CHAPTER 8

Boosting tourism

Sub-Saharan Africa had 34 million international visitors in 2012. On current trends the arrivals are set to rise to 55 million by 2020, contributing $68 billion to the region’s GDP, and 6.4 million jobs, up from 4.9 million at decade’s start. Adding indirect and induced spending, tourism’s total contribution would almost triple to $177 billion and almost 16 million jobs. In addition, the foreign exchange from tourism helps finance purchases of machinery and other inputs needed for economic transformation. The projections are on current trends. Given the continent’s recent dynamism, they are likely to be low, especially for business and professional travel.

Nearly half the international tourists go to Southern Africa, which has the top destinations (figure 8.1). South Africa is the continent’s leader, and many leading destinations in the region are geographically close to it (Johannesburg and Cape Town are hubs for all of Southern Africa and the southern Indian Ocean). Zimbabwe, despite recent difficulties, is second. Botswana, with its well managed economy and remarkable geography and wildlife in the Okavango Delta, is third. And Kenya, Mozambique, and Uganda, having done much to promote both tourism and investment, take the next three places. Indeed, Mozambique has recently had two resorts on Condé Nast’s “World Top 100 New Resorts.”

South Africa has nearly $10 billion in tourist receipts. Mauritius and Tanzania each earn about $1.5 billion a year. And Angola, Ghana, Ethiopia, Kenya, Nigeria, Uganda, and Zimbabwe each have receipts of more than $500 million. South Africa, with its geography, climate, and resources, has been an aggressive promoter of its wildlife, beaches, wine tours, gaming, and adventure. And it has greatly improved the quality of its products—ranging from large resorts to community-based tourism. Tanzania has one of the region’s highest receipts per arrival, thanks to high-income travelers visiting its northern circuit around Serengeti, Ngorongoro Crater, and Mount Kilimanjaro (also marketed by Kenya) and its beach and cultural destinations around Dar es Salaam and Zanzibar.

Why do tourists come? Propinquity drives cross-border trips in Southern and, indeed, most of Africa. Visits are for leisure, work, visiting friends and family, and shopping and trading. The United Kingdom and United States are leading source markets, but Germany features in most of the selections, and China is very strong in Nigeria, while France is the leading market for Senegal. Indeed, the traditional markets are Western Europe and North America. Recently, however, the Asian market has been growing rapidly,
Boosting tourism would contribute to Africa’s economic transformation by increasing the foreign exchange to finance imports, creating jobs, and increasing demand for local material inputs. And by advertising countries to the rest of the world, it would attract foreign investment.

Tourism growth and its contribution to economic transformation are enhanced by the growing links between tourism and other sectors. The tourism industry is often thought of as narrowly focused on just traveling, eating, and sleeping, but with a broader vision there is a real opportunity to link tourism to other sectors, with beneficial effects. Concerns may be expressed about the “leakage factor,” the part of the tourist dollar that leaves the country to pay for the imports tourists consume. Forging links such as environmental conservation and tourism; infrastructure provision and tourism; and culture, history, and tourism can offset such leakages. But there are many other opportunities both for adding value to tourism products and creating new products in urban and rural settings.

What makes for success?

Some countries are not ready for tourism because of civil unrest, a weak economic environment, or a lack of tourism resources that can be developed into economically productive assets. Some are on the threshold. Others are more advanced. And a few are already world-class. Tourism is subject to changes in tastes and trends so operators have to constantly upgrade their product to stay ahead of the curve. Each country, at a different stage of development, requires a different solution for supporting tourism.

The institutions that countries choose to manage tourism, the policies they adopt, their attendant regulations, and their ability to implement them are all important—whether the economy is market-driven with little regulatory interference, whether the state wields a heavier hand, or whether the sector is merely stifled by outmoded legal and regulatory clutter. The actions of public institutions can go a long way to determining whether long-term private investment is forthcoming. Public investments in tourism (from infrastructure to marketing programs) are also critical, as is assuring coordination of the myriad, cross-sector programs that affect tourism.

The private sector, crucial for investing in and operating tourism facilities, has a key role as an interlocutor with government. Working through professional and trade associations, the sector can defend its interests in line with its profit motive, achieve credible and competitive service standards for the industry, highlight its concerns to government, and advocate specific positions through analysis of policy proposals.

Models of tourism institutions vary considerably, but where tourism is important, there is usually a ministry.
of tourism, a statutory body responsible for marketing the country, and a private organization for the industry. Tourism also partners with environment, civil aviation, commerce, communications, culture, transport, wildlife, and others. Where the agency resides is generally less important than what the agency is assigned to do and how it performs. Many African tourism agencies are understaffed and underfunded, with limited budgets that do little more than pay wages. As a result, they can get in the way of tourism growth. In Mauritius and Cape Verde the legislation is clear, with sound public policies, well performing public institutions, and transparent “rules of the game” (boxes 8.1 and 8.2).

A core objective in setting up an institutional framework is to be

The actions of public institutions can go a long way to determining whether long-term private investment is forthcoming.

Box 8.1 Mauritius—a determined competitor

Few countries have established export-led growth with as much drive as Mauritius. It all started with export promotion in the 1970s, perfecting the idea of a one-stop-shop for investors. Today’s tourism has much in common with export promotion zones, requiring serviced sites.

Today, Mauritius, a small island of 1.3 million people, has 112 hotels and a burgeoning bed and breakfast market. The Beach Authority ensures that new properties along the coastline conform to environmental standards; 90% of hotels are on tropical beaches. To avoid the pitfalls of overexpansion, the government declares a moratorium on hotel construction when it judges that occupancies have dipped too far. Local entrepreneurs run taxi and small bus companies, handicraft and sports activities, as well as food supplies for the hotels.

Mauritius credits its growth in tourism to three key factors. First, far from its main markets in Europe, it needed impeccable air access (60% of its market is from France, South Africa, and the United Kingdom). So Air Mauritius partnered with British Airways, Air France, and others as a core strategy, using its distance from markets to nurture an image of exclusivity. Second is a passion for high-quality personal service: it markets quality as part of the brand and has one of the best records in Africa (and a fine hotel school). In the general education system, students are encouraged to learn four languages. Third is the success of public-private partnerships.

The Ministry of Tourism and Leisure works closely with a dynamic private sector, represented at the highest level by the Joint Economic Council. Private associations are active in advocacy and policy dialogue. The national investment promotion agency (Board of Investment) stands ready to help in every aspect of export development and attracting foreign direct investment, including that for tourism. Mauritius has a well developed financial sector with incentives for qualified operations in tourism. It also provides incentives for entrepreneurs to release their staff for training.

Source: ACET 2013.

Box 8.2 Cape Verde—a rising star

Cape Verde in West Africa is experiencing fast growth in its tourism (arrivals in 2012 up 43% from 2010), mostly on 2 of its 10 islands, Sal and Boa Vista. It has beautiful beaches and an interesting culture. It also has a stable macroeconomic environment and an investor-friendly investment code. And it has a modern, fully certified airport. Tourism took off after the government made it a priority, reformed banks, pegged the escudo to the euro, and introduced an attractive investment code.

Surprised by its success, Cape Verde found that managing large groups of tourists can create the need for trained personnel, public infrastructure, and intense coastal zone management. Integrating tourism into the economy fully will take time, especially into its poverty alleviation efforts, but it has made a great start.

The more involved the various parties, the more likely that an atmosphere of trust will grow, even where interests are entrenched. In general, institutional arrangements should be designed for specific functions, given the many links in the tourism value chain. Some institutions will be private, others public, and a few will be a mix. A recent development is the destination management organization, a partnership of the many (public and private) players that strive to deliver high-quality experiences for tourists.

Plan well

Tourism went through a phase where practically every country aspiring to develop tourism prepared a master plan that described the sector, discussed problems and opportunities, proposed a strategy, recommended priority project sites, and prepared limited prefeasibility studies. Many of these plans were never implemented. They were too complex for countries with limited resources and perhaps with limited commitments to proceed. While such studies are still in place, they are used more for determining areas for development on a broad scale, with detailed studies prepared later for specific sites.

Site plans indicate current and proposed land uses along with regulations. They also cover infrastructure proposals and densities. Land use planning has evolved from a narrow approach with single solutions carried out by the public sector to a participatory process that recognizes local interests and takes inputs from all groups of stakeholders. It now must consider the complexity of change, how it affects stakeholders, the interests at play, and the need for give and take in the development process.

Recent examples of more promising planning approaches include:
- Tanzania created a master plan that sought to identify and rank new areas for development to head off pressure on its prized northern circuit around Arusha.
- Morocco reformed its tourism department and launched projects for private investors to bid on planned communities.
- Gabon held to its original goal of conserving some of its land and biodiversity by creating 13 national parks. It then worked on master plans for the first six and sought private investment.
- Mozambique decided to modernize its tourism by revamping its institutions, tapping into land reform by creating zones for tourism development, repopulating its national parks with animals, and launching an investment promotion campaign.
- Cape Verde sought to launch tourism by improving the business environment, building a modern airport, and capitalizing on its diverse islands and seeking hotel investments.
- Mauritius perfected the one-stop-shop for investors and offered incentives to attract investment.

Improve the business environment

The private sector carries out the bulk of the investments and activities in successful tourism. Operators in each country compete for the international tourist with their counterparts in others. So the business climate should not put tourist operators at a competitive disadvantage. That means streamlining regulations and expediting licenses. The financial and exchange rate systems must also make it easy for international tourists to bring in foreign currency and take back what they do not spend.

Fly the tourists in and out

Some African carriers survive and prosper—such as Ethiopian Airlines, Kenya Airways, and South African Airways—and several international groups (KLM, British, and Virgin) have set up local airlines. A second option is to have scheduled airlines from originating countries—Air France, British Airways, Lufthansa, Brussels Airlines, Emirates, South African Airways, and Swiss—increase their services to Africa. Although most air transport is point to point, several countries rely on the “triangular” routes linking three points, and even regional routes, with tourism as the unifying factor. There may also be options for low-cost carriers in countries with larger populations.

Charters are another possibility, though some civil aviation authorities view them as a challenge to national security. In a few cases charters may be the only option that is well adapted to market conditions—seasonality, low volume, poor airports, and security. Some charter operations have shifted from chartered services to scheduled flights, such as Nouvelles Frontières’ Corsair airline from France to Madagascar. Point Afrique, operating in West Africa, is a cooperative in France where members of the public can buy membership and then have access to the company’s travel and tourism offerings in the Sahel. It charters carriers (Air Horizon or Air Méditerranée) that are adapted to local conditions and can customize their destinations. Vacation clubs, popular in Italy, own and manage vacation villages and provide charter service.

Modern airliners are well adapted to African conditions: wide body models (twin aisles with 150–300 passengers) are good for long-haul flights with high traffic. Narrow body models (single-aisle with 100–200 passengers) are suited to regional intra-Africa travel. And regional jets (30–100 passengers) are well adapted to national and local routes. In some cases smaller
prop planes are required for the less traveled routes. Coastal Travels in Tanzania uses planes carrying 14–20 people on its safari lodge circuits and to the islands. In the Maldives, Twin Otters (18–20 seats), fitted to land on water, serve the country’s many atolls.

Air transport requires international agreements, safety standards, suitable airports, and sound regulation. Many countries still treat air transport first as a security issue and then as a commercial opportunity. But flexible flights are needed to expand tourism and ensure that tourists can reach countries and return safely at suitable times. This implies close relations between civil aviation and tourism authorities. It also requires finding investors to support air transport. Most scheduled carriers consider African markets as business destinations (with consequently higher fares), though they do book groups and individual travelers.

Countries also need to facilitate transfers through the point of entry (frontier or transport terminal). Tour operators are smoothing the process by issuing visas processed on board (charter planes) before reaching the destination. Most African countries now offer visas at the frontier and are experimenting with regional visas akin to the Schengen model (the East African Community, the Economic Community of West African States, and the Southern African Development Community). But for some countries a visa can be obtained only at the point of departure, often a considerable inconvenience.

Lodge tourists comfortably

Several African-owned chains offer superb lodging, including Sun International, Southern Sun, and Protea from South Africa; Serena and Sopa Lodges from Kenya; and smaller chains (Governors’ Camp, Conservation Corporation of Africa, Wildlife Safaris). The non-African international chains include Accor, with three French brands (Softel, Novotel, and Arcades); Intercontinental, with several U.K. brands (Crowne Plaza and Holiday Inns); Cendant, Hilton, Sheraton, and Best Western from the United States; and recently Kempinski from Dubai. There are also vacation clubs, owned mostly by French and Italian interests. Partial ownership properties include timeshares (two-week ownership in a property) and fractionalizes (one-quarter to one-sixth ownership, usually in luxury resorts), with the latter particularly important.

Tour operators have their own branded hotels and resorts, sold through wholesalers and retailers—often from a brochure, an important marketing tool for Africa, bringing consumers to otherwise unknown places. There are also many others with fewer properties (such as Hyatt and Rosewood). Many of the companies specialize in management (or simply marketing in the case of Best Western) and look to local investors to build the properties. By far, most establishments in Africa are locally owned and managed, and their character sets them apart from international chains. There is scope for expanding this category as tourism grows, along with inns, guesthouses, and bed and breakfasts (B&Bs).

Many countries are seeing B&Bs grow rapidly, challenging hotels for tourists. In Mauritius and the Seychelles B&Bs are becoming very competitive, often as pricey as top hotels. Many small hotels, guesthouses, and B&Bs have sprung up in Zambia, following Sun International’s investment in the Zambesi Sun and Royal Livingstone Hotels. In Madagascar lodging establishments (outside the capital) have on average no more than 10 rooms.

involve communities—and create jobs

Investors have recently been working more with communities to develop tourism by engaging locals as employees, suppliers of goods and services, and even as shareholders. They are also establishing small enterprises to supply tourism needs, and upgrading training and skills for specific activities, such as guiding. Improving relations between the local community and the tourism facilities generally provides mutual benefits. Examples include the Sabyinyo Silverback Lodge in Rwanda (box 8.3), conservancies in Namibia, and public-private partnerships in South Africa.

Ecotourism projects have been creating jobs, often for people with few skills and little education, while larger tourism projects can be a significant part of overall employment. On average, tourism requires one to two employees per hotel room, depending on the type of hotel and local skills. There is evidence that tourism is more labor intensive than manufacturing and employs a higher proportion of low-skilled men and women. In hotels and restaurants women make up almost 40% of employers, and almost half of all self-employed businesspeople.5

On Mount Kilimanjaro (box 8.4) porters and guides earn two to three times the wages of farm employees. Hotels and tourist services use contractors to meet many of their staff requirements for waiters, drivers, and maintenance engineers, who are relatively well paid, particularly when supplemented by tips. Some tourism firms still focus primarily on a low-wage advantage, so their priority is a low wage bill. More enlightened companies, depending on locals for their staff, are upskilling skills with formal and informal training.
To succeed, tourism needs stable jobs with high service standards and career prospects to retain local staff. Sun International processes new employees through its hotel school and hotels. Accor, a French group, sends promising staff to its university in Europe. Locals are thus rising through the ranks to technical and senior positions. And many local entrepreneurs emerge from the ranks of senior employees who have acquired business skills.

To succeed, tourism needs stable jobs with high service standards and career prospects to retain local staff. But still there are such issues as restrictive immigration policies for key workers, high minimum wages, hiring and firing regulations, unequal enforcement of regulations, and corporate social responsibility. Government’s training policies for the sector are central; and private operators have clear interests too, not only when there is a training tax but also when the quality of skills training is in question.

Broadly, primary and secondary schooling is desirable for young people destined to work in hospitality. Higher education is required for future entrepreneurs, managers, and supervisors. Vocational education is needed for other staff. If a country is large enough, the state can provide such training in-country; if not, private institutions might jump in (but they require good regulation). Another option, though expensive, is for students to train in a foreign country. Many countries have exchange agreements (faculty and students) with reputable institutions overseas (Kenya’s hospitality

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**Box 8.3** Sabyinyo Silverback Lodge pays communities and protects gorillas

The Virunga Mountains in Rwanda, home to endangered gorillas, previously had limited accommodation. Then the African Wildlife Foundation brokered a deal for development of a lodge with the Kinigi, a local community owning the land bordering the Volcanoes National Park. Sabyinyo Silverback Lodge now provides a luxury experience for guests and a model for community involvement.

Governors’ Camp, a well known tourism operator, built and runs the 18-bed lodge for the owners, the Sabyinyo Community Lodge Association, which represents the four Rwandan districts that border the park and has 33 members acting on behalf of about 300,000 people. The community owns the land and the lodge’s immovable assets and now also has access to new job opportunities.

The cost for a half-day visit is $750 per person, including a fee for the community. The community fees are managed by a community trust, with equal amounts allocated to community projects, microfinance for local enterprises, and household dividend payments. Governors’ Camp guarantees the association 7.5% of the after-tax profits.

Source: African Wildlife Foundation (www.awf.org) and Sabyinyo Lodge (www.governorscamp.com).

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**Box 8.4** Mount Kilimanjaro guides doing well

Climbing Mount Kilimanjaro in Tanzania, one of the best trekking experiences in Africa, now attracting 40,000 tourists annually, is a $50 million a year business, possible thanks to the mountain’s network of 400 guides, 10,000 porters, and 500 cooks (mostly young Tanzanian men) who work with tour operators and TANAPA, the national park authority. Of the revenues, $13 million accrues to the poor. TANAPA is committed to ecotourism, but infrastructure has lagged behind the growth in trekking.

The government, TANAPA, the African Wildlife Foundation, and the Netherlands Development Organization are all working to improve conditions on the mountain. And the guides and porters play their roles through their trade organizations. The Kilimanjaro Porters’ Assistance Project, Kilimanjaro Environmental Conservation Management Trust, and Kilimanjaro Guides Association advocate for better working conditions and sustaining the resource that supports their lives.

Source: Mitchell and Ashley 2009.
Tourism is about land, and access to it is often at the heart of efforts to promote tourism. Yet many countries lack adequate and transparent procedures for allocating land, making it hard to develop tourism in new areas. Governments should create incentives to conserve, protect, and use land for productive purposes as well as a land registry providing authoritative information on land ownership and transfers within a jurisdiction. Investors can then gain access to land through outright purchases—or, as often happens in Africa, long-term leases. In Madagascar, Mozambique, Namibia, and South Africa the government and the private sector worked on this together, with some success (box 8.5).

Land management policies, practices, and institutions determine the types of place that emerge for tourism—from urban centers to remote areas and islands—and how they grow. They should at least include secure tenure and property rights, information systems for recording transactions, land use planning for tourism, support for infrastructure development, and regulations that protect land resources. Resolving land issues can be messy and prolonged; a dispute resolution mechanism can help process claims.

Governments should preserve community stakes in land, while also allowing for appropriate environmental conservation and responsible tourism development. Clear, accountable, and transparent land policies strengthen the investment climate, facilitate access to credit markets, enhance government revenue potential, and foster sustainability.

**Build infrastructure**

The best incentive for investment in tourism may be secure access to serviced land. In some cases infrastructure is provided by the private sector, but most frequently infrastructure is built and operated by the state or its agents, such as utilities or municipalities. Long-term plans for utilities must factor in the needs of tourism development. Many large tourism projects resemble land development schemes for housing or industry. But small projects must link into utility networks or self-provide (safari lodges, for example). Innovative infrastructure solutions offer the prospect for creating tourism where it was formerly impossible—remote areas or small islands. Such solutions include desalination (the Maldives’ capital, Malé, relies entirely on desalted water for its potable water), renewable energy sources (such as wind power and different types of solar), and solid waste treatment. Most tourism infrastructure serves not only tourists but local populations, sometimes a strong argument for building it.

**Box 8.5 Mozambique’s land for tourism**

Pressure to develop land for tourism in Mozambique started in the mid-1990s, after the civil war. Much of the land suited to tourism is subject to rights of use, with many people holding titles for speculation, and illegal subletting is widespread. These uncertain conditions made it difficult to assemble parcels of land for tourism investment with clear title.

In 2004 Mozambique introduced a Land Law that ensures state ownership of land. It “guarantees” access to land for investors while recognizing customary rights. The law defines basic regulations for the transfer of land use rights and promotes sustainable use of natural resources. In a parallel action the 2004 Tourism Law recognized two types of land: conservation and tourism development. The law also covers sustainable development, national parks, reserves, hunting preserves, and transfrontier parks. It has led to the creation of 18 priority areas for tourism investment. The law also enables the Tourism Promotion Fund to conduct tourism development. These measures have helped make land available to tourism and also protect the rights of local people. However, further work is needed to make procedures for land transfer less complex and bureaucratic.

*Source: Tanner 2002.*
Africa has the natural assets for tourism. The task is to convert them into competitive advantage and keep ahead of changing trends.

**Develop products**

Africa has the natural assets for tourism. The task is to convert them into competitive advantage and keep ahead of changing trends. The model of high volume–low markup tourism launched mass travel. It brought Spain, Portugal, and Ireland into the ranks of advanced economies. It spread to areas in the Caribbean that used to cater to exclusive high-income markets but are now “all inclusive,” a market type once viewed with suspicion. The sun-and-sand market has been commoditized to the point where sun-searchers do not mind where they go—as long as there is sun and sand. Promoters of community-based tourism sometimes bring in backpackers and tourists prepared to live in typical local villages.

Many destinations’ first inclination is to aim for the luxury market, which is fairly small, and the cost of entry is high. It probably has less impact on the environment than mass tourism, where it is difficult to control the movements of large numbers of people. But target markets are not an either–or proposition (“mass or class” in the popular idiom). Given the variety of assets and the diversity of customers, products can be designed in multiple, interesting, and creative ways. Every market segment involves tradeoffs, and given the resource base, one destination may be better positioned than others. Competing for these markets is mainly a private activity, but building the brand, often the tourism board’s responsibility, has to be addressed with inputs from all stakeholders. Senegal’s Sali Portudal started business as a three-star destination 30 years ago; it has since moved up-market, and new hotels are typically four- and five-stars.

Birdwatchers, generally well heeled, will spend freely to find rare or hard-to-see species. Climbers (or bikers) will search out the mountain of their dreams. Adventure seekers will push the frontiers to get the adrenalin rush they need. There was a time when bungee jumpers were at the forefront of those seeking adrenalin rushes—now people are dropping out of planes without parachutes, relying on aerodynamic suits in what seems a remarkable degree of recklessness. Hunters seek trophies, and many African countries are organized to host them (and wildlife ranches rear the animals).

**Finance**

Many African countries have a network of financial institutions, including commercial banks and microfinance institutions, that support the tourism industry.7 Insurance funds also finance hotels, and occasionally state pension or social security funds invest in tourism real estate as long-term projects. For large projects many investors bring in partners for their debt and equity finance. Some microfinance institutions lend for restaurants, bars, and shops. Commercial banks in Africa are wary of tourism projects and lend only to their established customers (often with substantial collateral). A refrain often heard from African operators is that there is no financing available; bankers, on the other hand, say there are no bankable projects. Part of the problem is that few projects are well prepared. This and other challenges need well-tailored responses so that the lack of credit does not impede tourism’s growth.

**Get taxes right**

Tourism taxation is complex. Tourism often is highly taxed either directly or through consumer taxes (value added tax and a variety of sales taxes), which can cut into demand via (cross) price elasticity and reduce enterprise and government revenues. But tax incentives to encourage investment are usually available; they too reduce government revenues. Such reductions in revenues can cancel the economic benefits of tourism, so care is required in planning tourism taxation.

A good tax is fair, easily understood, and simple to administer for those paying and those collecting. Poor administration and costs of compliance can be more onerous on taxpayers than the incidence of the tax. Tourist demand is elastic to price, and value added taxes are clearly not neutral. So, taxation is a double-edged sword. It must generate revenues in a stable and predictable way. But it is also a tool for stimulating or dampening economic activity. In general, a simple broad-based tax system with lower rates is preferable to one with high rates, lower collections, numerous exemptions, and weak administration. A key issue is whether a tax is destined for general government revenues or earmarked for supporting the tourism sector. This may seem to be a low order consideration, but it can be quite contentious. Some targeted tourist taxes, such as entry and exit taxes, generate limited revenues and are regressive (especially if a fixed amount rather than a percentage). They also are hard to administer, and the cost of compliance is high.

**Boosting tourism: East, West, and South**

The experiences of Senegal (West Africa), Tanzania (East Africa), and Zambia (Southern Africa) show how each country has built a tourism sector and what needs to be done to move to the next level. Each started to nurture international tourism in the 1970s, with the state building the first tourist hotels. Senegal went...
Senegal has been very successful in beach resort tourism, with international receipts of $484 million in 2011, contributing 5.6% to GDP and 19.5% to exports. Indeed, tourism is one of the largest exports after agriculture, phosphates, and fisheries. Employment in the sector reached 133,500, 3.2% of total employment.

Resort and business travel are the two main segments. The main season for resort tourism is November to March, during Europe’s winter. Western Europe accounts for 55% of arrivals (Italy, Spain, and Belgium each account for a little over 10,000 visitors). French visitors, 42% of all tourists, have long dominated arrivals (but a decline of 50% a few years ago). Africans from other countries are the next biggest market (neighboring Guinea, Mali, and Nigeria are the leading African countries of origin), accounting for 23% of foreign arrivals and appearing to be mostly business visitors. The average tourist stay is short (three to four nights). Dependence is heavy on one country, France, as a source market. The rate of repeat tourism is low (estimated at 5%). And the peak season is fairly short (mainly January and February). In addition to resort tourism, Senegal should look to cultural tourism and nature, wildlife, and adventure tourism (including rafting, hiking, and biking).

Tourism has been a ministerial portfolio for many years, though it has found different homes at different times (Air Transport, Exterior) and is now housed in the Ministry of Culture and Tourism. An independent national tourist board handles marketing and runs a hotel training school.

By 2020 Senegal hopes to become an important cultural and leisure site and a tourism destination of international renown. Its climate and resort assets are competitive with other “reverse” climate destinations. For French-speaking tourists Senegal is the nearest warm resort destination during Europe’s winter (just as The Gambia is for English-speaking tourists). Senegal can build on the success of Sali, which has grown more than the authorities envisioned into a viable resort and is going up-market.

Senegal can move its tourism to the next level by taking action in several areas.

- **Diversify the product.** Niche market attractions could be combined with resort tourism to make new products. Although demand for niche markets is small, they have high rates of growth, and tourists are usually professional people with higher incomes. They can also be packaged in a variety of combinations to suit the taste of tourists not so interested in the beach. One niche is sport fishing (all along the coast, including Casamance, for example).

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**Figure 8.2** Senegal, Tanzania, and Zambia: growth of tourism to 2011

<table>
<thead>
<tr>
<th>Country</th>
<th>Arrivals (thousands)</th>
<th>Receipts ($ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senegal, 1972–2011</td>
<td>1,000</td>
<td>500</td>
</tr>
<tr>
<td>Tanzania, 1970–2011</td>
<td>1,000</td>
<td>1,500</td>
</tr>
<tr>
<td>Zambia, 1980–2011</td>
<td>1,000</td>
<td>150</td>
</tr>
</tbody>
</table>

Source: UNWTO 2013, UNWTO database, and authors’ calculations.
Sali, and Siné Saloum) and diving in some of these areas. Others are bird watching (Djoudj, Siné Saloum, Tambacounda, and Casamance) and ecotourism, with distinctive natural assets for viewing and photography. Adventure tourism can entail trekking, climbing, boating, and hunting (Siné Saloum, Casamance, Tambacounda).

- Invest in sites that already have master plans. Sali, the site of most tourism, continues to grow. But there are real opportunities for development in the north (St. Louis), south, and parts of the interior. Senegal has two master plans that await implementation: for St. Louis and Siné Saloum, probably with the most potential after Sali. With the plans ready, it would be appropriate to prepare international tenders for developers to bid on projects, under the conditions set in the plans.

- Step up promotion of Senegal as a tourist destination and diversify the source markets. Promoting and marketing of tourism is weak and underfunded, though individuals vigorously market their hotels and tourist services internationally. The impetus that the new minister brings (well known singer Youssou N’Dour) and the restructured ministry should help change this. Senegal should aim to diversify beyond France to other francophone countries (Belgium, Canada [Quebec], Switzerland, and North Africa), and beyond. With its new international airport set to open in 2014, Senegal would do well to open its skies to new airlines.

- Improve the dialogue between the government and the industry. Talks between the public sector and the private operators are intermittent, and need to be improved. SAPCO, the public developer attached to the presidency, has gained valuable experience managing Sali and other operations. But it might be time to let the private sector take over this activity in stages and for SAPCO to focus on preparing sites for tendering to the private sector.12

- Control land speculation. This is difficult to manage anywhere. In the Sali site many sold lots remain vacant even now, held for speculation, more than 30 years later. For such land the government should consider a penalty for nondevelopment, such as a tax on vacant land or a preemptive right to take back and reallocate the land.

Tanzania—high spenders
Tourism, at about 13% of GDP in 2012, is one of the country’s largest exports (about 51.4 billion in 2012, or 25% of exports).13 The earnings were second only to those from gold, ahead of agriculture and manufacturing. The sector employs about 430,000 people directly.

With 843,000 international visitors in 2011, Tanzania reached an enviable position as a high expenditure–low volume destination. Its products and services through creative packaging, including visits to local communities.

Responsibility for tourism policy lies with the Ministry of Natural Resources and Tourism. Three departments (tourism, wildlife, antiquities) lead the sector through a number of agencies, such as TANAPA (the national park authority), the Ngorongoro Conservation Area Authority, and the Tanzania Tourist Board, which markets the country. The Tanzania Investment Center handles investment promotion. The Presidential Parastatal Sector Reform Commission encourages wider ownership of productive assets, and privatization in tourism has been substantial. Zanzibar has three agencies for tourism: the Zanzibar Tourism Commission, the Zanzibar Investment Promotion Agency, and the Commission for Land and Environment. The Tourism Confederation of Tanzania, the umbrella private sector institution, has 14 industry and trade member associations. The Tanzania Tourist Board has done a good job of marketing tourism on a very limited budget.

A Tourism Master Plan was widely circulated and debated in 1996 as a strategic document and updated in 2002. The plan emphasizes clusters, aggressive management to stay abreast of trends, and differentiating products to add value. A plan for Zanzibar, completed in 2003, focuses on beach and cultural tourism. There is also a new tourism law, but it offers little improvement over earlier versions.

Tourism investment has been concentrated in a few areas, notably around Arusha (the northern circuit) and Zanzibar. A new National College of Tourism is a state-of-the-art facility expected to enroll 600 students annually from Southern African Development Community
countries. This gives Tanzania a much-needed option to improve service standards in its tourism industry and to serve the region.

What does Tanzania need to do to get to the next level?

- **Implement the master plan in phases.** With the northern circuit overcrowded in the mid-1990s, Tanzania imposed moratoriums on new construction. And a United Nations Educational, Scientific and Cultural Organization threat to delist the Ngorongoro Crater created the necessity for early action. The southern circuit is the most accessible and, unlike the western zones (with Gombe National Park), it offers an internationally competitive product mix of wildlife and beach tourism at reasonable investment costs. It will require new and rehabilitated infrastructure (road and rail and better park investment), through public-private partnerships, nongovernmental organization support, and private groups, as well as the state.

- **Revisit the sector’s constraints and opportunities in the legal framework.** The tourism law does not measure up to the industry’s expectations. So the country should revisit the law’s basic principles and add policies in subsequent ministerial or national decrees without having to redo the underlying law. It should create a commission with clear goals, objectives, and terms of reference and a mandate to propose action on key pressing issues. Actions are also needed in other areas including:
  - Options for an open skies policy.
  - Pooling wisdom on new products.
  - Seeking an implementable budget mechanism.
  - Reviewing the fiscal and incentive regime.
  - Simplifying and rationalizing the licensing system and harmonizing payments.
  - Elaborating proposals for a destination management organization.
  - Proposing a master tourism plan for East Africa.
  - Considering a single visa for international visitors to the region.

*Zambia—water courses everywhere*

Zambia is a landlocked country whose attractions hinge on its great watercourses—the Zambezi, Kafue, Luangwa, and Luapula that form part of the Great Rift Valley—and its pristine natural environment. Its best-known destination is Victoria Falls (which it shares with Zimbabwe) near Livingstone, one of the Seven Natural Wonders of the World and a United Nations Educational, Scientific and Cultural Organization World Heritage site. It has good potential for tourist circuits to neighboring Zimbabwe, Botswana, Namibia, Tanzania, Malawi, and Mozambique.

Total arrivals were more than 900,000 in 2011, but only 20–30% were leisure and holiday visitors, most from Zimbabwe, South Africa, the United Kingdom, the United States, and Australia. Contributing 5.7% to GDP, tourism earnings were $146 million in 2011, and direct employment was about 25,000.15

Tourism policy is the responsibility of the Ministry of Arts and Tourism. The Zambia National Tourism Board is responsible for advisory services, licensing, and destination promotion. The Zambia Wildlife Authority, a parastatal established under an act of parliament, is responsible for national parks, wildlife conservation, and development, including game management areas, which border the national parks. There are also conservation and museum boards and the Hotel and Tourism Training Institute. The Tourism Council of Zambia is an umbrella organization for about a dozen trade and professional associations.

Visas and frontier formalities have been a concern. At Livingstone the bridge to Victoria Falls, Zimbabwe, has been open for some time, and a regional proposal involves an agreement among the governments of Angola, Botswana, South Africa, Zambia, and Zimbabwe to create a transfrontier national park—around Chobe National Park and the Zambezi—and to introduce a single visa for the five countries. A pilot is under way for Zambia and Zimbabwe, to be in place in 2014.

Tourism is a priority for diversification and growth in the Sixth National Development Plan (2011–15). Five regions are deemed high-growth areas: Livingstone and Victoria Falls, Kafue National Park and the surrounding game management areas, Lower Zambezi (Savonga to Feira), Lusaka City and surrounding areas, and the Luangwa Regional Program. The goal is to create visitor centers, attractions to support tourism, and infrastructure platforms (roads, airports, signage, and communication).

To stimulate faster growth and employment, action is needed on several fronts.

- **Fix infrastructure.** With a land area of 260,000 square miles and some of the largest, most remote national parks on the continent, access is a problem. Due to high fuel costs, air transport to remote areas can be prohibitive. It also depends on charter rather than scheduled services. Livingstone airport, next to Victoria Falls, has more passengers than the capital Lusaka, thanks to tourist arrivals, mostly from South Africa. The Zambia Wildlife Authority...
Success depends on the location and maturity of the destination and on the size and level of professionalism of the operators has responsibility for building and maintaining roads, paths, and trains in national parks but does not have enough revenue from licenses to do this. The TAZARA railway, jointly run by Zambia and Tanzania, could promote tourism among Tanzania, Zambia, and South Africa. TAZARA also runs Zambia’s second railway line from Kapiri Mposhi (copper belt) to Dar es Salaam in Tanzania. Basically a freight line, it has had infrequent visits by South Africa’s famed passenger Blue Train. Expanding passenger service on this line would open the Luangwa Valley and offer possibilities for tourism. Micro hydroelectric systems and wind and photovoltaics could also be explored for power.

- **Set policy for concessioning in and around national parks and for public-private partnerships to handle park management.** Other Southern African countries are ahead of Zambia on this. Experienced and expert management could come in through public-private partnerships, if it balances conservation and revenue aims. Public-private partnerships could also ensure that local communities retain ownership in communal land, rather than simply sell out.

- **Establish the legal and regulatory framework for the sector.** Licensing for hotels and lodges is fairly restrictive, lagging behind licensing reforms in trade and manufacturing. Wildlife legislation needs to bring the management of Zambia’s wildlife resources closer to such industry leaders as Namibia. Managing human-animal conflict in some game management areas and surrounding communities calls for allocating revenue from nonconsumptive sources (such as photographic safaris) more directly to communities and for encouraging partnerships between communities and commercial operators.

- **Build skills.** The Zambian labor force lacks specialized skills for hospitality, which expatriates now supply, even at fairly low levels. The government and the hospitality industry need to design and implement approaches to ensure high workforce standards.

Closer coordination of stakeholders, stronger institutional capacity for management of wildlife and protected areas, and greater investment promotion would make it possible to develop Zambia’s considerable assets.

### How tour operators view Africa’s potential

Most tour operators see significant potential for Africa as a tour destination—with some destinations having more than others.

- **High-performing destinations:** Botswana, Cape Verde, Kenya, Mauritius, Namibia, South Africa, and Tanzania.
- **Emerging destinations:** Benin, Ethiopia, Ghana, Madagascar, Malawi, Mozambique, Rwanda, Uganda, and Zambia.
- **Destinations repositioning due to political difficulties and the challenges of charter tourism operation:** The Gambia, Mali, Senegal, and Zimbabwe.
- **Destinations with potential:** Cameroon, Gabon, Guinea-Bissau, Lesotho, Malawi, São Tomé and Príncipe, and Swaziland.
- **Destinations not currently viable:** Burkina Faso, Burundi, Table 8.1

#### Table 8.1 Success factors for Sub-Saharan tour destinations and operations

<table>
<thead>
<tr>
<th>Successful Sub-Saharan tour destinations have:</th>
<th>Successful international operators have:</th>
<th>Successful ground operators have:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stable government</td>
<td>In-depth knowledge of the product</td>
<td>Good relationships with international operators</td>
</tr>
<tr>
<td>Airports serving key markets with a range of scheduled and charter airlines</td>
<td>Staff who are knowledgeable, resourceful, and passionate about Africa</td>
<td>Undertaken overseas training or have a deep understanding of source market expectations</td>
</tr>
<tr>
<td>Attractive business environment that is conducive to tourism investment</td>
<td>Staff who are well paid</td>
<td>Operations in a number of countries within the region</td>
</tr>
<tr>
<td>Modern communications and road infrastructure</td>
<td>An effective customer feedback system</td>
<td>Online booking capability</td>
</tr>
<tr>
<td>Wide range of tourism products</td>
<td>An innovative website</td>
<td>Integrated accommodation or transport ownership into their business</td>
</tr>
<tr>
<td>Professional tourist board</td>
<td>Strong relationships with ground operators</td>
<td>Taken steps to encourage conservation and environmental sustainability in their operations</td>
</tr>
<tr>
<td>A high level of high school and college graduates</td>
<td>A high number of returning clients</td>
<td>Direct sales capacity</td>
</tr>
</tbody>
</table>


What influences the success of tour destinations, international tour operators, and ground operators? Achieving the success factors in table 8.1 depends on the location and maturity of the destination and on the size and level of professionalism of the operators. But what is needed to move tourism to the next level varies greatly by country (table 8.2).

Table 8.2  Recommended actions for tour destinations

<table>
<thead>
<tr>
<th>Action area</th>
<th>Countries where priority action is needed</th>
<th>Tour destinations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access</td>
<td>Gabon, Kenya, Mozambique, Namibia, São Tomé and Príncipe</td>
<td>Take steps to liberalize air regulations and invest in road improvements</td>
</tr>
<tr>
<td>Customer service</td>
<td>Ethiopia, Tanzania, Uganda</td>
<td>Develop on-the-job service quality training</td>
</tr>
<tr>
<td>Business environment</td>
<td>Angola, Cameroon, Gabon, Tanzania, Uganda</td>
<td>Improve incentive packages and make loans more accessible</td>
</tr>
<tr>
<td>Visa processing</td>
<td>Angola, Gabon, Guinea</td>
<td>Experiment with a regional visa and reduced visa costs</td>
</tr>
<tr>
<td>Ground operator training</td>
<td>Cameroon, Ethiopia, Madagascar</td>
<td>Organize regular training for ground operators</td>
</tr>
<tr>
<td>Marketing</td>
<td>Cameroon, São Tomé and Príncipe, Zambia, Zimbabwe</td>
<td>Allocate more funds for destination marketing and learn from successful campaigns elsewhere in the region</td>
</tr>
<tr>
<td>Product development</td>
<td>Malawi, Namibia, Rwanda, Uganda</td>
<td>Upgrade iconic tourism sites and add to their appeal</td>
</tr>
<tr>
<td>E-commerce</td>
<td>All destinations</td>
<td>Provide e-commerce training courses for operators</td>
</tr>
<tr>
<td>Sustainability</td>
<td>Kenya, Mozambique, Zambia, Zimbabwe</td>
<td>Invest in park management and conservation, and promote eco certification of suppliers</td>
</tr>
</tbody>
</table>


Notes
2. UNWTO 2013 and WTTC 2013.
3. UNWTO 2013.
4. UNWTO 2011.
6. Some countries have specific denominations of land for tourism development, however, and these can help accelerate tourism development, if well designed. Countries include Madagascar and Mozambique. Tourism planning, discussed earlier, is a key part of land and infrastructure policy.
7. The focus here is on investment but, on the retail side, tourists rely on banking services for transfers, foreign exchange services, cash withdrawals, and credit services. In some remote places in Africa these are in short supply.
8. UNWTO 2013.
10. Numbers in this section are from the ACET tourism study (2013).
11. Canadian consultants, for example, are quite active in Senegal.
12. For example, the Dominican Republic realized its first project, Puerto Plata with a national agency, INFRATUR, a department of the Central Bank. Subsequent projects were handled by private developers, including land assembly, infrastructure provision (airport, drinking water, electricity, and the like) and INFRATUR was dismantled.
13. WTTC 2013b.
15. UNWTO 2013; WTTC 2013c.
16. Compared with consumptive sources, such as hunting. More generally, tourism that includes sustained conservation of resources in a nonconsumptive manner for future generations through the controlled use and management of cultural and environmental resources (Sirakaya, Sasidharan, and Sönmez 1999).

References
Tanzania National Bureau of Statistics, Bank of Tanzania, and Ministry of


