# Tourism in Tanzania: Investment for Growth and Diversification

**United Republic of Tanzania**

**Ministry for Natural Resources and Tourism**

***in cooperation with***

***The Promote Africa Program,***
***funded by The Government of Japan,***
***and***
***The Development Bank of Southern Africa***
***and***
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***executed by***

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# Abbreviations and Acronyms

| | |
|---|---|
| AWF | African Wildlife Foundation |
| BOT | Bank of Tanzania |
| BRELA | Business Registration and Licensing Agency |
| CAWM | College of African Wildlife Management, at Mweka |
| CBC | Community Based Conservation |
| CCS | Community Conservation Services |
| DAWASA | Dar Es Salaam Water and Sewage Authority |
| DBSA | Development Bank of Southern Africa |
| DFID | Department for International Development (UK) |
| EAC | East Africa Community |
| EIA | Environmental Impact Assessment |
| HEAC | Higher Education Accreditation Council |
| HIPC | Highly Indebted Poor Countries |
| HKAT | Hotel Keepers Association of Tanzania |
| HTTI | Hotel and Tourism Training Institute |
| JICA | Japan International Cooperation Agency |
| LART | Loans and Advances Realization Trust |
| MIGA | Multilateral Investment Guarantee Agency |
| MNRT | Ministry for Natural Resources and Tourism |
| MWEKA | The College of African Wildlife |
| NACTE | National Council for Technical Education |
| NBC | National Bank of Commerce |
| NCAA | Ngorongoro Conservation Area Authority |
| NGO | Non Governmental Organization |
| NTTAC | National Tourism Training Advisory Council |
| NMB | National Microfinance Bank |
| SME | Small and Medium Enterprise |
| SNV | Netherlands Development Agency |
| SWRI | Serengeti Wildlife Research Institute |
| TAHI | Tanzanian Hotels Investment Company Ltd. |
| TAHOA | Tanzania Hunting Operators Association |
| TANAPA | Tanzania National Parks Authority |
| TANESCO | Tanzania Electric Service Company |
| TAOA | Tanzania Air Operators Association |
| TASAF | Tanzania Social Action Fund |

| | |
|---|---|
| TASOTA | Tanzania Society of Travel Agents |
| TATO | Tanzania Association of Tour Operators |
| TAWICO | Tanzania Wildlife Company |
| TCMP | Tanzania Costal Management Partnership |
| TCT | Tourism Confederation of Tanzania |
| TIC | Tanzania Investment Center |
| TRA | Tanzania Revenue Authority |
| TTB | Tanzania Tourist Board |
| TTPS | Tourism Training Policy Section |
| USAID | US Agency for International Development |
| VETA | Vocational Education and Training Authority |
| WWF | World Wildlife Fund |
| ZIPA | Zanzibar Investment Promotion Agency |

# Acknowledgments

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The report also incorporates the findings of the recently updated Integrated Tourism Master Plan for Tanzania and related studies done for the Government by consultants, with financial support from the European Commission.

# Executive Summary

Tanganyika and Zanzibar united to form The United Republic of Tanzania in 1964. There are two governments, namely United Republic of Tanzania (URT) and Revolutionary Government of Zanzibar. It is one of the world's poorest countries, with a population of 32 million, a GNP per capita of US$240 and a population growth rate of 2.9%, which is also the growth rate of the labor force. Zanzibar has a population of about 850,000 with an annual growth rate of 3%. Both parts of the country have moved from socialist to market-based economies and privatization of state assets, including hotels, is still underway. Institutional reform started in the early 1990s, marking a major shift from government-led to private sector-led development. The role of government is changing from direct engagement in commercial activities in the tourism sector to policy formulation, regulation, marketing, investment and service promotion, and facilitation of supporting infrastructure. As tourism is not a "Union" mandate, each part of the country may have separate policies and strategies for tourism.

Tanzania has made commendable progress on macro-economic reforms. Currently, real GDP is growing at an accelerated pace, reaching 4.9% in 2000 and an estimated 5.9% in 2001. Agriculture, tourism and mining have largely fueled the growth. The country is implementing a program of economic growth and diversification in which tourism is a priority sector. To support this program, several partners have joined forces to assist the Government to convene an investment forum for tourism. The objective of the investment forum is to attract productive private investment in existing and new tourism destinations in Tanzania, to stimulate additional value-added activities, to increase the value-added content of locally produced tourism goods and services, and to strengthen sector linkages within the country. The corollary objective for an enhanced tourism investment program is to generate employment directly in the tourism sector and in linked production and service sectors, as well as to increase household earnings for local people involved in the sector and in its related activities.

Responsibility for tourism policy in Tanzania lies with the Ministry for Natural Resources and Tourism (MNRT) on the Mainland. Within the MNRT, a number of divisions have responsibilities for the wildlife and natural and cultural assets that draw tourists to Tanzania. The *Tourism Division* is responsible for sector policy and planning, manpower training, classification and licensing of hotels and tourism agencies, and supervising the Hotel and Tourism Training Institute and the *Tanzania Tourist Board* (*TTB*). The mandate of TTB is to promote and develop all aspects of the tourist industry and it is the agency authorized to promote Tanzania by undertaking market research, generating and providing relevant tourist information and promoting Tanzania internationally. T*he Tanzania National Parks Authority* (*TANAPA*) is a management authority (of trustees) for the National Parks of Tanzania. Because these National Parks are the principal focus of tourism activities in Tanzania, TANAPA is a major institution in the tourism sector. Local Authorities are active in policy implementation, land-use planning and land allocation, provision of tourist services, licensing, health and safety and facilitating the participation of local communities in the tourism industry. The Tanzania Confederation of Tourism is the private sector apex organization that brings together the private sector associations representing industry sectors (hotels, tour operators). NGOs are active in community based projects of which there are a number throughout Tanzania.

The Ministry of Trade, Marketing, Industry and Tourism is responsible for tourism policy and its implementation in *Zanzibar*. In practice, there are three agencies responsible for tourism in Zanzibar: The Zanzibar Tourism Commission, created under the Tourism Promotion Act of 1996, the Zanzibar Investment Promotion Agency created under the 1986 Investment Act, and the Commission for Land and Environment. These agencies work closely together to promote investment in tourism.

The Tanzania Business Council, representing the public and private sectors, has been launched by the Head of State to support a public private partnership, which is essential for the effective management of the economy. The Tourism Facilitation Committee of the MNRT, involving all parties engaged in tourism, will be strengthened and empowered to play its role in ensuring quality and harmonious development of the industry within the framework of this partnership.

### *Tourism assets*

Tanzania has an extraordinary variety of high-quality wildlife, resort, archaeological, cultural and historical assets that are in demand in the international tourism market. Wildlife assets have the highest scarcity value and can be the mainstay of Tanzania's tourism for years to come if they and their habitat are protected. Resort assets face the most competition from other destinations, given the number of resort destinations worldwide, but selected resort areas can be successfully combined with a safari holiday to extend the tourists' stay and also to add value to the package. Tanzania's varied physical characteristics, terrains, scenery and vegetation, historical and cultural assets, and animal, bird and marine life appeal to specialized niche markets in the international tourism market, some of which have higher demand growth rates than the rate for aggregate tourism. The Northern Circuit, Tanzania's primary attraction for international tourists, is subject to a moratorium on new construction to protect the wildlife and their habitat under the principle of the limits to acceptable use. The Government is focusing on investment in other parts of the country, particularly the South.

### *The Importance of Tourism to Tanzania*

Tanzania earned US$725 million from tourism in 2001, compared with US$259 million in 1995. Balance of payments statistics compiled by the Bank of Tanzania indicate that receipts on the travel account amounted to some 25% of total exports of goods and services in 1995 but had risen to some 40% of total exports of goods and services in 1998/99. In 1995, the tourism sector was estimated to have contributed 7.5% of GDP, but rose to over 12% in 2001. Direct employment in tourism was estimated at 29,000 people in 2000, of which 20,040 were employed in hotels/lodges.

*Demand.* According to official statistics, Tanzania received just over 525,000 foreign visitors in 2001, compared with 295,312 in 1995—an average annual increase of 9.7% and nearly 80% overall. The number of foreign visitors who stated that the purpose of their visit was "holiday or recreation" amounted to 341,329 in 2001 compared with 198,499 in 1995, an annual average rate of growth of 9.5% and 72% overall. The statistics suggest that the numbers of visitors from Europe have grown rapidly and from the USA more slowly. European visitors accounted for 31% of all visitors in 2001 and those from the USA for 6%. Within Europe, the main source markets in 2001 were: the UK (34,125), Germany (21,190), France (16,990) and Sweden (16,610), an order that has been unchanged in recent years.

*Tour Operators' Views about Tanzania.* Over 90% of European tour operators reported that the demand for travel to East and Central Africa had increased in the past two years. Nearly half reported an increase in demand for holidays in Tanzania. Currently, Tanzania and Kenya are the more popular destinations in the region, with 50% of operators ranking Kenya first and 38% ranking Tanzania first. Over half of US tour operators reported that business had increased by 66% on average during the past two years, as a result of growing interest in ecotourism holidays, increased security efforts in the region and increased marketing by individual tour companies and the Tanzania Tourist Board. Tanzania is the most popular destination for US travelers in the region, with Kenya second and Botswana third. The Europeans stated that packages combining beach and safari destinations have the greatest growth potential, while only one third of US tour operators agreed that their clients valued the combined package more highly than a stand-alone safari package (possibly as part of a multi-country circuit). The Europeans noted that the resort market is highly competitive and Tanzania would have to increase its standards of service and international promotion activities to gain significant market share.

*Supply.* In 2001, Tanzania had some 10,325 rooms in 329 establishments, compared to 6,935 rooms in 210 establishments in 1995, but, of these, the number of rooms of international standard had risen to about 4,000 compared with at most 2,300 rooms in 1995.

Zanzibar had 42 hotels on the island in 2000, with a total of some 940 beds. The largest hotel had 92 beds, with many others having under 10 per establishment. Only 4 hotels on the island charged US$100 or more for a double room. Pemba had some 47 beds in 4 hotels on the island. The largest and best known hotel has 20 beds and publishes an all-inclusive rack rate of US$480 (double) per night.

*Length of stay, occupancies and expenditures.* Tanzania is fortunate in that the season is quite long throughout the country, although there are variations between destinations. The average length of stay is estimated at 8 days on the Mainland and has been rising; the average expenditure per tourist per day was US$172.58 in 2001, rising steadily from US$122 in 1995. In the Northern Circuit, occupancies are currently of the order of 75–80%, which leaves little or no room for expansion in numbers of tourists—certainly in the peak and high seasons. This situation has caused the Government to encourage investments in the Southern Circuit. Occupancy rates in the Southern Circuit are of the order of 40–45%, reflecting seasonality, difficulty of access and high prices. Occupancies in luxury hotels in the Dar area are of the order of 45–50%, with relatively high tariffs ($100+).

## Entry Points to Tanzania

A recent visitor survey challenges the previous assumptions that some 66% of all tourists to Tanzania are estimated to arrive through Arusha and Kilimanjaro and road entry points on the Kenyan border. The new estimates of arrivals are:

| | |
|---|---|
| Dar es Salaam Airport | 50% |
| Namanga, on the border with Kenya, some 2 hours from Nairobi | 20% |
| Kilimanjaro airport | 17% |
| Zanzibar | 13% |

The change is partly due to the daily frequency of KLM flights from the Netherlands to Kilimanjaro and Dar Es Salaam that started in May 2001. In addition, Kilimanjaro International Airport has been privatized and is expanding its role as the gateway to the Northern Circuit as a result of improvements to the airport. Air Tanzania Corporation and 18 foreign scheduled airlines operate international and regional services into and out of Tanzania. British Airways increased its service to Dar Es Salaam to three direct flights per week in 2001 and also introduced larger aircraft. New services provided by Emirates and Gulf Air have resulted in improved access from the Middle East and Asia. Ethiopian Airlines has discussed increasing its services to KIA, Dar Es Salaam and Zanzibar, which could provide a cheaper service from Europe to Tanzania via Addis Ababa. The government has negotiated an Open Skies policy with the United States.

Tourists travel to *Zanzibar* by plane (60%) and by boat (40%) from the Mainland. Zanzibar alone receives charter flights and these are from Italy. The new hydrofoil service between Dar Es Salaam and Zanzibar provides a much faster service for visitors traveling by sea.

### *Business Environment*

Recently, the government has been focusing on removing market constraints and creating a business environment conducive to private investment and sustainable economic growth. The country enjoys a market system; has privatized many state enterprises; removed exchange controls and restrictions on repatriation of profits and dividends; is introducing a unified tax appeal mechanism; and has reduced/ abolished a number of taxes and levies.

*Land Use and Tenure Laws.* Land is made available to foreign investors mostly via long-term leases and through subcontracts. Access to building sites within conservation areas is guided by procedures laid down by the conservation authority concerned (TANAPA and Ngorongoro Conservation Area Authority); outside these areas, the Commissioner for Lands and the Village Councils are responsible for site acquisition. The Government is trying to speed up the process of obtaining access to land by ensuring coordination between the Ministry of Lands and the Tanzania Investment Center on land issues, i.e., the processes to acquire land and identifying where developed land is available. With World Bank funding, the Government has prepared regulations to ensure that acquisition and use of land is secure and expects to issue them shortly.

*Licenses.* The National Hotel Board (NHB) is responsible for hotel classification, although such a system does not currently exist, and licensing and for hotel inspection and monitoring of standards. The Tourist Licensing Authority (TALA) is responsible for licensing and inspecting travel agencies and tour operators to ensure that they conform to the regulations.

*Taxes.* The Government imposes a number of taxes on businesses, including tourism, in Tanzania. In order to make tax collection more equitable, the Government has introduced a Taxpayer Identification Number with effect from July 2001. The assumption is that if tax collection becomes more efficient and tax revenues rise, the Government will be better able to streamline and rationalize the tax system, as it has already begun to do. The Government has also addressed the issue of the time-consuming process of making tax payments to a number of agencies. A new tax collection office has been opened to serve the 100 biggest taxpayers under one roof and the facility will be gradually extended to more taxpayers over time.

*Environmental Regulation.* The Government has focused in recent years on ensuring that the tourism industry is sustainable through implementation of ecologically sound, as well as economically viable and socially acceptable policies. The National Environmental Management Council (NEMC) has prepared national EIA procedures and guidelines, as well as a “Basic Environmental Checklist” for the Tourism Sector. The checklist is also designed to assist developers of tourism projects to meet the requirements of national policies and related legislation. In Zanzibar, the Department for Environment has also prepared similar types of guidelines for tourism projects, with a focus on hotels.

*Immigration and Employment.* The Ministry of Home Affairs is responsible for issuing visas to tourists. It is now possible for nationals of most of the larger tourist-generating countries to obtain visas on arrival at the major entry points. The Ministry of Home Affairs, in collaboration with the Ministry of Labor, Youth Development and

Sports, is also responsible for issuing work permits for engaging expatriate personnel.

*Tanzania Investment Center (TIC).* TIC is responsible for investment promotion in Tanzania under the National Investment Act, 1997. TIC has made substantial progress towards being a "one-stop-shop" for potential investors. In an effort to enhance the investment climate in Tanzania and recognizing that investors need to recover their investment costs first before paying taxes, the Government has made incentives available to investors under the investment regime specified in the Tanzania Investment Act, 1997. The Act classifies tourism as a "lead sector", i.e., one of the highest priority areas for investment in Tanzania. The targeted areas for tourism investment are: hotels and other tourist accommodations; tourist transport; and tourism related services.

In *Zanzibar*, incentives are offered through the Zanzibar Investment Promotion Agency (ZIPA), which acts as a "one-stop-shop" facilitator for investors. The Government has identified priority sectors, established minimum levels for investments in those sectors and targeted investments within those sectors, including tourism.

*Finance.* In common with many other emerging economies, Tanzania does not as yet have a well-developed financial market. Nonetheless, since 1995, when more than 70 percent of the banking system's assets were state owned, the financial sector has been put under private sector management. A Capital Markets and Securities Act was enacted in 1994 and a Stock Exchange established in 1998. Banks have traditionally been the largest source of finance in Tanzania.

## *Supporting Infrastructure*

The government is aware that continued efforts are required to provide better infrastructure, increase its efficiency and rationalize factor and transaction costs for economic operators. Measures already taken include privatization, investment incentives and introduction of regulatory frameworks. Privatization is being addressed comprehensively under an IDA Credit. For *air transport*, domestic air carriers have been aggressive in pursuing new markets, and this is emerging as the most reliable form of internal travel. With relaxation of the barriers to entry, there are a number of small private airlines already pioneering new routes within Tanzania. In the *roads' sector,* the country's large size makes multiple investments to improve or create access to remote tourism destinations uneconomical in the short run. An important initiative for road infrastructure in Tanzania is the Integrated Roads Project (IRP) for improvements to airports, roads and harbors, which involves sixteen donor agencies. Special Development Corridors (Dar/Mtwara and Dar/Lake Victoria) are also under evaluation. In *telecommunications*, mobile cellular phone services are supplied through four private companies and competition is bringing down costs of handsets, connections and operations. Nevertheless, costs of telecommunications are among the highest in Africa.

*For power*, installed capacity has improved but tariffs are perceived to be high. While the distribution of electricity has increased significantly in the Central and Northern parts of the country over the past few years, the Southern part of Tanzania does not have access to the national grid. The Songo Songo project, which is currently at the bidding stage, should alleviate this situation. Most lodges in national parks and game reserves in the remote areas of the country make use of generators for their electricity needs.

As regards *water*, the Ministry of Water and Livestock Development has a hydrological map for the whole country that indicates the various sources. Fresh water in Tanzania comes mainly from underground sources and surface springs. Generally, every National Park under the control of TANAPA has its own dedicated water source. Water supply in Dar es Salaam can only satisfy 50% of the demand. Investments in utilities are expected to improve once the utilities are privatized.

Provision of *medical care* is not available in all parts of the country, but two companies have been providing medical evacuation facilities. Better provision of health clinics and medical evacuation facilities are needed for tourism and could be provided privately, perhaps with industry participation.

### *The Potential for Tourism Growth and Investment*

*Mainland*. Tanzania's currently marketed wildlife and natural assets are of a caliber and scarcity to guarantee a continuation of international demand for the foreseeable future. Perhaps more significantly, the many and varied wildlife, nature, resort and cultural assets that are as yet unexploited are of sufficient caliber to ensure an expansion of demand to areas that have not so far benefited from tourism. The exploitation of these assets will require private sector investments in accommodation and services, supplemented by assistance for the physical and social infrastructure by the Government, international lenders, and local and international NGOs, as well as through private-public partnerships.

*Zanzibar*. The islands' superb resort, diving and fishing assets and distinctive historical and cultural heritage should guarantee the future of tourism for years to come. Zanzibar has already allocated a number of sites to tourism that the lessees have not utilized, but there is still room for expansion of coastal tourism. Pemba has potential for small luxury resort and niche tourism, provided the lack of even basic infrastructure can be overcome. Sustainable development of tourism in Zanzibar and its islands requires, as a *sine qua non*, social and political stability. This, in turn, necessitates that tourism benefit local people, that the resource base is protected, and that the islanders' cultural mores are respected. Any expansion in tourism in Zanzibar should be addressed holistically, rather than piecemeal, so as to ensure that tourism is economically, environmentally, socially and culturally sustainable.

As part of the updating of the Tourism Master Plan for the Mainland, ten zones were designated for priority development, primarily in the part of the country that lies east of a line between Mwanza and Mbeya. This focus particularly targets the coastal areas and the islands for beach and niche tourism and the southern part of the country for new adventure and wildlife related activities. Other development would be encouraged but, during this planning period, would be small scale. The discussions surrounding the updating of the Master Plan confirmed that the market that Tanzania is targeting for tourism is low volume and high yield. Mass tourism, as a matter of policy based on the type of assets that Tanzania markets, is not encouraged. Material from the Government of Zanzibar suggests a number of coastal priorities for the island, as well as some potential sites on the island of Pemba, which are listed in the main report.

### *Conclusions*

There are many good arguments to support Tanzania's intention of expanding tourism as a source of economic growth and diversification. The country already has a tourism industry with outstanding natural and cultural assets that make it well known around the world. Importantly, it also has the potential to enhance some of its current destinations and add a wealth of new ones as the market develops. The country has a stable political environment and a democratically elected government that has espoused an agenda of economic reform. The macroeconomic framework has delivered rates of growth of over five percent and Tanzania has earned a hard won reputation for its commitment to sound policies and poverty alleviation.

In 1995, when the Master Plan was initially drawn up, the number of visitors to Tanzania was estimated at 295,000 and the target projection for 2005 was 575,000 foreign visitors. By 2000, the number of visitors had exceeded 500,000. Consequently, with a higher than anticipated growth in tourist arrivals, the targets for 2005 were revised upwards to 670,000.

Tanzania is an up-market tourism destination, with distinctive assets of universal appeal. New investment and creative product design would enhance that image by marketing new wildlife destinations, as well as the plentiful *niche* markets that include diving, fishing and birding. At the same time, neighboring East and Southern African countries and Indian Ocean islands also offer the potential for regional circuits.

Tanzania is ready to partner with foreign and domestic investors to enhance and expand its tourism industry, while also preserving its natural and cultural assets. Investment in tourism is already happening, perhaps the best indicator that there is the opportunity for profitable investment in Tanzania.

# Tourism in Tanzania: Investment for Growth and Diversification

## The Government of the United Republic of Tanzania and its Partners

The Government of the United Republic of Tanzania, which has enjoyed a thirty-year history of political stability fostered by multi-party democracy, is implementing a program of economic growth and diversification in which tourism is a priority sector. To support this program, several partners joined forces to assist the Government to convene an investment forum for tourism, to prepare background documents and train local entrepreneurs in the preparation of investment proposals for that forum. This report was made possible through a Japanese grant to the Multilateral Investment Guarantee Agency (MIGA) as part of the "Promote Africa" program, which was designed to enhance flows of foreign direct investment (FDI) to Sub-Saharan Africa. It was also supported by the Swiss Government and the Development Bank of Southern Africa (DBSA). The partners organized a stakeholder meeting in July 2001 and conducted a capacity building seminar, co-sponsored by the EC, in September 2001 to assist local investors to prepare investment proposals. The investment forum will take place on October 22–24, 2002.

The report summarizes the findings of a team of consultants selected by MIGA, as well as the results of the July stakeholder meeting[1] . The report also incorporates the findings of the recently updated Integrated Tourism Master Plan for Tanzania[2] and related studies done for the Government by consultants, with financial support from the EC.

## Objectives of the Tourism Investment Forum

The objective of the investment forum is to attract productive private investment in existing and new tourism destinations in Tanzania, to stimulate additional value-added activities and to increase the value-added content of existing locally produced tourism goods and services, and to strengthen sector linkages within the country. Tourism linkages occur through the obvious channels of distribution from the supplier to the consumer as in a hotel, but also through linkages between tourism and other productive and service sectors, such as agriculture, manufacturing, transport and construction. Related value-added activities stem from non-hotel expenditures by travelers on leisure, entertainment and shopping, which generally particularly stimulate traditional cultural activities, tourist services, and handicrafts and SMEs. The corollary objective for an enhanced tourism investment program is to generate employment directly in the tourism sector and in linked production and service sectors, as well as to increase household earnings for local people involved in the sector and in its related activities.

### The Political and Economic Context

The United Republic of Tanzania is the largest country in East Africa. It comprises the mainland country of Tanganyika and the Zanzibar Archipelago, as well as a number of smaller offshore islands. The political federation between Tanganyika and Zanzibar leaves each with considerable political and economic autonomy. Each has its own autonomous government, complete with a President, Cabinet and Parliament.

The mainland is bordered by Kenya and Uganda to the North; Zambia, Mozambique and Malawi to the South; Rwanda, Burundi and the Democratic Republic of the Congo (former Zaire) to the West; and the Indian Ocean to the East. Mainland Tanzania has a land area of some 942,832 square kilometers. The country lies between 1 and 11 degrees south of the Equator (Map 1).

The Zanzibar Archipelago comprises two main islands of Unguja (another name for Zanzibar) and Pemba, as well as about 50 smaller islets. Zanzibar has a land area of 1,464 square kilometers and Pemba is about half that (Map 2).

On the Mainland, temperature ranges between 25 and 30 C on the coast and between 22 and 27 C in the north. The average temperature in Zanzibar is 25 C but can reach 39 C.

The principal language is Kiswahili. English was introduced as a second language in schools less than a decade ago. Consequently, English is widely but not universally understood. Tanzanians have a reputation as friendly, hospitable and pacific people.

Both parts of the country are democracies. With the exception of the brief post-election turmoil in January 2001 in Zanzibar and in Pemba, Tanzania has established a reputation for political stability. The mainland has been free of civil unrest and has not supported any of the conflicts currently being waged in Central Africa.

Tanzania is one of the world's poorest countries, with a population of 32 million, a GNP per capita of US$240 and a population growth rate of 2.9%, which is also the growth rate of the labor force. Zanzibar has a population of about 850,000 with an annual growth rate of 3%. Both countries have moved from socialist to market-based econo-

**Map 1 Tanzania Political Map**

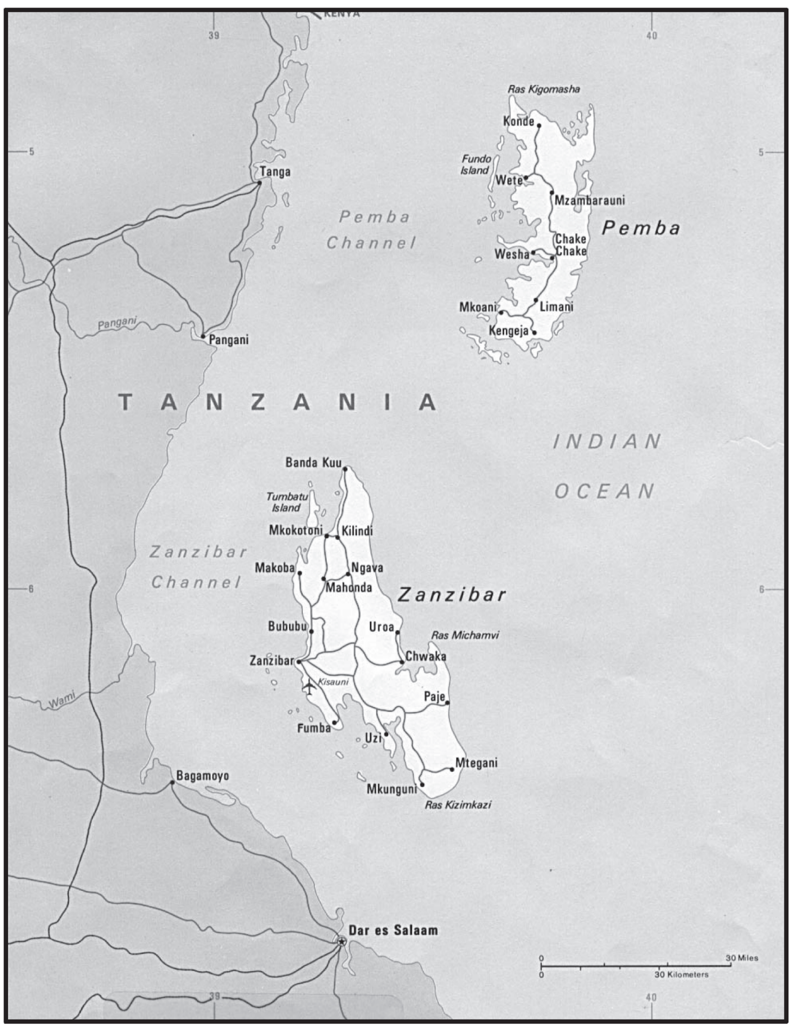
mies and privatization of state assets, including hotels, is still underway.

Despite existing poverty indicators, the Mainland Government has made good progress on macroeconomic reform with the objective of attaining a supply response and consequent poverty reduction. Currently, real GDP is growing at an accelerated pace, reaching 4.9% in 2000 and 5.9% in 2001. Tourism and mining have largely fueled the growth. Agriculture is marginally the biggest sector of GDP, with services a close second, but growth in 2000 was lower than expected, because of adverse weather, underlying structural problems and the collapse of export prices for cashew nuts, coffee, and cotton. Many indicators of human development, which in the past were higher than in many low-income countries, have deteriorated recently, making real expenditure increases on social sector services a key objective of the present Government[3].

## Government Support for the Tourism Sector

The present Mainland Government laid out its policies for the tourism sector in two documents prepared for the last election. The "Election Manifesto, October 2000", states: "in the coming 5 years, the Chama Cha Mapinduzi (CCM) Government will give special attention to improving tourism services in order to earn more income from the sector. It will also continue to improve tourism-related infrastructure and invite investors into this sector."

**Map 2 Zanzibar and Pemba**




Looking forward in the document: "CCM Policy in the year 2000–2010", the Government stated: "The tourism sector appears to contribute a significant amount to the development of our National Income. In the next ten years we have to focus on improving tourism services both on the Mainland and in Zanzibar and expanding our capacity to handle more tourists and increase revenues. There is a need to design packages that will attract domestic tourists who should be enabled to enjoy the natural beauty of their country. There is also a need to improve access and develop strategies for Tanzanians to participate in the sector and provide services for tourists.

The most attractive natural resources are those that are untouched. So, the effort to attract tourists should be accompanied by strong environmental protection measures for game parks and reserves, forests, beaches and lakes."

The Mainland Government undertook a number of structural and institutional reforms of interest to tourism in 2000/01 that are discussed in this report, and recognizes that the business environment requires further improvement. The recent update of the 1996 Tourism Master Plan, together with the presence of a full-time EC-financed permanent advisor in the Directorate of Tourism, as well as its interest in the MIGA-sponsored Investment Forum for Tourism, clearly demonstrate the Government's commitment to and recognition of the economic benefits that tourism can deliver.

The Government of Zanzibar stated its support for tourism in *A Guide to Investing in Zanzibar and Investment Opportunities*, issued by the Zanzibar Investment Promotion Agency (ZIPA). Tourism heads the list of six such opportunities, with the justification that: "In the recent past, the economic activity of Zanzibar was largely driven by agriculture, which, in all its facets, constitutes the mainstay of the economy. Tourism has also been buoyant and complementary to agriculture. Zanzibar has a very alluring appeal to international tourists. The Government wishes to consolidate and build on these positive factors and successes of this economic sub-sector attained so far, by strongly encouraging foreign direct investment and mobilizing domestic private resources to channel into up-market facilities better equipped to cater for more discerning international visitors." The Government's *Tourism and Vision 2000–2020* report calls for wise utilization of available tourism resources and diversification of and improvement of assets in order to attract diverse tourism segments and markets. The report also underlines the importance of improved infrastructure and better education and capacity building for Zanzibar. Rather than short-stay add-ons to safari tourism, the islands should become resort destinations for tourists in their own right.

## Tanzania's Tourism Assets

Tanzania is endowed with a variety of world-class tourism assets. Among those that have received international recognition are its six World Heritage Sites, which are prime tourist attractions. Only three African countries have more: Tunisia with eight and Algeria and Ethiopia with seven each; Morocco has as many as Tanzania. Those in Tanzania comprise four natural and two cultural sites:

- Ngorongoro Conservation Area
- Serengeti National Park
- Selous Game Reserve
- Kilimanjaro National Park
- Stone Town of Zanzibar
- Ruins of Kilwa Kisiwani and Ruins of Songo Mnara.

### *Demand for Tourism to Tanzania*

The recently undertaken Market Surveys[4] show that for 83% of the European tour operators surveyed and for 80% of the US operators "wildlife, safari, bush experience" is the chief motivation for travel. Holidays that combine wildlife with resort tourism are favored by 17% of the European and 12% of the US tour operators surveyed.

Until now, most visitors to Tanzanian game parks are likely to have visited Kenya first, largely because it is cheaper and more accessible by air. There are signs, however, that Tanzania is becoming more established in the international tourism market and is attracting more tourists independently of Kenya. Tourists wishing to expand their game-viewing experiences after the "mass-tourism" that Kenya has encouraged and higher income tourists constitute Tanzania's main clientele. In terms of quality, quantity, diversity, and visibility, wildlife in Tanzania's National Parks is considered superior to that in competing destinations.

Tanzania features regularly in the brochures of tour operators worldwide and prominently in the brochures designed for upper-income tourists. The prime attractions are wildlife photo safaris in Serengeti and Ngorongoro in the north and beach tourism in Zanzibar. Other destinations, particularly Selous in the south, are included frequently. (A more complete description of Tanzania's range of assets, current tourism circuits and niche markets is contained in Annex II.) The "packages" that are outlined in the brochures are flexible and can be custom-designed to suit

**Box 1: Protected Areas in Tanzania**

The type of protected area, their number, and the percentage of total land area (in parenthesis):

- 15 National Parks (4%)
- Ngorongoro Conservation Area (1%)
- 31 game reserves, including Selous (15%)
- 38 game controlled areas (8%).

Total area of Tanzania that is protected: 28%.

the demands of the small groups that travel to Tanzania.

The country is sold as a stand-alone destination or in combination with tour packages mainly to Kenya but also to other eastern and southern African countries. Mass tourism is out of the question because of the fragility of the natural assets, as well as internal transport limitations, but is also not desired because Tanzania is targeting low volume, high yield tourism in line with the image of exclusivity that its outstanding assets make feasible.

### *National Parks and Wildlife*

Tanzania has a rich menu of tourist attractions, of which wildlife is currently the prime asset. Tanzania today is benefiting from its long history of conserving its natural resources and wildlife, starting with the Arusha Declaration, a conservation commitment made over forty years ago by the first President of Tanzania, Mwalimu Julius K. Nyerere. Tanzania currently protects some 28% of its territory, as shown in Box I. The type of protected area, their number, and the percentage of total land area (in parenthesis) are indicated below.

### *Marine Assets*

In addition to its wildlife assets, Tanzania has exceptional, world-class marine assets in Zanzibar, Mafia and Pemba and these are less developed than in other parts of the world. The Archipelago of Mafia is the country's only marine park. Because the numbers of visitors are still relatively small, the marine environment in the islands is generally pristine. The Mainland coast is still largely underdeveloped, though a number of establishments cater to domestic tourists, and will become more suitable for tourism as infrastructure improves; the proliferation of private bungalows may compromise tourism development in certain areas.

### *Principal Circuits and Destinations*

Tanzania has numerous existing tourism circuits that feature regularly in the brochures of tour operators worldwide and prominently in the brochures designed for upper-income tourists. Internal transport facilities limit group size, but small groups also bolster the image of exclusivity that is associated with tourism to Tanzania. Current tourism circuits include:

- ***Wildlife viewing/photographic safaris***, which take place in all of the country's parks and reserves, but, principally, in the Northern Circuit, which comprises Tanzania's best known National Parks. This circuit is served by Kilimanjaro, Dar Es Salaam and Arusha airports and by road travel, including from Nairobi. To prevent over-use of these assets and to distribute the benefits of tourism more widely, the government has encouraged the development of a ***Southern Circuit***, which currently mainly comprises the Selous Game Reserve and Ruaha National Park;
- ***Gombe Stream***, in the East, where Jane Goodall has her chimpanzee research center and where access is strictly controlled, provides another type of wildlife viewing that is included in fewer packages; and
- ***Beach resorts*** in the island of Zanzibar are featured both as single destination attractions, mainly for Europeans, and as an add-on to the wildlife safaris. Pemba and Mafia are promoted for their coral reefs and big game fishing. Chumbe Island, which won the British Airways, Year 2000, Tourism for Tomorrow award, is designed as an ecotourism resort. A few international tour operators feature Ras

Kutani and Amani Beach Hotel, the principal beach resorts on the Mainland.

Within the broad categories of wildlife viewing and resort tourism, Tanzania can offer assets that appeal to specialized segments of tourism demand. A few visitors from these segments will travel specifically for these assets, for others the assets will enrich their overall Tanzanian experience and may extend their length of stay. Among the principal *niche markets* are:

- ***Birdwatching***. A very few specialized tours cater to birders but they usually join tourists on photographic safaris to the Northern or Southern circuits;
- ***Adventure tourism***, including ***climbing/trekking*** where Kilimanjaro is the prime but not the only site for mountain climbing in Tanzania. While several existing destinations cater to "soft adventure tourism", many other less accessible areas of Tanzania have appeal for even hardier adventure travelers, such as southern parts of Selous;
- ***Deep-sea fishing*** takes place mainly in Mafia and the Pemba channel (a 2400-ft. deep channel separating the island from the mainland) and some inland fishing mainly on Lake Victoria;
- ***Scuba diving*** is described as among the best in the world in Pemba, Mafia and parts of Zanzibar;
- ***Cultural tourism***, comprising a variety of historical and archaeological sites, notably Stone Town in Zanzibar Town; Bagamoyo, Kilwa and the island of Kilwa Kisiwani, the Olduvai Gorge, and Laetoli, Isimila, (near Iringa) and Tarangire. Cultural assets also include Tanzania's people; and
- ***Hunting*****,** classified as a tourism activity because it is based on wildlife assets and brings in foreigners to the country, entails among the highest expenditures made by any segment of tourists.

Tanzania is fortunate to be able to offer different combinations of wildlife, resort and other assets to its visitors. Tanzania is also fortunate that the tourist season is quite long and that some activities (e.g. game viewing, birdwatching) offer different sightings with changing seasons. The Northern Circuit has almost year-round appeal (especially if infrastructure improvements are undertaken). The Southern Circuit has a more pronounced low season in April and May and the heat is greater in the summer months than in the North, but again the attractions are different in each season. The hunting season runs from July to December. Zanzibar has more pronounced seasonality than the Mainland, with peak seasons in August and in December-January.

### *Assessment of Tourism Assets*

Tanzania has an extraordinary variety of high quality wildlife, resort, archaeological, cultural and historical assets that are in demand in the international tourism market. Wildlife assets have the highest scarcity value and can be the mainstay of Tanzania's tourism for years to come if they and their habitat are protected. Resort assets face the most competition from other destinations, given the number of resort destinations worldwide, but selected resort areas can be successfully combined with a safari holiday to extend the tourists' stay and also to add value to the package. Tanzania's varied physical characteristics, terrains, scenery and vegetation, historical and cultural assets, and animal, bird and marine life appeal to specialized niche markets in the international tourism market, some of which have higher demand growth rates than the rate for aggregate tourism. Tanzania is unusually well endowed for tourism, and, with proper management, existing assets and newer destinations and activities that are introduced over time can attract tourists for generations to come and to ever extending parts of the country.

### Public and Private Tourism Sector Institutions

Institutional reform started in the early 1990s, marking a major shift from government-led to private sector-led development. The role of government is changing from direct engagement in commercial activities in the tourism sector to policy formulation, regulation, marketing, investment and service promotion, and facilitation of supporting infrastructure. This section provides an overview of the mandates of the main public and private institutions in the Tanzanian tourism sector.

Tourism is not a "Union" mandate, meaning that Zanzibar and the Mainland have separate policies for tourism, despite their products often being sold as a single package. Responsibility for tourism policy in Tanzania lies with the Ministry for Natural Resources and Tourism (MNRT) on the Mainland and with the Ministry of Tourism in Zanzibar.

## *The Mainland*

### *The Public Sector*

The regulatory framework for tourism is discussed later in this report and the legislation is summarized in Annex III. The organization chart for the MNRT, along with its principal agencies, is shown in Chart 1.

Within the MNRT, the Tourism Division is responsible for sector policy and planning, manpower training, classification and licensing of hotels and tourism agencies, and supervising the Hotel and Tourism Training Institute and the Tanzania Tourist Board (TTB), which is discussed below. The organization of the Tourism Division in shown in Chart 2.

**Chart 1: Republic of Tanzania Organization Chart of the Ministry for Natural Resources and Tourism**

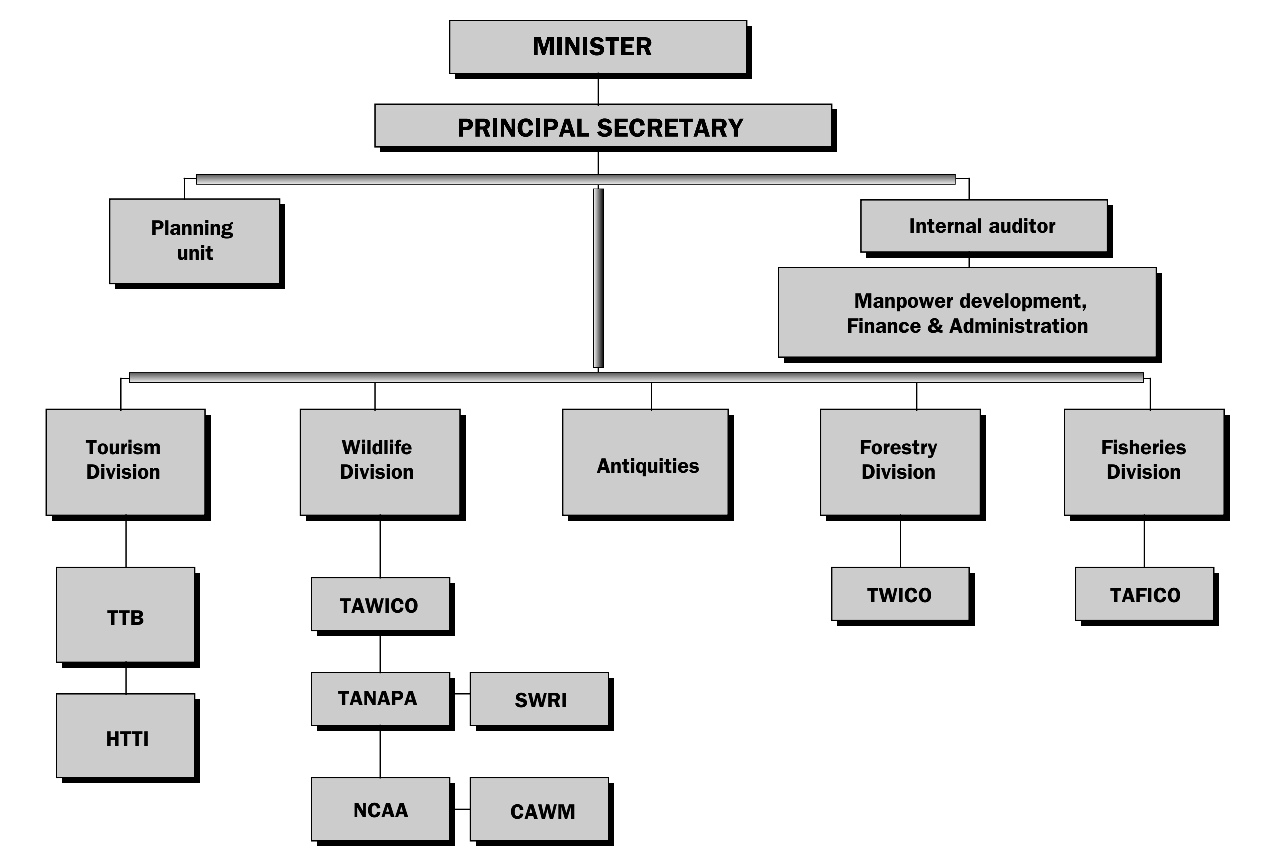
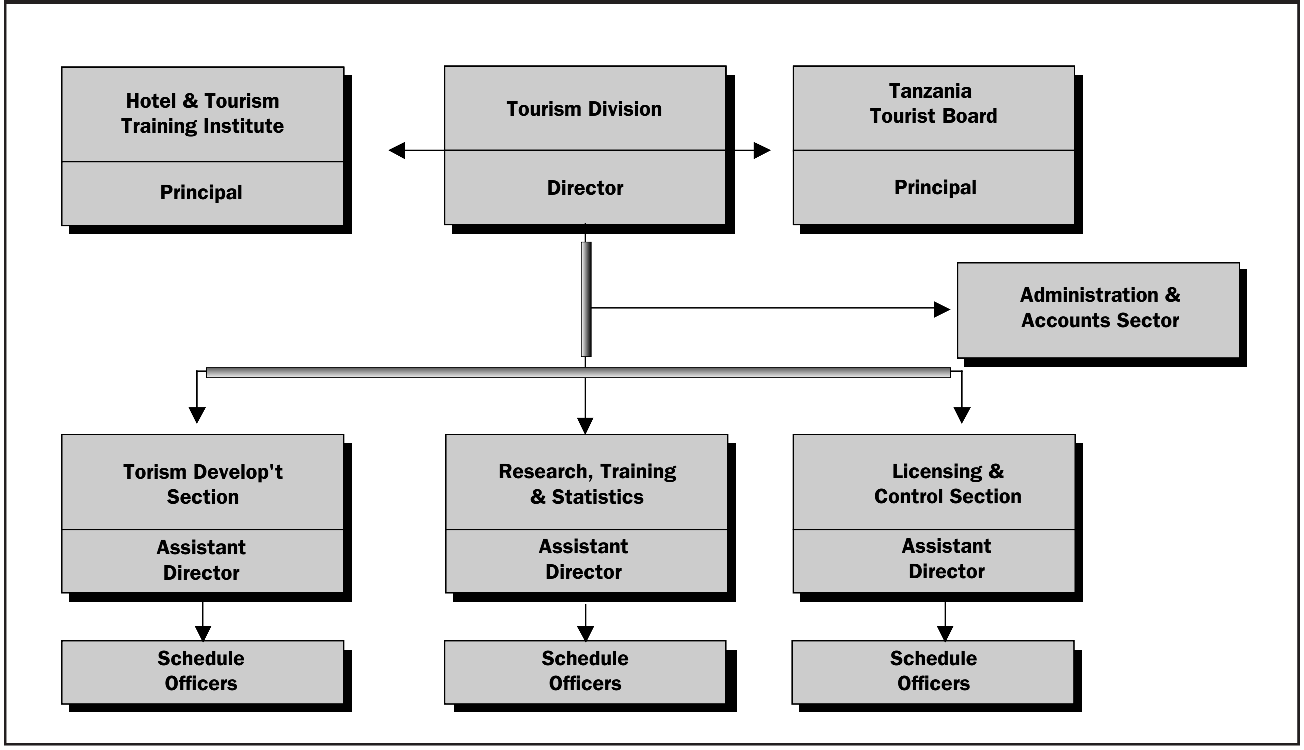


**Chart 2: Republic of Tanzania Organization Chart, MNRT, Tourism Division**




The Research, Training and Statistics Section of the Tourism Division has a Training Unit but it has no dedicated training staff. As noted elsewhere, initiatives have been taken to improve the quality of the tourism statistical data, through a Working Group comprising members of the National Bureau of Statistics (NBS) and the Bank of Tanzania (BOT), with the Tourism Division. The Tourist Agency Licensing Authority (TALA) and the Hotels Board are located within the Licensing and Control Section of the Tourism Division. TALA is responsible for licensing and inspecting travel agencies and tour operators and the Hotels Board for hotel classification, licensing and inspection. The functions of these two agencies are discussed in the section on The Regulatory Framework for Tourism Enterprises in Tanzania

Within the MNRT a number of divisions have responsibilities for the wildlife and natural and cultural assets that draw tourists to Tanzania. The Wildlife Division is responsible for all wildlife management ("reserves") outside designated parks and conservation areas and also issues hunting concessions and licenses. Management responsibility is split between the department and five parastatals:

- Tanzania National Parks Authority (TANAPA)
- Ngorongoro Conservation Area Authority (NCAA)
- College of African Wildlife Management (CAWM), at Mweka
- Serengeti Wildlife Research Institute (SWRI)
- Tanzania Wildlife Company (TAWICO).

SWRI covers research throughout the country and TAWICO is also responsible for management of game herds throughout the country.

Again within the MNRT, Forestry and Fisheries, each have a division responsible for policy and planning in their respective areas. The Fisheries Division is responsible for Marine Parks. The Antiquities section was recently moved to the MNRT and is responsible for management of the country's cultural heritage and patrimony and the country's National Museums.

*Parastatals*

The mandate of the *Tanzania Tourist Board (TTB)* is to promote and develop all aspects of the tourist industry. TTB is authorized to promote Tanzania by undertaking market research, generating and providing relevant tourist information and promoting Tanzania internationally. Its 2000/2001 budget, which is provided entirely by the Government, was TZS 1.314 million, or some US$1.75 million, including salaries and overheads. There are plans to transform TTB into an Executive Agency to give it greater operational flexibility and autonomy for mobilizing resources and, in general, to support destination marketing more effectively. The Norwegian Government has shown interest in assisting TTB to set up a Tourism Information System.

TANAPA is a management authority (of trustees) for the National Parks of Tanzania, created under the National Parks Ordinance. The Trustees are under the authority of the Minister, as is shown in the above organization chart. The general powers, duties and functions of trustees are to control, manage, administer and maintain the National Parks. Because these National Parks are the principal focus of tourism activities in Tanzania, TANAPA is a major institution in the tourism sector. Among its responsibilities are to:

- Recommend sites suitable for the erection and operations, by other persons, of hotels or other buildings, for the accommodation of visitors, shops or similar undertakings; and
- Control, operate, establish or manage any such undertaking or grant concessions or licenses to other person to operate such undertakings in buildings under the control of the trustees or on behalf of the trustees.

The *Tanzanian Hotels Investment Company Ltd. (TAHI)* is a parastatal responsible for the State's shareholdings in four lodges in the Northern Circuit, the Mount Meru hotel in Arusha, the Mafia Island Lodge on Mafia Island, and the Kilimanjaro Hotel in Dar. TAHI has established a joint venture with the Accor Group to manage a number of its properties. Efforts are underway to privatize the Kilimanjaro and, if this fails, the hotel will be moved to the debt collection agency, Loans and Advances Realization Trust (LART), for disposition and, possibly, eventual razing. Sale of the State's remaining 25% of equity in the Embassy Hotel is underway. GAPCO, which bought the TAHI lodges last year, has yet to complete its obligations under its privatization agreement in 2001.

*Local Authorities*

Local authorities in Tanzania are expected to enact the promotional, facilitative and regulatory functions of government at the local level. This role includes policy implementation, land-use planning and land allocation, provision of tourist services, licensing, health and safety and facilitating the participation of local communities in the tourism industry. Some of these functions are discussed more fully in the section on The Regulatory Framework for Tourism Enterprises in Tanzania.

*Private Sector Institutions*

Government policy currently recognizes private sector investment as the engine of growth of the sector. In recent years, there has been considerable increase in private investment in tourism. For instance, private investment in hotels has grown rapidly, with the number of hotels rising from 210 in 1995 to 329 in 2001. In the Dar Es Salaam area, two large hotels have been constructed: a Holiday Inn with 154 rooms, the Indian Ocean Hotel (Golden Tulip) with 200 rooms, and there are plans to sell the old Kilimanjaro Hotel in the city center.

*Tourism Confederation of Tanzania (TCT)*. The private sector has responded to the Government's expectations by organizing itself better than before and forming a number of private sector associations. Recently, TCT was formed as an umbrella private sector institution. The main private sector tourism associations, which are discussed below, are its constituent members. TCT, the focal point for dialogue between the Government and the private sector about tourism interests, has just appointed an Executive Secretary who is strengthening the organization's capacity to represent industry more completely.

*Tanzania Association of Tour Operators (TATO).* TATO represents the interests of tour operators in Tanzania. About 90% of the licensed tour operators, including many of the larger operators are members of the Association. (Annex V contains a list of the members.) Only applicants with a Class 'A' license can be full-voting members. (All other operators are welcome to join the Association as Associate Members and receive all the benefits of the Association except voting rights.) TATO, therefore, handles the internal arrangements for a large percentage of arriving tourists.

*Tanzania Society of Travel Agents (TASOTA).* TASOTA represents the interests of travel agents. Its main concern is the inconveniences caused by the non-acceptance of credit cards and travelers checks in most transactions that tourists initiate in Tanzania.

*Hotel Keepers Association of Tanzania (HKAT).* HKAT represents the interests of hotelkeepers and is mainly concerned about the quality of human resources and availability of finance:

- Human resource development in the hotel sector is lagging behind the increasing demand for tourism services and, therefore, there are critical shortages of trained personnel, particularly at the managerial and supervisory levels;
- As local investors do not have access to investment finance from financial institutions in the country, most cannot afford to modernize their hotels to international standards.

*Tanzania Air Operators Association (TAOA).* TAOA represents the interests of air operators in Tanzania and their chief concern is the need for multiple licenses. An air operator is required to have four different licenses: a business license from the Ministry of Industries and Trade, an Air Service License & Air Operators'rquote Certificate from the Tanzania Civil Aviation Authority, a TALA license from the MNRT and a Local Authorities' License in the area of operation.

*Tanzania Hunting Operators Association (TAHOA).* TAHOA represents hunting interests in the policy dialogue with Government. The Association sets standards for its 20 members and admits as members those who observe TAHOA's code of ethics. Its members represent the larger hunting organizations and, therefore, represent a majority of visiting hunters. Regulations for the hunting concessions are complex and are established by the Department of Wildlife. In any instance of a member having legal problems because of its hunting operations, TAHOA pays the legal fees, on the grounds that success for the respective member benefits all other members by establishing a legal precedent. A list of the members of TAHOA is in Annex V.

### *Non-governmental Organizations & Community Involvement*

The role of NGOs is to participate in planning and policy making as partners in development, participate in community level projects and promote eco-tourism practices. Community Based Conservation (CBC) programs aim at empowering people to manage and benefit from wildlife resources on their lands. CBC is supported by a project known as Partnership Options for Resource Use Innovations, which is funded by USAID through the African Wildlife Foundation (AWF). Participatory Land Use Planning has been adopted as a way of involving stakeholders in decision-making in respect of land use.

TANAPA has initiated several activities in community involvement, including with the Marine Parks and Reserves Board, USAID/AWF, the Cultural Tourism Program and JICA. Through TANAPA's Community Conservation Services program, local communities living around national parks derive benefits as incentives for conservation through a special fund.

The UK Department for International Development (DFID) has established "The Tourism

Challenge Fund", which is managed by Deloitte & Touche, London. The Fund aims at encouraging private sector-led tourism initiatives that will benefit the poor in developing countries. Among the initiatives that have won approval so far is one in Tanzania: "Traveling Fair: Developing and Marketing Tourism Ventures with Southern Communities". The objective is to enable coffee-farming communities in two communities in Tanzania and Peru with established tourist industries to diversify their income streams by developing sustainable, community-owned tourism enterprises. Coffee prices are currently at an historic low.

The *Cultural Tourism Program*, executed with the assistance of the Netherlands Development Agency (SNV) in collaboration with the MNRT and TTB, helps local communities to organize tours in the areas where they live exposing tourists to various facets of their culture and daily life. This long-standing program has been implemented in over 15 locations but, unfortunately, is coming to an end. Small scale investment funding of this type is urgently needed to help incorporate the assets of local communities into the tourism product.

Districts that border or are within *tourist hunting blocks* are entitled to 25% of revenue generated from hunting activities.

### *Zanzibar*

The Ministry of Trade, Marketing, Industry and Tourism is responsible for tourism policy and its implementation in Zanzibar. Much of the island's tourism policy was based on a master plan completed in 1983, which now requires updating. In practice, there are three agencies responsible for tourism in Zanzibar: The Zanzibar Tourism Commission, created under the Tourism Promotion Act of 1996; the Zanzibar Investment Promotion Agency created under the 1986 Investment Act; and the Commission for Land and Environment. These agencies work closely together to promote investment in tourism. Planning for tourism would greatly benefit from a new master plan for Zanzibar, Pemba and those of the other islands with potential as diving centers, as well as resort tourism.

### *Public-Private Sector Interface*

The Tanzania Business Council, representing the public and private sectors, has been launched by the Head of State to support a public private partnership, which is essential for the effective management of the economy. The Tanzania Business Council comprises 40 members (20 members from Government and 20 members from various private sector associations). It also conducts separate activities for SMEs and works with local operators. Tourism-related business associations are expected to articulate the interests of the tourist industry and contribute to the formulation and implementation of policies that produce and maintain quality tourist products in a sustainable way. The Tourism Facilitation Committee of the MNRT, involving all parties engaged in tourism, will be strengthened and empowered to play its role in ensuring quality and harmonious development of the industry within the framework of this partnership. The stakeholder conference on tourism, held in July 2001 in Dar Es Salaam, was helpful in defining an agenda of issues requiring resolution. Discussions at that session recognized that the public and private sectors face common issues that can only be resolved jointly.

## The Regulatory Framework for Tourism Enterprises in Tanzania

The Government is focusing on removing market constraints and creating a business environment conducive to private investment and sustainable economic growth. Tanzania has made commendable progress on macro-economic reforms in the past few year and the accompanying fiscal, investment and regulatory initiatives have considerably improved the business climate. Although much remains to be done, achievements include:

- Creation of a free market system
- Privatization of many state enterprises
- Removal of exchange controls
- Unrestricted repatriation of profits and dividends
- Establishment of the Tanzania Investment Center as a one-stop-shop for new investors
- Establishment of a unified tax appeal mechanism
- Reduction or abolition of a number of taxes and levies, including the requirement for advanced payment of income taxes prior to the start of operations.

The sections that follow provide an overview of the regulatory framework for tourism entities in Tanzania.

### *Legislation*

In Tanzanian legislation, there are three laws that apply directly to the tourism industry. Because tourism is cross-sectoral, laws and regulations designed for other activities also have an impact on the tourism sector. The key laws and regulations for and related to tourism, which are summarized in Annex III, are listed in Box 2:

**Box 2: Key Laws and Regulations**

Legislation Directly Related to Tourism

- Tourist Board Act
- Hotels Act
- Tourist Agents Licensing Act

Investment Legislation

- Tanzania Investment Act

Land and Physical Planning Legislation

- Land Legislation and Village Land Act
- Town and Country Planning Ordinance

Regulations for Natural, Wildlife and Cultural Assets

- National Parks Ordinance
- Ngorongoro Conservation Area Ordinance
- Wildlife Conservation Act
- Forest Ordinance
- Antiquities Act
- Marine Parks Act

Tanzania is a signatory to a number of international conventions, mainly environmental, that can have an impact on the tourism sector. These are listed in Annex III.

### *Land Use and Tenure Laws*

The administration of land in Tanzania is now governed by two pieces of legislation that came into force in May 2001: The Land Act and the Villages Land Act. That legislation states that: "all land in Tanzania shall continue to be public land and remain vested in the President as trustee for and on behalf of all the citizens of Tanzania". The Act also states that "a non-citizen shall not be given land unless it is for investment purposes under the Tanzania Investment Act, 1997".

Land is made available to foreign investors mostly via long-term leases and through subcontracts. The application for a right of occupancy, if made by a non-citizen or a foreign company, must be "accompanied by a certificate of approval granted by the Tanzania Investment Center under the Tanzania Investment Act, 1997 and any other documentation which may be prescribed by that Act or any other law." Under the Villages Land Act, the President can grant land to a foreigner on village land if it is in the public interest.

Access to land for investment in accommodation within the conservation areas such as TANAPA and NCAA is guided by procedures laid down by the conservation authority concerned. All protected area authorities have developed mechanisms and strategies for planning and management of natural resources and biodiversity within their respective areas of jurisdiction. TANAPA establishes a General Management Plan for the entire park and then Management Zone Plans for individual areas within the parks. Investment guidelines for tourist hotel development within the protected areas have also been formulated and each project has a specific long-term plan.

In areas outside the protected areas and urban centers, the land acquisition process differs substantially from district to district. The power to allocate land rests with the Commissioner for Lands and the Village Councils. Some investors go directly to the central Government through the TIC, while others deal directly with district councils, village councils or individuals. Outside protected areas, after identifying an area of interest, an investor will then negotiate with whoever "owns" that land. Most local authorities require that a title deed be obtained before a building permit can be issued.

Most of the protected areas were established at the time when the dominant actor in the land tenure system for both urban and rural areas was the State. As a result, many rural Tanzanians felt they had become tenants of the State rather than holders of "presumed" rights of occupancy. The Land Act and the Villages Land Act attempted to rectify this situation. The Villages Land Act empowers the village council to administer and manage village land, supervised by village assemblies. The National Land Use Planning Commission has prepared guidelines for participatory village land use management. The Land Act establishes land courts for the settlement of disputes.

Village Lands, which the villagers recognize, are relatively easy to trace and the Acts establish procedures, where it is in the public interest to do so, for transferring land from one category to the other. Much land is made available for investment through village and other communities and this creates the opportunity for local participation in tourism projects and the obligation for the investors to share revenues. This is already a requirement for hotels in the Northern Circuit and in hunting concessions. Community participation in investment projects that add value to community assets is also encouraged under the Wildlife Conservation Act and the Marine Parks Act.

The financial sector has recently stated that provisions of the Land Act make difficult the use of land as security against bank advances. Under the new legislation, and by contrast with previous legislation, a mortgage has effect only as a security and does not operate as a transfer of any interest or rights in the land from the borrower.

As noted in the Master Plan, there is still insufficient transparency in the acquisition of land for tourism development. The process of acquiring land and obtaining title deeds also takes a long time. Within Protected Areas, the procedures are clear, but the procedures for development outside protected areas are varied and inconsistent.

Initiatives are underway to mitigate land-related problems. First, the Ministry responsible for land allocations is coordinating with TIC about investor needs, i.e., the processes to acquire land and identifying where developed land is available. Under a World Bank-funded project, the Privatization and Private Sector Development Project (Credit 3304-TA), the Government has prepared draft regulations to ensure that acquisition and use of land is secure; the measures are to be adopted shortly.

### *Licenses*

The licenses required to operate as a business are many and complicated to acquire. Within the tourism industry, the following are those most frequently applied for:

- Application for a Game License (Hunting)
- Commercial Game Photography Permit
- Concession licenses/permits for National Parks
- Tourist Agents Application Form for Licenses and Licenses
- Permission to Enter and for Certain Uses of National Parks
- Permission to Enter and for Certain Uses of Ngorongoro Conservation Area
- Permission to Enter and for Certain Uses of Marine Parks
- Business License
- Planning Consent for Specified Areas
- Hotel License (Tourist)

Two Government Agencies are responsible for specific tourism licenses. *The National Hotel Board (NHB)* is responsible for hotel classification and licensing and for hotel inspection and monitoring of standards and *The Tourist Licensing Authority (TALA)* is responsible for licensing and inspecting travel agencies and tour operators to ensure that they conform to the regulations.

- *NHB*. By law, the NHB is mandated to classify, grade and inspect hotels but, in fact, Tanzania has never classified its hotels. The NHB is currently inactive, but the Tourism Division of the MNRT, which provides the Secretariat to the Board, initiated in 2001 the introduction of a classification system based on the South African model. Initially only full service hotels and game lodges/tented camps in the eight main existing or potential tourist areas (Arusha, Kilimanjaro, Dar Es Salaam, Tanga, Morogoro, Mwanza, Mbeya and Dodoma) will be classified. The Government of France is providing a consultant to assist in the planning and implementation of the classification system; and
- *TALA*. Reportedly, despite TALA's responsibility for licensing travel agencies and tour operators, an unquantified number of these entities operate without a license.

The mandates for the other licenses lie with different government agencies. Most business people are, in fact, faced with obtaining multiple business licenses, i.e., one for each category of activity, and from a variety of sources. Local authorities and city councils, in particular, have been responsible for creating a large number of business classifications, while also only issuing licenses during specified periods of the year.

To address the issue of burdensome regulation of businesses in Tanzania, a number of initiatives have been undertaken:

- A regional working committee has been set up under the East Africa Community (EAC) to establish a uniform classification system for the region. The Government of France plans to provide some technical assistance to develop the system;
- Company administration is now under the new Business Registration and Licensing Agency (BRELA), which is a Government Executive Agency established under the Government Executive Agencies Act ( No. 30 of 1997). BRELA was established on 28th of October 1998 (Government Notice No. 294 A published on 8th October, 1999) and officially inaugurated on 3rd December 1999. BRELA's goal is to have a properly regulated and facilitated business registration system within a free market system. BRELA has already introduced considerable improvements; and
- Most of the regulatory and business management problems were also addressed in a study on Business Environment Strengthening for Tanzania (BEST)[5] . The BEST program prioritizes the key interventions over a five-year period that are needed to reduce regulatory and administrative constraints on private sector operations and improve the efficiency and effectiveness of the service that the Government provides to the private sector.

The program has five components:

- Achieving better regulation
- Improving commercial dispute resolution
- Strengthening the Tanzania Investment Center
- Changing the culture of government, and
- Empowering private sector advocacy.

Recommendations for BEST that are currently under consideration propose that:

- The program be implemented and coordinated through a "Better Regulation Unit" in a government department;
- Implementation be overseen and coordinated by a BEST Steering Committee at the Permanent Secretary level, including other government and private sector stakeholders; and
- The overall policy direction be provided at the Ministerial level by the National Investment Committee, chaired by the Prime Minister.

### *The Fiscal Regime*

Together with the requirement for multiple licenses, the Government also imposes a number of taxes on businesses, including tourism, in Tanzania. (The tax incentives provided to tourism investors are discussed below.) According to the Master Plan, there are some 20 to 25 specific taxes, levies, license fees and charges of one form or another relating to tourism enterprises, which can account for over 40% of a hotelier's costs. Also, according to the Master Plan, these costs to investors have been passed on to consumers, i.e., tourists, and have contributed to higher prices in Tanzania compared with competing tourism destinations. As noted above, some progress has been made in streamlining processes for licenses. Similarly, the Government has converted the old sales tax, which created a double taxation on sales, into a "value-added" tax.

The Master Plan noted that the onerous fiscal regime would represent a considerable disadvantage to investment, were it not that its effect is probably offset to some degree by certain inefficiencies in tax revenue collection. In order to help make tax collection more equitable, the Government has introduced a Taxpayer Identification Number with effect from July 2001. The assumption is that if tax collection becomes more efficient and tax revenues rise, the Government will be better able to streamline and rationalize the tax system, as it has already begun to do.

The Government has also addressed the issue of the time-consuming process of making tax payments to a number of agencies, among which there is little or no coordination about the level of the taxes or the timing of their payment. A new tax collection office has been opened to serve the 100 biggest taxpayers under one roof and the facility will be gradually extended to more taxpayers over time.

### *Environmental Regulation*

The Government has focused in recent years on ensuring that the tourism industry is sustainable through implementation of ecologically sound, as well as economically viable and socially acceptable policies. Responsibility for the environment is assigned to the Vice-President's office, in the Environment Division. The National Environment Management Council (NEMC) is responsible for all aspects of environmental policy and planning. The NEMC recommends the following policy strategies for environmental protection in the tourism sector:

- Designing environmentally friendly tourism programs;
- Putting into place mechanisms to ensure tourist activities respect biodiversity conservation, beaches and other naturally occurring features of aesthetic value;
- Enhancing nature conservation, creating awareness among tourists and local people on the need to respect nature and environmental conservation;
- Developing tourism plans for specific areas;
- Ensuring that laws and regulations governing land use along the coast, rivers and lakes are strictly observed in all tourism development projects and recreational activities;
- Putting into place a mechanism to ensure that developers and investors in the tourism industry enter into written agreements with local communities/authorities in the areas they intend to develop/invest. The agreements will clearly stipulate benefits to be accrued by both sides and hence a mechanism for dispute settlement in the event of conflict of interests;
- Developing Environmental Impact Assessment (EIA) guidelines and ensuring that an EIA is carried out and strictly adhered to in all tourism development projects;
- Making it mandatory for all proposed land allocations for tourism investment to be approved after EIA studies have been done, approved and the appropriate license issued as a measure to ensure sound environmental protection; and
- Monitoring and reviewing environmental protection measures in tourism.

NEMC has prepared national EIA procedures and guidelines, which are currently in draft. The NEMC recommends that each sector should prepare specific guidelines and to stimulate the process prepared a "Basic Environmental Checklist" for the Tourism Sector, which at March 2002 was in its second draft. The checklist is also designed to assist developers of tourism projects to meet the requirements of national policies and related legislation. The checklist identifies a number of potential impacts but is not exhaustive and the actual EIA will require quantification of impacts and the inputs of qualified and experienced experts.

The main potential issues and impacts concern:

- Policy, legal and institutional issues;
- Physical condition of the project area and its surroundings;
- Socio-economic and cultural aspects;
- Ecological aspects of the project area and its surroundings;
- Pollution;
- Health risks and safety;
- Infrastructure; and
- Cumulative and synergistic effects.

The Checklist for tourism was drawn up with financing from the Government of Sweden. NEMC drew on the already existing environmental guidelines and checklists of a number of developed and developing countries to create the ones for Tanzania, so they conform to generally accepted international standards.

In Zanzibar, the Department for Environment has also prepared similar types of guidelines for tourism projects, with a focus on hotels.

### *Immigration & Employment*

The Ministry of Home Affairs is responsible for issuing visas to tourists. Although this used to be a major problem area, difficulties have largely disappeared, as it is now possible for nationals of most of the larger tourist-generating countries to obtain visas on arrival at the major entry points.

The Ministry of Home Affairs, in collaboration with the Ministry of Labor, Youth Development and Sports, is also responsible for issuing work permits for engaging expatriate personnel. The Certificate of Incentives from TIC entitles an investor to five expatriate employees. A permit takes between 4 and 14 days to obtain at a cost of US$600 for a validity of two years and is renewable for two years at a fee of U$300. For the employment of local personnel, the recent launching of the Employment Exchange Bureau will provide information on available expertise in the labor market and match that with demands.

## The Tanzania Investment Center, Investment Incentives and Financing Availabilities

The Tanzania Road Map produced by USAID concentrated on investment deregulation and enjoys firm commitment from the Government to fulfill its recommendations to streamline investment. In 1998, the World Bank Group's Foreign Investment Advisory Service (FIAS) proposed an action matrix that shows the stage-by-stage activities the investor performs and the services s/he receives from the various agencies. It provides specific recommendations for any problems encountered and proposes solutions and agencies for implementation. In the past, investors complained about delays in processing applications but in recent years considerable improvement has been recorded. A time limit has been prescribed for Government authorities to either issue approvals or objections to proposals. Any objections are addressed to the Minister to expedite a final decision.

### *The Tanzania Investment Center*

The *Tanzania Investment Center* is responsible for investment promotion in Tanzania under the National Investment Act, 1997. The Act stipulates, "for the purposes of making the Center an effective one stop center, all Government departments, Government agencies and other public authorities shall cooperate fully with the Center in the performance of its functions under (the) Act". TIC has made substantial progress towards being a "one-stop-shop" for potential investors. Effective April 2000, all investors have been serviced under one roof with responsible officers from the various investment facilitating agencies located at the TIC premises. While TIC has been dealing with investors up to the point of completion of an application, it has recently begun to emphasize follow-up, to monitor if there are any problems encountered during implementation and operation.

The TIC's functions are to:

- Initiate and support measures that will enhance the investment climate in the country for both local and foreign investors;
- Collate, collect, analyze and disseminate information about investments;
- Consult with other government institutions for purposes of facilitating investments; and
- Assist investors to obtain the necessary permits, licenses, approvals, consents and other matters required by law

### *Incentives for Private Investment in the Mainland*

In an effort to enhance the investment climate in Tanzania and recognizing that investors need to recover their investment costs first before paying taxes, the Government has made incentives available to investors under the investment regime set out in the Tanzania Investment Act, 1997 (Act No. 26 of 1997). These incentives for tourism and tourism-related activities are summarized in the sections that follow[6] and are based on recognition of private property and protection against any non-commercial risk.

Investors must be registered with the TIC and hold a TIC Certificate of Incentives. To qualify for and to obtain a TIC Certificate of Incentives, the minimum fixed cost of investment for new, rehabilitation and expansion projects should be at least US$100,000 for projects that are wholly owned by Tanzanians citizens and US$300,000 for projects that are either wholly owned by foreign investors or joint ventures.

#### *Lead and Priority Sectors*

The fiscal tax incentives reflect Tanzania's investment priorities for identified "Lead and Priority" sectors. In Tanzania's well diversified economy the following are categorized as *lead* sectors: agriculture, agro-based industries, mining, *tourism*, petroleum and gas and economic infrastructure. *Priority* sectors include manufacturing, natural resources such as fishing and forestry, aviation, commercial building, financial services, transport, broadcasting, human resource development and export-oriented projects.

#### *Lead Sectors*

The Act classifies tourism as a "lead sector", i.e., one of the highest priority areas for investment in Tanzania. Because tourism is dependent on so many different inputs of goods and services and on supporting physical and social infrastructure, investments in other lead and priority activities in Tanzania, such as economic infrastructure, will also benefit tourism. The targeted areas for tourism investment are:

- Hotels and other types of tourist accommodation
- Tourist transportation (including road transport, air charters and ocean-going vessels)
- Tourism-related services, such as safaris (including licensed hunting, restaurant and photographic services).

The actual incentives for *tourism* investments are shown in Box 3 below.

Certain additional incentives that are applicable for mineral sector investments may also apply to tourism investments suitably adapted:

**Box 3: Incentives for Tourism Investments on the Mainland**

| | Tax | Duty | VAT |
|---|---|---|---|
| All capital goods | | 0% | Deferred |
| Hotel facilities | | 0% | Deferred |
| One non-utility vehicle | | 0% | Deferred |
| Vehicles for tour operators | | 0% | Deferred |
| Corporation tax | 30% | | |
| Capital allowance | 100% | | |
| Withholding tax | | | |
| on dividends | 10% | | |
| on foreign sourced loan | 0% | | |
| Losses may be carried forward for 5 years | | | |

- Exemptions from royalties (3%), except for diamonds (5%);
- No tax, duty, fee or other fiscal impost on dividends;
- No capital gains tax;
- Losses carried forward for an unrestricted period;
- Duty rate of 5% and VAT will be charged after the first five years of commercial production; and
- Yearly appreciation of unrecovered capital in investment.

*Economic infrastructure* (See Box 4) is also included as a lead sector and includes road, railway, air and sea transport, port facilities, telecommunication, banking and insurance. Many of these investment areas are critical to the success of the tourism sector.

Certain additional incentives that are applicable for mineral sector investments may also apply to economic infrastructure investments suitably adapted, as summarized above for tourism.

### *Priority Sectors*

To varying degrees, all the priority sectors listed above could be of interest to the tourism sector, i.e., manufacturing, natural resources, such as fishing and forestry, aviation, commercial building, financial services, transport, broadcasting, human resource development and exports.

Additional investment advantages offered by Tanzania are:

- *Double taxation agreements.* Tanzania has double taxation agreements with Canada, Denmark, Finland, India, Italy, Norway, Sweden and Zambia;
- *Access to regional markets*. Tanzania is a member of both the East African Community (EAC) and the Southern African Development Community (SADC), representing a regional market of 360 million consumers;
- Tanzania is an active member of the Multilateral Investment Guarantee Agency and the International Center for Settlement of Investment Disputes.

## *Zanzibar*

As noted earlier, the government is strongly encouraging foreign direct investment in tourism. In Zanzibar, incentives are offered through the ZIPA, which acts as a “one-stop-shop” facilitator for investors. The Government has identified priority sectors, established minimum levels for investments in those sectors and has targeted in-

**Box 4: Incentives for Economic Infrastructure on the Mainland**

| | Tax | Duty | VAT |
|---|---|---|---|
| All capital goods | | 0% | Deferred |
| Spare parts | | 0% | Deferred |
| Vehicles | | 0% | Deferred |
| Corporation tax | 30% | | |
| Capital allowance | 100% | | |
| Withholding tax | | | |
| on dividends | 10% | | |
| on foreign sourced loan | 0% | | |
| Losses may be carried forward for 5 years | | | |

vestments within those sectors. Tourism is a priority sector. Box 5 outlines the specific investments available for eligible investments.

### *Investment Financing*

In common with many other emerging economies, Tanzania does not as yet have a well developed financial market. Nonetheless, the financial sector has undergone significant restructuring in recent years. Since 1995, when more than 70 percent of the banking system's assets were state owned, the financial sector has been put under private sector management. In 1997, the National Bank of Commerce (NBC), the largest bank, was split into the National Microfinance Bank (NMB) and the NBC. The NMB was put under private management in August 1999, with IFC assistance, and the NBC was privatized in December 1999. Legislation is under preparation to permit the operation of debt collection agencies and the operation of factoring services.

A Capital Markets and Securities Act was enacted in 1994 and a Stock Exchange established in 1998. The stock market is not as yet sufficiently developed to enable businesses to have access to long-term finance whether in form of equity or debentures. Also, a large number of businesses do not have access to instruments such as lease finance, factoring and securitization. There, nevertheless, exist sources of finance in Tanzania available to the resourceful entrepreneur operating in growth sectors such as tourism.

**Box 5: Zanzibar: Investment Incentives**

Holders of Certificate of Incentives are entitled to the following incentives:

- Government lease on land for 49 years with extension or renewal program. The land lease rates for hotels range from US $0.20–0.35 per annum per square meter for foreigners and from TSSH 45–60 for citizens;
- No rent for the lease during construction;
- No customs and import duties for machinery and capital goods during construction;
- Raw materials, which are subjected directly to manufacturing process for trial operations, shall be exempted from import duties;
- All goods imported for the personal use of expatriates shall be exempted from import duties for a period of six months commencing on the date of first arrival in Zanzibar;
- Finished products which are to be exported, shall be exempt from export duties
- Any declared reinvestment (at the proposal stage) shall be exempted from paying any corporate tax for the first three years of operations;
- 100% retention is allowed; and
- Repatriation of dividends after taxation.

*Investment Funds*

Investment funds are market driven and generally funded by local and international private sector institutions with some limited support available from development financial institutions. Interest in Africa has been curtailed by the perceived high investment risks and poor exit mechanisms. Nonetheless, there are some regional funds and one Small and Medium Enterprise fund that consider equity and quasi-equity investment. These investment funds, which are interested in private equity investment as opposed to listed equity investments, are relevant to Tanzania.

*Banks—Working Capital and Loans*

Although they are often criticized for being conservative and expensive and for not providing the appropriate type of finance to suit the business' cash flow, banks have traditionally been the largest source of finance in Tanzania. Tanzania has a number of banks that may be prepared to provide working capital facilities and/or short-term debt funding, but access to long-term finance is relatively limited and bank charges are high.

*Donors*

The EC has financed the updating of the 1996 tourism Master Plan. The Plan gives an overview of issues on the mainland but not on Zanzibar and focuses on priority tourism development areas. Many countries that have aid programs through specific donor agencies (e.g., AFD for France, CIDA for Canada, DFID for the UK, KFW for Germany, NORAD for Norway, USAID for USA) provide grants and other types of funding for specific projects.

*Development Financial Institutions*

Although these institutions are increasingly seeking higher returns, they have considerable experience in operating in emerging markets and play a catalytic role for investment. Often criticized for their bureaucratic approach, their bias towards larger size investments and procurement policy, these institutions nevertheless have a considerable amount of funds available for investment and have a mandate to invest in private sector businesses in these markets whilst at the same time providing added comfort to other potential investors in projects. They will consider equity, quasi-equity and loans to projects that can demonstrate potential growth and sustainable viability. Such agencies include the Development Bank of Southern Africa (DBSA), the Commonwealth Development Corporation (CDC) and the Dutch, French and German agencies for private investment (FMO, PROPARCO and DEG respectively). The World Bank Group has offices in Dar Es Salaam and the Bank itself, along with donors and NGOs, is active in tourism via conservation (wildlife, cultural tourism and coastal zone management), community development and social programs; IFC is active in the hotel sector, investing directly in private projects; and MIGA provides investment guarantees and marketing services.

*Insurance Companies, Pension And Social Security Funds*

A number of the leading hotels in Tanzania were financed in part through traditional fixed investment agencies such as insurance companies, and the State-owned pension and social security funds.

## The Size and Importance of the Tourism Sector

### *The Quality of Data*

Tourism statistics are notoriously weak in many, possibly most, countries because of the difficulty of their collection. For example, there is no single channel through which tourist expenditures can be counted and no documentation, as there is with merchandise exports, by which they can be traced. Tourist arrivals data suffer from the complexities of multiple entry points, the difficulty of distinguishing between tourists, businesspeople, returning residents, and friends and relatives visiting family, whose use of tourist facilities can be radically different from those of tourists, and the dependency on the will of the traveler to record accurately his/her reason for travel. Entry and departure cards are generally "owned by" and collated and processed by the immigration services for their own internal purposes rather for those of the tourism ministry. Even hotel data can be uninformative if hotels are not classified by category, or unless there has been a recent survey of hotels to determine those that are suitable for international visitors.

While the absolute values of any of the indicators may be under- or over-estimated, the trends are normally accurate over time. All the indicators for Tanzania, whether of arrivals, visitors to the parks, hotel bednights and tourism expenditures, coincide in showing steady growth over time, except when exceptional events occurred. (See Table 8: Tourism Business Trends in Annex IV.) Using the data published by WTO, which originates from the member country, Tanzania has increased its market share of tourist arrivals in Africa, rising in rank from 20th in 1985 to 13th in 1997. Similarly, Tanzania has risen in rank from 21 to 6th in terms of tourist receipts among African countries[7]. The difference in rank between the two indicators could suggest that the cost of tourism to Tanzania has grown more rapidly than in other countries or that tourists are finding more items on which to spend money, but, given the weakness in most countries' data, such interpretations can only be tentative.

The Government has begun to address the issue by conducting an extensive visitor survey in 2001 in the Northern Circuit for the low and high seasons. In addition, the Government has formed a Working Group (MNRT, the Bank of Tanzania, the Department of Immigration and the TCT) to review the process of data collection for tourism statistics and move towards implementation of a Tourism Satellite Account as a subset within the system of national accounts, as has been recommended for all countries by the UN.

Annex IV contains the latest statistical data for the Mainland from the Tourism Statistical Bulletin produced by the Ministry for Natural Resources and Tourism for the year 2001. Tables 11 to 14 contain information on Zanzibar from data produced by the Commission for Tourism of Zanzibar.

## *Economic Contribution of Tourism*

The Government's objective through the investment forum is to attract productive private investment in existing and new tourism destinations in Tanzania, to stimulate additional value-added activities and to increase the value-added content of existing locally produced tourism goods and services, and to strengthen sector linkages within the country. Tourism linkages occur through the obvious channels of distribution from the supplier to the consumer as in a hotel, but also through linkages between tourism and other productive and service sectors, such as agriculture, manufacturing, transport and construction. Related value-added activities stem from non-hotel expenditures by travelers on leisure, entertainment and shopping, which generally particularly stimulate traditional cultural activities, tourist services, and handicrafts and SMEs. The corollary objective for an enhanced tourism investment program is to generate employment directly in the tourism sector and in linked production and service sectors, as well as to increase household earnings for local people involved in the sector and in its related activities. The current contribution of tourism to the economy is discussed below.

### *Foreign Exchange Earnings*

According to the National Bureau of Statistics and the Tourism Division of the Ministry for Natural Resources and Tourism, Tanzania earned US$725 million from tourism in 2001, compared with US$740 million in foreign exchange from tourism in 2000, and US$259 million in 1995. Balance of payments statistics compiled by the Bank of Tanzania indicate that receipts on the travel account amounted to some 25% of total exports of goods and services in 1995 but had risen to some 40% of total exports of goods and services in 1998/99.

### *Contribution of Tourism to GDP*

In 1995, the tourism sector was estimated to have contributed 7.5% of GDP, but that contribution was estimated to have risen to over 13% in 2000 and over 12% in 2001. The detailed estimates are shown in Table 7 in Annex IV. The revenues that are presently included in other sectors that are tourism-related are amalgamated to reach this level of contribution.

### *Employment from Tourism*

The tourism sector is estimated to have generated direct employment for 29,000 people in 2000, of which 20,040 were employed in hotels/lodges and the rest in tented camps, restaurants, as tour guides, as safari and ground tour operators, in the national and commercial airlines and in the government and parastatals responsible for tourism. The comparable estimates for 1995 are that 26,000 direct jobs were generated by tourism, of which 16,620 were in hotels/lodges. The distribution of this employment is shown in Box 6.

**Box 6: Estimated Direct Employment in the Tanzanian Tourism Sector (2000)**

| *Sub Sector* | *Total Staff* | *%* |
|---|---|---|
| Hotels/ lodges | 22,040 | 69.4 |
| Tented camps | 630 | 2 |
| Tourist restaurants | 450 | 1.5 |
| Tour guides (including mountain guides) | 750 | 2.7 |
| Safari/ ground operators | 2,275 | 7.9 |
| Airlines (national and private) | 4,600 | 16.9 |
| Ministry/ parastatals (TTB, TANAPA) | 150 | 0.5 |
| Total | 28,895 | 100 |

### *End Use of Tourist Expenditures*

In a preliminary attempt to estimate the end use of tourist expenditures, a limited field study was conducted in Northern Circuit hotels and lodges to collect data directly from tourism industry sources through semi-structured interviews and from secondary data, as well as expert opinion. The survey was confined to operating costs only. Investment costs would require a more detailed field study, although they are likely to have a high local content because lodges in the Northern Circuit use local materials and are designed to be eco-friendly. The expenditures examined were net of tour operator commissions and international airfares. The components of visitor expenditures were disaggregated to understand the economic impact of the sector on the local economy, through an analysis of revenues, operating costs and income within the accommodation.

The distribution of total revenues was as follows:

- Leakages to the rest of the world 27%
- Expenditures on goods and services produced within Tanzania 36%
- Income 15%
- Taxes to the Government 24%

Gross value-added is estimated at 64% for this particular sample. Each room is estimated to create two jobs directly.

## *Zanzibar*

No information is available about the economic impact of tourism in Zanzibar.

### *Tourist Arrivals*

#### *Mainland*

During the past fifteen years, the numbers of international tourists traveling in the world more than doubled to 698 million and tourists visiting Africa increased by 177% from 9.7 million to 26.9 million, or at an average annual growth rate of 7%. As already noted, Tanzania has increased its market share of tourist arrivals in Africa and has also risen in rank in terms of tourist receipts.

According to official statistics, Tanzania received just over 525,000 foreign visitors in 2001, compared with 501,669 in 2000 and 295,312 in 1995—an average annual increase of 9.7% and nearly 80% overall. The number of foreign visitors who stated that the purpose of their visit was "holiday or recreation" amounted to 341,329 in 2001 compared with 339,596 in 2000 and nearly 198,499 in 1995, an annual average rate of growth of 9.5% and 72% overall. The remaining foreign visitors (152,285 in 2001, 130,201 in 2000, and 58,602 in 1995) were in Tanzania for business purposes, in transit or for other reasons. Undoubtedly, business visitors and "others" may well use many of the same facilities as tourists during at least part of their visit.

Tourist arrivals peaked in 1999 because of a large influx of visitors in December, just prior to the Millennium, but slowed in 2000. In 2001, the rate of tourist arrivals accelerated from June to August, but, in line with international experience, dropped sharply after the events of September 11. By November and December, visitor arrivals exceeded the levels reached in each of those months in 1998.

#### *Zanzibar*

Data for Zanzibar, which has two main entry points and probably far less business visitors relative to the Tanzanian Mainland, show an increase in tourist arrivals of 230% between 1990 (42,141) and 2000 (97,165). After a steady increase in numbers between 1994 and 1997, growth stagnated until 2000, when there was a 12% increase over 1999.

### *Countries of Origin*

Using the numbers for total international visitors, including those arriving for business or other purposes, the statistics suggest that the numbers of visitors from Europe have grown rapidly and from the USA more slowly. European visitors accounted for 31% of all visitors in 2001 and those from the USA for 6%. Within Europe, the main source markets in 2001 were: the UK (34,125), Germany (21,190), France (16,990) and Sweden (16,610), an order that has been unchanged in recent years. At least on the Northern Circuit, a local tour operator and a hotel manager mentioned the increase in Japanese tourists in recent years; the official statistics show fluctuations in Japanese arrivals between 6,000 and 9,600 during the past five years. The data indicate a substantial annual increase in Australian visitors in the past three years to nearly 12,000. Industry sources in the North mentioned increasing numbers of Spanish tourists, but these have fluctuated between 8,040 and 10,055 in the past four years. Indians comprise another significant group, but whether these are visitors who would use tourist facilities or visitors traveling to stay with friends and relatives is unknown.

From the MNRT statistics, Africans accounted for 40% of visitors to the Mainland in 2001. Some 40% of the Africans are from Kenya, followed by about 10% from Uganda and 7% from South Africa. What proportion of the Africans are visitors using tourist facilities is not known.

In Zanzibar, Italians dominate with 25% of total tourists (and arrive by charter), followed by the UK with about 15%. European tourists as a whole comprise nearly 75% of all tourists to Zanzibar and have shown a steady growth in demand, which suggests that Zanzibar is an established destination in Europe. The US and Canada account for about 8% of tourists, Australians and New Zealanders some 5%, and the only other significant groups are South Africans (1 to 4%) and Kenyans (about 3%).

The statistics of the countries of origin of tourists are remarkable in the number of countries cited. This attests to the universality of the appeal of Tanzania's tourist assets.

### *Demographic Profile of Visitors*

Demographic information is currently available from the recent survey of the European and US markets undertaken for the Government by CHL[8].

Among the characteristics of European travelers on inclusive tour packages to East and Central African destinations are:

- One third are aged between 31 and 45, with two fifths aged between 41 and 60;
- Just over 70% come from an upper middle socio-economic bracket;
- The trips were relatively evenly split between winter and summer;
- 52% of the packages sold are for single destinations, 31% for dual destination and 17% are multiple destination;
- 42% prefer the 2-week beach and safari combination. Safari only and soft-adventure holidays are also popular;
- 68% travel to the region for between 8–14 days, with 11% staying for between 15–21 days;
- 54% of tourists travel with their spouse or partner; and
- The more frequently featured destinations are Tanzania, Kenya, Zanzibar, Zimbabwe, Botswana and Namibia.

The characteristics of the US market are:

- 46% travel with their spouse or partner and 34% travel in a group;
- 74% come from an upper middle socio-economic background and 17% are retired;
- 36% are aged between 46–60, 31% are between 31–45 and 19% are over 60; and
- 66% of trips are taken from May to October;
- 69% of trips are for multiple destination holidays; 10% are for single destination. Only 20% of trips are for combined beach and safari;
- 57% travel to the region for holidays of between 8 to 14 days and 27% travel for between 15 to 21 days; and
- Tanzania and Kenya are the two most popular destinations of the six on offer in the region. Tanzania is sold both as a stand-alone destination and as an add-on to Kenya.

### *Length of Stay*

The MNRT estimates that the average length of stay is now 8 days. The overall length of stay has increased steadily from 7.20 days in 1995, but varies according to the destination within Tanzania. An average of 4/5 nights is spent on the Northern Circuit and between 7 to 10 nights in Selous/Ruaha, according to the best guesses of industry sources. No estimates are given for the length of stay at the "add-on" resorts that are featured in the international tour operators' brochures. From discussions with these tour operators, it seems that most of their tourists complete their holiday within 14 days, including return air travel, though some stay an additional week, as is confirmed by the data obtained by CHL from Tour Operators.

### *Visitor Expenditure Estimates*

The National Bureau of Statistics and the Tourism Department estimate that the average expenditure per tourist per day was US$172.58 in 2001, some US$10 higher than in 2000 and in 1999 and to have risen steadily from US$122 in 1995. From the tour operators' brochures, it is evident that the costs are up to one third higher for the Southern Circuit over the Northern.

### *Seasonality*

The traditional pattern of visitor arrivals in Tanzania has led to three distinct seasons:

- Low: January 15 to June 15
- High-Peak: June 16 to October 15
- Mini-Peak: October 16 to January 15

Nonetheless, there have been fluctuations in seasonality from year to year. In terms of tourist arrivals, the main quarters in the past seven years have either been the fourth or the third. In the past four years, the first quarter of the year has always had the lowest volume of tourists, while the second quarter has either been the second highest or second lowest in the same period. Given the unusual events in the third quarter of 2001 and the bulge of tourists for the Millennium in late 1999, conclusions about trends in seasonality have no basis for the last two years.

Tanzania is fortunate in that the season is quite long throughout the country, although there are variations between destinations. The Northern Circuit has almost year-round appeal. Although individual hotels vary by as much as a month in their estimates, the peak, high and low seasons are:

- Peak: February, March and August
- High: June, July, September to January
- Low: April, May.

One reason for this relatively long season is that conditions change in the parks. For example, in Manyara, the dry season from July to October is the best time to view large mammals, but the wet season from November to June is the best for bird watching, the waterfalls and canoeing. In Serengeti, the wildebeest migration is from December to July and the best time to see predators is from June to October.

The Southern Circuit has a more pronounced low season in April and May and the heat is greater in the summer months than in the North, but again the attractions are different in each season. For example, the dry season (mid-May to December) is the best time to see large mammals and predators, but January to April is best for bird watching, wildflowers and lush scenery. Nevertheless, the wet season can also make roads impassable and can even wipe them out.

The hunting season runs from July to December. Some operators see the possibility of multi-use of the hunting blocks for both hunting and photo safaris, but this is currently constrained in the hunting off-season by regulations. Moreover, animals tend to be more aggressive in hunting areas.

Zanzibar has more pronounced seasonality than the Mainland, with peak seasons in August and in December-January, which is typical of a resort destination dependent on European travel, though climate also influences. The northern monsoon winds blow between December and March and the South West monsoon between April and November. The rainy season starts in March or April and lasts several weeks. June to October is the dry season.

### *Number and Distribution of Hotels*

In 2001, Tanzania had some 10,325 rooms in 329 establishments, compared to 6935 rooms in 210 establishments in 1995. Just 300 rooms in three establishments were added between 2000 and 2001. Data related to accommodation supply are in Table 9 in Annex IV and summarized in Box 7.

**Box 7: Distribution of Hotel Rooms in Tanzania**

| | *1995* | | *2000* | |
|---|---|---|---|---|
| **Area** | **Rooms** | **Establishments** | **Rooms** | **Establishments** |
| Dar es Salaam | 2066 | 51 | 3497 | 89 |
| Arusha/Moshi | 1875 | 40 | 3202 | 75 |
| Northern Wildlife Areas | 560 | 10 | 796 | 10 |
| Other Areas | 2434 | 109 | 2530 | 52 |

Of total room capacity in hotels and tented camps of 6,935 in 1995, based on fieldwork and interviews with the travel trade, some 25–33%, or at most 2,300 rooms, were judged to meet international standards. In 1999, the National Bureau of Statistics estimated that total rooms had risen to 9,575, plus an additional 565 rooms in tented camps. Because of the construction of new hotels and lodges for international tourists and the refurbishment of existing properties, the number of rooms of international standard had risen to about 4,000.

As noted earlier, the Government does not yet have a system of classification of hotels but, with EC assistance, is planning to undertake a study of the issue. A modern classification system for hotels in the main tourist areas would help to generate transparency about the relationship between quality and price. There is currently no list of prices for all hotels in the country. However, the more responsible international tour operators closely monitor the hotels to which they send their guests. Consequently, through their promotional materials and by selection of certain hotels for specific clients, they in effect have created a classification system.

The geographic distribution of hotel rooms in 1995 and 2000 was as follows, with the number of establishments shown in the last column.

*The Moratorium in the Northern Circuit*

Although the Northern Circuit is Tanzania's primary attraction for international tourists, the Government declared a moratorium on new construction in these National Parks, as follows:

- 10-year moratorium in Serengeti since 1996; and
- indefinite ban in the Ngorongoro Conservation Area.

The moratorium is designed to protect the wildlife and their habitat under the principle of the limits to acceptable use.

*Current Investments in Accommodation*

The following hotel projects in Dar Es Salaam are already coming on stream or have recently opened:

- 152 room Holiday Inn
- 55 room Courtyard Hotel
- 254 room Wellworth Hotel
- 48 room Beachcomber Hotel
- 100 room Indian Ocean Hotel

*Occupancy Rates*

In the popular Northern Circuit, occupancies are currently on the order of 75–80%, which leaves little or no room for expansion in numbers of tourists—certainly in the peak and high seasons. This constraint on tourist numbers can only be removed by the construction of new accommodation in other areas of Tanzania or by the opening of new circuits in existing areas that also protect the wildlife from excessive exposure to tourists and their habitat from degradation.

This situation has caused the Government to encourage investments in the Southern Circuit in order to alleviate pressures on the North. Occupancy rates in the Southern Circuit are on the order of 40–45%, reflecting seasonality, difficulty of access and high prices. Per person daily rates vary from US$100 to well over US$200 in parts of the Southern Circuit. Lodging establishments in the South have been able to maintain relatively high room rates because they cater to small groups and individual travelers. The hotels practice "yield management" and rates differ greatly by season and by market segment—individual or group rates in particular.

Occupancies in luxury hotels in the Dar area are of the order of 45–50%. With the new entries, average tariffs in luxury hotels have dropped to about US$100. On the other hand, Dar now has a critical mass of quality hotels and can envisage a "cluster" which would both enhance its claim to being a "hub" and also support conferences for large numbers of people.

### *Zanzibar*

Zanzibar had 42 hotels on the island in 2000, with a total of some 940 beds. The largest had 92 beds, with many others having under 10 per establishment. Only 4 hotels on the island charged US$100 or more for a double room, with the Serena Hotel in Zanzibar Town charging US$290 for its double rooms.

Pemba had some 47 beds in 4 hotels on the island. The largest and best known, the Fundu Lagoon, which combines resort and diving facilities, has 20 beds and publishes an all-inclusive rack rate of US$480 (double) per night. The Manta Reef Lodge, which caters to divers, charges US$206 per double room, all-inclusive. The two smallest hotels charge US$15 and 20 per double room.

## Market Surveys of European and US Tour Operators

One of the objectives of the recent CHL Market Demand Study[9], which surveyed European and US tour operators, was to understand the tour operators' perceptions about the Tanzanian tourism product. The survey was undertaken before the events of September 11, 2001.

### *European Tour Operators*

Over 90% of European tour operators reported that the demand for travel to East and Central Africa had increased in the past two years. Nearly half reported an increase in demand for holidays in Tanzania. Currently, Tanzania and Kenya are the more popular destinations in the region, with 50% of operators ranking Kenya first and 38% ranking Tanzania first.

Tanzania's main strengths were considered to be:

- Abundance and reliability of wildlife;
- Unspoiled environment and beautiful scenery;
- Low tourist density beaches; and
- Authenticity and the "unique African experience".

The weaknesses of Tanzania's tourism product were considered to be:

- Overpriced product;
- International and internal access. International access from most European countries is inadequate and very expensive. Italy is the only country that has charter flights and these are to Zanzibar. In general, domestic access is very expensive and there are major problems with the road networks and domestic flight scheduling;
- Lack of quality accommodation;
- Overcrowding in Ngorongoro/Serengeti; and
- Poor service.

### *US Tour Operators*

Over half of US tour operators reported that business had increased by 66% on average during the past two years, as a result of growing interest in eco-tourism holidays, increased security efforts in the region and increased marketing by individual tour companies and the Tanzania Tourist Board. Tanzania is the most popular destination for US travelers in the region, with Kenya second and Botswana third.

Tanzania's main strengths were considered to be:

- Abundance and diversity of wildlife;
- More concentrated game areas in comparison with Kenya;
- Fewer numbers of tourists;
- Safe destination;
- Tanzania offers a "real African" and a cultural experience;
- Friendly people; and
- Potential development of game areas and national parks.

The weaknesses of Tanzania's tourism product were considered to be:

- Access-both international and national flights;
- Poor infrastructure-especially roads;
- High cost of internal transport;
- Poor quality guides in comparison with competitor destinations;
- Low quality tour operators;
- Northern Circuit becoming overcrowded; and
- Lack of quality accommodation.

The surveys seem to have been conducted either just prior to or at the time of changes in air services to Tanzania and before the privatization of Kilimanjaro airport and the improvements that have taken place there. These two factors are discussed in the section that follows.

### *Tour Operators Views on Tanzania's Growth Potential*

There was considerable coincidence in views between the two groups of tour operators about where Tanzania's growth potential lay, though with a difference in emphasis. The Europeans stated that packages combining beach and safari destinations have the greatest growth potential, while only one third of US tour operators agreed that their clients valued the combined package more highly than a stand-alone safari package, US consumers preferring wildlife as part of multi-country tours. The Europeans noted that the resort market is highly competitive and Tanzania would have to increase its standards of service and international promotion activities to gain significant market share.

According to US tour operators, safari holidays and soft adventure activities, like trekking, have the greatest growth potential, though interest in safari holidays is growing more rapidly than for soft adventure. The Europeans also noted the potential for growth in safaris and soft adventure, principally trekking. The US tour operators consider that the popularity of multi-destination programs would increase if there were more flights between East African countries.

### Entry Points to Tanzania

As a result of the recent Visitor Survey conducted among tourists to the Northern Circuit, new estimates of the number of visitors passing through the several entry points to Tanzania are now available. The entry points and the percentage of visitors arriving through each entry point are as follows:

- Dar Es Salaam Airport .......................... 50%
- Namanga, border with Kenya, some 2 hours drive from Nairobi airport ....... 20%
- Kilimanjaro Airport ................................ 17%
- Zanzibar ................................................. 13%

These estimates greatly reduce the previous assumptions that some 66% of all tourists to Tanzania are estimated to arrive through Arusha and Kilimanjaro and road entry points on the Kenyan border. The change is partly due to the daily frequency of KLM flights from the Netherlands to Kilimanjaro and Dar Es Salaam that started in May 2001. In addition, Kilimanjaro International Airport (KIA) has been privatized and is expanding its role as the gateway to the Northern Circuit as a result of improvements to the airport that include:

- Resurfacing of the runway
- Installation of improved safety and navigation equipment
- Partial repairs to the passenger terminal.

The additional international flights to KIA can be attributed, at least partially, to the increased focus by KIA management on promotional campaigns to airlines and the travel trade and to more competitive pricing policies.

International traffic has been recording growth with the number of aircraft movements increasing from 14,213 in 1998 to 14,782 during 1999. International passengers increased from 470,440 to 516,706, likewise, cargo traffic increased from 12,289 tons in 1998 to 14,835.5 tons in 1999, about a 20% increase. The daily frequency of KLM flights has been noted. British Airways also increased its service to Dar Es Salaam from two to three flights per week and has increased its capacity by upgrading from Boeing 777 to Boeing B747-400. New services provided by Emirates and Gulf Air have resulted in improved access from the Middle and Far East. Ethiopian Airlines has discussed increasing its services to KIA, Dar Es Salaam and Zanzibar, which could provide a cheaper service from Europe to Tanzania via Addis Ababa.

Air access from abroad is a constraint in Tanzania in the sense that the country lacks a hub of the importance of the regional hub, Nairobi. For the foreseeable future, Tanzania is likely to depend to some degree on Nairobi and is likely at the same time forge close links with key airports such as Johannesburg. The number of positive developments discussed above suggests that Tanzanian airports are gaining in importance within the region. In addition, the Government has negotiated an Open Skies policy with the United States, which is useful in the short-run as a reflection of the government's intent rather than removal of an immediate constraint, but this also facilitates more international traffic to Tanzania through airline global groupings.

Air Tanzania Corporation (ATC) and 18 foreign scheduled airlines operate international and regional services into and out of Tanzania. These are listed in Box 8 below and Annex VI contains more data on the state of air traffic in Tanzania.

### *Zanzibar*

Tourists travel to Zanzibar by plane (60%) and by boat (40%) from the Mainland. Zanzibar alone receives charter flights and these are from Italy. The new hydrofoil service between Dar Es Salaam and Zanzibar provides a much faster service for visitors traveling by sea.

## Supporting Infrastructure

### *Basic Infrastructure*

Good quality supporting infrastructure is essential for an expanded tourist sector. The

**Box 8: Scheduled Foreign Air Carriers operating to and from Tanzania**

| Carrier | Aircraft Type | Weekly Frequency | Number of Seats |
|---|---|---|---|
| Air Zimbabwe | B737-200 | 2 | 106 |
| British Airways | B737-200 | 3 | 398 |
| Egypt Air | B737-300 | 1 | 275 |
| Emirates Air | A300/310 | 4 | 265 |
| Ethiopian Airline | B767, B757 | 4 | 275 |
| Gulf Air | B767, B757 | 1 | 275 |
| Kenya Airways | B737/A3B | 4 | 106/240 |
| South African Airways | B747-200 | 3 | 440 |
| Swiss Air | MD 11 | 3 | 300 |
| Air India | A3B | 2 | 240 |
| Royal Dutch Airlines (KLM) | MD 11 | 7 | 300 |
| Air France (Cargo) | B747 | 1 | - |
| Air Malawi | B737-300 | 1 | 130 |
| Das Air (Cargo) | D 10 | 1 | - |
| Yemenia | AB310 | 1 | 265 |

Government is aware that continued efforts are required to strengthen the economic infrastructure, including through privatization, investment incentives and regulatory frameworks, as a means of increasing efficiency and rationalizing factor and transaction costs for economic operators. As noted in the "Tourism in Africa" report[10] "Tourism is far more dependent on infrastructure than are most economic activities. Furthermore, unlike other activities, the absence of any one infrastructure service can seriously harm the marketability of the tourism product. Access to the country and specifically to the destination, are as important to the client as the availability of water and power at the destination. If sewage and solid waste management systems are not adequate, ultimately the quality and resource base of the asset will be damaged." Ongoing privatization measures and ongoing infrastructure projects are described below.

*Privatization* is being addressed comprehensively under an IDA Credit 3304-TA, referred to above. The institutional framework for privatization was recently revamped and revised targets for privatization of the main public services were adopted for the period 2001–2004. In addition, there are about 160 smaller commercial firms that the Government is liquidating or privatizing—the first group of 13 enterprises was recently completed. Revised procedures for employee retrenchment are being adopted. Private investment in utilities is allowed but the private sector is reluctant to make investments in utilities until the independent regulatory framework has been completed.

Much progress has been made on regulatory policy and the institutional structure over the past several years, culminating with the creation of two regulatory agencies last year: the Energy and Water Utility Regulatory Authority (EWURA) and the Surface and Marine Transport Regulatory Authority (SUMATRA). The Government still needs to confirm the final number of regulatory agencies to be created. Two additional multi-sectoral regulatory agencies are envisaged: Mass Communications Regulatory Agency (MCRA) and the Civil Aviation Regulatory Agency (CARA). MCRA will cover telecom, postal services and broadcasting also The Government needs to confirm how these agencies will be organized (setting up the institutions, staffing them and training people to ensure availability of the requisite skills mix for effective and transparent and independent regulation, reporting lines).

The Government is setting up two regulatory agencies to supervise utility operations. The initial bid for the privatization of the water utility (DAWASA) produced no acceptable bidders; it is now being retendered and the sector is expected to be concessioned by year end. Management of TANESCO, the power company, has been contracted out to NET Group Solutions of South Africa for two years; privatization is envisaged in the third year. Bid submission for the marine and overland gas pipes and the gas processing plant valued at US$170 million is scheduled for July 2002. Commercial operations of the gas infrastructure system and conversion to gas-firing of the Ubongo Power Plant is expected for March 2004. The privatization of telecommunications is substantially completed and the sector regulated; for other utilities, privatization is still some two to three years away.

The establishment of a roads agency (TANROADS) to manage trunk and regional roads is complete. The container port has been concessioned to a Singapore/Tanzanian group and other port operations are under consideration for privatization. The three railway systems—TAZARA, Tanzanian Railways and the Tanga/Arusha/Jinja line—offer interesting long-term options for tourism; the luxury South African Blue Train visits a couple of times yearly.

### *The State of Infrastructure*

*Internal air traffic.* Domestic air carriers have been aggressive is pursuing new markets, and this is emerging as the most reliable way for internal travel. The numerous small private airlines that currently serve more isolated destinations do so efficiently and the use of small planes enhances the tourists' sense of experiencing an African adventure. There has also been some relaxation of the barriers to entry and there are a number of small private airlines already pioneering new routes within Tanzania. The following improvements to the air transport network are taking place:

- Mafia airport is being reconstructed
- Mtwara Airport is being upgraded.

*Roads* are used to transport heavy goods to tourism destinations served by small planes. They also provide the major connection between the airports and Ngorongoro and Serengeti on the Northern Circuit. Within the National Parks and Game Reserves, the photographic safari experience takes place in four-wheel drives, which house a driver, guide, and at most 3–4 passengers, and the rutted paths are part of the safari experience. The country's large size makes multiple investments in roads to improve or create access to remote tourism destinations, which can only safely absorb small numbers anyway, out of the question for the foreseeable future.

Most road networks in the country have degraded considerably through lack of appropriate maintenance, which imposes costly time delays and high vehicle operating costs. The rainy season makes some roads impassable for months at a time—all weather roads would help lengthen the tourist season and the economic impact of tourism in the country. Tanzania has some 85,000 km of road network, including some 10,200 km trunk roads (comprising of 3,600 km of paved roads and 6,600 km of gravel/earth roads) and 24,500 km of rural roads, with the remainder unclassified. It is estimated that only half of the trunk roads and a quarter of the rural roads are in a satisfactory condition. The target is to pave 800 km of road per year.

An important initiative for road infrastructure in Tanzania is the Integrated Roads Project (IRP) for improvements to airports, roads and harbors, which involves sixteen donor agencies and is designed to address the problems highlighted above. Through the IRP, the trunk roads between Dar Es Salaam/Arusha and Dar Es Salaam/Mbeya have been greatly improved and the country's most important wildlife and geophysical attractions have become more accessible. A few shorter trunk road improvement programs have particular importance for the development of tourism, namely Dar Es Salaam to Bagamoyo and Makuyuni to Ngorogoro, and their paving is expected to be completed by 2003. Two other important roads that are being upgraded are: Kibiti to Mtwara and Mingoyo to Mbamba Bay and the bridge over the Rufifi Delta is being constructed. A Road Fund has been set up with earmarked funding and became operational in 2001 with a mandate to accomplish major improvements in road infrastructure. This is being studied as part of a Special Development Initiative (SDI) with DBSA funding the feasibility studies, as is the corridor from Dar Es Salaam to Lake Victoria.

The development of some areas with great potential will be enhanced by improved road access, such as Bagamoyo and other areas along the coast. Improvements to the road network will, most importantly, help to incorporate local communities and their products and services into the existing tourism product.

*Telecommunication services* are essential for investors of all types. The management team appointed after privatization of the telecommunications company, TTCL, launched its cellular services (totaling about 50,000 subscribers) and has initiated a major investment program in the fixed and cellular line networks (circa US$10 to 15 millions in the fixed line network and US$40 million in the mobile network). Business telephones receive priority and connection can be done in two weeks. The restructuring of TTCL shows good prospects of improving the supply situation even further. Mobile cellular phone services are supplied through four private companies and competition is bringing down costs of handsets, connections and operations. Nevertheless, costs of telecommunications are still high.

*For power*, installed capacity is now adequate but tariffs are perceived to be high. A continuous power supply is regarded as a basic necessity for a growing tourism industry. While the distribution of electricity has improved significantly in the

Central and Northern parts of the country over the past few years, the Southern part of Tanzania does not have access to the national grid. The Songo Songo project, approved in October 2001, will help resolve the current situation, with submission of bids for the two major contracts for the gas pipeline and gas processing plant expected shortly. The Ubongo power plant is expected to be converted to gas by March 2004 and there are plans to develop a commercial gas project following a gas sales contract signed in June 2002. Currently, most lodges in national parks and game reserves in the remote areas of the country make use of generators for their electricity needs.

As regards *water*, the Ministry of Water and Livestock Development has a hydrological map for the whole country that indicates the various sources of water. There is no master plan for water supply in areas that have been earmarked as having potential for investment, but once an investor identifies an area of operation, current hydrological information is made available. Fresh water in Tanzania comes mainly from underground sources and surface springs. The adequate supply of clean water to popular tourist sites is vital for the development of tourism in the country. Generally, every National Park under the control of TANAPA has its own dedicated water source. Water supply in Dar es Salaam can only satisfy 50% of the demand. As a result, supplies have to be rationed and many residents depend on tanker supply and bottled water. The provision of adequate infrastructure in the water distribution network is of primary importance for the development of Tanzania's tourism industry and investments in utilities are expected to improve once the utilities are privatized.

### *Health*

Tanzania is a tropical country in which malaria is widespread on the Mainland and in Zanzibar. Tsetse flies are a considerable nuisance on the Southern Circuit. The country has widespread HIV/AIDS. Total health expenditures in 2000/01 are estimated at 1.3 per cent of GDP, compared to 0.8 percent a year earlier—the Government is continuing to provide more for health in its budget but total expenditures are still only about US$6 per capita. Provision of medical care is not available in all parts of the country, but two companies, Flying Doctors and AAR have been providing medical evacuation facilities. Better provision of health clinics and medical evacuation facilities are needed for tourism and could be provided privately, perhaps with industry participation.

### *Human Resource Development & Capacity Building*

The recent market survey of tour operators[11] revealed that the quality of tourist services was cited as a weakness of the product. A number of respondents felt that tourist customer services were equal to those received in other destinations in the region, but a significant number thought that, though Tanzanians were friendly and helpful, a general lack of training could be detected and that the approach and attitude could be more professional. As a result, the overall Tanzanian package did not match value with the costs of the trip.

As part of the follow-up to the Master Plan, a report on "Tourism Human Resource Development and Strategy and a Review of Development Options for HTTI" was prepared for the Government, with financing from the European Commission[12] . The main findings of the report are:

- The level of employment in the tourism sector is growing and this growth is expected to continue, increasing the industry's demand for trained new entrants;
- Staff turnover levels range between 10% to 20% per annum, further increasing the industry's needs for new entrants each year and highlighting the need for continuous training;
- Three quarters of tourism sector employees are in job categories that require industry-specific skills, highlighting the need for a craft-specific or vocational approach;

- An estimated two thirds of tourism sector employees are in the accommodation sub-sector, highlighting the need for adequate training capacity in this area;
- The vast majority of employees in the sector are male, especially at managerial level, indicating that special attention ought to be given to training women in order to redress this gender imbalance;
- The majority of employees are young (18 to 35 years), indicating a high propensity to learn new skills and with a potentially long career within the sector; and
- The existing levels of education and training awards attained by employees per job category are broadly in line with the experience of other destinations. However, the quality of education and training delivered was reported to be of a lower standard.

The Vocational Education & Training Authority (VETA) is the only public sector entity that has been involved in tourism training and this training is for entry-level employees. The tourism training is funded through a 2% payroll levy (tax) paid by tourism industry operators. The National Council for Technical Education (NACTE) is beginning the process of registering training institutes, although none so far is registered to teach tourism. NACTE trains from the pre-technician to the equivalent of a technical degree at the Masters Level. The Higher Education Accreditation Council (HEAC), which trains from the Certificate to the Doctorate level, has no tourism programs.

There are a number of publicly funded training facilities in Tanzania that have a direct or indirect impact on the tourism sector:

- Prime among these is the Hotel and Tourism Training Institute (HTTI), which is managed and funded by the MNRT. According to the CHL Consultants: “the HTTI is under-funded and lacks the necessary facilities and teacher expertise to train students to a very high standard”;
- The College of African Wildlife—MWEKA;
- Pasiansi Training College;
- The Hotel and Tourism Training Centre in Zanzibar;
- VETA training centers. The Consultants state that, although some progress is being made by VETA, including the introduction of occupational unit standards, these centers have, to date, failed to meet the needs of the tourism sector;
- The Civil Aviation Training Centre; and
- The Tanzania Air Training School.

**Box 9: Estimated New Staff Requirements and Trainers**

| Sub-Sector | Total Staff | Target Number of Trainers | Est. New Entrants Per Year |
|---|---|---|---|
| Hotels/ lodges | 22,040 | 2,000 | 3,690 |
| Tented camps | 630 | 65 | 110 |
| Tourist restaurants | 450 | 50 | 75 |
| Tour guides (including mountain guides) | 750 | 80 | 100 |
| Safari/ ground operators | 2,275 | 230 | 280 |
| Airlines (national and private) | 4,600 | 460 | 620 |
| Ministry/ parastatals (TTB, TANAPA) | 150 | 15 | 25 |
| Total | 30,895 | 2,900 | 4,900 |

*Source:* Human Resource Development Strategy, draft, October 2001.

Over the last ten years, there has been a significant increase in the number of private tourism training schools and institutions throughout Tanzania. The absence of effective legislation and regulatory bodies to regulate their activities has led to a wide variation in educational and training standards.

As an alternative to formal vocational training, most hotels on the Northern Circuit currently recruit from local communities and train from scratch. As another alternative, the new management of a hotel in Dar Es Salaam has begun to send staff for training to the company's facilities in South Africa. Also, under the regional EAC program, Kenya is expected to open the doors of its Utalii Training College to nationals of EAC countries on a preferential basis.

The consultants calculate new staff requirements annually and the number of trainers needed to train staff adequately as shown in Box 9.

The Consultants propose a Tourism Training Action Plan, consisting of:

- Securing a sustainable source of funding for tourism training;
- Establishing a Tourism Training Policy Section within the Tourism Division of the MNRT;
- Establishing a National Tourism Training Advisory Council;
- Developing a National Tourism Curriculum;
- Defining occupational standards of performance for the tourism industry;
- Continuing improvements to physical and training standards at the HTTI. Currently, the Government is considering changing the status of the HTTI to that of an "Executive Agency" (the equivalent of a parastatal or statutory body) and that its name be changed to the "National Tourism College";
- Training existing staff in the industry;
- Training the trainers;
- Training tour and safari guides; and
- Initiating tourism public awareness campaigns.

The Consultants recommend that Government and industry should seek to develop an improved HTTI that becomes a real resource to the industry, which should have a sense of ownership of the HTTI and a real pride in the quality and standards of its education and training. This can only be achieved through effective public sector and private sector cooperation and communication.

The Consultants estimate the costs of the proposal at US$1.6 million, excluding the costs of establishing the TTPS and the NTTAC. The entire project would be implemented in two years. These proposals are currently under consideration by the Government.

## The Potential for Tourism Growth and Investment

### *Mainland*

Tanzania's currently marketed wildlife and natural assets are of sufficient caliber and scarcity to guarantee a continuation of international demand for the foreseeable future. The many and varied wildlife, nature, resort and cultural assets that are as yet unexploited are of sufficient caliber to ensure an expansion of tourist demand, including to areas that have not so far benefited from tourism. The exploitation of these assets will require private sector investments in accommodation and services, supplemented by assistance for the physical and social infrastructure from the Government, international lenders, and local and international NGOs, as well as private-public partnerships.

### *Zanzibar*

The islands' superb resort and diving and fishing assets and distinctive historical and cultural heritage should guarantee the future of tourism for years to come. Zanzibar has already allocated a number of sites to tourism that the lessees have not utilized, but there is still room for expansion of coastal tourism. Pemba has potential for small luxury resort and niche tourism, provided the lack of even basic infrastructure can be overcome. Sustainable development of tourism in Zanzibar and its islands requires, as a *sine qua non*, social and political stability. This, in turn, will require that tourism benefit local people, that the resource base is protected, and that the islanders' cultural mores are respected. Any expansion in tourism in Zanzibar should be addressed holistically, rather than piecemeal, so as to ensure that tourism is economically, environmentally, socially and cultural sustainable. This can best be achieved through a Master Plan for the main and smaller islands.

### *The Scale and Types of Tourism Investments in Tanzania*

For tourism to be sustainable, it must protect the natural and cultural assets on which it is based. Any proposal for growth of tourism must measure its impact on Tanzania's resource base. To alleviate pressures on the North, the Government has already imposed a moratorium on new construction in Serengeti and Ngorongoro and is encouraging investments in the Southern Circuit. To date, Tanzania has mostly attracted small, affluent groups of visitors, who are prepared to pay for privacy and exclusivity. Small groups ideally suit the fragility of the assets on which tourism is based, and the type of transport that can currently serve most tourism destinations within Tanzania. In the popular Northern Circuit, occupancies are currently of the order of 75–80%, which leaves little or no room for expansion in numbers of tourists—certainly in the peak and high seasons.

The Government may have to take more aggressive measures to protect the parks on the Northern Circuit and also to maintain the impression of exclusivity that causes higher-income tourists to visit the country. Such measures could include controlling the number of permissible visits and/or the length of stay in the park and increasing park entrance fees. The effect of these measures will be to make tourists value their visit even more highly and add to the country's image of exclusivity. The Government may also wish to maintain the ban on new hotel and camp construction in Parks on the Northern Circuit while simultaneously introducing incentives—possibly of limited duration—for selected destinations elsewhere in Tanzania.

An examination of the many sites throughout Tanzania with tourism assets suggests that, with few exceptions, the scale of accommodation and services should be relatively small. Tourism to Tanzania is likely for the foreseeable future to continue to consist of many small groups of tourists traveling to one of three focal entry points and then fanning out to a large number of destinations within the country. Tourists will also combine two to three destinations within Tanzania during their stay. Yet, at the same time, any major expansion of tourism will require substantial investments in infrastructure, including air access, accommodation and tourist services in critical hubs throughout the country. Tourism investments in those initial focal entry points, such as Arusha, Kilimanjaro and Dar Es Salaam, are the only investments likely to be large scale for the foreseeable future. Other hubs will develop as tourism expands throughout the country.

Simultaneously, the promotion of small and medium enterprises (SMEs) is a crucial element in the development of the hospitality industry in Tanzania. Incorporation of local communities, through linking their goods and services to the supply chain, is essential if the benefits from tourism are to be widely distributed and if tourism is to be acceptable to local people. There is also a need for good quality services, particularly restaurants, along the most traveled roads that can serve both domestic and international tourists. To enable local investors to participate as investors and to set standards for the operations as well as create technology transfer, "franchises" may be appropriate. Such franchises could reflect Tanzanian characteristics. There is also a limited need currently, which could expand as tourism grows, for small accommodations on the most traveled roads. As an example of the type of accommodation that could be appropriate, the French long ago established "gîtes"—small guesthouses that reflect local character and are subject to inspection to meet defined norms. Ireland did the same with farmhouse accommodations that carry an "approved" sign and are marketed by the Irish Tourist Board. With technical assistance and a source of financing, Tanzania could begin a program of establishing primarily restaurants, as well as the occasional "gîte", along the roads most traveled by tourists and local people.

Tourism can generate linkages to other production and service sectors, where domestic demand alone is insufficient to justify investments. There would appear to be opportunities for investment in firms that produce goods that are required for both tourism and the local market, but that currently are imported. A prime example is agribusiness. In Zanzibar as well in parts of the mainland, local people sell mounds of fruit—mainly oranges—on the roadside, yet tinned fruit and juice served in hotels is imported mainly from South Africa. This would of course require that elements of the supply chain be in place but tourism could serve as the catalyst.

The services sector is another example where current inefficiencies hamper tourism and, presumably, local business, and thus create investment opportunities. For example, credit cards are only accepted at major hotels and in some local businesses—and selected credit cards at that. This exacerbates the dependence on package tours in which all expenses are prepaid in the country of tourist origin.

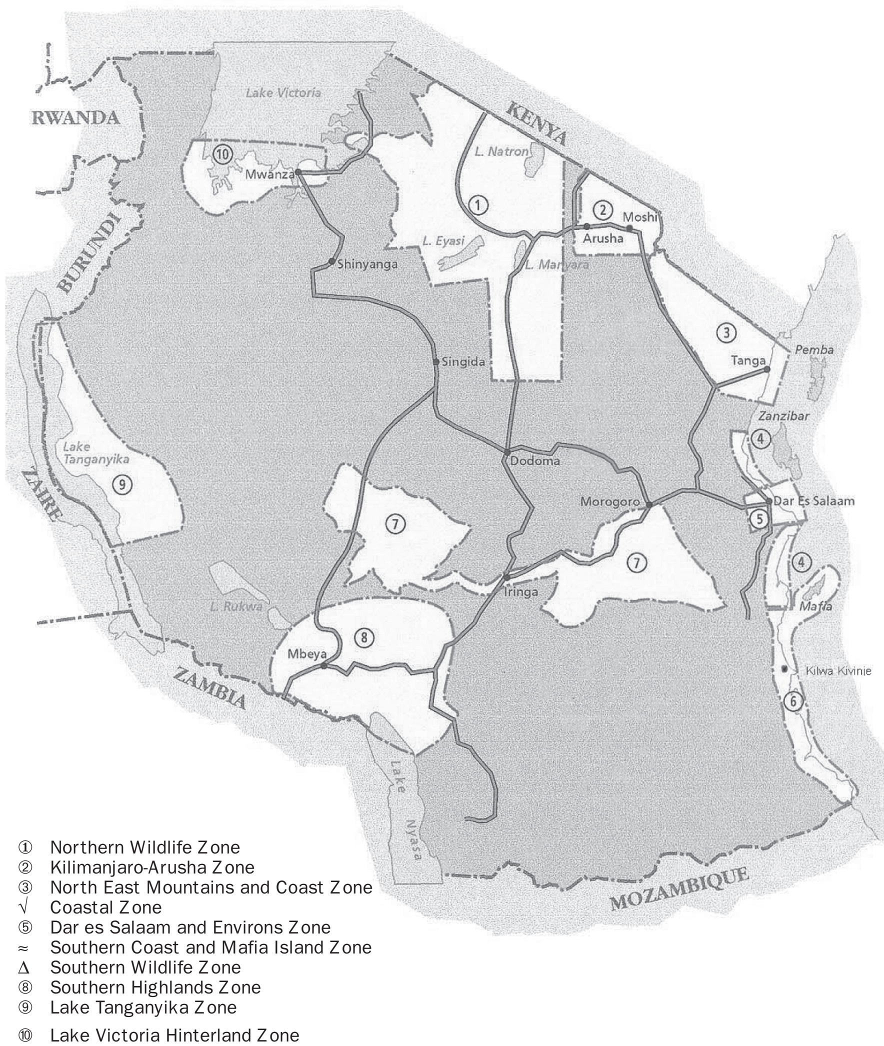
This medley of requirements opens the investment forum to a large variety of potential investors, foreign and local, in terms of size and type of project available for financing.

## *Geographic Priorities*

### *Mainland*

The Integrated Tourism Master Plan, was recently approved by the Government, originally covered the period 1996–2005. As part of the updating of the Tourism Master Plan, cited previously, ten zones were designated for priority development. The criteria for selection were numerous and were debated at a Tourism Workshop held on 4 April 2001. The conclusion was: "The absence of infrastructure and lack of resources to put the necessary infrastructure in place in the remote areas of Tanzania led to the conclusion that over the 10-year period of the plan it was only realistic

**Map 3 Tourism Development Zones**



to focus development primarily in the part of the country that lies east of a line between Mwanza and Mbeya." (See Map 3 ) The desig-nation of priority areas does not imply the exclusion of tourism in the other zones; other development would be encouraged but, during this planning period, would be small scale. Tanzania has, therefore, decided to prioritize and sequence its investments in tourism to maximize the use of resources and obtain economies of scale.

The following are the areas selected for priority development on the Mainland:

- *Northern Wildlife:* National Parks of Serengeti, Lake Manyara, and Tarangire and the Ngorongoro Conservation Area;
- *Kilimanjaro-Arusha:* Kilimanjaro and Arusha National Parks and Gateway Service Centers;
- *North East Mountains & Coast:* area through Mkomazi Game Reserve, Usambara Mountains and North coast to include Tanga and Pangani;
- *Coastal:* Narrow coastal band along the Coastal Zone Administrative Area, excluding Dar Es Salaam urban area—from Sadaani Game Reserve in the North (including Bagamoyo), and Ras Kimbjii to the Rufiji delta in the South;
- *Dar Es Salaam and environs:* Urban Waterfront from Ununio (North) to Ras Kimbjii (South) and islands of: Mbudya, Bongoyo, Panganvini. Mwaktumbe, Kendwa and Sinda;
- *Southern Coast and Islands:* From Southern Coastal Zone Boundary to Mozambique boundary, including Kilwa, Mtwara, and off shore isa;lnds of Mafia and Songo Songo;
- *Southern Wildlife:* Udzungwa and Ruaha National Parks, and Selous and Rungwa game reserves;
- *Southern Highlands:* Poroto and Livingstone mountain ranges of Lake Nyasa;
- *Lake Tanganyika:* Gombe, Katavi, and Mahale Mountain National Parks; and
- *Lake Victoria Hinterland:* Rubondo National Park and Biharamulo-Bunringi, Orungondo abd Rumanyika Game Reserves.

### *Zanzibar*

The Tourism Master Plan covered only the Mainland. The MIGA team has used material from the Government of Zanzibar that suggests the priority areas for that island.

- *North-West Corridor:* From Fuji Beach to Bumbwini (15 km)
- *Nungwi Corridor:* From Kendwa to Nungwi (1.9 km)
- *North-East:* Including Island of Mnemba
- *South East Corridor:* From Michamvi to Chwaka
- *Wambaa (Pemba):* 2 km separated by mangroves
- *Vumavimbi (Pemba):* 7 km.

## *Priority Action Program*

In addition to selecting priority geographic areas for development, the Master Plan discussions yielded a priority action program for the first two years of the updated plan, which is shown in Box 10.

## *Targeted markets and numbers*

The discussions surrounding the updating of the Master Plan confirmed that the market that Tanzania is targeting for tourism is low volume and high yield. Mass tourism, as a matter of policy based on the type of assets that Tanzania markets, is not encouraged.

In 1995, when the Master Plan was drawn up, the number of visitors to Tanzania was estimated at 295,000 and the target projection for 2005 was 575,000 foreign visitors. By 2000, the number of visitors had exceeded 500,000. So, with a higher than anticipated growth in tourist arrivals, the targets for 2005 were revised upwards, despite the downturn in travel post September 11, which is expected to be short-lived. The targeted number of foreign visitors by purpose of visit and bed-night demand for the accommodation sector that is suitable for international tourism is shown in Box 11.

**Box 10: Recommended Priority Action Programs**

| Programme | Actions | Agents |
|---|---|---|
| Improving knowledge and know-how | ■ Statistical database<br>■ Inventory of resources<br>■ Economic significance<br>■ Market Research<br>■ Tourism Satellite Accounts<br>■ Tourism information system | ■ Tourism Division<br>■ National Bureau of Statistics<br>■ Central Bank of Tanzania<br>■ EU-TDP<br>■ NORAD<br>■ Working Group Statistics |
| Attracting Investment Capital | ■ Rationalise tax regime<br>■ Review of investment incentives<br>■ Assess financing needs of SMEs<br>■ Eliminate price tiering<br>■ Establish tourism investment<br>■ Promotion unit in tourism division<br>■ Convene Investment Promotion Workshop | ■ Ministry of Finance<br>■ EU-TDP<br>■ Tourism Division<br>■ Tanzania Investment Centre<br>■ Tanzania Tourist Board<br>■ Tanzania Tourism<br>■ Confederation |
| Enhancing and Expanding the Tourism Budget | ■ Introduction of accommodation grading & classification system<br>■ Development plans for<br>-Southern Circuit<br>-Northern Circuit<br>-Coastal Zone<br>■ Preparation of selected product profiles—golf, soft adventure<br>■ Conservation/preservation plans<br>-Mount Kilimanjaro<br>-Old City of Bagamoyo<br>-Kilwa | ■ Tourism Division<br>■ EU-TDP<br>■ Antiquities Division<br>■ Tanzania Tourist Board<br>■ Tanzania Tourism Confederation<br>■ Government of France<br>■ JICA |
| Improving Service Standards | ■ Formulate manpower training policy and plan<br>■ Strengthen HRD planning within Tourism Division<br>■ Establish national curriculum<br>■ Organization/rehabilitation of HTTI<br>■ Establish tour guide training programme<br>■ Organise modalities for management training | ■ Tourism Division<br>■ EU-TDP<br>■ Tanzania Tourism Confederation<br>■ Government of France |
| Improving Access and Infrastructures | ■ Formulate air access transport policy and plan<br>■ Attract more international carriers<br>■ Develop KIA as a 'hub'<br>■ Improve domestic air services<br>■ Identify road network improvements to facilitate development | ■ Tourism Division<br>■ Tanzanian Tourist Board<br>■ EU-TDP<br>■ TCAA<br>■ KIA |

*continued on next page...*

**Box 10: Recommended Priority Action Programs** *(continued)*

| Programme | Actions | Agents |
|---|---|---|
| Improving Security | ■ Establish security awareness plan | ■ Presidents' Office<br>■ Ministry of Defense<br>■ Ministry of Natural Resources & Tourism |
| Creating Greater Market Awareness | ■ Market demand survey among tour operators<br>■ Formulate marketing strategy and plan<br>■ Upgrade/extend national web-site and link to other sites/platform<br>■ Create new brand image<br>■ Production of new set of collaterals<br>■ Organize annual Tanzania Holiday Fair<br>■ Improve visitor facilitation: TIO at KIA, KIA & Dar<br>■ Implement adequately funded marketing campaign | ■ Tourism Division<br>■ Tanzania Tourist Board<br>■ Tanzania Tourism Confederation<br>■ EU-TDP<br>■ KIA, DIA |
| Strengthening Institutions and Economic Linkages | ■ Organizational review of TTB to include role, functions and funding mechanism<br>■ Organizational review of Tourism Division to include role, functions and funding sources<br>■ Review of legislation and regulations<br>- Hotels Act<br>- Tourist Agents Licensing Act<br>■ Clarify land use and tenure laws<br>■ Support to Tourism Confederation—trade material<br>- Newsletter<br>- Technical assistance<br>- Travel fair/exhibition<br>■ Establish tour guide association<br>■ Identify and promote economic linkages between tourism and other sectors of economy | ■ Tourism Division<br>■ TTB<br>■ Tanzania Tourist Board<br>■ Tanzania Tourism Confederation<br>■ Tourism Suppliers |

## Conclusions

There are many good arguments to support Tanzania's intention of expanding tourism as a source of economic growth and diversification through attracting foreign investment. The country already has a tourism industry with outstanding natural and cultural assets that make it well known around the world. Importantly, it also has the potential to enhance some of its current destinations and add a wealth of new ones as the market develops. The country has a stable political environment and a democratically elected government that has espoused an agenda of economic reform. The macroeconomic framework has delivered rates of growth of over five percent and Tanzania has earned a hard won reputation from the donor community for its commitment to sound policies and poverty alleviation. Key economic activities have been liberalized (trade, foreign exchange, interest rates) and others rationalized (taxation policy and the performance of public enterprises). The Government is now turning its attention to strengthening its institutions, reducing transactions costs for business and addressing policies to attract foreign investment: the Tanzania Investment Center has been strengthened, the financial sector privatized. Nonetheless, there are a number of physical shortcomings to be addressed. For example, infrastructure remains a constraint, particularly international and domestic access, but the Government recognizes the constraints and is working to overcome them.

On the policy front for tourism, the tourism Master Plan has been updated and provides a sound framework for enhancement and expansion of the sector. The Government is conscious that the country's natural assets are the principal building blocks for a successful tourism industry and is designing a harmonized approach to conservation and protecting the environment. In other policies, the Government has negotiated an open skies policy with the US and is strengthening the business environment through rationalization of the tax system and licensing requirements, as well as double taxation agreements. Progress is evident in simplified procedures for visas and the removal of some impediments to new investment. The Government also recognizes the importance of getting local communities to accept tourism and benefit from the sector and is working to create jobs and enhance incomes through the participation of local communities in tourism, as stakeholders, employees and citizens, who can also add value to their unique cultural patrimony.

In tourism itself, Tanzania has always been an up-market destination. This gives it a strong place in the market and the opportunity to "burnish" and protect that image through new investment and creative product design through its plentiful potential for bringing *niche* markets on stream, including diving, fishing and birding. A coordinated marketing program that recognizes the imperatives of the modern tourism industry will be needed, as well as better coordination between the public and private sectors to promote Tanzania as a single destination, which is increasingly the case. At the same time, regional tourism with neighboring East and Southern African countries and Indian Ocean islands also offers the potential for enhancing the tourism offerings that Tanzania could develop.

Tanzania is ready to partner with foreign and domestic investors to enhance and expand its tourism industry, while also preserving its natural and cultural assets. Investment in tourism is taking place and this is perhaps the best indicator that there is the opportunity for profitable investment in Tanzania.

**Box 11: Target Projections of Visitor Numbers and Bed-nights, 2000–2005**

| | *2000 (000's)* | | *2005 (000's)* | |
|---|---|---|---|---|
| **Purpose of Visit** | **Numbers** | **Bednights** | **Numbers** | **Bednights** |
| Holiday, recreation | 340 | 2,550 | 480 | 3,840 |
| Business | 130 | 845 | 170 | 1,105 |
| Transit | 21 | 42 | 20 | 40 |
| Other | 11 | n/a | 20 | n/a |
| Total visitors | 502 | 3,440 | 670 | 4,985 |

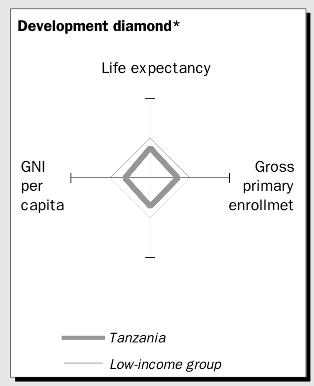
## Notes

1. "Sustainable Tourism Development And Investment In Tanzania: The Road Ahead". Results of a Public-Private Sector Consensus Building Workshop, Dar Es Salaam, 5 and 7 July 2001.
2. "Integrated Tourism Master Plan for Tanzania—Summary and Action Plan Update, December 2001", which was done for the Ministry for Natural Resources and Tourism of the United Republic of Tanzania by CHL Consulting Group, Dublin, with financial assistance from the Commission of the European Union.
3. See Annex I "Tanzania at a Glance" for information on economic and social conditions.
4. This section is based on "European and United States Market Demand Survey for Tanzania" dated February 2002, done by Ms. M. Murphy and Ms. A. Henegan, CHL Consulting, for the Ministry for Natural Resources and Tourism, with financial assistance from the EC, and on interviews with ground tour operators in Tanzania and a survey of a handful of international tour operators in the UK in July-August 2001.
5. Business Environment Strengthening for Tanzania (BEST Program): Enhancing Growth and Reducing Poverty. Program Design Report. Prepared by The Law & Development Partnership Limited for the Ministry of Industry and Trade of the Government of Tanzania. The study was co-financed by DFID, the Royal Netherlands Embassy and SIDA. Final Report May 2001.
6. Expanded information about Tanzanian investment incentives can be found on TIC's web site: http://www.tic.co.tz
7. The definition of "Africa" in this case includes the North African countries of Tunisia, Morocco and Egypt.
8. The report is cited in footnote 4.
9. The study is cited in footnote 4.
10. Tourism in Africa. Iain T. Christie and D. Elizabeth Crompton. Africa Working Paper Series. Number 12. February 2001. World Bank.
11. The study is cited in footnote No. 4
12. The report was prepared by Mr. Brian Staunton and Dr. George Lindi, CHL Consulting, and is dated October 2001.

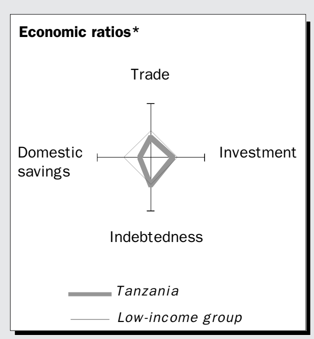
# Annexes

# Annex I. Social and Economic Indicators: Tanzania at a Glance

| POVERTY and SOCIAL | Tanzania | Sub-Saharan Africa | Low-income |
|---|---|---|---|
| 2000 | | | |
| Population, mid-year (millions) | 33.7 | 659 | 2,459 |
| GNI per capita (Atlas method, US$) | 270 | 480 | 420 |
| GNI (Atlas method, US$ billions) | 9.1 | 313 | 1,030 |
| **Average annual growth, 1994-00** | | | |
| Population (%) | 2.6 | 2.6 | 1.9 |
| Labor force (%) | 2.6 | 2.6 | 2.4 |
| **Most recent estimate (latest year available, 1994-00)** | | | |
| Poverty (% of population below national poverty line) | 51 | .. | .. |
| Urban population (% of total population) | 33 | 34 | 32 |
| Life expectancy at birth (years) | 45 | 47 | 59 |
| Infant mortality (per 1,000 live births) | 85 | 92 | 77 |
| Child malnutrition (% of children under 5) | 31 | .. | .. |
| Access to an improved water source (% of population) | 54 | 55 | 76 |
| Illiteracy (% of population age 15+) | 24 | 38 | 38 |
| Gross primary enrollment (% of school-age population) | 67 | 78 | 96 |
| Male | 67 | 85 | 102 |
| Female | 66 | 71 | 86 |



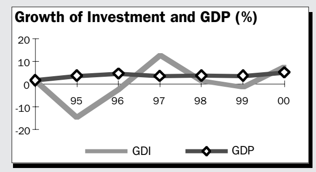

| KEY ECONOMIC RATIOS and LONG-TERM TRENDS | 1980 | 1990 | 1999 | 2000 |
|---|---|---|---|---|
| GDP (US$ billions) | .. | 4.3 | 8.8 | 9.0 |
| Gross domestic investment/GDP | .. | 26.1 | 15.3 | 17.7 |
| Exports of goods and services/GDP | .. | 12.6 | 13.6 | 14.7 |
| Gross domestic savings/GDP | .. | 1.3 | 3.3 | 8.7 |
| Gross national savings/GDP | .. | 5.9 | 2.9 | 8.6 |
| Current account balance/GDP | .. | -17.9 | -12.3 | -9.2 |
| Interest payments/GDP | .. | 1.1 | 0.7 | 1.4 |
| Total debt/GDP | .. | 151.2 | 91.9 | 78.7 |
| Total debt service/exports | 23.5 | 34.2 | 15.7 | 15.3 |
| Present value of debt/GDP | .. | .. | 53.1 | 29.1 |
| Present value of debt/exports | .. | .. | 373.5 | 189.2 |

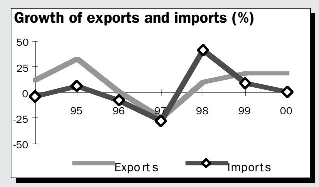


| | 1980-90 | 1990-00 | 1999 | 2000 | 2000-04 |
|---|---|---|---|---|---|
| *(average annual growth)* | | | | | |
| GDP | .. | 2.9 | 3.6 | 5.1 | 6.2 |
| GDP per capita | .. | 0.1 | 2.4 | 1.3 | 4.0 |
| Exports of goods and services | .. | 9.3 | 18.6 | 18.4 | 1.7 |

**STRUCTURE of the ECONOMY**

| | 1980 | 1990 | 1999 | 2000 |
|---|---|---|---|---|
| *(% of GDP)* | | | | |
| Agriculture | .. | 46.0 | 44.8 | 45.1 |
| Industry | .. | 17.7 | 15.4 | 15.8 |
| Manufacturing | .. | 9.3 | 7.4 | 7.5 |
| Services | .. | 36.4 | 39.8 | 39.1 |
| Private consumption | .. | 80.9 | 89.8 | 84.8 |
| General government consumption | .. | 17.8 | 6.9 | 6.6 |
| Imports of goods and services | .. | 37.5 | 25.6 | 23.8 |
| | **1980-90** | **1990-00** | **1999** | **2000** |
| *(average annual growth)* | | | | |
| Agriculture | .. | 3.2 | 4.2 | 3.4 |
| Industry | .. | 3.1 | 5.4 | 7.2 |
| Manufacturing | .. | 2.7 | 3.8 | 4.6 |
| Services | .. | 2.7 | 5.4 | 5.8 |
| Private consumption | .. | 2.2 | 5.2 | -.09 |
| Gross domestic investment | .. | 2.5 | -1.5 | 5.0 |
| General government consumption | .. | -1.4 | -1.5 | 7.5 |
| Imports of goods and services | .. | 0.9 | 8.7 | 0.1 |

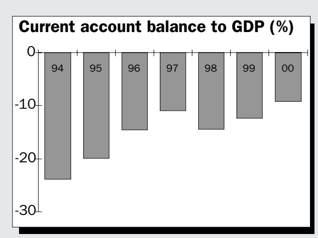



*Note:* 2000 data are preliminary estimates.
* The diamonds show four key indicators in the country (in bold) compared with its income-group average. If data are missing, the diamond will be incomplete.

**BALANCE of PAYMENTS**

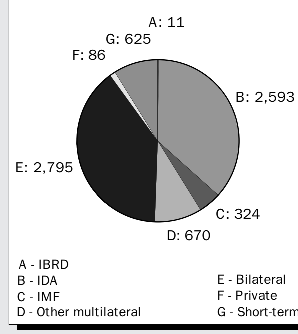
| | 1980 | 1990 | 1999 | 2000 |
|---|---|---|---|---|
| *(US$ millions)* | | | | |
| Exports of goods and services | 673 | 519 | 1,195 | 1,327 |
| Imports of goods and services | 1,221 | 1,557 | 2,244 | 2,146 |
| Resource balance | -548 | -1,038 | -1,049 | -819 |
| Net income | -14 | -186 | -66 | -43 |
| Net current transfers | 22 | 461 | 34 | 35 |
| Current account balance | -540 | -764 | -1,081 | -827 |
| Financing items (net) | 474 | 748 | 1,223 | 1,176 |
| Changes in net reserves | 66 | 16 | -143 | -348 |
| ***Memo:*** | | | | |
| Reserves including gold *(US$ millions)* | .. | 124 | 776 | 950 |
| Conversion rate *(DEC, local/US$)* | 8.2 | 195.1 | 744.8 | 800.4 |



**EXTERNAL DEBT and RESOURCE FLOWS**

| | 1980 | 1990 | 1999 | 2000 |
|---|---|---|---|---|
| *(US$ millions)* | | | | |
| Total debt outstanding and disbursed | 5,322 | 6,438 | 8,053 | 7,104 |
| IBRD | 198 | 243 | 16 | 11 |
| IDA | 242 | 1,250 | 2,594 | 2,593 |
| Total debt service | 161 | 179 | 196 | 213 |
| IBRD | 20 | 44 | 8 | 6 |
| IDA | 2 | 14 | 43 | 51 |
| Composition of net resource flows | | | | |
| Official grants | 485 | 677 | 737 | 763 |
| Official creditors | 219 | 208 | 177 | 111 |
| Private creditors | 99 | 4 | -13 | -11 |
| Foreign direct investment | 0 | 0 | 183 | 193 |
| Portfolio equity | 0 | 0 | 0 | 0 |
| World Bank program | | | | |
| Commitments | 109 | 537 | 159 | 272 |
| Disbursements | 69 | 187 | 199 | 142 |
| Principal repayments | 5 | 32 | 30 | 37 |
| Net flows | 64 | 155 | 169 | 105 |
| Interest payments | 17 | 26 | 21 | 20 |
| Net transfers | 47 | 129 | 148 | 85 |

**Composition of 2000 debt (US$ mil.)**




Development Economics

| | 1970-75 | 1980-85 | 1993-98 | Sub-Saharan Africa | Low-income |
|---|---|---|---|---|---|
| **POPULATION** | | | | | |
| Total population, mid-year (millions) | 15.9 | 21.8 | 32.1 | 627.3 | 3,536.4 |
| Growth rate (annual average percentage) | 3.0 | 3.2 | 2.9 | 2.2 | 1.4 |
| Urban population (percent of population) | 10.1 | 17.6 | 30.5 | 33.3 | 30.5 |
| Total fertility rate (births per woman) | 6.8 | 6.7 | 5.4 | 5.4 | 3.1 |
| **INCOME** | | | | | |
| GNP per capita (US$) | - | - | 240 | 510 | 520 |
| Consumer price index (1995=100) | 1 | 8 | 158 | 128 | 136 |
| Food price index (1995=100) | - | 10 | 162 | - | - |
| **INCOME/CONSUMPTION DISTRIBUTION** | | | | | |
| Gini index | - | - | 38.2 | - | - |
| Lowest quintile (percent of income or consumption) | 5.0 | - | 6.8 | - | - |
| Highest quintile (percent of income or consumption) | 53.0 | - | 45.5 | - | - |
| **SOCIAL INDICATORS** | | | | | |
| *Public expenditure* | | | | | |
| Health (percent of GDP) | - | - | 1.3 | 1.5 | 1.3 |
| Education (percent of GNP) | - | - | 0.0 | 4.1 | 3.2 |
| *Net primary school enrollment rate (percent of age group)* | | | | | |
| Total | - | 56 | 48 | - | 86 |
| Male | - | 55 | 48 | - | 89 |
| Female | - | 56 | 49 | - | 82 |

*continued on next page.*

| | | | | | |
|---|---|---|---|---|---|
| *Access to safe water (percent of population)* | | | | | |
| Total | - | 52 | 52 | - | - |
| Urban | - | 85 | 68 | - | - |
| Rural | - | 47 | 49 | - | - |
| *Immunization rate (percent of population under 12 months)* | | | | | |
| Measles | - | 66 | 69 | 58 | 80 |
| DPT | - | 67 | 74 | 53 | 82 |
| *Child malnutrition (percent of population under 5 years)* | - | - | 31 | - | - |
| *Life expectancy at birth (years)* | | | | | |
| Total | 46 | 51 | 48 | 50 | 63 |
| Male | 45 | 49 | 47 | 49 | 62 |
| Female | 48 | 53 | 48 | 52 | 64 |
| *Mortality* | | | | | |
| Infant (per thousand live births) | 125 | 102 | 85 | 92 | 68 |
| Under 5 (per thousand live births) | 218 | 166 | 136 | 151 | 92 |
| Adult (15-59) | | | | | |
| Male (per 1,000 population) | 513 | 451 | 521 | 432 | 235 |
| Female (per 1,000 population) | 419 | 370 | 482 | 383 | 208 |
| Maternal (per 100,000 live births) | - | - | 530 | - | - |

# Annex II. Tanzania's Principal Tourist Circuits and Niche Markets

Tanzania features regularly in the brochures of tour operators worldwide and prominently in the brochures designed for upper-income tourists[1] . The prime attractions are wildlife photo safaris in Serengeti and Ngorongoro in the north and beach tourism in Zanzibar[2] . Other destinations, particularly Selous in the south, are included frequently. The "packages" that are outlined in the brochures are flexible and can be custom-designed to suit the demands of the small groups that travel to Tanzania. Mass tourism is out of the question because of the fragility of the natural assets, as well as internal transport limitations, but is also not desired because Tanzania is targeting low volume, high yield tourism in line with the image of exclusivity that its outstanding assets make feasible.

## Wildlife Assets

### *Principal Wildlife Tourist Areas*

#### *The Northern Circuit*

The Northern Circuit is the chief destination for tourists and comprises Tanzania's best known National Parks of Serengeti, Lake Manyara and Tarangire and the Ngorongoro Conservation Area, which are outstanding world-class assets that are visited by tourists for wildlife viewing and photographic safaris. Wildlife and scenery are sufficiently different that the destinations complement each other and can be variously combined. Mount Kilimanjaro, Africa's highest mountain, is also part of the Northern Circuit.

The *Serengeti* National Park covers an area of over 14,700 square kilometers and is Tanzania's oldest national park, famous for its immense plains and the impressive density of wildlife. The Park is contiguous with Kenya's Maasai Mara Game Reserve and stretches as far as Lake Victoria to the west. It is best known for the Wildebeest migration and its remarkably high population of predators (lions and leopards). The Serengeti National Park is considered by some experts to be the finest safari venue in Africa. The Serengeti National Park is accessible by road from the Ngorongoro Crater, as well as from the airstrip located near the Seronera Wildlife Camp. Air charter companies operate the air link.

The *Ngorongoro* Crater has often been described as one of the wonders of the world, not only because of its inherent geological magnificence, but also because it serves as a sanctuary to some of Africa's most dense populations of large mammals. This 8,300 square kilometer conservation area is named after its central feature, the Ngorongoro Crater, the world's largest volcanic caldera. The vast conservation area stretches from Lake Natron, in the North East, to Lake Enyasi in the South, and Lake Manyara to the East. The Ngorongoro Conservation Area is usually accessed by road from the airstrip in the Serengeti National Park, the Kilimanjaro International Airport in Moshi or from Arusha.

*Lake Manyara* is distinguished by its varied bird life, particularly flamingos, tree climbing lions, hippos and elephants. Bordered by the dramatic scenery of the Rift Valley in the west, the Lake's diverse vegetation supports a variety of wildlife habitats.

*Tarangire National Park* lies south east of Lake Manyara around the Tarangire River. During the dry season (August to October, in particular) it has one of the highest concentrations of wildlife of any of the country's parks. The Park is also a birdwatching destination with over 300 species recorded. The adjacent Tarangire Wildlife Conservation Area accommodates walking safaris and local villages, whose land is used for the purpose, benefit from tourism revenues and help to manage the conservation area.

The *Arusha National Park* covers an area of about 137 square kilometers and is located 21 km from Arusha on the main Arusha-Moshi road. The Park has three distinct zones: Ngurdoto Crater (often called the "mini-Ngorongoro, the shallow alkaline Momella lakes fed by underground streams which are home to flamingoes and a wide variety of migrant birds, and the densely forested slopes of Mount Meru (Africa's fifth highest mountain). The Arusha National Park is home to an impressive variety of game including elephants, giraffes, buffalos, zebras, hippos, antelopes, leopards and hyenas.

*Mount Kilimanjaro* is one of the most recognizable landmarks of Tanzania. At 5,895m above sea level, Mount Kilimanjaro is the highest mountain in the world that can be climbed by a reasonably fit individual without special training or equipment. Consequently, climbing is a favorite activity among visitors to the Mount Kilimanjaro National Park. The vegetation changes radically at different levels, starting with farmland and then moving through rainforest to alpine meadows and finally barren landscapes at the summit.

*Arusha*, a small town to the North East of Tanzania next to the Kenyan border is often referred to as the safari capital of Tanzania. Arusha is the base from which travelers enter the Northern Circuit and is, consequently, Tanzania's busiest tourist center. Two airports service Arusha. The Kilimanjaro International Airport (KIA), which is half way between Arusha and Moshi to the east, is some 60 Km from Arusha. KIA has recently been privatized and is the main airport for scheduled international flights. Many charters and some regularly scheduled flights use Arusha airport, which is some 10 km away. Arusha is an increasingly important gateway into Tanzania as it is the first town visited by most international travelers, including those arriving from Nairobi. Air Tanzania, KLM and Ethiopian Airlines offer regular flights to and from Dar es Salaam while Precision Air Services also links the Kilimanjaro International Airport to Seronera, Mwanza, Bukoba, and Zanzibar. Arusha is linked by road with Dar es Salaam, Moshi and Nairobi in Kenya.

Currently, the main access road from Arusha to Ngorongoro and the Parks is being upgraded from Makayuni to Ngorongoro, which should shorten the journey and make it more comfortable for tourists. Under consideration also is the part improvement, part construction of the road from Makayuni to Mwanza, on Lake Victoria, as a bypass road for traffic that currently travels through the Serengeti to reach Mwanza. Visitors to the northern parks are mostly transported by bus from the airport to their lodging and between the different parks and conservation areas and by 4x4 vehicles into the parks.

Some 75 hotels with 3020 rooms in Arusha and Moshi provide accommodation for tourists, largely while in transit between the wildlife areas and the airports. The entire safari area contains about 800 rooms in ten hotels of generally high quality that range to luxury. The area also has a number of tented safari camps, which cater to a range of income levels, including high-income tourists.

The recent Market Surveys confirm that tourists are beginning to find the Northern Circuit overcrowded, which has environmental consequences and causes stress to wildlife but also conflicts with Tanzania's up-market, secluded image. To prevent overuse of the Northern Circuit, while also continuing to attract tourists interested in wildlife and to distribute the benefits of tourism more widely, the Government has encouraged the development of a Southern Circuit.

### *The Southern Circuit*

*The Southern Circuit* currently has the Selous Game Reserve and Ruaha National Park as main destinations. Under the Mtwara Development Corridor Initiative, the Government has identified priority areas for investment in this region. The Southern Circuit is designed to comprise eventually the Katavi and Mikumi National Parks, the Uwanda Usangu and Rungwa Kizigo Game Reserves, the diverse habitats and scenery around Iringa (which is also a significant Stone Age site) and Udzungwa (a wilderness area considered a hiker's paradise), the ruins of Kilwa Kisiwani and Kilwa Kivinje, the beaches along the Indian Ocean and Lake Nyasa (Lake Malawi). With this variety of assets, the Southern Circuit has the capacity to be single destination with multiple tourist activities within it. This section of the report describes only its principal wildlife areas that are currently accessible.

*The Selous Game Reserve* with an area of approximately 50,000 sq km and the Rufiji River running through it, is Africa's single largest game reserve. The assets are world class and are described as "the wild and isolated beauty of southern Tanzania—untamed by man and teeming with game[3] ". The Reserve is home to the largest concentration of elephants in the world as well as large populations of buffaloes, wildebeest, African hunting dog and a few black rhinoceros. The Selous Game Reserve is accessible by road in the dry season from Dar es Salaam (8 hour drive) but most passengers use commercial air links to the two airstrips inside the Game Reserve: one near Mpanga and the other in the vicinity of Niangandu.

The *Ruaha National Park* has an area of almost 13,000 sq km., where considerable parts have not even been explored. Ruaha is part of an extended ecosystem that comprises the adjacent Rungwa and Kisigo Game Reserves. In addition to large herds of a variety of animals, the Park has an estimated 400 bird species, including water birds around the Great Ruaha River.

These two impressive reserves are merely the most established, accessible and vast of the potential wildlife assets in the Southern Circuit. In addition, the much smaller *Mikumi National Park*, which is formally part of the Southern Circuit, is the most accessible to Dar es Salaam and a variety of both animal and bird wildlife is easy to view in a short time.

Access to the Southern Circuit for both people and supplies is mainly by small plane, with non-perishable and heavier supplies brought in by road in the dry season. The existence of a railway track, managed by TAZARA, which passes through the north of Selous and along the southern boundary of Mikumi, with stops at Matambwe and Msolwa, offers the possibility of enhanced rail travel in future. Accommodation facilities found in these areas mainly comprise lodges and tented camps and each unit usually houses up to 16 people. The package price for a two-week stay in the prime lodgings in the Southern Circuit can be as much as one third higher than for the Northern Circuit.

There is no official estimate of the number of rooms in lodgings and tented campsites in the Southern Circuit. But, given the small size of known accommodation, the number of rooms suitable for international tourists must be less than 200.

### ***Other Wildlife Areas in Tanzania***

***Gombe,*** where Jane Goodall has her chimpanzee research center, provides another type of wildlife viewing that is included in fewer packages. Because of its difficult access and the need to restrict visitors to protect the animals' habitat and way of life, this tourism expensive and is classified as "exclusive".

There are countless other areas of Tanzania that could be developed for wildlife viewing over time. Currently, the Government is focusing its priorities on improvements to the Northern Circuit and expansion of the Southern Circuit, which is barely developed.

### *Marine Resources*

Tanzania has exceptional, world-class marine assets in Zanzibar and in offshore islands. The Archipelago of Mafia and Mnazi Bay are to date the country's only marine park, though marine reserves have been designated, i.e., Masngamkuu-Mnazi Bay and Bongoyo and Mbudya Island, all in the Indian Ocean. Because the numbers of visitors are still relatively small, the marine environment is generally pristine—with the exception of those areas affected by dynamiting of coral, which has been controlled but not curtailed and, allegedly, areas of northern Zanzibar where excessive numbers of visitor accommodation and facilities have been built. Anecdotal evidence suggests that corals have not suffered the bleaching that has destroyed marine life in other parts of the world, including much of the Indian Ocean. Recently the Tanzania Coastal Management Partnership (TCMP)[4] submitted the draft of an Integrated Coastal Management policy, under the leadership of the Vice-President, to the Government. This suggests that the coastal zone will be better protected in future from pollution and development pressures, which can only benefit the tourist sector.

The *Zanzibar Archipelago* has the most developed resort assets in Tanzania. Zanzibar Island is about 85 km long and 20 to 30 km wide, and, like Pemba, is flat, surrounded by coasts of rocky inlets and sandy beaches with lagoons and mangrove swamps. In terms of natural assets they are competitive with islands in the South Pacific and the Caribbean and within the Indian Ocean.

*Zanzibar* already has a number of good resort hotels, which are featured as single destination attractions and as an add-on to wildlife safaris. In packages offered by tour operators, a resort holiday in "the spice island" of Zanzibar with its renowned historical and cultural assets is often combined with a wildlife safari on the Mainland, or a safari in Kenya and Southern African countries. Charter flights also arrive regularly in Zanzibar from Italy for single destination and relatively cheap resort tourism, which is confined to specially built accommodation in the north of the island. Such tourism began over a decade ago and is no longer encouraged by the Government, which is interested in the higher-income market. Zanzibar can be accessed by boat from Dar es Salaam and, more commonly by tourists, by local commercial aircraft flying to and from the Mainland.

*Pemba*, within the Zanzibar Archipelago, is about 75 km long and 15 to 20 km wide. Mafia Island in the Mafia Archipelago, is approximately 50km long and 15km across, lying some 160km to the south of Zanzibar. Both are pristine and undeveloped islands promoted mainly for their beaches, coral reefs and for big game fishing. *Chumbe Island*, where a tourist lodging won the British Airways Year 2000 Tourism for Tomorrow award, is designed as an ecotourism resort. *Mnemba*, a tiny island, contains one of the world's most exclusive luxury resorts with only 10 cottages and is encircled by a 10-mile reef. The islands can be accessed by air and sea from Dar es Salaam and Zanzibar.

The Mainland coast is still largely underdeveloped for international tourism, though a number of establishments cater to domestic tourists. Selected areas of this coast are suitable for resort tourism and can be brought on-stream as infrastructure improves. A few international tour operators feature Ras Kutani, the principal beach resort on the Mainland, which is near Dar Es Salaam, as an add-on to their safaris.

The resort market for "sun, sea and sand" is highly competitive. Tanzania competes with destinations worldwide for this market. The current limited scheduled air access nudges Tanzania into the high-income resort market but to compete, Tanzania must provide high quality accommodation and tourist services, as well as adequate infrastructure.

### *Lakes*

Tanzania has eight large lakes with different ecosystems, wildlife and surrounding scenery with potential for tourism but most are difficult to access. Two of the best known, in addition to Lake Manyara, are described below.

*Lake Victoria* is the largest lake in Africa and the second largest fresh water body in the world and is a component of the Northern Circuit. Lake Victoria is located at the intersection of Uganda, Kenya and Tanzania, with the bulk of the lake located in Tanzania. Mwanza is Tanzania's most important port on the shore of Lake Victoria and is the terminus of a branch of the Central Line railway from Dar-Es-Salaam. Mwanza has an airstrip and can also be accessed by road and water. Mwanza is notable for its granite outcrops and best known for the perched Bismark Rock at the harbour entrance.

*Lake Nyasa*, which is Africa's third largest lake, is in the Southern Highlands and a component of the Southern Circuit, bordered in the east by the Livingstone mountains. There is potential for cruise services on the Lake between ports within Tanzania and with ports in Malawi and Mozambique, which also share the Lake. The northern shore of the lake is one of the country's most densely populated areas.

### *Cultural Tourism Assets*

Cultural tourism assets in Tanzania are numerous. Access to them is sometimes difficult and most of the built assets are in serious need of protection and preservation. The Antiquities Department on the Mainland has more than 500 sites, but only 20 have employed workers and are open to visitors. The number of visitors to these 20 sites in 1999/2000 was estimated at just over 52,000 foreigners and just over 5,500 local people. Some of the sites are large and have no specific entry point, e.g., Bagamoyo, so that the validity of the estimates has to be questioned. No estimates are available for Zanzibar.

The major cultural sites include:

- Stone Town in Zanzibar Town, which is a World Heritage site. This old stone town, built in the nineteenth century, housed the palace of the Sultan, as well as other buildings that formed the town. Although many buildings have fallen into disrepair, the most important architecture is being restored;
- Bagamoyo, north of Dar Es Salaam, once an important trading post in East Africa, including for slaves sold to Arab buyers in Zanzibar, and containing the church where David Livingstone's body lay before being transported to Scotland, is located on an impressive white beach some 70km north of Dar es Salaam. Bagamoyo was also the capital of German East Africa from 1887 to 1891. The road between Bagamoyo and Dar Es Salaam is currently being upgraded;
- Ujiji, near Kigoma, where Stanley and Livingstone met in 1871;
- Kilwa, a small coastal town about halfway between Dar Es Salaam and the border with Mozambique, is the springboard for the island of Kilwa Kisiwani, which was once East Africa's most important trading center. The Kilwa ruins are among the best examples of Swahili architecture and the marine setting is beautiful. This is another World Heritage Site, together with the much less accessible, but possibly even more significant, ruins of Songo Mnara, which lie some 8 km south of Kilwa Kisiwani. A Cultural Development Project was launched in October 2001 to rehabilitate the ruins and make them attractive to tourists. The project is managed by the Tanzania Antiquities Department, with financing from the Fonds d'Aide et de Cooperation francais, JICA (Japan) and UNESCO;
- The Olduvai Gorge, northwest of the Ngorongoro Crater, has provided significant fossils (some discovered by the Leakeys) related to early hominids and apes, as well as hominid footprints at Laetoli estimated to be 3.7 million years old;
- Stone age ruins at Isimilia, near Iringa in Ruaha are one of Africa's most important historical sites; and
- Ancient rock paintings are found, among other places, near Kondoa, where the Barabaig tribe's ancient Kolo rock paintings are.

Cultural assets also include Tanzania's people, among the best known of which are the Maasai, who continue to tend their livestock in the national parks. Yet, Tanzania has more than 120 tribes, each with a different culture, tradition and norms. In addition, nearly 20 rural communities organize tours to allow tourists to share the experience of their daily lives[5]. The profit from such tours is used to improve living conditions in the villages. These tours are mainly in the Arusha/Moshi/Lushoto region but also extend to the Pare and Usambara Mountains, the Pangani Coast and Mbeya.

While it is unlikely that all but a dedicated few tourists would visit Tanzania exclusively for its cultural assets, their existence adds to the richness of the diversity of the tourism product. Such cultural assets can bring revenues to communities that would not otherwise benefit from tourism and can help to extend the length of the tourists' stay. Those major cultural assets, like Kilwa, that are situated in an area that has potential for development of other facets of tourism, i.e., resort tourism, could become destinations that can be successfully combined with wildlife viewing on the Northern or Southern circuits.

## *The Capital and Main City*

*Dodoma*, Tanzania's official capital since 1973, lies in the geographic center of the country. Although the legislature meets in Dodoma, Dar Es Salaam remains the economic and political center of the country. Dodoma does not provide major international tourist attractions.

*Dar Es Salaam*, which is Tanzania's main commercial and business center, lies on the coast, is the country's principal port and is the main gateway by air to the rest of the country and the Southern Circuit, in particular, as well as receiving the majority of international air travelers. The city plays more of a transit role in tourism, dispersing tourists to their various destinations shortly after their arrival. Nevertheless, Dar Es Salaam is the largest city in the country, has good hotel, restaurant, entertainment and shopping facilities, as well as banking, telecommunications and related services. Once the several tourist attractions of the Southern Circuit become more accessible, Dar Es Salaam's role as the hub for the region will be enhanced. For the city to take full advantage of its potential, an upgrading will be essential of its buildings, streets, public spaces, and infrastructure, as well as improvements to the many historical and cultural attractions around the city.

## *The Niche Markets*

In addition to the niche markets of scuba diving and big game fishing, Tanzania has the potential to expand birding, trekking and hunting. Trekking falls within the high-growth adventure travel market and the other four markets draw their aficionados from tourists with above average incomes. All of these markets have considerable potential for expansion.

***Birdwatching or birding.*** With a few exceptions, birders are not offered specialized tours but rather photographic safaris to the Northern or Southern circuits, where wildlife viewing is the main objective. Some tour guides are specialized in birding and are trained to seek out bird habitats and so cater to birders. One lodge in Selous lists about 350 birds in the area and the list is constantly updated. In the Ruaha National Park over 400 species have been recorded, many of which are not found in the other National Parks. A specialized birding tour operator in the UK described Tanzania's potential for birding as "barely tapped". Of the nearly 9,000 bird species identified worldwide, 1000 are found in Tanzania. Although the country does not market itself as a birding destination there are several areas, in addition to the current wildlife viewing circuits, that could attract birders. For example the area from Tanga north to Moshi has great potential. (This area also includes Mkomazi National Park, which contains 90% of all botanic species found in Tanzania, with one third of plants classified as endemic.) Birders can constitute a repeat market until they have logged all the birds—certainly those that are endemic—in the country. The current numbers of birders are estimated at less than 1% of tourists viewing wildlife, which indicates its potential since this segment has high international growth rates and, generally, above average incomes.

***Climbing/trekking and adventure tourism.*** Kilimanjaro is the prime but not the only site for mountain climbing in Tanzania. The nearby Arusha National Park also attracts climbers, photographic safaris and birders. Mahale Mountains (overlooking Lake Tanganyika) is another National Park that attracts climbers. No estimates are available of the number of tourists who come to Tanzania to trek. Local and international tour operators believe numbers will increase as more internal destinations are made accessible. While some of the existing destinations could be classified as "soft adventure tourism", many other areas of Tanzania have appeal for even hardier adventure travelers, such as southern parts of Selous.

***Scuba diving.*** Divers who have dived sites in the Red Sea, Australia, and other parts of the Indian Ocean, describe those in Pemba, Mafia and parts of Zanzibar as comparable in terms of coral and variety of ecosystems. Some divers note, however, the infrequent viewing of the largest sea mammals. The Mafia Island Marine Park is Tanzania's first marine park, established in 1995, and is the largest marine park in the western Indian Ocean. The main constraint on diving is caused by Monsoon winds. Mafia's diving centers close during April and May but the shield created by its archipelago keep dive sites in Mafia open from June to September during the strong breezes that can prevent diving at other sites in Tanzania. Very little direct marketing of Tanzania to scuba divers is done, except by resort owners who cater to such guests. A dive operator in Zanzibar estimated that less than 3% of tourists to the island dive.

***Deep-sea fishing*** is done mainly in Mafia and the Pemba channel (a 2400-ft. deep channel separating the island from the mainland). Ernest Hemingway is said to have declared that big game fishing off Mafia's coast was the best in the world. Today, many visitors are from Kenya and live on board their boats. There is no estimate of the numbers involved. Tanzania has several lakes and rivers that are suitable for freshwater fishing, with Lake Nyasa and Lake Victoria the best known. Marketing seems to be mainly by word of mouth.

***Hunting*** is classified as a tourism activity because it is based on wildlife assets and brings in foreigners to the country. Hunting entails among the highest expenditures made by any segment of tourists—from US$500–US$1,500 per day, but can be higher. Hunting may also bring in more revenues per person, compared to other segments of tourism, through a combination of the hunting block fees, hunting permits, and a slew of licenses payable by the hunting organizations (which are comparable to those payable by tour operators). In addition, the trophy fees paid by hunters range up to US$2,000 for a lion and US$4,000 for an elephant and the hunting permit allows for the killing of one each of several species. The length of stay varies according to the number of animals the hunter wishes to hunt and ranges from 7 to 14 to 16 to 21 days. The size of each group is normally 1 or 2 people, with one professional hunter per group. Some 46% of hunters come from the US (mainly Texas and other Southern States), 30% from Northern Europe, and the rest from Latin America, South Africa and Southern Europe.

Hunting is controlled under the Wildlife Conservation Act of 1974 and The Wildlife Conservation (Tourist Hunting) Regulations, 2000. Growth of hunting is limited by the number of hunting blocks allocated for hunting and by the quota system that limits the off-take of animals in these blocks. Some 39 hunting companies bring in approximately 900 hunters annually. Unlike several competitors, Tanzania offers expansive natural areas for hunting, rather than privately owned smaller game reserves. In season, hunting is labor intensive, with about 16 people employed in each camp and the block owners are required by law to employ and create benefits for local communities. Tanzania's competitive edge in the hunting market also stems from its relatively low game fees. Main competitors are: Botswana, Zambia and, until recently, Zimbabwe at the high end of the market, with other competition coming principally from the Central African Republic, Namibia, South Africa and Chad.

## Notes

1. This section is based on "European and United States Market Demand Survey for Tanzania" dated February 2002, done by CHL for the Ministry of Natural Resources and Tourism, with financial assistance from the EU, and on interviews with ground tour operators in Tanzania and a survey of a handful of international tour operators in the UK in July-August 2001.
2. Maps of the Mainland, Zanzibar and Pemba are in the main report.
3. Source Worldwide Journeys and Expeditions 2001.
4. TCMP is a joint initiative between the National Environment Management Council (NEMC), the United States Agency for International Development, and the University of Rhode Island's Coastal Resources Center.
5. This is done under a collaborative program of the MNRT, TTB and SNV, the Netherlands Development Agency.

# Annex III. Legislation for and Related to Tourism

In Tanzanian legislation there are three laws that apply directly to the tourism industry. Because tourism is cross-sectoral, laws and regulations designed for other activities have an impact on the tourism sector. The key laws and regulations for and related to tourism are:

**I. Legislation Directly Related to Tourism**

- Tourist Board Act
- Hotels Act
- Tourist Agents Licensing Act

**II. Investment Legislation**

- Tanzania Investment Act

**III. Land Use and Physical Planning Legislation**

- Land Legislation and Villages Land Act
- Town and Country Planning Ordinance

**IV. Regulations for Natural, Wildlife and Cultural Assets**

- National Parks Ordinance
- Ngorongoro Conservation Area Ordinance
- Wildlife Conservation Act
- Forest Ordinance
- Antiquities Act
- Marine Parks Act

**V. Tourism-Related International Conventions Signed by Tanzania**

## *I. Legislation Directly Related to Tourism*

*The Tourist Board Act, 1992*

The Act amends the Tanganyika National Tourist Board Act, passed immediately after independence in 1962. The Act establishes the Tanzania Tourist Board (TTB), whose mandate is to promote and develop all aspects of the tourism industry. The functions of the Board include:

- Advertising and publicizing Tanzania as a tourist destination;
- Encouraging the development of amenities that would enhance the attractiveness of the country;
- Collecting information and undertaking tourism-related research; and
- Fostering an understanding of the importance and economic benefits of tourism to the country.

The TTB's functions do not include regulation of the tourism industry.

### *Hotels Act, No. 22 of 1963*

The Hotels Act of 1963 regulates hotels, which are defined as: "any establishment intended for the reception of travelers or visitors who may choose to stay therein and carried on with a view to profit or gain, but does not include: (a) any such establishment that has accommodation for less than six guests, (b) any such establishment that provides sleeping accommodation in dormitories only, or (c) any government guest house." The Act establishes the Hotels' Board and defines its powers. One of the critical functions of the Hotels' Board is to issue licenses "authorizing such person to carry on the business of an hotel, either personally or through an agency of any other person, on the premises specified in the license". The Board is also authorized to approve applications to construct hotels.

According to section 10 (2) (a) of the Act, the licenses issued by the Board are *free of charge* and generally expire on 31st of December following the date of issue. The licenses are, with prior consent of the board, *transferable* to third parties.

Three conditions are applicable to the grant, renewal or transfer of a hotel license. These are:

- Premises in respect of which the application is made must be structurally suitable for use as an hotel and proper provision must be made for the health and comfort of the guests;
- Proper provision must be made for the sanitation of the premises; and
- Proper provision must be made for the storage, preparation, cooking and serving of food in the hotel.

The Act also defines the general scope of liability of hotel owners for the property of guests and requires keeping a register of guests. The Hotels' Board or its agents have powers of *inspection* of hotel premises under section 19 of the Act.

### *The Hotel Regulations, Government Notice (GN) No. 55 of 1982*

The Regulations apply to any hotel keeper or licensed hotel manager, whose hotel business is on the mainland. The application for a license to construct or to manage a hotel is lodged with the chairman of the Hotels' Board, who has to forward the same to the Board with his/her comments, which the Board may accept or *reject without giving any reasons*. There are penalties for non-observance of the regulations.

Part II of the Regulations provide "the Hotels Minimum Standards" to be complied with by all hotelkeepers. These relate to, among other things, provision and maintenance of kitchen and food stores, lightning and ventilation, provision of wholesome water, bedrooms and bathrooms standards, food preparation, fire and first aid, medical examination for hotel staff, etc.

Part III of the Regulations establishes a system for classifying hotels. Two broad categories are established: tourist and non-tourist hotels. Tourist hotels are classified under a star system, from 1 to 5, and non-tourist hotels are classified by grades A, B, and C. The Board is empowered to publish the criteria for the standards and may review these from time to time. The Board also has powers to review the classification of any hotel and may raise or lower the class rating of any hotel.

### *Tourist Agents Licensing Act, 1969, Act No. 2/69*

The Act establishes a procedure for registration of all Tour Operators and Travel Agents. Registration under the Act is a mandatory requirement. The Act gives a broad definition of a tourist agent to mean " "A travel agent or tour operator or any person who for reward undertakes to provide for tourists and other members of the public in relation to tours and travel within or outside Tanzania, transport, whether by air, sea, railway or road (including procurement of tickets), accommodation, professional advice on tourism and other travel matters relating to tourism, and also includes any person who for reward operates as an agent of a transporter for the purpose of soliciting custom for such transporter."

Operation without a license or violations of license conditions is punishable with a fine and/or imprisonment. The Minister of Tourism can regulate the activities of tour operators in order to maintain high standards in the tourist industry and may also stipulate the types of conditions to be attached to licenses. Also, the Minister has the authority to revoke a license at any time.

### *Tourist Agents (Licensing) Regulations GN No. 34 of 1969*

Tourist agents businesses are categorized in the Third Schedule to the regulations as Class "A" or Class "B" and must apply to the Tourist Agents Licensing Authority (TALA) for a license. TALA is a sub-section within the Licensing and Control Section in the Tourism Division. New regulations for conditions on licenses were proposed and promulgated in 1995, and these regulations are now in operation. The regulations cover conditions for licensing of the following companies: Tour Operator/Car Hire, Car Hire, Travel Agents, Hunting Safari and Tour Guides.

## *II. Investment Legislation*

### *Tanzania Investment Act, 1997, No. 26 of 1997*

The Tanzania Investment Act[1] is the principal legislation governing investments in Tanzania. The Act classifies investment areas into "Lead and Priority Sectors". Tourism is classified as a "lead sector", i.e., one of the highest priority areas for investment in Tanzania. The targeted areas for investment are:

- Hotels and other types of tourist accommodation;
- Tourist transportation (including road transport, air charters and ocean going vessels);
- Tourism-related services, such as safaris (including licensed hunting, restaurant and photographic services).

The Act declares that one of its objectives is "to provide for more favorable conditions for investors…." and gives investors incentives that include:

- Tax relief and concessional tax rates;
- Unconditional transfer of capital, profits, etc.;
- Guarantees against expropriation, nationalization or compulsory acquisition; and
- An initial automatic immigration quota of up to five persons during the start up period, which quota may be raised under certain circumstances.

The Act establishes the Tanzania Investment Center as the key institution to regulate and approve investment projects in Tanzania. The TIC is an Agency of the Government under the general supervision of the Minister responsible for investment matters. TIC is described as being "… a one-stop center for investors …" whose objectives are to coordinate, encourage, promote and facilitate investment in Tanzania. In addition, the TIC has the functions of:

- Initiating and supporting measures that will enhance the investment climate in the country for both local and foreign investors;
- Collating, collecting, analyzing and disseminating information about investments;
- Consulting with other government institutions for purposes of facilitating investments; and
- Assisting investors to obtain the necessary permits, licenses, approvals, consents and other matters required by law.

## *III. Land Use and Physical Planning Legislation*

*The Land Act, No 4 of 1999 and the Villages Land Act, No. 5 of 1999*

The administration of land in Tanzania is now governed by the two pieces of legislation that came into force in May 2001. Fundamental principles of the National Land Policy are reiterated and declared law in the two pieces of legislation. One of the principles is that " all land in Tanzania shall continue to be public and remain vested in the President as trustee for and on behalf of all the citizens of Tanzania"

The power to allocate land rests with the Commissioner for Lands and, in the case of village land, with the village councils. Land acquisition by foreigners for investment purposes also requires an application to the TIC. The Land Act states that " … a non-citizen shall not be given land unless it is for investment purposes under the Tanzania Investment Act, 1997". Foreign investors in tourism businesses must submit application for rights to land through the TIC and later submit the same to the Commissioner for Lands.

*Town and Country Planning Ordinance Cap. 378*

The Ordinance applies to tourist developments and activities outside the parks and reserved areas. Under the Ordinance, the Minister responsible for Town and Country Planning, may, after consulting the urban authority concerned, declare by an order published in the gazette that an area is a planning area. Once an area is so declared "no person shall develop any land within a planning area without planning consent".

In 1960, the Town and Country Planning (Use Classes) Regulations were promulgated to facilitate the work of urban authorities; any development in the stipulated use groups must have a planning consent. Other legislation, which is meant to regulate planned development and environmental conservation, is the Town and Country Planning (Public Beaches) Regulations, 1992 (hereinafter Beach Regulations). The Beach regulations set 60 meters as the minimum distance between any construction and the high water mark. The previous regulations had set 200 meters as the minimum distance for developments.

*Other Legislation*

Tourist developments and activities inside the parks and reserved areas are governed by specific legislation for the National Parks and Ngorongoro Crater, as discussed below.

## *IV. Regulations for Natural, Wildlife and Cultural Assets*

*National Parks Ordinance, Cap. 412*

The Ordinance establishes the mechanism whereby the president can declare, with the consent of Parliament, a National Park. For example, Act Number 12 of 1968 establishes Arusha National Park and applies the provisions of the National Parks Ordinance to that park. After parks are declared, the declaration can only be altered by an Act of Parliament. The President may also alter Park boundaries with the consent of Parliament.

The Act also creates a management authority of trustees for the Tanzania National Parks Authority (TANAPA). The Trustees are under the authority of the Minister. The general powers, duties and functions of trustees are to control, manage, administer and maintain National Parks. The National Parks Ordinance was amended by several Acts, including the Game Parks (Miscellaneous Amendments) Laws, 14/75.

TANAPA has the power to:

- Ensure the conservation and security of the animal and vegetable life in the parks and reserve or set aside any portions of the national park as breeding places for animals and as nurseries for vegetation;

- Recommend sites suitable for the erection and operation, by other persons, of hotels or other buildings, for the accommodation of visitors, shops or similar undertakings; and
- Control, operate, establish or manage any such undertaking or grant concessions or licenses to other person to operate or manage on its behalf rest camps, lodges, restaurants, etc. and to operate transport services.

In addition to these legal requirements, the *National Policies for National Parks in Tanzania, 1994* requires that management plans be prepared for national parks and that Environmental Impact Assessments be done before activities are undertaken within the parks. Several parks have current management plans, including Mt. Kilimanjaro. Management plans can limit the maximum number of persons permitted in the park at any one time (as is the case for the Kilimanjaro Management Plan).

### *Ngorongoro Conservation Area Ordinance, Cap. 413*

The Ordinance establishes the Ngorongoro Conservation Area Authority (NCAA) and creates the position of Conservator of the Area, to be appointed by the President. The purpose of the Ordinance is:

- To control entry into and residence within the Ngorongoro Conservation Area; and
- To make provision for the conservation and development of natural resources therein.

The functions of the NCAA include:

- To conserve and develop the natural resources of the Conservation Area;
- To promote tourism within the Conservation Area;
- To safeguard and promote the interests of Maasai citizens; and
- To promote and regulate the development of forestry within the Conservation Area.

The NCAA is given explicit authority to prevent soil erosion and conserve natural resources. The Ordinance establishes the NCAA's authority to issue controls and restrictions on entry and residence in the NCA, controls on grazing and protection of natural resources, destruction or removal of vegetation, use of water sources, gathering honey or forest produce, forestation or reforestation, protection of slopes, drainage of lands, construction of buildings or works, construction of roads, and closure of any lands being "despoiled".

Subsequent subsidiary legislation under the **General Notice 12/72** also applies directly to the tourism industry, and specifies that every tourist or visitor who enters or wishes to enter the NCA must first obtain a tourist permit. A special Crater or Olduvai Gorge permit is required for those intending to visit the Crater or the Gorge. Tourists must be accompanied by an official guide, who should must be authorized by the Conservator. Professional guides and safari attendants must be licensed by the Conservator, and the license holders must agree not to contravene the Ordinance and license conditions, nor to endanger the safety of any tourist or visitor or disturb or frighten any wildlife or be subject to cancellation of the license.

### *Wildlife Conservation Act, 1974*

The Wildlife Conservation Act (WCA), covers three categories of wildlife protected areas, i.e., game reserves, game controlled areas and partial game reserves. The President declares game reserves; the Minister responsible for Wildlife controlled areas, and the Director of Wildlife partial game reserves.

The Act gives the Department authority to restrict:

- Entry into protected areas
- Establishing residence in these areas
- Carrying weapons
- Hunting of wild animals, and
- Grazing in protected areas.

Residents within reserves and those with permits from the Director of Wildlife are exempted from these restrictions. The WCA defines the procedures and criteria for issuance of permits and licenses for hunting, capturing and photographing of wild animals.

*The Forest Ordinance, Cap. 389*

The main statement governing forestry in Tanzania is the Forest Ordinance, Cap 389 of the Laws. However, forests are also subject to other laws if they fall under protected areas governed by the Ngorongoro Conservation Area, or in game reserves or National Parks, or on individual or village lands. Hence ownership, tenure and access to forests and forest resources under the current legal framework is dependent upon the locus of the resource itself and may be subject to various laws. The Ordinance restricts occupation or construction in a forest reserve without a permit.The Forest Ordinance makes no provisions for the 'non-consumptive uses' of forests, such as tourism. Although the Ordinance allows for the creation of forest reserves it does not provide for "nature reserve".

*The Antiquities Act, Cap. 333*

The Antiquities Act, Cap 333 makes provisions for the preservation and protection of sites and articles of archeological, historical or natural interest and for related matters. It regulates antiquities, monuments, ethnological objects, relics etc. The Director of Antiquities is empowered to publish a list of monuments and conservation areas. The Minister responsible for Antiquities may also declare any place or structure of historical interest to be a monument for purposes of the Act. For example, *The Antiquities (Declaration of Areas) (Bagamoyo Township) Notice G.N. 93 of 1983* declares the Bagamoyo township an area comprising buildings, structures, and other forms of human settlement that are valuable national heritage because of their historic, architectural and cultural value. Export of controlled objects under the Act is subject to a license from the Director. Local Governments are also empowered, subject to an approval by the Minister, to enact bylaws for purposes of preserving, accessing, and giving information relating to monuments.

*The Marine Parks and Reserves Act, No. 29 of 1994*

The Marine Parks and Reserves Act mandates the "establishment, management and monitoring of marine parks and reserves". Under the Act, the Minister is empowered to declare any area within territorial waters or an exclusive economic zone, or island or coastal area to be a marine park. The Government has recently started the Trans Frontier Conservation Areas Project (TFCA) run by the Ministry for Natural Resources and Tourism. The Project aims at, *inter alia*, establishing marine parks and reserves in some parts of the Indian Ocean and some inland lakes for purposes of boosting tourism, among other objectives. The Minister may establish a marine park if the intended area to be protected is of natural, scenic, scientific, historical or other importance or value and if preservation or management of the area is necessary to properly protect, permit access to, or allow public viewing or enjoyment of the area.

The Minister responsible for fisheries has powers under the Act to designate marine parks and reserves for purposes of:

- Protection, conservation and restoration of species and genetic diversity of living and non-living marine resources and the ecosystem processes of marine and coastal areas;
- Stimulation of rational development of underutilized natural resources;
- Management of marine and coastal areas to promote sustainability of existing resource use and the recovery of areas and resources that have been over exploited or otherwise damaged;
- Ensuring that villages and local resident users in the vicinity of, or dependent on a marine

park or reserve, are involved in all phases of planning, development and management of marine parks or reserves; share in the benefits; and have priority in resource use and economic opportunity afforded by the establishment of the marine park or reserve;

- Promotion of community oriented education and dissemination of information concerning conservation and sustainable use of marine parks or reserves; and
- Facilitation of research and monitoring of resource conditions and uses within marine parks or reserves.

The Minister is required to adopt a general management plan for each marine park. The Minister may authorize various activities within marine parks. However, such activities must be consistent with the general management plan of the park and must be preceded by a compulsory environmental impact assessment of such activities as part of the general management plan. The Minister, furthermore, may regulate use and access to resources within a marine park or reserve, such as prohibiting: fishing or capturing fish; gathering of aquatic flora and fauna; selling or transporting of fish and other aquatic fauna and flora; possession of weapons, explosives, traps or poisons; engaging in aquaculture; making salt, etc within a marine park or reserve.

The Act provides for the establishment of a Marine Parks and Reserves Unit within the Division of Fisheries. The functions of the Unit include:

- Implementation and enforcement of the Act and subsidiary legislation;
- Establishing and monitoring the control, management and administration of marine parks and reserves;
- Raising funds for establishment and development of marine parks and reserves and expending the funds for such purposes, etc.;
- Undertaking promotion and publicity work, both within and outside marine parks or reserves, to raise interest in the conservation of fish, aquatic flora and fauna and other features for the assistance of visitors to the parks or reserves;
- Providing educational and information services to local resident users of the parks or reserves; and
- Granting concessions for establishment of rest camps, lodges, restaurants or other places for the accommodation of visitors and for transport services for visitors to the parks or reserves.

The Act requires the Unit Manager or park wardens to specify a list of villages in the vicinity of the park or reserve that affect or are affected by the park or reserve. The Minister is required to specify a minimum distance from the boundaries of a marine park within which all villages must be included when preparing a general management plan for the park. Village Councils are required—together with the Advisory Committee—to prepare and recommend to the Board of Trustees a proposed general management plan for marine parks and the Board is required to consider the plan and recommend its adoption by the Minister. Under the Act, Village Councils, either directly or through a designated committee must participate in all aspects of the development or amendment of the regulations, zoning and general management plans of the marine parks. Village Councils also have an advisory role concerning matters relevant to the management and conservation of parks or reserves.

### *V. Tourism-Related International Conventions signed by Tanzania*

Tanzania participated in the Rio Conference (UNCED) of 1992, and is a signatory to the ensuing document: Agenda 21. The Government of Tanzania has also signed and ratified a number of conventions and treaties that address environment conservation for sustainable development. Some of the signed conventions that may be linked to the tourism sector include:

- Convention to Combat Desertification, Paris, 1994

- Convention relative to Preservation of Fauna and Flora in their Natural State, London, 1993
- Convention on Biological Diversity, 1992
- Convention on the Prevention of Marine Pollution from Ships (MARPOL), 1973
- Convention on International Trade of Endangered Species of Wild Fauna and Flora (CITES), 1973
- Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matters, 1972
- Convention concerning the Protection of World Cultural and Natural Heritage, 1972
- Convention on Wetlands of International Importance Especially as Waterfowl Habitat, 1971
- African Convention on the Conservation of nature and Natural Resources, 1968

## Note

1. The classification of lead and priority sectors, details of the incentives offered and the functions of the TIC are contained in the chapter about Investment Incentives in the main report.

# Annex IV.
# Statistical Tables

| Table 1: International Visitor Arrivals and Receipts in Tanzania, 1970–2001 | | | | | |
|---|---|---|---|---|---|
| **Year** | **Number of Visitor Arrivals** | **Annual Change (%)** | **Receipts (US$, ml)** | **Annual Change (%)** | **Receipts (TZS, ml)** |
| 1970 | 58,819 | | 13.39 | | 95.64 |
| 1971 | 68,400 | 16.29 | 13.65 | 1.94 | 97.50 |
| 1972 | 199,200 | 191.23 | 27.66 | 102.64 | 197.57 |
| 1973 | 143,500 | -27.96 | 20.50 | -25.89 | 142.52 |
| 1974 | 175,500 | 22.30 | 12.81 | -37.51 | 91.39 |
| 1975 | 155,412 | -11.60 | 9.89 | -22.79 | 82.85 |
| 1976 | 165,839 | 6.89 | 10.52 | 6.37 | 88.12 |
| 1977 | 118,000 | -28.85 | 9.00 | -14.45 | 74.60 |
| 1978 | 148,500 | 25.85 | 12.73 | 41.44 | 98.17 |
| 1979 | 78,000 | -47.47 | 16.94 | 33.07 | 139.19 |
| 1980 | 84,021 | 7.72 | 19.70 | 16.29 | 147.96 |
| 1981 | 92,000 | 9.50 | 21.61 | 9.70 | 166.60 |
| 1982 | 71,290 | -22.51 | 15.22 | -29.57 | 142.80 |
| 1983 | 54,000 | -24.25 | 12.81 | -15.83 | 199.36 |
| 1984 | 64,000 | 18.52 | 9.38 | -26.78 | 155.00 |
| 1985 | 81,821 | 27.85 | 10.30 | 9.81 | 164.90 |
| 1986 | 103,361 | 26.33 | 20.00 | 94.17 | 882.90 |
| 1987 | 130,851 | 26.60 | 31.05 | 55.25 | 2,639.25 |
| 1988 | 130,343 | -0.39 | 40.40 | 30.11 | 4,444.00 |

*continued on next page.*

**Table 1: International Visitor Arrivals and Receipts in Tanzania, 1970–2001** *(continued)*

| Year | Number of Visitor Arrivals | Annual Change (%) | Receipts (US$, ml) | Annual Change (%) | Receipts (TZS, ml) |
|---|---|---|---|---|---|
| 1989 | 137,889 | 5.79 | 60.00 | 48.51 | 8,160.00 |
| 1990 | 153,000 | 10.96 | 65.00 | 8.33 | 11,115.00 |
| 1991 | 186,800 | 22.09 | 94.73 | 45.74 | 21,115.00 |
| 1992 | 201,744 | 8.00 | 120.04 | 26.72 | 42,014.00 |
| 1993 | 230,166 | 14.09 | 146.84 | 22.33 | 73,420.00 |
| 1994 | 261,595 | 13.65 | 192.10 | 30.82 | 103,734.00 |
| 1995 | 295,312 | 12.89 | 259.44 | 35.05 | 155,663.00 |
| 1996 | 326,188 | 10.46 | 322.37 | 24.26 | 194,220.00 |
| 1997 | 359,096 | 10.09 | 392.39 | 21.72 | 235,446.00 |
| 1998 | 482,331 | 34.32 | 570.00 | 45.26 | 370,500.00 |
| 1999 | 627,325 | 30.06 | 733.28 | 28.65 | 586,624.00 |
| 2000 | 501,669 | -20.03 | 739.06 | 0.79 | 628,201.00 |
| 2001 | 525,000 | 4.65 | 725.00 | -1.90 | 665,115.00[1] |

*Source:* Ministry for Natural Resources and Tourism, Tourism Department.

**Table 2: Visitor Arrivals by Country of Residence**

| Country of Residence | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|---|---|---|---|---|---|---|---|
| **TOTAL** | **295,312** | **326,188** | **359,096** | **482,331** | **627,325** | **501,669** | **525,000** |
| **AFRICA** | **115,000** | **127,027** | **139,842** | **187,000** | **265,559** | **201,934** | **213,013** |
| **EASTERN AFRICA** | **93,264** | **104,397** | **114,649** | **157,786** | **217,237** | **164,097** | **178,577** |
| BURUNDI | 7,335 | 6,225 | 6,277 | 12,457 | 20,329 | 14,651 | 5,869 |
| COMOROS | 210 | 564 | 643 | 860 | 1,118 | 894 | 1,482 |
| ETHIOPIA | 1,457 | 1,113 | 1,556 | 2,237 | 3,095 | 2,474 | 1,099 |
| ERITREA | 23 | 72 | 104 | 139 | 180 | 144 | 205 |
| DJIBOUTI | 6 | 6 | 8 | 9 | 12 | 9 | 31 |
| KENYA | 55,600 | 61,414 | 67,610 | 85,850 | 106,297 | 84,993 | 102,235 |
| MADAGASCAR | | | | | | | 241 |
| MALAWI | 3,326 | 3,524 | 3,002 | 10,064 | 14,421 | 11,531 | 16,573 |
| MAURITIUS | 98 | 108 | 119 | 160 | 208 | 166 | 315 |

*continued on next page.*

| **Table 2: Visitor Arrivals by Country of Residence** *(continued)* | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Country of Residence** | **1995** | **1996** | **1997** | **1998** | **1999** | **2000** | **2001** |
| MOZAMBIQUE | 3,150 | 3,479 | 3,830 | 4,840 | 7,776 | 6,215 | 4,543 |
| RWANDA | 2,115 | 3,005 | 3,924 | 7,159 | 12,196 | 9,752 | 6,016 |
| SEYCHELLES | 140 | 155 | 171 | 229 | 298 | 238 | 149 |
| SOMALIA | 1,348 | 1,189 | 1,644 | 2,201 | 2,863 | 2,290 | 389 |
| ZIMBABWE | 1,976 | 2,182 | 2,412 | 3,213 | 4,197 | 3,356 | 4,523 |
| UGANDA | 12,130 | 12,137 | 13,199 | 15,478 | 36,307 | 21,035 | 25,330 |
| ZAMBIA | 4,350 | 9,224 | 10,150 | 12,890 | 7,940 | 6,349 | 9,577 |
| **CENTRAL AFRICA** | **5,490** | **5,677** | **6,758** | **7,293** | **12,675** | **9,335** | **9,071** |
| ANGOLA | 649 | 701 | 798 | 1,068 | 2,389 | 1,110 | 390 |
| CAMEROON | 1,091 | 1,102 | 1,374 | 1,455 | 2,321 | 1,856 | 372 |
| CENT.AFR.REP | 2 | 2 | 12 | 3 | 4 | 3 | 12 |
| CHAD | 17 | 18 | 20 | 27 | 35 | 28 | 27 |
| CONGO | 3,708 | 3,829 | 4,526 | 4,702 | 7,877 | 116 | 276 |
| DEM.R.CONGO | 9 | 10 | 11 | 15 | 20 | 6,199 | 7,837 |
| GABON | 14 | 15 | 17 | 23 | 29 | 23 | 157 |
| **NORTH AFRICA** | **213** | **235** | **260** | **347** | **452** | **362** | **1,519** |
| ALGERIA | 35 | 39 | 43 | 57 | 74 | 60 | 234 |
| MOROCCO | 39 | 43 | 47 | 63 | 82 | 66 | 49 |
| SUDAN | | | | | | | 921 |
| TUNISIA | 139 | 153 | 170 | 227 | 296 | 236 | 315 |
| **SOUTHERN AFRICA** | **10,871** | **11,146** | **11,730** | **13,307** | **23,095** | **18,466** | **20,071** |
| BOTSWANA | 1,025 | 1,087 | 1,251 | 1,402 | 2,178 | 1,741 | 1,173 |
| LESOTHO | 128 | 142 | 156 | 209 | 272 | 218 | 282 |
| NAMIBIA | 395 | 436 | 482 | 644 | 838 | 670 | 380 |
| SOUTH AFRICA | 8,817 | 8,922 | 9,223 | 10,225 | 18,732 | 14,977 | 17,568 |
| SWAZILAND | 506 | 559 | 618 | 827 | 1,075 | 860 | 668 |
| **WESTERN AFRICA** | **5,162** | **5,572** | **6,445** | **8,267** | **12,100** | **9,674** | **3,775** |
| CAPE VERDE | 15 | 17 | 18 | 24 | 31 | 25 | 10 |
| BENIN | 495 | 502 | 603 | 809 | 1,052 | 841 | 458 |
| GAMBIA | 130 | 144 | 159 | 212 | 276 | 221 | 266 |

*continued on next page.*

| **Table 2: Visitor Arrivals by Country of Residence** *(continued)* | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Country of Residence** | **1995** | **1996** | **1997** | **1998** | **1999** | **2000** | **2001** |
| GHANA | 1,374 | 1,402 | 1,572 | 2,245 | 2,920 | 2,335 | 623 |
| GUINEA | 77 | 86 | 95 | 126 | 165 | 132 | 101 |
| CORT D'VOIRE | | | | | | | 119 |
| LIBERIA | 31 | 34 | 37 | 50 | 65 | 52 | 54 |
| MALI | 202 | 242 | 430 | 575 | 748 | 598 | 254 |
| MAURITANIA | 747 | 825 | 912 | 1,220 | 1,586 | 1,268 | 204 |
| NIGER | 25 | 27 | 30 | 41 | 53 | 42 | 41 |
| NIGERIA | 491 | 510 | 600 | 803 | 1,044 | 835 | 693 |
| SENEGAL | 689 | 761 | 841 | 872 | 1,463 | 1,170 | 301 |
| SIERRA LEONE | 706 | 822 | 927 | 995 | 2,313 | 1,849 | 301 |
| TOGO | 139 | 154 | 170 | 227 | 296 | 236 | 211 |
| BURKINA FASO | 41 | 46 | 51 | 68 | 88 | 70 | 139 |
| **AMERICAS** | **37,425** | **41,038** | **45,219** | **61,930** | **61,918** | **49,001** | **45,544** |
| CARIBBEAN | 2,011 | 1,922 | 2,142 | 2,068 | 2,676 | 2,132 | 3,027 |
| ANTIGUA | 8 | 11 | 15 | 11 | 12 | 2 | 12 |
| BAHAMAS | | | | | | | 18 |
| BARBADOS | 11 | 12 | 14 | 18 | 24 | 19 | 37 |
| CUBA | 96 | 88 | 81 | 92 | 108 | 86 | 30 |
| DOMINICA | | | | | | | 114 |
| HAITI | 7 | 8 | 9 | 12 | 16 | 13 | 178 |
| JAMAICA | 1,863 | 1,774 | 1,991 | 1,893 | 2,462 | 1,968 | 2,397 |
| TRINIDAD TBG | 26 | 29 | 32 | 42 | 54 | 44 | 241 |
| **CENT. AMERICA** | **30** | **33** | **37** | **52** | **66** | **53** | **257** |
| COSTA RICA | 10 | 11 | 12 | 17 | 22 | 17 | 87 |
| EL SALVADOR | 7 | 8 | 9 | 12 | 16 | 13 | 12 |
| GUATEMALA | 5 | 5 | 6 | 8 | 10 | 8 | 12 |
| HONDURAS | 1 | 1 | 1 | 2 | 2 | 2 | 107 |
| NICARAGUA | 1 | 1 | 1 | 2 | 2 | 2 | 27 |
| PANAMA | 6 | 7 | 8 | 11 | 14 | 11 | 12 |
| **N. AMERICA** | **32,784** | **36,212** | **39,867** | **55,564** | **53,653** | **42,899** | **38,338** |
| CANADA | 9,000 | 9,941 | 10,944 | 13,900 | 11,702 | 9,357 | 6,782 |
| MEXICO | 284 | 314 | 347 | 464 | 603 | 482 | 750 |
| USA | 23,500 | 25,957 | 28,576 | 41,200 | 41,348 | 33,060 | 30,806 |

*continued on next page.*

**Table 2: Visitor Arrivals by Country of Residence** *(continued)*

| Country of Residence | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|---|---|---|---|---|---|---|---|
| **S. AMERICA** | **2,600** | **2,871** | **3,173** | **4,246** | **5,523** | **3,917** | **3,922** |
| ARGENTINA | 279 | 309 | 341 | 456 | 593 | 475 | 740 |
| BOLIVIA | 1 | 1 | 1 | 2 | 3 | 2 | 24 |
| BRAZIL | 112 | 123 | 136 | 182 | 237 | 189 | 523 |
| CHILE | 65 | 71 | 79 | 105 | 137 | 110 | 207 |
| COLOMBIA | 1,340 | 1,481 | 1,636 | 2,189 | 2,848 | 2,277 | 1,323 |
| ECUADOR | 125 | 138 | 153 | 205 | 266 | 213 | 57 |
| GUYANA | 57 | 63 | 70 | 93 | 121 | 97 | 401 |
| PARAGUAY | | | | | | | 20 |
| PERU | 594 | 656 | 725 | 970 | 1,261 | 509 | 420 |
| URUGUAY | 10 | 11 | 12 | 17 | 22 | 17 | 42 |
| VENEZUELA | 17 | 18 | 20 | 27 | 35 | 28 | 165 |
| **E. ASIA & PACIFIC** | **8,500** | **9,382** | **11,232** | **14,600** | **35,614** | **38,299** | **46,605** |
| **NORTHEAST ASIA** | **6,543** | **7,136** | **8,655** | **11,078** | **16,079** | **14,874** | **16,372** |
| CHINA | 445 | 502 | 521 | 1,048 | 5,489 | 5,664 | 5,002 |
| TAIWAN (P.C.) | 22 | 24 | 27 | 21 | 47 | 38 | 221 |
| HONG-KONG | | | | | | | 30 |
| JAPAN | 5,610 | 6,190 | 7,718 | 9,600 | 7,529 | 6,020 | 7,822 |
| KOREA REP. | 466 | 420 | 389 | 409 | 3,014 | 3,152 | 3,285 |
| MONGOLIA | | | | | | | **12** |
| **SOUTHEAST ASIA** | **811** | **1,247** | **1,172** | **1,527** | **7,566** | **6,931** | **10,538** |
| MYANMAR | 2 | 1 | 1 | 2 | 2 | 2 | 13 |
| CAMBODIA | 2 | 2 | 2 | 3 | 4 | 3 | 30 |
| INDONESIA | 270 | 299 | 116 | 223 | 3,863 | 2,789 | 4,788 |
| MALAYSIA | 132 | 314 | 370 | 446 | 840 | 672 | 2,002 |
| PHILIPPINES | 119 | 216 | 225 | 240 | 2,159 | 2,828 | 2,072 |
| SINGAPORE | 63 | 85 | 93 | 125 | 163 | 130 | 534 |
| VIET NAM | 12 | 13 | 15 | 20 | 25 | 20 | 53 |
| THAILAND | 211 | 317 | 350 | 468 | 510 | 487 | 1,046 |
| **AUSTRALASIA** | **1,130** | **982** | **1,394** | **1,969** | **11,936** | **16,467** | **19,672** |
| AUSTRALIA | 610 | 553 | 720 | 1,459 | 5,833 | 8,372 | 11,755 |

*continued on next page.*

| **Table 2: Visitor Arrivals by Country of Residence** *(continued)* | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Country of Residence** | **1995** | **1996** | **1997** | **1998** | **1999** | **2000** | **2001** |
| NEW ZEALAND | 520 | 429 | 674 | 510 | 6,103 | 8,095 | 7,917 |
| **MELANESIA** | **16** | **17** | **11** | **26** | **33** | **27** | **23** |
| FIJI | 16 | 17 | 11 | 26 | 33 | 27 | 23 |
| **EUROPE** | **106,012** | **117,098** | **128,912** | **175,031** | **200,585** | **157,470** | **162,183** |
| **CEN/ EAST EUROPE** | **1,110** | **1,224** | **1,355** | **1,814** | **2,363** | **1,885** | **3,892** |
| ARMENIA | | | | | | | 12 |
| BULGARIA | 43 | 47 | 53 | 71 | 92 | 74 | 44 |
| BELARUS | | | | | | | 18 |
| CZECH REP | 206 | 227 | 251 | 336 | 437 | 349 | 473 |
| ESTONIA | | | | | | | 30 |
| HUNGARY | 85 | 94 | 104 | 139 | 181 | 144 | 197 |
| KAZAKHSTAN | 3 | 2 | 3 | 5 | 6 | 5 | 12 |
| LATVIA | | | | | | | 74 |
| LITHUANIA | | | | | | | 35 |
| POLAND | | | | | | | 1,109 |
| ROMANIA | 92 | 102 | 113 | 151 | 196 | 157 | 95 |
| RUSSIAN FED | 368 | 406 | 449 | 601 | 787 | 625 | 1,453 |
| SLOVAKIA | 131 | 145 | 160 | 214 | 278 | 222 | 35 |
| UKRAINE | 182 | 201 | 222 | 297 | 386 | 309 | 305 |
| UZBESTAN | | | | | | | 12 |
| **NORTH. EUROPE** | **58,327** | **64,333** | **71,455** | **96,299** | **101,294** | **70,129** | **71,814** |
| DENMARK | 3,568 | 3,015 | 4,658 | 5,623 | 8,516 | 1,506 | 2,853 |
| FINLAND | 3,665 | 3,944 | 3,253 | 5,353 | 9,652 | 4,527 | 4,985 |
| ICELAND | 15 | 22 | 36 | 18 | 14 | 3 | 79 |
| IRELAND | 3,725 | 4,115 | 5,549 | 6,084 | 7,615 | 5,328 | 4,689 |
| NORWAY | 4,951 | 6,751 | 5,898 | 8,891 | 11,265 | 8,205 | 8,473 |
| SWEDEN | 9,403 | 10,035 | 11,933 | 16,430 | 21,071 | 16,049 | 16,610 |
| UK | 33,000 | 36,451 | 40,128 | 53,900 | 43,161 | 34,511 | 34,125 |
| **SOUTH. EUROPE** | **17,031** | **18,876** | **21,033** | **28,367** | **19,970** | **15,921** | **18,595** |
| ALBANIA | | | | | | | 18 |

*continued on next page.*

**Table 2: Visitor Arrivals by Country of Residence** *(continued)*

| Country of Residence | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|---|---|---|---|---|---|---|---|
| ANDORA | | | | | | | 12 |
| BOSNIA HERZG | 412 | 443 | 588 | 653 | 850 | 680 | 141 |
| CROATIA | 36 | 40 | 44 | 59 | 76 | 61 | 99 |
| GREECE | 44 | 54 | 65 | 56 | 68 | 6 | 848 |
| ITALY | 11,002 | 12,152 | 13,377 | 16,900 | 7,213 | 5,768 | 8,035 |
| MALTA | | | | | | | 30 |
| PORTUGAL | 587 | 649 | 717 | 1,105 | 1,248 | 998 | 873 |
| SAN MARINO | | | | | | | 12 |
| SLOVENIA | 131 | 145 | 160 | 214 | 278 | 222 | 179 |
| SPAIN | 4,733 | 5,298 | 5,977 | 9,230 | 10,055 | 8,040 | 8,295 |
| TEYROM | | | | | | | 12 |
| YUGOSLAVIA | 86 | 95 | 105 | 150 | 182 | 146 | 71 |
| **W. EUROPE** | **28,167** | **31,551** | **33,838** | **46,904** | **74,815** | **67,821** | **65,935** |
| AUSTRIA | 1,802 | 1,592 | 1,732 | 2,325 | 3,024 | 2,418 | 2,499 |
| BELGIUM | 5,070 | 6,437 | 6,209 | 8,281 | 10,772 | 8,613 | 8,537 |
| FRANCE | 4,000 | 4,418 | 4,864 | 9,531 | 21,493 | 17,186 | 16,990 |
| GERMANY | 14,010 | 15,475 | 17,036 | 21,700 | 28,272 | 22,606 | 21,190 |
| LUXEMBOURG | 20 | 22 | 25 | 33 | 43 | 34 | 98 |
| MONACO | | | | | | | 15 |
| NETHERLANDS | 265 | 293 | 324 | 434 | 564 | 8,451 | 10,514 |
| SWITZERLAND | 3,000 | 3,314 | 3,648 | 4,600 | 10,647 | 8,513 | 6,092 |
| **E. MED.** | **1,377** | **1,114** | **1,231** | **1,647** | **2,143** | **1,714** | **1,947** |
| CYPRUS | 77 | 85 | 93 | 125 | 163 | 130 | 42 |
| ISRAEL | 610 | 519 | 574 | 768 | 999 | 799 | 1,623 |
| TURKEY | 690 | 510 | 564 | 754 | 981 | 785 | 282 |
| **MIDDLE EAST** | **14,909** | **16,727** | **17,798** | **24,962** | **31,944** | **30,339** | **29,675** |
| BAHRAIN | | | | | | | 16 |
| PALESTINE | | | | | | | 20 |
| IRAQ | 85 | 94 | 104 | 139 | 180 | 144 | 187 |
| JORDAN | 703 | 777 | 859 | 1,149 | 1,494 | 1,195 | 911 |
| KUWAIT | 938 | 1,036 | 1,100 | 1,531 | 1,992 | 1,593 | 2,436 |
| LEBANON | | | | | | | 463 |
| LIBYA | 112 | 124 | 107 | 184 | 239 | 191 | 390 |

*continued on next page.*

**Table 2: Visitor Arrivals by Country of Residence** *(continued)*

| Country of Residence | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|---|---|---|---|---|---|---|---|
| OMAN | 5,131 | 5,668 | 5,264 | 7,381 | 8,901 | 8,717 | 9,966 |
| SAUDI ARABIA | 306 | 404 | 417 | 589 | 778 | 622 | 435 |
| SYRIA | 20 | 22 | 25 | 33 | 43 | 34 | 72 |
| UAE | 1,713 | 2,886 | 3,189 | 4,267 | 5,551 | 4,438 | 4,448 |
| EGYPT | 2,810 | 2,208 | 3,651 | 5,223 | 6,095 | 6,472 | 4,594 |
| **SOUTH ASIA** | **13,466** | **14,916** | **16,093** | **18,808** | **31,705** | **24,626** | **28,060** |
| YEMEN | 3,091 | 3,508 | 3,082 | 4,466 | 6,671 | 6,933 | 5,737 |
| BANGLADESH | 798 | 786 | 372 | 1,404 | 1,696 | 1,356 | 1,320 |
| SRI LANKA | 332 | 367 | 405 | 573 | 705 | 564 | 567 |
| INDIA | 10,063 | 11,252 | 12,541 | 13,118 | 24,467 | 18,844 | 24,068 |
| IRAN | 1,224 | 1,352 | 1,494 | 2,000 | 2,609 | 2,080 | 599 |
| NEPAL | 13 | 14 | 16 | 21 | 27 | 22 | 203 |
| PAKISTAN | 1,036 | 1,145 | 1,265 | 1,692 | 2,201 | 1,760 | 1,303 |

*Source:* Ministry for Natural Resource and Tourism, Tourism Department based on data from Immigration.

**Table 3: Visitor Arrivals by Month**

| YEAR | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|---|---|---|---|---|---|---|---|
| **TOTAL** | **295,312** | **326,188** | **360,000** | **482,331** | **627,325** | **501,669** | **525,122** |
| January | 18,267 | 24,483 | 22,370 | 23,000 | 24,611 | 35,066 | 34,701 |
| February | 18,523 | 22,886 | 22,890 | 23,400 | 27,200 | 35,529 | 35,186 |
| March | 20,720 | 20,177 | 23,640 | 23,600 | 28,302 | 36,549 | 36,254 |
| ***1st quarter*** | ***57,510*** | ***67,546*** | ***68,900*** | ***70,000*** | ***80,113*** | ***107,144*** | ***106,141*** |
| April | 23,196 | 17,673 | 20,890 | 25,500 | 29,101 | 82,048 | 56,826 |
| May | 24,113 | 16,568 | 22,144 | 26,500 | 30,100 | 22,722 | 27,792 |
| June | 33,861 | 20,460 | 23,400 | 28,000 | 32,000 | 26,970 | 50,275 |
| ***2nd quarter*** | ***81,170*** | ***54,701*** | ***66,434*** | ***80,000*** | ***91,201*** | ***131,740*** | ***134,893*** |
| July | 22,166 | 27,614 | 38,400 | 46,500 | 48,524 | 34,638 | 63,311 |
| August | 16,000 | 37,401 | 43,700 | 68,500 | 56,117 | 40,821 | 53,751 |
| September | 15,000 | 45,325 | 47,700 | 70,931 | 95,041 | 35,074 | 37,716 |
| ***3rd quarter*** | ***53,166*** | ***110,340*** | ***129,800*** | ***185,931*** | ***199,682*** | ***110,533*** | ***154,778*** |
| October | 25,000 | 41,346 | 32,400 | 58,700 | 52,099 | 31,504 | 32,977 |

*continued on next page.*

| Table 3: Visitor Arrivals by Month *(continued)* | | | | | | | |
|---|---|---|---|---|---|---|---|
| **YEAR** | **1995** | **1996** | **1997** | **1998** | **1999** | **2000** | **2001** |
| November | 32,000 | 26,634 | 31,786 | 48,300 | 64,211 | 64,201 | 49,167 |
| December | 46,466 | 25,621 | 31,180 | 39,400 | 140,019 | 56,547 | 47,167 |
| ***4th quarter*** | ***103,466*** | ***93,601*** | ***95,366*** | ***146,400*** | ***256,329*** | ***152,252*** | ***129,311*** |

*Source:* Ministry for Natural Resource and Tourism, Tourism Department, based on data from Immigration.

| Table 4: Visitor Arrivals by Mode of Transport | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Mode of Transport** | **1995** | **1996** | **1997** | **1998** | **1999** | **2000** | **2001** |
| **Total** | **295,312** | **326,188** | **359,096** | **482,331** | **627,325** | **501,669** | **525,122** |
| Air | 110,087 | 145,866 | 160,000 | 311,406 | 364,575 | 311,612 | 315,073 |
| Sea | 16,578 | 21,600 | 35,000 | 7,995 | 6,442 | 15,081 | 21,005 |
| Road | 152,685 | 149,218 | 149,996 | 152,251 | 220,300 | 155,116 | 173,290 |
| Rail | 15,962 | 9,504 | 14,100 | 10,679 | 36,008 | 19,860 | 15,754 |

*Source:* Ministry for Natural Resource and Tourism, Tourism Department, based on data from Immigration.

| Table 5: Visitor Arrivals by Purpose of Visit | | | | | | | |
|---|---|---|---|---|---|---|---|
| **PURPOSE OF VISIT** | **1995** | **1996** | **1997** | **1998** | **1999** | **2000** | **2001** |
| **TOTAL** | **295,312** | **326,188** | **360,000** | **482,331** | **627,325** | **501,669** | **525,122** |
| Leisure, recreation and holidays | 198,499 | 219,282 | 246,000 | 299,946 | 383,155 | 339,596 | 341,329 |
| Business and professional | 58,602 | 64,505 | 80,982 | 127,994 | 132,802 | 130,201 | 152,285 |
| Other | 38,211 | 42,401 | 33,018 | 54,391 | 111,368 | 31,872 | 31,507 |

*Source:* Ministry for Natural Resource and Tourism, Tourism Department, based on data from Immigration.

**Table 6: Visits to Selected Historical Sites**

| | 2000 | | | 2001 | | |
|---|---|---|---|---|---|---|
| **Site** | **Res.** | **Non-Res.** | **Total** | **Res.** | **Non-Res.** | **Total** |
| Olduvai Gorge | 1,520 | 51,250 | 52,770 | 1,732 | 52,400 | 54,132 |
| Headquarter | 20 | 46 | 66 | 27 | 67 | 94 |
| Isimila & Kalenga | 220 | 460 | 680 | 440 | 600 | 1040 |
| Bagamoyo | 210 | 930 | 1140 | 420 | 1,510 | 1,930 |
| Kaole | 520 | 2000 | 2520 | 700 | 2,550 | 3,250 |
| Kondoa | 320 | 105 | 425 | 360 | 115 | 475 |
| Amboni | 680 | 320 | 1000 | 710 | 400 | 1,110 |
| Tongoni | 80 | 52 | 132 | 102 | 70 | 172 |
| Kwihara-Tabora | 700 | 260 | 960 | 850 | 280 | 1,130 |
| JUMLA | 4,270 | 55,423 | 59,693 | 5,341 | 57,992 | 63,333 |

*Source:* Ministry for Natural Resources and Tourism, Antiquities Division

**Table 7: Comparison of Monetary GDP Ascribed to Tourism vis-à-vis National GDP**

| | Year 2000 at Current Prices | | | Year 2001 at Current Prices | | |
|---|---|---|---|---|---|---|
| **Economic Activity[1]** | **All activities** | **Tourism activities** | **GDP** | **All activities** | **Tourism activities** | **GDP** |
| **MONETARY** | **(T. Shs. Mn)** | **(T. Shs. Mn)** | **(%)** | **(T. Shs. Mn)** | **(T. Shs. Mn)** | **(%)** |
| **Agriculture** | **1,689,609.00** | **7,956.00** | **0.47** | **1,917,641.00** | **8,369.00** | **0.44** |
| Crops | 1,239,256.00 | | | 1,424,530 | | |
| Livestock | 206,042.00 | | | 222,162 | | |
| Forestry and Hunting | 83,271.00 | 7,956.00 | 9.55 | 95,366 | 8,369.00 | 8.78 |
| Fishing | 161,039.00 | | | 175,584 | | |
| **Mining and Quarrying** | **99,519.00** | | | **119,422** | | |
| **Manufacturing** | **499,726.00** | | | **564,689** | | |
| **Electricity and Water** | **112,753.00** | | | **124,789** | | |
| Electricity | 101,583.00 | | | 112,279 | | |
| Water | 11,170.00 | | | 12,510 | | |
| **Construction** | **282,150.00** | | | **324,591** | | |
| **Trade, Hotels and Restaurants** | **823,025.00** | **530,116.00** | **64.41** | **926,870** | **566,977.00** | **61.17** |

*continued on next page.*

**Table 7: Comparison of Monetary GDP Ascribed to Tourism vis-à-vis National GDP** *(continued)*

| | Year 2000 at Current Prices | | | Year 2001 at Current Prices | | |
|---|---|---|---|---|---|---|
| **Economic Activity[1]** | **All activities** | **Tourism activities** | **GDP** | **All activities** | **Tourism activities** | **GDP** |
| **MONETARY** | **(T. Shs. Mn)** | **(T. Shs. Mn)** | **(%)** | **(T. Shs. Mn)** | **(T. Shs. Mn)** | **(%)** |
| **Transport and Communication** | **328,259.00** | **81,857.00** | **24.94** | **361,558** | **84,685** | **23.42** |
| **Financial and Business Services** | **382,970.00** | **420.00** | **0.11** | **468,290** | **470.00** | **0.10** |
| Finance and Insurance | 187,027.00 | | | 197,989 | | |
| Real Estate | 177,372.00 | | | 201,535 | | |
| Business Services | 18,570.00 | 420.00 | 2.26 | 21,987 | 470.00 | 2.14 |
| **Public Administration and Other Services** | **709,351.00** | **7,852.00** | **1.11** | **781,327** | **4,614.00** | **0.59** |
| Public Administration | 535,007.00 | | | 583,158 | | |
| Education | 75,313.00 | 7,730.00 | 10.26 | 84,772 | 4,520.00 | 5.33 |
| Health | 35,112.00 | 12.00 | 0.03 | 39,522 | 4.00 | 0.01 |
| Other Services | 63,919.00 | 110.00 | 0.17 | 73,875 | 90.00 | 0.12 |
| **Less Financial Services Indirectly Measured** | **-151,359.00** | | | **-157,785** | | |
| **TOTAL MONETARY GDP** | **4,776,002.00** | **628,201.00** | **13.15** | **5,431,393** | **665,115.00** | **12.25** |

*Source:* National Bureau of Statistics and Ministry for Natural Resources and Tourism.

| Table 8: Tourism Business Trends in Tanzania, 1995–2001 | | | | | | | |
|---|---|---|---|---|---|---|---|
| **YEAR** | **1995** | **1996** | **1997** | **1998** | **1999** | **2000** | **2001** |
| Number of international tourists in the country | 295,312 | 326,188 | 360,000 | 482,331 | 627,325 | 501,669 | 525,122 |
| Number of international tourists in hotels | 268,152 | 296,193 | 345,000 | 457,331 | 564,593 | 479,652 | 501,081 |
| Earnings in US$ million | 259.44 | 322.37 | 392.41 | 570.00 | 733.28 | 739.06 | 725.00 |
| Average number of days per tourist | 7.20 | 7.30 | 7.50 | 7.60 | 7.70 | 8.00 | 8.00 |
| Average expenditure per tourist per day (US$) | 122.00 | 135.00 | 145.00 | 155.50 | 152.00 | 162.8 | 172.58 |
| Number of hotels | 210 | 212 | 213 | 215 | 321 | 326 | 329 |
| Number of rooms | 6,935 | 6,970 | 7,470 | 7,500 | 9,575 | 10,025 | 10,325 |
| Number of beds | 12,145 | 12,348 | 13,248 | 13,400 | 17,235 | 17,303 | 18,284 |
| Total tourist bed nights | 417,000 | 880,000 | 1,479,000 | 2,534,000 | 1,695,000 | 1,888,000 | 1,955,000 |
| Average room occupancy per year (%) | 57.10 | 56.40 | 56.30 | 59.90 | 63.7 | 54.02 | 58.6 |
| Number of employees in Tourism Industry | 96,000 | 100,000 | 110,000 | 132,000 | 148,000 | 156,050 | 156,500 |

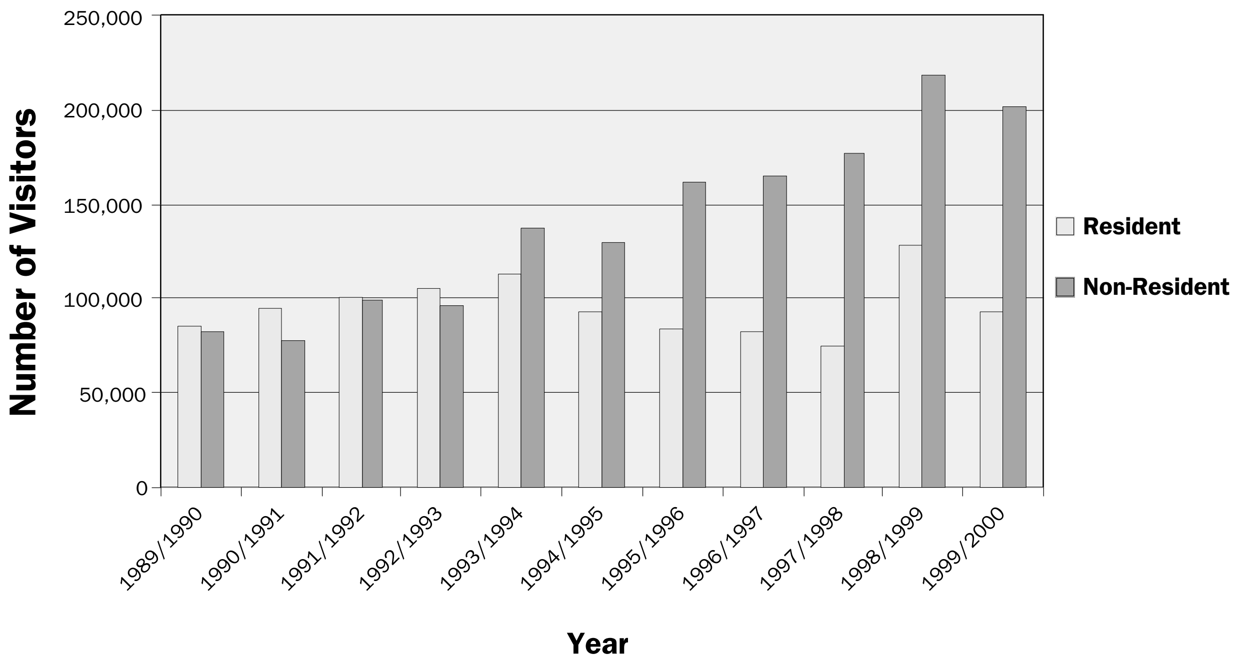
*Source:* National Bureau of Statistics and Tourism Department, MNRT.

**Table 9: Accommodation Capacity and Guest Nights by Location**

| Accommodation location | Number of establishments | Number of rooms | Bed-nights (000) | | Total bed-nights (000) |
|---|---|---|---|---|---|
| | | | Non-residents | Residents | |
| **Dar es Salaam** | | | | | |
| Year 1996 | 57 | 2,075 | 190 | 501 | 691 |
| Year 1997 | 58 | 2,082 | 245 | 731 | 976 |
| Year 1998 | 65 | 2,092 | 597 | 848 | 1,445 |
| Year 1999 | 87 | 3,342 | 732 | 584 | 1,316 |
| Year 2000 | 89 | 3,497 | 753 | 649 | 1,402 |
| Year 2001 | | | | | |
| **Arusha/Moshi** | | | | | |
| Year 1996 | 43 | 2,258 | 104 | 410 | 514 |
| Year 1997 | 43 | 2,379 | 134 | 398 | 532 |
| Year 1998 | 46 | 2,571 | 173 | 395 | 568 |
| Year 1999 | 73 | 2,998 | 567 | 298 | 865 |
| Year 2000 | 75 | 3,202 | 397 | 344 | 741 |
| Year 2001 | | | | | |
| **Northern Wildlife Areas** | | | | | |
| Year 1996 | 10 | 629 | 115 | 13 | 128 |
| Year 1997 | 10 | 707 | 149 | 17 | 166 |
| Year 1998 | 10 | 794 | 191 | 22 | 213 |
| Year 1999 | 10 | 783 | 153 | 42 | 195 |
| Year 2000 | 10 | 796 | 330 | 68 | 398 |
| Year 2001 | | | | | |
| **Other Areas** | | | | | |
| Year 1996 | 102 | 2,008 | 53 | 478 | 531 |
| Year 1997 | 102 | 2,301 | 71 | 499 | 570 |
| Year 1998 | 94 | 2,043 | 94 | 624 | 718 |
| Year 1999 | 151 | 2,452 | 243 | 762 | 1,005 |
| Year 2000 | 152 | 2,530 | 237 | 1059 | 1,296 |
| Year 2001 | | | | | |
| **Total All Areas** | | | | | |
| Year 1996 | 212 | 6,970 | 463 | 1,402 | 1,864 |
| Year 1997 | 213 | 7,469 | 599 | 1,645 | 2,244 |
| Year 1998 | 215 | 7,500 | 1,055 | 1,889 | 2,944 |
| Year 1999 | 321 | 9,575 | 1,695 | 1,686 | 3,381 |
| Year 2000 | 326 | 10,025 | 1,888 | 1,949 | 3,837 |
| Year 2001 | 329 | 10,325 | 1,955 | 2,020 | 3,975 |

*Source:* Ministry for Natural Resource and Tourism, Tourism Department and National Bureau of Statistics.

**Table 10. Tanzania National Parks. Visitor Arrivals 1989–2000**




*Source:* TANAPA.

**Table 11: Zanzibar: International Tourist Arrivals by Nationalities, 1990–2000**

| Years | Scand | German | British | French | Italians | O. Eur | Am/Can | O.amer | Kenya | S.Afr | O.Afr | Japan | O.Asia | Aus/NZ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1990 | 4238 | 4148 | 5584 | 2174 | 4345 | 6838 | 4677 | 496 | 1228 | 1608 | 1086 | 0 | 2165 | 3552 |
| 1991 | 4669 | 5331 | 7790 | 2529 | 5174 | 8400 | 4998 | 0 | 1920 | 1877 | 1408 | 0 | 2524 | 4567 |
| 1992 | 5991 | 7223 | 9139 | 2928 | 6625 | 8519 | 5664 | 0 | 1552 | 2606 | 2441 | 0 | 3031 | 4028 |
| 1993 | 5354 | 7192 | 6272 | 4348 | 13920 | 7925 | 5067 | 1728 | 2890 | 3916 | 2543 | 0 | 3773 | 3669 |
| 1994 | 3684 | 5737 | 6377 | 2600 | 3004 | 6893 | 4002 | 0 | 1075 | 2547 | 1102 | 0 | 02047 | 2365 |
| 1995 | 4362 | 4942 | 10391 | 2996 | 8922 | 6582 | 4804 | 369 | 2727 | 1863 | 876 | 2090 | 1998 | 3493 |
| 1996 | 6873 | 5414 | 11909 | 4121 | 13502 | 7261 | 5682 | 253 | 2034 | 1996 | 917 | 2358 | 2349 | 4490 |
| 1997 | 7767 | 5531 | 14884 | 4876 | 19583 | 8297 | 7603 | 341 | 2890 | 2161 | 1016 | 2971 | 2652 | 5923 |
| 1998 | 6711 | 4381 | 13765 | 3387 | 238505 | 10673 | 7699 | 347 | 2350 | 1545 | 975 | 2398 | 2422 | 6297 |
| 1999 | 7011 | 4618 | 14141 | 3044 | 23279 | 10266 | 6745 | 367 | 2790 | 2675 | 2502 | 902 | 2254 | 6324 |
| 2000 | 7628 | 4918 | 16307 | 4171 | 25764 | 12651 | 7757 | 291 | 2729 | 2507 | 875 | 3482 | 3153 | 4932 |
| **TOTAL** | **64288** | **59435** | **116559** | **37174** | **147623** | **94305** | **64698** | **4192** | **24185** | **25301** | **15383** | **14201** | **28368** | **49460** |

*Source:* Ministry for Natural Resources and Tourism, Tourism Department and National Bureau of Statistics.

*Key for the following four tables:*

| | | | |
|---|---|---|---|
| Aus/NZ: | Australians/Newzealanders | O. Eur: | Other Europeans |
| Am/Can: | USA & Canadians | O.Afr: | Other Africans |
| O. Amer: | Other Americans | S.Afr: | South Africans |
| O. Asia: | Other Asians | Scand: | Scandinavians |

**Table 12: Zanzibar: Tourist arrivals by Nationality, January–December 2000**

| Months | Scand | German | British | French | Italians | O. Eur | Am/Can | O.amer | Kenya | S.Afr | O.Afr | Japan | O.Asia | Aus/NZ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Jan. | 604 | 467 | 1000 | 358 | 1977 | 624 | 435 | 38 | 186 | 213 | 161 | 51 | 832 | 378 |
| Feb. | 840 | 414 | 1187 | 459 | 2698 | 853 | 670 | 66 | 180 | 202 | 135 | 102 | 145 | 413 |
| March | 649 | 386 | 1169 | 382 | 2736 | 682 | 566 | 29 | 206 | 259 | 190 | 90 | 161 | 442 |
| April | 355 | 280 | 1022 | 280 | 683 | 518 | 543 | 20 | 312 | 202 | 225 | 110 | 205 | 253 |
| May | 202 | 162 | 661 | 199 | 31 | 416 | 603 | 19 | 162 | 183 | 161 | 31 | 135 | 323 |
| June | 534 | 264 | 1090 | 183 | 96 | 571 | 834 | 18 | 227 | 254 | 282 | 48 | 131 | 321 |
| July | 991 | 522 | 1716 | 422 | 1595 | 1320 | 1168 | 23 | 295 | 617 | 276 | 73 | 249 | 555 |
| Aug. | 669 | 661 | 2635 | 632 | 4108 | 2096 | 1034 | 16 | 429 | 342 | 250 | 125 | 315 | 461 |
| Sep. | 509 | 596 | 1900 | 319 | 2683 | 1238 | 616 | 9 | 211 | 391 | 222 | 102 | 302 | 610 |
| Oct. | 656 | 438 | 1676 | 350 | 3291 | 1356 | 429 | 22 | 149 | 203 | 181 | 37 | 378 | 471 |
| Nov. | 629 | 294 | 1006 | 246 | 2752 | 1562 | 308 | 9 | 142 | 141 | 286 | 37 | 169 | 330 |
| Dec. | 990 | 434 | 1245 | 341 | 3114 | 1415 | 552 | 22 | 230 | 475 | 138 | 69 | 131 | 375 |
| TOTAL | 7628 | 4918 | 16307 | 4171 | 25764 | 12651 | 7758 | 291 | 2729 | 3482 | 2507 | 875 | 3153 | 4932 |

**Table 13: Zanzibar: Tourist Arrivals by Nationality in Arirport, January–December 2000**

| Months | Scand | German | British | French | Italians | O. Eur | Am/Can | O.amer | Kenya | S.Afr | O.Afr | Japan | O.Asia | Aus/NZ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Jan. | 239 | 164 | 436 | 219 | 1840 | 276 | 123 | 2 | 105 | 73 | 72 | 4 | 721 | 65 |
| Feb. | 391 | 190 | 639 | 278 | 2615 | 444 | 270 | 5 | 131 | 97 | 63 | 11 | 38 | 78 |
| March | 234 | 143 | 584 | 290 | 2675 | 371 | 214 | 17 | 117 | 153 | 111 | 17 | 56 | 72 |
| April | 121 | 113 | 429 | 198 | 636 | 165 | 189 | 3 | 183 | 84 | 97 | 8 | 81 | 47 |
| May | 50 | 34 | 231 | 129 | 15 | 177 | 253 | 7 | 113 | 59 | 106 | 8 | 30 | 47 |
| June | 189 | 91 | 529 | 98 | 56 | 214 | 306 | 11 | 169 | 107 | 218 | 21 | 60 | 84 |
| July | 316 | 147 | 708 | 229 | 1500 | 404 | 505 | 13 | 154 | 331 | 157 | 10 | 80 | 146 |
| Aug. | 105 | 176 | 1025 | 329 | 3470 | 692 | 458 | 2 | 172 | 171 | 140 | 21 | 158 | 144 |
| Sep. | 203 | 180 | 894 | 141 | 2591 | 432 | 310 | 3 | 141 | 171 | 114 | 22 | 152 | 123 |
| Oct. | 295 | 184 | 1141 | 233 | 3203 | 621 | 201 | 7 | 72 | 102 | 100 | 11 | 240 | 89 |
| Nov. | 427 | 111 | 659 | 146 | 2691 | 1132 | 92 | 5 | 68 | 68 | 221 | 13 | 69 | 54 |
| Dec. | 473 | 199 | 595 | 227 | 3044 | 998 | 155 | 16 | 129 | 290 | 74 | 9 | 64 | 46 |
| **TOTAL** | **3088** | **1732** | **7870** | **2517** | **24336** | **5926** | **3076** | **91** | **1554** | **1706** | **1473** | **155** | **1749** | **995** |

**Table 14: Zanzibar: Tourist Arrivals by Nationality in Seaport, January–December 2000**

| Months | Scand | German | British | French | Italians | O. Eur | Am/Can | O.amer | Kenya | S.Afr | O.Afr | Japan | O.Asia | Aus/NZ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Jan. | 365 | 303 | 564 | 139 | 137 | 348 | 312 | 36 | 81 | 140 | 89 | 47 | 111 | 313 |
| Feb. | 449 | 224 | 548 | 181 | 83 | 409 | 400 | 61 | 49 | 105 | 72 | 91 | 107 | 335 |
| March | 415 | 243 | 585 | 92 | 61 | 311 | 351 | 12 | 89 | 106 | 79 | 73 | 105 | 370 |
| April | 234 | 167 | 593 | 82 | 47 | 353 | 354 | 17 | 129 | 118 | 128 | 102 | 124 | 206 |
| May | 152 | 128 | 430 | 70 | 16 | 239 | 350 | 12 | 49 | 124 | 55 | 23 | 105 | 276 |
| June | 345 | 173 | 561 | 85 | 40 | 357 | 528 | 7 | 58 | 147 | 64 | 27 | 71 | 237 |
| July | 675 | 375 | 1008 | 193 | 95 | 916 | 663 | 10 | 141 | 286 | 119 | 63 | 169 | 409 |
| Aug. | 519 | 485 | 1610 | 303 | 638 | 1404 | 576 | 14 | 257 | 171 | 110 | 104 | 157 | 317 |
| Sep. | 306 | 416 | 1006 | 178 | 92 | 806 | 306 | 6 | 70 | 220 | 108 | 80 | 150 | 487 |
| Oct. | 361 | 254 | 535 | 117 | 88 | 735 | 228 | 15 | 77 | 101 | 81 | 26 | 138 | 382 |
| Nov. | 202 | 183 | 347 | 100 | 61 | 430 | 216 | 4 | 74 | 73 | 65 | 24 | 100 | 276 |
| Dec. | 517 | 235 | 650 | 114 | 70 | 417 | 397 | 6 | 101 | 185 | 64 | 64 | 67 | 329 |
| **TOTAL** | **4540** | **3186** | **8437** | **1654** | **1428** | **6725** | **4681** | **200** | **1175** | **1776** | **1034** | **724** | **1404** | **3937** |

*Source:* Commission for Tourism, Zanzibar.

## Note

1. Mean Exchange Rate for 2001: US$ = TZS 917.4

# Annex V.
# Tourism Directories

| Selected Hotels on the Mainland and in Zanzibar | | | |
|---|---|---|---|
| **S/n** | **Name of Hotel** | **Region** | **Rooms** |
| 01 | A.M. HOTEL | ARUSHA | 40 |
| 02 | AMAZON HOTEL | ARUSHA | 30 |
| 03 | ARUSHA BY NIGHT | ARUSHA | 10 |
| 04 | ARUSHA BY NIGHT ANNEX | ARUSHA | 47 |
| 05 | ARUSHA NAAZ HOTEL LTD | ARUSHA | 21 |
| 06 | ARUSHA RESORT CENTRE | ARUSHA | 41 |
| 07 | ARUSHA TOURIST INN | ARUSHA | 20 |
| 08 | AXUM SPICES LODGE (ETHIOPIAN) | ARUSHA | 10 |
| 09 | BAMAKAMBI | ARUSHA | 15 |
| 10 | CATHOLIC HOSTEL | ARUSHA | 20 |
| 11 | DIK DIK INVESTMENT LTD | ARUSHA | 18 |
| 12 | ELAND MOTEL | ARUSHA | 40 |
| 13 | EQUATOR HOTEL | ARUSHA | 40 |
| 14 | G & T INTERNATIONAL HOTELS LTD. | ARUSHA | 5 |
| 15 | GIBBS FARM LODGE | ARUSHA | 15 |
| 16 | GOLDEN ROSE HOTEL | ARUSHA | 22 |
| 17 | HOTEL MANOR | ARUSHA | 25 |
| 18 | HOTEL SEVENTY SEVEN LTD | ARUSHA | 120 |
| 19 | ILBORU SAFARI LODGE | ARUSHA | 8 |
| 20 | IMPALA HOTEL | ARUSHA | 128 |

*continued on next page.*

| Selected Hotels on the Mainland and in Zanzibar *(continued)* | | | |
|---|---|---|---|
| **S/n** | **Name of Hotel** | **Region** | **Rooms** |
| 21 | JAMBO CAMPSITE | ARUSHA | 80 |
| 22 | KIFARU LODGE & SAFARI LTD | ARUSHA | 7 |
| 23 | KIRURUMO TENTED LODGE | ARUSHA | 20 |
| 24 | LAKE MANYARA HOTEL | ARUSHA | 100 |
| 25 | LAKE MANYARA SERENA LODGE | ARUSHA | 67 |
| 26 | LAKE NATRON CAMP | ARUSHA | 9 |
| 27 | LE JACARANDA | ARUSHA | 6 |
| 28 | LOBO WILDLIFE LODGE | ARUSHA | 75 |
| 29 | MASAI SAFARI CENTRE | ARUSHA | 6 |
| 30 | MEZZALUNA ITALIAN HOTEL | ARUSHA | 11 |
| 31 | MIDWAY HOTEL | ARUSHA | 27 |
| 32 | MIGUNGA FOREST CAMP | ARUSHA | 27 |
| 33 | MOIVARO INVEST. & TRADING Co LTD | ARUSHA | 24 |
| 34 | MOMELLA WILDLIFE LODGE | ARUSHA | 55 |
| 35 | MOTEL 2000 | ARUSHA | 8 |
| 36 | MOUNT MERU GAME LODGE | ARUSHA | 17 |
| 37 | MOUNTAIN VILLAGE HOTEL (SERENA) | ARUSHA | 50 |
| 38 | NAAZ HOTEL | ARUSHA | 15 |
| 39 | NDUTU SAFARI LODGE | ARUSHA | 32 |
| 40 | NEW ARUSHA HOTEL | ARUSHA | 67 |
| 41 | NEW SAFARI HOTEL LTD | ARUSHA | 23 |
| 42 | NGARESERO MOUNTAIN LODGE | ARUSHA | 10 |
| 43 | NGORONGORO CRATER LODGE(Conscorp) | ARUSHA | 36 |
| 44 | NGORONGORO SERENA LODGE | ARUSHA | 75 |
| 45 | NGORONGORO SOPA LODGE | ARUSHA | 100 |
| 46 | NGORONGORO WILDLIFE LODGE | ARUSHA | 75 |
| 47 | NGURDOTO LODGE | ARUSHA | 5 |
| 48 | NOVOTEL MT.MERU HOTEL | ARUSHA | 168 |
| 49 | OLASITI GARDEN CAMP | ARUSHA | 20 |
| 50 | OLIVER'S CAMP LTD | ARUSHA | 6 |
| 51 | PALLSONS HOTEL | ARUSHA | 28 |
| 52 | RHINO LODGE | ARUSHA | 22 |
| 53 | RIVER TREES GUEST FARM | ARUSHA | 4 |

*continued on next page.*

| Selected Hotels on the Mainland and in Zanzibar *(continued)* | | | |
|---|---|---|---|
| **S/n** | **Name of Hotel** | **Region** | **Rooms** |
| 54 | SERENGETI SOPA LODGE | ARUSHA | 63 |
| 55 | SERENGETI VIEW HOTEL | ARUSHA | 27 |
| 56 | SWALA CAMP | ARUSHA | 9 |
| 57 | TANZANITE HOTEL | ARUSHA | 30 |
| 58 | TARANGIRE SAFARI LODGE | ARUSHA | 40 |
| 59 | TARANGIRE SOPA LODGE | ARUSHA | 75 |
| 60 | THE OUTPOST | ARUSHA | 10 |
| 61 | TWIGA CAMPSITE AND LODGE | ARUSHA | 10 |
| 62 | VICTORIA HOUSE | ARUSHA | 18 |
| 63 | YMCA ARUSHA INN | ARUSHA | 10 |
| | | | **2,242** |
| 64 | CAPITAL LODGE | DODOMA | 30 |
| 65 | DODOMA INN | DODOMA | 50 |
| 66 | NAM HOTEL | DODOMA | 40 |
| | | | **120** |
| 67 | AL URUBA HOTEL | D'SALAAM | 20 |
| 68 | AMBASSADOR PLAZA | D'SALAAM | 40 |
| 69 | BAHARI BEACH HOTEL LTD | D'SALAAM | 100 |
| 70 | BEACH COMBER | D'SALAAM | 48 |
| 71 | BEACHCOMBER HOTEL RESORT | D'SALAAM | 40 |
| 72 | BELINDA OCEON RESORT | D'SALAAM | 15 |
| 73 | CLASSIC MOTEL | D'SALAAM | 20 |
| 74 | ECONO LODGE | D'SALAAM | 20 |
| 75 | EMBASSY HOTEL | D'SALAAM | 44 |
| 76 | GOLDEN TULIP (INDIAN OCEAN HOTEL) | D'SALAAM | 100 |
| 77 | HOLIDAY INN (SOUTHERN SUN HOTELS) | D'SALAAM | 152 |
| 78 | JAMBO INN | D'SALAAM | 28 |
| 79 | JANGWANI SEABREEZE LODGE LTD | D'SALAAM | 34 |
| 80 | KIBODYA HOTEL 1 | D'SALAAM | 30 |
| 81 | KIBODYA HOTEL 2 | D'SALAAM | 20 |
| 82 | LION HOTEL | D'SALAAM | 30 |
| 83 | LUTHER HOUSE HOSTEL | D'SALAAM | 13 |
| 84 | NDEGE BEACH RESORT | D'SALAAM | 30 |

*continued on next page.*

| **Selected Hotels on the Mainland and in Zanzibar** *(continued)* | | | |
|---|---|---|---|
| **S/n** | **Name of Hotel** | **Region** | **Rooms** |
| 85 | NEW AFRICA HOTEL (1993) LTD | D'SALAAM | 126 |
| 86 | OYSTERBAY EXECUTIVE INN | D'SALAAM | 14 |
| 87 | OYSTERBAY HOTEL | D'SALAAM | 54 |
| 88 | PALM BEACH HOTEL | D'SALAAM | 32 |
| 89 | PEACOCK HOTEL LTD | D'SALAAM | 54 |
| 90 | PROTEA (AMANI BEACH) | D'SALAAM | 10 |
| 91 | PROTEA D'SALAAM APPARTMENTS | D'SALAAM | 47 |
| 92 | RAS KUTANI | D'SALAAM | 12 |
| 93 | RIKI HILL HOTEL LTD | D'SALAAM | 40 |
| 94 | ROYAL PALM HOTEL | D'SALAAM | 240 |
| 95 | RUFIJI RIVER CAMP | D'SALAAM | 20 |
| 96 | SAFARI INN LIMITED | D'SALAAM | 40 |
| 97 | SALVATION ARMY | D'SALAAM | 30 |
| 98 | SEA CLIFF HOTEL | D'SALAAM | 75 |
| 99 | SHIRINS INN | D'SALAAM | 20 |
| 100 | SILVER SANDS HOTEL | D'SALAAM | 60 |
| 101 | SMOKIES (T) LTD | D'SALAAM | 7 |
| 102 | STARLIGHT HOTEL LTD | D'SALAAM | 136 |
| 103 | SWISS HOSTEL | D'SALAAM | 10 |
| 104 | TAMARIND GUEST HOUSE | D'SALAAM | 20 |
| 105 | TEMBONI REGENCE | D'SALAAM | 10 |
| 106 | THE COURTYARD | D'SALAAM | 55 |
| 107 | VALLEY VIEW HOTEL | D'SALAAM | 21 |
| 108 | VATICAN CITY HOTEL LTD | D'SALAAM | 30 |
| 109 | WELLWORTH HOTEL & LODGES LTD | D'SALAAM | 254 |
| 110 | WHITESANDS HOTEL LTD | D'SALAAM | 88 |
| 111 | YMCA | D'SALAAM | 26 |
| | | | **2,315** |
| 112 | HURUMA BAPTIST CONF.CENTRE HOTEL & TOURIST CAMPING | IRINGA | 47 |
| 113 | ISIMILA HOTEL & co | IRINGA | 48 |
| 114 | M.R. HOTELS LTD | IRINGA | 17 |
| 115 | MOTEL SUNSET | IRINGA | 15 |

*continued on next page.*

| Selected Hotels on the Mainland and in Zanzibar *(continued)* | | | |
|---|---|---|---|
| **S/n** | **Name of Hotel** | **Region** | **Rooms** |
| 116 | NEW HOTEL ASHIANA | IRINGA | 20 |
| 117 | SAMBALA LODGE | IRINGA | 20 |
| | | | **167** |
| 118 | BALIMI HOTEL | KAGERA | 30 |
| 119 | COFFEE TREE INN | KAGERA | 30 |
| 120 | ELCT/NYUMBA YA VIJANA | KAGERA | 7 |
| 121 | HILL TOP HOTEL | KIGOMA | 50 |
| | | | **117** |
| 122 | BABYLON LODGE LTD | KILIMANJARO | 14 |
| 123 | CAPRICORN HOTELS & TOURS LTD | KILIMANJARO | 15 |
| 124 | HOTEL BUFFALO | KILIMANJARO | 33 |
| 125 | HOTEL NEWCASTLE LTD | KILIMANJARO | 28 |
| 126 | KEYS HOTELS LTD | KILIMANJARO | 30 |
| 127 | KIBO HOTEL LTD | KILIMANJARO | 35 |
| 128 | KILIMANJARO CRANE HOTELS | KILIMANJARO | 30 |
| 129 | KILIMANJARO TOURIST INN | KILIMANJARO | 7 |
| 130 | KINDOROKO HOTEL | KILIMANJARO | 31 |
| 131 | LUTHERAN UHURU HOSTEL | KILIMANJARO | 52 |
| 132 | LUTHERAN UMOJA HOSTEL | KILIMANJARO | 21 |
| 133 | MARANGU HOTEL LIMITED | KILIMANJARO | 26 |
| 134 | MCF SCHOOL OF HOTEL MANAGEMENT & SERVICES | KILIMANJARO | 10 |
| 135 | MOSHI LEOPARD HOTEL | KILIMANJARO | 16 |
| 136 | MOSHI VIEW HOTEL LTD | KILIMANJARO | 16 |
| 137 | NAKARA HOTELS LTD | KILIMANJARO | 16 |
| | | | **380** |
| 138 | KILWA RUINS BEACH RESORT | LINDI | 6 |
| 139 | NANKOLOWA GUEST HOUSE | LINDI | 10 |
| | | | **16** |
| 140 | GRUMET CAMP | MARA | 10 |
| 141 | HOTEL ORANGE TREE | MARA | 30 |
| 142 | IKOMA BUSH CAMP | MARA | 20 |
| 143 | KIJERESHI CAMP | MARA | 25 |

*continued on next page.*

| Selected Hotels on the Mainland and in Zanzibar *(continued)* | | | |
|---|---|---|---|
| **S/n** | **Name of Hotel** | **Region** | **Rooms** |
| 144 | KIRAWIRA CAMP | MARA | 25 |
| 145 | KLEINS CAMP | MARA | 15 |
| 146 | KUSINI CAMP | MARA | 9 |
| 147 | MAJIMOTO CAMP | MARA | 10 |
| 148 | MIGRATION CAMP | MARA | 16 |
| 149 | PENINSULA HOTEL | MARA | 20 |
| 150 | SERENGETI SERENA LODGE | MARA | 66 |
| 151 | SERONERA WILDLIFE LODGE | MARA | 75 |
| | | | **321** |
| 152 | HOLIDAY HOTEL | MBEYA | 30 |
| 153 | MBEYA GREEN VIEW INN | MBEYA | 25 |
| 154 | MBEYA PEAK HOTEL | MBEYA | 17 |
| 155 | MOUNT LIVINGSTONE HOTEL | MBEYA | 47 |
| 156 | RIFT VALLEY HOTEL | MBEYA | 40 |
| 157 | SONGWE MOTEL & HOLIDAY CENTRE | MBEYA | 25 |
| 158 | UPLANDS HOTEL | MBEYA | 20 |
| 159 | UTENGULE HOTEL | MBEYA | 16 |
| | | | **220** |
| 160 | HILUX HOTEL LTD | MOROGORO | 35 |
| 161 | HOTEL OASIS LTD | MOROGORO | 37 |
| 162 | KOLA HILL | MOROGORO | 24 |
| 163 | MAMA PERINA HOTEL | MOROGORO | 12 |
| 164 | MIKUMI SAFARI LODGE | MOROGORO | 20 |
| 165 | MIKUMI WILDLIFE CAMP | MOROGORO | 25 |
| 166 | MIKUMI WILDLIFE LODGE | MOROGORO | 40 |
| 167 | MOROGORO HOTEL | MOROGORO | 60 |
| 168 | MOUNT ULUGURU | MOROGORO | 50 |
| 169 | NEW ACROPOL HOTEL LTD | MOROGORO | 4 |
| 170 | SOPHIA HOTEL | MOROGORO | 21 |
| 171 | TANESCO TRAINING CENTRE | MOROGORO | 132 |
| 172 | VUMA HILL TENTED CAMP | MOROGORO | 12 |
| | | | **472** |
| 173 | LYIMO MOTEL | MTWARA | 15 |

*continued on next page.*

| Selected Hotels on the Mainland and in Zanzibar *(continued)* | | | |
|---|---|---|---|
| **S/n** | **Name of Hotel** | **Region** | **Rooms** |
| 174 | MAKONDEKO BEACH RESORT | MTWARA | 14 |
| 175 | MIKINDANI HOTEL | MTWARA | 20 |
| 176 | OLD BOMA | MTWARA | 10 |
| 177 | PENINSULA HOTEL | MTWARA | 14 |
| 178 | SAYARI | MTWARA | 22 |
| 179 | SEABREEZE GUEST HOUSE | MTWARA | 8 |
| 180 | TINGATINGA GUEST HOUSE | MTWARA | 5 |
| | | | **108** |
| 181 | HOTEL TILAPIA | MWANZA | 60 |
| 182 | NATTA HOTEL | MWANZA | 15 |
| 183 | NEW MWANZA HOTEL | MWANZA | 80 |
| 184 | TEMA HOTEL | MWANZA | 25 |
| | | | **180** |
| 185 | ALPHA MOTEL | PWANI | 30 |
| 186 | BADECO BEACH HOTEL | PWANI | 20 |
| 187 | BAGAMOYO BEACH RESORT | PWANI | 25 |
| 188 | KASIKI MARINE CAMP | PWANI | 12 |
| 189 | KINASI LODGE | PWANI | 15 |
| 190 | LIVINGSTONE CLUB | PWANI | 48 |
| 191 | MAFIA ISLAND LODGE | PWANI | 40 |
| 192 | PALM TREE HOTEL | PWANI | 22 |
| 193 | PARADISE HOLIDAY RESORT | PWANI | 80 |
| 194 | TRAVELLERS LODGE | PWANI | 40 |
| | | | **332** |
| 195 | HOTEL BUHEMBA | RUVUMA | 25 |
| 196 | O.K. HOTEL 92 | RUVUMA | 20 |
| 197 | YAPENDER ANNEX & LODGE | RUVUMA | 16 |
| | | | **61** |
| 198 | MWOLEKA HOTEL | SHINYANGA | 18 |
| 199 | SHINYANGA SAFARI HOTEL | SHINYANGA | 20 |
| | | | **38** |
| 200 | RAFIKI HOTEL | TABORA | 25 |

*continued on next page.*

| **Selected Hotels on the Mainland and in Zanzibar** *(continued)* | | | |
|---|---|---|---|
| **S/n** | **Name of Hotel** | **Region** | **Rooms** |
| 201 | RAILWAY HOTEL | TABORA | 40 |
| | | | **65** |
| 202 | DOLPHIN INN | TANGA | 30 |
| 203 | EMAYANI BEACH LODGE | TANGA | 11 |
| 204 | INN BY THE SEA LTD | TANGA | 24 |
| 205 | LAWNS HOTEL | TANGA | 17 |
| 206 | MARINA INN | TANGA | 20 |
| 207 | MKONGE HOTEL LTD | TANGA | 50 |
| 208 | OCEAN BREEZE INN | TANGA | 43 |
| 209 | PANORI HOTEL | TANGA | 22 |
| 210 | PEPONI HOLIDAY RESORT | TANGA | 7 |
| 211 | PEPONI HOLIDAY RESORT | TANGA | 20 |
| 212 | PROTEA HOTEL PANGANI RIVER | TANGA | 24 |
| 213 | ST. EUGENE'S HOSTEL | TANGA | 14 |
| 214 | SUNLIGHT INN | TANGA | 5 |
| 215 | TINGATINGA RESORT | TANGA | 10 |
| | | | **297** |
| 216 | AMAAN BUNGALOWS | ZANZIBAR | 60 |
| 217 | BARAKA BUNGALOWS | ZANZIBAR | 12 |
| 218 | BLUE OCEAN HOTEL | ZANZIBAR | 10 |
| 219 | BLUE OYSTER HOTEL LTD | ZANZIBAR | 10 |
| 220 | BREEZES BEACH CLUB | ZANZIBAR | 70 |
| 221 | CHAVDA HOTEL LTD | ZANZIBAR | 16 |
| 222 | COCO DE MER HOTEL | ZANZIBAR | 11 |
| 223 | CORAL REEF RESORT | ZANZIBAR | 27 |
| 224 | DHOW PALACE HOTEL | ZANZIBAR | 17 |
| 225 | DONGWE CLUB | ZANZIBAR | 76 |
| 226 | EAST-COAST-VISITORS INN | ZANZIBAR | 27 |
| 227 | EMERSON & GREEN LTD | ZANZIBAR | 10 |
| 228 | HOTEL CLOVE | ZANZIBAR | 11 |
| 229 | HOTEL KIPONDA & REATAURANT | ZANZIBAR | 20 |
| 230 | KARIBU INN GUEST HOUSE | ZANZIBAR | 20 |
| 231 | KOKONI GUEST HOUSE | ZANZIBAR | 13 |

*continued on next page.*

| Selected Hotels on the Mainland and in Zanzibar *(continued)* | | | |
|---|---|---|---|
| **S/n** | **Name of Hotel** | **Region** | **Rooms** |
| 232 | LAIL-NOOR GUEST HOUSE | ZANZIBAR | 16 |
| 233 | MAZSONS' HOTEL LTD | ZANZIBAR | 35 |
| 234 | MBWENI RUINS HOTEL | ZANZIBAR | 13 |
| 235 | MNARANI BEACH CATTAGES | ZANZIBAR | 12 |
| 236 | MTONI MARINE CENTRE LTD | ZANZIBAR | 37 |
| 237 | NARROW STREET HOTEL | ZANZIBAR | 8 |
| 238 | PARADISE BEACH BUNGALOWS | ZANZIBAR | 17 |
| 239 | PARADISE BEACH CLUB | ZANZIBAR | 10 |
| 240 | SHANGANI HOTEL | ZANZIBAR | 22 |
| 241 | SHEHE BUNGALOWS | ZANZIBAR | 25 |
| 242 | STONE TOWN INN | ZANZIBAR | 9 |
| 243 | SUNRISE HOTEL & RESTAURANT | ZANZIBAR | 12 |
| 244 | TEMBO HOUSE HOTEL | ZANZIBAR | 35 |
| 245 | THE SULTAN PALACE | ZANZIBAR | 15 |
| 246 | VENTACLUB KARIBU | ZANZIBAR | 105 |
| 247 | VERACLUB ZANZIBAR LTD | ZANZIBAR | 51 |
| 248 | VUGA HOTEL | ZANZIBAR | 10 |
| 249 | ZANZIBAR SERENA INN | ZANZIBAR | 51 |
| | | | **893** |
| | | **TOTAL** | **8,344** |

| Tanzania Association of Tour Operators (TATO) Membership List | | | | | |
|---|---|---|---|---|---|
| NO. | NAME OF COMPANY | FAX | TELEPHONE | BOX | TOWN |
| 1 | ABERCROMBIE & KENT (T) LTD | 2548273 | 2508347/2508273 2506788 | 427 | ARUSHA |
| 2 | ADVENTURE TOURS & SAFARIS | 2548195 | 7600, 2501126, 2501357 | 1014 | ARUSHA |
| 3 | AFRICAN OUTDOOR EXPEDITIONS INC (A.O.E. LTD) | (801)8381242 | 2501829 0744 - 263170 | 14643 | ARUSHA |
| 4 | AFRICAN TRAILS LTD | 2504406 | 2504406/2503683 | 2130 | ARUSHA |
| 5 | AFRICAN ENVIRONMENT LTD | 2548625 | 2548625 | 2125 | ARUSHA |
| 6 | ARUMERU TOURS & SAFARIS | 2502885 | 2502780 | 730 | ARUSHA |
| 7 | ARUSHA SUNRISE SAFARIS | 2544102 | 2544102/0744 285730 | 890 | ARUSHA |
| 8 | BASE CAMPSITE LTD | 2508985 | 2500393 | 10332 | ARUSHA |
| 9 | BIG GAME SAFARIS LTD | 7853 | 7853 | 7553 | ARUSHA |
| 10 | BOBBY CAMPING SAFARIS | 2500094 | 2544057/8 | 15152 | ARUSHA |
| 11 | BOBBY TOURS & SAFARIS | 2508176 | 2500020/503490; 2507654/508176 | 716 | ARUSHA |
| 12 | BUSHBUCK SAFARIS LIMITED | 2954/2548293 | 7473/2507779; 2544186 | 1700 | ARUSHA |
| 13 | CLASSIC TOURS SAFARIS | 2508220/ 2508980 | 2548448/2548451 | 7302 | ARUSHA |
| 14 | COASTAL TRAVEL LTD | 2118647 | 2117955/2117959 | 3052 | DSM |
| 15 | CONSERVATION CORPORATION AFRICA (CONSCORP TZ LTD) | 2548268 | 2543530/2548078 2548549 | 751 | ARUSHA |
| 16 | CORDIAL TOURS CO.LIMITED | 2112300 | 2138070/2127103/ 2136259 | 1679 | DSM |
| | CORDIAL TOURS CO. LIMITED | 2506495 | 2506517/8981/ 6495/2548998 | 8376 | ARUSHA |
| 17. | CORTO LIMITED | 2544213 | 0741-510056 | 12267 | ARUSHA |
| 18. | DANNY McCALLUM SAFARIS LTD | 2504844/ 2548050 | 2548050/2548454/ 0741 34511 | 13226 | ARUSHA |
| 19. | DIK DIK INVESTMENT LTD (TOURS & SAFARIS OPERATORS) | 2553498/ 0741-510490 | 0741 512298 2553499 | 1499 | ARUSHA |
| 20. | DISCOVER TANZANIA SAFARIS | 2507695 | 2507695 | 12382 | ARUSHA |
| 21. | DOROBO TOURS & SAFARIS | 2548336 | 2502300/2548336/ 2509685 | 2534 | ARUSHA |
| 22. | EAST WEST TRAVEL | 2504324 | 2548839/2500043 | 12027 | ARUSHA |
| 23. | EASY TRAVEL & TOURS | 2507322/ 2504110 | 2503929/2507322 2504110 | 1912 | ARUSHA |

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| Tanzania Association of Tour Operators (TATO) Membership List *(continued)* | | | | | |
|---|---|---|---|---|---|
| **NO.** | **NAME OF COMPANY** | **FAX** | **TELEPHONE** | **BOX** | **TOWN** |
| 24. | EXTRAORDINAIRE TOURS | 2548195 | 2506590/2506138/ 2502459 | 416 | ARUSHA |
| 25. | FIRELIGHT SAFARIS LTD | 2546771 | 2548773/2546771 | 1182 | ARUSHA |
| 26. | FLYCATCHER SAFARIS | 2548261 | 2506963 | 591 | ARUSHA |
| 27. | FORTESS SAFARIS | 2548002 | 2503439/2548002 | 1364 | ARUSHA |
| | FORTESS SAFARIS | 40536 | 40599/41197 | 422 | MWANZA |
| 28. | FOXTROT CHARLIE LTD | 2544218 | 2544217/2544218 | 1393 | ARUSHA |
| 29. | GEORGE MAVROUDIS SAFARIS | 2548840 2548256 | 2548840/2548256 | 2590 | ARUSHA |
| 30. | GIBB'S FARM SAFARIS LTD | 2548310 | 2506702/2548930 | 6084 | ARUSHA |
| | GIBB'S FARM SAFARIS LTD | 2534308 | 2534302/2534309 | 2 | KARATU |
| 31. | GREEN FOOT PRINTS ADVENTURES | 2539163 | 2539161/2534162 | 2551 | ARUSHA |
| 32. | GREYSTOKE SAFARIS (TZ) LTD | 2548050 | 0741-324341 0741-511443 | 1404 150 | ARUSHA U/RIVER |
| 33. | H & A UNIQUE SAFARIS (2000) LTD | 2508456/7 | 2506576/2506643 2508456/2508457 | 2189 | ARUSHA |
| 34. | HOOPOE SAFARIS TOURS LTD | 2508226 | 2507541/2507011 | 2047 | ARUSHA |
| 35. | JMT AFRICAN HEART EXPEDITIONS LTD. | | 0744-283990 | 12155 | ARUSHA |
| 36. | J.M. TOURS SAFARIS | 2508801 | 2506773/2508580 | 392 | ARUSHA |
| 37. | J.M.T. LTD (SERENGETI BALLOON SAFARIS) | 2548990/ 2548578 | 2547111/2548578 | 12116 | ARUSHA |
| 38. | J.W. KEARSLEY (E. AFRICA) LTD | 2508044 | 2508043 | 142 | ARUSHA |
| | J.W. KEARSLEY (E. AFEICA) LTD | 2115585/ 2113873 | 2115026/028/029/ 030/2115183/4 | 801 | DSM |
| 39. | JAPAN TANZANIA TOURS LTD | 2139017 | 2134431 | 9350 | DAR |
| 40. | KER & DOWNEY SAFARIS (T) LTD | 2548434 | 2548060/2548059 2548435/2548917 | 2782 | ARUSHA |
| 41. | KEYS HOTELS LTD | 2754219 2750073 | 2752250/2751875 | 933 | MOSHI |
| 42. | KIBO SAFARIS E.A. (TZ) LTD | 2508937 | 2507605 | 8277 | ARUSHA |
| 43. | KIFARU LODGE & SAFARIS LTD | 2548908 | 2548908 | 1187 | ARUSHA |
| | KIFARU LODGE & SAFARIS LTD | 2548896 | 2548896/508790 | 12 | KARATU |
| 44. | KIGOMA HILLTOP HOTEL | 0695-4434 | 0695-4435/7 | 1160 | KIGOMA |
| 45. | KUDU SAFARIS LTD | 2548298 | 2548193/2506065 | 1404 | ARUSHA |
| 46. | LATITUDE (TZ) LTD | 8179 | 2503829/2507850 | 2267 | ARUSHA |

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| **Tanzania Association of Tour Operators (TATO) Membership List** *(continued)* | | | | | |
|---|---|---|---|---|---|
| **NO.** | **NAME OF COMPANY** | **FAX** | **TELEPHONE** | **BOX** | **TOWN** |
| 47. | LEISURE TOURS & HOLIDAYS LTD | 862939 | 2865080<br>2862939/2860300 | 6100 | DAR |
| 48. | LEOPARD TOURS LTD | 2548219/<br>2548441/<br>2544134 | 2548441/3<br>2507906,2503603 | 1638 | ARUSHA |
| 49. | MALAIKA TOURS LIMITED | 2548692 | 2548692 | 11217 | ARUSHA |
| 50. | MALI HAI CLUB TANZANIA (ASSOCIATE MEMBER) | 2507540 | 2505026/2507540 | 1540 | ARUSHA |
| 51. | MARANGU HOTEL LTD | 2756591 | 2756594, 2756361 | 40 | MOSHI |
| 52. | MASUMIN'S TOURS & SAFARIS LTD | | 41391/41628 | 1884 | MWANZA |
| 53. | MAULY TOURS & SAFARIS | 2753330 | 2753330/2750730 | 1315 | MOSHI |
| 54. | MOIVARO COFFEE PLANTATION LODGE | 2553242/3 | 2548665/2553243 | 11297 | ARUSHA |
| 55. | NATURE DISCOVERY LTD | 2508406 | 2508466/2504063 | 10574 | ARUSHA |
| 56. | NAMEERA LTD. NGURDOTO LODGE | 2553701/3414 | 515 | USA-RIVER | |
| 57. | NGARESERO MOUNTAIN LODGE LTD | 2548690 | 2548689,2553638 | 452 | ARUSHA |
| 58. | NGORONGORO ADVENTURES LTD | 2507655 | 2507655, 2509761 | 2714 | ARUSHA |
| 59. | NGORONGORO SAFARIS LODGE LTD | 2508310 | 2508310 | 2 | KARATU |
| 60. | NOMAD SAFARI GUIDES (TZ) LTD | 741-512244 | 2553829/30 | 10568 | ARUSHA |
| 61. | OVERSEAS ADVENTURE TRAVEL (EA) LTD (THOMSON SAFARIS) | 2548551<br>2503318 | 2548551/2548298/ | 6074 | ARUSHA |
| 62. | OLIVERS CAMP LTD | 2508548 | 2504116/2508548 | 425 | ARUSHA |
| 63. | PEACOCK TOURS & SAFARIS LTD | 2548256 | 2507884,2501538 | 10123 | ARUSHA |
| 64. | POLE POLE SAFARIS COMPANY LTD | 2504390 | 2504564<br>0742 -450456 | 1208 | ARUSHA |
| | POLE POLE SAFARIS COMPANY LTD | 780245 | 0742-781635 | 1034 | DAR |
| 65. | PRECISION AIR SERVICES | 2508204<br>2504295 | 2506903/502818<br>2507319 | 1636 | ARUSHA |
| 66. | RANGER SAFARIS LTD. | 2508205 | 2503023/2503074 | 9 | ARUSHA |
| 67. | REAL AFRICA SAFARIS LTD | 2508997 | 2508578 | 12116 | ARUSHA |
| 68. | REGIONAL AIR SERVICES | 2544161/<br>2544164 | 2548536/2504477<br>0741-510713/6/7 | 14755 | ARUSHA |
| 69. | RICKSHAW TRAVEL LTD | 2548827 | 2506655/2506208 | 13959 | ARUSHA |

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**Tanzania Association of Tour Operators (TATO) Membership List** *(continued)*

| NO. | NAME OF COMPANY | FAX | TELEPHONE | BOX | TOWN |
|---|---|---|---|---|---|
| 70. | ROBIN HURT SAFARIS (T) LTD | 2505026 | 2505025/2505024/ 2508805 | 8325 | ARUSHA |
| 71. | ROY SAFARIS LIMITED | 2548892 | 2502115/2508010/ 2507057 | 50 | ARUSHA |
| 72. | SAFARI MAKERS LTD | 2506013 | 2506013 | 12901 | ARUSHA |
| 73. | SCAN-TAN TOURS LTD | 2508170 | 2506376 | 2611 | ARUSHA |
| 74. | SERENGETI SELECT SAFARIS LTD | 2507182 | 2507182/2544222 | 2703 | ARUSHA |
| 75. | SHADES OF AFRICA LTD | 2544526 | 2504302/2548659 | 3154 | ARUSHA |
| 76. | SHAH TOURS & TRAVEL LTD | 2751449 | 2752370/2752998 | 1821 | MOSHI |
| 77. | SIMBA SAFARIS | 2508207 | 2503600/2504246 | 1207 | ARUSHA |
| 78. | SKYLINK TRAVEL LTD | 2114562 2127649 | 2126888/2115381-5 | 21338 | DSM |
| 79. | SNOW CAP MT. CLIMBING | 2750499 | 272256/2750626 | 117 | MOSHI |
| 80. | SOKWE CAMP LIMITED | 2548320 | 2548182 2548311 | 3052 | ARUSHA |
| 81. | SUNNY SAFARIS LTD | 2508094 2548037 | 2508184/2507145/ 2508037 0744-268475 | 7267 | ARUSHA |
| 82. | SWALA SAFARIS LTD | 2508272 | 2508424 | 207 | ARUSHA |
| 83. | TAKIMS HOLIDAY TOURS & SAFARIS LTD | 2508211 | 2504630/2548026 | 6023 | ARUSHA |
| | TAKIMS HOLIDAY TOURS & SAFARIS LTD | 2116659/ 2116660 | 2110346/2110348 | 20350 | DAR |
| 84. | TANDALA EXPEDITION | 2504187/ 2508484 | 2548483/2504181 | 11540 | ARUSHA |
| 85. | MOUNT KILIMANJARO SAFARI CLUB (TAWISA) | 2548869 | 0741 - 512285 0741 - 510045 | 2231 | ARUSHA |
| 86. | TANGANYIKA FILM SAFARIS OUTFITTERS | 2508547 | 2502713/2508547/ 2500087 | 49 | ARUSHA |
| 87. | TANZANIA BIG GAME SAFARIS | 2508836 | 2508838 | 2458 | ARUSHA |
| 88. | TANZANIA PHOTOGRAPHIC TOURS & SAFARIS LTD | 2508827 | 2508827/2503090 | 284 | ARUSHA |
| 89. | TANZANIA SERENGETI ADVENTURE | 2548475 | 2504068/2504069 | 1742 | ARUSHA |
| 90. | TANZANIA OUTFITTERS & SAFARIS LTD | 2542738 | 2502738 | 2256 | ARUSHA |
| 91. | TANZANIA AIR SERVICES LTD | 2112946 | 2113151/2 | 364 | DAR |

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**Tanzania Association of Tour Operators (TATO) Membership List** *(continued)*

| NO. | NAME OF COMPANY | FAX | TELEPHONE | BOX | TOWN |
|---|---|---|---|---|---|
| 92. | TANZANIA TOURIST BOARD (ASSOCIATE MEMBER) | 2116420<br>2548628 | 2111244/2111245<br>2503842/3 | 2485<br>2348 | DAR<br>ARUSHA |
| 93. | TANZANIA RIFT VALLEY TOURS | 2501643 | 2501643<br>0811-613709 | 11381 | ARUSHA |
| 94. | THE SAFARI COMPANY LTD | 2504302<br>2506620 | 2548424/2504302 | 207 | ARUSHA |
| 95. | THE AFRICAN WALKING CO. LTD | | 2544461<br>0742-400005 | 1433 | ARUSHA |
| 96. | THE SAFARI IMAGES LIMITED | 2751715 | 2751990<br>2503613 | 1410<br>407 | MOSHI<br>ARUSHA |
| 97. | TOURISM PROMOTION SERVICES (T) LTD | 2504058<br>2504155 | 2508175/2506304 | 2551 | ARUSHA |
| 98. | TOURISM SERVICES TANZANIA (STATE TRAVEL SERVICES) | 2508209<br>2508717 | 2508022/2508715/6<br>2508718 | 1369 | ARUSHA |
| 99. | TROPICAL AFRICAN TRAILS LTD | 2508299 | 2548299/2500358 | 6130 | ARUSHA |
| 100. | ULTIMATE SAFARIS LTD | 2548873 | 2504550/2502791 | 1341 | ARUSHA |
| 101. | UNITED TOURING COMPANY (T) LTD | 2508222 | 2508844/2508845 | 2211 | ARUSHA |
| 102. | WALJI'S TRAVEL BUREAU LTD | 2112914 | 2110321/2112732 | 434 | DAR |
| 103. | WILDERSUN SAFARIS & TOURS (T) LTD | 2548223 | 2503880/2548848/9<br>2502491 | 930 | ARUSHA |
| 104. | WILDLIFE (E.A.) LTD | 2548577 | 2548577/504329 | 1439 | ARUSHA |

*continued on next page.*

| Tanzania Hunting Operators Association (TAHOA) Membership List | | |
|---|---|---|
| 1 | Barlette Safaris | Augustine@simbanet.net |
| 2 | Game Frontiers | gft@raha.com |
| 3 | Gerald Pasanisi Safaris | Augustine@simbanet.net |
| 4 | Hunters International/Pori Trackers | |
| 5 | Kilomberto North Safaris | C/o miombo@twiga.com |
| 6 | Luke Samaras Safaris | Samaras-safaris@twiga.com |
| 7 | Miombo Safaris Limited | miombo@twiga.com |
| 8 | Northern Numting Enterprises | scl@raha.com |
| 9 | Robin Nyika Safaris/Danny McCallum Safaris | danny@ark.eoltz.com |
| 10 | Robin Hurt Safaris | robinhurt@telkomsa.net |
| 11 | Safari Royal Holdings | boetie@telkomsa.net |
| 12 | Tanganyika Game Fishing and Photographic | |
| 13 | Tanganyika Wildlife Safaris | |
| 14 | Tanzania Bid Game Safaris | tbgs@tbgs.co.tz |
| 15 | Tanzania Bundu Safaris | |
| 16 | Tanzania Game Tracker Safaris | Gametrackers2@yako.habari.co.tz |
| 17 | Tanzania Safaris & Hunting Ltd. | Safari2tz@ark.eoltz.com |
| 18 | Tanzania Wildlife Corporation | tawico@cybernet.co.tz |
| 19 | Usangu Hunting Safaris | usangu@arusha.com<br>Glittergems@raha.com |
| 20 | Wengert Windrose Safaris | wws@ark.eoltz.com |

# Annex VI. Air Transport Data

## Tanzania: Main Domestic Air Operators

### *AIR TANZANIA (ATC)*

*Background and Restructuring*

ATC enjoys a large share of the scheduled services in the domestic market. Air Tanzania Corporation started with two wholly owned aircraft and one leased aircraft in 1977. By 1985, it had a fleet of eleven aircraft. In 1977 Air Tanzania Corporation carried only 85,717 passengers while in 1983 the number had increased to 478,919 passengers, the highest uplift in ATC operations. 1990 the total number of passengers carried had declined and stood at 292,121. Traffic continues to shrink and it has gone as low as 191,726 in 1999.

Despite the fleet size growth, the growth of the route network, the relatively high passenger and weight load factor Air Tanzania Corporation recorded in the past years, ATC was not profitable since its incorporation, except in 1983 when it sold two old aircraft and in early and mid 1990s, when performance improved slightly. However, the profits recorded were small and could not allow expansion programs which could have made the airline grow.

Air Tanzania, has undergone various significant changes following the various economic viability studies carried out by various consultancy organizations. Amongst the changes were the reorganization of the airlines' top management and the revision of its development strategies. The airline dropped out an ambitious and costly plan of expansion and fleet replacement and it is now concentrating on streamlining and consolidating domestic and regional services. As a result of these major changes, Air Tanzania's performance during has improved in terms profitability. Along with these administrative and operational changes, the airline started has several times been re-examining its staff strength vis-à-vis actual employment requirements, and by the end of 1999 only 519 employees were employed by the company compared to a total number of 1300 employees in 1985, 735 in 1995 and 656 employees in 1998.

*Current operational status*

*Current Fleet.* Air Tanzania owns two Booing 737-200 advanced jet aircraft operating on domestic and regional network. All aircraft are equipped with cargo door and have a re-enforced cargo floor. In addition to the above, Air Tanzania has one B737-300 leased from Ansett World Wide of Australia.

*Commercial/Marketing.* Air Tanzania has successfully implemented the migration of the Travel Agents from GETS to GALILEO Computerized

Reservation System (CRS). All Travel Agents were fully transferred to GALILEO system by December 1998. The Automated ticketing process for both the airline and Travel Agents will be accomplished during this year.

GALILEO which is a *Global Distribution System* (GDS) for travel agencies is available in almost all countries with commercial airline operations. Information from more that 500 airlines as well as 40,000 hotel properties and 45 car rental companies can be accessed through GALILEO system.

Air Tanzania currently offers services to Regional and Domestic destinations with B737s. The main domestic routes are:

- DAR-MWANZA-DAR
- DAR-KILIMAJARO-DAR
- DAR-MTWARA-DAR
- DAR-ZANZIBAR-DAR
- DAR-TABORA-KIGOMA-TABORA-DAR
- DAR-LINDI-DAR.

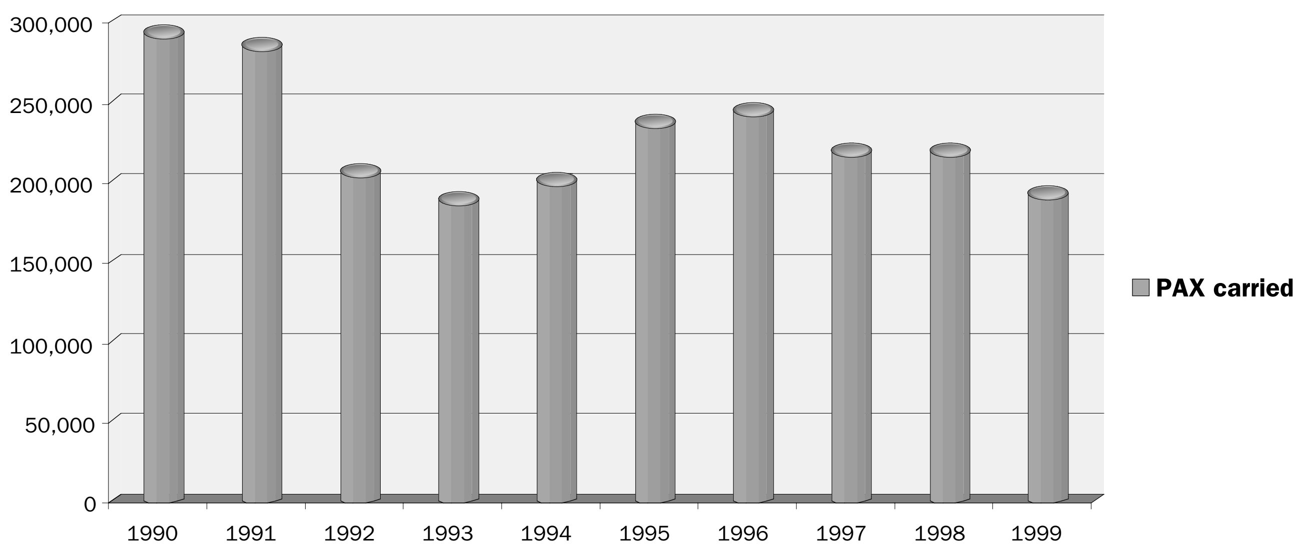
The regional points currently served by ATC include:

Entebbe, Harare, Johannesburg, Kigali, Lusaka, Mombassa, Comoros, Mauritius, Bujumbura, Lumumbashi and Nairobi.

*Summary of ATC's performance*

ATC's performance over the past ten years is summarized in the table below.

**Passenger uplift by ATC 1990–1999**



**Air Tanzania Corporation: Revenue Traffic and Capacity**

| Indicator | Unit | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2001/00% Change |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Aircraft Kilometers | 000 | 3,478.5 | 3,161.0 | 3,300.3 | 3,576.0 | 3,665.0 | 4,302.0 | 4,745.2 | 3,054.8 | 4,087.2 | 4,002.2 | –2.1 |
| Aircraft Departures | No | 7,702.0 | 5,673.0 | 5,497.0 | 5,637.0 | 6,006.0 | 5,995.0 | 6,085.0 | 5,032.0 | 5,903.0 | 4,358.0 | –2.62 |
| Aircraft Hours | No | 8,5147.0 | 6,830.0 | 6,837.0 | 7,469.0 | 7,161.0 | 7,591.0 | 7,633.0 | 5,842.0 | 7,030.0 | 5,513.0 | –2.16 |
| Passengers Carried | No | 206,541.0 | 1,886,454.0 | 199,905.0 | 263,433.0 | 244,273.0 | 217,839.0 | 218,853.0 | 191,726.0 | 195,308.0 | 174,559.0 | –1.06 |
| Freight-Tons Carried | No | 17,908.0 | 2,041.0 | 2,432.0 | 3,255.0 | 3,159.5 | 3,527.7 | 3,272.3 | 2,269.5 | 3,060.1 | 138,607.5 | 4,429.5 |
| Passenger-km Performed | 000 | 175,760.0 | 156,747.0 | 166,132.3 | 189,014.0 | 271,489.0 | 230,676.0 | 235,515.0 | 176,270.0 | 196,053.0 | 177,175.7 | –9.6 |
| Seat-km Available | 000 | 322,447.0 | 277,652.0 | 298,623.0 | 339,317.0 | 522,173.0 | 447,912.0 | 481,143.0 | 337,936.0 | 442,559.0 | 364,312.0 | –17.7 |
| Passenger Load Factor | % | 54.5 | 56.5 | 55.6 | 55.7 | 52.0 | 51.5 | 48.9 | 52.2 | 44.3 | 48.6 | 9.8 |
| Ton-km Performed | 000 | 182,979.0 | 163,507.0 | 171,41.5 | 20,244.6 | 32,992.0 | 28,789.1 | 24,937.0 | 183,476.7 | 28,448.0 | 22,059.0 | –22.5 |
| Ton-km Available | 000 | 389,717.0 | 32,184.1 | 33,780.1 | 42,056.9 | 71,210.0 | 64,520.0 | 55,825.3 | 40,724.4 | 45,688.0 | 40,938.0 | –10.4 |
| Freight Load Factor | % | 47.0 | 50.8 | 50.7 | 48.1 | 46.3 | 44.6 | 44.7 | 45.1 | 62.3 | 539 | –13.5 |

*Source:* ATC.

| List of Local Commercial Operators | | | | | | |
|---|---|---|---|---|---|---|
| **No.** | **Operator** | **Base** | **Aircraft Fleet** | **Total Fleet** | **AOC Expiry Date** | **Type of Service** |
| 1 | Air Tanzania Corp. | DSM | 2 B737-200, B737-300 | 2 | May-02 | Scheduled |
| 2 | Air Excel | Arusha | 2 C404, C210, 2C206, 2C208 | 7 | May-02 | Charter |
| 3 | Air Spray (T) Ltd. | Arusha | C188 | 1 | Jan-02 | Crop spraying |
| 4 | Auric air Services Ltd. | Mwanza | PA 28, PA 34 | 2 | April-02 | Charter |
| 5 | Coastal travel Ltd. | DSM | 3 C206, Piper 34, C340, C404, 2 C208, Pilatus PC 12 BE 55 | 10 | Nov-01 | |
| 6 | Conservation Corp. of Africa | Arusha | C206 | 1 | Feb-02 | Charter, Sched. |
| 7 | Desert Locust Control Organization | Mwanza | C208,T/Beaver, BN2Island | 4 | Exempted | Charter |
| 8 | Eagle Air Ltd. | DSM | 2 Let 410 | 2 | Apr-02 | Charter, Sched. |
| 9 | Flying Angels Ltd. | DSM | C150 | 1 | Nov-01 | Charter |
| 10 | General Aviation Services | DSM | | 0 | Exempted | Charter |
| 11 | Ilyas Aviation (Z) Ltd. | Zanzibar | PA 31 | 1 | Jan-02 | Charter |
| 12 | J.M. Tourist & P.R. Services Ltd. | DSM | 2 Balloons | 2 | Dec-01 | Charter |
| 13 | Kilimanjaro Aero Club | Moshi | C182, C421 | 2 | Oct-01 | Charter |
| 14 | Mbuyu Aviation Ltd. | DSM | BE 55 | 1 | Jul-02 | Charter |
| 15 | Mission Aviation Fellowoship | Dodona | 1 C402, 7 C206 | 8 | Mar-02 | Charter |
| 16 | Northern Air | Arusha | 2 C208,1 C206 | 3 | Dec-02 | Charter |
| 17 | Precision Air Services Ltd. | Arusha | 2 ATR 42, 4 Let 410, C208 | 7 | Dec-02 | Charter, Sched. |
| 18 | Regional Air Services | Arusha | 1 Twin Otter, C208 | 2 | May-02 | Charter Sched. |
| 19 | Renair | Mwanza | 1 PA-32, Piper 23, C310 | 3 | Jun-02 | Charter |
| 20 | Sky Tours | DSM | Piper 31, C402, Piper 310 | 3 | May-02 | Charter |
| 21 | Tanzania Air Services Ltd. | DSM | BE, 2 C406, 2 C310, PA 34, C182 | 7 | Mar-01 | Charter, |
| 22 | Tropical Air Services Ltd. | Zanzibar | 2 C172 | 2 | Oct-01 | Charter Aerials |

*continued on next page.*

**List of Local Commercial Operators** *(continued)*

| No. | Operator | Base | Aircraft Fleet | Total Fleet | AOC Expiry Date | Type of Service |
|---|---|---|---|---|---|---|
| 23 | Twin Wings (Z) Ltd. | Zanzibar | PA34 | 1 | Aug-01 | Charter |
| 24 | Zan Air Ltd. | Zanzibar | 4 Piper, 34, 2 C402, C404, L 410 | 8 | Oct-01 | Charter |
| 25 | Greystroke Aviation | Kilimanjaro | C206 | 2 | Ap-02 | Charter |
| 26 | FlightLink | DSM | 5H MNF | 1 | Jun-02 | Charter |
| 27 | Zantas Air Services | DSM | C206, C208 | 2 | May-02 | Charter |
| 28 | Kinasi Ltd. | DSM | C206, C108 | 2 | Sep-02 | Charter |

*Precision Air and Eagle Air*

Since the liberalization of domestic air transport, the industry has experienced two scheduled operators, namely Precision Air and Eagle Air. Both airlines have been operating small aircraft with capacity not exceeding 50 seats. Below are statistics of their performance:

| Precision Air | | | Year 2000 | | |
|---|---|---|---|---|---|
| | | Number of Passengers | | | |
| **Month** | **Mov** | **Dis** | **Emb** | **Total** | **Transit** |
| Jan | 62 | 1,945 | 1,770 | 3,715 | 42 |
| Feb | 56 | 1,981 | 1,979 | 3,960 | 104 |
| Mar | 60 | 1,854 | 1,928 | 3,782 | 175 |
| Apr | 60 | 1,615 | 1,661 | 3,276 | 295 |
| May | 61 | 1,762 | 1,689 | 3,451 | 332 |
| Jun | 60 | 1,561 | 1,607 | 3,168 | 155 |
| July | 62 | 1,946 | 1,908 | 3,854 | 8 |
| Aug | 62 | 1,850 | 1,712 | 3,562 | 36 |
| Sept | 60 | 1,947 | 1,802 | 3,749 | 21 |
| Oct | 62 | 1,689 | 1,664 | 3,353 | 74 |
| Nov | 30 | 2,584 | 2,689 | 5,273 | 17 |
| Dec | 62 | 3,365 | 3,052 | 6,417 | 115 |
| **Total** | **697** | **24,099** | **23,461** | **47,560** | **1,374** |

| Eagle Air | | | Year 2000 | | |
|---|---|---|---|---|---|
| Number of Passengers | | | | | |
| **Month** | **Mov** | **Dis** | **Emb** | **Total** | **Transit** |
| Jan | — | — | — | 0 | — |
| Feb | — | — | — | 0 | — |
| Mar | — | — | — | 0 | — |
| Apr | 12 | 130 | 126 | 256 | — |
| May | 38 | 301 | 272 | 573 | — |
| Jun | 34 | 432 | 432 | 864 | — |
| July | 36 | 778 | 686 | 1,464 | — |
| Aug | 60 | 771 | 695 | 1,466 | — |
| Sept | 60 | 902 | 933 | 1,835 | — |
| Oct | 62 | 901 | 1,009 | 1,910 | — |
| Nov | 60 | 1,074 | 1,117 | 2,191 | 4 |
| Dec | 62 | 1,522 | 1,569 | 3,091 | 70 |
| **Total** | **424** | **6,811** | **6,839** | **13,650** | **74** |