



TOURISM IN AFRICA:

Harnessing Tourism for Growth and Improved Livelihoods

Tourism in Africa:

Harnessing Tourism for Growth and Improved Livelihoods



Strategies and examples of how governments can **overcome constraints** and challenges to **achieve transformation through tourism** in Africa

24 case studies that illustrate tourism development initiatives worldwide and provide solutions to challenges

Pathways to shared prosperity and poverty reduction



*If we act today, if we work relentlessly toward these goals of **ending extreme poverty** and **boosting shared prosperity**, we have the opportunity to create **a world for our children** which is defined **not by stark inequities** but **by soaring opportunities**. ..*

A world free of poverty

Dr. Jim Kim World Bank Group President



Africa is on the move

Africa is poised for a growth takeoff, much as India was 20 years ago and China was 30 years ago.

Africa has experienced *unprecedented economic growth* over the last five years.



Real GDP rose **4.9% each year** from 2000 to 2008, faster than the 3% global average.

At **US\$1.6 trillion**, the collective GDP of Africa is almost equal to that of Brazil or Russia.

Intra-regional cooperation is increasing.

Armed conflicts have declined, democracy is on the rise, macroeconomic conditions have improved, and microeconomic reform is underway across the region.

NEED

new jobs

There are currently **more than 200 million unemployed** young people in Sub Saharan Africa and **10 million more job seekers every year.**

The Africa Finance and Private Sector Development unit aims to create **130 million jobs by 2020, increase productivity, involve young people,** and lay the foundations for **BRIC-style development.**

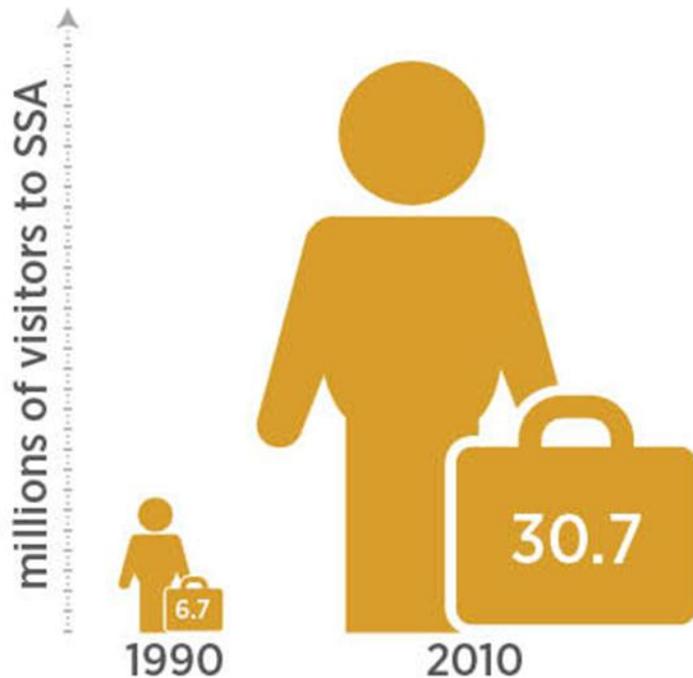
Tourism is a catalyst for this positive change.



Tourism is an *effective tool* for job creation, development, and economic growth.



Tourism is one of the *largest and fastest growing* sectors of the world economy.



Arrivals to Sub Saharan Africa have **grown over 300%** since 1990.

From a small base of just 6.7 million visitors in 1990, Sub Saharan Africa (SSA) attracted **30.7 million visitors** in 2010.

For the past three years, tourism to SSA has been **growing faster** than to any other region in the world.

Africa was the only region whose tourism arrivals grew during the global economic crisis.

Vast tourism resources can become *economically productive assets*.



OPPORTUNITY

new jobs



One in twenty of all jobs in SSA are in travel and tourism.

Women manage more than 50% of hospitality businesses in SSA.

In Mali, Ethiopia, Lesotho, Tanzania, and Uganda women make up more than **70%** of hotel and restaurant employees.

Experience shows tourism creates productive employment for young people; **43%** of tourism employees in the EU are under 35 years old.

ADVANTAGE

Managed sustainably,
tourism is an effective
development tool.

Fuels **economic transformation** of countries

Tourism is a **job-intensive industry**

Viable in remote and developing regions

Accelerates **reform**

Triggers **infrastructure improvements**

Increases **domestic consumption** and **diversifies** exports

Empowers women, youth and **marginalized** populations

Stimulates **cultural heritage** and environmental **conservation**

Promotes **public-private partnerships**

Improves the **national image**

CONSTRAINTS



Unpredictable Business Environment

Political instability, high crime rates, unsafe roads, poor building practices, and lack of health facilities are major constraints to tourism development in SSA.

Institutional Weaknesses

Tourism requires genuine coordination between multiple government agencies, private sector bodies, civil society organizations, and community stakeholders. In many SSA countries, support services for tourism are missing or inadequate.

Inadequate Access

Africa's distance from generating markets creates an acute need for higher quality and more competitive infrastructure. Air transport, and access to land, utilities, and finance are all constrained by the high cost of doing business in Africa.

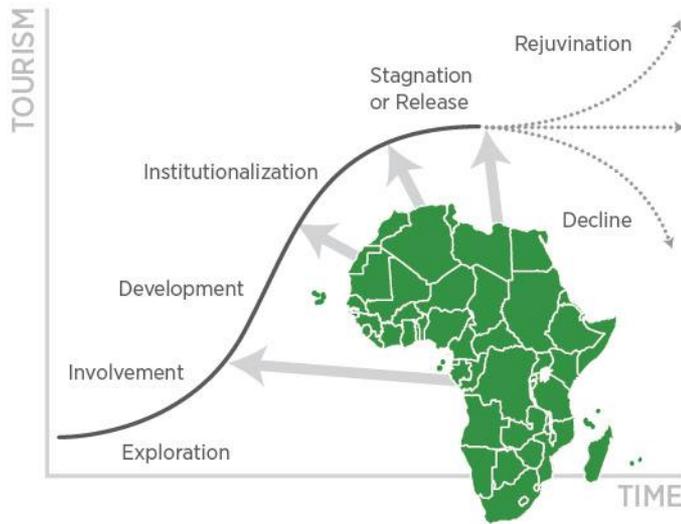
Low Level of Linkages

Tourism has the potential for considerable pro-poor impact in SSA but is often regarded as elitist. Constraints to tourism value-chain development in SSA include poor quality products, low tourism awareness, lack of business knowhow, and limited access to loans.

Price/Value Mismatch

SSA destinations often fail to deliver high quality service because: tourism ministries in SSA lack the knowhow and leadership to implement plans; tourism associations fail to address the training needs of their members; a disconnect exists between tourism schools and the skills needed by tourism businesses.

Tourism destinations are *dynamic* and their needs *change* over time.



Some countries have been involved in tourism for **more than five decades**.

Other countries are **just emerging** as tourism destinations.

Fragile states and transition economies have **distinct travel and tourism needs**.

Different solutions are needed for different destinations.

RECOMMENDATIONS

Initiating Tourism

Strong public support

Access to land

Improved transport policies

Improved infrastructure

Create strategic plans for product development and investment



RECOMMENDATIONS

Scaling-up Tourism

Investment promotion

Destination marketing

Positive image enhancement

Sector incentives



RECOMMENDATIONS

Scaling-up Tourism

Disperse tourism

Product diversification

Address seasonality

Manage growth strategically



World Bank Funded Projects: *Case Studies*

Indonesia: Bali Tourism Project

1974-1984

Integrated beach and cultural tourism (US\$16 million)

Utilized vacant scrub land

Planned and regulated 'green' land use

Generated 6,000 direct and 3,000 indirect jobs

Tunisia: Tourism Project

1972-1980

Developed tourism infrastructure in six zones (US\$24 million)

Focused on developing entrepreneurial skills

Generated US\$276 million of annual foreign exchange earnings

Created 8,700 direct and 8,000 indirect jobs

World Bank Funded Projects:

Madagascar Growth Poles Project and **Ethiopia** Tourism Project

Uganda and **Mozambique** Competitive Projects

Mozambique Institutional Development Grant

Indian Ocean Regional Tourism Integration Study and **Cape Verde** Pro Poor Tourism Study

Southern Africa Visa Facilitation Initiative – KAZA VISA

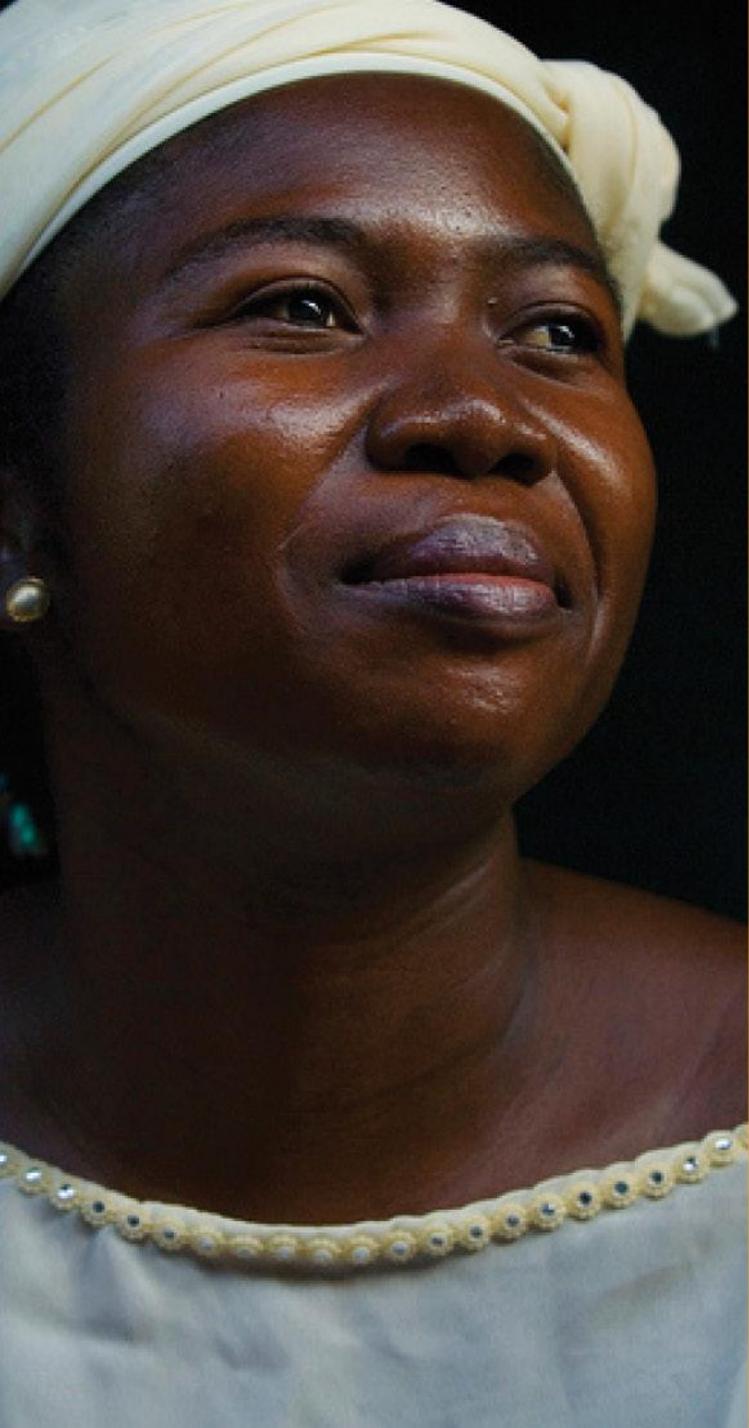
How We Will Work: *Tourism Stages and Interventions*

		Pillar			
		1 Policy Reforms	2 Capacity Building	3 Private Sector Linkages	4 Product Competitiveness
Stage of Tourism Development	CONSOLIDATING	<ul style="list-style-type: none"> • Tourism monitoring assistance • Land reform • Business enabling policy reform • Public/private dialogue • Advanced research 	<ul style="list-style-type: none"> • Joint research projects • South-south exchanges • Technical/vocational education • MSME training • Entrepreneurship initiatives 	<ul style="list-style-type: none"> • Integrated value-chain strengthening • Partnership development (PPPs) • Matching grants for MSMEs • Access to finance 	<ul style="list-style-type: none"> • Growth poles and clusters • Product innovation and competitiveness projects • Partnerships • Infrastructure upgrading
	EMERGING	<ul style="list-style-type: none"> • Sector diagnostics • Investment policy • PPP policy • Business enabling policy • Implementation research 	<ul style="list-style-type: none"> • Institutional capacity reviews • Tourism awareness, innovation, and entrepreneurship programs • Technical/vocational education • Research and analysis • MSME training 	<ul style="list-style-type: none"> • Value-chain analysis • Partnership development (PPPs) • Sourcing finance 	<ul style="list-style-type: none"> • Growth poles and clusters • Product development • Investment promotion • Partnership development (PPPs) • Destination positioning assistance • Infrastructure development
	POTENTIAL	<ul style="list-style-type: none"> • Rapid tourism assessments • Legislation and regulations • Investment policy • Crisis response and recovery 	<ul style="list-style-type: none"> • Institutional capacity assessments • Tourism awareness, innovation, and entrepreneurship programs • Skill training • Workforce planning 	<ul style="list-style-type: none"> • Value-chain mapping • Partnership development (PPPs) • Matching grants for MSMEs • Support to professional associations 	<ul style="list-style-type: none"> • Product inventory • Product development • Infrastructure assessment and planning
	PRE-EMERGENT	<ul style="list-style-type: none"> • Response to specific requests 	<ul style="list-style-type: none"> • Response to specific requests 	<ul style="list-style-type: none"> • Response to specific requests 	<ul style="list-style-type: none"> • Response to specific requests

Operationalizing Tourism: *Scaling Up Our Impact*



- Focus on **value of product**
- Garner **strong political support**
- Enabling environment** for private sector
- Infrastructure** and **connectivity**
- Liberalize **air policies**
- Increased transparency of **land**
- Financing** for tourism
- Understand constraints** to development
- Managing **growth** and **scale** of development
- Four pillars of **sustainability**
- Engaging with **donors**



Journey with us!

Be a part of *Transformation
through Tourism.*

Eneida Fernandes
Private Sector Development Specialist/Tourism
efernandes1@worldbank.org
+1 (202) 458-2727

Africa Region
Finance and Private Sector Development

