The Case for Tourism in Africa

This first issue of *The State of Tourism in Africa* tells the story of one of Africa’s most promising though often underappreciated industries: tourism. With facts, figures and stories, this new report paints a picture of the current and potential impact of travel and tourism on both a country’s and a region’s development strategy.

In 2009, the world took note of the tremendous power and potential that travel and tourism holds for the African and global marketplaces. During this time, Africa has seen quantifiable growth unlike any other continental destination, which makes a strong case for investing in tourism. In many cases tourism creates jobs and opportunities for entrepreneurship, reduces poverty, promotes stability, preserves heritage and culture and builds global connections. Hotels, for meetings and relaxation, are key to attracting foreign businesses and in maintaining a strong business-friendly environment.

Still, there is much more work that needs to be done in making the case for the travel and tourism industry. Africa House at New York University, in partnership with the Africa Travel Association and the World Bank will continue to build a unified focus on this industry that ultimately aims to expand tourism and its benefits within Africa. We welcome your input.

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AFRICA TOURISM FACTS

▸ Africa receives more tourists than the Caribbean, Central America and South America combined.

▸ The tourism industry is growing faster in Africa than the world average and is expected to keep growing.

▸ Tourism in Africa has shown greater resilience to the world economic crisis than any other region.

▸ Per the United Nations World Tourism Organization (UNWTO), Africa tourism arrivals grew from 37 million in 2003 to 58 million in 2009.

▸ The World Travel and Tourism Council (WTTC) estimates that direct travel and tourism employment in Africa totaled 6.5 million in 2008.
Africa Tourism by the Numbers

The Relationship of Tourism and Gross Domestic Product

For 2007, according to the UNWTO:

- In NORTH AFRICA tourism receipts are on average 7.2% of GDP. Morocco (11.1%) and Tunisia (9.6%) rely most on tourism.

- In EAST AFRICA tourism receipts average 8.9% of GDP. Seychelles (50%) and Mauritius (25%) rely most on tourism.

- In SOUTHERN AFRICA tourism receipts are just 3.9% of GDP. Namibia relies most on tourism (8%).

- In WEST AFRICA tourism receipts are 5.6% of GDP. Cape Verde (30%) and The Gambia (18%) rely most on tourism.

- In CENTRAL AFRICA tourism receipts are just 1% of GDP.

- In absolute numbers, Egypt had the highest international tourism receipts in Africa in 2008 followed by South Africa, Morocco, Tunisia and Mauritius.

Source: World Bank

Relative Market Share of Top Five Source Markets

- FRANCE is the top long haul source market for Africa. The most popular destinations for French visitors in 2007 were Morocco, Tunisia, Mauritius, Senegal and Madagascar.

- THE UK is the second most important long haul source market. The most popular destinations for UK visitors in 2007 were Egypt, South Africa, Kenya, Mauritius and The Gambia.

- THE US is the top source market for Tanzania, Ghana, Rwanda, Ethiopia and Zimbabwe but the primary destination for American tourists is South Africa.

- GERMANY is the fourth most important long haul source market while PORTUGAL is the fifth.

- Most countries in Africa are reliant on one or two key source markets.

- Smaller source markets include: Netherlands, Italy, Belgium, Sweden, India and Ireland.

- Emerging source markets include: Spain, Australia, Russia and China.

Source: World Bank


<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>% OF TOTAL EMPLOYMENT</th>
<th>DIRECT EMPLOYMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. SEYCHELLES</td>
<td>34.2</td>
<td>12,900</td>
</tr>
<tr>
<td>2. MAURITIUS</td>
<td>15.1</td>
<td>80,600</td>
</tr>
<tr>
<td>3. CAPE VERDE</td>
<td>12.7</td>
<td>11,900</td>
</tr>
<tr>
<td>4. TUNISIA</td>
<td>9.1</td>
<td>285,200</td>
</tr>
<tr>
<td>5. MOROCCO</td>
<td>7.4</td>
<td>774,900</td>
</tr>
</tbody>
</table>

Source: WTTC

Tourist Arrivals and Receipts in Africa by Region (2007)

<table>
<thead>
<tr>
<th>REGION</th>
<th>TOTAL TOURIST ARRIVALS</th>
<th>TOTAL LONG HAULS</th>
<th>RECEIPTS US$ M</th>
</tr>
</thead>
<tbody>
<tr>
<td>NORTH AFRICA</td>
<td>26,854,000</td>
<td>16,506,000</td>
<td>22,780</td>
</tr>
<tr>
<td>SOUTH AFRICA</td>
<td>13,321,292</td>
<td>1,901,966</td>
<td>11,034</td>
</tr>
<tr>
<td>EAST AFRICA</td>
<td>11,141,491</td>
<td>3,981,312</td>
<td>7,423</td>
</tr>
<tr>
<td>WEST AFRICA</td>
<td>4,699,491</td>
<td>2,364,500</td>
<td>2,800</td>
</tr>
<tr>
<td>CENTRAL AFRICA</td>
<td>762,112</td>
<td>294,727</td>
<td>681</td>
</tr>
<tr>
<td>TOTAL</td>
<td>56,778,386</td>
<td>22,969,159</td>
<td>44,718</td>
</tr>
</tbody>
</table>

Source: UNWTO

Top Five Africa Countries for International Tourism Receipts (2008)

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>RECEIPTS US$ M</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. EGYPT</td>
<td>10,985</td>
</tr>
<tr>
<td>2. SOUTH AFRICA</td>
<td>7,925</td>
</tr>
<tr>
<td>3. MOROCCO</td>
<td>7,221</td>
</tr>
<tr>
<td>4. TUNISIA</td>
<td>2,953</td>
</tr>
<tr>
<td>5. MAURITIUS</td>
<td>1,449</td>
</tr>
</tbody>
</table>

Source: UNWTO
Long-Haul Arrivals by Country

Long-haul tourist arrivals are defined as all tourists from outside of Africa.

- **NORTH AFRICA** attracts over 75% of all long-haul tourists; Egypt attracts the most, then Morocco and Tunisia.
- **EAST AFRICA** is the second most visited region for long-haul tourists; Kenya attracts the most followed by Mauritius and Tanzania.
- **WEST AFRICA** comes in third with Nigeria and Senegal as the most popular destinations.
- **ANGOLA** is the leading destination for long-haul travelers in Central Africa.

Source: World Bank

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Grappling with Tourism Data Limitations

Measuring and analyzing tourism demand and supply is not a perfect science and desk-based studies are limited by the quality of information sources. While some countries have well-organized data collection processes and post monthly arrival statistics online within a few weeks, others can only collect tourism statistics inconsistently.

Challenges occur when comparing different sources of data such as UNWTO, WTTC, and national tourism office data. Whereas UNWTO data relies on inputs from national tourism offices, WTTC data is based upon the Tourism Satellite Accounting (TSA) model calculations. The TSA model uses historic data as well as economic research to make assumptions and forecasts. The model is a useful tool for countries that do not have their own TSA model in place, or for triangulation of data drawn from multiple sources. Care should be taken in data interpretation, and the information should be used alongside other economic data for a robust profile. The information included in *The State of Tourism in Africa*, where possible, has been cross-checked. For consistency, all quoted tourism receipt information is from UNWTO.

In Africa, and around the world, there continues to be a pressing need for thorough, consistent and timely collection of tourism indicators.
Despite the economic downturn and the decline in international tourism arrivals worldwide in 2009, the UNWTO Tourism Barometer declared Africa was a “robust performer with Sub Saharan destinations doing particularly well”.

While worldwide tourism arrivals fell by 4.3%, arrivals to Africa increased by 3% in 2009. Preliminary UNWTO figures show that 58 million visitors arrived in Africa in 2009 with arrivals in North Africa growing by 2% and Sub Saharan countries by 4%. Destinations that performed especially well in 2009 are Morocco, Kenya, Rwanda, South Africa, and Swaziland. Preliminary figures by the UNWTO for the first two months of 2010 showed double digit growth for Kenya, Seychelles, Egypt and Morocco.

Growth is expected to continue in Africa with the expected boost provided by the 2010 FIFA World Cup in South Africa.

In addition to the FIFA World Cup in South Africa, the continent of Africa will also host a number of international events in 2010, including the Africa Travel Association’s 35th Annual World Congress. Tourism is The Gambia’s biggest foreign exchange earner, equaling approximately 16% of the GDP and providing 1 in 7 jobs in the country.

At the Africa Travel Association’s 35th Annual World Congress to be held in The Gambia in West Africa in May 2010, delegates will have the opportunity to visit the country’s eco-tourism sites, including the Mandina Lodge at Makasutu Forest situated on a mangrove-clothed tributary on the Gambia River.

<table>
<thead>
<tr>
<th>SUB REGION</th>
<th>MILLIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUROPE</td>
<td>460</td>
</tr>
<tr>
<td>ASIA AND THE PACIFIC</td>
<td>181</td>
</tr>
<tr>
<td>NORTH AMERICA</td>
<td>92</td>
</tr>
<tr>
<td>CARIBBEAN</td>
<td>19</td>
</tr>
<tr>
<td>CENTRAL AMERICA</td>
<td>8</td>
</tr>
<tr>
<td>SOUTH AMERICA</td>
<td>21</td>
</tr>
<tr>
<td>AFRICA</td>
<td>58</td>
</tr>
<tr>
<td>MIDDLE EAST</td>
<td>41</td>
</tr>
<tr>
<td>WORLD</td>
<td>880</td>
</tr>
</tbody>
</table>

*Preliminary figures

Source: UNWTO
Africatrend potential will continue to grow through attracting new markets and developing new products. Niche products not only attract new tourists but they also engage tourists to stay longer. Many of today’s younger travelers, especially from developed nations, grew up with access to travel and have an expanded interest in adventure, culture, and “real experiences” compared to previous generations. Further, with more travel by Africans in Africa, there are new opportunities—and great potential—for tourism product development in Africa.

Safari Innovation
Safaris are an important tourism product for a number of countries especially in Southern Africa such as Tanzania, Kenya, South Africa, and Botswana. As demand and expectations increase, new options across Africa are being developed. Tour operators in Tanzania, Kenya, and South Africa now offer walking safaris, kayak safaris, and mobile camping safaris. In Kenya, a 14-day walking safari in the Rift Valley is offered with local Samburu and Maasai warriors as guides. Tourists sleep in tents and travel by camel for part of their trip. Luxury tour operators in Tanzania offer their guests the opportunity to visit a local school or involves them in emerging philanthropic projects. Other traditional safari operators now offer visits to local tribes as part of a safari vacation. Going beyond the traditional safari experience to include new adventures and “real” experiences enables tour operators to creatively expand their offerings.

Nature Tourism
Beyond safaris, countries offer great nature tourism potential. Already, gorillas and other primates have become important sources of revenue for Uganda, Rwanda, and the Democratic Republic of Congo. The Uganda Wildlife Authority (UWA) estimates revenue from gorilla tracking in 2008 was US$2.4 million. Overall income from gorilla tourism (hotels, tours, food) in 2008 is estimated at US$225 million or 63% of the country’s tourism receipts. There are just over 700 mountain gorillas in the Virunga Volcano Mountains that touch Uganda, Rwanda and the DRC. When the gorillas cross from Uganda into Rwanda, tracking of particular groups has to cease and revenues for UWA drop. To boost revenues during such periods and raise awareness of gorilla conservation, UWA set up a website (www.friendagorilla.org) where subscribers can pay a small fee to track gorillas via webcams placed in Bwindi Impenetrable Forest. The website is expected to raise US$700,000 annually. There are also opportunities to “friend” a gorilla through social networking sites. Gorilla tracking is Uganda’s main tourism product—in country and online. Here, tourism’s economic impact has expanded beyond traditional in-country experiences through protection of flora and fauna using creativity and technology.

Cultural Tourism
Festivals and events can be a good way to raise awareness of a destination and extend the tourist season. There are food festivals in Mexico, shark festivals in the Philippines, music festivals in Germany, and handicap festivals in the South Pacific. In Africa, the biennial pan-African film festival in Burkina Faso (FESPACO) has effectively raised awareness of Burkina Faso as a destination, boosted the economy, and jump-started the tourism sector. Ethiopia has plans for a film festival featuring local film producers as a way to attract investors, involve visitors and enhance the image of the country. The Zanzibar International Film Festival (ZIFF) has attracted cultural tourists to East Africa for more than 12 years. Held in the UNESCO World Heritage city of Stone Town, the ten-day festival highlights films with an African focus as well as music, arts and crafts. The Ministry of Tourism and Investment of Zanzibar estimates that approximately 6,000 international visitors come to Zanzibar for the ZIFF festival each year. Every evening a minimum of 250 international visitors join the 2,000 local festival participants. The ZIFF is the largest film festival in Eastern and Central Africa generating numerous economic and social benefits.

Prepared from Sub Saharan
Africa Tourism Industry Research, World Bank (2009)
Government Coordination Important for Tourism

Many governments have been proactive in their efforts to boost the growth of tourism in their regions. Becoming an attractive location for tourists requires a wide range of services, from the construction of large-scale airport and road infrastructure to the provision of fragmented hotel and restaurant services.

Experience shows that government efforts to orchestrate consistency between visitor expectations and this range of services have been important for success. Competitive tourism regions need to satisfy some basic necessary conditions that depend directly on the government. These conditions include adequate transportation infrastructure, as well as safety, security, and sanitation.

Often a thriving tourism sector needs government to create the right zoning and partnership models and to deliver other services including hotel zones and “flagship” tourist attractions. Government also has a role to play in ensuring a consistent brand and the effective communication of tourism opportunities.


Arab-Gulf Investments in Africa

Although it has not received as much notice in the media as China’s investments, the Arab Gulf nations, with their huge of sovereign wealth funds, are big players in investments in the tourism and hospitality sectors of Africa.

In Djibouti, DP World continues their investments and the Kempinski Hotel, funded with Arab Gulf investments, is an important part of the story explaining the trebling of tourists since 2007 to close to 40,000 per year.

More recently, Mozambique and Senegal have attracted Arab Gulf investment, as well as Rwanda and Ethiopia, with Dubai World Africa planning about $1.5 billion of investments in the continent, including $100 million in Ethiopia and $230 million in Rwanda. Emirates Airlines has new non-stop service from Dubai to Luanda which has propelled trade between the UAE and the high growth Angolan economy, and which is expected to result in improved tourism arrival numbers for Angola. Emirates Airlines serves almost twenty African destinations including Cote D’Ivoire, Egypt, Ethiopia, Ghana, Kenya, Morocco, South Africa, Tanzania and Uganda.

Education

Human capital and skills are important ingredients in developing a vibrant tourism sector. Many African countries are currently investing in education in this sector. The Gambia, for example, is home to 52 registered training centers. Yet, only fifteen of these centers offer tourism and hospitality courses. The Gambia’s training needs continue including expansion of courses in operations, food preparation, languages, business skills, tour guiding, health and safety, data collection, sustainable tourism and corporate responsibility.

That said, steps are being taken to advance hospitality training in Africa. For example, at New York University, Robert S. Lapiner, Dean of the School for Continuing and Professional Studies (SCPS) which offers undergraduate, masters and certificate degrees in tourism, hospitality and sports management, has worked in the past in many African universities and SCPS has worked with visiting African university leaders on curriculum development.

In Nigeria several schools have emerged in the last decade providing professional and technical skills programmes directly connected to the hotel and travel sub-sectors.
Getting to Africa: Tourism’s Critical Success Factor

Air transport is perceived as a major constraint to Africa’s tourism development. Many argue high airfares are a handicap for destinations while others point to the inconvenient and insufficient service of scheduled or even charter services. Still others argue that Africa’s airspace and planes are unsafe. Recent research on North Africa and Sub-Saharan (SSA) air transport trends highlights some useful findings for tourism stakeholders.

Decisions on airline routings are driven by a mix of domestic, interregional, international, and cargo demands. They are also affected by air transport liberalization, ease and cost of doing business (landing rights, baggage handling), and fuel costs. In late 2007, 280 of Africa’s 2,900 airports had regularly scheduled services. World Bank analysis in November 2009 found 66% of SSA countries either lack major carrier connections or depend on one airline. Limited airline service translates into limited flights and frequency—and an invitation for prospective leisure travelers to go elsewhere.

Further 2009 research concluded that the number of available runways and their general condition is not a constraint for North Africa. Runways at 60% of the airports were found to be in excellent condition in comparison to 17% in SSA. North Africa airports are handling today’s passengers with ease while SSA airports are challenged by insufficient apron space, limited use of taxi ways and terminal space for high volumes of passenger traffic is limited. Rather than runways being the greatest challenge—the quality of land-based air transport infrastructure is a significant constraint, especially for SSA.

SSA air traffic can be better understood in context to other areas. For example, SSA air traffic reached roughly 72.3 million seats in 2007—just ahead of Madrid’s total air traffic volume of 68.5 million. The combined domestic traffic for SSA (27.5 million) was twice the overall traffic for the French city of Nice at 13.1 million. North and Sub-Saharan African markets combined totaled about 122.4 million seats, while the U.S. city of Atlanta, Georgia alone posted 103.9 million in 2007.

Despite a small base, Africa’s growth rates are impressive. Africa’s air transport industry grew at a robust rate of 5.76 percent per year between 2001-2007 (as measured in seat kms).

For air transport in Africa to compete with other regions, the inconsistent quality of land-based infrastructure can be addressed first by updating airports and terminals rather than building new airports. To address safety concerns, increasing safety oversight by pooling resources and capacity building is necessary. Finally, improving data collection on the air transport sector at all airports is encouraged in order to assist both the public and private sector with their planning for success.

Source: World Bank/AICD
Courtesy: eTurboNews

“A spirit of optimism animates the travel, tourism and hospitality industry in Africa today. Realizing this vision of prosperity requires multi-level investment, support and partnerships. It also requires a multi-level commitment to responsible tourism in which initiatives that promote conservation and growth while also minimizing the potential negative impact of the tourism industry are the central tenets.

We need to make deliberate efforts on regional and national levels to involve our local communities in managing our continent’s natural resources and promoting tourism development.”

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About NYU Africa House
The Africa House at New York University is an interdisciplinary institute devoted to the study of contemporary Africa, focusing on economic, political and social issues on the continent, as well as on programs in the arts and particularly contemporary African art.
www.nyu.edu/africahouse.

About the Africa Travel Association
The Africa Travel Association (ATA) was established as an international travel industry trade association in 1975 with the mission to promote travel, tourism and transport to and within Africa, and to strengthen intra-Africa partnerships.
www.africatravelassociation.org

About The World Bank, Africa Finance & Private Sector Development
The World Bank’s Africa Finance and Private Sector Development Department (AFTFP) focuses on work with African governments to promote access to finance and to create an enabling environment for private sector development. AFTFP is uniquely positioned to provide technical assistance and execute lending and operational projects in Tourism, Investment Climate, Industry Competitiveness, Financial Sector Development, and Public Private Partnerships. Established in 1944, the World Bank provides low-interest loans, interest-free credits and grants to developing countries to support poverty alleviation through investments in education, health, public administration, infrastructure, financial and private sector development, agriculture and environmental and natural resource management.
www.worldbank.org

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