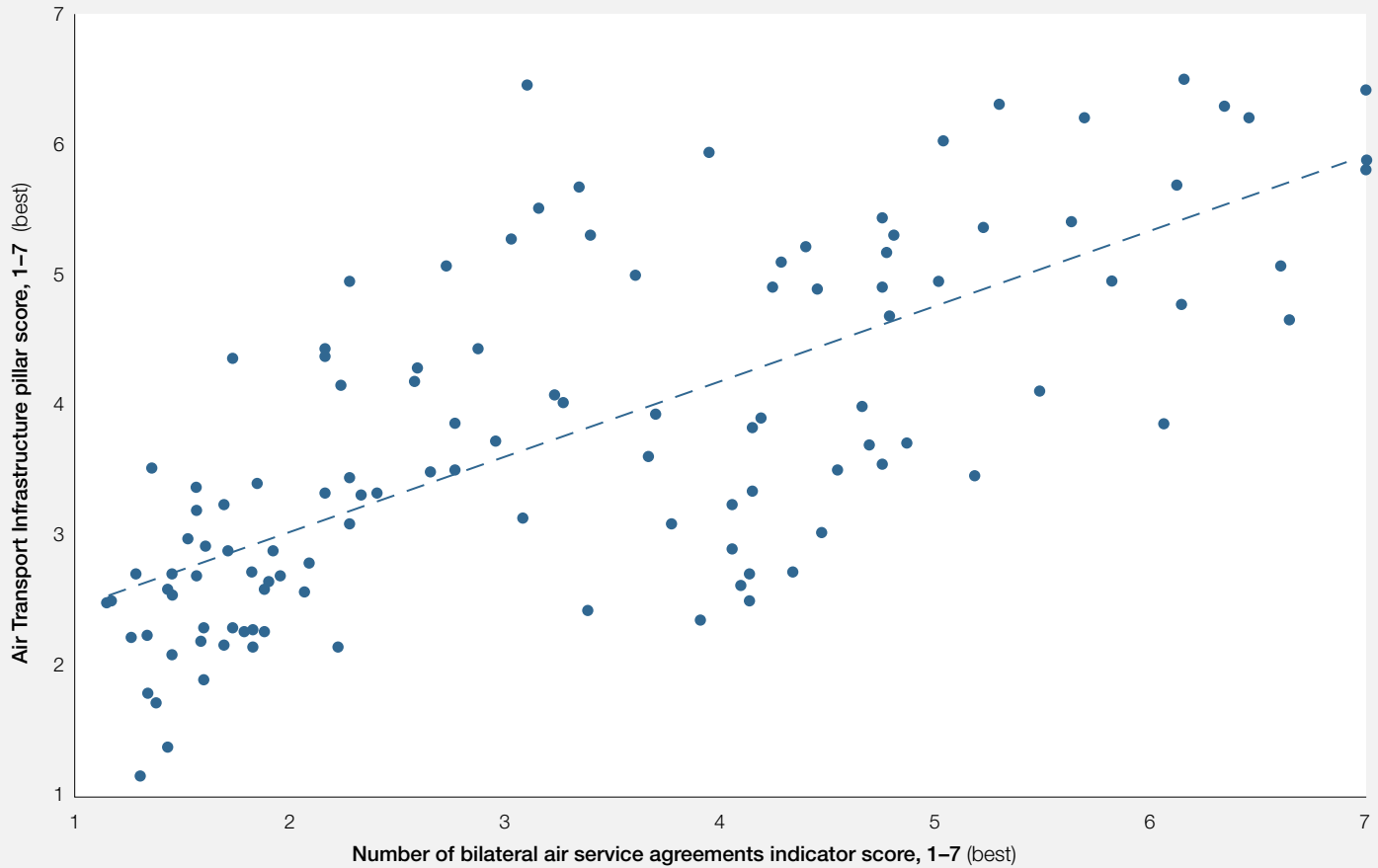
decline in international route capacity and travel demand, prioritizing visa and air service agreement liberalization will be important – with those economies most dependent on tourism exports and lacking large domestic markets standing to benefit the most. Financial openness and an increase in regional trade agreements can also help to facilitate necessary cross-border investment in T&T and beyond, which may also help encourage more international and intra-regional travel.

TTDI results indicate that Western, Southern and Northern Europe are usually the most internationally open subregions due to the close integration that the European Union, the Schengen Area and similar blocs and agreements provide. Such systems allow T&T operators to benefit from factors such as a larger and more diverse consumer base and common market rules. It is also important to recognize that despite the pandemic and disrupted global trade, 83 economies ranked in the index increased their number of regional trade agreements in force

between 2019 and 2021. Relevant recent developments include the African Continental Free Trade Area (AfCFTA), which came into force in 2021. Combined with related efforts such as the Free Movement Protocol and Single African Air Transport Market (SAATM), the sub-Saharan Africa region has the potential to unlock its untapped T&T potential and grow its underdeveloped intra-regional T&T market and air route capacity.<sup>39</sup>

Of course, many obstacles remain to the full implementation of these agreements, and actions must be taken to prevent COVID-19 from undoing achievements already made.<sup>40</sup> This also holds true for visa requirements. According to UNWTO data, before the pandemic, middle-income economies, including many based in Asia-Pacific and sub-Saharan Africa, often led the world in reducing visa requirements as a barrier to travel.<sup>41</sup>

FIGURE 7 Correlation between air service agreement liberalization and air transport infrastructure, 2019



Note: See Technical notes and methodology section for more information on indicators.

Source: World Economic Forum calculation based on air service agreements data provided by ICAO

Of course, the pandemic, along with the recent rise in geopolitical tensions, also highlights just how important health and security conditions are to protecting the openness on which T&T relies and to restoring consumer confidence in travel. Economies with sophisticated healthcare systems are better equipped to mitigate the impact of pandemics on T&T and the wider economy by protecting their populations, including the T&T workforce and visitors, thus reducing the need for travel and lockdown restrictions. Meanwhile, access to clean water and sanitation facilities helps prevent diseases or their spread. Lastly, consumers and business travellers are likely to remain more sensitive to the health and hygiene conditions at destinations for some time. A recent survey shows that the majority of travellers consider safety protocols, restrictions and cleanliness to be key factors in travel decision-making.<sup>42</sup> In the short term, T&T business,

destinations and international organizations have responded to these issues via actions such as the introduction of various protocols and certifications. For instance, the World Travel & Tourism Council has introduced the Safe Travels protocols and certification stamp that can be used by T&T to show customers they are following standardized global health and hygiene practices.<sup>43</sup>

In general, underdeveloped health and hygiene infrastructure and access represents an acute challenge for many developing countries, with low- and lower-middle-income economies scoring 50.0% and 25.6% below average in the Health and Hygiene pillar. These states lack physicians and hospital beds (in terms of ratio to population size) and access to basic sanitation and drinking water, and such issues, combined with lower vaccination rates, mean that these economies will





“ It is crucial for the success of the global T&T sector that the challenges related to vaccine distribution and roll-out are addressed in an equitable and inclusive fashion. While further effort is required, public-private cooperation can provide a useful avenue to address this challenge.

struggle to recover at the same pace as others and will have difficulty building adequate resilience against future health security risks. It is therefore crucial for the success of the global T&T sector that the challenges related to vaccine distribution and roll-out are addressed in an equitable and inclusive fashion. While further effort is required, public-private cooperation can provide a useful avenue to address this challenge. For example, the World Economic Forum’s Supply Chain & Transport Industry Action Group community, which consists of leading supply-chain companies, is supporting UNICEF and the COVAX Vaccine Distribution programme with “planning, preparedness and prioritized transportation and distribution of COVID-19 vaccines and related supplies”.<sup>44</sup>

The above-mentioned introduction of travel bans, flight-route adjustments, increasing fuel and food prices and potentially hindered international travel demand caused by the war in Ukraine have also shown the degree to which international T&T can be affected by geopolitical tension and conflict. Overall, it is well established that crime and security issues such as terrorism and conflict have a negative impact on tourist arrivals and sector revenue.<sup>45</sup> The 2021 TTDI data shows that economies in the Americas, sub-Saharan Africa and South Asia tend to score the lowest for safety and security, thereby creating a further obstacle to the future development of T&T in these areas.

On the other hand, research has also shown that a sustainable and open tourism sector can be resilient to violence and conflict and that it may help foster positive peace, namely the “attitudes, institutions and structures that create and sustain peaceful societies”. More specifically, the mechanisms through which tourism can accomplish

this include cultural and information exchange, encouragement of tolerance, better government functioning, human capital development and local and cross-border economic gain that can reduce the risks to peace.<sup>46</sup> It is now more important than ever to leverage the T&T sector’s potential for peace through sustainable development.

## Building favourable and inclusive labour, business and socioeconomic conditions

Over the course of the pandemic, the T&T sector has received substantial support in the form of debt financing, tax policies, assistance with business costs, public-sector investment, employment support, incentivization of tourism demand and easing of regulations.<sup>47</sup> In the future, continued investment in human capital and the creation of more favourable labour, business and socioeconomic conditions will be vital components in making the sector more inclusive, addressing ongoing challenges such as labour shortages and driving T&T growth and resilience.

Factors such as accessible and quality education and staff training, supportive hiring and firing practices, programmes to source skilled labour, flexible working arrangements and efforts to improve labour productivity can help equip T&T companies with a workforce that can improve operating efficiency, provide quality services, maintain flexibility in the face of evolving business needs and challenges and take advantage of the growing role of ICT tools. For example, according to the World Economic Forum’s *The Future of Jobs Report 2020*, skills gaps in the local labour

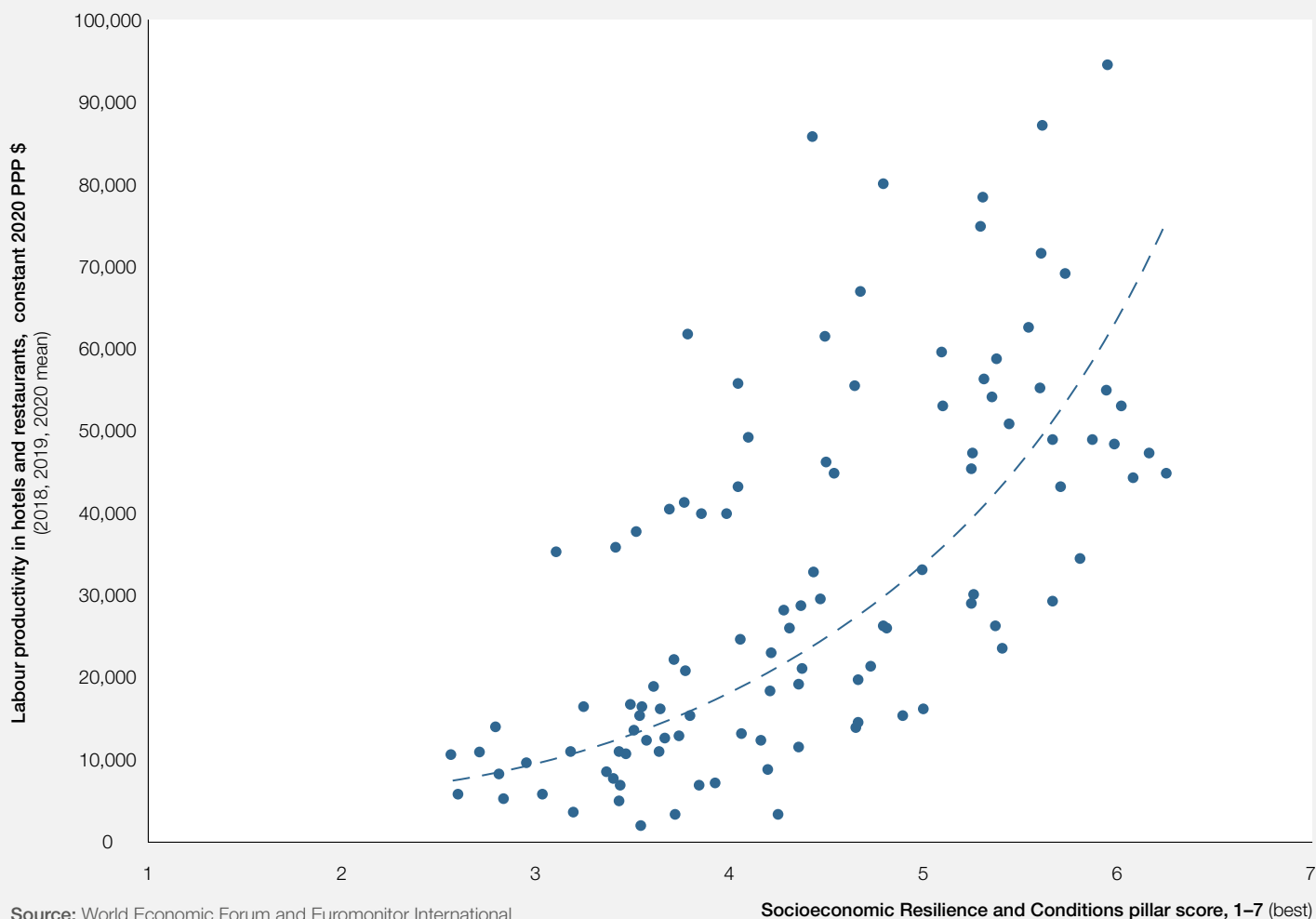
One poll of former US hospitality workers showed that more than half won't return to their old jobs and over a third are not planning on returning to the industry as they seek higher pay, better working conditions and benefits, and more flexibility.

market were the number one barrier to adoption of new technologies in the transport and storage, and consumer sectors, the two sectors most closely tied to T&T.<sup>48</sup> Furthermore, according to the WTTC, factors such as facilitation of labour mobility, upskilling and reskilling and promotion of education are vital elements in addressing the current labour shortage.<sup>49</sup> Meanwhile, the past few years have shown how important policy stability, access to credit and creating more business-friendly regulatory and tax environments have been in supporting the T&T sector, especially SMEs that typically do not have the same resources and access to capital as larger firms.<sup>50</sup>

The 2021 TTDI results partially reflect some efforts by policy-makers to support their economies, with the average Business Environment score climbing 1.7% since 2019. In particular, perceptions of the burden of government regulations and SME access to finance were areas that saw some of the largest improvements. The average Human Resource and Labour Market pillar also improved by 1.5% between 2019 and 2021, due to overall progress made in areas such as staff training. Nonetheless, less developed economies still score well below the TTDI average for most indicators for both pillars.

The pandemic has also highlighted how important an economy's socioeconomic resilience is for the T&T sector. In general, the ability of an economy to support its population through social protections such as unemployment and maternity benefits, keep youth employed or in training, effectively uphold workers' rights and support a diverse and inclusive workforce may potentially help strengthen employee productivity, expand the labour pool and make it more resilient to risks such as pandemics.<sup>51</sup> This is particularly true for the T&T sector because it provides income for a large number of youth, women, informal workers, the self-employed and small enterprises, who do not always have access to social or worker protections. Figure 8 shows that there is a relationship between socioeconomic resilience and conditions and labour productivity in T&T. Recent survey data also reinforces how important issues such as benefits and working conditions are for attracting talent and addressing the ongoing labour shortage in the sector. One poll of former US hospitality workers showed that more than half won't return to their old jobs and over a third are not planning on returning to the industry as they seek higher pay, better working conditions and benefits, and more flexibility.<sup>52</sup>

FIGURE 8 Correlation between socioeconomic resilience and conditions and tourism labour productivity



Source: World Economic Forum and Euromonitor International

Note: This figure excludes any economy that had an imputed value for labour productivity. See Technical notes and methodology section for more information on indicators.

The 2021 TTDI results show that, across the board, socioeconomic resilience has tended to improve due to the expansion of social protection coverage and spending in line with global efforts to mitigate the impact of COVID-19. High-income economies do tend to score far higher on the Socioeconomic Resilience and Conditions pillar, putting them in a better position to deal with future challenges and maximize their workforce potential. Conversely, low- and lower-middle-income countries have far lower socioeconomic resilience due to more limited social protection, higher rates of youth not in education, employment or training (NEET), fewer workers rights and greater inequality of opportunity for all. As a result, the T&T sector in these economies may face more obstacles to recovery and may be more vulnerable to future risks.

While rising interest rates and debt levels represent a growing obstacle, government responses to the pandemic demonstrated their capacity to provide more comprehensive socioeconomic support, and the benefits of doing so, albeit during an unprecedented situation. While the pandemic has certainly disproportionately affected SMEs, entrepreneurs or more vulnerable populations, strengthening such mechanisms, especially in the T&T sector, could have compound benefits for the sector and economies as a whole.

### The growing role of environmental sustainability

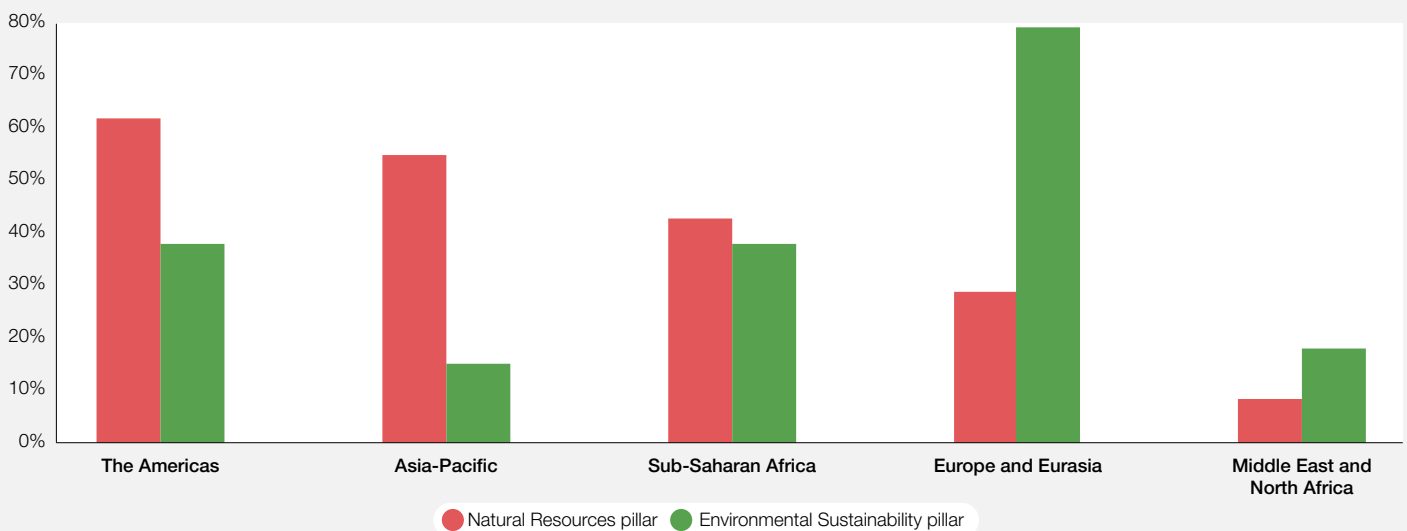
In the coming years, the success of T&T businesses and destinations will be increasingly tied to their ability to manage and operate under ever greater ecological and environmental threats. According to surveys conducted for the World Economic Forum's *Global Risks Report 2022*, environmental risks

represent half of the top 10 global risks, with climate action failure, extreme weather and biodiversity loss being the most severe.<sup>53</sup> Given the central role natural assets play in generating T&T demand and spend, these environmental risks represent a serious threat to long-term growth for the sector. Moreover, within this context, travellers increasingly value environmentally sustainable options.<sup>54</sup>

The 2021 TTDI results indicate the extent of environmental sustainability threats and challenges. For instance, comparing the Natural Resources and Environmental Sustainability pillar scores helps to pinpoint where some of the greatest risks to nature-based tourism might lie. Out of the 30 economies that rank in the top quartile for natural resources, 17 score below the global average for environmental sustainability and eight rank in the bottom 25.

Figure 9 provides a regional view of the challenge. While most economies in the Americas and Asia-Pacific and almost half of those in sub-Saharan Africa score above average for natural resources, they commonly underperform in environmental sustainability, making it a critical problem for future T&T development. Environmental issues differ in these regions, but some examples include elevated climate-related risk (as measured by the Global Climate Risk Index), air and sea pollution, deforestation, poor wastewater treatment and inadequate preservation policies. In the Middle East and North Africa, common problems include water stress and air pollution. On the other hand, economies in the Europe and Eurasia region are world leaders in environmental sustainability, accounting for more than half of countries in the TTDI that score above average for this pillar. Combined with the fact that natural resources are not its greatest strength or dependency, the region and its tourism sector may be the better positioned to deal with future ecological risks.

FIGURE 9 Share of a region's economies scoring above average for natural resources and environmental sustainability



Source: World Economic Forum



↑ Caracol Waterfall, Canela, Brazil.

Nonetheless, while there are some economies that have better environmental conditions, the challenge is widespread and is not easing. The difference in average score between the top and bottom quartiles for the Environmental Sustainability pillar is the second lowest among the pillars. Moreover, performance for many indicators in this pillar has been mixed. For example, scores for deforestation continued to worsen. On the other hand, efforts to preserve the environment and T&T-generating natural assets got a boost from continued expansion in the share of protected territories and the number of environmental treaties signed.

A recent UNWTO and One Planet report reiterated the importance of a healthy environment for T&T competitiveness and development and recommended several actions to help the T&T sector produce a greener recovery. This included biodiversity protection actions such as putting tourism at the forefront of conservation efforts and ensuring that the value tourism provides for conservation efforts via monitoring mechanisms and investing in nature-based solutions is captured. Climate action efforts in T&T can be accelerated through the likes of monitoring and reporting emissions from tourism operations, accelerating decarbonization through the development of low-carbon transport options and greener infrastructure, and engaging in carbon removal via the restoration of carbon-density ecosystems and carbon-removal technologies. Finally, circular economy actions are recommended.

These include investing in transforming tourism value chains by: reducing, reusing, repairing, refurbishing, remanufacturing, recycling and repurposing whenever possible; prioritizing sustainable food approaches such as local and organic procurement; creating sustainable menus and focusing on reducing food loss; and shifting towards a circularity of plastic in tourism.<sup>55</sup>

At the World Economic Forum, efforts in this field are plentiful, and cover multistakeholder actions on decarbonizing transportation, accelerating action on plastics, ensuring the long-term, sustainable use of the ocean, and developing the circular economy. In particular, the Clean Skies for Tomorrow Coalition<sup>56</sup> is working with stakeholders in the aviation ecosystem, including buyers of corporate travel, to accelerate the production and use of sustainable aviation fuels, all while better distributing the green premium for these fuels. The Forum also hosts the Global Future Council on Sustainable Tourism,<sup>57</sup> a community of experts from academia, business, civil society and governments who are developing a set of principles for sustainable destinations to guide decision-making on rebuilding the sector in the wake of the pandemic. The Council is also researching customer behaviour changes that can incentivize the development and delivery of more sustainable travel products and services, articulating the value of investment in the blue and green economies in tourism, and providing guidance on the ambition of achieving net-zero emissions across the various verticals in the T&T sector.

## Managing tourism demand and impact

Sustainable management of tourism demand that maximizes benefits for local communities, while also mitigating negative side effects such as overcrowding, will also become a vital component of T&T development as the sector recovers.

The TTCR 2019 discussed how long-term T&T growth was starting to put pressure on local infrastructure and housing, as well as degrading cultural and natural assets that attract visitors and fuelling uneven distribution of T&T benefits. This ultimately led to falling liveability standards for residents, local backlash against tourism and diminished visitor experience.<sup>58</sup> Although recent lockdowns and travel restrictions led to this sustainability challenge being discussed less, it is likely to become a more common topic as demand continues to recover. In many areas, the pandemic-fuelled travel demand push towards outdoor attractions, rural communities and secondary destinations has already revealed capacity constraints. For instance, the rise in nature travel had already led to more overcrowding at many national parks, with many US national parks monthly visitation number hitting all-time highs, leading to issue such as littering, wildlife disruption and traffic jams.<sup>59</sup> Visitors also show signs of wanting to reduce their footprint and improve the social impact on the destinations they visit, with just over half of global travellers in a recent survey indicating that they would be willing to switch their original destination

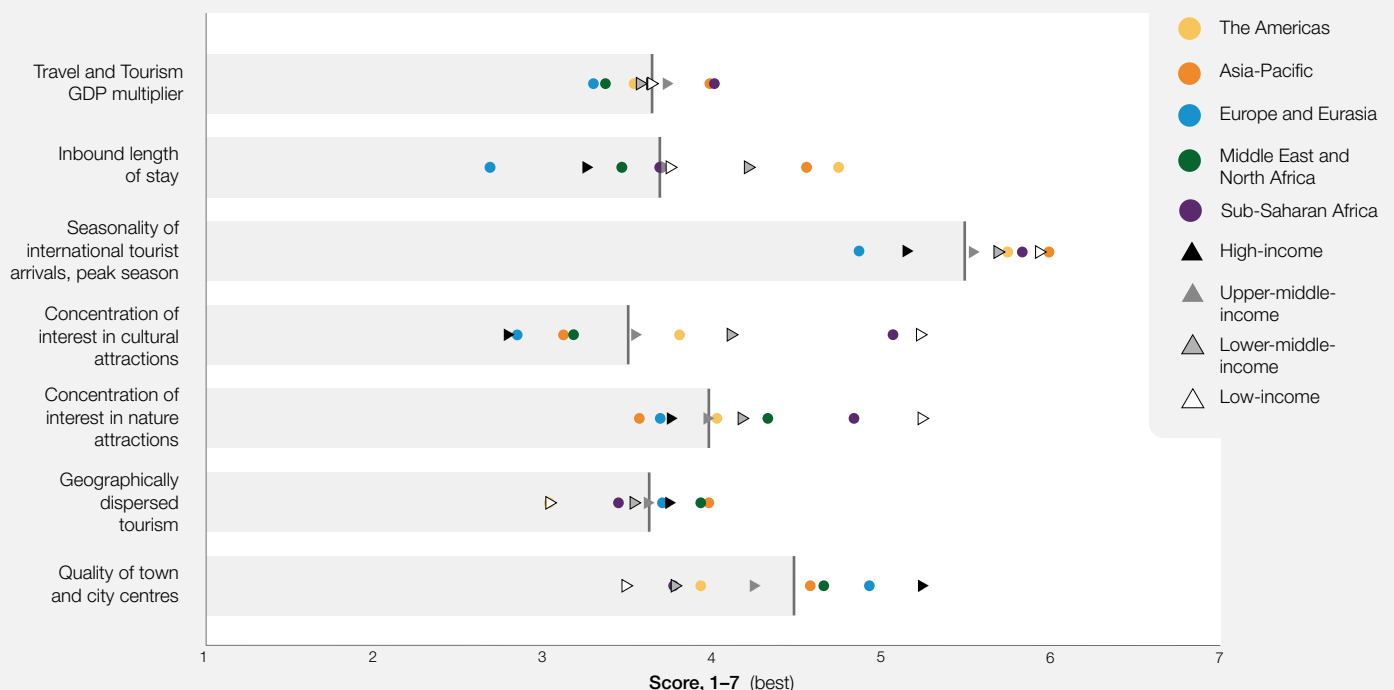
for a lesser-known one if it led to a reduced footprint and greater community impact.<sup>60</sup>

While issues such as overcrowding and other effects of T&T on communities are typically a local rather than national-level concern, the TTDI looks at the existence of, or risk related to, overcrowding and demand volatility, as well as the quality and impact of T&T via the T&T Demand Pressure and Impact pillar. In general, pillar results indicate that T&T Demand Pressure and Impact challenges affect economies of all levels of development. For instance, the difference in the average pillar score between low- and lower-middle-income and high-income economies covered by the index is just 0.8% and 2.5%, respectively.

High-income European countries tend to be some of the top TTDI performers and include rich cultural and non-leisure assets and quality transport and tourism infrastructure that allow for the absorption of large quantities of visitors. However, they still tend to score below average for the T&T Demand Pressure and Impact pillar due to factors such as shorter lengths of stay, higher seasonality and a very high level of concentration of interest in a small number of attractions, as shown by Tripadvisor page views and backed by at times unfavourable perceptions of the dispersions of tourism. Unsurprisingly, this region has often claimed headlines for tourism overcrowding. On the other hand, less-developed economies and those ranking lower on the TTDI tend to bring in fewer tourists, but still score below average for perception of tourism dispersion and town- and city-centre accessibility and crowding, an issue that may be partially explained by these economies' typically below-average scores for transport infrastructure.

60 Just over half of global travellers indicated that they would be willing to switch their original destination for a lesser-known one if it led to a reduced footprint and greater community impact.

FIGURE 10 T&T Demand Pressure and Impact pillar component scores, 1–7 (best)



Note: See Technical notes and methodology section for more information on indicators.

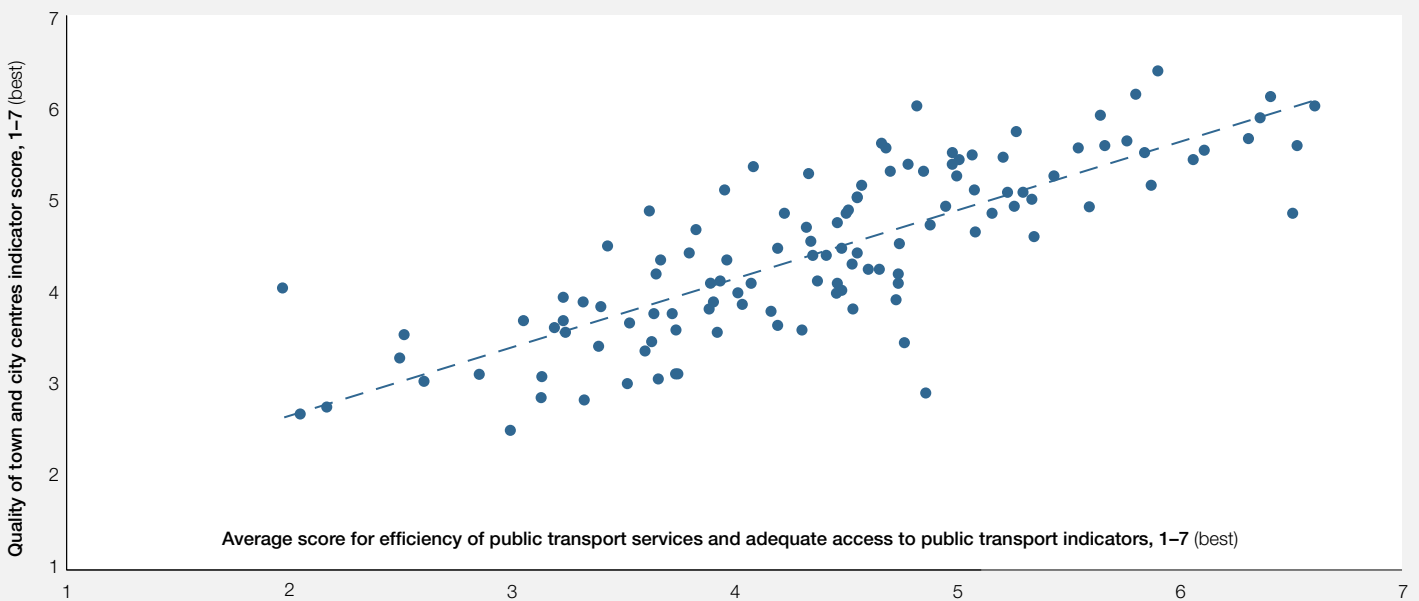
Source: World Economic Forum, Executive Opinion Survey 2021, Euromonitor International, World Tourism Organization, World Travel & Tourism Council and Tripadvisor

In summary, the relatively close distribution of T&T Demand Pressure and Impact pillar scores among economies of different incomes and tourist arrival levels highlights the fact that challenges such as overcrowding have less to do with visitor numbers and more to do with local conditions and policies.

Yet, as the sector rebuilds, there is an opportunity to use increasing domestic and nature-based T&T demand, consumers' rising preference to manage their footprint and the need to address historical issues such as overcrowding by making investments and policies that help disperse T&T,

thus making the sector more resilient. For one, proper care must be paid to developing transport, tourism, health and ICT infrastructure in rural, nature and secondary destinations. This can help funnel tourism and its benefits to more communities, make them more attractive destinations and increase their capacity to absorb more visitors. Within urban centres, improved road and public transport infrastructure and access to efficient, accessible, safe and affordable transport options can reduce the chances of overcrowding and lead to both greater liveability for residents and a better visitor experience (see Figure 11).

FIGURE 11 Correlation between public transport and quality of town and city centres



Source: World Economic Forum, Executive Opinion Survey 2021

Note: See Technical notes and methodology section for more information on indicators.

In general, TTDI 2021 results show an improvement in the Ground and Port Infrastructure pillar (+2.2%) since 2019. In particular, middle-income economies have experienced some of the strongest growth in areas such as perceptions of road quality and efficiency of train services. Nevertheless, as already alluded to, less-developed economies still have gaps in their infrastructure, ranging from lower road and rail density to a lack of access to efficient and quality public transport. Combined with lower marks for factors such as tourist and health infrastructure, these economies will face some of the greatest challenges in distributing tourism and its benefits throughout their communities. However, they also have the most to gain from overcoming these obstacles.

Aside from investment in infrastructure, policies are also a fundamental part of proper tourism demand management and dispersion. The above subsections of the key findings section explored how governments and destinations can institute policies to develop domestic and other forms of

tourism. Moreover, there are specific efforts that can be made to manage T&T to prevent overcrowding and efficiently use a destination's carrying capacity. For instance, the UNWTO has set out strategies and measures that can combat challenges such as these in cities. Some of these include the promotion of attractions and events that disperse visitors so they are not concentrated only in certain areas, time-based dynamic pricing, the creation of pedestrian-only zones, defining the carrying capacity of city areas, focusing on lower-impact visitor segments, ensuring local communities benefit from tourism, engaging with local stakeholders and monitoring the impact of tourism, including through the use of big data.<sup>61</sup>

T&T stakeholders can also play a more active role in broader sustainable mobility efforts and trends that can help to reduce the sector's environmental impact, manage demand and make destinations more attractive for visitors and residents. For example, the World Economic Forum's Global New Mobility Coalition (GNMC) is a multistakeholder

“ In the context of shifting demand dynamics, destinations with greater ICT readiness will be better positioned to diversify their markets and take advantage of trends such as the rising numbers of digital nomads and growth in nature-related travel.

community for “accelerating the shift to a Shared, Electric and Autonomous Mobility (SEAM) system”. The synchronization of high-occupancy, electric and autonomous transport options can lead to better traffic flow, higher efficiency of road usage, more equitable mobility systems, better air quality, lower carbon emissions and improved grid resilience. More specifically, SEAM may reduce carbon emissions by 95%, improve mobility efficiency by 70% and decrease commuting costs by 40%. Given SEAM’s clear potential to create more sustainable destinations, a case can be made for T&T sector involvement in this area.<sup>62</sup>

## The crucial role of digital technology

All of the aforementioned efforts to build back a better T&T sector will depend on effective leveraging of the growing role of digitalization in T&T.

More T&T services are being accessed by digital systems through online travel agencies (OTAs) and sharing economy platforms, direct online bookings, digital payment systems and mobile devices, and thus consumers tend to expect the greater convenience, increased options, reduced person-to-person contact and seamless experience that these systems provide. Furthermore, digitalization enables T&T businesses to gather consumer insights and preferences, optimize operations, cut transaction costs and automate processes.<sup>63</sup> Online platforms also enable T&T service providers, including SMEs, to reach beyond their local markets and connect with broader domestic and international markets. Due to the above-mentioned factors, it is not surprising that a positive relationship has been found between ICT readiness and international tourism receipts.<sup>64</sup> In the context of shifting demand dynamics, destinations with

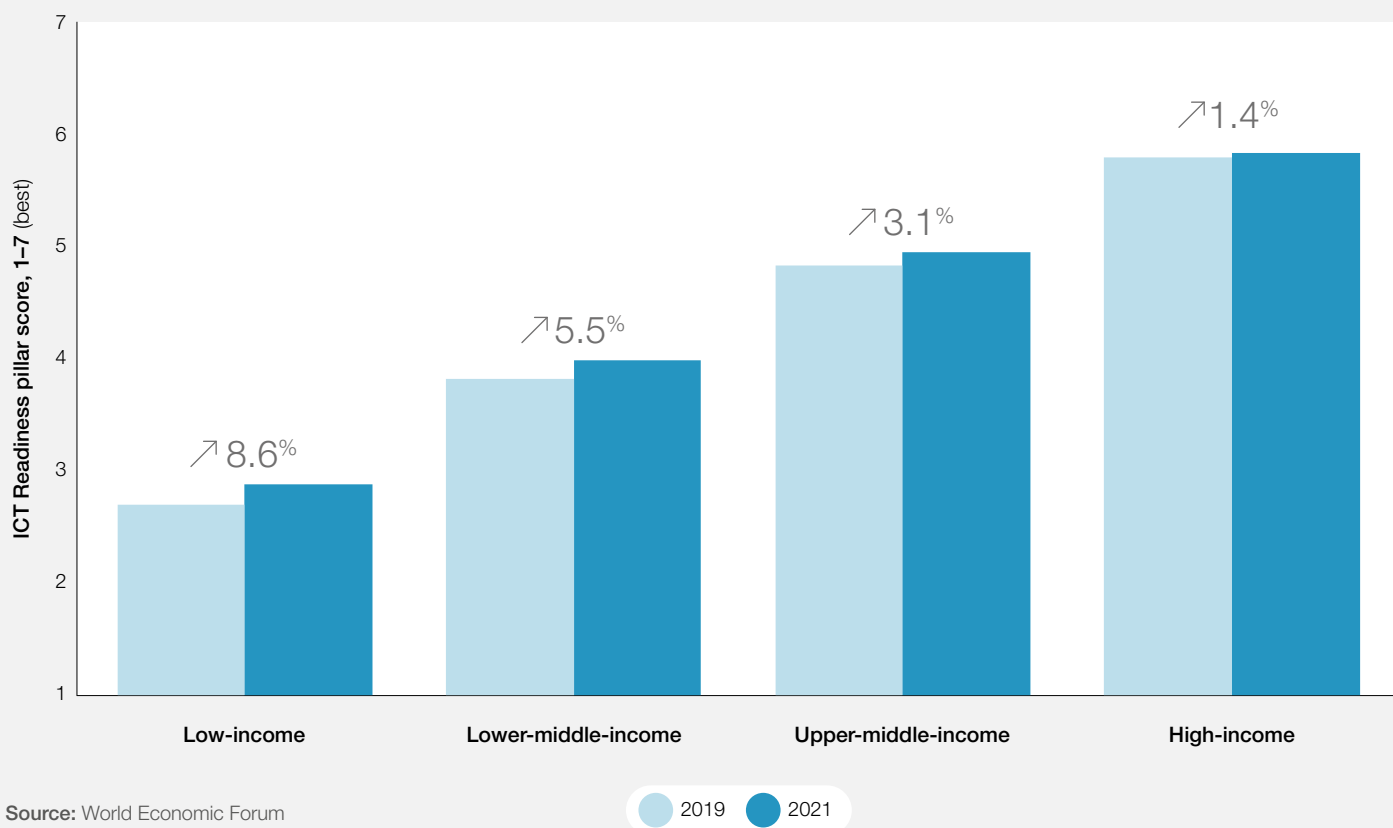
greater ICT readiness will be better positioned to diversify their markets and take advantage of trends such as the rising numbers of digital nomads and growth in nature-related travel. For instance, research shows a clear relationship between the ICT Readiness pillar and natural tourism online searches in economies with rich natural resources.<sup>65</sup>

A recent report by the Asia Development Bank (ADB) and UNWTO outlines how the T&T sector can use big data and digitalization for better and more sustainable tourism management and recovery. Tourism-specific data coming from sources such as T&T operators and online platforms, and non-tourism-specific data coming from sources such as credit card transactions, mobility services and sensors can help T&T stakeholders track and manage the social, economic and environmental impacts of T&T, complement more traditional data-collection efforts, manage tourism flows and target preferred source markets, thereby helping to create smart destinations. For instance, the Macao Government Tourism Office has worked with a major Chinese multinational technology company to “optimize visitors’ travel experiences before, during and after trips; obtain insights into travellers’ behaviour through in-depth analysis of big data; and monitor, divert and disperse visitor flows at tourist districts and congested areas”. The use of big data and various digital platforms and technology can also help seamless travel and act as health and security tools by enabling safety protocols, biosecurity technologies and digital health certificates, thereby boosting traveller confidence. However, the report also highlights the various barriers to greater use of big data and digitalization within the T&T sector. Some of these challenges include privacy concerns, data reliability, governance issues, disincentives for public-private collaboration, the digital divide, skills gaps and greater efforts to include SMEs.<sup>66</sup>

↓ Macau, China. Digital technology has enhanced T&T operators and expanded their markets.



FIGURE 12 | ICT Readiness by economic income group, 2019–2021



Source: World Economic Forum

“ If proper efforts are made, digitalization in T&T will become one of the driving forces in growing the sector’s role in inclusive, sustainable and resilient development.

Figure 12 helps to illustrate the digital divide among economic income groups. Developing economies typically lag when it comes to ICT infrastructure, internet connectivity and mobile network coverage, which hampers the use of digital platforms in financial services, transport and tourism activities. On the other hand, the ICT Readiness pillar is the most improved (+3.0%) since 2019 largely due to continued improvement in low- and middle-income economies. These results indicate that while high-income economies are best positioned to leverage digitalization and create smart destinations, developing economies are building capacity. In addition, as already mentioned, creating a more highly skilled labour force will be an essential element and challenge in maximizing the use of ICT tools in T&T.

The growing role of digitalization and, in particular, digital platforms, within the T&T space can also create other labour and socioeconomic challenges. Globally, the number of active digital labour platforms, which include ride-hailing taxi and delivery services, has grown from fewer than 200 in 2010 to at least 777 at the start of 2021. As stated, these platforms create new avenues for flexible employment for people, allow business to

access wider markets and talent pools, improve productivity and provide convenience for customers. However, they could also lead to greater income and job insecurity. Commonly raised issues include less favourable working conditions, deficient social protection and employment benefits and a lack of access to fundamental rights of freedom of association and collective bargaining.<sup>67</sup> The growth in popularity of digital platforms offering short-term rentals has also led to concerns about residents’ access to housing at destinations where housing capacity is increasingly taken up by the T&T sector.<sup>68</sup> The concentration of market share in the hands of digital platforms may also lead to imbalances in the bargaining and pricing power of the various stakeholders, including workers and SMEs.<sup>69</sup>

If proper efforts are made, from employee training and supporting SMEs’ use of ICT to fair and effective regulation of digital platforms and their impact on workers and destination communities, digitalization in T&T will become one of the driving forces in growing the sector’s role in inclusive, sustainable and resilient development. However, failing in these areas could also transform this key aspect of T&T operations into an increasingly acute barrier to future T&T growth.





## 4.4 Conclusion to the key findings

The COVID-19 pandemic and its impact have underscored the T&T sector's vital role in global connectivity and development. In the coming years it will therefore be crucial for T&T stakeholders to devise strategies that make the sector more inclusive, sustainable and resilient.

As the TTDI 2021 results reveal, any such enterprise will require a comprehensive and holistic approach. Creating a better T&T economy is not just about improving infrastructure or offering favourable pricing. It also involves creating better health and hygiene conditions, ensuring natural resources are protected and that the workforce on which the sector depends has access to training and social protection. This necessitates the active participation and coordination of sector and non-sector business, employers and employees, government agencies ranging from tourism and health ministries to local authorities, environmental and conservation

groups, and international organizations. Over the course of the pandemic, often uncoordinated travel restrictions and health protocols revealed the difficulty and necessity of such cooperation.

In the future, efforts will need to be made to devise common frameworks for defining and measuring T&T sustainability, including the creation of commonly accepted environment, social and governance metrics. The safe and ethical use of big data will prove fundamental to this cause. Moreover, in an increasingly complex and technology-enabled environment, it will be vital to ensure that developing economies, workers and SMEs are not left behind.

While these challenges may be difficult, the flexibility and adaptation the T&T sector has shown in the past few years also indicates that sector stakeholders are more than capable of rising to the occasion.

↑ Schlegeis Stausee, Austria. Key findings show that natural resources must be protected.

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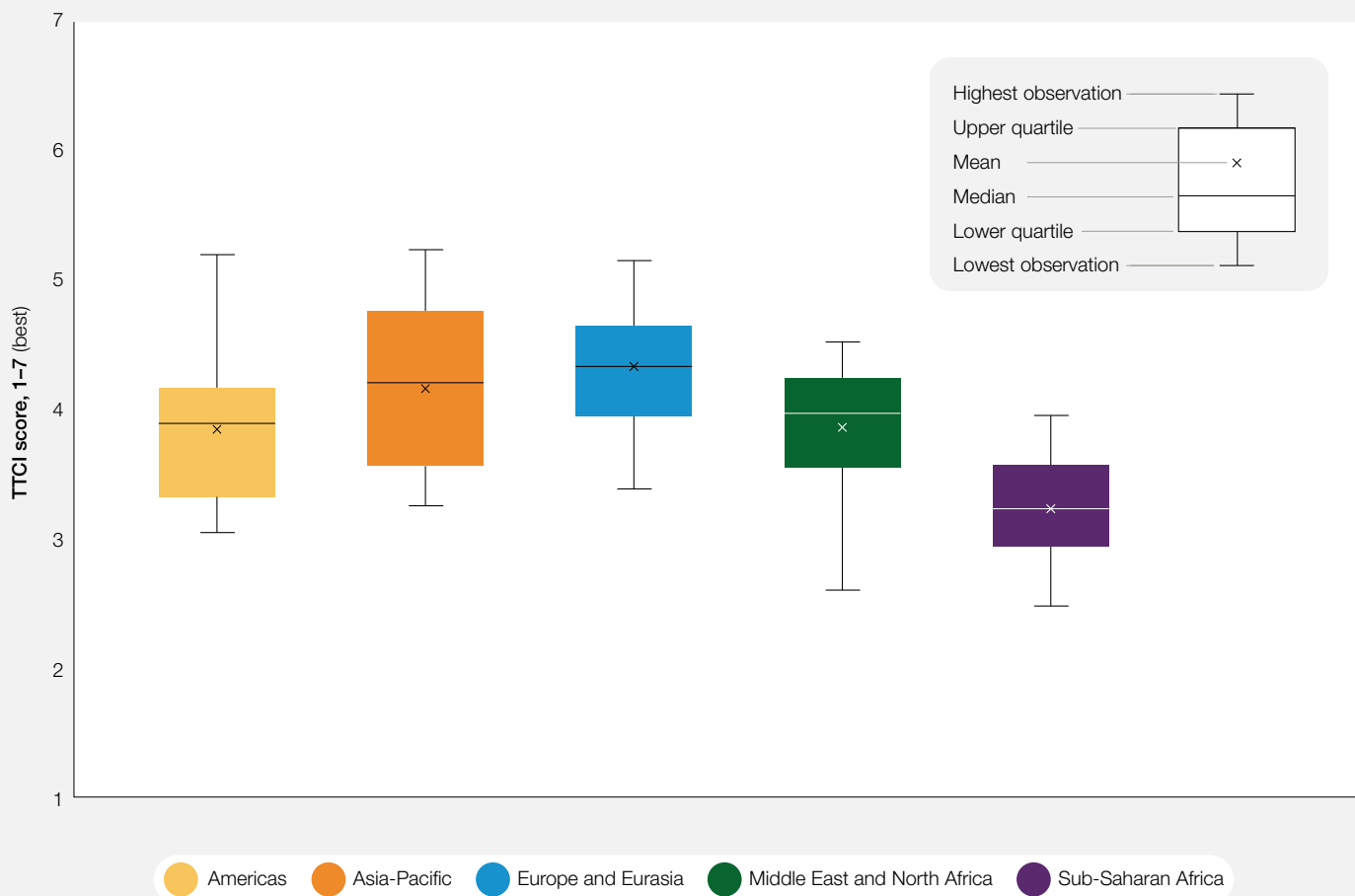
# Regional results

The Europe and Eurasia and Asia-Pacific regions dominate the index ranking, while sub-Saharan Africa showed the greatest improvement in performance.

↓ The TTDI 2021 covers 117 economies across 5 regions and 15 sub-regions



FIGURE 13 | Regional TTDI 2021 performance distribution



Source: World Economic Forum

Overall, the Europe and Eurasia (Europe) and Asia-Pacific (APAC) regions dominate the TTDI ranking (9.0% and 4.9% above the TTDI average, respectively). However, Europe is the only region to have decreased its average score since 2019 (just -0.5%), very slightly eroding its considerable lead. On the other hand, the sub-Saharan Africa (Africa) region had the greatest improvement in performance (+1.1%), but far more needs to be done for economies in the region to catch up with the global average (-18.4% below TTDI average). The Americas and the Middle East and North Africa (MENA) regions also underperform the global average (-3.1% and -2.8% below TTDI

average). Nonetheless, the Americas region has marginally gained in its score (+0.6%), while MENA has remained relatively stable as its improvement (+0.1%) was in line with overall global performance.

The section below provides additional analysis of each region and highlights the top performers or interesting results. It is important to note that regions are often composed of a wide variety of economies at different levels of development. Therefore, the quantitative results may not reflect some of these more nuanced realities. For a more in-depth visualization of regional data, please [click here](#).

Please note that that data for the TTDI 2021 was collected before the war in Ukraine. We therefore removed the Russian Federation and Ukraine from the ranking as data for these economies no longer reflects current or longer-term trends and conditions.



## The Americas

While 13 out of the 21 Americas economies covered in the TTDI have improved their score since 2019, the region as a whole still performs below the TTDI average, with just under half of the 21 economies scoring above the mean. One of the most defining aspects of the region's T&T is its rich endowment of nature. More than half of its economies score above the TTDI average for the Natural Resources pillar, nine are in the top 20 performers and five (in order of pillar scoring, Mexico, Brazil, the United States, Canada and Colombia) among the top 10. These five, and a few others, also possess above-average cultural and non-leisure resources. On average, the region's economies also have above-average tourist service infrastructure, price competitiveness and prioritization of T&T, although this varies greatly between constituent countries.

On the other hand, the region's T&T sector faces many challenges, not least unfavourable enabling environments and, in particular, often poor business

(especially outside of high-income economies) and safety and security conditions. In fact, half of the 20 lowest-ranking economies for safety and security globally come from Latin America. The region's less developed economies require significant investment in mobility services and infrastructure, especially for ground transport, and a noticeable need to enhance international openness. The majority of economies in the Americas also need to tackle socioeconomic resilience and environmental sustainability issues.

The **United States** is the region's top TTDI scorer (2nd) and accounts for the vast majority of the region's T&T GDP. Outside of the United States, **Canada** (13th), **Mexico** (40th), **Brazil** (49th) and **Argentina** (59th) account for much of the remaining T&T GDP. **Chile** (34th) stands out as the top performer in South America, while **Uruguay**, which was the most T&T-dependent economy in the region in 2020, experienced the fastest rate of improvement (+3.6%, 61st to 55th).

↑ The Americas leads the world in Natural Resources, with Mexico leading the region in this pillar.

## Asia-Pacific

The APAC region is the second-highest performer in the ranking. Of its 20 constituent economies, 12 score above the TTDI average and 13 have improved their score since 2019.

The region is large and diverse. It is home to some of the best combinations of natural, cultural and non-leisure resources, but environmental sustainability challenges threaten its lead in the former. Many of the more developed economies in APAC have world-class transport, tourism, healthcare and ICT infrastructure, high levels of international openness and investment in T&T, conducive business environments, high performance for socioeconomic resilience and qualified and productive workforces. On the other hand, the region's less developed economies' advantage in price competitiveness and rich natural assets are often offset by gaps in the aforementioned factors such as tourism, healthcare and ICT infrastructure, international openness and

socioeconomic resilience. However, these gaps are being bridged somewhat as APAC's lower-middle-income economies have improved their performance, with particularly strong growth in areas such as ICT readiness.

As mentioned, **Japan** is the top performer in both the APAC region and globally, with **Australia** (7th) and **Singapore** (9th) ranking in the global top 10. However, it is lower-middle-income economies such as **Viet Nam** (+4.7%, 60th to 52nd), **Indonesia** (+3.4%, 44th to 32nd) and **Pakistan** (+2.9%, 89th to 83rd) that have improved their TTDI scores the most since 2019. **China**, which ranks 12th on the TTDI, has the region's largest T&T economy, while the **Philippines**, which depended the most on T&T for its GDP in 2020, ranks 75th. Although Japan and Singapore lead the ranking in the Eastern APAC and South-East Asia subregions, respectively, **India** (54th) is the top scorer in South Asia.

↓ Asia-Pacific leads the world in Cultural Resources, with China leading the region in this pillar.





## Europe and Eurasia

Europe remains the TTDI's top-performing region, surpassing the global average in most pillars and being among the best positioned to grow in the coming years. Of the 43 regional economies covered in the index, 32 score above the global average and 18 have improved their score since 2019.

As a global economic and cultural centre, the region boasts some of the highest scores for cultural and non-leisure resources, travel to which is bolstered by, on average, a high degree of international openness and quality infrastructure, including the best ground and tourist service infrastructure. Operating in the region is also made easier by leading ICT and healthcare infrastructure and favourable business, security, human resource and labour markets, and socioeconomic conditions. Advantages in many of these categories are especially concentrated in the more economically developed Western, Southern and Northern Europe subregions. Moreover, the region's international openness is based around members of the European Union and Schengen Area (the 26

European countries that have abolished passport control etc. on their mutual borders).

Countries in the Eurasia and Balkans and Eastern Europe subregions tend to be more price-competitive compared to their expensive western neighbours, while more tourism-dependent southern European states stand out for their prioritization of T&T, tourism infrastructure and natural resources. Overall, European economies do better than most in environmental sustainability, but they often have more limited natural resources, resulting in some of the lower marks for the T&T Demand Pressure and Impact pillar, which includes signs of unsustainable demand such as high rates of seasonality and shorter visitor stays.

**Spain** ranks highest in the region (3rd). However, **France** (4th), **Germany** (5th), **Switzerland** (6th), the **United Kingdom** (8th) and **Italy** (10th) all rank among the top 10 on the index. In 2020, **Croatia** (46th) and **Albania** (72nd) were most dependent on T&T for GDP, while Germany has the largest T&T economy.

↑ The Europe and Eurasia region scores highest in the index, accounting for six out of the top 10 ranked economies, with top performer Spain ranking 3rd.

## Middle East and North Africa

While the MENA region underperforms the global TTDI average, results vary greatly based on the subregion and economic level of development. Overall, the region scores above average in eight pillars, with half of the dozen economies covered by the index scoring above average.

MENA's high-income economies, all of which are based in the Middle East subregion, are typically defined by top-notch air transport, a significant presence of non-leisure resources such as major corporations, and overall favourable enabling environments, including business and human resource and labour markets and good ICT-readiness. On the other hand, North African economies, all of which are lower-middle-income, have gaps in air, tourist, health and ICT infrastructure and access to qualified labour. Yet they lead the region in price competitiveness and tend to prioritize and devote relatively more resources to T&T. To further develop their T&T sector, many MENA countries need to increase their international openness, invest more in ground

services and tourist infrastructure and focus on promoting and establishing cultural and, in particular, natural attractions. The latter task will be hard to achieve without improving the region's challenging environmental sustainability situation. Moreover, the region can significantly improve its skilled labour availability and resilience by addressing socioeconomic issues such as lagging social protection coverage, youth employment and training, workers' rights and opportunities for women and minority groups.

The **United Arab Emirates** (25th) is the best TTDI performer in the region. However, since 2019, **Saudi Arabia**, which has the largest T&T economy in the region, has had the biggest leap in the rankings (+2.3%, 43rd to 33rd), while **Egypt** has had the second greatest percentage improvement (+4.3%, 57th to 51st) in the entire index. The United Arab Emirates is top scorer in the Middle East subregion, while Egypt is the top scorer in North Africa. In 2020, **Qatar** (43rd) and **Tunisia** (80th) were most dependent on T&T for GDP.

↓ Higher-income states like the United Arab Emirates typically score highest in the Middle East and North Africa region.





## Sub-Saharan Africa

Sub-Saharan Africa (Africa) has had the greatest improvement in TTDI performance since 2019, with 17 out of the 21 regional countries covered by the index increasing their TTDI scores. Nevertheless, the region still lags behind other regions, undermining its great potential as a T&T economy.

Africa's opportunity for tourism lies in several factors, not least of which are its price competitiveness and potential for nature tourism. However, several obstacles undermine T&T in the region. Government support for the sector could be improved via better data collection and marketing. In particular, nature tourism can be bolstered by higher-quality online promotion and increased focus on environmental sustainability. Additionally, travel to and within the region is hampered by underdeveloped infrastructure and limited international openness. Visitors might also be concerned by the region's, on average, low health, hygiene, safety and security conditions. Lastly, unfavourable business, human resource and labour markets, and socioeconomic conditions all make T&T operations less viable.

Nevertheless, as already mentioned, many economies in the region are bridging these gaps. For instance, hard transport infrastructure continues to improve as indicated by the more positive perceptions of roads, railways and airports. Additionally, the region's travel market is bound to benefit from improving international openness, which is bolstered by increasing intra-regional trade integration efforts such as the African Continental Free Trade Area. Africa also had the index's fastest improvement in ICT readiness, making it easier to provide digital T&T services.

**Mauritius** (62nd) ranks the highest in the region. However, **South Africa** (68th) is the largest T&T economy in Africa. Meanwhile, **Benin** had the greatest improvement in TTDI score (+4.0%, 106th to 103rd) and **Tanzania** the greatest improvement in ranking (+2.6%, 86th to 81st). The top scorers in Eastern, Southern and Western Africa are Mauritius, South Africa and **Cape Verde** (82nd), respectively. The latter was also the most dependent of T&T for GDP in 2020.

↓ Sub-Saharan Africa has experienced the greatest average increase in score for the TTDI, with Mauritius ranking highest for the region.



# Technical notes and methodology

## Appendix A: A new framework to measure and guide travel and tourism

The *Travel & Tourism Development Index* (TTDI) is the evolution of the World Economic Forum's long-running *Travel and Tourism Competitiveness Index*

(TTCI). The section below provides an overview of the changes made between the two indexes and the impact on results.

### From competitiveness to development

The 2021 TTDI is not a completely new index, but is instead a direct evolution of the TTCI series. The revised index name reflects the index's increased coverage of travel and tourism (T&T) development concepts, including the growing role of sustainability and resilience in T&T growth, and is designed to focus more attention on the sector's role in broader economic and social development. It also covers the greater need for T&T stakeholder collaboration and integrated development strategies (local, regional and international) to mitigate the impact of the COVID-19 pandemic, bolster the recovery and deal with future challenges and risks.

While the framework and methodology of the index have been updated, they remain related to earlier TTCI editions. These editions have always looked at the concept of "competitiveness" as a means of developing the T&T sector and thus measured the elements that enabled such development.

The *Travel & Tourism Development Index* thus measures the set of factors and policies that enable the sustainable and resilient development of the Travel & Tourism (T&T) sector, which in turn contributes to the development of a country.

Work on the new TTDI began after the publication of the *Travel & Tourism Competitiveness Report 2019: Travel and Tourism at a Tipping Point*. The

report looked at challenges such as overcrowding, unbalanced distribution of T&T economic benefits and damage to tourism-generating natural and cultural assets, which ultimately diminished liveability for residents, created local backlash against T&T development and harmed visitor experiences. Combined with the long-term threat of climate change and consumers' increasing concern about sustainability, the report emphasized that continued sector growth and resilience will become progressively dependent on effective sustainable destination and business management. Therefore, it highlighted the imperative need for tourism-development strategies to focus on addressing these specific challenges rather than just increasing visitor numbers.

In more recent years, the impact of COVID-19 has further demonstrated the need for the T&T sector to build resilience and has starkly highlighted the role that socioeconomic conditions, healthcare, social protection, working conditions and ICT investment play in sector development and longevity. Consequently, it is not only vital that the sector recovers, but that it does so in a way that incorporates lessons learned from the current crisis and makes it better prepared for future headwinds, many of which are historic and long term in nature.

To incorporate these ideas, the TTDI's framework has added particular emphasis on sustainability

and resilience concepts and has been designed to create a new baseline from which sector stakeholders can benchmark their T&T economies' recoveries to build back better.

The new framework for TTDI has been created with input from T&T stakeholders through various workshops, events, interviews and, importantly, the support of an Advisory Group that includes representatives from Bloom Consulting, the International Air Transport Association (IATA), JLL Hotels & Hospitality Group, the Pacific Asia Travel

Association (PATA), the University of Surrey, the World Tourism Organization (UNWTO) and the World Travel and Tourism Council (WTTC).

Figure A1 and Table A1 provide a summary of the changes made between the TTDI and earlier TTCI frameworks and methodology. For more information on the previous version of the TTCI, please see Appendix B of the *Travel & Tourism Competitiveness Report 2019* at <http://reports.weforum.org/travel-and-tourism-competitiveness-report-2019/methodology2/>.

FIGURE A1 Index structural changes

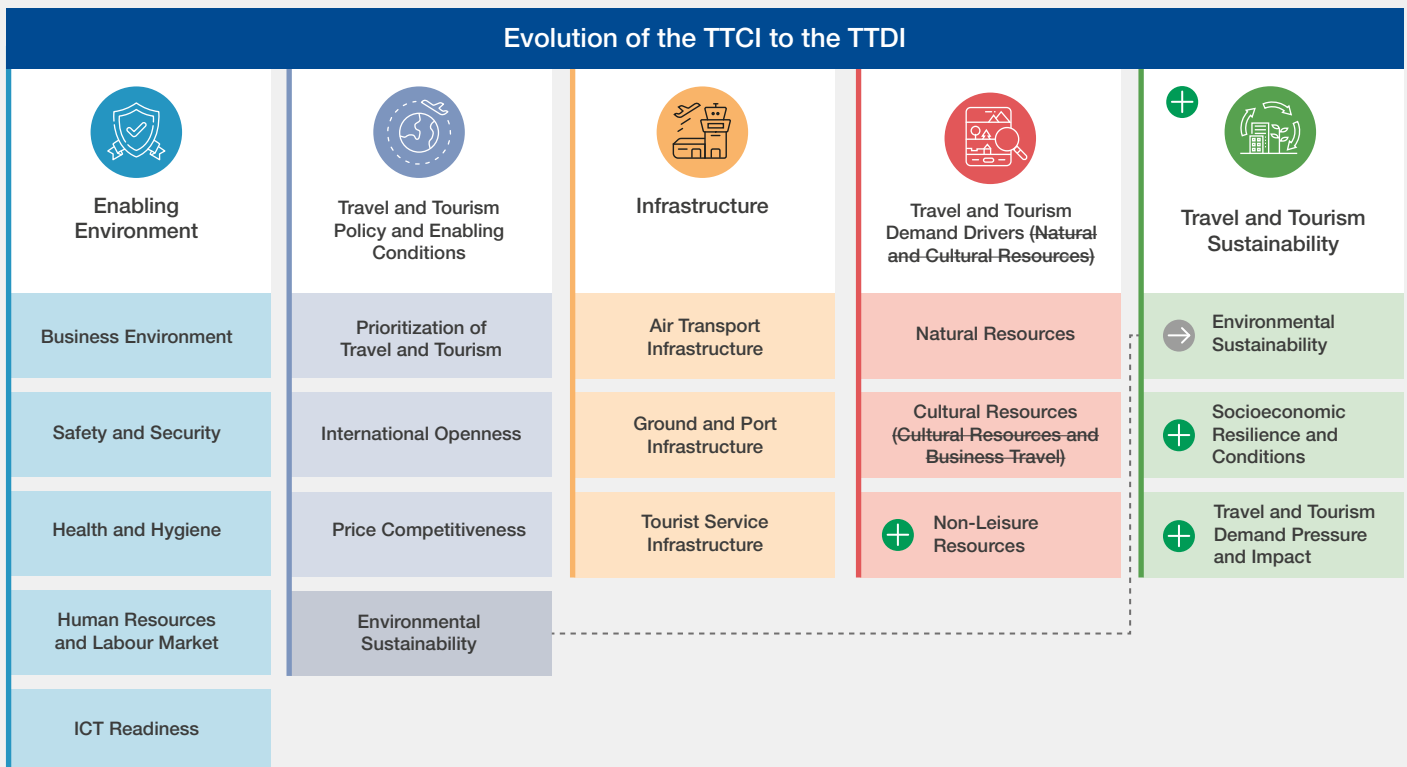


TABLE A1 Reasoning for changes between the TTDI and TTCI

Structural changes	
Changes	Reasoning
<p><b>Subindex changes</b></p> <ul style="list-style-type: none"> <li>The number of subindexes has been increased from four to five with the addition of a T&amp;T Sustainability subindex.</li> <li>The Natural and Cultural Resources subindex has been renamed T&amp;T Demand Drivers.</li> </ul>	<p><b>Subindex changes</b></p> <ul style="list-style-type: none"> <li>The Environmental Sustainability pillar and the new Socioeconomic Resilience and Conditions and T&amp;T Demand Pressure and Impact pillars have been grouped together under a new T&amp;T Sustainability subindex to emphasize how vital sustainability is for long-term T&amp;T sector development.</li> <li>The Natural and Cultural Resources subindex has been renamed T&amp;T Demand Drivers to reflect the expansion of concepts covered beyond natural and cultural assets.</li> </ul>

TABLE A1 | Reasoning for changes between the TTDI and TTCI (continued)

Structural changes (continued)	
Changes	Reasoning
<p><b>Pillar changes</b></p> <ul style="list-style-type: none"> <li>– The number of pillars has increased from 14 to 17. The three new pillars include Non-Leisure Resources, Socioeconomic Resilience and Conditions and T&amp;T Demand Pressure and Impact.</li> <li>– The Environmental Sustainability Pillar has been moved from the T&amp;T Policy and Enabling Conditions subindex to the new T&amp;T Sustainability subindex. It has also been divided into three subpillars: Climate Change Exposure and Management, Pollution and Environmental Conditions, and Preservation of Nature.</li> <li>– The Cultural Resources and Business Travel pillar is now called Cultural Resources.</li> </ul>	<p><b>Pillar changes</b></p> <ul style="list-style-type: none"> <li>– The Environmental Sustainability pillar's three new subpillars have been created to better track the distinct but highly interconnected concepts and practices related to climate change, pollution, environmental destruction and natural assets preservation policies.</li> <li>– The Non-Leisure Resources pillar was developed to address previous gaps in business and other non-leisure travel coverage.</li> <li>– The Cultural Resources and Business Travel pillar is now titled Cultural Resources because the previously limited coverage of business travel within this pillar has been placed under the Non-Leisure Resources pillar.</li> </ul>
<p><b>Indicator changes</b></p> <ul style="list-style-type: none"> <li>– The number of indicators within the index has grown from 90 to 112, with 52 indicators from the previous TTCI framework remaining.</li> <li>– Some indicators that have remained from the previous framework have had changes in methodology or source. For more on this, please see Appendix B.</li> </ul>	<p><b>Indicator changes</b></p> <ul style="list-style-type: none"> <li>– The increase in the number of indicators and their changed composition under some pillars reflects the TTDI's greater coverage of concepts and sector dynamics. New indicators help cover topics such as overcrowding risk, equal workforce opportunities, environmental protection, business travel, the increasing use of digital platforms in T&amp;T services and the growth of short-term rentals for accommodation.</li> <li>– In some cases, old indicators have been removed or new ones added due to indicators no longer being updated by their sources or the discovery of better data. For instance, several indicators have been removed from the Business Environment pillar because they were sourced from the now-discontinued <i>World Bank Doing Business</i> report. On the other hand, most fuel price data now comes from GlobalPetrolPrices.com because this data is more up to date.</li> </ul>
Methodology changes	
Changes	Reasoning
<ul style="list-style-type: none"> <li>– Previously, the results of the TTCI were calculated as an average (arithmetic mean) of the four component subindexes, which were themselves calculated as averages of their pillars. Under the new framework, the TTDI will no longer use subindexes for the calculations. Instead, the TTDI will now be calculated as an average of the 17 component pillars, while the subindexes will be used for presentation and categorization purposes only.</li> </ul>	<ul style="list-style-type: none"> <li>– After several workshops, surveys and consultations with T&amp;T sector experts and stakeholders it was determined that, for the most part, no one pillar is more important than another when it comes to overall T&amp;T development. Therefore, it was determined that using equally weighted pillars for the computation of the TTDI would help reduce bias within the index.</li> <li>– Removing subindexes from the computation process also reduces bias and reinforces the interconnected nature of T&amp;T development concepts. For instance, it could be argued that quality infrastructure or health and hygiene are sustainability concepts. More broadly, policies such as improving socioeconomic resilience and investing in human resources and ICT are often heavily interlinked.</li> </ul>

**Methodology changes (continued)**

**Changes**

- Due to the TTDI being calculated directly by pillars, the pillars will no longer have differing weights. In the previous framework, the unequal distribution of pillars among the subindexes meant that implicit pillar weights differed based on the number of pillars in each subindex.

**Reasoning**

- The new methodology also makes it easier for users to create their own subindexes and mix and match pillars under existing ones without affecting the overall index result.
- Lastly, by not using subindexes for calculations, it will be easier to adjust and update future TTDI editions.

**Implications of changes for the index results**

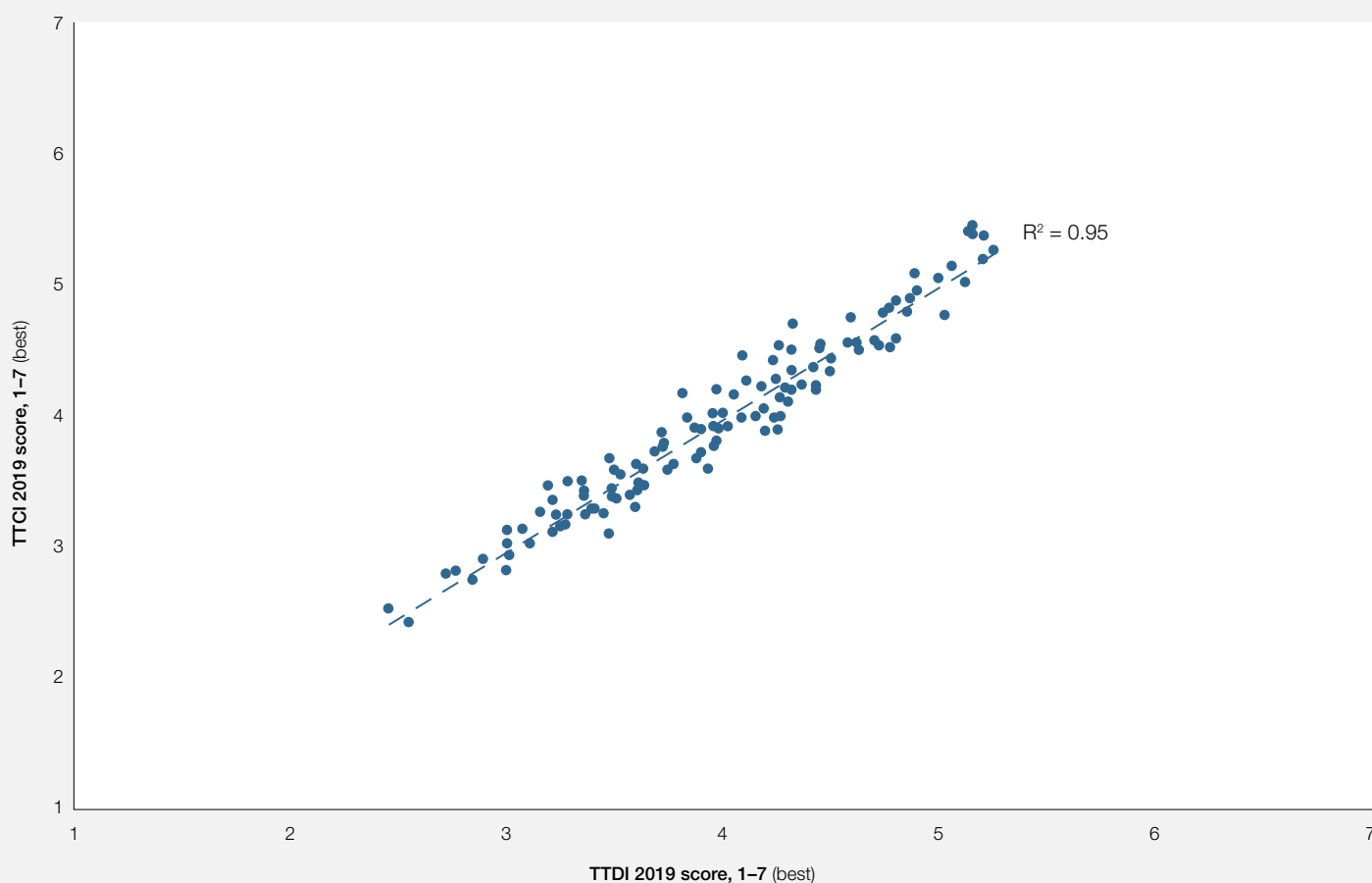
To quantify the differences between the TTCI and TTDI, we have compared the published TTCI 2019 with the TTDI 2019 results for the 117 economies represented in both indexes. The TTDI 2019 results are based on applying available 2019 data to the TTDI's updated methodology and framework.

Please note that the explanations below are not exhaustive and seek only to provide a broad

understanding of the impact of changes on outcomes.

As Figure A2 shows, the overall relationship between the results of the TTCI 2019 and TTDI 2019 is quite strong, and deliberately so, as many of the comprising indicators and factors remain similar.

FIGURE A2 | **TTCI 2019 vs. TTDI 2019 relationship**

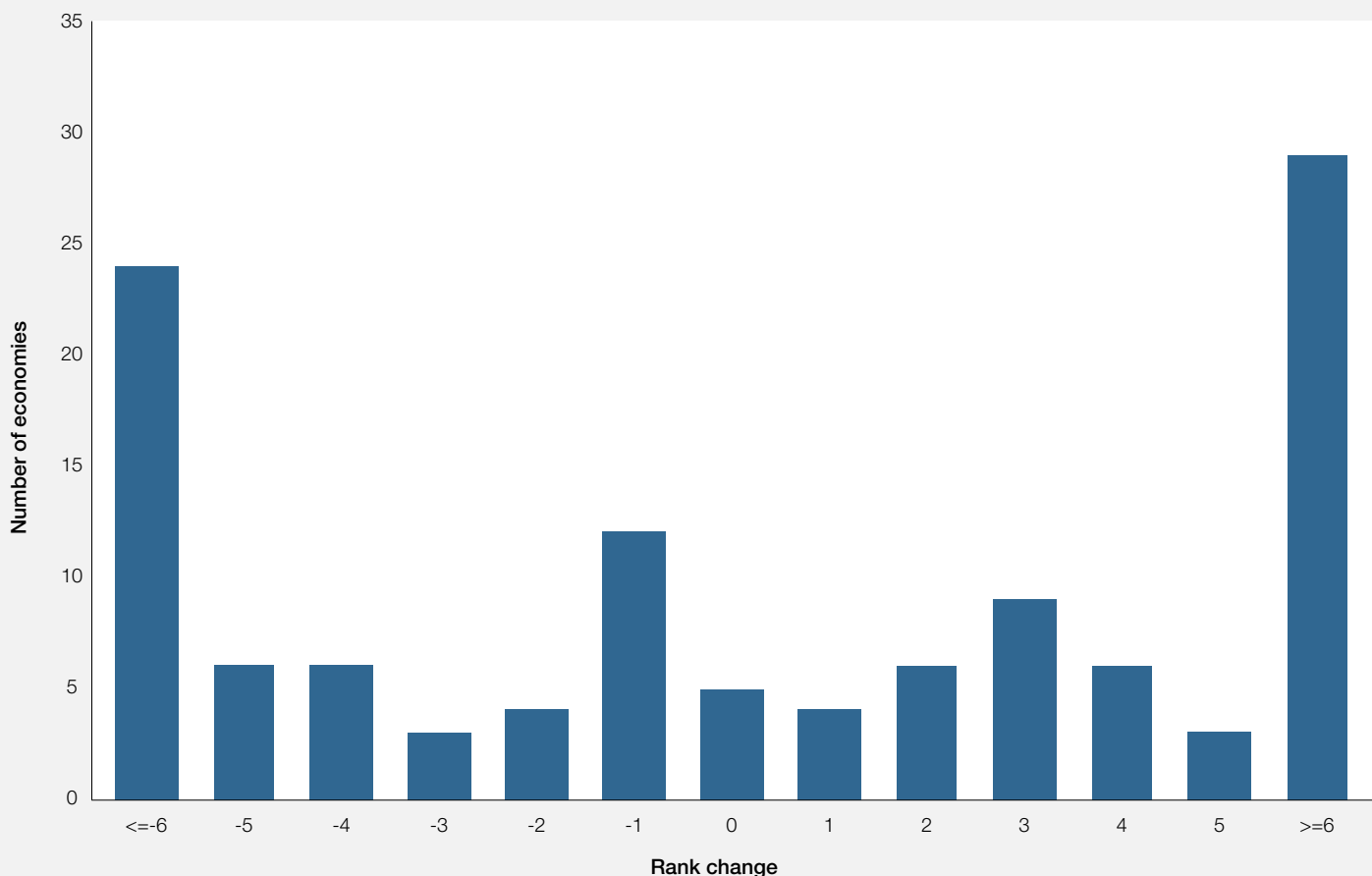


Source: World Economic Forum

However, as Figure A3 highlights, on a more granular, individual-economy level, the changes to the index have a significant impact, with close to half of the 117 economies covered shifting their rank by six or more positions in either direction within the new TTDI framework. The average score for the bottom quarter of economies in the TTDI

2019 improved by 2.3% when measured in the TTDI, while the average score for the top quarter of economies experienced a 0.7% decline, indicating a decreasing gap in the performance of leading and lagging economies using the new methodology. Overall, 62 economies show an absolute increase in score, while 55 experience an absolute decline.

FIGURE A3 Rank change summary, from TTDI 2019 to TTDI 2019



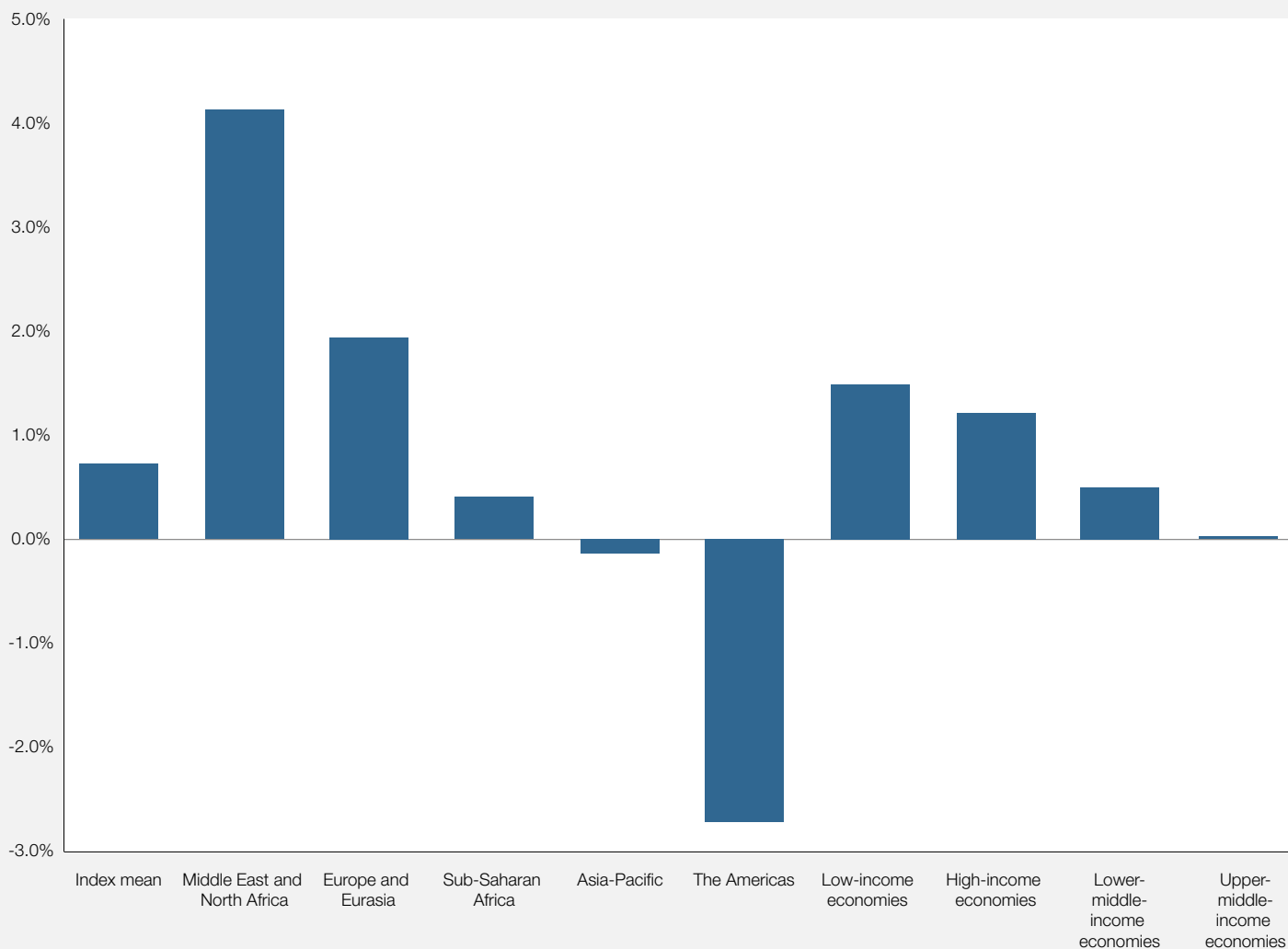
**Note:** TTDI 2019 rankings were recalculated to account for the TTDI's 117-economy coverage versus the TTDI 2019's 140-economy coverage.

**Source:** World Economic Forum

The impact of the changes can also be observed on a peer-group level. As Figure A4 shows, the changes result in an average score increase of 0.7%. High- and low-income economies benefit from the changes, while middle-income economies perform lower relative to the TTDI average. On a regional basis, shifting to the new framework, we can see that most of the methodology-related

improvement in score occurs in the Middle East and North Africa (MENA) and Europe and Eurasia (Europe) regions, while the remaining regions relatively decline in performance. Further statistics on the composition of economies that improve or decline in score between the TTDI and TTDI can be seen at the end of Appendix A.

FIGURE A4 | Peer group average % change in score, 2019 TTCI vs. 2019 TTDI



Source: World Economic Forum

The increase in the number of pillars from 14 to 17 and the use of pillar average (arithmetic mean) instead of subindex average for the new TTDI computation means that each pillar is weighted at about 5.9%, while in the TTCI, Enabling Environment pillars were weighted at approximately 5.0%, T&T Policy and Enabling Condition pillars were 6.25%, Infrastructure pillars were 8.3% and the Natural and Cultural Resources pillars were 12.5%. As a result, economies that tend to perform worse in areas outside of the Enabling Environment pillars benefit from the new computation method and vice versa. In absolute terms, this had a positive impact on more than half of the outcomes due to Enabling Environment pillars tending to be the highest-scoring pillars for most economies. Middle East economies were penalized less for often low scores in areas such as natural resources but benefitted from better-performing and more heavily weighted Enabling Environment pillars. On the other hand, many states in the Americas performed relatively worse from the change in the number of pillars and pillar weights because of their combination of now

lower-weighted but rich natural resources and higher-weighted but underperforming Enabling Environment pillars such as Safety and Security.

The introduction of three new pillars, namely Non-Leisure Resources, Socioeconomic Resilience and Conditions, and T&T Demand Pressure and Impact, has also had a significant effect on scoring. In particular, the first has a largely negative impact on index performance because uneven distribution of factors such as major corporate headquarters or leading universities means that it is one of the lowest-scoring pillars for most countries. Similarly, the T&T Demand Pressure and Impact pillar also has a slight downward pressure on outcomes. However, that pressure is disproportionately felt among European economies that have had historical issues with sustainable tourism flow, including high seasonality and short-trip stays. On the other hand, on average, the Socioeconomic Resilience and Conditions pillar scores tend to be higher than the overall TTDI score for most economies, resulting in a positive absolute impact in outcome for most.

Lastly, the addition of new indicators and adjustments to remaining pillars also affected the difference in results between the TTCl and TTDI. Of the 94 indicators constituting the 14 pillars that are both in the TTCl and TTDI, about 45% are new, with some of the others having adjusted methodologies or sources. To help present this, Table A2 shows the strength of the relationship between the pillars shared by the TTCl and TTDI and the average change in performance. We can see that the Environmental Sustainability, International Openness and Tourist Service

Infrastructure pillars have the lowest relationship strength, with the latter having an especially weak relationship.

In general, the impact on pillar scores is mixed. On average, some of the largest improvements in scores come from changes in the Culture Resources, Air Transport Infrastructure and International Openness pillars, while the most significant decline comes from the Health and Hygiene, Business Environment and Natural Resources pillars.

TABLE A2 Average score change in pillars between the 2019 TTCl and 2019 TTDI

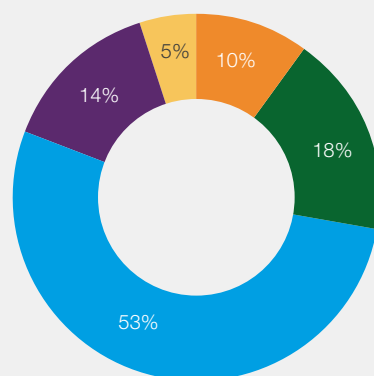
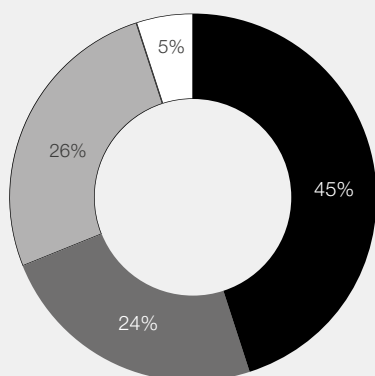
Pillar	R-squared	Average score change (%)
Cultural Resources	0.95	13.4%
Air Transport Infrastructure	0.92	16.2%
ICT Readiness	0.92	0.2%
Health and Hygiene	0.91	-11.7%
Business Environment	0.90	-12.1%
Safety and Security	0.89	-2.2%
Ground and Port infrastructure	0.86	2.1%
Human Resources and Labour Market	0.84	-8.4%
Price Competitiveness	0.83	-5.7%
Natural Resources	0.81	-12.2%
Prioritization of T&T	0.72	-7.3%
Environmental Sustainability	0.65	-6.3%
International Openness	0.63	11.7%
Tourist Service Infrastructure	0.36	3.9%

**Note:** The Cultural Resources pillar was called Cultural Resources and Business Travel in the TTCl 2019.

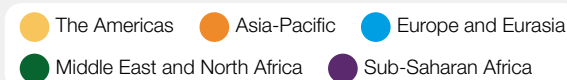
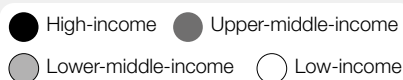
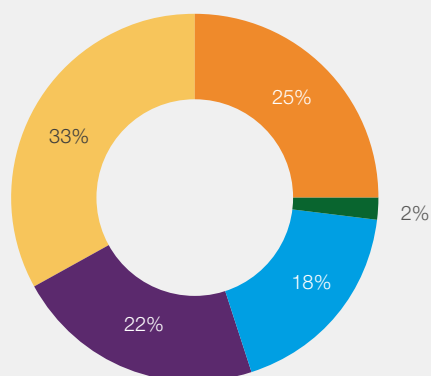
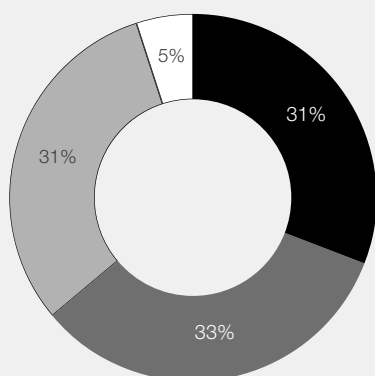
## Impact of the new TTDI framework and methodology statistics

Out of the 117 economies covered in the 2019 TTCl and TTDI, 62 have an absolute positive change in score and 55 have a decline. However, 17 economies had a change of less than 1.0%.

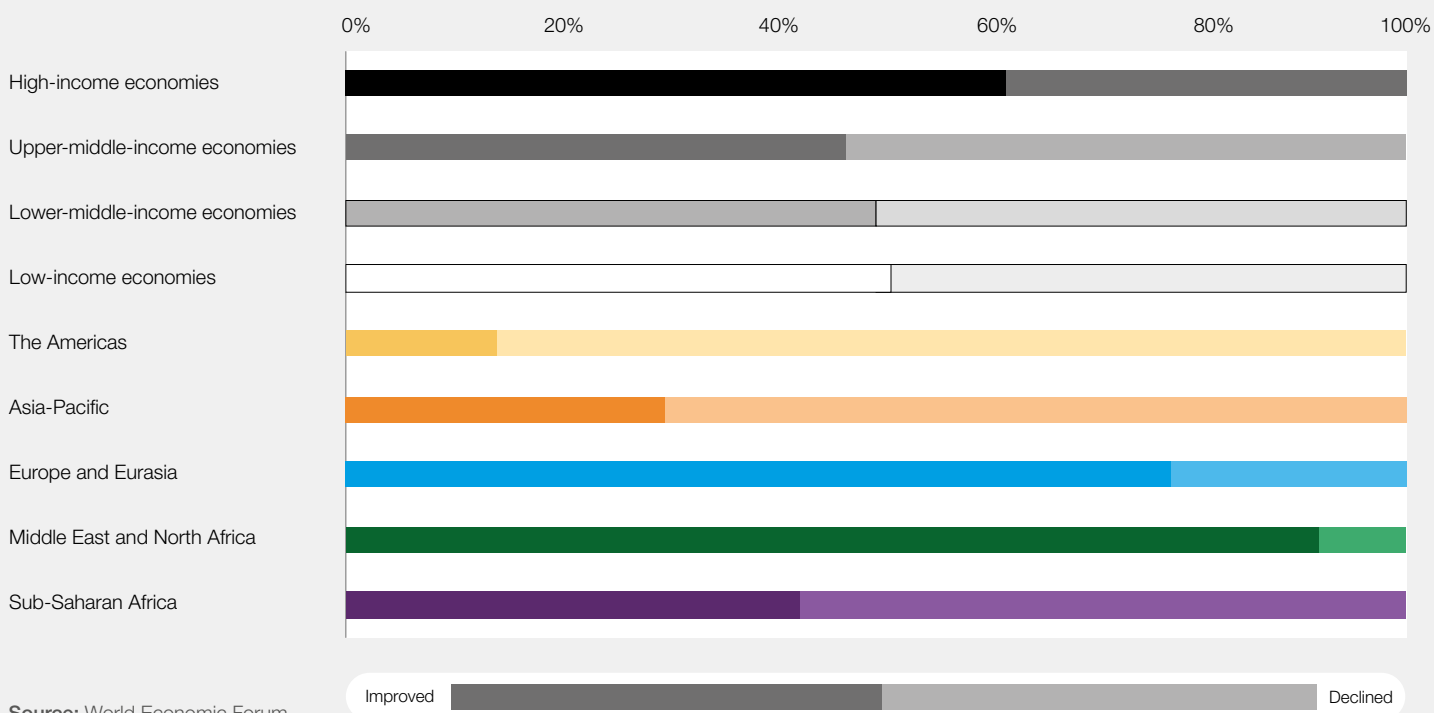
### Composition of economies that improved in score



### Composition of economies that declined in score



### Share of peer group that improved or declined in score, TTCI 2019 vs. TTDI 2019



Source: World Economic Forum



## Appendix B: Travel & Tourism Development Index methodology

This section provides details about the methodology of the 2021 edition of the *Travel & Tourism Development Index* (TTDI). It is composed of the following parts:

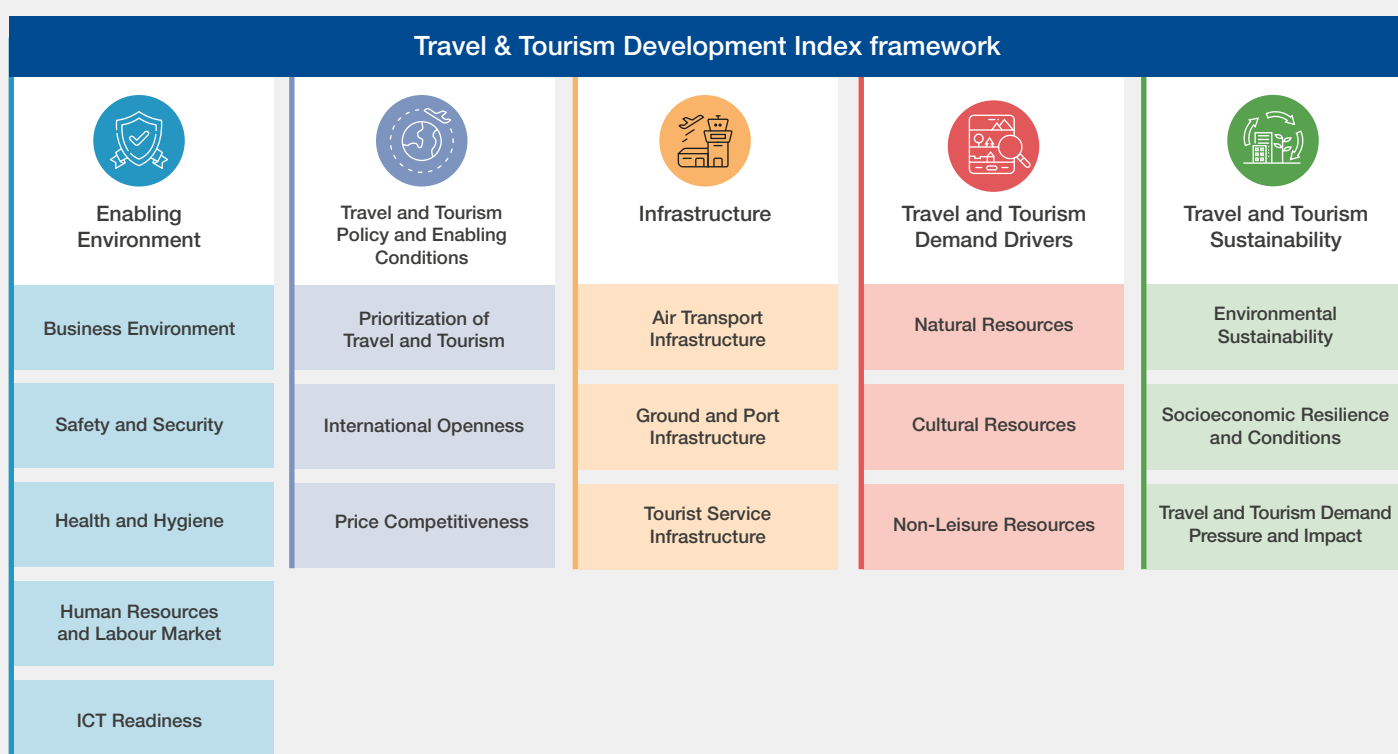
- Composition and calculation
- Indicator and country selection
- Indicator list
- Normalization of indicators
- TTDI imputation methodology and imputed values
- Indicator changes and index comparability

### Composition and calculation

The TTDI structure (see Figure B1) is composed of 17 pillars organized into five subindexes:

- A. Enabling Environment (five pillars): 1. Business Environment; 2. Safety and Security; 3. Health and Hygiene; 4. Human Resources and Labour Market; 5. ICT Readiness
- B. T&T Policy and Enabling Conditions (three pillars): 6. Prioritization of T&T; 7. International Openness; 8. Price Competitiveness
- C. Infrastructure (three pillars): 9. Air Transport Infrastructure; 10. Ground and Port Infrastructure; 11. Tourist Service Infrastructure
- D. T&T Demand Drivers (three pillars): 12. Natural Resources; 13. Cultural Resources; 14. Non-Leisure Resources
- E. T&T Sustainability (three pillars): 15. Environmental Sustainability; 16. Socioeconomic Resilience and Conditions; 17. T&T Demand Pressure and Impact

FIGURE B1 The Travel & Tourism Development Index 2021 framework



These 17 pillars are comprised of 112 indicators that are calculated on the basis of data derived from the Executive Opinion Survey (the Survey) as well as quantitative data from other sources. The survey data is derived from responses to the World Economic Forum's Executive Opinion Survey and ranges in value from 1 (worst) to 7 (best).

Hard data (non-survey data) was collected from various sources, which are described in Appendix C. All of the data used in the calculation of the TTDI can be found by visiting the online version of the [Travel & Tourism Development Index 2021](#).

The TTDI is calculated as an average (arithmetic mean) of the 17 component pillar averages (arithmetic means). While figures for the five subindexes are provided, they are used for

categorization and presentation purposes only. Each of the pillars is calculated as an unweighted average of the individual component variables. Note that the Human Resources and Labour Market pillar is the unweighted average of its two subpillars: Qualification of the Labour Force and Labour Market. Likewise, the Environmental Sustainability pillar is the unweighted average of its three subpillars: Climate Change Exposure and Management, Pollution and Environmental Conditions, and Preservation of Nature.

Hard data indicators used in the TTDI are normalized to a 1-to-7 scale in order to align them with the Executive Opinion Survey's results. The standard formula for converting each hard data indicator to the 1-to-7 scale is:

$$6x \left( \frac{\text{country score} - \text{sample minimum}}{\text{sample maximum} - \text{sample minimum}} \right) + 1$$

The *sample minimum* and *sample maximum* are the lowest and highest scores of the overall sample, respectively. For those hard data indicators for which a higher value indicates a worse outcome

(e.g. fuel price levels), we rely on a normalization formula that, in addition to converting the series to a 1-to-7 scale, reverses it, so that 1 and 7 still correspond to the worst and best, respectively:

$$-6x \left( \frac{\text{country score} - \text{sample minimum}}{\text{sample maximum} - \text{sample minimum}} \right) + 7$$

However, in many cases adjustments are made to figures used for sample minimum and sample

maximum in order to account for issues such as outliers. See Table B1 for further details.

## Indicator and country selection

To be selected for the TTDI, indicators need to meet the following criteria:

- **Relevance:** The indicator must be an acceptable metric for the concept that is being covered.
- **Country coverage:** Timely indicator data must be available for the majority of economies covered by the TTDI. In most cases, this means coverage exceeds 100 economies.
- **Comparability:** Indicator data must be comparable between the various economies covered and throughout its time series.
- **Update frequency:** The indicator must be regularly updated for the foreseeable future.
- **Source quality and objectivity:** The indicator must come from a reputable and objective source. In this regard, common sources include international organizations such as the World Bank and World Tourism Organization (UNWTO). To help with comparability, attempts are made to retrieve as much data as possible for a particular indicator from one source.

For data that is missing or is more than 10 years old the following steps are taken:

- First, research is conducted to find an alternative non-government source.
- If no non-government source is found, publicly available government data is collected. However, the respective government is never informed of this action to avoid creating an unfair advantage or increase bias.
- In the case that no data is found using the above two steps, the data is imputed. Please see a list of imputed data in Table B2.

For an economy to be included in the TTDI, it needs to be included in the latest Executive Opinion Survey as this survey accounts for a large share of indicators. Economies that have missing data for 10% or more of total indicators or 20–33% of indicators within any particular pillar (share depends on pillar) are also not covered by the index.

## Indicator list

The indicators that make up each pillar – and subpillar, if available – are described below. An asterisk identifies indicators not derived from the

Executive Opinion Survey. Italicized indicators are completely new to the 2021 edition of the TTDI.

### Subindex A: Enabling Environment

#### Pillar 1: Business Environment

- 1.01 Property rights
- 1.02 Impact of rules on FDI
- 1.03 Efficiency of legal framework to settling disputes<sup>1</sup>
- 1.04 Efficiency of legal framework in challenging actions<sup>1</sup>
- 1.05 *Burden of government regulation*
- 1.06 *Government ensuring policy stability*
- 1.07 *Ease of complying to tax system*
- 1.08 *SME access to finance*
- 1.09 *Corruption Perceptions Index\**

#### Pillar 2: Safety and Security

- 2.01 Business costs of crime and violence
- 2.02 Reliability of police services
- 2.03 *Safety walking alone at night\**
- 2.04 Homicide rate\*
- 2.05 *Global Terrorism Index\**
- 2.06 *Organized violence, deaths\**

#### Pillar 3: Health and Hygiene

- 3.01 Physician density\*
- 3.02 Use of basic sanitation\*<sup>1</sup>
- 3.03 Use of basic drinking water\*<sup>1</sup>
- 3.04 Hospital beds density\*
- 3.05 *Accessibility of healthcare services*
- 3.06 *Communicable disease incidence\**

#### Pillar 4: Human Resources and Labour Market

Qualification of the labour force

- 4.01 *Mean years of schooling\**
- 4.02 Secondary education enrolment rate\*
- 4.03 Extent of staff training
- 4.04 *Education system's ability to meet needs*

#### Labour Market

- 4.05 Hiring and firing practices
- 4.06 Ease of finding skilled employees in local labour market
- 4.07 *Flexible working arrangements*
- 4.08 *Labour productivity in hotels and restaurants\*<sup>2</sup>*

4.09 *Labour productivity in transport, storage and communications\*<sup>2</sup>*

#### Pillar 5: ICT Readiness

- 5.01 Individuals using the internet\*
- 5.02 Broadband internet subscribers\*
- 5.03 Mobile broadband subscribers\*
- 5.04 *3G mobile network coverage\**
- 5.05 *Use of digital platform for providing financial services*
- 5.06 *Use of digital platforms for providing transportation and shipping*
- 5.07 *Use of digital platform for providing hotels, restaurants and leisure activities services*
- 5.08 *Power losses\**

### Subindex B: T&T Policy and Enabling Conditions

#### Pillar 6: Prioritization of T&T

- 6.01 T&T government expenditure\*
- 6.02 Comprehensiveness of T&T data\*<sup>1</sup>
- 6.03 Timeliness of T&T data\*<sup>1</sup>
- 6.04 Country Brand Strategy rating\*
- 6.05 *T&T capital investment\**

#### Pillar 7: International Openness

- 7.01 Visa requirements\*
- 7.02 *Number of bilateral air service agreements\**
- 7.03 Number of regional trade agreements in force\*
- 7.04 *Degree of financial openness\**

#### Pillar 8: Price Competitiveness

- 8.01 Ticket taxes, airport charges\*
- 8.02 Hotel price index\*
- 8.03 Purchasing power parity\*
- 8.04 Fuel price levels\*
- 8.05 *Short-term rental price\**

### Subindex C: Infrastructure

#### Pillar 9: Air Transport Infrastructure

- 9.01 Efficiency of air transport services
- 9.02 Available seat kilometres\*
- 9.03 Number of operating airlines\*
- 9.04 *Airport connectivity\**

**Pillar 10: Ground and Port Infrastructure**

10.01 Quality of roads

10.02 Road density\*

10.03 Efficiency of train services

10.04 Railroad density\*

10.05 *Efficiency of public transport services*10.06 *Adequate access to public transport*10.07 Efficiency of seaport services<sup>3</sup>**Pillar 11: Tourist Service Infrastructure**

11.01 Hotel rooms density\*

11.02 *Short-term rental listing density\**

11.03 Presence of major car rental companies\*

11.04 Automated teller machines density\*

11.05 *Competitive tourism services***Subindex D: T&T Demand Drivers****Pillar 12: Natural Resources**

12.01 Number of World Heritage natural sites\*

12.02 Total known species\*

12.03 *Total protected areas\**

12.04 Natural tourism Digital Demand\*

12.05 *Number of terrestrial and freshwater ecoregions\****Pillar 13: Cultural Resources**13.01 Number of World Heritage cultural sites\*<sup>1</sup>13.02 Oral and intangible cultural heritage\*<sup>1</sup>

13.03 Number of large sports stadiums\*

13.04 Cultural and entertainment tourism Digital Demand\*

13.05 *Number of UNESCO Creative Cities\**13.06 *Adequate protection for tangible and intangible cultural heritage***Pillar 14: Non-Leisure Resources**14.01 *Presence of Forbes Global 2000 HQ locations\**14.02 *Presence of global cities\**14.03 *Number of top universities\**14.04 *Non-leisure tourism Digital Demand\****Subindex E: T&T Sustainability****Pillar 15: Environmental Sustainability****Climate Change Exposure and Management**15.01 *Greenhouse gas (GHG) emissions per capita\**15.02 *Renewable energy\**15.03 *Global Climate Risk Index\**15.04 *Investment in green energy and infrastructure***Pollution and Environmental Conditions**15.05 *Particulate matter (2.5) concentration\**

15.06 Baseline water stress\*

15.07 *Red List Index\**15.08 Forest cover loss\*<sup>3</sup>

15.09 Wastewater treatment\*

15.10 *Clean ocean water\**<sup>3</sup>**Preservation of Nature**

15.11 Number of environmental treaty ratifications\*

15.12 *Adequate protection for nature*15.13 *Oversight of production impact on the environment and nature*15.14 Total protected areas coverage\*<sup>1</sup>15.15 *Average proportion of key biodiversity areas covered by protected areas\**<sup>1</sup>**Pillar 16: Socioeconomic Resilience and Conditions**16.01 *Poverty rate\**16.02 *Social protection basic coverage\**<sup>1</sup>16.03 *Social protection spending\**<sup>1</sup>16.04 *Not in education, employment or training (NEET) ratio\**16.05 *Equal workforce opportunities*16.06 *Workers' rights\**16.07 *Gender Inequality Index\****Pillar 17: T&T Demand Pressure and Impact**17.01 *T&T GDP multiplier\**17.02 *Inbound length of stay\**17.03 *Seasonality of international tourist arrivals\**17.04 *Concentration of interest in cultural attractions\**<sup>1</sup>17.05 *Concentration of interest in nature attractions\**<sup>1</sup>17.06 *Geographically dispersed tourism*17.07 *Quality of town and city centres***Notes**

1. These indicators are combined by applying a simple average aggregation to form one single indicator. Consequently, they are implicitly weighted by a factor of 0.5.
2. These indicators are combined by applying a weighted average aggregation to form one single indicator. Indicator 4.08 *Labour productivity in hotels and restaurants* has a weight of 0.66, while indicator 4.09 *Labour productivity in transport, storage and communications* has a weight of 0.33.
3. These indicators are subject to exclusion filters. Landlocked economies will have an n/a value for indicator 10.07 *Efficiency of seaport services* and 15.10 *Clean ocean water*. Economies with minimal to no forest will have an n/a value for indicator 15.08 *Forest cover loss*.

TABLE B1 | Normalization of indicators

Indicator index number	Indicator title and units	Min/max used for normalization	Guiding principle
1.09	Corruption Perceptions Index, 0–100 (best)	0/100	Range of possible values
2.03	Safety walking alone at night, 0–1 (best)	0/1	Range of possible values
2.04	Homicide cases per 100,000 pop	0/30	Winsorization
2.05	Global Terrorism Index, 0–10 (worst)	0/10	Range of possible values
2.06	Organized violence, deaths per 100,000 pop	0/4	Arbitrary min max
3.01	Number of physicians per 1,000 pop	0/5	Winsorization
3.02	Use of basic sanitation, % of pop	10/100	Winsorization
3.03	Use of basic drinking water, % of pop	49/100	Arbitrary min natural max
3.04	Hospital beds density per 10,000 pop	0/72	Winsorization
3.06	Communicable disease incidence per 100,000 pop	12,400/65,000	Winsorization
4.01	Mean years of schooling	2/14	Winsorization
4.02	Secondary education enrolment, gross %	30/100	Arbitrary min max
4.08	Labour productivity in hotels and restaurants, US\$ per pop	0/90,000	Winsorization
4.09	Labour productivity in transport, storage and communications, US\$ per pop	0/140,000	Winsorization
5.01	Individuals using Internet, % of pop	0/100	Range of possible values
5.02	Broadband internet subscribers per 100 pop	0/50	Natural min Social Mobility Index 2020 max
5.03	Active mobile broadband Internet subscriptions per 100 pop	0/120	Natural min 120 is the value above which mobile broadband technology is considered sufficiently widespread not to constitute a constraint for the average user
5.04	3G mobile network coverage rate, % of pop	40/100	Arbitrary min natural max
5.08	Power losses, % of domestic supply	0/30	Arbitrary min max
6.01	T&T government expenditure, % government budget	0/10	Winsorization
6.02	Comprehensiveness of annual T&T data, 0–120 (best)	0/120	Range of possible values
6.03	Timeliness of providing monthly/quarterly T&T data, 0–22.5 (best)	0/22.5	Range of possible values
6.04	Country Brand Strategy rating, 0–100 (best)	0/100	Range of possible values
6.05	T&T capital investment, % of total investment	0/16	Winsorization
7.01	Visa requirements, 0–100 (best)	0/100	Range of possible values
7.02	Number of bilateral air service agreements	0/80	Arbitrary min max
7.03	Number of regional trade agreements in force	0/40	Natural min arbitrary max
7.04	Degree of financial openness, 0–1 (best)	0/1	Range of possible values

Indicator index number	Indicator title and units	Min/max used for normalization	Guiding principle
8.01	Ticket taxes and airport charges, 0–100 (best)	0/100	Range of possible values
8.02	Hotel price index, US\$	60/200	Winsorization
8.03	Purchasing power parity, PPP\$	0.23/1.15	Winsorization
8.04	Fuel price levels, US\$ /litre	0.3/2	Winsorization
8.05	Short-term rental price, US\$	30/240	Winsorization
9.02	Available seat kilometres per week, millions per pop	Unavailable due to data-sharing agreement	Winsorization
9.03	Number of operating airlines	Unavailable due to data-sharing agreement	Natural min arbitrary max
9.04	Airport connectivity score	0/200 (cubic power of logarithm)	The Global Competitiveness Index 4.0 Methodology
10.02	Road density, km/surface area	0/200	Arbitrary min max
10.04	Railroad density, km/100 square km surface area	0/8	Winsorization
11.01	Hotel rooms, per 100 pop	0/2.3	Winsorization
11.02	Number of short-term rental listing, per 10,000 pop	0/50	Winsorization
11.03	Presence of major car rental companies, 0–12 (best)	0/12	Range of possible values
11.04	Automated teller machines, per 100,000 adults	3/145	Winsorization
12.01	Number of World Heritage natural sites	0/6	Winsorization
12.02	Total known species	1,000/9,700	Winsorization
12.03	Total protected areas, km <sup>2</sup>	3/6 (logarithmic)	Winsorization
12.04	Natural tourism Digital Demand, 0–100 (best)	0/68	Winsorization
12.05	Number of terrestrial and freshwater ecoregions	0/40	Natural min arbitrary max
13.01	Number of World Heritage cultural sites	0/30	Arbitrary min max
13.02	Number of oral and intangible cultural expressions	0/15	Winsorization
13.03	Number of large sports stadiums	0/40	Natural min arbitrary max
13.04	Cultural and entertainment tourism Digital Demand, 0–100 (best)	0/56	Winsorization
13.05	Number of UNESCO Creative Cities	0/9	Winsorization
14.01	Presence of Forbes Global 2000 HQ locations	0/2	Arbitrary min max
14.02	Presence of global cities	0/0.5 (Logarithmic (log[1+x]))	Arbitrary min max
14.03	Number of top universities	0/2 (Logarithmic (log[1+x]))	Winsorization
14.04	Non-leisure tourism Digital Demand, 0–100 (best)	0/42	Winsorization
15.01	Greenhouse gas emissions, tCO <sub>2</sub> e/pop	0/17	Winsorization

Indicator index number	Indicator title and units	Min/max used for normalization	Guiding principle
15.02	Renewable energy, % of total energy consumption	0/100	Range of possible values
15.03	Global Climate Risk Index	22.42/145.84	min max based on lowest and highest value
15.05	Particulate matter (2.5) concentration ( $\mu\text{g}/\text{m}^3$ )	5/35	min max based on WHO guidelines
15.06	Baseline water stress, 0–5 (worst)	0/5	Range of possible values
15.07	Red List Index, 0–1 (best)	0.5/1	Arbitrary min. natural max
15.08	Forest cover loss, average % of baseline	0/2	Winsorization
15.09	Wastewater treatment, %	0/100	Range of possible values
15.10	Clean ocean water, 0–100 (best)	0/100	Range of possible values
15.11	Environmental treaty ratification, 0–29 (best)	0/29	Range of possible values
15.14	Total protected areas coverage, % total area	0/50	Winsorization
15.15	Average proportion of key biodiversity areas covered by protected areas, %	0/100	Range of possible values
16.01	Poverty rate, % of pop	0/25	Winsorization
16.02	Social protection basic coverage, % of pop	0/100	Range of possible values
16.03	Social protection spending, % of GDP	0/24	Winsorization
16.04	NEET ratio, % of 15–24 year olds	0/50	Arbitrary min max
16.06	Workers' rights, 1–5+ (worst)	1/6 (value of 5+ is converted into 6)	Range of possible values
16.07	Gender inequality index, 0–1 (worst)	0/1	Range of possible values
17.01	T&T GDP multiplier	0.8/3.3	Winsorization
17.02	Inbound length of stay, days	0/12	Winsorization
17.03	Seasonality of international tourist arrivals, peak season % of total	25/60	Winsorization
17.04	Concentration of interest in cultural attractions, % of views	10/90	Natural min arbitrary max
17.05	Concentration of interest in nature attractions, % of views	10/90	Natural min arbitrary max

**TABLE B2 | Normalization of indicators**

The table below presents the imputation method and the imputed values by indicator. Note that in the regional profiles, ranking tables and other parts of the report that present raw indicator data, imputed values are not shown.

Indicator	Imputation method	Economy	Imputed value
2.05 Global Terrorism Index	Peer group mean. "Group" is defined as countries with a 0 value for indicator "Organized violence, deaths/100,000 pop"	Cape Verde	0.9031
		Hong Kong SAR	0.9031
		Luxembourg	0.9031
		Malta	0.9031
3.04 Hospital beds density	Peer group mean. "Group" is defined as the combination of the World Bank income group and TTDI subregional groups	Angola	19.33
		Lesotho	19.33
		Namibia	20.50
		Senegal	9.80
		Sierra Leone	4.83
3.06 Communicable disease incidence	Peer group mean. "Group" is defined as the combination of the World Bank income group, TTDI regional groups and urban population 90% or greater	Hong Kong SAR	15,239.48
4.08 Labour productivity in hotels and restaurants	Peer group mean. "Group" is defined as the combination of the World Bank income group and TTDI regional groups	Angola	11,732.39
		Benin	11,732.39
		Cape Verde	11,732.39
		Chad	12,491.67
		Côte d'Ivoire	11,732.39
		Lebanon	16,076.26
		Malawi	12,491.67
		Saudi Arabia	35,965.44
		Sierra Leone	12,491.67
		Tajikistan	8,211.75
		Trinidad and Tobago	41,534.10
4.09 Labour productivity in transport, storage and communications	Linear regression estimation. Regressors: GDP per person employed	Angola	34,861.38
		Benin	28,839.03
		Cape Verde	35,314.02
		Chad	26,269.25
		Côte d'Ivoire	34,686.53
		Lebanon	51,581.70
		Malawi	25,868.85
		Sierra Leone	26,828.04
		Tajikistan	33,519.02
Trinidad and Tobago	60,328.66		



Indicator	Imputation method	Economy	Imputed value
5.02 Broadband internet subscribers	Peer group mean. "Group" is defined as the combination of the World Bank income group and TTDI regional groups	Sierra Leone	0.278
5.08 Power losses	Imputation based on data from Global Competitiveness Index. Please see <a href="#">Appendix A: Global Competitiveness Index 4.0 Methodology and Technical Notes</a>	Cape Verde	10.45
		Chad	25.11
		Lesotho	21.28
		Malawi	24.7
		Mali	19.31
		Rwanda	18.83
8.02 Hotel price index	Peer group mean. "Group" is defined as the combination of the World Bank income group and TTDI region or subregional groups	Albania	85.43
		Angola	68.46
		Benin	98.28
		Bolivia	57.20
		Bosnia and Herzegovina	85.43
		Cameroon	98.28
		Cape Verde	98.28
		Chad	116.72
		Cyprus	126.75
		Kyrgyz Republic	100.03
		Lesotho	68.46
		Malawi	116.72
		Mali	116.72
		Moldova	85.43
		Mongolia	61.09
		Sierra Leone	116.72
		Tajikistan	100.03
		Yemen	71.70
11.01 Hotel rooms density	Peer group mean. "Group" is defined as the combination of the World Bank income group and TTDI subregional groups	Malawi	0.106
	Linear regression forecast	Pakistan	0.024
11.02 Short-term rental listing density	Assumption based on nearly non-existing listing at major STR platforms	Yemen	0.01
15.03 Global Climate Risk Index	Peer group mean. "Group" is defined as the combination of the World Bank income group and TTDI regional groups	Hong Kong SAR	95.17
15.10 Clean ocean water	Peer group mean. "Group" is defined as the combination of the World Bank income group and TTDI regional groups	Hong Kong SAR	59.91
15.11 Environmental treaty ratifications	Estimated as the China figure	Hong Kong SAR	24

Indicator	Imputation method	Economy	Imputed value
16.01 Poverty rate	Peer group mean. "Group" is defined as the combination of the World Bank income group and TTDI regional groups	Bahrain	15.15
		Kuwait	15.15
		Qatar	15.15
		Saudi Arabia	15.15
		Singapore	11.53
16.02 Social protection basic coverage	Linear regression estimation. Regressors: social protection spending, % of GDP (Euromonitor International and ILO), income group dummies	Albania	61.03
		Chad	8.24
		Côte d'Ivoire	16.05
		Malta	79.87
		Mauritius	58.88
		Morocco	16.78
16.03 Social protection spending	Linear regression estimation. Regressors: social protection basic coverage, % of pop (ILOSTAT), income and regional group dummies	Bosnia and Herzegovina	12.11
		Montenegro	12.08
16.06 Workers' rights	Rounded peer group mean. "Group" is defined as the combination of the World Bank income group and TTDI regional groups	Azerbaijan	3
		Cape Verde	4
		Cyprus	2
		Luxembourg	2
		Malta	2
		Mongolia	5
		Nicaragua	4
		Slovenia	2
		Tajikistan	5
16.07 Gender inequality index	Peer group mean. "Group" is defined as the combination of the World Bank income group and TTDI subregional groups	Hong Kong SAR	0.09
		Nigeria	0.59
17.03 Seasonality of international tourist arrivals	Peer group mean. "Group" is defined as TTDI subregional groups	Bangladesh	35.40
		Cameroon	33.36
		Côte d'Ivoire	33.36
		Kyrgyz Republic	33.82
		Nigeria	33.36
		Pakistan	35.40
Senegal	33.36		

## Indicator changes and index comparability

The 2021 edition of the TTDI differs from the 2019 TTCl in its framework, methodology and indicators. Therefore, it is not advisable to compare these indices. To help address the coverage for 2019, TTDI results were calculated for the year. However, some new indicators did not have data going back to 2019. Therefore, the 2019 TTDI is not a perfect representation of 2019 conditions. For more information on the changes made between the TTCl and TTDI and the implications for the results, please see Appendix A of the Technical notes and methodology section.

The section below provides a summary of source and methodology changes to indicators that have remained between the TTCl and TTDI.

- 2019 TTCl indicator *10.01 Quality of air transport infrastructure* has been replaced by 2021 TTDI indicator *9.01 Efficiency of air transport services* due to changes made to the latest Executive Opinion Survey.
- 2019 indicators *10.02 Available seat kilometres, domestic* and *10.03 Available seat kilometres, international* have been replaced by 2021 TTDI's *9.02 Available seat kilometres*. The previous indicators were aggregated before being normalized for the TTCl while the new indicator is already aggregated, thereby cutting out an intermediate step. Moreover, for *9.02*, available seat kilometres are now divided by economy population in order to account for size differences between countries. Lastly, while the IATA remains the direct source for the indicator, the underlying data now comes from OAG instead of SRS Analyser.
- 2019 TTCl indicator *11.04 Quality of railroad infrastructure* has been replaced by 2021 TTDI indicator *10.03 Efficiency of train services* due to changes made to the latest Executive Opinion Survey. Moreover, economies now receive a score of 1 out of 7 for TTDI indicators *10.03* and *10.04 Railroad density* if there are no operational passenger rail services in the country. Previously, a lack of rail services led an economy receiving an n/a.
- 2019 TTCl indicator *11.06 Quality of port infrastructure* has been replaced by 2021 TTDI indicator *10.07 Efficiency of seaport services* due to changes made to the latest Executive Opinion Survey.
- 2019 TTCl indicator *12.03 Presence of major car rental companies* (now indicator *11.03*) has had a methodology change. The number of car rental companies tracked has increased from seven to 12. The new companies are Ace, Alamo, Enterprise, Localiza and NÜ Car Rentals.
- 2019 TTCl indicator *13.02 Total known species* (now indicator *12.02*) has had a methodology change. Previously, the indicator looked only at mammals, birds and amphibians because the [International Union for Conservation's Red List of Threatened Species](#) has almost complete coverage of these groups. However, the indicator now looks at all animals, plants, fungi and chromista covered by the Red List. For many organisms such as plants, the Red List does not come close to having complete coverage, but it was decided that even incomplete coverage would provide a more representative picture of biodiversity in an economy.
- 2019 TTCl indicator *13.04 Natural tourism Digital Demand* (now indicator *12.04*) has had a methodology change. The number of brandtags covered has expanded from 12 to 20, the number of keywords used from 3,818,000 to 15,721,000 and the number of languages from nine to 21.
- 2019 TTCl indicator *14.05 Cultural and entertainment tourism Digital Demand* (now indicator *13.04*) has had a methodology change. The number of brandtags covered has expanded from 13 to 21, the number of keywords used from 3,818,000 to 18,308,000 and the number of languages from nine to 21.
- 2019 TTCl indicator *9.08 Forest cover loss* (now indicator *15.08*) has a new source and methodology. The source has been switched from the Environmental Performance Index to more up-to-date data from Global Forest Watch. Moreover, instead of calculating tree-cover loss between 2000 and the most recent date and dividing by forest extent in 2000, we now use the most recent five-year average of annual tree-cover loss divided by forest extent in 2000. The new methodology makes this indicator more sensitive to recent trends in forest cover.
- 2021 TTDI indicators *8.04 Fuel price levels*, *10.02 Road density*, *15.05 Particulate matter (2.5) concentration*, *15.06 Baseline water stress* and *15.14 Total protected areas coverage* all have new sources. These sources may differ in methodology compared to sources used for the 2019 original version of these indicators. Moreover, as with indicator *9.02*, the underlying data for indicator *9.03 Number of operating airlines* now comes from OAG instead of SRS Analyser.

# Appendix C: Data definitions and sources

This section complements the data tables by providing full descriptions and sources of all of the indicators used for the calculations in the *Travel & Tourism Development Index 2021* (TTDI).

The number of the indicator corresponds to the number on the data table that shows the ranks and scores for all countries/economies on this particular indicator. The data used in this publication includes data derived from the Executive Opinion Survey as well as statistical data from other organizations. In the case of indicators derived from the Executive Opinion Survey (the Survey), the full question and associated answers are provided. For more details on Survey indicators, please email

[partner.institutes@weforum.org](mailto:partner.institutes@weforum.org). Moreover, you can find information on Partner Institutes that carried out the survey in Appendix E.

For indicators sourced from other organizations or national sources, because of space limitations it is not possible to reproduce in this publication all of the additional information associated with specific data points. The data used in the computation of the TTDI 2021 represents the most recent and/or best data available at the time when it was collected. It is possible that data was updated or revised subsequently. Throughout the statistical tables in this publication, “n/a” denotes that the value is not available.

## Pillar 1: Business Environment

### 1.01 Property rights

Response to the survey question: “In your country, to what extent are property rights, including financial assets, protected?” [1 = Not at all; 7 = To a great extent] | 2020–2021 weighted average

**Source:** World Economic Forum, Executive Opinion Survey

### 1.02 Impact of rules on FDI

Response to the survey question: “In your country, how restrictive are rules and regulations on foreign direct investment (FDI)?” [1 = Extremely restrictive; 7 = Not restrictive at all] | 2020–2021 weighted average

**Source:** World Economic Forum, Executive Opinion Survey

### 1.03 Efficiency of legal framework in settling disputes

Response to the survey question: “In your country, how efficient are the legal and judicial systems for companies in settling disputes?” [1 = Extremely inefficient; 7 = Extremely efficient] | 2020–2021 weighted average

**Source:** World Economic Forum, Executive Opinion Survey

### 1.04 Efficiency of legal framework in challenging actions

Response to the survey question: “In your country, how easy is it for private businesses and citizens to challenge government actions through the legal system?” [1 = Extremely difficult; 7 = Extremely easy] | 2020–2021 weighted average

**Source:** World Economic Forum, Executive Opinion Survey

### 1.05 Burden of government regulation

Response to the survey question: “In your country, how easy is it for companies to comply with government regulation and administrative requirements (e.g. permits, reporting, legislation)?” [1 = Extremely complex; 7 = Extremely easy] | 2020–2021 weighted average

**Source:** World Economic Forum, Executive Opinion Survey

### 1.06 Government ensuring policy stability

Response to the survey question: “In your country, to what extent does the government ensure a stable policy environment for doing business?” [1 = Not at all; 7 = To a great extent] | 2020–2021 weighted average

**Source:** World Economic Forum, Executive Opinion Survey

### 1.07 Ease of complying to tax system

Response to the survey question: “In your country, to what extent are taxes easy to comply with?” [1 = Not at all; 7 = To a great extent] | 2020–2021 weighted average

**Source:** World Economic Forum, Executive Opinion Survey

### 1.08 SME access to finance

Response to the survey question: “In your country, to what extent can small- and medium-sized enterprises (SMEs) access the finance they need for their business operations through the financial sector?” [1 = Not at all; 7 = To a great extent] | 2020–2021 weighted average

**Source:** World Economic Forum, Executive Opinion Survey

## 1.09 Corruption Perceptions Index

On a scale of 0 to 100, the Corruption Perceptions Index (CPI) ranks 180 countries and territories by their perceived levels of public-sector corruption, according to experts and business people. | 2020

The CPI is calculated using 13 data sources from 12 institutions that capture perceptions of corruption within the past two years. For a country or territory to be included in the CPI, a minimum of three sources must assess that country. A country's CPI score is then calculated as the average of all standardized scores available for that country. Scores are rounded to whole numbers. For more information on the methodology, please visit: <https://www.transparency.org/en/cpi/2020/index/nzl>.

**Source:** Transparency International, 2020 Corruption Perceptions Index

## Pillar 2: Safety and Security

### 2.01 Business costs of crime and violence

Response to the survey question: "In your country, to what extent do the following impose costs on businesses: Incidence of crime and violence?" [1 = To a great extent – imposes huge costs; 7 = Not at all – imposes no costs] | 2020–2021 weighted average

**Source:** World Economic Forum, Executive Opinion Survey

### 2.02 Reliability of police services

Response to the survey question: "In your country, to what extent can police services be relied on to efficiently enforce law and order?" [1 = Not at all; 7 = To a great extent] | 2020–2021 weighted average

**Source:** World Economic Forum, Executive Opinion Survey

### 2.03 Safety walking alone at night

Legatum Prosperity Index 2021 score based on percentage of people who responded "Yes" to the Gallup question: Do you feel safe walking alone at night in the city or area where you live? | 2021

**Source:** 2021 Legatum Prosperity Index

### 2.04 Homicide rate

Number of homicide cases per 100,000 population | 2018 or most recent

The United Nations Office on Drugs and Crime (UNODC) collects statistics on homicide occurrences worldwide, pooling information from national sources as well as other international institutions such as Interpol, Eurostat, the Organization of American States, UNICEF and the World Health Organization (WHO).

**Source:** United Nations Office on Drugs and Crime (UNODC)

## 2.05 Global Terrorism Index

A composite measure of the impact of terrorism, on a scale of 0–10 | 2019

The Global Terrorism Index (GTI) scores each country on a scale of 0–10, where 0 represents no impact from terrorism and 10 represents the highest measurable impact of terrorism. The factors used are the total number of terrorist incidents in a given year, total number of fatalities caused by terrorists in a given year, total number of injuries caused by terrorists in a given year and a measure of the total property damage from terrorist incidents in a given year. Each of the factors is weighted between 0 and 3, and a five-year weighted average is applied in a bid to reflect the latent psychological effect of terrorist acts over time. Coverage for the 2020 edition of the index spans 2015–2019. For more information, please visit: <https://www.visionofhumanity.org/maps/global-terrorism-index/#/>.

**Source:** Institute for Economics and Peace, Global Terrorism Index 2020: Measuring the Impact of Terrorism

### 2.06 Organized violence, deaths

Number of organized violence, deaths per 100,000 population | 2016 through 2020 moving average

A measure of deaths from state-based armed conflict, non-state conflict and one-sided violence. The categories are mutually exclusive and can be aggregated as "organized violence". They also share the same intensity cut-off for inclusion – 25 fatalities in a calendar year. For more information, please see <https://ucdp.uu.se/encyclopedia>. The final figure is a World Economic Forum calculation of non-state deaths divided by total population.

**Source:** Uppsala Conflict Data Program; The World Bank, World Development Indicators

## Pillar 3: Health and Hygiene

### 3.01 Physician density

Density per 1,000 population | 2019 or most recent

This indicator measures the number of physicians in the country per 1,000 population. Physicians include generalist and specialist medical practitioners.

**Source:** World Health Organization, Global Health Observatory Data Repository

### 3.02 Use of basic sanitation

People using at least basic sanitation services as a percentage of total population | 2020 or most recent

The percentage of people using at least basic sanitation services – that is, improved sanitation facilities that are not shared with other households. This indicator encompasses both people using basic sanitation services and those using safely

managed sanitation services. Improved sanitation facilities include flush/pour flush to piped sewer systems, septic tanks or pit latrines, ventilated improved pit latrines, composting toilets or pit latrines with slabs.

**Source:** The World Bank, World Development Indicators

### 3.03 Use of basic drinking water

People using at least basic drinking water services as a percentage of total population | 2020 or most recent

The percentage of people using at least basic water services. This indicator encompasses both people using basic water services and those using safely managed water services. Basic drinking water services are defined as drinking water from an improved source, provided collection time is not more than 30 minutes for a round trip. Improved water sources include piped water, boreholes or tubewells, protected dug wells, protected springs and packaged or delivered water.

**Source:** The World Bank, World Development Indicators

### 3.04 Hospital beds density

Number of hospital beds per 10,000 population | 2019 or most recent

Hospital beds includes inpatient beds available in public, private, general and specialized hospitals and rehabilitation centres. In most cases, beds for both acute and chronic care are included.

**Source:** The World Bank, World Development Indicators

### 3.05 Accessibility of healthcare services

Response to the survey question: “In your country, to what extent do all members of the population have sufficient access to the following safety nets and services: Physical healthcare?” [1 = Not at all – service is difficult to access or only available to some people; 7 = To a great extent – service is easy to access to everyone] | 2020–2021 weighted average

**Source:** World Economic Forum, Executive Opinion Survey

### 3.06 Communicable disease incidence

Select communicable disease incidence rate per 100,000 population | 2019

The incidence rate represents the number of people with a condition within a given period – the affected population – in relation to the total population within which these cases have arisen (in the same period) – the target population. Communicable diseases covered by this indicator include HIV/AIDS and other sexually transmitted infections, lower respiratory infections and tuberculosis, neglected tropical diseases, malaria and other infectious

diseases. Enteric infections and upper respiratory infections are excluded.

**Source:** Institute for Health Metrics and Evaluation, Global Burden of Disease Results Tool

## Pillar 4: Human Resources and Labour Market

### 4.01 Mean years of schooling

Average number of years of education received by people ages 25 and older | 2019 or most recent

Data is converted from education attainment levels using the official durations of each level.

**Source:** United Nations Development Programme (UNDP)

### 4.02 Secondary education enrolment rate

Gross secondary education enrolment rate | 2021 or most recent

The reported value corresponds to the ratio of total secondary enrolment (regardless of age) to the population of the age group that officially corresponds to the secondary education level. Secondary education (ISCED levels 2 and 3) completes the provision of basic education that began at the primary level and aims to lay the foundations for lifelong learning and human development by offering more subject- or skills-oriented instruction using more specialized teachers.

**Source:** UNESCO Institute for Statistics; Euromonitor International 2021

### 4.03 Extent of staff training

Response to the survey question: “In your country, to what extent do companies invest in training and employee development?” [1 = Not at all; 7 = To a great extent] | 2020–2021 weighted average

**Source:** World Economic Forum, Executive Opinion Survey

### 4.04 Education system’s ability to meet needs

Response to the survey question: “In your country, how well does the education system meet the needs of a competitive economy?” [1 = Not at all; 7 = To a great extent] | 2020–2021 weighted average

**Source:** World Economic Forum, Executive Opinion Survey

### 4.05 Hiring and firing practices

Response to the survey question: “In your country, to what extent do regulations allow flexible hiring and firing of workers?” [1 = Not at all; 7 = To a great extent] | 2020–2021 weighted average

**Source:** World Economic Forum, Executive Opinion Survey

#### 4.06 Ease of finding skilled employees in local labour market

Response to the survey question: “In your country, to what extent can companies find people with the skills required to fill their vacancies in the local labour market?” [1 = Not at all; 7 = To a great extent] | 2020–2021 weighted average

**Source:** World Economic Forum, Executive Opinion Survey

#### 4.07 Flexible working arrangements

Response to the survey question: In your country, to what extent do companies offer flexible working arrangements such as remote and part-time work?” [1 = Not at all; 7 = To a great extent] | 2020–2021 weighted average

**Source:** World Economic Forum, Executive Opinion Survey

#### 4.08 Labour productivity in hotels and restaurants

Sector output (gross value added) divided by employed population in constant 2020 PPP \$| 2018, 2019, 2020 moving average

This indicator category corresponds to division H of the International Standard Classification of all Economic Activities (ISIC Rev 3.1), and includes: hotels and restaurants.

**Source:** Euromonitor International, 2021

#### 4.09 Labour productivity in transport, storage and communications

Sector output (gross value added) divided by employed population in constant 2020 PPP \$| 2018, 2019, 2020 moving average

This indicator category corresponds to division I of the International Standard Classification of all Economic Activities (ISIC Rev 3.1) and includes: land transport; transport via pipelines; water transport; air transport; supporting and auxiliary transport activities; activities of travel agencies; post and telecommunications.

**Source:** Euromonitor International, 2021

### Pillar 5: ICT Readiness

#### 5.01 Individuals using the internet

Percentage of individuals using the internet | 2020 or most recent

Internet users refers to people using the internet from any device (including mobile phones) in the past 12 months. Data is based on surveys generally carried out by national statistical offices or estimated based on the number of internet subscriptions.

**Source:** International Telecommunication Union, World Telecommunication Indicators 2021, July 2021

#### 5.02 Broadband internet subscribers

Fixed broadband internet subscriptions per 100 population | 2020 or most recent

This refers to total fixed (wired) broadband internet subscriptions (that is, subscriptions to high-speed access to the public internet – a TCP/IP connection – at downstream speeds equal to or greater than 256 kb/s).

**Source:** International Telecommunication Union, World Telecommunication Indicators 2021, July 2021

#### 5.03 Mobile broadband subscribers

Mobile broadband subscriptions per 100 population | 2020 or most recent

Active mobile-broadband subscriptions per 100 inhabitants.

**Source:** International Telecommunication Union, World Telecommunication Indicators 2021, July 2021

#### 5.04 3G mobile network coverage

Percentage of total population covered by at least a 3G mobile network signal | 2020 or most recent

Percentage of the population covered by at least a 3G mobile network refers to the percentage of inhabitants who are within range of at least a 3G mobile-cellular signal, irrespective of whether or not they are subscribers. This is calculated by dividing the number of inhabitants that are covered by at least a 3G mobile-cellular signal by the total population and multiplying by 100.

**Source:** International Telecommunication Union, World Telecommunication Indicators 2021, July 2021

#### 5.05 Use of digital platform for providing financial services

Response to the survey question: “In your country, to what extent are digital platforms\* used to provide the following service: Financial?” [1 = Not at all; 7 = To a great extent] \*Digital platforms refer to services and labour markets available through a digital interface, often focused on short-term contracts and task-based work. | 2020–2021 weighted average

**Source:** World Economic Forum, Executive Opinion Survey

#### 5.06 Use of digital platforms for providing transportation and shipping

Response to the survey question: “In your country, to what extent are digital platforms\* used to provide the following service: Transportation and shipping?” [1 = Not at all; 7 = To a great extent] \*Digital platforms refer to services and labour markets available through a digital interface, often focused on short-term contracts and task-based work. | 2020–2021 weighted average

**Source:** World Economic Forum, Executive Opinion Survey

### 5.07 Use of digital platform for providing hotels, restaurants and leisure activities services

Response to the survey question: “In your country, to what extent are digital platforms\* used to provide the following service: Hotels, restaurants and leisure activities?” [1 = Not at all; 7 = To a great extent]

\*Digital platforms refer to services and labour markets available through a digital interface, often focused on short-term contracts and task-based work. | 2020-2021 weighted average

**Source:** World Economic Forum, Executive Opinion Survey

### 5.08 Power losses

Electric power transmission and distribution losses as a percentage of domestic supply | 2019

“Electric power transmission and distribution losses” are losses in transmission between sources of supply and points of distribution and in the distribution to consumers, including pilferage.

**Source:** International Energy Agency, Energy Data Center

## Pillar 6: Prioritization of T&T

### 6.01 T&T government expenditure

Travel and tourism government expenditure as a percentage of total government budget | 2020

This indicator includes expenditures (transfers or subsidies) made by government agencies to provide T&T services such as cultural (e.g. art museums), recreational (e.g. national parks), clearance (e.g. immigration/customs) and so on to visitors.

**Source:** World Travel & Tourism Council, Travel & Tourism Economic Impact Research 2021 (received via direct communication)

### 6.02 Comprehensiveness of T&T data

Number of data available (0 = no data, 120 = all selected indicators are available) | 2014–2017

This indicator shows how much of the yearly data provided by national administrations on 30 different concepts from the UNWTO Compendium of Tourism Statistics is available. It covers 2014 through to 2017. The scores range from a minimum of 0 to a maximum of 120, where 120 can be obtained by a country providing data for all 30 concepts in all of the four years taken into consideration.

**Source:** World Tourism Organization, UNWTO Database, latest available data, UNWTO, Madrid (received via direct communication)

### 6.03 Timeliness of T&T data

Number of latest data available (0 = no data, 22.5 = data reported for all the periods considered) | 2019–2020

This indicator shows the availability of two principal T&T indicators (international tourist arrivals and tourism receipts) on a monthly or quarterly basis, covering the period from October 2019 to December 2020. The UNWTO has calculated the score of each country based on the data included in the latest available UNWTO World Tourism Barometer by adding the number of months for which data on the international tourist arrivals is available to the number of months for which data on international tourism receipts is available. Half weight has been applied to the lower of the two scores, so the scores range from a minimum of 0 to a maximum of 22.5 (the maximum number of period counts a country can get is 14 for one measure and 7 for the other).

**Source:** World Tourism Organization, UNWTO Database, latest available data, UNWTO, Madrid (received via direct communication)

### 6.04 Country Brand Strategy rating

This indicator evaluates the accuracy of a National Tourism Organization’s (NTO) Country Brand Strategy | 2018, 2020 moving average

This indicator measures the country branding accuracy by means of a formula that compares the most popular brandtags (as measured by our Digital Demand – D2 © software) for a specific country to the brandtags most heavily promoted by that country’s NTO. A country receives a higher rating if the respective NTO focuses its promotion on the most strategic tourism-related brandtags with the highest demand. A poor rating can suggest either the inappropriate promotion of the least popular brandtags (as measured by online search volume) by an NTO or the lack of focus on the brandtags in highest demand. Please note that exceptions may apply in the case of a country that has recently begun a new Country Brand Strategy for tourism to highlight lesser-known brandtags in the hope of finding new markets. In this case, a lower rating simply implies that the result of this new strategic positioning has yet to make its impact.

**Source:** Bloom Consulting and D2 – Digital Demand © data

### 6.05 T&T capital investment

Travel and tourism capital investment as a percentage of total capital investment | 2020

This indicator includes government-sector investment expenditures (e.g. equipment, land, buildings, infrastructure) and private-sector investment expenditures (e.g. hotels, convention centres, aircraft, taxis).

**Source:** World Travel & Tourism Council, Travel & Tourism Economic Impact Research 2021 (received via direct communication)



## Pillar 7: International Openness

### 7.01 Visa requirements

Visa requirements for entry in the destination country for a tourism visit of a limited duration from worldwide source markets (100 = no visa required for visitors from all source markets, 0 = traditional visa required for visitors from every source market) | 2018

This indicator measures to what extent a destination country is facilitating inbound tourism through its visa policy, distinguishing between whether the country can be visited without a visa, a visa can be obtained on arrival or an electronic visa is available. It is calculated as a percentage of the world population that is exempt from a visa or is eligible for a visa on arrival or an electronic visa when visiting the destination country, where: 1) the population of source markets that can visit the destination country without a visa is fully counted (i.e. weight 1); 2) the population of source markets that can obtain a visa on arrival when entering the destination country is weighted by 0.7; and 3) the population of source markets that can use an electronic visa is weighted by 0.5. The indicator is consistent with the UNWTO *Visa Openness Report 2015*, which can be downloaded from: <https://www.e-unwto.org/doi/book/10.18111/9789284417384>.

**Source:** World Tourism Organization, UNWTO Database, latest available data, UNWTO, Madrid (received via direct communication)

### 7.02 Number of bilateral air service agreements

Number of bilateral air service agreements weighted by level of liberalization | 2021

This indicator measures the number of air service agreements (ASAs) to which an economy is party, weighted by level of liberalization. Traditional agreements receive a weight of 0.5, transitional agreements receive 0.75 and fully liberalized agreements receive 1.0. Please note that all European Union member states are treated as if they have fully liberalized agreement with fellow members, with bilateral agreements between European Union member states not counted. The same methodology goes for economies covered by the European Common Aviation Area, the Euro-Mediterranean Aviation Agreement, the EU-US Open Skies Agreement and the EU-Canada Comprehensive Air Transport Agreement. Data and classification come from ICAO's WASA database, which can be accessed at: <https://www.icao.int/sustainability/Pages/WASA.aspx>.

**Source:** International Civil Aviation Organization (ICAO), WASA Database (received via direct communication)

### 7.03 Number of regional trade agreements in force

Number of goods (RTAs) and services (EIAs) notifications | 2021

This indicator assesses the level of openness of a country to foreign goods and services as measured by the sum of the number of Regional Trade Agreements (RTA) and the number of Economic Integration Agreements (EIA) in force with the World Trade Organization (WTO). Members entering into RTAs are required to notify them to the WTO, either under Article XXIV of the General Agreement on Tariffs and Trade (GATT) 1994 or the Enabling Clause (for RTAs covering trade in goods), or under Article V of the General Agreement on Trade in Services (GATS) (for RTAs covering trade in services). In the case of an RTA covering both goods and services, two notifications are required. The notification should be made following ratification of the RTA and before the application of preferential treatment between the parties.

**Source:** World Trade Organization; Regional Trade Agreements Information System (RTA-IS) available at <http://rtais.wto.org/UI/PublicMaintainRTAHome.aspx>

### 7.04 Degree of financial openness

This indicator is represented by the Chinn-Ito Index, which measures a country's degree of capital account openness | 2019

The Chinn-Ito index (KAOPEN) measures a country's degree of capital account openness. The index was initially introduced in Chinn and Ito (Journal of Development Economics, 2006). KAOPEN is based on the binary dummy variables that codify the tabulation of restrictions on cross-border financial transactions reported in the IMF's *Annual Report on Exchange Arrangements and Exchange Restrictions* (AREAER). For more information see: [http://web.pdx.edu/~ito/Chinn-Ito\\_website.htm](http://web.pdx.edu/~ito/Chinn-Ito_website.htm).

**Source:** Chinn, Menzie D. and Hiro Ito (2006), "What Matters for Financial Development? Capital Controls, Institutions and Interactions", Journal of Development Economics, Volume 81, Issue 1, pp. 163–192

## Pillar 8: Price Competitiveness

### 8.01 Ticket taxes, airport charges

Index of relative cost of access (ticket taxes and airport charges) to international air transport services (0 = highest cost, 100 = lowest cost) | 2018 or most recent

This index measures the relative cost of access to international air transport services based on the level of airport charges, passenger ticket taxes and value-added taxation. It reflects the costs associated with a narrow-body and a wide-body passenger plane's arrival and departure at the major international airports in each country. Charges include landing, terminal navigation and passenger and security charges as listed in the *IATA Airport and Air Navigation Charges* manual. Ticket taxes applicable to international travel were applied as described in the *IATA List of Ticket and Airport Taxes and Fees* manual. Per-passenger charges were calculated by applying a 75% load factor to a

typical seating configuration of each type of aircraft. Value-added taxes (VAT) were calculated based on an average ticket price for each country, applied to half of the departing passengers, because the VAT is normally charged only on itineraries originating in the country concerned. A higher score indicates a lower level of charges and taxes.

**Source:** IATA, SRS Analyser

### 8.02 Hotel price index

Average room rates calculated for midscale to upper-upscale hotels for a calendar year (\$) | 12-month average through July 2021

This index measures the average price, in dollars, of midscale to upper-upscale hotel accommodation in each country. The index is calculated by using the average room rate achieved by midscale to upper-upscale hotels in each country over a 12-month period from July 2020 through to July 2021 to mitigate the impact of any seasonality fluctuations. Data may refer to an earlier period where the 2018 update is not available.

**Source:** STR, a global hospitality data and analytics company

### 8.03 Purchasing power parity

Ratio of purchasing power parity (PPP) conversion factor to the official exchange rate | 2020 or most recent

The World Bank defines the purchasing power parity (PPP) conversion factor as the number of units of a country's currency required to buy the same amount of goods and services in the domestic market as \$1 would buy in the United States. The official exchange rate refers to the exchange rate determined by national authorities or to the rate determined in the legally sanctioned exchange market. It is calculated as an annual average based on monthly averages (local currency units relative to the US dollar). The variable shown is the PPP conversion factor to market exchange rate ratio as reported by the World Bank's World Development Indicator database.

**Source:** The World Bank, World Development Indicators

### 8.04 Fuel price levels

Retail gasoline (petrol) prices expressed as US dollars per litre | 2021 or most recent

This indicator refers to annual average of the pump prices of octane-95 gasoline.

**Source:** Globalpetrolprices.com (received via direct communication); GIZ International Fuel Prices 2018/2019

### 8.05 Short-term rental price

Average daily rate for active properties on Airbnb and similar platforms | 12-month average ending in June 2021

**Source:** AirDNA (received via direct communication)

## Pillar 9: Air Transport Infrastructure

### 9.01 Efficiency of air transport services

Response to the survey question: "In your country, how efficient (in terms of frequency, punctuality, speed and price) are the following transport services: Air transport services?" [1 = Extremely inefficient – among the worst in the world; 7 = Extremely efficient –

among the best in the world] | 2020–2021 weighted average

**Source:** World Economic Forum, Executive Opinion Survey

### 9.02 Available seat kilometres

Domestic and international seat kilometres originating in country per week (year average) per population | 2020

This indicator measures an airline's passenger-carrying capacity. It is composed of the number of seats available on each flight multiplied by the flight distance in kilometres. The final value represents the weekly average for the year (Jan–Dec), taking into account flights scheduled beforehand by airline companies divided by country population.

**Source:** IATA, OAG data

### 9.03 Number of operating airlines

Number of airlines with scheduled passenger flights originating in country | 2020

**Source:** IATA, OAG data

### 9.04 Airport connectivity

This represents the IATA airport connectivity indicator, which measures the degree of integration of a country within the global air transport network | 2020

For each airport, the number of available seats to each destination is weighted by the size of the destination airport (in terms of number of passengers handled). The weighted totals are then totalled for all destinations, then for all airports in the country to produce a score. A log transformation is applied to the raw value before converting it to the 1-to-7 score.

**Source:** IATA, OAG data

## Pillar 10: Ground and Port Infrastructure

### 10.01 Quality of roads

Response to the survey question: “In your country, how is the quality (extensiveness and condition) of road infrastructure?” [1 = extremely poor – among the worst in the world; 7 = extremely good – among the best in the world] | 2020–2021 weighted average

Source: World Economic Forum, Executive Opinion Survey

### 10.02 Road density

Kilometres of road per 100 square kilometres of land | 2020

Road density is the ratio of the length of the country's total road network to the country's land area. The road network includes all motorways, highways, main or national roads, secondary or regional roads, and all other roads.

Source: Euromonitor International, 2021; The World Bank, World Development Indicators

### 10.03 Efficiency of train services

Response to the survey question: “In your country, how efficient (in terms of frequency, punctuality, speed, price) are the following transport services: Train services (if applicable)?” [1 = Extremely inefficient – among the worst in the world; 7 = Extremely efficient – among the best in the world] | 2020–2021 weighted average

Source: World Economic Forum, Executive Opinion Survey

### 10.04 Railroad density

Kilometres of railroad per 100 square kilometres of land | 2019 or most recent

Railroad density is the ratio of the length of the country's total railroad network to the country's land area. Rail lines are the length of railway route available for train services, irrespective of the number of parallel tracks.

Source: The World Bank, World Development Indicators; *The World Factbook 2021*, Washington, DC: Central Intelligence Agency

### 10.05 Efficiency of public transport services

Response to the survey question: “In your country, how efficient (in terms of frequency, punctuality, speed, price) are the following transport services: Public transport (e.g. buses, trains, subways, electric bikes and taxis)?” [1 = Extremely inefficient – among the worst in the world; 7 = Extremely efficient – among the best in the world] | 2020–2021 weighted average

Source: World Economic Forum, Executive Opinion Survey

### 10.06 Adequate access to public transport

Response to the survey question: “In your country, how far do all members of the population have sufficient access to the following: Public transportation?” [1 = Not at all – service is difficult to access or only available to some people; 7 = To a great extent – service is easy to access to everyone] | 2020–2021 weighted average

Source: World Economic Forum, Executive Opinion Survey

### 10.07 Efficiency of seaport services

Response to the survey question: “In your country, how efficient (in terms of frequency, punctuality, speed, price) are the following transport services: Seaport services (ferries, boats)?” [1 = Extremely inefficient – among the worst in the world; 7 = Extremely efficient – among the best in the world] | 2020–2021 weighted average

Source: World Economic Forum, Executive Opinion Survey

## Pillar 11: Tourist Service Infrastructure

### 11.01 Hotel rooms density

Number of hotel rooms per 100 population | 2019 or most recent

Source: World Tourism Organization, UNWTO Database, latest available data, UNWTO, Madrid (received via direct communication); The World Bank, World Development Indicators

### 11.02 Short-term rental listing density

Number of active properties on Airbnb and similar platforms per 10,000 people | 12-month average ending in June 2021

Source: AirDNA (received via direct communication); The World Bank, World Development Indicators

### 11.03 Presence of major car rental companies

Presence of major car rental companies (0 = no company is present, 12 = all 12 considered companies are present) | 2021

This indicator measures the presence of 12 major car rental brands: Ace, Alamo, Avis, Budget, Enterprise, Europcar, Hertz, Localiza, National Car Rental, NÜ Car Rentals, Sixt and Thrifty. For each country we calculate how many of these companies operate via online research.

Source: Company websites

#### 11.04 Automated teller machines density

Number of automatic teller machines divided by the number of adults (100,000) | 2019 or most recent

The total number of automatic teller machines divided by the number of adults (100,000)

**Source:** The World Bank, World Development Indicators

#### 11.05 Competitive tourism services

Response to the survey question: “In your country, how competitive is the provision of the following services: Hotels, restaurants and leisure activities?” [1 = Not at all; 7 = To a great extent] | 2020–2021 weighted average

**Source:** World Economic Forum, Executive Opinion Survey

### Pillar 12: Natural Resources

#### 12.01 Number of World Heritage natural sites

Number of World Heritage natural sites in the country | 2021

World Heritage natural sites are those properties that the World Heritage Committee considers to have outstanding universal value.

**Source:** UNESCO World Heritage List, available at: <https://whc.unesco.org/en/list/?search=&type=natural&order=country>

#### 12.02 Total known species

Number of animal, plant, fungus and chromista species in the country | 2021

This indicator measures the total number of animal, plant, fungus and chromist species assessed by the IUCN and listed on its Red List.

**Source:** International Union for Conservation of Nature and Natural Resources (IUCN), Red List

#### 12.03 Total protected areas

Total square kilometres of terrestrial and marine areas under protection | 2021

Based on the IUCN, a protected area is a clearly defined geographical space, recognized, dedicated and managed, through legal or other effective means, to achieve the long-term conservation of nature with associated ecosystem services and cultural values. Protected areas include nature reserves, wilderness areas, national parks, natural monuments, habitat/species management, protected landscapes/seascapes and managed resource protected areas. The data undergoes a logarithmic transformation before being scaled 1 to 7. For more information on protected areas and associated methodology, please see: <https://www.protectedplanet.net/en/thematic-areas/wdpa?tab=Methodology>.

**Source:** UNEP-WCMC, World Database of Protected Areas (received through direct communication, September 2021)

#### 12.04 Natural tourism Digital Demand

This indicator measures the total online search volume related to the following nature-related brandtags: Beach Accommodation, Beaches, Gardens, Natural Wonders, Parks and Reserves, Camping, Golf Accommodation, Rural Accommodation, Ski Accommodation, Diving, Golf, Water Sports, Winter Sports, Adventure and Outdoor, Animal Watching, Boating, Fishing, Hunting and Hiking | 2018, 2019, 2020 moving average

The calculation is based on the proprietary D2 tool, which assesses the attractiveness of each country by analysing online tourism-related search data across the relevant brandtags, each comprising destination-specific keywords correlated to tourist activities and attractions. A total of 15,721,000 keywords were analysed across 199 countries and territories, in 21 languages: Arabic, Chinese (Mandarin), German, Danish, Estonian, English, Spanish, Finnish, French, Italian, Japanese, Korean, Lithuanian, Dutch, Norwegian, Polish, Portuguese, Russian, Swedish, Turkish and Vietnamese.

**Source:** Bloom Consulting and D2 – Digital Demand © data, market leader search engines across the world (mobile and desktop)

#### 12.05 Number of terrestrial and freshwater ecoregions

Number of terrestrial and freshwater ecoregions | 2021

The World Wide Fund for Nature (WWF) defines an ecoregion as a “large unit of land or water containing a geographically distinct assemblage of species, natural communities, and environmental conditions”. This includes terrestrial, marine and freshwater ecoregions.

**Source:** One Earth (accessed August 2021) and Freshwater Ecoregions of the World (FEOW) (accessed June 2021)

### Pillar 13: Cultural Resources

#### 13.01 Number of World Heritage cultural sites

Number of World Heritage cultural sites in the country | 2021

World Heritage cultural sites are those properties that the World Heritage Committee considers to have outstanding universal value.

**Source:** UNESCO World Heritage List, available at: <https://whc.unesco.org/en/list/?search=&type=natural&order=country>

#### 13.02 Oral and intangible cultural heritage

Number of oral and intangible heritage practices and expressions | 2021

Intangible cultural heritage practices are those practices, representations, expressions, knowledge and skills – as well as the instruments, objects, artefacts and cultural spaces associated therewith – that communities, groups and, in some cases,

individuals recognize as part of their cultural heritage. This intangible cultural heritage, spread from generation to generation, is constantly recreated by communities and groups in response to their environment and their interaction with nature and their history, and provides them with a sense of identity and continuity, thus promoting respect for cultural diversity and human creativity. The Intergovernmental Committee for the Safeguarding of the Intangible Cultural Heritage annually evaluates nominations proposed by the States Parties to the Convention for the Safeguarding of the Intangible Cultural Heritage and decide whether or not to inscribe those cultural practices and expressions of intangible heritage on the Convention's Lists. For more details about the criteria for inscription, please visit: <http://www.unesco.org/culture/ich/index.php?lg=en&pg=00174>.

**Source:** UNESCO World Heritage List, available at <https://ich.unesco.org/en/lists>

### 13.03 Number of large sports stadiums

Total number of sports stadiums in a country with a capacity greater than 20,000 seats | 2021 or most recent

The count of stadiums with a capacity greater than 20,000 seats is a proxy for the ability of a country to host significant sports or entertainment events (e.g. concerts).

**Source:** Worldstadiums.com

### 13.04 Cultural and entertainment tourism Digital Demand

This indicator measures the total online search volume related to the following culture- and entertainment-related brandtags: Gastro Activities, Restaurants, Local Gastronomy, Historical Sites, Museums, UNESCO, History, Local Dances, Local People and Tribes, Local Traditions, Traditional Markets, Religious Sites and Pilgrimage, Performing Arts, Urban Landmarks, Aquariums, Entertainment Parks, Gambling, Nightlife, Shopping, Special Events and Zoos. | 2018, 2019, 2020 moving average

The calculation is based on the proprietary D2 tool, which assesses the attractiveness of each country by analysing online tourism-related search data across the relevant brandtags, each comprising destination-specific keywords correlated to tourist activities and attractions. A total of 18,308,000 keywords were analysed across 199 countries and territories, in 21 languages: Arabic, Chinese (Mandarin), German, Danish, Estonian, English, Spanish, Finnish, French, Italian, Japanese, Korean, Lithuanian, Dutch, Norwegian, Polish, Portuguese, Russian, Swedish, Turkish and Vietnamese.

**Source:** Bloom Consulting and D2 – Digital Demand © data, market leader search engines across the world (mobile and desktop)

### 13.05 Number of UNESCO Creative Cities

Number of cities that are members of UNESCO's Creative Cities Network | 2020 or most recent

The UNESCO Creative Cities Network (UCCN) was created in 2004 to promote cooperation with and among cities that have identified creativity as a strategic factor for sustainable urban development. The 246 cities that currently make up this network work together towards a common objective: placing creativity and cultural industries at the heart of their development plans at the local level and cooperating actively at the international level. The network covers seven creative fields: crafts and folk arts, media arts, film, design, gastronomy, literature and music.

**Source:** UNESCO Creative Cities Network for sustainable development 2020, available at: <https://unesdoc.unesco.org/ark:/48223/pf0000375210>

### 13.06 Adequate protection for tangible and intangible cultural heritage

Response to the survey question: "In your country to what extent is the cultural heritage adequately protected?" [1 = Not at all; 7 = To a great extent] | 2020–2021 weighted average

**Source:** World Economic Forum, Executive Opinion Survey

## Pillar 14: Non-Leisure Resources

### 14.01 Presence of Forbes Global 2000 HQ locations

Three-year moving average of the ratio of the share of Forbes Global 2000 companies based in an economy to the economy's share of global GDP | 2018, 2019, 2020 moving average

Forbes Global 2000 is a list of the 2,000 largest public companies in the world based on sales, profits, assets and market value. Each year has a minimum cut-off value, with the 2021 list cut-off being sales of \$4.6 billion, profits of \$278.5 million, assets of \$12.72 billion and market value of \$8.3 billion. A company needs to qualify for at least one of the category lists to be eligible for the final Global 2000 ranking. For more information on the Global 2000 methodology, please visit: <https://www.forbes.com/lists/global2000/#7d1c2b415ac0>.

**Source:** Forbes, 2019–2021 Global 2000; The World Bank, World Development Indicators

### 14.02 Presence of global cities

The indicators measure the presence of cities ranked by Globalization and World Cities Research Network (GaWC) | 2020

GaWC ranking results are derived from the activities of 175 leading firms providing advanced producer services (accountancy, advertising, banking/finance and law) across 707 cities worldwide, creating a ranking of 394 cities. The results should be interpreted as indicating the importance of cities as nodes in the world city network (e.g. enabling corporate globalization). The connectivity measures are used to classify cities into levels of world city network integration. Alpha-level cities are linked to major economic states and regions and into the

world economy and are classified into four sections: Alpha ++, Alpha +, Alpha and Alpha – cities. Beta-level cities are cities that link moderate economic regions to the world economy and are classified into three sections: Beta +, Beta and Beta – cities. Gamma-level cities are cities that link smaller economic regions into the world economy and are classified into three sections: Gamma +, Gamma and Gamma – cities. Sufficiency-level cities are cities that have a sufficient degree of services so as not to be overly dependent on world cities. This is sorted into High-Sufficiency cities and Sufficiency cities. For the purpose of calculating this indicator, each country's score is the sum of points of all the ranked cities based in the economy, with points determined by city classification. A logarithmic transformation is applied to final point values.

**Source:** Globalization and World Cities (GaWC) Research Network

#### 14.03 Number of top of universities

Number of top 10,000 universities as ranked by Webometrics Ranking of World Universities | 2021

This indicator is the weighted average of all universities based on ranking tier. Universities ranked 1–100 receive full weight, 101–200 receive 5/6 weight, 201–500 receive 4/6 weight, 501–1,000 receive 3/6 weight, 1,001–5,000 receive 2/6 weight and 5,001–10,000 receive 1/6 weight. Institutions ranked 10,001 and above are not counted. Data undergoes a log transformation before being normalized. For more information on the ranking, please see: <https://www.webometrics.info/en/Methodology>.

**Source:** Cybermetrics Lab, Consejo Superior de Investigaciones Científicas (CSIC)

#### 14.04 Non-leisure tourism Digital Demand

This indicator measures the total online search volume related to business tourism, study and health tourism brandtags: Business, Entrepreneurship, Exchange Programmes and Financial Aid, Degrees and Courses, Voluntary and Medical Tourism | 2018, 2019, 2020 moving average

The calculation is based on the proprietary D2 software, which assesses the attractiveness of each country by analysing online tourism-related search data across the relevant brandtags, each comprising destination-specific keywords correlated to tourist activities and attractions. A total of 3,721,000 keywords were analysed across 199 countries and territories, in 21 languages: Arabic, Chinese (Mandarin), German, Danish, Estonian, English, Spanish, Finnish, French, Italian, Japanese, Korean, Lithuanian, Dutch, Norwegian, Polish, Portuguese, Russian, Swedish, Turkish and Vietnamese.

**Source:** Bloom Consulting and D2 – Digital Demand © data, market leader search engines across the world (mobile and desktop)

## Pillar 15: Environmental Sustainability

### 15.01 Greenhouse gas (GHG) emissions per capita

Greenhouse gas emissions (including LUCF) per population as measured by tonnes of carbon dioxide equivalent | 2018

Climate Watch Historical Emission data contains sector-level greenhouse gas (GHG) emissions data for 194 countries and the European Union (EU) for the period 1990–2018, including emissions of the six major GHGs from most major sources and sinks. Non-CO2 emissions are expressed in CO2 equivalents using 100-year global warming potential values from the IPCC Fourth Assessment Report. For details regarding data source and methodology see: [http://cait.wri.org/docs/CAIT2.0\\_CountryGHG\\_Methods.pdf](http://cait.wri.org/docs/CAIT2.0_CountryGHG_Methods.pdf).

**Source:** Climate Watch Historical GHG Emissions, 2021, Washington, DC: World Resources Institute

### 15.02 Renewable energy

The renewable energy share is the percentage of total final consumption that is derived from renewable resources | 2018

Renewable energy consumption includes consumption of energy derived from: hydro, solid biofuels, wind, solar, liquid biofuels, biogas, geothermal, marine and waste. Total final energy consumption is calculated from national balances and statistics as total final consumption minus non-energy use.

**Source:** United Nations Statistics Division (UNSD), Global SDG Indicators Database

### 15.03 Global Climate Risk Index

This index indicates the level of exposure and vulnerability to more frequent and/or more severe climatic events for which countries should prepare | 2019

The index analyses to what extent countries have been affected by the impacts of weather-related loss events (storms, floods, heatwaves etc.). The score is a weighted average of an economy's rank for four indicators: number of deaths, number of deaths per 100,000 inhabitants, sum of losses in \$ in purchasing power parity and losses per unit of GDP. In the same order, the weights for these indicators are 1/6, 1/3, 1/6, 1/3. The original data has been adjusted, with the final value being an average of 2019 Global Climate Risk Index results and the average of 2000–2019 results. For more information on the Global Climate Risk Index methodology, please see: <https://germanwatch.org/en/crri>.

**Source:** Germanwatch, Global Climate Risk Index 2021

#### 15.04 Investment in green energy and infrastructure

Response to the survey question: “In your country, to what extent does the government fund and subsidize investment in green and sustainable energy and infrastructure (e.g. renewable energy, low-carbon public transport, infrastructure for electric cars)?” [1 = Not at all; 7 = To a great extent] | 2020–2021 weighted average

**Source:** World Economic Forum, Executive Opinion Survey

#### 15.05 Particulate matter (2.5) concentration

Population-weighted exposure to PM 2.5 (micrograms per cubic metre) | 2019

Fine-particle outdoor air pollution (PM 2.5) consists of airborne particles measuring less than 2.5 micrometres in aerodynamic diameter, most often produced as a result of combustion. PM 2.5 concentrations are measured in micrograms of particulate matter per cubic metre of air, or  $\mu\text{g}/\text{m}^3$ . To estimate PM 2.5 exposures for people living in a specific area, scientists combine the number of people living within that area and the PM 2.5 concentration to which they are exposed. This method produces a population-weighted annual average concentration for a given country or region. Population-weighted annual average concentrations are better estimates of population exposures because they give proportionately greater weight to the air pollution experienced where most people live. For more information please visit: <https://www.stateofglobalair.org/data/estimate-exposure>.

**Source:** Health Effects Institute, 2020, State of Global Air 2020, Boston, MA

#### 15.06 Baseline water stress

Baseline water stress measures the ratio of total water withdrawals to available renewable surface and groundwater supplies | 2019 or most recent

Water withdrawals include domestic, industrial, irrigation and livestock consumptive and non-consumptive uses. Available renewable water supplies include the impact of upstream consumptive water users and large dams on downstream water availability. Higher values indicate more competition among users.

**Source:** World Resources Institute, Aqueduct 3.0 Country Ranking available at: <https://www.wri.org/data/aqueduct-30-country-rankings>

#### 15.07 Red List Index

The Red List Index measures changes in aggregate extinction risk across groups of species. | 2021

This indicator is based on genuine changes in the number of species in each category of extinction risk on the IUCN Red List of Threatened Species and is expressed as changes in an index ranging from 0 to 1, with 0 meaning all species have gone

extinct and 1 meaning all species are classified as Least Concern (that is, not expected to become extinct in the near future).

**Source:** United Nations Statistics Division (UNSD), Global SDG Indicators Database

#### 15.08 Forest cover loss

Five-year moving average of annual tree cover loss to forest extent in 2000, in areas with greater or equal to 30% tree cover | 2016 through 2020 moving average

This indicator is calculated by taking the most recent five-year average of annual tree cover loss divided by forest extent in 2000. In this dataset, “tree cover” is defined as all vegetation greater than 5 metres in height, and may take the form of natural forests or plantations across a range of canopy densities. “Loss” indicates the removal or mortality of tree cover and can be due to a variety of factors, including mechanical harvesting, fire, disease or storm damage. For more information refer to: <https://data.globalforestwatch.org/documents/134f92e59f344549947a3eade9d80783/explore>.

**Source:** Global Forest Watch, available at: <https://globalforestwatch.org/>

#### 15.09 Wastewater treatment

Percentage of wastewater that receives treatment weighted by connection to wastewater treatment rate | 2016

This indicator measures the percentage of wastewater that is treated before it is released back into ecosystems. The percentage of wastewater treated represents a measure of largely urban waste collection and treatment, since few rural areas are connected to sewage systems. The variable is calculated by weighting the average of the wastewater treatment rate values for the years 2000 through to 2012 by the sewerage connection percentages. The original values are collated using a hierarchy of sources, selected in the following order: 1) country-level statistical data and reports; 2) values derived from the Organisation for Economic Co-operation and Development’s (OECD) variable “Connected to wastewater treatment plan without treatment” by taking the inverse of this percentage; 3) the United Nations Statistics Division’s “Population connected to wastewater treatment” variable; 4) secondary treatment levels from the *Pinsent Masons Water Yearbook*, 14th edition, available at: <http://wateryearbook.pinsentmasons.com/>; and (5) FAO-AQUASTAT values (Total volume of wastewater treated/Total volume of wastewater collected)  $\times 100$  for a given year in a given country.

**Source:** Wendling, Z.A. et al., “2018 Environmental Performance Index”, Yale Center for Environmental Law & Policy, 2018

### 15.10 Clean ocean water

Ocean Health Index score for clean waters | 2020

This indicator measures the how free ocean regions are from eutrophication (nutrients), chemicals, pathogens and marine debris. For more information, please see: [http://htmlpreview.github.io/?https://github.com/OHI-Science/ohi-global/published/documents/methods/Supplement.html#65\\_clean\\_waters](http://htmlpreview.github.io/?https://github.com/OHI-Science/ohi-global/published/documents/methods/Supplement.html#65_clean_waters).

**Source:** 2020 Global Ocean Health Index

### 15.11 Number of environmental treaty ratifications

Total number of ratified environmental treaties | 2021

This indicator measures the total number of international treaties from a set of 29 for which a state is a participant. A state is acknowledged as a participant whenever its status for each treaty appears as Ratified, Accession or In Force. The treaties included are: the International Convention for the Regulation of Whaling, 1946 Washington DC; the Convention on Wetlands of International Importance especially as Waterfowl Habitat, 1971 Ramsar; the Convention Concerning the Protection of the World Cultural and Natural Heritage, 1972 Paris; the Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter, 1972 London, Mexico City, Moscow, Washington; the Convention on International Trade in Endangered Species of Wild Fauna and Flora, 1973 Washington, DC; the International Convention for the Prevention of Pollution from Ships (MARPOL) as modified by the Protocol of 1978, London; the Convention on the Conservation of Migratory Species of Wild Animals, 1979 Bonn; the United Nations Convention on the Law of the Sea, 1982 Montego Bay; the Convention on the Protection of the Ozone Layer, 1985 Vienna; the Protocol on Substances that Deplete the Ozone Layer, 1987 Montreal; the Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, 1989 Basel; the International Convention on Oil Pollution Preparedness, Response and Co-operation, 1990 London; the United Nations Framework Convention on Climate Change, 1992 New York; the Convention on Biological Diversity, 1992 Rio de Janeiro; the International Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly Africa, 1994 Paris; the Agreement Relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982, 1994 New York; the Agreement Relating to the Provisions of the United Nations Convention on the Law of the Sea Relating to the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks, 1995 New York; the Kyoto Protocol to the United Nations Framework Convention on the Climate Change, 1997 Kyoto; the Convention on the Law of the Non-Navigational

Uses of International Watercourses, 1997 New York; the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade, 1998 Rotterdam; the Cartagena Protocol of Biosafety to the Convention on Biological Diversity, 2000 Montreal; the Protocol on Preparedness, Response and Co-operation to Pollution Incidents by Hazardous and Noxious Substances, 2000 London; the Stockholm Convention on Persistent Organic Pollutants, 2001 Stockholm; the International Treaty on Plant Genetic Resources for Food and Agriculture, 2001 Rome; the International Tropical Timber Agreement, 2006 Geneva; the Supplementary Protocol on Liability and Redress to the Cartagena Protocol on Biosafety, 2010 Nagoya – Kuala Lumpur; the Protocol on Access to Genetic Resources and their Fair and Equitable Sharing of Benefits Arising from their Utilization to the Convention on Biological Diversity, 2010 Nagoya; the Convention on Mercury, 2013 Minamata; and the Paris Agreement 2015.

**Source:** IUCN, Environmental Law Centre ELIS Treaty Database (received via direct communication)

### 15.12 Adequate protection for nature

Response to the survey question: “In your country to what extent is the environment and nature adequately protected?” [1 = Not at all; 7 = To a great extent] | 2020–2021 weighted average

**Source:** World Economic Forum, Executive Opinion Survey

### 15.13 Oversight of production impact on the environment and nature

Response to the survey question: “In your country, to what extent do companies account for the impact of their local production process on the following: The environment and nature?” [1= No clear management process in place; 7= Clear management process and standards in place] | 2020-2021 weighted average

**Source:** World Economic Forum, Executive Opinion Survey

### 15.14 Total protected areas coverage

Total square kilometres of terrestrial and marine areas under protection as a share of the country's total area | 2021

Based on the IUCN, a protected area is a clearly defined geographical space, recognized, dedicated and managed, through legal or other effective means, to achieve the long-term conservation of nature with associated ecosystem services and cultural values. Protected areas include nature reserves, wilderness areas, national parks, natural monuments, habitat/species management, protected landscape/seascape and managed resource protected area. For more information on protected areas and associated methodology, please see: <https://www.protectedplanet.net/en/thematic-areas/wdpa?tab=Methodology>.

**Source:** UNEP-WCMC, World Database of Protected Areas (received through direct communication, September 2021)



### 15.15 Average proportion of key biodiversity areas covered by protected areas

Average proportion of marine, freshwater and terrestrial Key Biodiversity Areas (KBAs) covered by protected areas | 2020

Key Biodiversity Areas (KBAs) are sites of global importance to the planet's overall health and the persistence of biodiversity. For the purpose of this indicator, data is collected for the average proportion of KBAs covered by protected areas for marine, freshwater and terrestrial environments. The final value is derived by weighting KBA protection figures for the three environments by their respective share of total country area.

**Source:** United Nations Statistics Division (UNSD), Global SDG Indicators Database; UNEP-WCMC, World Database of Protected Areas (received through direct communication, September 2021)

## Pillar 16: Socioeconomic Resilience and Conditions

### 16.01 Poverty rate

Proportion of people living below 50% of median income | 2019 or most recent

The percentage of people in the population who live in households whose per capita income or consumption is below half of the median income or consumption per capita. The median is measured at 2011 Purchasing Power Parity (PPP) using PovcalNet (<http://iresearch.worldbank.org/PovcalNet>).

When poverty rates based on median income are unavailable, national poverty rates are used.

**Source:** The World Bank, World Development Indicators online

### 16.02 Social protection basic coverage

Proportion of population covered by at least one social protection benefit | 2020 or most recent

This indicator conveys the share of the population effectively covered by a social protection system, including social protection floors. It also provides the coverage rates of the main components of social protection: child and maternity benefits, support for persons without a job, persons with disabilities, victims of work injuries and older persons.

**Source:** International Labour Organization (ILO), ILOSTAT database

### 16.03 Social protection spending

Government expenditure on social security and welfare as a percentage of GDP | 2020

This indicator refers to all non-repayable payments by general government, whether capital or current, required or not. General government expenditure on social security and welfare includes: sickness and disability, old age, survivors, family and children, unemployment, housing,

social exclusion, R&D on social protection, social protection (not elsewhere classified).

**Source:** Euromonitor International, 2021; International Labour Organization, World Social Protection Report 2020–2022

### 16.05 Equal workforce opportunities

Average score across the four components of the following Executive Opinion Survey questions: "In your country, to what extent do companies give equal workforce opportunities to: a. Women; b. Those from a typically disadvantaged religious, ethnic or racial background; c. Those with disabilities; d. Those who identify as LGBTI?" [1 = Not at all; 7 = To a great extent] | 2020–2021 weighted average

**Source:** World Economic Forum, Executive Opinion Survey

### 16.06 Workers' rights

The ITUC Global Rights Index measures countries on a scale from 1–5+ based on the degree of respect for workers' rights, with 1 being the best rating and 5+ the worst rating. | 2021

Violations are recorded each year from April to March. Each country is analysed against a list of 97 indicators derived from ILO conventions and jurisprudence and represents violations of workers' rights in law and practice. Values correspond to the following conditions: 5+ means no guarantee of rights due to the breakdown of the rule of law; 5 means no guarantee of rights; 4 means systematic violations of rights; 3 means regular violations of rights; 2 means repeated violations of rights; and 1 means sporadic violations of rights. For more information on the methodology please visit: <https://www.globalrightsindex.org/en/2021/methodology>.

**Source:** International Trade Union Confederation, 2021 ITUC Global Rights Index

### 16.07 Gender Inequality Index

A composite measure reflecting inequality in achievement between women and men in three dimensions: reproductive health, empowerment and the labour market | 2019 or most recent

The Gender Inequality Index (GII) measures gender inequalities in three important aspects of human development: reproductive health, measured by maternal mortality ratio and adolescent birth rates; empowerment, measured by proportion of parliamentary seats occupied by females and proportion of adult females and males aged 25 years and older with at least some secondary education; and economic status, expressed as labour market participation and measured by the labour force participation rate of female and male populations aged 15 years and older. The GI is built on the same framework as the Inequality-adjusted Human Development Index (IHDI) – to better expose differences in the distribution of achievements between women and men. It measures the human development costs of gender inequality. Thus, the higher the GI value the more disparities between

women and men and the bigger loss to human development. See Technical note 4 at: [http://hdr.undp.org/sites/default/files/hdr2020\\_technical\\_notes.pdf](http://hdr.undp.org/sites/default/files/hdr2020_technical_notes.pdf) for details on how the GII is calculated.

**Source:** United Nations Development Programme (UNDP)

## Pillar 17: T&T Demand Pressure and Impact

### 17.01 T&T GDP multiplier

Ratio of indirect and induced tourism gross domestic product to direct travel and tourism gross domestic product contribution | 2020

Direct contribution reflects internal travel and tourism spending, which includes resident and non-resident spending on industry services. Total contribution reflects the wider sector impact on an economy, such as spending on supply-chain goods and consumer spending of sector and supplier employees.

**Source:** World Travel & Tourism Council, Travel & Tourism Economic Impact Research 2021 (received via direct communication)

### 17.02 Inbound length of stay

Length of stay refers to the number of days spent in the destination country | 2018, 2019, 2020 moving average

**Source:** Euromonitor International, 2021

### 17.03 Seasonality of international tourist arrivals

Top three months' share of total yearly international tourist arrivals | 2018, 2019 moving average

**Source:** World Tourism Organization, UNWTO Database, latest available data, UNWTO, Madrid (received via direct communication)

### 17.04 Concentration of interest in cultural attractions

Share of an economy's total page views that its top 10% of viewed cultural attractions received on Tripadvisor | 2019, 2020, 2021 moving average

This indicator acts as a proxy for potential overcrowding at attractions. Cultural attractions include churches/cathedrals, religious sites, historic walking areas, ancient ruins, educational sites, military bases/facilities, missions, libraries, civic centres, mines, castles, government buildings, historic sites, cemeteries, reservations, battlefields, scenic/historic walking areas, neighbourhoods and ghost towns. Economies that have 10 or fewer attractions are excluded.

**Source:** Tripadvisor (received via direct communication)

### 17.05 Concentration of interest in nature attractions

Share of an economy's total page views that its top 10% of viewed nature attractions received on Tripadvisor | 2019, 2020, 2021 moving average

This indicator acts as a proxy for potential overcrowding at attractions. Nature and park attractions include nature/wildlife areas, islands, beaches, playgrounds, national parks, forests, dams, biking trails, waterfalls, off-road/all-terrain vehicle trails, hot springs/geysers, geologic formations, motorcycle trails, state parks, equestrian trails, volcanos, bodies of water, parks, caverns/caves, gardens, valleys, mountains, zoos, ski/snowboard areas, canyons, reefs, hiking trails, marinas, aquariums, deserts, other nature and parks. Economies that have 10 or fewer attractions are excluded.

**Source:** Tripadvisor (received via direct communication)

### 17.06 Geographically dispersed tourism

Response to the survey question: "In your country, to what extent are foreign visitors (tourists and business travellers) dispersed throughout the country?" [1 = Visitors are heavily concentrated in a few destinations; 7 = Visitors are equally distributed throughout the country] | 2020–2021 weighted average

**Source:** World Economic Forum, Executive Opinion Survey

### 17.07 Quality of town and city centres

Response to the survey question: "In your country, how would you characterize town and city centres?" [1 = Centres are overcrowded and/or accessible only to some members of the public; 7 = Centres are widely accessible and pleasant to be in] | 2020–2021 weighted average

**Source:** World Economic Forum, Executive Opinion Survey

# Appendix D: Income group and regional classifications

TABLE D1 Income group classifications, 2021

The following income group classifications were used for the index and report.

Low income (\$1,045 or less)	Lower-middle income (\$1,046–\$4,095)	Upper-middle income (\$4,096–\$12,695)	High income (\$12,696 or more)
Chad	Angola	Albania	Australia
Malawi	Bangladesh	Argentina	Austria
Mali	Benin	Armenia	Bahrain
Rwanda	Bolivia	Azerbaijan	Belgium
Sierra Leone	Cambodia	Bosnia and Herzegovina	Canada
Yemen	Cameroon	Botswana	Chile
	Cape Verde	Brazil	Croatia
	Côte d'Ivoire	Bulgaria	Cyprus
	Egypt	China	Czech Republic
	El Salvador	Colombia	Denmark
	Ghana	Costa Rica	Estonia
	Honduras	Dominican Republic	Finland
	India	Ecuador	France
	Indonesia	Georgia	Germany
	Kenya	Guatemala	Greece
	Kyrgyz Republic	Jordan	Hong Kong SAR
	Lao PDR	Kazakhstan	Hungary
	Lesotho	Lebanon	Iceland
	Mongolia	Malaysia	Ireland
	Morocco	Mauritius	Israel
	Nepal	Mexico	Italy
	Nicaragua	Moldova	Japan
	Nigeria	Montenegro	Korea, Rep.
	Pakistan	Namibia	Kuwait
	Philippines	North Macedonia	Latvia
	Senegal	Panama	Lithuania
	Sri Lanka	Paraguay	Luxembourg
	Tajikistan	Peru	Malta
	Tanzania	Romania	Netherlands
	Tunisia	Serbia	New Zealand
	Venezuela*	South Africa	Poland
	Vietnam	Thailand	Portugal
	Zambia	Turkey	Qatar
			Saudi Arabia
			Singapore
			Slovak Republic
			Slovenia
			Spain
			Sweden
			Switzerland
			Trinidad and Tobago
			United Arab Emirates
			United Kingdom
			United States
			Uruguay

**Note:** Classification corresponds to the World Bank's income classification based on gross national income per capita, for fiscal year 2022.

\* According to the World Bank, Venezuela was temporarily unclassified in July 2021 pending release of revised national accounts statistics. However, for the purposes of the TTDI, we have kept the economy in the income group it belonged to in 2019.

TABLE D2 | Regional group classifications, 2021

The following income group classifications were used for the index and report.

The Americas	Asia-Pacific (APAC)	Europe and Eurasia	Middle East and North Africa (MENA)	Sub-Saharan Africa
<b>North and Central America</b>	<b>Eastern Asia-Pacific</b>	<b>Balkans and Eastern Europe</b>	<b>Middle East</b>	<b>Eastern Africa</b>
Canada	Australia	Albania	Bahrain	Kenya
Costa Rica	China	Bosnia and Herzegovina	Israel	Malawi
Dominican Republic	Hong Kong SAR	Bulgaria	Jordan	Mauritius
El Salvador	Japan	Hungary	Kuwait	Rwanda
Guatemala	Korea, Rep.	Moldova	Lebanon	Tanzania
Honduras	Mongolia	Montenegro	Qatar	<b>Southern Africa</b>
Mexico	New Zealand	North Macedonia	Saudi Arabia	Angola
Nicaragua	<b>South Asia</b>	Poland	United Arab Emirates	Botswana
Panama	Bangladesh	Romania	Yemen	Lesotho
Trinidad and Tobago	India	Serbia	<b>North Africa</b>	Namibia
United States	Nepal	Slovak Republic	Egypt	South Africa
<b>South America</b>	Pakistan	Slovenia	Morocco	Zambia
Argentina	Sri Lanka	<b>Eurasia</b>	Tunisia	<b>Western Africa</b>
Bolivia	<b>South-East Asia</b>	Armenia		Benin
Brazil	Cambodia	Azerbaijan		Cameroon
Chile	Indonesia	Georgia		Cape Verde
Colombia	Lao PDR	Kazakhstan		Chad
Ecuador	Malaysia	Kyrgyz Republic		Côte d'Ivoire
Paraguay	Philippines	Tajikistan		Ghana
Peru	Singapore	<b>Northern Europe</b>		Mali
Uruguay	Thailand	Denmark		Nigeria
Venezuela	Viet Nam	Estonia		Senegal
		Finland		Sierra Leone
		Iceland		
		Latvia		
		Lithuania		
		Sweden		
		<b>Southern Europe</b>		
		Croatia		
		Cyprus		
		Greece		
		Italy		
		Malta		
		Portugal		
		Spain		
		Turkey		
		<b>Western Europe</b>		
		Austria		
		Belgium		
		Czech Republic		
		France		
		Germany		
		Ireland		
		Luxembourg		
		Netherlands		
		Switzerland		
		United Kingdom		

# Appendix E: Partner Institutes

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Botswana National Productivity Centre

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# Endnotes

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