

TOURISM POLICY AND STRATEGIES IN TANZANIA

1.0. INTRODUCTION

The United Republic of Tanzania is the 2nd largest country in the SADC Region and the 1st biggest in East Africa. It lies in the east coast of Africa between Latitudes 1 and 11 degrees South of the Equator. It covers 945,234 square Kilometres comprising Mainland and the islands of Zanzibar and Pemba.

The estimated population of Tanzania for the year 1998 was 29.9 Million with an annual growth rate of 2.8% per year.

The country has tropical climate with average temperatures of between 25 and 30 degree Celsius. Long rains last from March to May, short rains from October to December with some heavy showers in the south and Southern Highlands from December to April. The central plateau is dry and arid with hot days and cool nights, while the northwest highlands are cool and temperate. Coastal areas are hot and humid although sea breezes cool the area pleasantly between June and September.

Tanzanians are well known for their hospitality, open and jovial sense of humour, friendly approach and generosity to foreigners. The people are endowed with a wealth of culture, history and artistic talent that has put Tanzania on the world map as one of the leading nation in that respect.

The Government of Tanzania views tourism as a significant industry in terms of job creation, poverty alleviation, and foreign exchange earnings. Tourism today is receiving a greater attention than ever before from international development agencies and from national

governments. To many countries, tourism is the highest foreign exchange earner and an important provider of employment.

According to the World Tourism Organization, in 2000 there were 698 million tourist arrivals worldwide that generated 478.0 US \$ billion.

According to the statistics in 2000, Africa region showed average annual growth rate of 4.5% in arrivals. Statistics available also indicate that, Africa's market share in 1999 was 2.0%. Given the size of our continent, the beauty of Africa, the diversity and uniqueness of tourism attractions in Africa, there is stillroom for a bigger growth in both tourist arrivals and receipts. Tanzania is therefore determined to have its fair share in this important industry.

2.0. Performance of Tourism Sector in Tanzania

Tourism in Tanzania plays a vital role in the country's economic development. It is one of the major sources of foreign exchange. The industry is also credited for being one that offers employment opportunities either directly or indirectly through its multiplier effect. The sector directly accounts for about 16% of the GDP and nearly 25% of total export earnings. It directly supports the estimated 156,050 jobs (2000). Foreign exchange receipts from tourism grew from US\$ 259.44 million in 1995 to \$ 729.06 million in 2001. These receipts were generated by tourists' arrivals in the stated years, which have shown a steady growth from 295,312 in 1995 to 525,000 in 2001. With an average growth rate of 20%, we hope to reach the target of one million tourists by the year 2010. The sector also plays a major role in enhancement of national and international peace and understanding.

The table below shows Tanzania tourist arrivals and earnings (1990-2001).

Table 1. International Tourism trends in Tanzania, 1990-2001.

Year	No. Of Tourists	Changes (%)	Foreign currency earning us \$ million	Change (%) over previous year
1990	153000	10.96	65.00	8.33
1991	186800	22.09	94.73	45.74
1992	201744	8.00	120.04	26.72
1993	230166	14.09	146.84	22.22
1994	261595	13.65	192.10	30.82
1995	295312	12.89	259.44	35.05
1996	326188	10.46	322.47	24.26
1997	359096	10.09	392.39	21.72
1998	482331	34.32	570.00	45.00
1999	627325	30.00	733.28	29.00
2000	501669	-20.03	739.06	0.79
2001	525000	4.65	725.00	-1.90

Source: Ministry of Natural Resources and Tourism, Tourism Division

3.0. National Tourism Policy and Strategies

The first National Tourism Policy was adopted in 1991 to provide the overall objectives and strategies necessary to ensure sustainable tourism development in the country. Nearly a decade later, there have been considerable changes on the political, economic and social fronts within the country, which raised the need for regular review of the policy. The thrust of these changes have been towards stimulating efforts to expand the private sector, in tandem with the disengagement of the Government from the sole ownership and operation of tourist facilities. Knowing the potentiality of tourism sector, as a strategy for poverty alleviation, the National Tourism Policy of Tanzania was reviewed in 1999 to cope with the dynamism of the tourism industry.

The overall objective of the policy is to assist in efforts to promote the economy and livelihood of the people, essentially poverty alleviation through encouraging the development of sustainable and quality tourism that is culturally and socially acceptable, ecologically friendly,

environmentally sustainable and economically viable. It is also sought to market Tanzania as favoured tourist destination for touring and adventure in a country renowned for its cultural diversity and numerous beaches.

The Government recognises that the private sector plays a major role in the industry's development, with the Government playing the catalytic role of providing and improving the infrastructure as well as providing a conducive climate for investment.

3.1. Strategies for Tourism Development

To effect the implementation of the policy, there is an Integrated Tourism Master Plan, which outlines strategies and programmes for the sector. The primary focus of this plan is to obtain sustainable benefits for the people of Tanzania by generating additional economic activity from available resources. Six primary areas addressed by the Integrated Tourism Master Plan are the following:

- ❖ Creating greater awareness of Tanzania in the tourism source markets.
- ❖ Expanding tourism products
- ❖ Securing a more competitive position
- ❖ Maximizing the necessary service skills, and
- ❖ Establishing the necessary structures and controls to underpin tourism development.

The Integrated Tourism Master Plan outlines details of each area and how to implement it.

3.2. Promotion of Private Investment in the Economy

The Government is fully aware that increased investment and technological advancement require deliberate promotional policies. It is in this respect that, the Government decided to gradually pull out of productive and commercial activities and concentrate in its traditional

role of maintaining law and order. It has been decided that the commanding heights of the economy, which used to be in the hands of the Government, should be in the able hands of the private sector.

The Government considers private investments (both foreign and local) as the engine of growth. It has taken steps to provide a macro economic framework and an enabling environment for private investors to operate. To strengthen private sector in tourism industry in Tanzania, the Government assisted in the formation of **Tourism Confederation of Tanzania** (TCT), a private sector body that is intended to be the representative, voice of the tourism private sector interests. Thus, the private sector is being assigned an increasing role in Tanzania's overall economic development.

The Government's role is to regulate, promote, facilitate and provide very conducive environment for the sustained growth and development of tourism. The private sector is thus engaged in development, promotion and marketing of tourism products, construction of tourist accommodation facilities; and provision of tour packages and other related services for the sector's sustainable development. To encourage private investment in the country, investment incentives have been put in place.

4.0. INVESTMENT INCENTIVE PACKAGES IN TANZANIA

Tanzania offers a well-balanced package of incentives to investors.

These include: -

- ❖ Recognition of private property and protection against any non-commercial risks. Tanzania is an active member of the World Bank Foreign Investment Insurance wing, Multilateral Investment Guarantee Agency (MIGA).

- ❖ Tanzania is a member of the International Center for Investment Settlement Disputes (ICSID) a body affiliated to World Bank.
- ❖ Zero percent (0%) import Duty on project capital goods.
- ❖ VAT exception on ground transport run by Tour Operators.
- ❖ The right to transfer outside the country 100% of foreign exchange earned, profits and capital.
- ❖ The ease of obtaining other permits such as Residence/ Work Permit, industrial licence, trading licence etc.
- ❖ Automatic permit of employing 5 foreign nationals on the project holding Certificate of incentives.

These incentives have so far attracted good number of investors in the country. For instance Tanzania Investment Centre has between September 1990 and March 1998, approved a total of 152 tourism projects worth \$ 313 Million, out of which, 119 were new projects.

5.0. Competitive Strengths of Tanzania Tourism Development:

The strength of the appeal of Tanzania to tourist product is dominated by natural assets of the country. The assessment is that by any standards, Tanzania is an exceptionally beautiful and interesting country. With its 12 National parks, 31 Game reserves, 38 Game controlled areas, a Conservation area and Marine park, Tanzanians wildlife resources are considered among the finest in the world and have been widely known for many years.

They include the great Serengeti plains, the spectacular Ngorongoro Crater, Lake Manyara and Africa's highest mountain, Kilimanjaro, in the north, Mikumi, Udzungwa and Ruaha National parks and Selous game Reserve in the south.

Additional natural attractions include the sandy beaches in the north and south of Dar es Salaam and the excellent deep-sea fishing at Mafia.

Tanzania has a rich heritage of archaeological, historical and rock painting sites, a number of which have been designated to World Heritage Sites. At Olduvai Gorge, in the interior Rift Valley, is the site of discoveries of the traces of earliest man, and along the Indian Ocean are the remains of settlements.

To a tourist, Tanzania offers interesting culture and crafts, most notably the Maasa i culture and art and the Makonde sculptures and carvings the list is endless.

In short the strength of Tanzania tourist product lies on:

- ❖ Abundance, diversity, reliability and visibility of wildlife
- ❖ Unspoiled environment and beautiful scenery
- ❖ Low tourist density
- ❖ Safe destination
- ❖ Beaches (European)
- ❖ Authenticity and the unique African experience
- ❖ Friendly people.

Recognizing the role tourism sector plays to the economy, the Government is taking measures to attract more investors to invest in tourism. Some of the measures are as follows.

- ❖ The government in collaboration with the owners of beach hotels rehabilitated roads leading to the beach hotels.
- ❖ Construction of Dar es salaam- Bagamoyo road to encourage investment in Bagamoyo.

- ❖ In collaboration with the government of Japan, the Government is currently constructing tarmac road between Makuyuni and Ngorongoro gate, to attract more tourists to the northern circuit.
- ❖ In the case of air transport, there is an improvement in international air accessibility. Currently KLM is flying daily in and out of Tanzania. British Airways has introduced a direct flight from Dar es Salaam International Airport to London Heathrow Airport, which flies three times a week in the country. This has increased the number of tourist in the country, who will need the diversified products.

However, in order for Tanzania to succeed further in this endeavour of improving the services, we are ready to learn what more can be done to increase private investment in these potential tourism areas.

In Tanzania today, tourism is well developed in the Northern Circuit while lots of potentials in the southern circuit still offer attractive areas for investment. These tourism components of the southern circuit are exceptionally strong, comprising

- ❖ Three primary beach resources at Bagamoyo, Mafia Island and the beaches south of Dar es Salaam.
- ❖ The immerse wildlife resources of the Selous game reserve and Mikumi, Ruaha, Udzungwa national parks
- ❖ Substantial cultural resources, including Bagamoyo, kilwa and Mafia.

The Government therefore encourages investment in, both privately and through joint ventures in these areas.

Overall, he areas for tourism investment are as indicated below:

5.1. Areas for Tourism Investment

5.1.1. Operation of tourist hotels and accommodation Establishments

Based on updated projected foreign bed night demand of about 5 million by the year 2005, the total hotel, lodge and tented camp accommodation requirements in Tanzania are 12,000 rooms, of which an estimated 8,500 rooms would be of international standard. Of the 8,500 rooms required, 5,000 are operating nearly to an international standard and approximately 500 are currently under construction or refurbishment. The development of the remaining 3,000 rooms that are required by 2005 necessitates new capital investment either for refurbishment of existing rooms or construction of new rooms.

(Source: Integrated Tourism Master Plan)

5.1.2. Transportation (Air, road, ocean and inland water ways)

(a) Air

The future growth of tourism in Tanzania is inextricably bound to the development of the air transport industry. Currently there are about 17 international scheduled airlines coming to Tanzania. These alone, are not enough to cater for the increased demand for the international tourists.

The internal air access has been a problem in the country due to under capacity for scheduled and no-scheduled air services. However, attempts made by Government to improve the internal air access have resulted to increased domestic air transport. According to Tanzania Civil Aviation Authority (TCAA), there are about 3 scheduled and 13-chartered domestic air companies operating in Tanzania today. Still these are not

enough to cater for the increased demand for tourists within the country.

The diversity of the country, inaccessibility especially to the southern Circuit, which has very rich in tourist attractions, makes the need of adequate and affordable air transport to tourist.

More urgently, southern circuit area that includes the Selous game reserve, Mikumi, Ruaha, Udzugwa, National Parks.

(b) Water Bodies

Lakes in Tanzania are not yet fully utilized /exploited i.e. Lake Tanganyika, Lake Nyasa and Lake Victoria. Establishment of lake cruise and floating hotels; operation of sports fishing and water recreation facilities are some of the areas for investment. Development of the tourists' facilities in these areas could even attract more visitors in these new undeveloped destinations, which could as well stimulate development.

5.1.3. Provision of tourism related services such as Safaris, Photographic services and cultural tourism centres.

Government has set nearly twenty-five percent of land aside as Wildlife and botanical sanctuaries that enjoy a high degree of protection and management. They serve conservational, educational, scientific, cultural and recreational purposes. The provision of services relating to tourism such as safaris/ tour operation, photographic services by the private sector is encouraged.

Conference Centres.

Tanzania is a peaceful country, which can attract more conference tourism if enough of such facilities are developed and available. Investments are therefore encouraged in congress hotels and conference centres.

5.1.4. International Standard Hospitality and Tourism Training Institutes.

The National Tourism Policy [1999], attaches importance to service delivery as a key factor for tourism to succeed; quality of service was in a recent international visitor survey singled out [by visitors] as one area that needed improvement. Employers in the industry attribute poor [non-professional] service delivery to inferior formal training.

According to Cooper, Fletcher, Gilbert [1998]¹ “the challenges facing the tourism industry will only be met successfully by a well educated, well trained, bright, energetic, multilingual and entrepreneurial workforce who understand the nature of tourism and have a professional training”. A high quality of professional human resources in tourism will allow enterprises to gain a competitive edge and deliver added value with their service.

The main tourism training facility is the Hotel and Tourism Training Institute (HTTI) in Dar es Salaam the only Government owned hotel institute in Tanzania. The institute still offers craft courses in Hotel related disciplines. The school is in need of repair, upgrading and improvement. However, the French

¹ Cooper, Fletcher, Gilbert, D (1998); Tourism: Principles and Practices, 2nd ed., Addison Wesley Longman Ltd, New York.

Embassy in Tanzania has indicated interest in assisting in building an ideal hospitality and tourism College.

This alone cannot meet the demand of the market, since the development of tourism in Tanzania needs to go together with the improved service delivery in hospitality and tourism industry. Private investors are therefore encouraged to invest in training as well.

6. 0. CONCLUSION

The development of tourism in Tanzania is a process involving all stakeholders to ensure its sustainability. Private sector is encouraged to use the investment incentives provided by the government in the country to invest more in tourism in the country. The areas discussed above need to be treated with utmost importance. Accommodation, tour operations, transportation and training are among the most important areas for investment.

Tanzania boasts of its unsurpassed natural, cultural and historical resources, which are still under-utilised. Most investors are competing for the overdeveloped Northern Circuit and few have discovered the potentiality of the Southern Circuit. The Government is calling for diversification of the tourism sector is reducing the pressure on the Northern Circuit. Private sector is therefore encouraged to invest more in the Coastal and Southern Circuit either individual or in partnerships.

The Government of Tanzania will continue to take required institutional measures to improve the performance of the economy and to create conducive environment for private investment in the country.

It will also to ensure that development and promotion of tourism is done in a sustainable manner in order to conserve and preserve our natural and cultural resources. To this end, cooperation between all players is called upon in order to develop a sustainable tourism destination.

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