

THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF NATURAL RESOURCES AND TOURISM

TOURISM MASTER PLAN

STRATEGY & ACTIONS

FINAL SUMMARY UPDATE

APRIL 2002

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INTEGRATED TOURISM MASTER PLAN FOR TANZANIA UPDATE OF EXECUTIVE SUMMARY

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CHL Consulting Group

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1. INTRODUCTION

The Integrated Tourism Master Plan comprises three volumes. Volume I contains the summary of findings and recommendations for action. Volume II evaluates the tourism resource base and considers the major policy issues. Volume III assesses the market potential and elaborates the detail of the Master Plan, including a schedule for implementation. Prepared in 1996 the Master Plan was intended to cover the period 1996-2005. Implementation was set out in a series of action programmes which were to be undertaken in phases during the plan period.

The Master Plan has been accepted by Government. The report was widely circulated among ministries, stakeholders in the tourism industry, donor agencies and potential investors. Since publication in 1996, individual components of the Plan have been or are being implemented. There has been significant new investment in accommodation, restaurants, and other facilities of international standard; a revised National Tourism Policy was published in 1999; institutional reorganisation has taken place, in particular the setting up of the Tourism Confederation of Tanzania to represent the interests of the private sector; considerable emphasis has been given to development planning and conservation; valuable groundwork has been undertaken in the field of human resources development and training; visitor facilitation has been improved and a national tourism website has been established. These and other developments since 1996 are described in detail in an annex to this report.

This update of the Master Plan¹ takes into account, not only the developments that have taken place in the industry since 1996, but also the changing perceptions and latest trends in the market for international tourism. As part of the work in updating the plan some 43 tour operators from the main source markets of Germany, Britain, Italy, Switzerland, France, Netherlands, Scandinavia and the United States were interviewed. In addition, individual consultations were held with some 60 Tanzanian ground tour operators, hoteliers, safari lodge operators and other key industry stakeholders. An important part of the study update process was the convening of an Industry Planning Workshop on 4th April 2001 under the aegis of the Ministry of Natural Resources and Tourism as part of the CEU funded programme for institutional strengthening of the tourism sector. The participants at this workshop included individuals from the public and private sectors holding key positions in organisations of importance to the industry together with personnel from different ministries and donor agencies. The deliberations of this workshop reconfirmed the appropriateness of the development strategy as outlined in the Tourism Plan.

In addition, the deliberations of a public-private sector consensus building workshop – *Sustainable Tourism Development and Investment in Tanzania: The Road Ahead*, (held in Dar-es-Salaam, and sponsored by the Ministry of Natural Resources & Tourism with the support of the Multi-lateral Investment Guarantee Agency (MIGA)

¹ At the time of writing no breakdown of the official data on visitors arrivals for the year 2001 were available; therefore, the year 2000 acts as benchmark throughout most of the report

of the World Bank and the Development Bank of Southern Africa) have been taken into account in formulating the strategy and action plan.

2. SHAPING THE FUTURE

Currently, Tanzania receives about 500,000 tourists annually. Although the industry is small (about 5,000 hotel/ lodge rooms of international standard), it nonetheless makes an important contribution to the economy, accounting for nearly 10% of national output (GDP) and representing some 40% of total foreign exchange earnings from the export of goods and services.

International tourism is largely concentrated in the Northern Wildlife Area, encompassing Lake Manyara, the Serengeti, the Ngorongoro Conservation Area and Mt. Kilimanjaro. These internationally known attractions are the industry's 'honey pots' and have constituted the backbone of Tanzania tourism for many years. However, the feedback from the international markets is that the Northern Wildlife Area is becoming overcrowded, that the limits of acceptable use are being reached. New areas and new tourism products must be developed if the industry is to expand.

Tanzania has a wealth of natural, cultural and man-made attractions in all parts of the country which are untapped from the standpoint of tourism development. Although the potential is there, not all areas can be developed in the foreseeable future because of problems of inadequate access, poor infrastructure and lack of utilities.

The absence of infrastructure and the lack of resources to put the necessary infrastructure in place in the remoter areas of Tanzania led to the conclusion that over the 10-year period of the plan, it is only realistic to focus development primarily in the part of the country that lies east of a line between Mwanza and Mbeya. Within this part of the country the consensus from the industry and the market is that tourism should develop in the following way:

- further enhancement and diversification of the proven Northern Wildlife Area.
- extension of the Northern Wildlife Area eastwards through the Usambara Mountains, Mkomazi and north coast arc of Tanga/Pangani.
- development of a strong Southern Circuit comprising the wildlife areas of North Selous, Mikumi, Udzungwa and Ruaha.
- development of the Coastal Zones involving beach resort tourism along the coast, including Mafia and other offshore islands; this zone also encompasses the historical centre of Bagamoyo and the Game Reserve at Saadani to the North and Kilwa to the South.
- enhancement of the Dar-es-Salaam and environs with emphasis on the urban waterfront and the offshore islands.
- long-term development of the Link Corridor between the Northern and Southern Areas.

Designating the areas or zones for priority development is the first step. The second step is product formulation. The core of the Master Plan strategy is to develop an integrated tourism product that is capable of attracting a low volume, high yield segment of the international tourism market to spend their entire holiday in Tanzania. In other words, Tanzania would be seen as a 'single destination' and tourists would not need to include another country in their holiday plans. The way to achieve this is seen to be to:

- develop a range of special interest products to a high standard
- develop activity and soft adventure products
- develop a beach resort product
- develop a cultural/historical tourism product

Tourism product development will not just simply happen. It has to be stimulated, directed and the activities of the various tourism enterprises coordinated. This means having the appropriate institutional framework, legislation and organisational structures in place; having an attractive climate for enterprise development and investment; having a skilled labour force capable of meeting international service standards; having a destination campaign to create strong market awareness; having knowledge and understanding of the market place.

The third step is to establish an action programme to implement the strategy. The primary actions to be undertaken during the two-year period 2002-2003 are outlined on the following table.

Table 2.1: Summary of Recommended Priority Action Programmes, 2002 - 03

Programme	Actions
Improving Knowledge and Know-How	<ul style="list-style-type: none"> • Statistical database • Inventory of resources • Economic significance • Market research • Tourism satellite accounts • Tourist information system
Attracting Investment Capital	<ul style="list-style-type: none"> • Rationalise tax regime • Review of investment incentives • Assess financing needs of SMEs • Establish tourism investment promotion unit • Convene Investment Promotion Workshop
Enhancing and Expanding the Tourism Product	<ul style="list-style-type: none"> • Introduction of accommodation grading & classification system • Development plans for <ul style="list-style-type: none"> - Southern Circuit - Northern Circuit - Coastal Zone • Preparation of selected product profiles <ul style="list-style-type: none"> - golf , soft adventure • Conservation/ preservation plans <ul style="list-style-type: none"> - Mount Kilimanjaro - Old city of Bagamoyo - Kilwa

Improving Service Standards	<ul style="list-style-type: none"> • Formulate manpower training policy and plan • Strengthen HRD section within Tourism Division • Development of national curriculum • Organisational review and upgrade/ rehabilitation of HTTI • Establish tour guide training programmes
Improving Access and Infrastructures	<ul style="list-style-type: none"> • Formulate air access transport policy and plan • Attract more international carriers • Develop KIA as a 'hub' • Improve domestic air services • Identify road network improvements to facilitate tourism development
Improving Security	<ul style="list-style-type: none"> • Establish security awareness plan
Creating Greater Market Awareness	<ul style="list-style-type: none"> • Market demand survey among tour operators • Formulate marketing strategy and plan • Upgrade/ extend national web-site and link to other sites/ platforms • Create new brand image • Production of new set of collaterals • Organise annual Tanzania Holiday Fair • Improve visitor facilitation – TIO at DIA, KIA & Dar • Implement adequately funded marketing campaign
Strengthening Institutions and Economic Linkages	<ul style="list-style-type: none"> • Organisational review of TTB to include role, functions and funding mechanism • Organisational review of Tourism Division to include role, functions and funding sources • Review of legislation and regulations <ul style="list-style-type: none"> - Hotels Act - Tourist Agents Licensing Act • Clarify land use and tenure laws • Support to Tourism Confederation <ul style="list-style-type: none"> - trade manual - newsletter - technical assistance - travel fair/ exhibition • Establish tour guide association • Identify and promote economic linkages between tourism and other sectors of economy

PART I: TOURISM TO TANZANIA TODAY

- 3. TOURISM'S ECONOMIC SIGNIFICANCE**
- 4. STRUCTURE OF TOURISM SECTOR**
- 5. CHARACTERISTICS OF TOURISM DEMAND TO TANZANIA**
- 6. TANZANIA'S PERFORMANCE IN THE MARKET PLACE**

3. TOURISM'S ECONOMIC SIGNIFICANCE

The tourism sector has a number of characteristics, which suggest that it can make a significant contribution to the economy of the country. It...

- generates hard currency foreign exchange
- creates jobs
- generates tax revenues for government
- has an important impact on regional economic activity
- is attractive for small and medium sized enterprises and consequently can foster an enterprise economy
- has strong linkages to other sectors of the economy
- can bring economic benefits to local communities, and
- has considerable potential for expansion and increased value added.

These benefits arise as a result of the expenditure of international tourists in Tanzania. In 2000, according to statistics compiled by the National Bureau of Statistics and the Tourism Division, Tanzania earned about US\$740 millions in foreign exchange from international tourism. This figure, which excludes earnings from air passenger and other carrier receipts, may be revised following the completion of a planned survey of visitors which is due to be carried out in 2001/2002.

The value of tourism to the national economy is significant. In 1995, it was estimated that the sector directly accounted for about 7.5 percent of Gross Domestic Product (GDP), nearly 25 percent of total exports earnings and directly supported an estimated 25,700 jobs. Since then, tourism importance to the Tanzanian economy has increased. Tourism now represents about 16% of GDP. Balance of Payments statistics compiled by the Bank of Tanzania show that receipts on the travel account (regarded as a close proxy for tourism earnings) represented some 40 percent of total exports of goods and services in 1998/99 compared with 25 percent in 1995.

However, recognising the weakness of the basic data relating to tourism's economic significance, these figures should be regarded as indicative of the magnitudes involved rather than precise estimates. To address this issue, a Working Group from the Ministry of Natural Resources & Tourism, the Bank of Tanzania; National Bureau of Statistics, Immigration Department and the Zanzibar Tourism Commission, has been established to construct a Tourism Satellite Account (TSA) within the system of national accounts.

STRUCTURE OF TOURISM SECTOR

Despite its intrinsic potential, the tourism industry in Tanzania is relatively small, as shown in Table 4.1.

Table 4.1: Structure of the Tourism Sector, 1999

Category	Units	Rooms	
		Total	Int'l*
Hotels/Lodges/Tented Camps	356	10,650	5,000
Restaurants **	30	-	-
Tour Operators/Car hire	200/250	-	-
Charter Airlines	28	-	-

* mainly used by international tourists

** international standard outside of hotels

In 1995, the total room capacity (hotels and tented camps) was estimated at just under 8,500 rooms, of which (based on fieldwork survey and interviews with the travel trade) only about one-third (3,000 rooms) were of international tourism standard.

Since then, the total number of rooms is estimated by the National Bureau of Statistics to have risen to 10,020 in 2000 (plus a further 630 rooms in tented camps). With ongoing refurbishment of existing properties and the construction of new hotels and lodges (nearly all catering to international tourists), the number of rooms of international standard has risen to around 5,000.

Outside of the hotels/lodges, there are comparatively few (probably not more than about 30) restaurants of international standard.

There are estimated to be over 200 ground tour operators who arrange tours within the country, provide transport, etc. However, of these, only just over half are members of the Tanzania Association of Tour Operators (TATO). Despite the large number of ground tour operators, this sector of the industry is highly concentrated with relatively few operators, such as Leopard Tours, Abercrombie and Kent, Ranger Safaris, etc. accounting for well over half of the business.

With the deregulation of the air services sector in the early 90's, there are now some 28 licensed charter airline operators with 100 registered aircraft licensed for public transport. Air Tanzania continues to carry the largest number of passengers on domestic air services, handling just over 115,000 passengers on scheduled flights in 1999, significantly down on the 1990 figure of about 230,000 passengers.

CHARACTERISTICS OF TOURISM DEMAND TO TANZANIA

The Tourism Division estimates that just over 525,000 tourists visited Tanzania in 2001. A five percent gain compared to tourist arrivals in the year 2000, despite the worldwide downfall in tourism arrivals due to the aftermath of the attack on the World Trade Centre in New York. In the year 2000 there were slightly less than 502,000 tourists; compared with 295,000 in 1995, a growth of 70% over a 5 year period.

Although overall numbers are down compared with 1999, the decrease occurred mainly among ‘transits’ and those coming for other purposes (personal visits, study tours, etc.).

Table 5.1: Visitor Numbers by Purpose of Visit, 1995-2000

Purpose of visit	1995	1996	1997	1998	1999	2000
Holiday, Recreation	198,499	219,282	246,000	299,946	383,155	339,596
Business	58,602	64,505	80,982	127,994	132,802	130,201
Transit	10,196	11,457	13,000	31,788	62,732	10,956
Other	28,015	30,944	20,018	22,603	48,636	20,916
Total	295,312	326,188	360,000	482,331	627,325	501,669

Source: Ministry of Natural Resources and Tourism, Tourism Division (based on data from Immigration)

Visits by Non-Residents to National Parks

The number of visits by non-residents to national parks is shown on Table 5.2 for various years. It is a useful indicator of the number of foreign visitors taking safari/wildlife tours during their stay. However, since more than one national park may be visited during a stay, park visits are not synonymous with visitor numbers.

Table 5.2: Visits by non-residents to National Parks, 1994/95 - 1999/2000

Year (July to June)	Visits by Non-residents
1994/95	121,743
1995/96	175,162
1996/97	200,830
1997/98	193,795
1998/99	238,123
1999/2000	200,597

Source: TANAPA

Over the last four years, the number of yearly visits has been around the 200,000 mark.

Currently, there are no reliable published data on the demographic profile of visitors to Tanzania - where they come from, purpose of visit, length of stay, accommodation used etc. Improving the database is fundamental and recommendations are made to effect this. This issue is being addressed by the Working Group responsible for the development of the proposed tourism satellite account.

Where do they come from?

Visitor arrivals and recent trends by main market area are shown on Table 5.3. Africans (who include Tanzanian nationals resident abroad) accounted for approximately 40.5 percent of total arrivals in 2001, followed by Europeans (30 %) and Americans (9 percent).

National Parks statistics show that Europeans account for some two-thirds of total visits and Americans a further 30 percent.

Table 5.3: Visitor Numbers by Nationality, 1995-2001

	Africa	Europe	Americas	Other	Total
1995	115,000	106,012	37,425	36,875	295,312
1996	127,027	117,098	41,038	41,025	326,188
1997	139,842	128,912	45,219	45,123	359,096
1998	187,000	175,031	61,930	58,370	482,331
1999	265,559	200,588	61,918	99,260	627,325
2000	209,934	153,958	49,513	88,264	501,669
2001	213,013	157,185	46,544	108,380	525,122

Source: Ministry of Natural Resources and Tourism, Tourism Division (based on data from Immigration Department)

Although visitor arrivals from the main source markets have increased during the past five years,

- Visitors from Europe and North America predominate
- US originating traffic has grown slowly throughout the period from about 23,000 to 31,000 (7% down on 2000) while traffic from Northern and Western Europe has grown from about 85,000 to 118,000 tourist arrivals (compared to 2000 a downfall of 9%)

Within Europe, the main source markets are Britain, Scandinavia, Italy, Germany and France, which together accounted for just over 70 percent of total European arrivals in 2000. The secondary markets are Switzerland, the Benelux and Spain, together accounting for a further 19 percent of arrivals.

How long do they stay?

Although there are no reliable published figures on the length of stay, the preliminary (unweighted) results of the pilot international visitor exit survey² conducted in May 2001 indicate that about 50% of holidaymakers spend between 4 and 7 days and just over 1/3rd spend between 8 and 28 days. The overall average length of stay is about 10 days. Based on discussions with the ground tour operators, it would seem that 'safari' tourists to the Northern Wildlife Area stay for an average of just under 5 days and those to the Selous/ Ruaha stay between 8 and 12 days.

Where visited?

While there is no statistical information on where the visitor goes within Tanzania, an analysis of the published catalogues of the main tour operators from the major source markets in Europe and the United States gives an indication of where the vacation/leisure tourist visits.

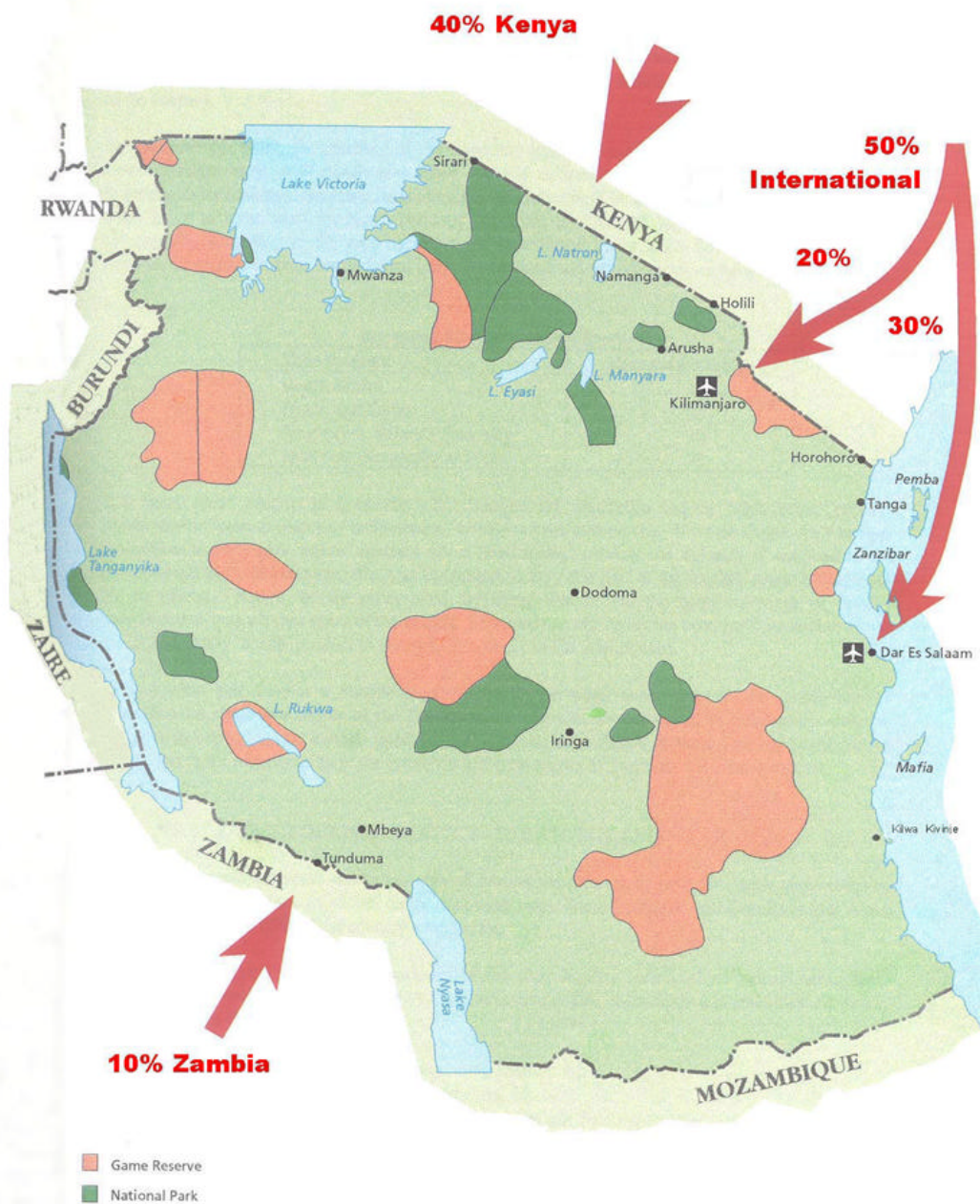
As expected, all tour operators featured the Serengeti, Ngorongoro and Lake Manyara. The Selous Game Reserve also featured very strongly. Ruaha was featured in 15 percent of the tour operators' programmes. However, places such as the Gombe National Park, Mahale, and Katavi were only featured by one or two tour operators.

How do they come?

Industry sources estimate that a considerable proportion (perhaps 40 to 50%) of holiday visitors come overland from Kenya with the balance more or less equally divided between Dar-es-Salaam and Kilimanjaro. This is a significant change from the 1996 situation when it was estimated that some 60% of holiday visitors come via Nairobi. Increase in direct air uplift to Kilimanjaro (by KLM) and to Dar-es-Salaam (by BA) is the main reason for this change. This is reflected in the European tour operator survey findings, where 3/5ths of respondents indicate that Tanzania is now sold as a stand-alone destination, with the balance indicating that Tanzania is sold as an add-on to a Kenya programme.

² Pilot International Visitor Exit Survey conducted at the four major entry/exit points (Dar-es-Salaam, Kilimanjaro, Namanga and Zanzibar) as part of the Tourism Satellite Accounts project being undertaken by the Ministry of Natural Resources & Tourism, the Bank of Tanzania, National Bureau of Statistics, Immigration Department and the Zanzibar Tourism Commission.

Tourist Flows



Purpose of Visit

Bearing in mind that the results of the pilot visitor exit survey are unweighted to take account of the different visitor flows through the main entry/ exit points, indications are that just under half of all visitors came for holiday purposes; about 25% for business, about 12% to visit friends and relatives (VFR), and about 10% for conference/ meetings.

Expenditures

Expenditure patterns vary by purpose of visit, length of stay and whether package or non-package arrangement as shown on the following table.

Table 5.4: Distribution of Expenditure (US\$) by Purpose of Visit and Length of Stay, 2001

Purpose of Visit	Non-Package			Package		
	Length of Stay (days)	\$ Average	Average Per Day	Length of Stay (days)	Average	Average per Day
Business	1-3	837	418	1-3	986	493
	4-7	878	160	4-7	981	178
	8-28	1481	82	8-28	1481	82
Conference	1-3	1,359	680	1-3	851	426
	4-7	362	66	4-7	539	98
	8-28	679	38	8-28	863	48
Holiday	1-3	382	191	1-3	779	390
	4-7	540	98	4-7	919	167
	8-28	4,405	245	8-28	1723	96

Source: International Visitor Exit Pilot Survey, May 2001

Again, taking into account the fact that the results are unweighted by visitor flows, and adjusting for extreme values, the findings indicate that:

- business visitors spend an average of about \$900 per trip
- conference visitors spend an average of about \$600 per trip
- holiday visitors spend an average of about \$1,000 per trip

TANZANIA'S PERFORMANCE IN THE MARKETPLACE

Although the figure of some 500,000 holiday/recreation visitors in 2000 may appear significant, when considered in the context of relative market shares, Tanzania receives a very small proportion. In 1998 (according to WTO statistics), Tanzania received less than one-half of the number of persons who visited Kenya, and less than one-twelfth of those who visited South Africa.

**Table 6.1: International Tourist arrivals in sub-Saharan Africa
(selected destinations), 1998**

Destination	International Tourist Arrivals, 1998	
	(000's)	% share
South Africa	5,981	48
Zimbabwe	1,600	13
Kenya	951	8
Botswana	740	6
Mauritius	558	4
Namibia	560	4
Tanzania	447	4
Reunion	377	3
Zambia	362	3
Swaziland	325	3
Uganda	238	2
Malawi	205	2
TOTAL	12,344	100

Source: World Tourism Organisation

In 1995, it was estimated that Tanzania received only two percent of all visits by Europeans to wildlife areas in sub-Saharan Africa and seven percent of visits by Americans, whereas Kenya received over one-third of the corresponding totals. The reason for this is that, in the market place, Tanzania offers a limited product, based on a limited resource (primarily the Northern Wildlife Area). This accounts for the relatively short average length of stay and the absence of linkages with other parts of the country.

To illustrate this point, the structure of the European long-haul market to sub-Sahara Africa is estimated (based on tour operator research) to be 15% beach holidays only; 40% beach and safari; 16% single destination safari/sightseeing; 14% dual/multiple destination safari/sightseeing and 12% soft adventure. As Tanzania has neither a developed 'beach' product nor (apart from Zanzibar) a major 'sightseeing' product, it is confined to the promotion of the safari element, which as illustrated, is only one part of the tourism product demanded by the tourist. Kenya, on the other hand, by being able to sell the complete range of holiday combinations, gets a larger share of the market.

This analysis highlights the need for Tanzania to create a complementary 'beach' product (in addition to expanding the range and supply of its traditional products) in order to compete more effectively in the marketplace.

PART II: TANZANIA’S TOURISM PRODUCT – STRENGTHS AND WEAKNESSES

TOURISTIC ATTRACTIONS, ACCESS AND INFRASTRUCTURE

SERVICE STANDARDS, TRAINING NEEDS AND FACILITIES

ENABLING ENVIRONMENT

7. TOURISTIC ATTRACTIONS, ACCESS AND INFRASTRUCTURE

7.1 TOURISTIC ATTRACTIONS AND MOTIVATION FOR HOLIDAY TRAVEL

The strength of the appeal of a destination to tourists is, more than any other factor, linked to the quality of attractions it can offer. It is the attractions at a destination that stimulate an interest in visiting that country; they provide the elements that go to develop an image of the destination, the image that is used to attract the potential traveller. It is the attractions that provide the visitor with the essential motivation to choose a destination and it is primarily against them that he or she will, afterwards, assess their satisfaction. In general, the demand for the other components of travel (transport, accommodation and so on) derive from the original stimulus that comes from the interest in experiencing the attractions.

In Volume II of the Master Plan, the destination attractions of Tanzania are assessed in detail under three broad categories:

- natural - climate, national parks, game reserves, coastal areas, islands, mountains, lakes, waterfalls, etc.
- cultural - archaeological sites at Olduvai, Kalambo Falls, etc.; historical sites at Bagamoyo, Kisiwani (Mafia) Kilwa, etc.; Rock Painting sites at Kondoa and around lake Victoria; arts and crafts
- man-made - architecture, museums, handicrafts, etc.

The assessment is that, by any standards, Tanzania is an exceptionally beautiful and interesting country. With its 12 national parks, 31 game reserves, 38 game controlled areas, a conservation area and marine park, Tanzania's wildlife resources are considered among the finest in the world and have been widely known for many years. They include the great Serengeti plains, the spectacular Ngorongoro Crater, Lake Manyara and Africa's highest mountain, Kilimanjaro, in the North; and the relatively underdeveloped Mikumi National Park and Selous Game Reserve in the South. Additional natural attractions include the sandy beaches north and south of Dar-es-Salaam, the exotic 'spice island' of Zanzibar and excellent deep sea fishing at Mafia and Pemba Islands.

Tanzania has a rich heritage of archaeological, historical and rock painting sites, a number of which have been designated 'World Heritage Sites'. Along the Indian Ocean are the remains of ancient settlements. At Olduvai Gorge, in the interior Rift Valley, is the site of discoveries of the traces of earliest man. At Kilwa are the impressive ruins of Husuni Kubwa, echoes of the town's importance and splendour in the 14th Century. To the tourist, Tanzania also offers interesting culture and crafts, most notably the Masai culture and art and the Makonde sculptures and carving done in ebony.

Tanzanians are warm open, friendly people with a long tradition of generous hospitality and a wealth of folklore.

Though fundamentally important, a viable tourism industry requires more than a range of natural and cultural attractions and a welcoming people. A sound infrastructure along with a developed superstructure of facilities and amenities are also needed. In fact tourism is a highly diverse industry that requires many different components to be in place before there is a complete product to offer in the marketplace. The implication of this is that a deficiency in any one component will undermine the capacity of the destination to meet the expectations of tourists.

With this in mind, competitive strengths and weaknesses of Tanzania's tourism product are reviewed from the standpoint of the market. A personal interview survey was carried out (June/ July 2001) among the top 45 tour operators in Europe and the US for travel to East, Central and Southern Africa to determine the motivations, attitudes, opinions of their clients. The responses are shown on the following table.

Table 7.1: Motivations for Holiday Travel

Motivation	% of Respondents	
	Europe	US
Wildlife (Safari)/ Bush experience	83	80
Beach	28	12
Combination holidays	17	12
Trekking	10	12
Culture	17	-

** Multiple response question*

The main motivation is the "wildlife" experience for both the European and the US tourist. Beach and culture also feature strongly. Soft adventure, which includes trekking, is an important segment of the market.

7.2 COMPETITIVE STRENGTHS OF THE TANZANIAN TOURIST PRODUCT

The strengths of the Tanzanian tourist product are dominated by the natural assets of the country and mirror the clients motivations for visiting the region. The main strengths are:

- abundance, diversity, reliability and visibility of wildlife
- unspoiled environment and beautiful scenery
- low tourist density
- safe destination
- beaches (Europeans)
- authenticity and the 'unique African experience'
 - real Africa and cultural experiences
- friendly people

As seen by European and US tour operators, the above strengths set Tanzania apart from its competitors. Although it was noted that parts of the Northern Wildlife Area are becoming more crowded, the general feeling is that the wildlife is not yet outnumbered by tourists, nor has it learned to shy away as in areas of excess hunting. The Ngorongoro Crater and the wildlife migration in the Serengeti are both considered as unique wildlife viewing experiences, though some respondents believe that during the non-migration season, there is very little to see. The country has an unspoilt environment and beautiful scenery. Its authenticity in offering the ‘unique African experience’ is a major strength and motivation.

It is felt that Tanzania can command a premium price – if the deficiencies in relation to the infrastructure, facilities and service standards are improved.

7.3 CONSTRAINTS TO DEVELOPMENT – PRODUCT WEAKNESSES

The response by both European and US tour operators is that the weaknesses of the Tanzanian tourism product centre around:

- poor access – both international and internal flights
- poor infrastructure – especially roads
- high costs of internal transport
- overpriced product
- poor service standards
- poor quality guides in comparison with competitor destinations
- low quality tour operators
- Northern Circuit becoming overcrowded
- lack of quality accommodation

As part of the field research for this up-date for the Masterplan, foreign tour operators were also asked for their opinions as to the weaknesses of the Tanzanian tourism product.

Poor Accessibility to and within Tanzania

Almost all the surveyed tour operators consider that international access to Kenya was easier and cheaper than Tanzania, resulting in the majority choosing this access route for nearly all their tour programmes. However, KLM is now (from mid 2001) providing daily direct service to Kilimanjaro and Dar-es-Salaam. Other airlines (British Airways, Emirates, etc.) have also increased their services to Tanzania, offsetting the loss of Air France, Lufthansa and Alliance Air.

Domestic access within Tanzania is also viewed to be less favourable than in competing destinations, the two prime areas of concern being road conditions and domestic air services. Some 90% of US tour operators and about 50% of European tour operators feel that international access to Tanzania is worse than in competing East and Central African destinations. International air services are also considered to be expensive.

Poor road conditions also featured. Road infrastructure in the main town areas and areas with major potential is either lacking or not conducive to safe and efficient travelling. However, the road network is gradually being improved. The trunk roads between Dar-es-Salaam/ Arusha and Dar-es-Salaam/ Mbeya are greatly improved and access to the country's most important wildlife and geo-physical attractions is being made much easier. Under the EU-funded Serengeti Conservation Project, roads within the Serengeti NP have also been improved. In addition, a few shorter trunk road improvement schemes have particular importance for the development of tourism, namely:

- Dar-es-Salaam
- the road from Makuyuni to Ngorongoro
- the bridge over the Rufiji delta

Also, construction / improvement of the road from Makayuni to Mwanza is under consideration to eliminate traffic through the Serengeti.

In most instances, what's still missing are the access connections – reliable, safe services at competitive prices – between the areas that contain attractions and circuits within these areas that facilitate sightseeing.

Over Priced Product

Some 70% of European and 30% of US tour operators feel that prices in Tanzania are worse (i.e. higher) than in competing destinations – due to high prices of internal transport, visa charges, entrance fees to national parks, etc. Offsetting these poor price perceptions is the opinion held by a significant proportion (40%) of US and European operators that overall (when quality of game viewing taken into account) Tanzania offers better value for money. However, opinion is divided as 40% of European tour operators and 30% of US operators feel value -for- money is worse than in competing destination.

Lack of Quality Accommodation

The surveyed operators identified a shortfall in terms of both the quality and variety of accommodation provision. They noted that there was a limited availability of top class/ exclusive accommodation and insufficient (3-star quality accommodation), though a number of operators did recognise a recent improvement in accommodation provision. Recent hotel developments (mostly in Dar-es-Salaam and environs) include the Courtyard Hotel (55 rooms), the new Indian Ocean Hotel (200 rooms) and the 154-room Holiday Inn, (the latter two being under construction). A number of new hotels have also been developed (or are under construction) at Bagamoyo. These developments have enhanced the perception of an improving situation as far as tourist accommodation is concerned.

But What Exists Compares Favourably

However, the quality of existing accommodation for international tourists gets favourable ratings, particularly by US tour operators, almost 60% of whom consider the quality to be better than in competing destinations, with 40% considering quality to be the same. Some 40% of European tour operators think that accommodation quality in Tanzania is better; 17% think it's the same and 36% think that it's worse.

Customer Service

A large proportion of the survey respondents feel that the service received in accommodation establishments, restaurants, national parks and other tourist services is equal to that received in most other destinations in the region. However, a significant number felt that, although the staff encountered were friendly and helpful, there was a general lack of training, resulting in a less than professional approach/attitude. Again the comment was made that the service element (as part of the overall product) provided was not to a high enough standard to justify the price being charged.

Poor Quality Tour and Safari Guides

The standard of tour guiding received considerable criticism from all tour operators who felt the quality to be worse than in the competing destinations of Botswana, Kenya and Zimbabwe. This needs to be addressed as a priority since the quality of tour guiding is fundamental to the holiday experience. All aspects of tour guiding received criticism – their knowledge, ability to communicate, attitude.

Overcrowding on the Northern Circuit

Although the Northern Wildlife Area is Tanzania's major attraction, the unanimous opinion among both European and US tour operators is that it is becoming overcrowded, particularly in the Ngorongoro Conservation Area. There are too few options for tour routes on the Northern Circuit – only one road in/out and very limited accommodation choice.

High Park Entrance Fees, Visa Charges, Departure Taxes

These are now becoming very expensive. Visa charges are now US\$50; departure tax is \$30 and park entrance fees can be a considerable cost when more than one park is visited. With other countries having similar charges, this is hitting the dual/ multi destination segment of the market (mainly US and Japanese).

Security

In the aftermath of the recent terrorist attacks in the US, the issue of security has now become the top priority issue for all countries. In common with the rest of the world, Tanzania will have to implement a security regime to assure potential tourists of their safety in travelling to and within the country. This is expected to become a key determinant of tourism flows over the next decade.

Visitor Facilitation

The visa problem which existed when the Master Plan was being prepared has 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 to Tanzania.

8. SERVICE STANDARDS, TRAINING NEEDS AND FACILITIES

8.1 PROFILE OF EMPLOYMENT

In 1995, there were an estimated 26,000 persons directly employed by the tourism industry in Tanzania, of which 16,620 persons (almost two-thirds) were employed in the hotels/lodges sub-sector. By 2000, it is estimated that total direct employment had risen to approximately 29,000 persons, of which 20,040 were employed in the hotels/lodges sub-sector.

Table 8.1: Estimated Staff Numbers in Tourism, 2000

Sub-Sector	Rooms	Staff/ room	Total staff
Hotels/Lodges	10,020	2.0	20,040
Tented camps	630	1.0	630
Tourist restaurants (<i>premises</i>)	40		450
Tour guides (<i>incl. mountain guides</i>)			750
Safari / ground tour operators / car hire			2,275
Airlines (<i>national & private</i>)			4,600
Ministry/Parastatals (TTB, TANAPA)			150*
Total			28,895

Note: These estimates will be updated once the results of the MNRT 2001 supply-side survey are available

* *apportionment of staff*

8.2 SERVICE STANDARDS

An assessment of operational standards carried as part of the Master Plan fieldwork in 1996 found that hotel and other tourism industry staff were invariably friendly and helpful but lacked many of the essential skills needed to do their job to the standard that is required if Tanzania is to compete successfully in the market for international tourism. In-house training is carried out, but generally not on a regular or planned basis to agreed criteria by professionally qualified trainers. Managers agreed that there was a serious training problem, both at entry level and for existing staff within the industry.

The situation is not much different today. All categories of staff require training: hotel and catering staff, tour and mountain guides, drivers, park rangers, Tourism Division and Ministry staff, TTB staff, TANAPA staff, etc.

8.3 TRAINING NEEDS

An extensive programme is required to train

- management and staff currently employed in the industry, and
- training of new entrants at all levels.

In the Master Plan, it was estimated that some 32,000 existing, additional or replacement staff would require to receive training in the period up to 2005, of which 26,000 alone were in the hotel sector. The requirements today would be about 15 to 20% higher. Clearly, training on this scale, particularly at craft level, cannot take place through the vocational school system alone. For this reason, there will have to be a substantial degree of on-the-job training

For those currently employed in the industry, seven priority training areas have been identified as follows:

- (i) training and retraining of existing managers
- (ii) development of middle management in supervisory skills development for the culinary arts, restaurant, housekeeping, front office, supervision, etc.
- (iii) retraining of existing staff to improve attitudes and customer relations
- (iv) skills development for line staff - front office, kitchen, waiters, housekeeping, bar, guides, travel trade, etc.
- (v) tour and safari guide training
- (vi) train-the-trainer programmes for increased efficiency and productivity
- (vii) tourism management training for Tourism Division and Tanzania Tourist Board officials.

For new entrants, improved training will be effected primarily at institute level through upgrading courses, teaching methods, etc.

8.4 TOURISM TRAINING FACILITIES

The main tourism training facilities are the Hotel and Tourism Training Institute (HTTI) in Dar-es-Salaam and the various private training schools.

The institute has recently re-located to part of the Bandari College in the Temeke district of Dar-es-Salaam and is undergoing a review process to evaluate the potential of it becoming an executive agency, and broadening its scope to become the National Tourism College. The school is in need of repair, upgrading and improvement.

While tourism industry managers considered course content to be acceptable, many staff have had insufficient training themselves with little direct experience of the hotel sector. Students, too, receive little practical training.

The French Embassy has indicated its interest in assisting in converting the current Bandari College to “an ideal hospitality and tourism college” covering both rehabilitation and equipment costs.

Industry's Views on Private Training Establishments in Tanzania

As part of this Master Plan update, management in the tourism sector were asked for their views on the private tourism training establishments. The consensus is very much the same as 5 years ago.

There continues to be trenchant criticism of private training schools which offer skills training in a classroom environment with no practical training or suitable equipment. It is generally considered that this type of school does the industry a disservice and there is a strong need for better regulation of these institutes by the public sector in order to bring about improved standards.

Curriculum Development and Certification & Inservice Training

During the Irish Government support project to the MNR&T (1998 – 2000), a Tourism Training Unit (TTU) was established within the Tourism Division which, it was intended, would be responsible for putting in place a system for curriculum development and certification for tourism training, and in addition carry out training workshops nationally for employees already working in the industry.

With the termination of this project in 2000, the TTU now forms part of the Tourism Division's 'Research, Training and Statistics Section', but has no officers specialised in training. While in place, the TTU did succeed in carrying out a number of training workshops for existing industry employees but the proposed Curriculum and Certification Board was not established.

Developments in the wider educational and training context have led to some progress in the area of curriculum development with VETA agreeing standards for five tourism trades, and NACTE commencing the registration process of technical training institutes. This progress on standards was achieved through extensive involvement of Tourism Division. The ongoing review and updating of these standards will require further input. In this respect, here is a strong need for the establishment of a dedicated training policy section within the Tourism Division to deal with these matters - to formulate training policy and to monitor and review industry training needs on an ongoing basis.

In-service training could also be overseen by this section, but the delivery of training should be undertaken by qualified training providers. Where appropriate, in-service training could be undertaken by Ministry's upgraded HTTI, but directed by the training policy section within the Ministry based on identified priorities.

Management Training

At present, there is no provision in Tanzania for tourism management training to degree or diploma level.

The Master Plan recommended that a new Tourism and Hotel School be built in Arusha capable of providing training in tourism and hotel management to degree level. The school would also meet the management needs of sectors other than the hotel sector and would also train tour guides.

It was recommended that a full feasibility study should first be carried out, after which (assuming a positive recommendation) design and construction could commence. The feasibility study has since been completed, but based on the assumption that the facility would be established at a new site in Bagamoyo (rather than Arusha). Now, with the transfer of the HTTI to Temeke, and its potential upgrading to a National Tourism College and to executive agency status, it is unclear whether or not provision will be made for management training at the new location.

Also within the revived East African Community context, the proposal of utilising Utalii College in Nairobi as the regional centre of excellence for middle and senior management training would reduce the requirement for a dedicated senior management tourism training facility in Tanzania.

Under the Irish Aid project a number of overseas tourism management training scholarships have been provided for young Tanzanians. This programme will end in 2001/02.

9. ENABLING ENVIRONMENT

9.1 INSTITUTIONAL ARRANGEMENTS

9.1.1 Ministry of Natural Resources & Tourism

As illustrated on Chart 9.1 the Ministry of Natural Resources & Tourism is organised into five Divisions – Tourism, Wildlife, Forestry & Bee-Keeping, Fisheries and Antiquities, each headed by a Director.

Tourism Division

The Tourism Division within the Ministry is responsible for sectoral policy and planning, manpower training and classification and licensing of hotels and travel agencies. The Division is responsible for the Hotel and Tourism Training Institute (HTTI) and (more generally) for the parastatal Tanzania Tourist Board (TTB).

Wildlife Division

Responsibility for wildlife management is split between the Wildlife Division and five parastatals: Tanzania National Parks Authority (TANAPA), the Ngorongoro Conservation Area Authority (NCAA), the College of African Wildlife Management (CAWM) at Mweka, the Tanzania Wildlife Research Institute (TAWIRI), responsible for research needs for the entire wildlife sector.

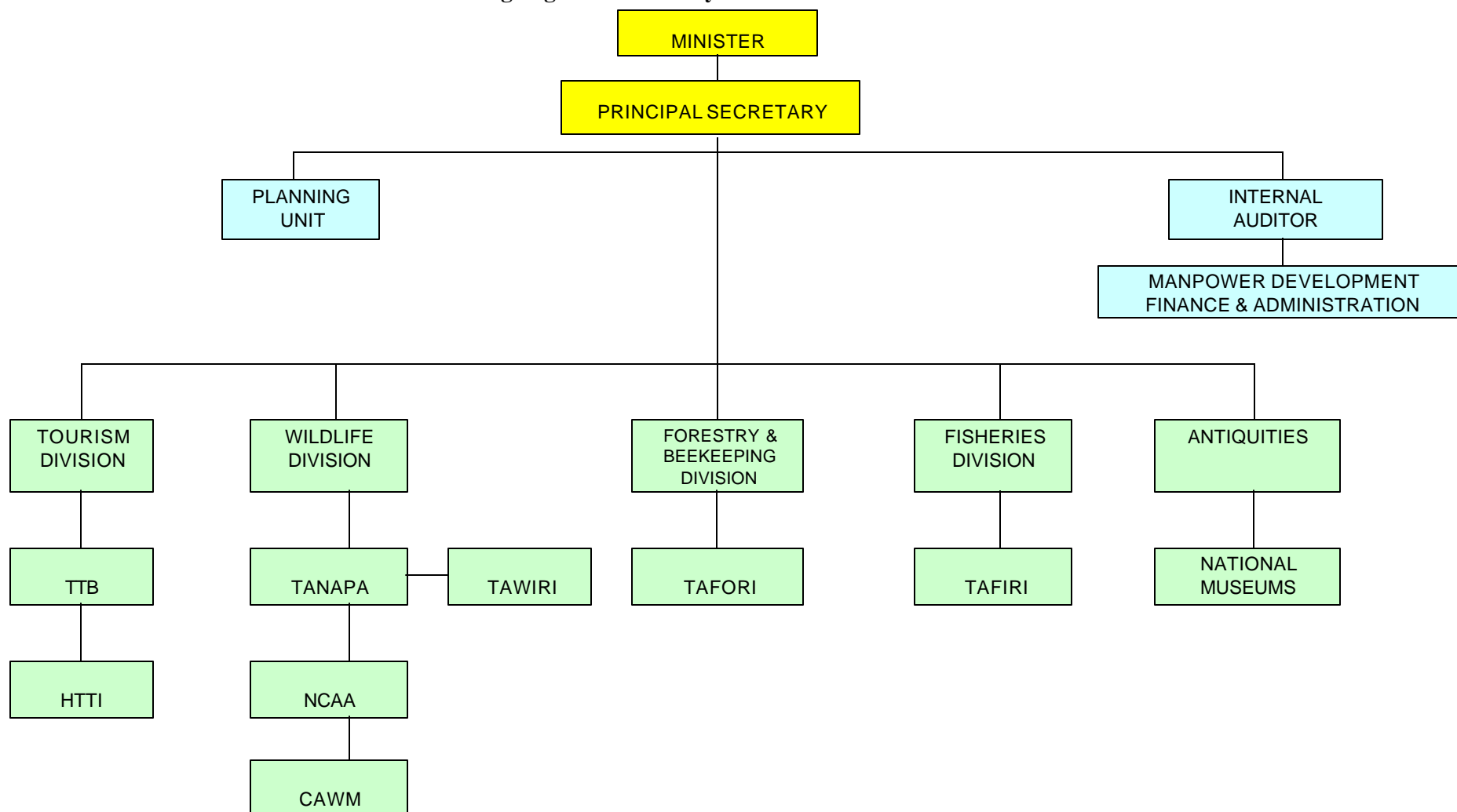
The Wildlife Division is responsible for all wildlife management outside the National Parks and the Ngorongoro Conservation Area and issues hunting concessions and licences, including those to TAWICO and Mweka College for wildlife utilisation. These organisations report back to the Ministry individually via the Permanent Secretary.

The Marine Parks and Reserves Board also comes under the aegis of the MNR&T.

Forestry & BeeKeeping and Fisheries Divisions

These Divisions are responsible for policy and planning in respect of their respective natural resource sectors. Each division has responsibility for a research institute – Tanzania Forestry Research Institute (TAFORI) and Tanzania Fisheries Research Institute (TAFIRI), respectively.

Chart 9.1: Organigram of Ministry of Natural Resources & Tourism



Antiquities Division

Antiquities has recently been transferred from the Ministry of Education to the Ministry of Natural Resources and Tourism. The Division is responsible for national museums.

9.1.2 Tourism Division

Following reorganisation since the Master Plan was prepared, the organigram for the Tourism Division is now as outlined on the following page.

The different sections report directly to the Director of the Tourism Division.

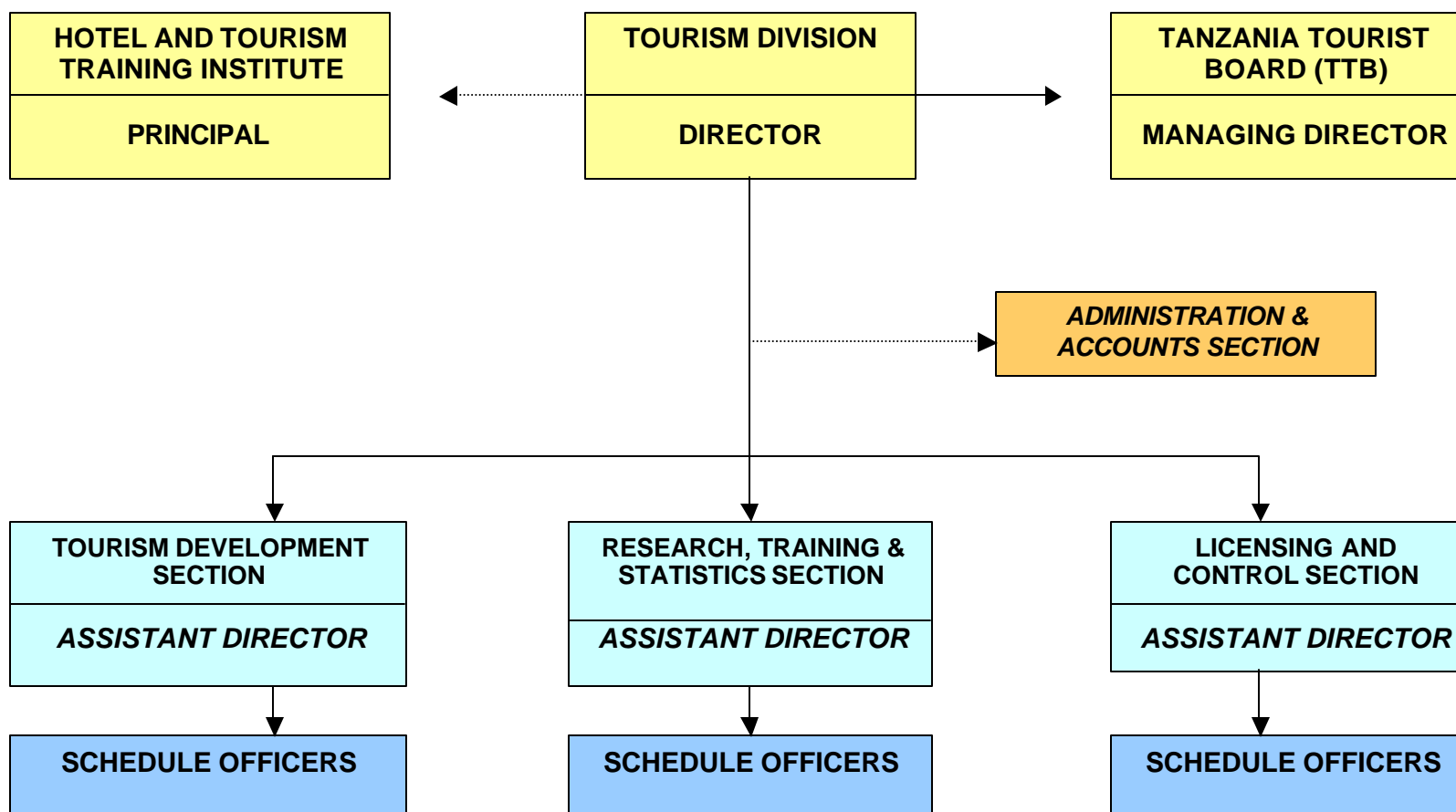
Including the secretariat, the Tourism Division currently has a staff complement of 22 people.

The Tourism Training Unit (TTU) is incorporated within the Research, Training and Statistics Section, and the Tourist Agency Licensing Authority (TALA) and the Hotels Board (responsible for hotel classification and licensing) within the Licensing and Control Section.

The function of the Tourist Agency Licensing Authority is to licence and inspect travel agencies and tour operators to ensure that they conform to the regulations, but at present not all tour operators or travel agencies are licensed. The Hotels Board is responsible for hotel classification and licensing and for hotel inspection and monitoring of standards, but is presently inactive.

No revenue is received by the Ministry from the licensing of hotels. This arises because the Hotels Act (1963) states that the licence should be used free of charge (Article 10). Until such time as the Hotels Act is revised, this anomaly could be rectified through the introduction of a registration fee. This is particularly relevant since the Ministry has inadequate funds to undertake this function.

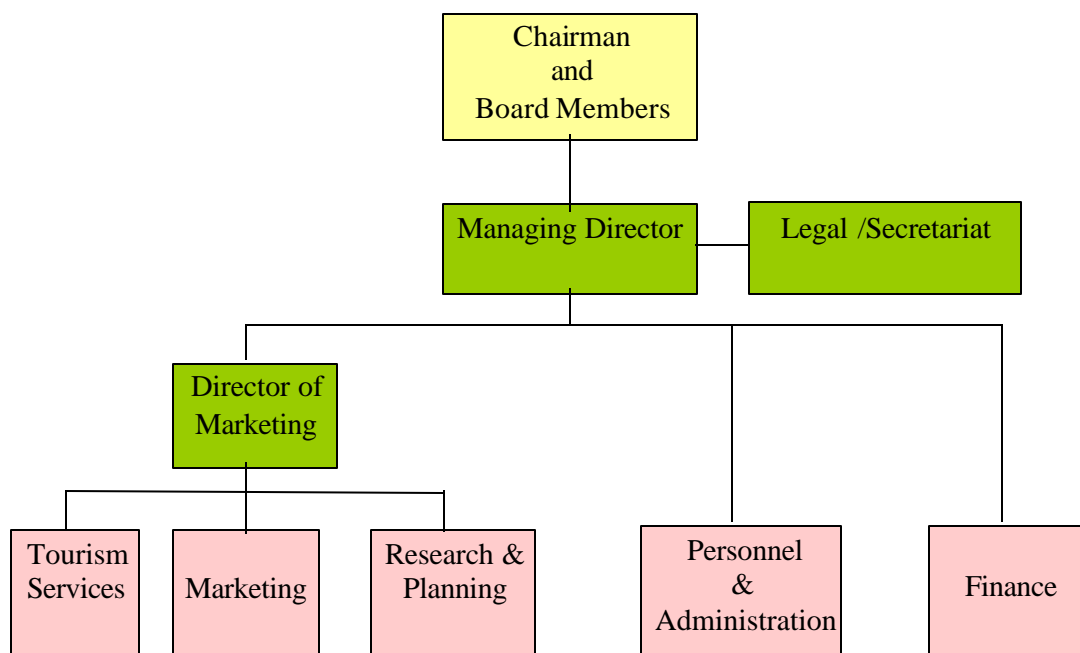
Chart 9.2: TOURISM DIVISION ORGANIGRAM



9.1.3 Tanzania Tourist Board

With the disbandment of the Tanzanian Tourist Corporation, the Tanzania Tourist Board was legally established under the Tanzania Tourist Board Act, 1992, which amended the earlier 1962 Act. Under the Act, the function of the Board is *to promote and develop all aspects of the tourist industry*.

The organigram of the TTB is as follows:



The TTB receives some US\$1.75 million for its operations, including salaries and overheads. This is very small by international standards. With this level of budget, the TTB concentrates on tourism marketing activities.

Currently, there are about 30 employed by the TTB. Excluding the legal, administrative and financial functions, the Tourist Board consists of the Managing Director, 3 managers and the staff at the information bureaux in DSM and Arusha. When considered in the context of its statutory functions, the TTB is grossly underresourced in terms of staff numbers and technical skills. In the circumstances, a good job has been done by the TTB.

However, there are a number of organisational and operational deficiencies which must be addressed, viz

- ▶ organisational structure outdated and not reflecting reality of limited financial and manpower resources
 - departmental structure geared to a level of resources that TTB doesn't have
- ▶ imbalance between executives and management
 - 3 managers and no executive staff
- ▶ although, marketing budget well managed and allocations to different activities reasonable,
 - more resources should be allocated to the web-site development
- ▶ new infusion of technical skills required reflecting:
 - "information age" approach to international tourism marketing
 - new methods of distribution in international tourism

The overall conclusion is that a new organisational structure is required to reflect the new realities of today's international tourism market.

9.1.4 Vice-President's Office - Environment

Responsibility for the environment is assigned to the Vice President's Office. The Environment Division is headed by a Director, and is composed of three sections – environmental policy and planning; environmental impact assessment and environmental pollution.

Within the Office, a National Environment Management Council (NEMC) has been established.

However, currently, the NEMC's role is largely advisory. The necessary regulations have yet to be put in place to give full statutory effect to the Council's proposed functions, which is enforcement.

9.1.5 State-Commercial Sector

A number of properties in the formal tourism sector (hotels, lodges), geared towards the international tourism market, are still owned by the State. With the break-up of the Tanzanian Tourist Corporation, all of the hotels became limited liability companies and are required to operate commercially under their own boards of directors.

The parastatal Tanzanian Hotels Investment Co. Ltd. (TAHI) holds the state shareholding of four lodges in the Northern Wildlife Area, the Mount Meru hotel in Arusha and the Mafia Island Lodge on Mafia Island. TAHI has established a joint venture with the Accor Group to manage a number of its properties.

The divestment of state enterprises in tourism is proceeding, though the process faces a number of problems - procedural, practical and a shortage of risk capital - and has been slower than anticipated (e.g. the Kilimanjaro Hotel in Dar-es-Salaam and TAHI which remain in state ownership).

9.1.6 Private Sector

The private sector is expanding steadily and is largely geared to the international tourist. According to Tourism Division statistics, the number of hotels has increased from 208 in 1994 to 321 in 1999, representing a 51 percent expansion in room capacity.

Significant new developments (including refurbishments) include the Courtyard, New Africa, Protea, Sea Cliff and Sheraton hotels in Dar-es-Salaam; the Serena and Sopa groups; White Sands; Ras Kutani; the Livingstone Club and other properties at Bagamoyo; the Mashado Game Lodge at Tanga/Pangani and a large number of smaller enterprises - tented camps, ground tour operators, restaurants, car-rental companies, etc.

New developments coming on stream include:

Additional developments coming on stream include:

- 154 room Holiday Inn in Dar-es-Salaam
- 200-room Indian Ocean Hotel (by Oyster Bay)
- 200 room hotel south of Dar-es-Salaam

9.1.7 Trade Associations

There are a number of active trade associations representing the main sectors of the industry which include:

- Tanzania Association of Tour Operators (TATO)
- All Africa Travel and Tourism Association (AATTA)
- Tanzania Association of Travel Agents (TASOTA)
- Hotel Keepers Association of Tanzania (HKAT)
- Tanzania Hunting Operators Association (TAHOA)
- Tanzania Air Operators Association (TAOA)
- Tanzania Hotel Schools Association (TAHOSA)

These associations are the constituent members of the newly formed Tourism Confederation of Tanzania (TCT) which is intended to be the representative ‘voice’ of the private sector tourism interests. At present, the TCT lacks the human, material and financial resources to carry out its mandate effectively, and needs to broaden its membership base to include individual as well as constituent members.

The former Association of Tanzania Tour Operators (ATTO) now appears to be defunct.

Given the importance of tour guiding to the appreciation of the Tanzanian tourism product, a Tour Guide Association should be established, as is the case in most tourism destinations.

9.2 LEGAL FRAMEWORK

There are three main areas to be addressed:

- the enabling legislation for the national tourism organisation
- the regulatory framework for the industry, and
- environmental legislation.

Legislation for a National Tourism Organisation

The relevant act is the **Tanzania Tourist Board Act (1992)** which amended the 1962 Tanganyika National Tourist Board Act and establishes the functions of the TTB. Under the Act, the function of the Board is to *promote and develop all aspects of the tourist industry, viz:*

- advertise and publicise Tanzania as a tourist destination
- encourage the development of amenities that would enhance the attractiveness of the country
- undertake research
- foster an understanding of the importance and economic benefit of tourism to the country
- collect and disseminate tourism information.

As is the case with nearly all legislative acts, the wording is quite general, which allows for a wide interpretation of what the Board can do under the above headings. The rationale for having a general wording open to wide interpretation is to facilitate an institution’s ability to respond to changing market, economic and social conditions without the necessity of having to revise the legislation which, in almost all countries, is a lengthy process and is undertaken at infrequent intervals. However, the basic piece of legislation governing the TTB was drafted almost 40 years ago, and taking into account subsequent amendments and changed conditions, needs to be substantially updated.

Regulations for the Industry

There are many pieces of legislation which have an impact on tourism but which are not specifically enacted for the benefit of tourism alone. These include laws in such areas as taxation, customs and immigration, transport, public safety, health, environment and planning, etc. Legislation in these fields is properly the responsibility of the relevant Ministries and not of the Ministry of Natural Resources & Tourism. However, it is appropriate that the MNR&T and the TTBB should have a consultative input into those aspects of legislation in other fields which have an impact on tourism.

The real problem is often not with the regulations themselves which, for the most part, are based on international norms, but with their implementation, which is often slow and at times appears to be deliberately obstructive. This is the problem that must be addressed if investment is to be encouraged and enterprises are to operate more efficiently.

The three principal acts for which the Ministry is responsible are:

- (i) Hotels Act, 1963
- (ii) The Hotel Levy Act, 1972
- (iii) Tourist Agents Licensing Act, 1969.

The Master Plan concluded that, in the immediate term, these acts, as they currently stand, are adequate. However, as the process of changing legislation can take considerable time, it was recommended that the revision of these acts should be undertaken. This recommendation is still valid, as is the recommendation that the main body of regulations concerning the hotel sector - the Hotel Regulations, 1982 - should also be updated to take account of changing circumstances regarding minimum standards, hotel classification systems, etc.

A major on-going problem is that the MNR&T does not have adequate resources to monitor/enforce these regulations.

Environmental Legislation

The Environmental Protection Bill, which has been proposed for approval to the Government by the National Environment Management Council, is a comprehensive environmental regulation which brings together all environmentally related regulations across the sectors and hence to be used as a reference regulation regarding the environmental protection of the country. This Bill also fills the necessary gaps, which were not covered by other sectoral legislation, for example, making Environmental Impact Assessments (EIAs) mandatory. It outlines the steps to be

followed and elaborates on how authorisation of a development project could be given in accordance to the law. This Bill also necessitates the amendment of the NEMC Act in order to carry out effectively the obligations of the custodians of this Bill. The Bill needs to be enacted without further delay.

In the immediate term, the provisions of the Act are adequate. However, because of the anticipated role of the TTB in the future, it was recommended that the process of reviewing and updating the Act be initiated as soon as possible. This has become even more urgent with consideration being given to the conversion of the Board to an Agency.

Land Use and Tenure Laws

The new land laws in Tanzania will place considerable importance on liaising/ getting agreement with local communities regarding land use for tourism purposes. However, there appears to be lack of clarity with regard to the interpretation and implementation of these laws. Of particular relevance are the Wildlife Act of 1974 and Village Act of 1982.

These Acts were designed to ensure that villages benefit from wildlife utilisations and encourage local communities to support tourism/ recreational activities outside national park boundaries. However, lack of clarification in the Act as to who actually has the right to authorise or enter into contracts with regard to the non-consumptive use of an area (i.e., whether the Local Community or the Game Department) is inhibiting the full realisation of the expected benefits from these initiatives.

In general, there is lack of clarity regarding access to land and tenure for tourism development purposes.

9.3 ENVIRONMENT FOR ENTERPRISE DEVELOPMENT

9.3.1 Fiscal Regime

The Master Plan drew attention to both the large number and high rate of taxes, licences and fees imposed on hotel and other operators, and suggested that this was contributing to higher prices in Tanzania compared with competing destinations.

This is still a problem. The tourism sector is still faced with an extraordinary array of sales taxes, corporation taxes, training levies, liquor licences, TALA licences, bednight fees, pension fund contributions, etc. which together can account for over 40 percent of a hotelier's costs. In all, there are some 20 to 25 specific taxes, levies, licence fees and charges of one form or another relating to tourism enterprises.

It would appear that there has been little coordination between the various authorities in the way these charges have been levied, and the private sector have prepared a number of submissions to Government on this issue. The only positive development since the Master Plan was prepared is that the sales tax system (which gave rise to a situation of double taxation) has been replaced by a “value-added-tax” system.

Under normal circumstances, such an onerous fiscal regime would represent a considerable disadvantage to investment. However, its effect is probably offset to some degree by certain inefficiencies in tax revenue collection. It is possible that, with better collection methods, the number and rates of taxes could be reduced while at the same time increasing the tax revenue yield. As part of the overhaul of the tax system, all tourism enterprises over a certain size should be required to submit audited accounts to the Revenue Authority, prepared by reputable auditors according to international accounting standards.

9.3.2 Banking Facilities and Investment Incentives

The deliberations of the public-private sector consensus building workshop³ on Sustainable Tourism Development identified a number of constraints to investment in the tourism sector which include:

- banks generally do not offer longer-term financing for tourism projects
- bank charges are high
- no mechanism to support local entrepreneurs
- no investment incentives as in other countries.

³ MNR&T & MIGA sponsored workshop held in Dar-es-Salaam on 5/7th July, 2001

PART III : DEVELOPMENT POLICY AND STRATEGIC GUIDELINES

DEVELOPMENT POLICY GUIDELINES

DEVELOPMENT OF TOURIST CIRCUITS

MARKET/ PRODUCT POTENTIAL AND GROWTH PROJECTIONS

MASTER PLAN STRATEGY

10. DEVELOPMENT POLICY GUIDELINES

In reviewing the future development of its tourism sector, Tanzania is faced with the inevitability of having to select between the alternative courses of action that are open. These relate to:

- the future character of Tanzanian tourism
- potential for product expansion
- product formulation.

10.1 FUTURE CHARACTER OF TANZANIA TOURISM

The five key factors that will determine the character of Tanzanian tourism are:

- the type of tourism (product experience) to be developed
- the quality of development
- the scale and design of development
- the rate of growth to be pursued
- the extent to which tourism development is dispersed throughout the country.

The following consensus on strategic guidelines emerged from discussions with key stakeholders and decision-makers during the Master Plan fieldwork and the tourism planning workshops convened by the MNR&T, supported by the EC and MIGA in April and July 2001, respectively.

There is international marketplace recognition that Tanzania possesses a superior wildlife product, offers a real/ authentic African experience, has outstanding scenery, a wealth of cultural attractions and a friendly people. These are the ‘core values’ which must be protected and preserved as they confer a competitive advantage in the marketplace.

Tanzania is blessed with a number of internationally renowned magnet attractions (e.g. Kilimanjaro, Ngorongoro, Serengeti, etc.) which serve as “honey pots” and provide the base for investment in complimentary attractions and experiences. The specialness and authenticity of these major attractions are not negotiable and must be protected at all costs⁴.

There is a need to broaden and diversify the nature-based tourism product offerings of Tanzania into resort tourism, special interest tourism and cultural tourism.

⁴ Proceedings of the MNR&T/ MIGA Workshop

Tanzania's natural, cultural and man-made attractions offer exceptional potential for the development of niche segments of the market, viz:

- special interest: birdwatching, botanical tours, etc.
- cultural tourism: heritage tours, historical towns, etc.
- soft adventure: trekking, walking safaris, etc.

Tanzania's marine resources offer possibilities for

- deep sea fishing
- scuba diving
- water-based activities
- island resorts

Investment in resort based tourism will be fundamental to the longterm development of areas which have considerable potential because of their natural and cultural attractions, but do not have the 'drawing power' of the Serengeti and Ngorongoro "honey pots". The establishment of resorts offering a range of leisure facilities – tennis, golf, water sports, etc – in addition to the possibilities of short trips to nearby game parks, islands, cultural sites, etc., will attract long stay (1 to 2 weeks) tourism to the area

Conference business offers considerable potential. However, its further development will necessitate investment in additional facilities, such as golf, sightseeing tourism, restaurants, entertainment, etc.

Investment should not be concentrated solely on large-scale enterprises, but should also focus on small and medium enterprises.

To ensure that tourism development does not give rise to land-use conflicts on the one hand and, on the other, that the integrity of an area is maintained, zoning should be carried out – wilderness areas, resort areas, hunting areas, etc.

10.2 POTENTIAL FOR PRODUCT EXPANSION

A major issue, addressed both at the original workshops held when the Master Plan was being prepared, and at the workshop held on 4 April 2001, is the extent to which the supply of the Tanzanian tourism product could be expanded. Two aspects are of particular significance. The first relates to the availability of suitable facilities and the second to the capacity of existing and potential attractions to absorb greater numbers of tourists.

Facilities: Currently, one of the main constraints to increasing international tourism demand to Tanzania is the limited supply of tourism facilities. What exists is already highly utilised in the peak periods, especially in the Northern Wildlife Area. There are other constraints of course – such as inadequate funds for destination marketing - which undoubtedly inhibit demand. But the latter constraints only acquire fundamental importance if the capacity for product expansion exists.

Attractions: A crucial finding from the Master Plan fieldwork was that there is a wealth of attractions spread throughout the country so that lack of attractions would not constrain development.

Land: At national level, there is considerable unutilised capacity in the National Parks for the development of the game viewing safari product. However, in practice, most of the areas are inaccessible because of absence or poor transport services, with the result that game viewing is concentrated in the Northern Wildlife Area (NWA) and to a lesser extent to Mikumi and the Selous.

With maximum carrying capacity levels being reached in the NWA during the peak season, there is a capacity constraint. This can only be alleviated by:

- opening up new circuits in existing areas
- giving access to areas currently designated for consumptive use of wildlife, including Community lands
- improving access to other national parks

10.3 TOURISM DEVELOPMENT ZONES

The issue here is one of determining which touristically attractive areas or groups of contiguous areas should be designated Tourism Development Zones for planning purposes. In determining these Zones, the following factors were taken into consideration:

- location of the national parks, game reserves, conservation area, etc.
- topography of the area or areas, taking into account natural boundaries, etc.
- natural and man-made tourist attractions and their spatial relationships
- range of tourism products that could be developed
- the existing volume and quality of superstructure of hotels, lodges, camps, etc.
- the logic of their geographical grouping or ‘clustering’, enabling them to be accessed and serviced from a common centre
- access in respect of time, distance and cost from the main ‘gateways’
- the existing and planned level of infrastructure, particularly roads and utilities
- the potential to create a composite product for marketing and image building purposes
- security from health hazards, civil disturbances, etc.

These attributes were mapped and, through a process of ‘map overlaying’, the following ten zones shown on the following chart were identified as being of particular importance.

Chart 10.1: TOURISM DEVELOPMENT ZONES

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 Centres

North East Mountains & Coast: arc 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 the Dar-es-Salaam Urban Area: - from Saadani Game Reserve in the North (including Bagamoyo), and from Ras Kimbiji to the Rufiji Delta in the South.

Dar-es-Salaam and Environs: Urban Waterfront from Ununio (North) to Ras Kimbiji (South), and Islands of: Mbudya, Bongoyo, Panganvini, Mwaktumbe, Kendwa and Sinda

Southern Coast and Islands: from Southern Coastal Zone Boundary to Mozambique Border including Kilwa, Mtwara and off-shore islands of Mafia and Songo Songo

Southern Wildlife: Mikumi, Udzungwa and Ruaha National Parks, and Selous, Rungwa Game Reserves.

Southern Highlands: Poroto and Livingstone Mountains Ranges of Lake Nyasa

Lake Tanganyika: Gombe, Katavi and Mahale Mountain National Parks.

Lake Victoria Hinterland: Rubondo National Park and Biharamulo-Bunringi, Orungondu and Rumanyika Game Reserves

In addition it was seen as important to link the Northern and Southern Areas by an important corridor that would include Kondoa and Dodoma.

Tourism Development Zones



Tourism Zones For Priority Development

The process of selecting which zones should be designated for priority development was not easy given the quality and diversity of Tanzania's attractions. However, as investment funds are not unlimited, it was essential to identify those areas or zones that could most effectively support tourism development within the 10-year planning period of the Tourism Master Plan.

The absence of infrastructure and the lack of resources to put the necessary infrastructure in place in the remoter areas of Tanzania led to the conclusion that over the 10-year period of the plan it was only realistic to focus development primarily in the part of the country that lies east of a line between Mwanza and Mbeya. Within this part of the country the consensus was that tourism should develop in the following way:

- (i) further enhancement and diversification of the proven Northern Wildlife Area.
- (ii) extension of the Northern Wildlife Area eastwards through the Usambara Mountains, Mkomazi and north coast arc of Tanga/Pangani.
- (iii) development of a strong Southern Circuit comprising the wildlife areas of North Selous, Mikumi, Udzungwa and Ruaha.
- (iv) development of the Coastal Zones involving beach resort tourism along the coast, including Mafia and other offshore islands; this zone also encompasses the historical centre of Bagamoyo and the Game Reserve at Saadani to the North and Kilwa to the South.
- (v) enhancement of the Dar-es-Salaam and environs with emphasis on the urban waterfront and the offshore islands.
- (vi) long-term development of the Link Corridor between the Northern and Southern Areas.

It should be stressed that the designation of priority development zones did not imply the exclusion of tourism development in the other zones. Development would be encouraged but it would, during this planning period, be small scale.

The development strategy outlined above was discussed with the key stakeholders during the fieldwork interviews undertaken as part of the Tourism Master update as well as during the Planning Workshop convened with the Industry on April 4th 2001. The consensus is that the development strategy is still valid and constitutes the appropriate platform for planning.

During the course of the survey among European and American tour operators, (see Annex 16.1) the possibilities for the development of the priority zones were discussed. The reaction of tour operators was that they were optimistic about the potential for the development of a Coastal Zone (Tanga to Kilwa), which would

Priority Tourism Development Areas



include beach resorts, islands, activities, and history/art/culture interests. The potential for the extension of the Northern Wildlife Area eastwards through the Usambara Mountains, Mkomazi Game Reserve to the coast at Tanga/Pangani, was also seen as good. The Southern Circuit is seen to have considerable potential.

The key to considering the selection of priority zones was the projected pace of infrastructural development, particularly roads and utilities, all other things being equal. Tourists may access a remote area by air transport, but the logistical problems of ensuring continuity of supplies (including provisions, fuel, etc.) make it nearly impossible operationally and very expensive commercially.

10.4 PRODUCT FORMULATION

The recommendation from the 1st Tourism Planning Workshop was that the core of the Master Plan strategy should be to develop an integrated tourism product that is capable of attracting a low volume, high yield segment of the international tourism market to spend their entire holiday in Tanzania. In other words Tanzania would be seen as a 'single destination' and tourists would not need to include another country in their holiday plans.

The way to achieve this was seen to be to:

- develop a range of special interest and activity products
- develop a resort product
- develop a cultural/historical tourism product

This recommendation on product development has been validated and reinforced at meetings with key stakeholders during the course of the fieldwork for this Master Plan update.

Special Interest and Activity Products

The capacity within Tanzania to further develop a range of special interest products around wildlife and nature is exceptional since Tanzania has a unique resource base on which to establish a distinct competitive advantage over other countries. In addition, Tanzania has a remarkable range of tourist attractions that provide the basis of many other quality special interest products, which include the coastal and island resources for marine based interest, the mountains for climbing, hiking and walking and a range of possibilities for those seeking to pursue aspects of cultural interest.

Resort Products

To ensure that Tanzania becomes a successful single destination in the high yield segment of the international tourism market will involve the development of a quality resort product. The natural resource attractions exist to achieve this on the coast and on the islands primarily, and in the mountains and by the lakes. Scale is particularly important. Development must of a scale that is in keeping with the environment, but large enough to be economically viable to provide the services/ facilities associated with a quality resort.

Cultural/ Historical Products

Tanzania has a varied and interesting culture that can form a central element in its appeal as a tourist destination. Clearly, Tanzania has the capacity to provide a rewarding and satisfying cultural experience for a wide range of tourists but, at present, this potential is not being realised, largely because of a failure in presentation. This has to be rectified through a programme of conservation of historical sites/areas; the development of interpretative centres; the promotion of cultural activities. A good start has been made with the Cultural Tourism Programme developed via a Dutch aid project.

Combined Special Interest, Resort and Culture

Central to the tourism sector in Tanzania is the capacity to offer a product that will combine the opportunity to pursue a special interest holiday and combine it with a period of relaxation in a small resort offering high standards of service and facilities and the opportunity to experience something of the culture of Tanzania. The additional actions to achieve this involve:

- the enhancement and extension of the product through the development of additional circuits that pre-empt the need for any route back-tracking and bring on-stream a finer mosaic of attractions, thus enhancing what is on offer within each zone through the synergy created by a series of well-planned and co-ordinated area actions.
- the linking-up of contiguous zones to create larger more comprehensive in-country circuits that will extend the visitors' length of stay, create more robust, competitive and marketable products, and direct development towards the ultimate marketing of Tanzania as a single destination.

11. DEVELOPMENT OF TOURIST CIRCUITS

11.1 IDENTIFICATION OF TOURIST CIRCUITS

Identification of Tourist Circuits

The international market generally requires a tourism product with several different tourism experiences, forming what is described as a “tourist circuit”.

Tanzania needs to develop and promote a product in the tourism zones that combines wildlife, nature, culture and relaxation. The implications of this are that a number of tourist attractions must be drawn together and supported by appropriate facilities and services in order to produce a composite product.

The following map shows that two major geographic areas emerge within which are located the tourism attractions that can be utilised within the planning period to develop tourist circuits. There is a group of attractions located in the north that is made up of three separate zones or groups of tourism assets and there is another in the south which relates to four zones or groups of tourism assets.

Each of these two major geographic areas has sufficient tourism attractions to produce a product that will meet market expectations, providing the basis for a Northern Circuit and a Southern Circuit, each with its own distinctive attractions. In due course a Western Circuit could be developed when existing access constraints are overcome.

Market View

The opinions of the tour operators in the main source markets were sought with regard to the development potential of these zones. Their views respect of the different areas are summarised in Annex 16.1. Essentially, there is general agreement that the Serengeti/ Ngorongoro is becoming overcrowded and there is a need to develop other areas. The main regions recommended for development are the Southern Circuit (which is already offered by some operators and is a popular destination with return visitors), Bagamoyo & Saadani game parks and the Mkomazi Wildlife area and Usambaras mountains. The Mkomazi Wildlife area and Usambaras Mountains are considered to have significant potential due to the Rhino project and the Pare tribe.

The major difficulties associated with developing these areas are:

- poor access, both by air and overland;
- internal flights and transport very expensive;

- lack of travel trade knowledge – of both the product and ground handling contacts, etc.
- underdeveloped tourist infrastructure – accommodation, services, etc.
- competition from other areas – most noticeable for beach destinations – i.e. Tanga has competition from both Kenya and Zanzibar, etc.

Activities suggested to increase and develop tourism to these zones are to increase marketing and promotion, to improve flights, accommodation and standards of service in these areas. Many operators consider that development in these areas should be encouraged but that the overall visitor numbers should be kept low, ensuring that they don't become overcrowded like the Northern Wildlife Area. This could be achieved by marketing different areas to specialist groups and developing small, low impact resorts and accommodation facilities.

11.2 NORTHERN CIRCUIT

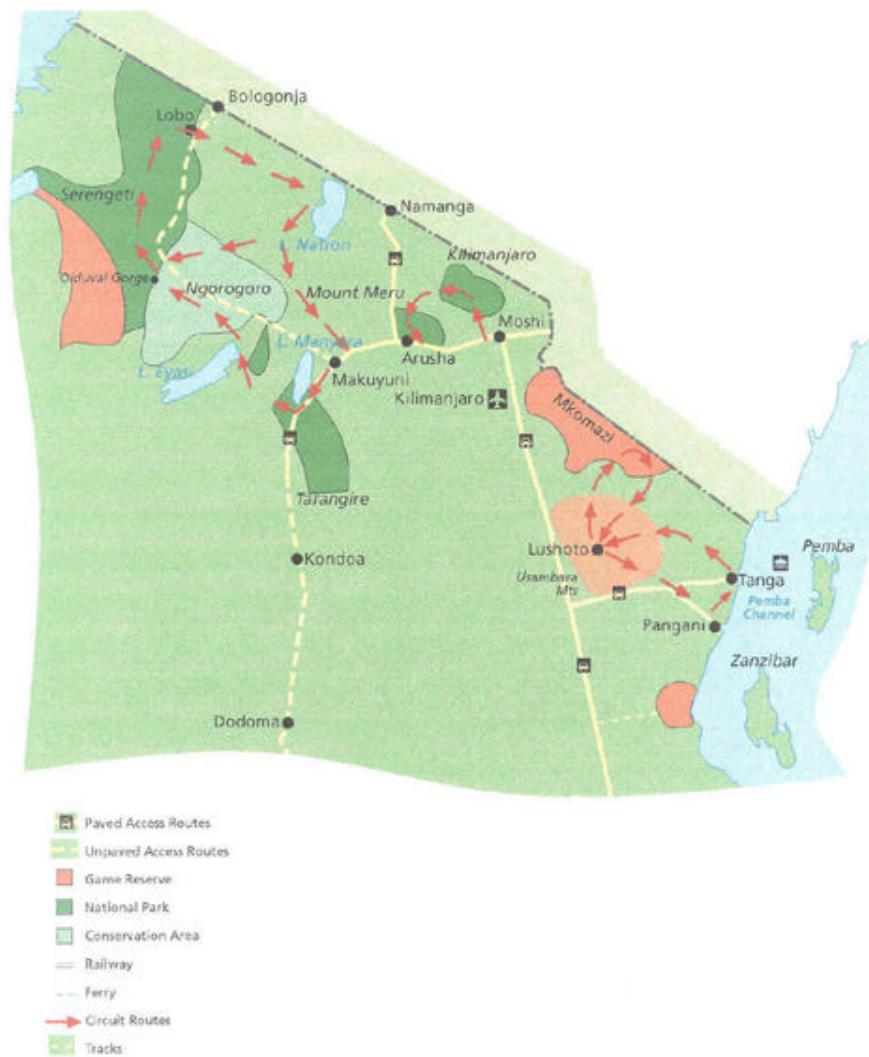
The Northern Circuit, which stretches from Lake Victoria in the west to Tanga in the east, comprises three discrete groups of attractions.

The first group of attractions is the already well-established wildlife areas of the Serengeti, Lake Manyara and Tarangire National Parks and the Ngorongoro Conservation Area (including Olduvai Gorge, an archaeological site of great importance). This group of attractions has been the backbone of Tanzanian tourism over many years and represents the 'honey-pots' of the industry. However, as outlined earlier, the feedback from the market is that the Serengeti Ngorongoro are becoming crowded, indicating that from the market perspective, the limits of acceptable use are being reached.

A major problem is the road system. In effect, there is only one road through this vast wildlife area, the road from Makuyuni to Lobo. The road is a cul-de-sac which leaves the visitor with no option other than to backtrack along the same route. A more extensive road system that provides at least one large circuit and a number of smaller circuits off it is the key to using these assets more efficiently and productively without placing greater pressure on the environment. A further possibility is to open the crossing at Bologonja, but for a number of reasons, this is impractical for the foreseeable future. Another possibility relates to land use and the redesignation of game controlled and communal areas from consumptive to non-consumptive use.

The second group of attractions in this area comprise Kilimanjaro National Park and Arusha National Park. These two parks are particularly suited to satisfy those tourists who have a special interest in climbing. However, the feedback from the market is that there is overuse of Mount Kilimanjaro. This is a management issue and relates to the route(s) used on Mount Kilimanjaro and the possibility of diverting tourists to alternatives such as Mount Meru, which offers challenging climbs although not as well known.

Northern Circuit



The third group of attractions consists of the Usambaras Mountains, Mkomazi Game Reserve and the coastal area including Tanga, the Amboni Caves (near Tanga), Pangani and the Pemba Channel. The Usambaras represent an ideal area to develop small mountain resorts which would be used as the base for those seeking relaxation, quiet walks and observing nature. Tanga still retains many fine buildings and, together with its attractive location overlooking a magnificent bay it could become a tourism centre of some importance and a base for sport fishing, sailing and other marine-related tourism activities. The deep channel between Tanga/ Pangani and Pemba Island offers some of the best sport fishing in the world. In this context, Pangani also has the potential to develop as a tourism centre. It is closer to the Maziwe Marine Reserve and Saadani, and thus linking with the proposed Southern Circuit. Road and ferry access need to be improved.

The presentation of the wealth of Rock Art that is centred on Kondoa must await access road improvements before it can be incorporated into the tourism circuit.

Sub-Circuits

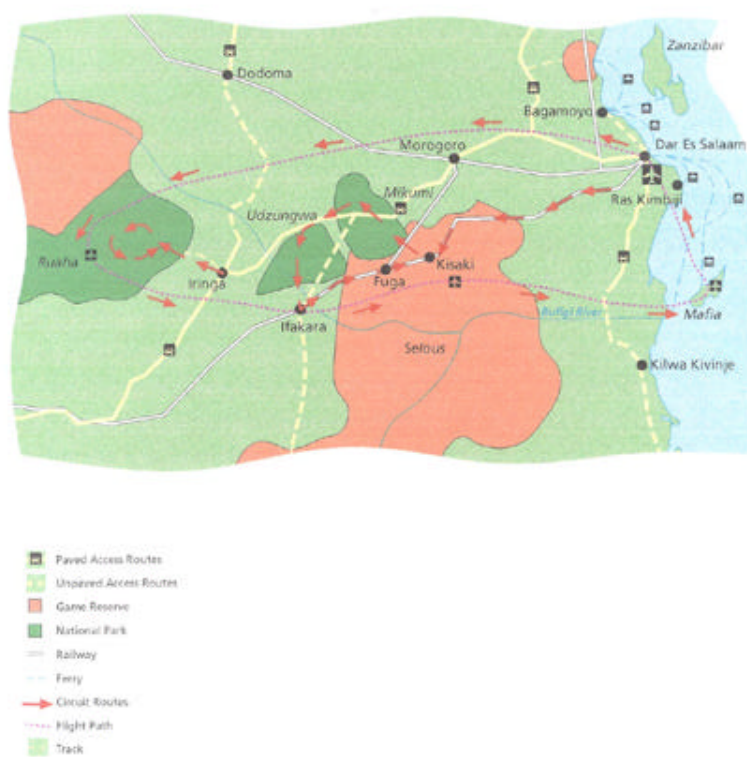
As outlined above, the Northern Circuit is a development concept, not a tour programme to be featured as an entity in a tour operator's catalogue. It is envisaged that within the framework of the Northern Circuit, a number of sub-circuits would be developed, based on the attractions associated with existing and emerging tourism centres.

11.3 SOUTHERN CIRCUIT

The tourism components of the Southern Circuit are exceptionally strong, comprising

- three primary beach resources at Bagamoyo (which also has important historical and cultural tourism resources), Mafia Island and the largely undeveloped beaches south of Dar-es-Salaam
- the immense wildlife resources of the Selous Game Reserve which, together with Mikumi National Park in the north and Udzungwa National Park in the west, forms one major wildlife area. Much further to the west are the wildlife areas of Ruaha National Park and Rungwa Game Reserve; currently, there is no route that links the Selous with Mikumi and Udzungwa. Such a route is considered an essential element in the formation of a circuit since it would open up the prospect of a major wildlife experience.
- substantial cultural resources, including Bagamoyo (which played a central role in the slave trade) and Kilwa (which was a great trading centre). Mafia Island is also steeped in history, being one of the earliest Swahili settlements.

Southern Circuit



International access to the Southern Circuit is through Dar-es-Salaam Airport. At some time in the future a further point of access will be by road directly from the Northern Circuit on a route that passes through Kondoa, the centre of the rock painting area and Dodoma. The existing Tazara rail route provides another means of access to the Southern Circuit, using special trains from Dar-es-Salaam to Fuga or Kisaki in the Selous and then to Ifakara. The journey could be by special train and carriages and would combine a high level of service with views of wildlife.

The Southern Circuit has the capacity, like the Northern Circuit, to offer spectacular wildlife viewing. It is, however, important that the Southern Circuit offers a different type of wildlife experience, i.e. that it is seen as a different product. This can be achieved by developing and promoting the Southern Circuit as the ultimate wildlife experience... a 'wilderness' area to visit if one wishes to get close to nature; the area to go to if one has already developed a taste for safaris and like them. The product would command a premium price but the experience and the facilities would warrant it.

Visitors to the Southern Circuit would be able to link their visit to the wildlife areas to a period of relaxation at beach resorts. Bagamoyo (which has the potential to become a major tourism centre), should be considered for the larger scale developments, whereas the smaller-scale exclusive and self-contained resorts should be considered for Mafia island and the smaller islands that are a part of the Circuit (which should be developed with a view to catering to those who want a very relaxed, quiet holiday) and on the coastal strip south of Dar-es-Salaam.

Movement from one location to another along the coast would be more enjoyable and more comfortable if it were undertaken by boat rather than on land. The opportunity to run excursions from Bagamoyo to Saadani with its unique coastal frontage is one. Other obvious boat excursions are between Bagamoyo and Zanzibar, and Bagamoyo and Dar-es-Salaam. Likewise the proposed beach resort area could be linked to Dar-es-Salaam by boat. A further interesting possibility is to link Mafia Island to the Rufiji Delta and provide a memorable journey along the Rufiji River into the Selous.

An additional attraction of cultural importance is at Kilwa, which is the focus of a \$1.5m conservation/restoration project managed by the Antiquities Division and funded by the French Government, Japanese Government and UNESCO. Because access is limited (one flight weekly by Eagle Air) this historical town will remain a somewhat peripheral attraction but, in due course, with planned road improvements (road between Dar-es-Salaam and Kilwa is under construction and should be completed by 2004), it will become more closely integrated into the Circuit.

Dar-es-Salaam, as the gateway to the Southern Circuit is, or should be, an important centre for tourism. In the Plan, proposals are made to develop and improve the waterfront. Part of this development should include an interpretative centre that will present the history of Swahili trading through the ages and its relevance to Tanzania and Africa. In the context of providing interesting things -to-do-and-see, the existing museum should be rehabilitated as there is no shortage of interesting exhibits.

Sub-Circuits

The Southern Circuit is a development concept, not a tour programme. It is a framework within which the different attractions will be developed and linked together. Indeed, it is envisaged that a number of sub circuits will be developed, based on the tourism centres that are likely to emerge at Iringa (Udzungwa and Ruaha); Mikuni/ Selous; Mafia/ Kilwa/ Selous. The market will decide on how these attractions / mini-circuits will be packaged, based on considerations of access, accommodation and other facilities and price.

11.4 COASTAL/BEACH DEVELOPMENT

Tanzania is blessed with beautiful beaches, most of which hardly developed for tourism purposes. The North/South Coast encompasses palm fringed beaches reaching from Pangani in the upper northern part via the beaches of Bagamoyo, the islands off shore and south of Dar es Salaam to Mafia Island, Kilwa, Lindi and finally to Msimbati, near the border of Mozambique.

Pangani has arguably the best beaches on the stretch between Bagamoyo and Tanga. Recently, several small scale, inexpensive resorts were established, south of Pangani, supplementing the existing properties to the north, foremost catering to residents of the Arusha area.

Once the North East mountain development zone has been matured, this part of the coast could, in the long run, function as the beach complement to a combined Safari, Nature holiday by international tourists.

An important feature of the zone between Bagamoyo in the north and Buyuni in the south of Dar es Salaam is the ease of access. It provides the natural international gateway to the southern part of the country through the main airport of Tanzania. As the commercial centre of the country all the main roads eventually lead to Dar es Salaam and through the harbour access is provided from the sea.

Therefore in the “Development Framework for the Southern Circuit Study” the city has been earmarked as an important centre for tourism, not just a transfer hub alone. In this plan proposals are made to develop and improve the waterfront. In addition to improve the South East coast by developing small-scale, luxurious holiday resorts. In view of its location and the absence of other attractions in the immediate vicinity the focus would be primarily beach orientated. This would place a higher emphasis on the proposed operation being self-contained resort.

In the same study Bagamoyo is viewed as an upcoming tourism area for leisure purposes, in conjunction to Saadani National Park. Bagamoyo has good beaches; it is close to Saadani National Park and only a short trip by boat from Zanzibar. There is an opportunity here to turn the travel element into part of the product experience. Movement from one location to another along the coast would be more enjoyable and more comfortable if it were undertaken by boat rather than on land. The opportunity to run excursions from Bagamoyo to Saadani with its unique coastal frontage is one. Other obvious boat excursions are between Bagamoyo and Zanzibar and Bagamoyo and Dar es Salaam. Likewise the beach resort area, north of Bagamoyo could be linked to Dar es Salaam by boat.

Mafia Island presents an attractive proposition for the development of special interest tourism. The Marine Park area in particular is known to have excellent diving and snorkelling with 12 dive sites already identified. Moreover deep-sea fishing in the waters surrounding Mafia is considered to be of world-class status, though hardly tapped. Attractive beaches are

found on the northwest and south coast. The true potential of the island lies in exploiting the island's 'off the beaten track' character and developing small scale, inexpensive but stylish accommodation, thereby presenting a model of 'low impact – high value' tourism. Mafia could become a strong option on the Southern Circuit and should be developed with a view to catering to those who want a very relaxed, quiet holiday and are content with this part of their holiday depending on the beach, activities related to the marine environment and good facilities and service.

An interesting possibility is to link Mafia Island to the Rufiji Delta, to provide a memorable journey along the Rufiji River into the Selous.

The World Heritage site Kilwa, for long time regarded as the most important town on the Swahili coast as the ruins of the building suggest, is geared towards special interest tourism, history and archaeology. In addition, it has some fine beaches, which could be used as a starting point for establishing some medium scale resorts of high quality, to cater for an upmarket clientele that combines a Selous/Ruaha safari with an add on beach product of similar quality.

Further to the south there are some excellent beaches near Lindi and Mtwara. The Lindi's beaches bear the potential to be developed for resort tourism, though access from the main tourism areas is cumbersome by road, expensive by air. However, in conjunction with the historical/archaeological splendour of Kilwa, the woodcarvers of the Makonde plateau, the charming village of Mikindani and the best beach of Tanzania, Msimbati, the South could be opened to international tourism in due course, in particular if the long time awaited north/south corridor, connecting to Mozambique comes to the fore.

12. MARKET / PRODUCT POTENTIAL AND GROWTH PROJECTIONS

The main international source markets for travel to Tanzania will be the Europe, United States, Asia/Pacific and, in the longer term, the regional markets in southern and eastern Africa (including Indian Ocean islands).

12.1 EUROPEAN MARKETS

Europe has historically been seen as a major source market for world tourism destinations. It is estimated that Europeans took about 300 million trips of 1+ nights outside their own countries in 1999, of which 25-30 million were to long-haul destinations.

There were approximately 7 million European tourist trips to Africa, representing around one quarter of the total European long haul market. Of these, some 900,000 trips were to destinations in East Africa.

The main European tourism source markets for travel to East Africa, as indicated by World Tourism Organisation statistics, are Germany, France, United Kingdom, Italy, Scandinavia, Switzerland and the Netherlands.

The findings of the survey among European tour operators indicate that the demand for travel to East and Central Africa has increased in the past two years, with only 6% of operators reporting a decrease in demand. Almost half report an increase in demand for holidays in Tanzania. There has been a drop in demand to Kenya in recent years, due to media coverage of attacks on tourists and its portrayal as a mass tourism destination. In the last two years tourism to Zimbabwe has decreased by as much as 90% for some operators, due to political instability. However, it must be borne in mind that this survey was undertaken prior to the September 2001 terrorist attacks on the US. Since then, demand for travel has dropped dramatically and is only likely to recover slowly over the next three years or so.

Currently, Kenya and Tanzania are the more popular East/ Central African destinations, with 50% of operators ranking Kenya as first and 38% ranking Tanzania as first. Tanzania's popularity can be attributed to high safari quality, value-for-money and the potential of a safari and beach combination holiday. The principle reasons for Kenya's popularity are political stability, relatively low price, beach products and the fact that it is well established in the market. The third and fourth ranking destinations are Zanzibar and Namibia.

According to the tour operators interviewed, the characteristics of European-inclusive tour holidaymakers to East and Central African destinations are:

- one-third are aged between 31-45 years, with just over two-fifths aged between 41-60 years;
- the majority (54%) of holidaymakers travel with their spouse or partner;
- just over 70% come from an upper middle socio-economic bracket;
- the timing of the trips was relatively evenly split between summer (43%) and winter (57%);
- clients' main motivations were to view wildlife, go on safari, experience African culture, trekking and have a beach holiday;
- over half (52%) of programmes sold are for single destination holidays; 31% are dual destination and 17% are multiple destination trips;
- the majority (68%) travel to the region for holidays of between 8-14 days, with 11% taking holidays of between 15-21 days;
- the most popular type of programme sold is the '2-week beach and safari combination' (42%). 'Safari only' holidays and 'soft adventure' holidays are also popular choices;
- the more frequently featured destinations in tour operators' catalogues are Tanzania, Kenya, Zanzibar, Zimbabwe, Botswana and Namibia;

12.2 UNITED STATES MARKET

Although, with over 50 million international tourism travellers in 1999, the United States is the world's second largest outbound market (after Germany), Africa attracts comparatively few US tourists compared to Europe and the Caribbean – currently well under half a million annually. Of these, about half go to East, Central and Southern African destinations, the main destination being the Republic of South Africa.

The US tour operators interviewed reported mixed views regarding changes in levels of business to East and Central African destinations over the last 2 years. Over half of operators reported that business had increased by, on average, 66%, 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. Some operators considered business to have decreased in the last two years due to a slow-down in the US economy and perceptions of increasing political instability in the region.

Travel demand prospects will have been adversely affected as a result of the September 2001 terrorist attacks on the US. US outbound holiday travel is likely to drop significantly in the next year. Recovery will be slow, perhaps taking 3 to 4 years to recover to levels recorded in 2000.

Tanzania is the most popular destination, with Kenya second and Botswana third. Tanzania's popularity can be attributed to its reputation for high quality safaris and abundance of wildlife. Kenya offers a 'full East African' experience and Botswana is the safest alternative safari destination.

According to the tour operators interviewed, the characteristics of the US 'inclusive tour' holidaymakers to East and Central African destinations are:

- 36% are aged between 46-60 years, 31% are aged between 31-45 years and a further 19% are over 60 years;
- 46% travel with their spouse or partner and 34% travel in a tour group or other type of group;
- the majority (74%) come from an upper middle socio-economic background and 17% are retired;
- the preferred time to travel is the summer months of May – October, accounting for 66% of trips taken;
- clients main motivations were to go on safari, view African wildlife, have a 'bush experience', trekking and combining a beach and safari holiday;
- 69% of programmes sold are for multiple destination holidays, only 10% are for single destinations;
- over half (57%) of US holidaymakers travel to the region for holidays of between 8-14 days and 27% travel for between 15-21 days;
- almost a quarter (24%) of programmes sold are 'multiple destination sightseeing holidays', 20% are '2 week beach and safari combination' and a further 20% are 'safari only – dual destinations';
- on average, operators offer 6 different countries in their tour portfolios, Tanzania and Kenya appear most frequently;
- Tanzania is sold both as a stand-alone destination and as an add-on to Kenya.

12.3 ASIA/PACIFIC

With the exception of the Japanese market, the majority of visitors from Asia come to visit friends or relatives or are on business trips. Nonetheless, an important number of these visitors also take safari trips, though of significantly shorter duration than the vacation tourists from other markets.

12.4 REGIONAL MARKETS

Within the different regional markets, the Republic of South Africa is the largest and most developed outbound market, generating an estimated 1.5 million outbound trips in 1998, 55 percent of which were to other regional destinations, mainly Zimbabwe, Botswana, Swaziland, Lesotho, Namibia.

However, on the basis of discussions with tour operators and airlines in South Africa, it was concluded that there is limited market potential for vacation travel from South Africa to mainland Tanzania. On the other hand, there is potential for strong growth from a low base in business related travel. In the outbound holiday market, the more affluent South African travellers are more inclined to visit the United States, Australia, Europe and Far East, while (given the relative weakness of the Rand) less affluent travellers are either staying in South Africa or visiting neighbouring countries. Mauritius, and the Maldives (together with Zanzibar) are also popular destinations. Tanzania is viewed as a country offering the best of safari tours but is considered too expensive relative to what can be obtained within South Africa and neighbouring countries. There is scope for special interest holidays, covering diving, fishing, mountaineering, hiking and trekking, but the consensus view from tour operators is that it would need to be packaged with a beach holiday.

12.5 DOMESTIC MARKET

Although limited in size, the domestic market is growing and consists of three main segments:

- Tanzanian residents with high disposable incomes
- Expatriate residents, employed by foreign firms and agencies
- Group travel – clubs, schools, etc.

Marketing to the domestic market is usually undertaken by individual operators or regional groups. The organisation of a holiday fair is a very effective way of creating awareness of the possibilities for domestic holidays.

12.6 MARKET - PRODUCT POTENTIAL

The previous sections described the tourism source markets and their requirements.

The findings of the market research study among European and US tour operators (June 2001) show the existing patterns of demand for the various tourism products and their respective growth potential. (Table 12.1 following).

Table 12.1: Market Demand by Holiday Type, Length of Stay and Growth Possibilities

Tour Programme	European Tourists			US Tourists		
	Market Demand	Average Stay/ Days	Growth Potential % Respondents	Market Demand	Avg. Stays/ Days	Growth Potential
2 wk Beach Holiday - single destination	4	14	7 (low)	-	14	None
2 wk Beach & Safari Combination	42	14	37 (very high)	20	n/a	Good
1 wk Beach Holiday - single destination	11	7	11 (moderate)	-		None
Safari only - single destination	16	13	30 (very high)	16	14	Good
Safari only - dual destination	11	15	(moderate)	20	15	Very Good
Multiple Destination Sightseeing	3	17	7 (low)	24	16	Very Good
Soft Adventure (Trekking, Scuba Diving)	12	13	22 (high)	9	18	Low
Other (Special Interest, Culture)	1	17+	Some	-	15	Some

A major challenge from the market standpoint and the capital investment standpoint is to link the market segments to the specific tourism attractions in the different tourism development zones. The product-market match is shown on Table 12.2 following.

Beach Holiday

About 15% of Europeans travelling to East Africa want a beach holiday. When charters are included, the proportion is considerably higher. Beach resorts must also provide a range of activities on-site (watersports, tennis, entertainment, etc.) as well as opportunities for other activities such as golf, day trips, etc. However, it is of no interest to the US market.

Safari/ Beach Holiday

This is the main tourism product purchased by Europeans visiting East Africa. An example of a 14 night combined beach/safari holiday which is promoted by British Airways Holidays, involves 2 nights in Nairobi, 6 nights in the Northern Area of Tanzania and 7 nights in Mombassa. This product has potential in the US market.

Apart from illustrating the typical mix of a safari-cum-beach holiday, it also shows the extent of Tanzania's loss of potential revenues from tourism by not being able to promote the beach extension at the moment. Furthermore, it emphasises the need to extend Tanzania's product range in the market place.

The proposed Coastal Zone at Dar-es-Salaam, Bagamayo, Mafia and Zanzibar can be combined with safari tours in either the Northern or Southern Wildlife Areas. However, in addition to the development of the Coastal Zone, it would be necessary to ensure more reliable, more frequent and better timing of connections between Dar-es-Salaam, Arusha, Mafia and Zanzibar.

Safari Holidays

The next most popular form of holiday is the safari only, purchased by Europeans, North Americans and Japanese. In general, this type of holiday involves a considerable amount of travel, spending less than four nights at any one place, and staying at three or more locations. A typical touring holiday in Africa would involve visiting two or three countries, and staying at 12 locations over a 3-week period. For example, a 25-day classic safari takes in visits to South Africa, Kenya and Tanzania and staying at a number of locations within these countries.

Tanzania has a competitive advantage in relation to other African destinations with regard to the safari product - so far as the natural resource element is concerned. With the development of the proposed circuits and an improvement in ground transportation, Tanzania could become the primary destination in Africa for this product.

Table 12.2: Product - Market Match

Market Segment	Characteristics	Products Required	
Business	<ul style="list-style-type: none"> • short stay (5 nights) • High spending; even seasonal throughout year • High repeat business 	<ul style="list-style-type: none"> • Safari add-on (1 to 2 nights) • Sightseeing tours 	Could be per two-night sa provided eas priced. Prima Saadani, Mil
Visiting Friends/Relations	<ul style="list-style-type: none"> • Long stay (up to one month) • Stay friends/relatives • Low use of tourist plant • High repeat business 	<ul style="list-style-type: none"> • One or two short safaris during stay - average 2 to 3 nights on each safari • Visits to Zanzibar and Mafia 	Could be per short trips
Vacation/Other Leisure	<ul style="list-style-type: none"> • Medium stay (7 to 14 nights) • Stay in hotels/lodges • High spending • Low repeat • Highly seasonal 	<ul style="list-style-type: none"> • Safari/Beach Combination • Safari only • Beach resorts 	Combination circuits – - North & S - Zanzibar, - Northern
Soft Adventure	<ul style="list-style-type: none"> • Medium stay (6 to 13 nights) • Stay in camp/tents • Younger age groups 	<ul style="list-style-type: none"> • River safaris • Walking safaris 	Ideal because image of Tar
Activity	<ul style="list-style-type: none"> • Medium to long stay • Stay in camp/tents • High spending 	<ul style="list-style-type: none"> • Fishing • Hunting • Mountain climbing 	Fishing at Pe Selous; climi Mt. Meru
Special Interest	<ul style="list-style-type: none"> • Medium stay • High usage of hotels • High spending 	<ul style="list-style-type: none"> • Interest in visiting places of historical, archaeological, anthropological, cultural interest 	Zanzibar, Ba Kilwa
Conference/ Incentive	<ul style="list-style-type: none"> • Short stay • High spending • High hotel usage • Low repeat 	<ul style="list-style-type: none"> • Good quality hotels • Range of facilities • Range of things to see and do • Support services 	Dar-es-Salaa Arusha

Activity Holidays

As the name implies, these holidays are taken for a specific purpose and tend to appeal to specific consumer segments within any market - hunters, fishermen, divers, etc.

Hunting safaris offer considerable potential for Tanzania, though clearly the potential is limited by the availability of hunting blocs.

Deep-sea fishing is a product with considerable potential for Tanzania - particularly the Pemba Channel and Mafia Island. Indeed in the late '50's and early '60's, Mafia was considered as one of the best locations for deep-sea fishing in the Indian Ocean.

Other 'activity' holidays which have appeal to distinct market segments include mountain climbing (particularly for Japanese and South Africans), and scuba diving.

Soft Adventure Holidays

Soft Adventure Holidays are usually taken in the more remote or 'undiscovered' (in the tourism sense) parts of the world. A trip up the Amazon river in South America; an expedition by camel train across the Sahara would be examples of adventure holidays. This appeal is not just to the younger (18 to 35 years) age group.

The adventure holidays which could be further developed (and at minimal cost) would include: river safaris (along the Kilombero/Rufiji); walking safaris (Selous, Mikumi).

Special Interest Tours

These types of holidays are similar to activity holidays in the sense that they are taken for a specific purpose. However, the purpose is usually 'interest' rather than activity orientated. Ornithology tours in Kenya, medical tours to Senegal are examples of this type of holiday.

Tanzania has an extensive natural resource base for the development of special interests tours which would include ornithological tours, anthropological tours, study tours, etc.

Conference Tourism

As indicated earlier, the Conference Centre in Arusha and the Conference facilities in Dar-es-Salaam could become focal points for the development of conference business. However, international conference tourism is very competitive and the lead-time involved in getting these conferences can be 3/4 years. Moreover, it is necessary to have high quality facilities - audio-visual equipment, simultaneous translation systems, efficient telecommunication systems, etc. In addition, there must be a range of things-to-see and do, (shopping, good restaurants, sightseeing, golf) as well as pre-and post conference tours.

12.7 TOURISM GROWTH PROJECTIONS

In 1995, it was estimated that there were 295,000 visitor arrivals to Tanzania. The target projection for the year 2005 was a figure of 575,000 foreign visitors. This target projection reflected not only the assessment of the Tanzanian tourism product's potential to attract foreign tourists but also the market assessment of the major tour operators with programmes to East and Southern Africa. The majority (75 percent) saw demand increasing, provided the product shortcomings were corrected and the product developed.

By 2000, the total number of visitor arrivals had just exceeded 500,000. With this higher than anticipated growth in visitor arrivals, the targets for 2005 have been revised upwards, notwithstanding the anticipated downturn in international travel in the short-term as a result of the September 2001 terrorist attacks on the US.

The targeted number of foreign visitors by purpose of visit and bednight demand for the 'formal' accommodation sector (i.e. hotels, lodges, tented camps etc.) is shown on the following table.

Table 12.3: Target Projections of Visitor Numbers and Bednights, 2000 – 2005

Purpose of Visit	2000 (000's)		2005 (000's)	
	Nos.	Bednights	Nos.	Bednights
Holiday/Recreation	340	2,550	480	3,840
Business	130	845	170	1,105
Other/Not Stated	21	42	20	40
Transit	11	n/a	20	n/a
Total Visitors	502	3,440	670	4,985

Projected Bednights and Accommodation

The growth rate in foreign tourist bednights is projected to be higher than the growth in visitor numbers, since the average length of stay during the period of the Master Plan is expected to increase from the current figure of 7.5 nights to 8 nights. This figure excludes the VFR (visiting friends and relatives) category which tends to take short-safari trips - typically 2 to 3 nights in formal accommodation - during their stay.

The significant factor in this increased length of stay is the expansion of the Tanzanian tourism product through new circuits, new attractions and the beach product.

Accommodation Required

Although the stock of hotel, lodge and tented camp accommodation in Tanzania is currently (2000) estimated to be 10,650 rooms, not all are used by international tourists. Including the tented camps, the estimated stock of accommodation used by foreign leisure tourists is about 5,000 rooms. Based on a projected foreign bednight

demand of almost 5 millions in 2005, the total hotel/lodge/tented camp room requirements are for some 12,000 rooms, of which an estimated 8,500 rooms would need to be of international standard by that year.

Of the 8,500 international standard rooms required, some 5,000 are currently operating to acceptable or near acceptable international standards, and approximately 500 are currently under construction or refurbishment. The remaining 3,000 rooms that are required by 2005 will involve a combination of refurbishment from the existing stock of accommodation and the construction of new rooms.

13. MASTER PLAN STRATEGY

The focus of the Master Plan Strategy is to make Tanzania a more competitive destination.

Our understanding of what constitutes competitiveness in tourism has deepened in recent years. Tourism destinations compete on a range of factors – not just price. The factors which determine the competitiveness of a tourist destination can be grouped under the following headings:

Product

- the product – natural resource base, primary attractions
- the tourism facilities and services – accommodation, internal transport, amenities
- standard of service – supply of manpower, skills, knowledge
- access transport – accessibility from source markets
- relative prices of tourism products and services - value-for-money

Infrastructure

- supporting infrastructure – roads, utilities, telecommunications, transport

Enabling Environment

- tourism policies and institutions – regulations and organisations
- business environment – ranging from rates of personal taxation, extent of bureaucracy, physical planning laws, etc.

13.1 STRATEGIC ASSUMPTIONS

Tanzania is exceptionally well endowed with the type of natural resources that provide the raw material from which tourism attractions and products are fashioned.

Strong tourism attractions on their own will not necessarily guarantee a successful tourist industry. Many other factors must be in place for tourism to operate. The main strategic issues that must be addressed, failing which it will not be possible for Tanzanian tourism to realise its full potential, are

- (i) Although Tanzania is increasingly being sold as a stand-alone destination, a significant proportion of tourists arrive overland from Kenya, using Nairobi as a gateway. The strategic task is to develop Tanzania as a single holiday destination by building up other product elements, in particular beach resorts and culture/ historical attractions. This is being facilitated with the increase in direct airlift capacity to Kilimanjaro by KLM and to Dar-es-Salaam by British Airways.

- (ii) Since airlines will respond to market demand where it exists, access *to* Tanzania is less of a problem than access *within* Tanzania. In those areas where access is already feasible, or will be in the near future, the constraining factor is frequently the absence of a local network of roads to meet tourist needs. In such cases appropriate investment is essential.
- (iii) The corner stone of Tanzanian tourism is the quality of the environment which underpins almost every product. If this environmental quality is lost, or degraded beyond a certain point, then Tanzanian tourism will have severe problems.
- (iv) For tourism to operate successfully it is essential that there are service centres (normally towns or cities) where tourists can find restaurants, take taxis to go sightseeing, make shopping trips and so on. In doing so they spend money from which the local community benefits. Such centres are limited in Tanzania and their absence must be addressed.
- (v) While considerable progress has been made recently on refurbishing and upgrading accommodation, there remains a major need not only to continue to upgrade existing establishments but also to make provision for the forecast increase in the number of tourists through building new accommodation units.
- (vi) The role of the public sector is to regulate and control tourism and create an economic environment that will encourage private sector investment. Crucial to that environment is a feeling on the part of the private sector that their investment will be secure and that the Government will support entrepreneurship.
- (vii) The competitiveness of the Tanzanian tourism product is affected by the fact that it does not always offer value-for-money. This is partly an issue of price and partly an issue of quality. The plethora of taxes undoubtedly places an upward pressure on prices. The more important consideration is, however, quality. It is incumbent on a host country to ensure that standards relate to those of the target market that it seeks to attract.
- (viii) In addition to improving physical standards, the standards of service must be brought up to international expectations. This means a considerable investment in training and the provision of adequate training facilities.
- (ix) It is unrealistic to expect either the MNR&T or the TTB to carry out their statutory functions without the necessary resources. In this context it is clear that the budgets allocated to these agencies must be substantially increased to enable them to implement their respective roles effectively.
- (x) With an increasing concern about terrorist attacks, security has become a priority issue and must be tackled on an on-going basis and not in response to events.

13.2 STRATEGY COMPONENTS

To improve Tanzania's competitiveness in the marketplace, the following strategy components must be put in place:

- Knowledge and 'know-how' strategy – improving range and quality of information on customers, distribution channels, suppliers, etc.
- investment strategy – attracting direct foreign and local investment
- product strategy – expanding and improving the tourism product
- infrastructure strategy – improving roads, utilities, etc.
- access strategy – improving air and ground access transport
- human resource development – improving skills and service standards
- marketing and communications strategy – creating greater awareness in marketplace
- capacity building strategy – strengthening tourism institutions
- security awareness strategy

Knowledge and 'Know-How' Strategy

One of the key characteristics of successful tourism destinations is their emphasis on 'knowledge and know-how'. Considerable resources are spent on knowing the consumer – what he/she wants, likes and dislikes, etc.; knowing the market distribution channels – who main tour operators are, the airlines, conference and incentive organisers, etc; knowing the tourism product suppliers – capacity of hotels, restaurants, etc.

Investment Strategy

The role of Government is to create the enabling environment that establishes a positive climate for investment. This will encompass issues such as tax incentives; reduction in bureaucratic procedures and regulations, clarification of land tenure and land access issues.

Product Strategy

The most ambitious task of the Tourism Master Plan is to formulate a product strategy and prepare a development programme that will set Tanzania on a trajectory that will ultimately lead to it becoming a world-class quality tourism destination that can meet all the holiday needs of individuals.

The competitive advantage of Tanzania lies, unambiguously, in the quality and range of the wildlife. This clear advantage is, at the moment, being squandered; the main beneficiary is Kenya with Tanzania a poor second. To turn Tanzania into a single holiday destination and reap all the benefits that flow from it, it is essential to expand the range of the product offering and upgrade the quality of supportive facilities. This necessitates adding beach and cultural products to the wildlife experience. These attractions have to be supported by facilities and services of the appropriate type and quality to meet the needs of the target market.

An important element of the product strategy will be introduction of a grading and classification system which reflects international standards and will be in harmony with the systems proposed for the East African Community countries.

Infrastructure Strategy

Investment in infrastructure – roads, airports, utilities, is a prerequisite to investment in the tourism superstructure of hotels, lodges, camps, etc.

Access Strategy

In order to further reduce the present dependence on Kenya as the main gateway for tourists to Tanzania, there is need to attract additional international flights to Kilimanjaro and Dar-es-Salaam international airports, and to improve the facilities at these airports. This will involve increased investment and additional marketing campaigns to airlines and the travel trade.

There is also a need to improve *internal* access by road, rail, air, boat to enable tourists to more easily visit parts of the country other than the Northern Wildlife Area.

Human Resource Development Strategy

Currently, Tanzania has insufficient trained personnel in its tourism sector and this is acute at supervisory and management levels. Tourism is a service industry and delivering a quality service is a prerequisite to ensuring that the customer obtains value-for-money. A substantial increase in the competitiveness of Tanzania is essential and, as has already been argued, this must come mainly from an improved overall product experience rather than a decrease in price. This approach requires a major investment in training of both existing staff and new entrants, including training a core of individuals who in turn will train others, as well as putting in place the necessary structures and educational facilities to meet all the tourism training needs of the industry from within Tanzania.

Security Awareness Strategy

Many factors are taken into account when choosing a holiday destination – scenery, climate, cost of travel, cost of accommodation, historical interest, value-for-money, etc⁵. However, the relative importance of these criteria vary by country

One of the effects of the terrorist attacks of September 2001 on the US is that ‘Safety and Security’ will become one of the most important factors influencing choice of destination, particularly for long-haul destinations. Tanzania will have to develop and publicize a security awareness programme covering airlines, airports, hotels, tour companies to assure potential travellers of their safety.

⁵ Source: Eurobarometer: ‘The Europeans on Holiday, 1997’

Marketing and Communications Strategy

The marketing strategy is to create awareness in the main source markets of Tanzania as a single holiday destination.

The primary tasks associated with this strategy are:

- develop an image of Tanzania as the leading wildlife destination in conjunction with quality resort tourism and diverse cultural interests
- identify and define the target markets
- devise a cost efficient means of communication with and influencing the identified target market segments
- support the promotional activities of the tour operators
- provide pre- and post-vacation services commensurate with the quality image of the destination
- improve data collection and information for decision-making purposes.

Capacity Building Strategy

For Tanzania to develop the tourism sector, an effective institutional framework and regulatory environment must exist in order to facilitate and encourage enterprise development.

The main tasks necessary to implement this strategy are to ensure that:

- the public and private sector organisations and agencies that contribute to tourism are properly organised
- the appropriate regulations, controls and safeguards are in place
- there is adequate funding for the relevant organisations and agencies.

It is important to note that the strength of the strategies adopted increases in proportion to the degree of synergy that exists between them. What is being sought is a situation where the overall impact of the combined strategies is much greater than the sum of the individual strategies.

PART IV : ACTION PLAN

ACTION PROGRAMMES

15. ACTION PLAN IMPLEMENTATION

14. ACTION PROGRAMMES

The successful realisation of the strategies outlined in the previous chapter is dependent upon the implementation of specific actions designed to drive each strategy. These actions are outlined below in the form of programmes. They are derived from the overall strategy and take into account the progress achieved with regard to the implementation of the original Master Plan priority action programmes (detailed in Annex 16.2) on the one hand and on the other the identification of new priorities.

Many of the recommendations of the Master Plan either have been, or are in the process of being, implemented. This applies particularly to the area of product and infrastructural development, but less so in the areas of knowledge and know how, marketing, training, capacity building and improving tourism's value added and linkages with other sectors of the economy. This is the focus of the action programmes, viz:

- Improving knowledge and 'know-how'
- Attracting capital investment
- Enhancing and expanding the tourism product
- Improving service standards
- Improving access transport
- Improving safety and security
- Creating greater market awareness
- Strengthening institutions and economic linkages

14.1 IMPROVING KNOWLEDGE AND 'KNOW-HOW'

Improving knowledge and know-how relates to establishing a statistical database, compilation of an inventory of resources, development planning and information systems.

Establish a Reliable and Comprehensive Tourism Statistical Data Base

There is need to establish a reliable statistical database for the tourism sector. The existing tourism statistics (including arrival statistics, accommodation statistics, and visitor survey statistics) are far from satisfactory in terms of coverage, accuracy and the timeliness with which they are published. A Working Group has been established to examine this issue and to advise on the development and implementation of improved systems, revision of the entry/departure cards, improvements to the existing bi-annual accommodation survey, conduct of a regular international passenger exit survey, and an inventory (databank) of tourism resources.

Undertake an Inventory of Tourism Resources

For effective development planning on inventory of tourism resources must be compiled and updated on a regular basis. This would involve not just an enumeration of the various resources, amenities and facilities – but also include a qualitative description.

Assess Tourism's Economic Significance

Research needs to be carried out on the economic impact and significance of the tourism sector, including the contribution it makes to GDP, foreign exchange earnings, employment, government revenues, etc., and its linkages with other sectors. A Working Group has already been established to develop a satellite account for the tourism sector within the national accounting system, an output of which will be a more robust measure of the industry's contribution to GDP.

Prepare Development Plans

The Tourism Division should take the lead in the formulation of plans for the development of the priority tourism zones identified in the Master Plan. This should include the North East Mountain and adjoining Coastal Zone; Bagamoyo, Dar-es-Salaam, Mafia Island and the Southern Wildlife Area.

The Tourism Division should be the conduit for informing those authorities responsible for the provision of road, rail, boat, power and other infrastructure of the requirements of the tourism sector. This can be done through the existing Tourism Facilitation Committee.

Set-up an Interactive Tourism Information System

Currently the Norwegian Government is providing technical assistance to the Tanzanian Tourist Board to set up a Tourism Information System.

SUMMARY OF ACTIONS REQUIRED

- establish a more reliable statistical database
- undertake an inventory of tourism resources
- assess tourism's economic significance
- prepare development plans
- set-up an inter-active tourism information system

14.2 ATTRACTING CAPITAL INVESTMENT

Based on an updated projected foreign bed-night demand of almost 5 million in 2005, the total hotel/lodge/tented camp room requirements are for some 12,000 rooms, of which an estimated 8,500 rooms would need to be of international standard by that year.

Of the 8,500 international standard rooms required, some 5,000 are currently operating to acceptable or near acceptable international standards, and approximately 500 are currently under construction or refurbishment. The development of the remaining 3,000 rooms that are required by 2005 will necessitate new capital investment either for refurbishment of existing rooms or construction of new rooms.

While there has been a considerable amount of new investment in recent years, particularly in and around Dar-es-Salaam and at places like Bagamoyo, the pace of investment needs to be increased if the targets of the Master Plan are to be met. This is particularly important with the increase in seat capacity to Tanzania by airlines such as KLM and British Airways.

It is the task of the private sector to invest in the product and to operate it commercially. It will do this provided there is a positive climate for enterprise development. The role of Government is to create the enabling environment that establishes an attractive climate for investment. This relates to all aspects of doing business, ranging from regulations governing the establishment of companies to the ease with which profits can be repatriated.

There is no doubt that the fiscal and investment legislation and regulatory initiatives introduced since the preparation of the Master Plan go a long way towards achieving the goal of creating a more friendly facilitative environment for private business. This includes establishment of an open market, privatisation of many state enterprises, removal of exchange controls, free repatriation of profits and dividends, the establishment of the Tanzanian Investment Centre (TIC) as an effective one-stop shop for new investors where they can meet with responsible officers from various regulatory government agencies (e.g. the Revenue Authority), and so on.

Although these developments have helped to stimulate increased investment in the tourism sector, both in new construction and refurbishment of existing properties, feedback from stakeholders indicates that there still are a number of issues to be addressed.

Rationalise Tax Regime for Industry

In the tourism sector, the fiscal regime is still far too onerous. The Master Plan drew attention to both the large number and high rate of taxes, licences and fees imposed on hotel and other operators, and suggested that this was contributing to higher prices in Tanzania compared with competing destinations. This is still a problem. It would appear that there has been little coordination between the various authorities in the

way these charges have been levied. With improved collection methods and reporting requirements, it is likely that the number and rates of taxes could be reduced while at the same time increasing the tax revenue yield.

Assess Financing Needs

In the Master Plan, it was recommended that there should be a study of the financing needs of the tourism sector to serve as a basis for deciding whether or not any new financing arrangements need to be put in place for start-up and existing small and medium enterprises, and how they would operate. This is still necessary. Inter alia, it would encourage greater involvement by indigenous Tanzanians as entrepreneurs in the tourism sector.

Review Investment Incentives

Related to this are the type of investment incentives provided in Tanzania for foreign investors, and how these compare with other countries in the region. The Master Plan concluded that the then investment incentive package had been effective since it had generated a high level of investment within the tourism sector. This conclusion needs to review whether Tanzania still offers a competitive and well-balanced package of incentives to investors.

Establish Investment Promotion Unit within the Tourism Division

As regards the encouragement of investment, the key role played by the Tanzania Investment Centre (and its predecessor the Investment Promotion Centre) must be acknowledged. They have been of major assistance to investors who would have had previously to communicate and negotiate with several government departments. Potential investors can now complete most of the steps needed to start-up a business at one location. TIC has also been pro-active in seeking out potential investors (e.g. through the identification of project opportunities) in mining, manufacturing and other economic sectors, but not yet in the tourism sector. This should be done in close cooperation with the Tourism Division by establishing an investment promotion section within the Tourism Division.

Preparation and Promotion of Product Profiles

There is a need to prepare detailed project profiles for specific investment or development opportunities in the tourism sector and to promote these opportunities to investors both within and outside Tanzania.

Investment Promotion Workshop

A workshop should be convened with the private sector to map-out with Government, the fiscal regime and tax incentives to be put in place to attract investment to the tourism sector. Investment opportunities should also be identified and an investment promotion plan formulated which would have significant private sector involvement.

SUMMARY OF ACTIONS REQUIRED

- Rationalise tax regime in relation to tourism enterprises
- Assess financing needs of small and medium tourism enterprises
- Review investment incentives
- Establishment of investment promotion section in the Tourism Division
- Preparation and promotion of product profiles for tourism sector
- Convene Investment Promotion Workshop to identify fiscal regime and package of incentives to attract investment, identify investment opportunities and formulate investment promotion plan.

14.3 ENHANCING AND EXPANDING THE TOURISM PRODUCT

Improve Quality Standards

It is generally agreed that Tanzania should continue to focus primarily (but not exclusively) on the quality end of the tourism market in keeping with the high value/low volume development philosophy. This means offering a high quality product, based on internationally recognised standards.

Establish Classification System

Currently, there is no accommodation classification system in operation in Tanzania. The purpose of a classification system is to signal to the potential customer or tour operator the type and quality of facilities and services to be expected. Otherwise, customers are purchasing a product sight unseen, although some will rely on word-of-mouth or guidebook recommendation and use of the internet.

The implementation of a nationwide accommodation classification and grading system is under active consideration within the Tourism Division at present and the Tourism Confederation. A regional working committee has been set-up under the aegis of the East Africa Community with representation from Uganda, Kenya and Tanzania to establish a uniform classification system for the region. In addition, there has been a study tour to South Africa to examine the system being used in that country. The French Government will provide some technical assistance to help develop the system.

The establishment of a classification and grading system will have the added advantage that it will identify existing standards throughout the accommodation sector and thus provide a reference point from which standards could gradually be improved. In time, the system could be extended to other sectors of the tourism industry, such as restaurants, ground tour operators, etc.

The licensing, grading and classification system will need to be backed up by a team of inspectors who would monitor and enforce standards

Enhance Quality of the Tourism Experience

Quality in tourism extends far beyond the issue of comfort which is mainly dependent upon the quality of facilities and services. It is also a matter of the quality of the tourism experience. The Master Plan strategy of expanding the range tourism products to include cultural tourism and beach tourism as well as the basic wildlife product is designed to meet this need and to make a visit to Tanzania an even more rewarding experience.

In Tanzania, tourism has principally drawn upon the spectacular wildlife areas of the country and, in consequence, there has been an impact on those communities with whom these resources have to be shared. Recently new approaches have been formulated which are more sensitive to community needs and their implementation augurs well for the harmonious development of Tanzania's tourism product.

Develop the Cultural Component of the Tourism Product

The main actions proposed in order to develop the cultural component of the tourism product are

- identification of restoration/conservation needs of historic and cultural sites in priority development zones and the implementation of restoration/conservation measures for selected sites
- the establishment of interpretative/exhibition centres for a number of themes - early man, rock art, slave trade, village life, etc. In certain strategic locations, these centres could form the nucleus of tourist service centres providing information, toilet and other facilities for visitors.

Protect the Environment from Degradation

It is also vitally important to ensure that the natural environment, on which most of Tanzania's tourism is totally dependent, is protected from overuse or inappropriate development. Already, parts of Serengeti are reaching full capacity (based on TANAPA's definitions of limits of acceptable use) during the peak season. According to foreign tour operators interviewed, Mt. Kilimanjaro is also overused. The situation will be exacerbated as, with the increase in airlift capacity, more tourists arrive at Kilimanjaro International Airport on KLM services, most of whom will want to visit Serengeti as well as the other national parks and climb Mt. Kilimanjaro.

The same issue may arise in certain coastal areas. Increasingly, tourism will seek resources in coastal areas for the development of complementary attractions to the classic wildlife product. This will lead to pressure on resources in coastal and island locations which may result in conflict with traditional patterns of land use.

The Tanzania Coastal Management Partnership (TCMP) is addressing this issue. TCMP is working with local partners (villages, districts and other ICM programmes) to ensure that

- (i) national policies and guidelines are followed at the local level, and
- (ii) national policies and guidelines are informed by activities at the local level.

Under the Local Government Reform Programme, local authorities are being given much more authority over their resources; TCMP's goal is to make sure they have the necessary tools and information to act in an environmentally and socially responsible manner. So, while local governments can, and do act independently of TCMP, the programme is trying to make sure they are basing their decisions on adequate knowledge and information.

Make Planning System more Transparent

There is also need to make the physical planning system more transparent, especially as regards the granting of permits for new hotel construction along the coastal zone. Local authorities may need to be given greater powers to enforce the regulations concerning environmental impact assessments and to take greater note of the concerns of local communities.

SUMMARY OF ACTIONS REQUIRED

- improvement of the physical quality of part of the plant in the accommodation sector, both through refurbishment and new development.
- specification of standards for different categories of accommodation and to classify and grade all establishments accordingly, taking into account the move towards harmonisation of these standards within the context of the East African Community.
- identification of restoration/conservation needs of historic and cultural sites in priority development zones and the implementation of restoration/conservation measures at selected sites.
- establishment of interpretative/exhibition centres for a number of themes - early man, rock art, village life.
- establishment of visitor service centres, providing information, toilet facilities and medical stations, etc., at particular strategic locations.
- study of mechanisms for improved management of visitor numbers at Mt. Kilimanjaro
- formulation of development plans for the coastland other priority zones
- establish licensing procedures which require users to take into account environmental impacts in sensitive zones, including environmental impact assessments for all major projects

14.4 IMPROVING SERVICE STANDARDS

There is a major requirement for training if the quality of the staff in the tourism sector is to be brought to an acceptable level. Existing training establishments do not have the capacity, trainers and/or facilities to undertake what is required.

Training on the scale required, particularly at craft level, cannot take place through the vocational school system alone which implies that there will have to be a substantial degree of on-the-job training. But this means that the trainers must first themselves be competent before they train anyone else.

Train-the-Trainer Programmes

What is required is the development of a cadre of top quality, practical Tanzanian supervisors, by firstly identifying skilled practitioners in the industry and then training them through train-the-trainer programmes on how to impart their knowledge and skill to others. They would continue to work at their usual job, but within their own establishment they would become the catalyst for training.

Training Plan and Policy Section

The training function with the Tourism Division should be strengthened in terms of staffing, material and operational resources. With the assistance of an Advisory Committee from the industry, the training unit should be responsible for:

- the identification of training needs
- help formulate curricula
- advise on the examination and approval of training establishments
- advise on nomination standards and awards
- co-ordinate the delivery of in-service training

Upgrade the HTTI

Key, of course, to the whole question of training for the tourism industry is the role of the Hotel and Tourism Training Institute. Now relocated to the Bandari College at Temeke in Dar-es-Salaam, there is an opportunity to modernise, upgrade and re-equip the school. It is understood that the Government of France may be prepared to assist with some of the costs involved.

Formalise and Upgrade Tour and Safari Guide Training

A programme to improve the quality of tour and safari guides needs to be established as a priority. A guide should receive a license only after the successful completion of a formal programme in tour guiding, with (ideally) external accreditation/ validation.

To maintain standards throughout the industry, an association of licensed tour and safari guides should be established

SUMMARY OF ACTIONS REQUIRED

- formulate a manpower training policy and plan
- secure a sustainable level of funding for tourism training
- establish a National Tourism Training Advisory Committee (NTTAC) made up of representatives from the tourism industry, the educational and training industry and the Ministry itself
- establish a Training Planning & Policy Section (TPPS) within the Tourism Division as a focal point for tourism training to formulate and oversee the implementation of national tourism training policy through liaison with VETA, NACTE and other appropriate national and regional bodies
- the TPPS should (guided and taking on board the comments of the NTTAC) carry out the following:
 - identify and prioritise tourism training needs on an ongoing basis
 - help formulate curricula, standards and syllabi for tourism training at all levels by cooperating with VETA, NACTE & HEAC if and when appropriate
 - ensure that the relevant body (VETA, NACTE & HEAC) examines and approves only the training establishments that meet the industry's desired standards of facilities, course content, instructor qualifications, etc....
 - advise on the examination standards and systems of awards for tourism training at all levels for both pre-entry and in-service employees
 - communicate effectively to the industry all developments in tourism training at national level and represent the views of the industry to all relevant education and training regulatory bodies
 - in response to training needs identified, co-ordinate the delivery of required in-service training throughout the country through train-the-trainer programmes
 - upgrade the Hotel and Tourism Training Institute at its new location
- provide a mechanism for management training of relevant personnel either at Utalii College in Nairobi as part of increased co-operation within the East African Community or through the development of appropriate facilities in Tanzania
- formalise and up-grade tour and safari guide training
 - establish tour and safari guide association

14.5 IMPROVING ACCESS TRANSPORT AND INFRASTRUCTURE

14.5.1 International Air Access

If visitors are to spend more time in Tanzania and to visit parts of the country other than the Northern Wildlife Area, additional direct flights will need to be attracted to Kilimanjaro International Airport (KIA) and Dar-es-Salaam International Airport (DIA).

Since the Master Plan was prepared, the access situation has improved somewhat. Although Lufthansa and Air France have withdrawn their services to Dar-es-Salaam, and Alliance Air has suspended its service from London, these losses have been offset by the expansion of KLM services (serving both KIA and DIA) from three flights per week to four flights per week (as from November 2000) with a further increase to daily service from 28th May 2001. The new frequency will represent an increase of some 52 percent in passenger capacity on the Schipol – KIA/DIA route.

British Airways has also increased its service to Dar-es-Salaam (via Nairobi) from two to three flights per week, in addition to the introduction of larger aircraft. There may even be a further increase in flight frequency (to four per week) but this has not been confirmed. Ethiopian Airlines may also increase its flight frequency to KIA and DIA, providing a cheaper service from Europe to Tanzania (via Addis) which is particularly attractive for backpackers and other budget travellers. New services by Emirates have made for access easier for visitors from both the Middle and Far East.

Furthermore, with the new open skies philosophy, it is possible that more international charter flights will also be allowed.

14.5.2 Developing Kilimanjaro International Airport as a Hub

Now privatised, Kilimanjaro International Airport is beginning to expand its role as gateway to the Northern Circuit:

- the runway has been resurfaced
- improved safety and navigation equipment has been installed
- some repairs have been made to the passenger terminal (but a general enhancement is needed)
- as already mentioned, additional international flights have been attracted (most notably KLM). This reflects the promotional campaigns by KIA to airlines and the travel trade.

During the course of the market survey among European and US tour operators, the issue of developing Kilimanjaro as a hub was investigated. The majority of respondents consider that Kilimanjaro has the potential, but a number of developments need to be put in place:

- improve airport size
- develop facilities – shopping centre, etc.
- reduce landing charges
- develop quality accommodation facilities close to the airport
- shuttle service to/from Aruba
- improve connections

14.5.3 Internal Access Infrastructure

There is also a need to improve *internal* access by road, rail, air, boat. Tourists need to be able to get to those places they would like to visit (or tourism planners would like them to visit) in reasonable speed, comfort and safety.

Significant improvements have already taken place (e.g. under the EU Serengeti project) and within the Selous Game Reserve. The roads from Dar to Morogoro and Bagamoyo are also being improved, while the new hydrofoil service between Dar-es-Salaam and Zanzibar provides a much faster service for visitors. Further improvements are required.

SUMMARY OF ACTIONS REQUIRED

International Air services

- encourage more carriers to serve Tanzania from other source markets
- facilitate charter flights under certain conditions
- proceed with privatisation of Air Tanzania

Domestic Air Services

- encourage more carriers
- improve economics of domestic air services by eliminating resident fares on a gradual basis, introduction of more appropriate-sized aircraft, etc.

Kilimanjaro International Airport

- competitive pricing of landing charges
- investment in navigation equipment, terminal buildings, etc.
- continuing marketing campaigns to airlines and the travel trade.
- matching investment in tourist facilities - hotels, restaurants, etc.
- improve facilities at airport – shopping, etc
- develop quality accommodation close to the airport
- improve connections to/from KIA
- provide shuttle service to/from Arusha

Airports

- establish priorities for investment in airports
- plan investment in the terminal buildings at Dar-es-Salaam and Kilimanjaro Airports to improve standards for passengers.

Roads

- further improvements are needed to provide the desired link between the Northern and Southern Tourism Circuits, both through Dodoma and along the coast
- the improved road from Dar-es-Salaam to Bagamoyo should be extended to the planned new national park at Saadani and continued to Pangani and Tanga
- various road works are also needed to link the national parks and reserves forming the core of the Southern Circuit (namely, Selous GR, Mikumi NP, Udzungwa NP, Ruaha NP and Rungwa Game Reserve).

Other

- improve access to Mafia Island which is presently constrained by the lack of an all-weather airstrip and a suitable boat harbour.

14.6 IMPROVING SECURITY

A security awareness programme will have to be established to re-assure potential tourists of their safety while travelling to and staying in Tanzania. Since the issue of safety and security encompasses more than the tourism industry, the programme should be set-up under the direction of the Presidents' Office or the Ministry for Defence.

The programme itself will involve a wide range of stakeholders. In tourism, these will include airlines, airports, hotels, ground tour operators.

14.7 CREATING GREATER MARKET AWARENESS

14.7.1 Reorganisation of TTB

The level of awareness of Tanzania in international tourist markets is still very limited. TTB does the best it can, but has very limited resources. TTB currently receives about US\$1.75 million annually to undertake its function of national tourism promotion. As this budget has to cover personnel costs, administration, etc., about \$1.3 million remain to undertake a national marketing campaign. This is insufficient for one main source market, let alone five or six major source markets.

The existing supply of promotional material is nearly exhausted and needs to be both replenished and greatly augmented. This includes brochures, maps and general tourist information materials.

More research is needed to learn about both the customer. Market demand studies need to be carried out in the major source markets to provide information on potential tourists' perceptions, attitudes, holiday requirements, etc.

A more pro-active use of the Internet to promote Tanzania is required. The existing web-site needs to be upgraded and linked to other industry sites and platforms.

Improved overseas representation is also needed. Apart from New York, Tanzanian tourism has no dedicated representation in overseas markets. As a result, the task of providing tourism information is left to diplomatic and trade missions, for whom this is not a priority.

There is a need to formulate an overall marketing strategy and plan, based on a realistic, sustainable budget.

14.7.2 Image Creation

Following discussions with European and US tour operators, the image recommended for Tanzania is one of an eco-tourism destination, emphasising the abundance of wildlife and diversity of the landscape which is ‘wilder’ than Kenya – a ‘true safari’ destination. Tanzania should also advertise the fact that it is not a mass tourism destination and that it is an ideal base for activity holidays, e.g., walking, trekking, canoeing, horse-riding, etc. Tanzania’s unspoilt natural environment and beautiful beaches should also be highlighted.

14.7.3 Holiday Fair Tanzania

An annual ‘holiday fair’ or exhibition should be established. This would bring together the tourism product producers in an exhibition hall and be given to members of the public. Because of the population concentration, it should be located in Dar-es-Salaam. The exhibition would include not just hotels, but also lodges, camps, handicraft procedures, etc. The exhibition should be organised over a weekend to facilitate attendance by the public and should begin with travel trade days, when the exhibition would only be open to local ground tour operators and invited foreign tour operators.

SUMMARY OF ACTIONS REQUIRED

- undertake market demand studies in main source markets
- formulate a coherent marketing strategy, plan and budgets
- create a new brand image for Tanzania
- produce an attractive and high quality set of collaterals
- implement advertising and public relations campaigns aimed at both consumers and trade
- more effective use of internet in the marketplace to promote and distribute the Tanzanian tourism product. The existing TTB website needs to be further developed.
- establish overseas representation; the establishment of costly overseas offices is not recommended; rather, TTB should appoint local representative agencies in key markets whose main purpose would be to familiarise tour operator and travel agency staff with the Tanzanian tourist product, counter the PR damage caused by adverse travel advisories, help to coordinate participation at important tourism trade fairs, and organise media and travel agent familiarisation visits.
- participate at the major international tourism fairs
- open tourist information outlets (TIOs) in Dar-es-Salaam and other tourist centres
- organisation of an annual Tanzania Holiday Fair

14.8 STRENGTHENING INSTITUTIONS AND ECONOMIC LINKAGES

Strengthening Public Sector Institutions

The aim of the public sector institutional strengthening programme is to expand the capacities of the MNR&T (primarily, the Tourism Division) and the TTB to fulfil their respective functions. Currently, the TTB is grossly under resourced in terms of manpower and funding, as is the Tourism Division. While the tourism infrastructure and superstructure (refurbishment and investment in new hotels, the expansion of international air access and the development of the road network) is gradually being put in place which will facilitate the implementation of the tourism development strategy recommended in the Master Plan, the same progress has not been made with regard to the development of institutional capacity in the public sector.

Review and Update Legislation

This is fundamental and should not be limited the laws and regulations in respect of licensing, grading and classification, etc. but should include the laws relating to the acquisition and development of property, development planning regulations, land use and land tenure.

Tourism Confederation of Tanzania

There is now need to strengthen the capacity of the TCT as well as other agencies and institutions representing stakeholders in the tourism industry. Specific measures that could be undertaken to assist and strengthen the TCT include

- advice on organisation, activities and financing
- the design and production of a members' directory and product manual for distribution
- consumer and trade market research
- design and production of newsletters
- organise a 'Tanzania Holiday Fair' for public and trade participation

Because of the importance of tour guiding to the operating of the holiday experience, a Tour Guide Association should be established, to represent accredited/ recognised tour guides.

Strengthening Linkages With Other Sectors of the Economy

To maximise the socio-economic benefits of tourism as much as possible, the revenues received from international tourism must remain within Tanzania and not leak out of the economy to pay for imported goods or services to meet the needs of tourists.

The primary tasks associated are to:

- identify all imported inputs to tourism and the extent to which these could be supplied by Tanzanian companies
- communicate the opportunities that exist to substitute imported goods consumed by the tourism sector with those produced in Tanzania
- identify ways in which indigenous products could be sold to tourists can be expanded

Organisation of an exhibition whereby the tourism industry would show the items/products which it imports, indicating the range and quantity of purchases to potential Tanzanian suppliers.

SUMMARY OF ACTIONS REQUIRED

Strengthening Public Sector Institutions

- review role, functions, organisation of TTB
- improve operational efficiency of Tourism Division
- review and update legislation and regulations
- management training and study tours for Tourism Division and TTB personnel
- clarification of laws in relation to land use and local tenure

Strengthening Private Sector Institutions

- assist the Tourism Confederation of Tanzania re:
 - advice on organisation, activities and financing
 - the design and production of a members' directory and product manual
 - consumer and trade market research
 - design and production of newsletters.
- establish Tour Guide Association

Strengthening Linkages with Other Sectors of the Economy

- identify all imported inputs and extent to which they could be supplied by Tanzania
- communicate these opportunities to Tanzania productive sector
- improve merchandising of indigenous products that could be sold to tourists
- organisation of 'import substitution' exhibition

15. ACTION PLAN IMPLEMENTATION

15.1 POLICY ISSUES

There are a number of policy issues which the Government of Tanzania must address as they underpin the successful implementation of the Tourism Master Plan. These policy issues concern:

- role of the public sector
- funding and respective roles of the Tourism Division and the TTB
- encouraging investment and enterprise development
- pricing with regard to use of natural resources
- empowerment of local communities
- air transport and developing Kilimanjaro as an international gateway.

Role of the Public Sector

The role of public sector in tourism varies throughout the world. Generally speaking the commercial aspects of tourism are operated by the private sector while the non-commercial aspects, such as destination marketing, are the responsibility of the public sector.

In Tanzania, it is recommended that the role of the public sector in tourism should encompass:

- infrastructural investment
- registration, grading and inspection
- development planning
- manpower planning and training
- destination marketing
- enterprise development
- security awareness

Funding and Respective Roles of the Tourism Division and the TTB

Both the Tourism Division and TTB receive very limited funds from Government. The result is that they cannot undertake their roles effectively.

- the human resource development function is understaffed.
- office equipment is required in terms of computers, printers, photocopiers, air conditioners, report binders, etc.
- the planning function is under resourced as are the statistics and research functions.
- lack of resources has impeded the implementation of a hotel grading and inspection system
- the marketing function is under resourced.

In the medium to long term, an important issue to be decided concerns the division of responsibilities between the Ministry and the implementing agencies, such as the Tourist Board. Generally speaking:

- policy formulation is seen to be responsibility of the government ministry or division responsible for tourism
- policy implementation is seen to be primarily the responsibility of separate organisations or agencies usually established by a statutory act, and reporting to the ministry responsible for tourism.

However, this division of roles/responsibilities between a Ministry and the NTO is not uniform throughout the world. Allocation of roles/responsibilities depends on a number of factors, the two more important being the stage of development of the tourism sector and the status and stage of development of the national tourism organisation.

Currently, Tanzania is at a transition stage from being an emerging destination to a developing destination. A national tourist organisation (the TTB) has been re-established and is responsible for destination marketing and market research. The Ministry (through the Tourism Division) has retained the responsibility for tourism statistics, training, licensing, grading, inspection and development planning.

The Master Plan recommended that this division of responsibilities should continue in the medium term, at least until such time as the TTB builds up its institutional capacity to absorb other functions.

Encouraging Investment and Enterprise

A crucial role of Government is the encouragement of enterprise development. This involves the establishment of a positive climate for investment and the encouragement of entrepreneurship.

Price Control

Tanzania has a two-tiered pricing structure for tourism services which includes the accommodation sector. The most expensive level is levied on non-residents. The least expensive is available to residents only.

The tiered price system should be phased out over time for both accommodation and air services. Essentially, tariff differentials should be geared towards stimulating demand (e.g., in the off-season) rather than diluting revenue.

Empowerment of Local Communities

The framework for empowering local communities has been put in place through the designation of Wildlife Management Areas, which have community-based conservation programmes as their core activity.

Since 1996, a considerable number of activities have been initiated in the area of community-based tourism development under the aegis of TANAPA, the Marine Parks and Reserves Board, USAID/AWF and the Dutch-funded Cultural Tourism Programme. These initiatives (described in more detail in Annexe 16.2) should be continued and expanded.

However, as indicated earlier, this will necessitate the resolution of the conflict of interest in many wildlife areas between hunting operations and non-consumptive tourist activities. As the capacity utilisation of the national parks reach maximum sustainable levels, this issue will become critical since the game reserved areas and their hinterlands are the only immediate areas capable of supporting / facilitating the expansion of the game-viewing safari product. (Other possibilities are the development of game ranches as in South Africa and Zimbabwe). Resolving the issue of the non-consumptive versus consumptive use of Community lands will also necessitate clarification of the Wildlife Act of 1974 and the Village Act of 1982.

15.2 TOURISM PLAN SCHEDULE

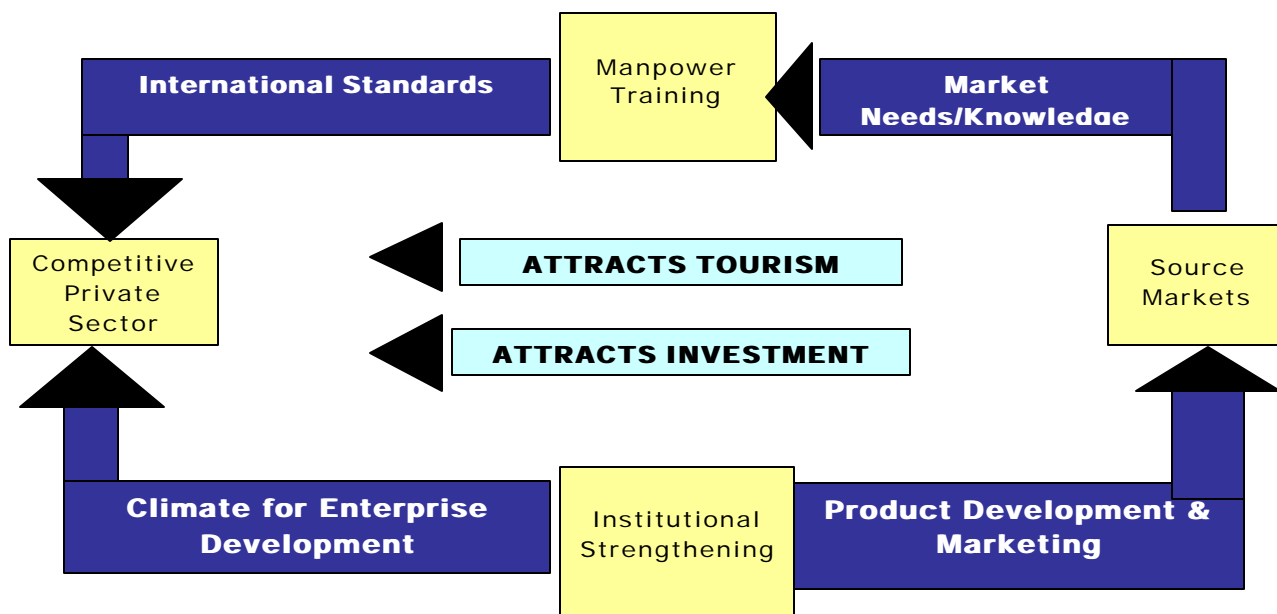
An issue of concern to tourism planners is how to sequence the recommended action programmes. Should the tourism product be expanded and standards improved prior to, or after, the establishment of a marketing campaign? Should institutional development and the creation of an environment conducive to enterprise development precede product development and marketing? The greatest consensus appears to be to do all at once. This is not as simplistic as it appears at first sight. Because all the action programmes are so interlinked, trying to identify the best sequence is not a realistic goal. No single measure can bring much benefit without at least some progress in respect of the other actions.

In this sense, it is more instructive to view the development of the tourism sector as a *process* rather than as a sequence of activities.

Establishing the appropriate institutional arrangements (policies, laws, incentives, etc.) will create the climate for enterprise development within Tanzania on the one hand, and on the other, ensure the promotion of the country as a holiday destination in the different source markets. Manpower training, involving the transfer of knowledge and technology will ensure that the tourism industry can meet international standards of service and customer care. The combination of a trained workforce and the appropriate institutional arrangements will result in a competitive private tourism sector, attracting foreign investment and be attractive to holidaymakers.

This process is illustrated in the following chart.

Chart 15.1: Tourism Development Process



15.3 RESPONSIBILITY FOR TOURISM PLAN IMPLEMENTATION

Responsibility for overseeing the implementation of the Plan rests with the Ministry of Natural Resources & Tourism. However, as the Ministry has only direct control over those agencies that come directly within its ambit, a significant part of the task of implementation depends on MNR&T co-ordinating with other Government Ministries and Departments, and donor agencies.

It is clear that MNR&T will need additional training and external assistance to oversee the implementation of the Plan. The Plan and its component programmes will have to be continually managed and monitored if implementation is to be successful.

The Master Plan recommended the establishment of a separate Programme Co-ordination Unit (or Section) within the Tourism Division. Attached to the unit should be an expert in tourism management and administration to assist the Ministry in the implementation of the Plan.

15.4 PLAN COSTS AND FINANCING

The public sector cost of implementing the Tourism Plan was originally estimated at just under US\$110 millions over the 10-year period of the Plan. Of this, an estimated US\$85 millions was in respect of infrastructural investments - airports, road facilities, etc.

Taking into account developments in the intervening period, it is estimated that the public sector cost of implementing the Master Plan update (excluding infrastructure and private sector investment in accommodation and other facilities) is in the order of US\$15 million. The breakdown of these costs is shown on the following table.

Table 15.1: Total Public Sector Investment 2002-05* - \$000s

Component	Human	Material	Operational	Total
Institutional Strengthening	1,500	300	300	2,100
Product Development	1,600	2,200	800	4,600
Marketing & Promotion	900	2,200	2,200	5,300
Human Resources Development	2,000	1,000	-	3,000
Total	6000	5,770	3,300	15,000

Notes

- (1) figures are indicative, pending the outcome of detailed feasibility studies and plans (e.g. for interpretative centres)
- (2) the cost of a new Hotel Management Training Facility is not included at this stage, pending preparation of capital and operating budget for HTTI at the proposed new location
- (3) some cost items will be met through the ongoing EU Institutional Strengthening programme.
- (4) tourism infrastructure or private sector costs are not included

The sources of finance for the implementation of the Tourism Plan are:

- multilateral aid programmes - European Union, World Bank, etc.
- bilateral aid programmes
- public funds in Tanzania
- private funds in Tanzania
- private foreign investment.

The extent to which support will be forthcoming from bilateral and multi-lateral sources will necessitate discussions at Government level.

15.5 RECOMMENDED PRIORITY ACTION PROGRAMME 2002 - 2003

The priority actions to be undertaken during the first two years of the plan are summarised on the following table.

Table 15.2: Summary Of Recommended Priority Action Programmes, 2002-03

<i>Programme</i>	<i>Actions</i>	<i>Agents</i>
Improving Knowledge and Know-How	<ul style="list-style-type: none"> • Statistical database • Inventory of resources • Economic significance • Market Research • Tourism Satellite Accounts • Tourism information system 	<ul style="list-style-type: none"> • Tourism Division • National Bureau of Statistics • Central Bank of Tanzania • EU-TDP • NORAD • Working Group Statistics
Attracting Investment Capital	<ul style="list-style-type: none"> • Rationalise tax regime • Review of investment incentives • Assess financing needs of SMEs • Eliminate price tiering • Establish tourism investment promotion unit in the Tourism Division • Convene Investment Promotion Workshop 	<ul style="list-style-type: none"> • Ministry of Finance • EU-TDP • Tourism Division • Tanzania Investment Centre • Tanzanian Tourist Board • Tanzanian Tourism Confederation
Enhancing and Expanding the Tourism Product	<ul style="list-style-type: none"> • Introduction of accommodation grading & classification system • Development plans for <ul style="list-style-type: none"> - Southern Circuit - Northern Circuit - Coastal Zone • Preparation of selected product profiles - golf, soft adventure • Conservation/preservation plans <ul style="list-style-type: none"> - Mount Kilimanjaro - Old City of Bagamoyo - Kilwa 	<ul style="list-style-type: none"> • Tourism Division • EU-TDP • Antiquities Division • Tanzania Tourist Board • Tanzania Tourism Confederation • Government of France • JICA
Improving Service Standards	<ul style="list-style-type: none"> • Formulate manpower training policy and plan • Strengthen HRD planning within Tourism Division • Establish national curriculum • Organisation, review and upgrade/rehabilitation of HTTI • Establish train-the-trainer programmes • Establish tour guidetraining programme • Organise modalities for management training 	<ul style="list-style-type: none"> • Tourism Division • EU-TDP • HTTI • Tanzania Tourism Confederation • Government of France
Improving Access and Infrastructures	<ul style="list-style-type: none"> • Formulate air access transport policy and plan • Attract more international carriers • Develop KIA as a 'hub' • Improve domestic air services • Identify road network improvements to facilitate tourism development 	<ul style="list-style-type: none"> • Tourism Division • Tanzanian Tourist Board • EU-TDP • TCAA • KIA

Improving Security	<ul style="list-style-type: none"> • Establish security awareness plan 	<ul style="list-style-type: none"> • Presidents' Office • Ministry of Defense • Ministry of Natural Resources & Tourism
Creating Greater Market Awareness	<ul style="list-style-type: none"> • Market demand survey among tour operators • Formulate marketing strategy and plan • Upgrade/extend national web-site and link to other sites/platforms • Create new brand image • Production of new set of collaterals • Organise annual Tanzania Holiday Fair • Improve visitor facilitation – TIO at DIA, KIA & Dar • Implement adequately funded marketing campaign 	<ul style="list-style-type: none"> • Tourism Division • Tanzania Tourist Board • Tanzania Tourism Confederation • EU-TDP • KIA, DIA
Strengthening Institutions and Economic Linkages	<ul style="list-style-type: none"> • Organisational review of TTB to include role, functions and funding mechanism • Organisational review of Tourism Division to include role, functions and funding sources • Review of legislation and regulations <ul style="list-style-type: none"> - Hotels Act - Tourist Agents Licensing Act • Clarify land use and tenure laws • Support to Tourism Confederation - trade material <ul style="list-style-type: none"> - newsletter - technical assistance - travel fair/ exhibition • Establish tour guide association • Identify and promote economic linkages between tourism and other sectors of economy 	<ul style="list-style-type: none"> • Tourism Division • TTB • Tanzania Tourist Board • Tanzania Tourism Confederation • Tourism Suppliers

16. ANNEXES

16.1 TOUR OPERATORS ASSESSMENT OF DEVELOPMENT POTENTIAL OF OTHER AREAS

16.2 PROGRESS SINCE 1996 ON TOURISM PLAN IMPLEMENTATION

Annex/Table 16.1: Tour Operators Assessment of Tanzania's Development Potential

Area	Difficulties	Devpt. Potential % of Respond'ts	Suggestions
Mkomazi/Usambaras	<ul style="list-style-type: none"> ▪ Limited Market Knowledge ▪ Access Difficulties ▪ Lack of Travel Trade Knowledge ▪ Low Demand ▪ Lack of Adequate Accommodation ▪ Expensive 	52	<ul style="list-style-type: none"> • Increase marketing activities • Promote attractions such as Pare tribe and rhino project • Improve access • Improve accommodation
Tanga	<ul style="list-style-type: none"> ▪ Limited Market Knowledge ▪ Access Difficulties ▪ Lack of Travel Trade Knowledge ▪ Low Demand ▪ Lack of Adequate Accommodation ▪ Competition from other areas 	19	<ul style="list-style-type: none"> • Improve infrastructure • Improve accommodation base – develop smaller resorts
Southern Circuit	<ul style="list-style-type: none"> ▪ Limited Market Knowledge ▪ Access Difficulties ▪ Lack of Travel Trade Knowledge ▪ Low Demand ▪ Lack of Adequate Accommodation ▪ Expensive 	80	<ul style="list-style-type: none"> • Improve air access and connections • Improve infrastructure, especially roads • Increase marketing activities • Investment in area to improve standards • Improve value for money • Ensure it doesn't become overcrowded like Northern Circuit
The Coast	<ul style="list-style-type: none"> ▪ Limited Market Knowledge ▪ Access Difficulties ▪ Lack of Travel Trade Knowledge ▪ Low Demand ▪ Lack of Adequate Accommodation ▪ Competition from other areas ▪ Expensive 	8	<ul style="list-style-type: none"> • Improve accommodation, increase variety of hotels, concentrate on developing smaller resorts • Mafia should concentrate on attracting the dive market • Improve services
Bagamoyo, Saadani	<ul style="list-style-type: none"> ▪ Limited Market Knowledge ▪ Access Difficulties ▪ Lack of Travel Trade Knowledge ▪ Low Demand ▪ Lack of Adequate Accommodation 	23	<ul style="list-style-type: none"> • Improve access • Increase marketing activities – market to special interest groups • Improve services in the area • Improve accommodation

16.2 PROGRESS SINCE 1996 ON TOURISM PLAN IMPLEMENTATION

The Master Plan was intended to cover the period 1996-2005. Implementation was set out in a series of action programmes which would be undertaken during the three phases of the plan period.

Phase I

During the first phase, the focus was to be on *organising for growth*, the priority actions being:

- Government approval of the Integrated Tourism Master Plan
- publication of Plan
- consensus and support for strategy and actions
- institutional arrangements for plan implementation to be set up
- finalisation and publication of the national tourism policy
- Tourism Division to be restructured
- reliable statistical data base to be established
- streamlining of TTB organisational structure
- institutional strengthening and increased funding for the Tourism Division and TTB
- formulation of development plans for Southern Circuit and North-East Mountains & Coast Zone
- institutional structures for human resource development to be established
- legal and regulatory framework to be reviewed
- visitor facilitation to be improved
- market demand, strategy and action plan to be undertaken
- creation of marketing concepts and use of Internet
- identification and conservation/restoration of selected historical/cultural sites
- security awareness programme to be established

The extent to which progress has been achieved in respect of these actions is highlighted in *italics* on the following paragraphs.

(i) Master Plan Approval, Publication and Industry Consensus

The Integrated Tourism Master Plan was accepted by the Government. Some 1,500 copies of Vol. 1 (summary and action plan) was printed and widely distributed among Government Ministries, donor agencies, key industry stakeholders and potential investors.

Under the aegis of the Ministry of Natural Resources & Tourism and the Delegation of the European Commission an industry symposium was convened in April 1997, at which all key tourism industry stakeholders were represented as well as embassies and/or relevant donor agencies. Arising from the deliberations of the symposium a consensus and support for the strategy and priority action was established. Support was sought from donor agencies for the financing/implementation of the various priority actions. Some support did materialise, mainly for the manpower training (Irish Government) and

(ii) Institutional Arrangements for Plan Implementation

The institutional arrangements necessary for Plan implementation were stated to be:

- a) Establishment of a separate Programme Coordination Section within the Tourism Division to be responsible for co-ordination of technical assistance programmes established by various support agencies to assist in the implementation of the Master Plan;
- b) Expansion of the role of the Tourism Facilitation Committee under the chairmanship of the Permanent Secretary of the MNR&T to have a coordinative role with the other ministries and agencies who are involved or affected by the implementation of the Plan's actions;
- c) Establishment of a National Tourism Council, which would represent the "voice" of the tourist industry at national level and at private sector level, oversee the coordination of tourism developments at both community and regional levels.

A separate Programme Coordination Section has not yet been established within the Tourism Division. At present, this function is performed by the Director of Tourism, assisted by the relevant staff members. With increasing involvement by donor agencies in the tourism and tourism-related sectors, it has become increasingly important to establish a separate Programme Co-ordination Section within the Tourism Division to work in parallel with the Programme Management Unit (PMU) for the EU funded Institutional Strengthening Programme in Tourism.

The Tourism Facilitation Committee continues to meet on an ad hoc basis.

The Tourism Confederation of Tanzania (TCT) has been established to represent the interests of the tourism private sector, in particular the members of the following constituent associations: Tanzania Association of Tour Operators (TATO), Tanzania Association of Travel Agents (TASOTA), All Africa Travel and Tourism Association

(AATTA), Hotelkeepers Association of Tanzania (HKAT), Tanzania Air Operators Association (TAOA) and the Tanzania Hunters Association (TAHOA).

(iii) Finalise and Publish a National Tourism Policy

The National Tourism Policy was published in September 1999. This is a revision of the first National Tourism Policy adopted in 1991.

(iv) Restructure the Tourism Division

To facilitate the effective implementation of the Tourism Division's responsibilities, including the implementation of the Plan, it was recommended that the Division's organisational structure should be reorganised into the following five sections:

- programme coordination
- tourism policy and facilitation
- manpower planning/training
- registrar/licensing and inspectorate
- investment promotion/privatisation.

It was further recommended that the responsibility for antiquities and handicrafts (currently with the Ministry for Education) should be transferred to the Tourism Division to constitute an additional section.

The Tourism Division has since been restructured into the following sections:

- *administration and accounts*
- *tourism development*
- *research, training and statistics*
- *licensing and control*

The Principal of the Hotel & Tourism Training Institute (HTTI) is also a member of the staff of the Tourism Division.

Programme Coordination and Investment Promotion have yet to be established as separate sections within the Tourism Division.

Antiquities has been established as a new Division within the MNR&T, while Handicrafts remains with the Ministry of Education.

(v) Establish a Reliable Statistical Data Base on Tourism

Because of the lack of reliable data on the characteristics of tourism demand to Tanzania, the following measures were recommended:

- revision of the entry/departure cards so that more relevant information is collected from visitors;
- improve the quality of the bi-annual accommodation survey;
- conduct of a regular international passenger exit survey which would collect information on the characteristics of tourists, expenditure, accommodation used, activities undertaken, etc.
- inventory of resources involving a data bank on the various enterprises, attractions etc., comprising the tourism sector.

A significant initiative is now underway to improve the quality of the tourism statistical data base. The Government has approved the establishment of a Tourism Satellite Account (TSA) which will necessitate the setting-up and implementation of a Visitor Exit Survey and a survey of over 600 tourism related establishments. To oversee the implementation of this initiative a Working Group, comprising of representatives of the National Bureau of Statistics, the Bank of Tanzania and the Tourism Division, has been established.

Work has also begun on the design of a Management Information System for the Ministry of Natural Resources & Tourism. This project is being supported by NORAD though it is anticipated that the implementation cost of a fully integrated management information system for the entire Ministry will be about US\$850,000 (excluding the cost of recruiting and training IT personnel). It has been suggested that a multi-donor strategy should be considered as a way of financing project implementation.

(vi) Streamline Tanzania Tourist Board Organisational Structure

In anticipation of support funding for a more comprehensive marketing campaign in the source markets, the Master Plan recommended the streamlining of the organisational structure of the TTB so that it could fully respond to the needs of the industry.

The Tourist Board has been significantly reduced in size, in terms of personnel. A comprehensive review of the role, functions and funding of the TTB is urgently required.

(vii) Institutional Strengthening and Increased Funding for the Tourism Division and the Tanzania Tourist Board

To increase the capacity of both the Tourism Division and the TTB to fulfil their respective functions, it was recognised that institutional strengthening would be required in terms of technical expertise, “know how” transfer, basic office equipment (PCs, photocopiers, fax, etc) and vehicles (particularly for product inspection trips).

Moreover, the Government of Tanzania would need to provide additional funds for both organisations to pay for the extra staff and activities necessary to implement the various action programmes of the Tourism Plan.

While there have been modest increases in the sums allocated to the Tourism Division and TTB budgets, Government has yet to provide sufficient additional funds for both organisations to pay for extra staff and activities necessary to implement the various action programmes of the Master Plan.

(viii) Formulate Development Plans for the Southern Circuit and North East Mountains & Coast Zone

Since the Master Plan could only be indicative in respect of proposals for the development of particular circuits, zones or areas, it recommended the preparation of detailed development plans for the zones (i.e. North East Mountains & Coastal Area and Southern Wildlife Area) crucial to the development of the two major circuits to be developed in the lifetime of the Master Plan - the Northern Circuit and the Southern Circuit.

In addition, the Master Plan assumed that detailed plans for coastal locations would be formulated within the framework of the then on-going Coastal Zone Integrated Development and Management Programme, including

- the Coastal Administrative Area Tourism Strategy Plan (with three separate components)
- Tourism Waterfront Strategy for Dar-es-Salaam
- Tourism Development Plan for the Islands and Marine Resources
- Local Area Tourism Plan for Pangani
- Local Area Tourism Plan for Kilwa

Since 1996, the following plans have been prepared:

- *Tourism Plan for the Northern Sector of the Selous Game Reserve (GTZ/Price Waterhouse, June 1997)*
- *Mafia Island Marine Park General Management Plan, (June 2000); one of the recommended strategies for achieving the objectives of the General Management Plan for Mafia Island Marine Reserve is the development of a Tourism Management Plan*
- *A Tourism and Conservation Master Plan for Kilwa (with assistance from the French Government); the Governments of France and Japan will work together to implement a rehabilitation and tourism promotion project for Kilwa (with further contributions from UNESCO and the Tanzanian Government).*
- *A Conservation Study for Bagamoyo (with assistance from SIDA and GTZ); SIDA and GTZ are providing further support to the Antiquities Division for the rehabilitation of some of the historic buildings in Bagamoyo.*

The Tanzanian Coastal Management Partnership (TCMP) was initiated by the Vice President and the NEMC in 1997 to review, together with USAID and the University of Rhode Island, the management of the entire Tanzanian coastline from the border with Kenya to the border with Mozambique. The aim is to produce guidelines for the development of the coastline. A separate Task Force was established in 2000 to set guidelines for coastal tourism development.

However, waterfront development falls under the responsibility of individual municipalities and district councils who can (if they wish) act independently of the TCMP. For example, the Dar-es-Salaam Waterfront Strategy is being implemented by the Dar-es-Salaam City Council while the Kinondoni Municipal Council is responsible for drawing up the Oyster Bay beach management plan.

(ix) Establish the Institutional Structures for Human Resource Development

It was anticipated that improving service standards would necessitate considerable investment in manpower training involving:

- the setting up of a manpower planning/training section within the Tourism Division;
- formulation of a manpower training policy and plan;
- establishment of a Curriculum and Certification Board under the aegis of the Tourism Division;
- rehabilitation/upgrading the Hotel and Tourism Training Institute involving provision of equipment/trainers etc.; and
- assessment of the feasibility of establishing a Hotel Management Training Facility.

Manpower Planning/Training Section

Under an Irish Aid project, a Tourism Training Unit (TTU) was established within the Tourism Division, comprising both expatriate and local counterpart staff. On the termination of that project, the TTU has been absorbed within the Research, Training and Statistics Section of the Tourism Division. Apart from the HTTI Principal, no other member of the TD staff is presently engaged in the delivery of tourism training.

Manpower Training Policy and Plan

A number of short training courses were provided under the Irish Aid programme, while a partial training needs assessment was carried out as part of the feasibility study for establishing a Hotel Management Training Facility.

Curriculum and Certification Board

The Curriculum and Certification Board has not yet been established. More consideration needs to be given as to how it would be funded since, at present, all training levies are payable to the Vocational Education Training Authority (VETA).

Some work on curriculum development was done under the Irish Aid project (food production and front office) while a British aid expert will provide further assistance from April 2001.

HTTI Rehabilitation/Upgrading

It has now been decided to re-locate the Institute to the premises of the Bandari College in the Temeke district of Dar-es-Salaam.

The Government of France has invited the Ministry to submit a budget proposal to convert the current Bandari College to “an ideal hospitality and tourism college” covering both rehabilitation and equipment needs.

Management Training

The Master Plan had recommended both short-term and long-term measures for the delivery of management training for the tourism sector:

(i) Short term

Provision of management training scholarships for 10 persons a year over seven years.

Under the Irish Aid project, management training scholarships have been provided for a number of young Tanzanians, but there is no provision for the continuation of this programme.

(ii) Long term

The Master Plan recommended that a new Tourism and Hotel School be built in Arusha capable of providing training in tourism and hotel management to degree level.

It was recommended that a full feasibility study should first be carried out, after which (assuming a positive recommendation) design and construction could commence.

The feasibility study has been completed by a Tanzanian company (TISCO), but it was based on the assumption that the facility would be established at a new site in Bagamoyo rather than Arusha. At this point it is not whether the budget proposal that is to be submitted to the French Government in respect of the new hospitality and tourism facility at Bandari College will include provision for hotel management training.

(x) Review Legal and Regulatory Framework

Though considered adequate for the immediate future, the Master Plan recommended that the set of laws and regulations which govern the tourism sector should be reviewed and (where necessary) updated, including the Tanzania Tourist Board Act, 1992 (which is an amendment to the 1962 Tanganyika Tourist Board Act); the Hotels Act, 1963; the Hotel Levy Act, 1972; and the Tourist Agents Licensing Act, 1969, as well as regulations such as the Hotel Regulations, 1982.

It was also recommended that environmental legislation should be enacted, including the introduction of legislation specifically relating to coastal areas and the regulation of casinos.

All legislation, including tourism legislation, is being reviewed (and will be revised, if necessary) by the Law Reform Commission but, because of lack of funds, the Commission is encouraging each Ministry to be responsible for the review of legislation specific to its own functions and responsibilities. MNR&T therefore needs technical assistance to review tourism-specific legislation, especially as regards the operation of the Hotels Act and the Travel Agents Licensing Act, and the regulation of casinos.

Environmental legislation also needs to be reviewed, especially the enforcement of regulations, EIA arbitration and the respective roles and responsibilities of the various environmental institutions and agencies.

Under the Hotels Act of 1963, the National Hotels Board is mandated to classify, grade and inspect hotels, but until now, Tanzania has never graded its accommodation. However, the Tourism Division, which provides the Secretariat to the dormant National Hotels Board, has recently taken steps designed to introduce a hotel grading system during 2001.

It is planned to introduce the grading system – based on the South African model – gradually, starting with only two categories (full service hotels and game lodges/tented camps) in eight selected regions which are regarded as the main existing or potential tourist areas in the country (Arusha, Kilimanjaro, Dar-es-Salaam, Tanga, Morogoro, Mwanza, Mbeya and Dodoma).

The following implementation programme has been set out:

- i. establishment of accommodation inventory*
- ii. training of hotel inspectors (including attachments)*
- iii. produce criteria for classification*
- iv. conduct workshops with stakeholders*
- v. classify accommodation establishments in at least the eight selected priority regions*

The budget (including two vehicles and computers) has been provisionally estimated at Tsh 560 million, but this does not include the cost of the additional staff (inspectors) that would be needed to operate the scheme.

The French Government is to provide a consultant to assist in the planning and implementation of the hotel grading and classification system.

(xi) Improve Visitor Facilitation

In order to improve visitor facilitation, the Master Plan recommended

- the issuing of visas on arrival;
- the opening of Tourist Information Offices (TIOs) at Dar-es-Salaam and Kilimanjaro international airports, and in the Dar city centre; in time, a network of Tourist Information Offices (TIOs) should be established throughout the country;
- upgrading and better management of the airport passenger terminals;
- elimination of health checks; and
- more customer friendly security checks for departing visitors.

Nationals of most of the important tourist-generating countries can now obtain visas on arrival at the Dar-es-Salaam, Kilimanjaro and Zanzibar international airports, and also at the Namanga border post and other major entry points.

A decision has recently been taken to eliminate the requirement for health checks for yellow fever for arriving visitors, following the WHO declaration that the disease has been controlled in most countries.

Apart from the TTB head office in Dar-es-Salaam (which is not set up to receive casual visitors), and a branch office in Arusha, there are no other Tourist Information Offices in Tanzania. Some information leaflets are left at the Namanga border post for visitors to use on a self-service basis.

The upgrading and improvement of airports is being addressed as part of the recently initiated Airports Master Plan which is being carried out by World Bank consultants.

(xii) Undertake a Market Demand, Strategy and Action Plan

In anticipation of increased funding for TTB, the Master Plan recommended

- a market demand study of the major source markets to give information on potential tourists' perceptions, attitudes, holiday requirements structure of markets, etc.
- formulation of a marketing action plan detailing the promotional activities to be undertaken and associated resource requirements.

The market demand study and marketing action plan are still pending.

(xiii) Create Marketing Concepts and Establish Internet Based Distribution System

It was envisaged that, following the formulation of the marketing strategy and plan, it would be necessary to create the marketing concepts and establish an effective internet distribution system prior to undertaking intensified promotional campaigns in the various source markets. This would involve

- the creation of a new ‘brand’ image for Tanzania - new logo, slogan, etc. to be reflected in all collaterals, notepapers, etc.
- the setting up of a network of “dedicated” travel agents for Tanzania in the different source markets.
- intensive use of internet which provides cost effective means to communicate with the markets. It was assumed that this would be facilitated by the process of upgrading Tanzania’s telecommunications system.

In the absence of adequate funding, no work has been undertaken to date, though a national web site has been constructed, serviced from London.

(xiv) Identification and Conservation /Restoration of Selected Historical/Cultural Sites

As a first step towards the development of Tanzania’s cultural product, it was recommended that a study be carried out of the more important historical/cultural sites in the priority Tourism Development Zones to identify restoration/conservation needs. For selected sites, restoration/conservation measures should then be undertaken. Within this context, it was particularly recommended that a restoration/conservation study should be undertaken of the old city of Bagamoyo giving clear recommendations as to what measures and actions should be undertaken to preserve and enhance its cultural value and how it should fit in with the proposed development of the Coastal Zone. This project would be carried out in association with the then Department of Antiquities.

Additionally, it was recommended that a study of existing museums should be undertaken to establish their needs for improved layout, presentation and interpretation, and that two museums should be selected for upgrading in these respects during this first phase of the programme.

Apart from the ongoing work at Bagamoyo and Kilwa (see below), the recommended needs assessment studies, whether of historical/cultural sites or existing museums, have not yet been undertaken.

As previously mentioned, a Master Plan for the restoration/conservation of historic buildings in Bagamoyo has been carried out with assistance from SIDA, while a GTZ consultant attached to the Division of Antiquities is sourcing donor agency support for the restoration and/or conservation of some of the more important historic buildings.

The French Development Government together with the Japanese Government have completed a similar review in Kilwa Kisiwani. The needs assessment has been completed and the next phase (to be undertaken by the French Government in association with the Japanese Government and UNESCO and the Division of Antiquities) will include the implementation of recommended restoration/conservation measures.

In addition, a British charity “Trade-Aid” has been doing some restoration work at Mikindani.

The museums to be designated for upgrading have not yet been selected.

(xv) Establish a Security Awareness Programme

The Master Plan saw an immediate need to undertake actions to deal with security problems, distinguishing between measures which are the responsibility of the public authorities and measures which the private/commercial sector can take to improve the situation.

The establishment of a fully equipped tourist policy unit (including vehicles, light aircraft, helicopters, etc.) was seen as an ideal solution. However, recognising that severe budgetary constraints in the Ministry of Home Affairs made this concept unrealisable in the immediate/short term, the following practical recommendations were made:

- relocate and increase the number of ranger and police posts
- use the anti-poaching units to improve security
- provide vehicles and light aircraft to these forces
- police to train security guards guides/couriers of hotels/lodges in defence/protection methods
- police to train TANAPA rangers in defence/protection methods for tourists.

It was further recommended that a programme to make tourist operators aware of these measures should be organised with the Hotelkeepers Association (and other Associations, if requested) leading to eventual publication of advisory material.

Judging from the warning signs displayed at some hotels and beaches in the Dar-es-Salaam area (and elsewhere) and the general advice given to visitors (both before and during their visit to Tanzania), security remains a concern, although, in the

absence of reliable statistics, it is not possible to say whether the overall situation has become worse or better.

Travel advisories issued by the US State Department and other western countries tend to exaggerate the potential risks and can have an extremely negative effect on holiday travel plans.

Under the EDF-financed Serengeti Conservation Project, some practical assistance was provided to TANAPA to help improve security in this Park, including training of Park Rangers, provision of improved telecommunications, etc. As a result, the security situation in this Park is said to be much improved, apart from isolated incidents in more remote areas.

The other recommendations of the Master Plan still need to be implemented.

Phase II

It was recognised that the actions to be undertaken in the second phase would depend on the extent to which the actions scheduled for the first phase had been successfully implemented. Moreover, it was not expected that the actions initiated in Phase I would come to a halt in Phase II; rather, they would be strengthened and extended as appropriate. With this in mind, the focus during Phase II was to be on **improving the enabling environment**, the priority actions being to:

- facilitate tourism enterprise start-ups and development
- establish tourism zones and introduce necessary legislation
- undertake a zonal plan for the northern part of the Coastal Zone
- strengthen the training institutions
- improve modalities for community/local involvement
- introduce differential pricing of natural resources to aid management
- implement a properly funded marketing campaign
- improve air access to and within the country
- promote Kilimanjaro as gateway to Northern Circuit
- improve presentation of Tanzanian culture/handicrafts.

(i) Facilitate Tourism Enterprise Start-ups and Development

In order to create a positive climate for investment in the tourism sector, and to encourage entrepreneurship, particularly for small and medium sized enterprises, the Master Plan recommended the following actions:

- streamlining of the application and issuing procedures in respect of the many regulations to be complied with in the setting up and expansion of businesses;
- reduction of the burden of taxation on the tourism sector;

- elimination of the price tiering system for resident and non-residents in respect of tourism services, including air fares; and
- establishment, through the World Bank, of a financing facility for start-up and existing small and medium enterprises to include loans at preferential interest rates, loan guarantees, matching grants, etc.

The Tanzania Investment Centre (TIC), established in 1997, is intended to function as a one-stop centre for potential investors, including investors in the tourism sector. To this end, responsible officers from the various investment facilitating agencies (such as the Revenue Authority) are located at the TIC premises. This has helped to simplify the procedures involved in setting up and expanding businesses in Tanzania.

In addition, TIC has prepared 'bankable investment project profiles' for various sectors – but not yet for the tourism sector - for presentation and promotion to potential investors.

The burden of taxation remains high despite the welcome replacement of sales taxes by a value added tax and periodic submissions by the private sector for a clearer, simpler and less punitive system.

Hotels and some airlines continue to operate a two-tier fare structure, with non-residents often paying twice as much as residents for the same product or service.

A financing facility for start-up and existing SMEs (to include loans at preferential interest rates, loan guarantees, matching grants, etc.) has not yet been provided and would appear to be still needed. Some existing micro financing facilities have a maximum loan ceiling of only Tsh 500,000 and interest rates are 25 percent or more.

A study needs to be carried out to examine the availability of finance for SMEs in the tourism sector and to make recommendations for addressing perceived needs.

(ii) Establish Tourism Zones and Introduce Necessary Legislation

Because of the exceptionally environmentally sensitive nature of Tanzania's tourism product, the Master Plan recommended the statutory establishment of tourism zones within which developments could be regulated on the one hand and, on the other, ensure that such developments have a community involvement and benefit.

Tourism Zones have not yet been designated. The necessary legislation has not been introduced.

(iii) Undertake a Zonal Plan for Northern Part of Coastal Zone

The Master Plan envisaged that completion of the upgrading of the road from Dar-es-Salaam to Bagamoyo would open up possibilities for the touristic development of the area which includes the town of Bagamoyo itself, the beach areas and Saadani Game Reserve. To ensure that development takes place in an orderly and environmentally sound way, it was recommended that a Zonal Plan for the area should be undertaken.

Progress on upgrading the road from Dar-es-Salaam to Bagamoyo has been slower and less satisfactory than expected and will now not be completed until the latter half of 2001. In the meantime, a number of new hotels have been built (or are under construction) along the shore to the north of Bagamoyo.

The zonal plan for the Northern Part of Coastal Zone has not been undertaken. However, a tourism working group has been set up under the Tanzania Coastal Management Partnership (TCMP) to prepare policy guidelines for tourism development along the entire coastline between the border with Kenya and the border with Mozambique.

The Swedish Development Agency (SIDA) has assisted with the preparation of a Master Plan for Bagamoyo but this focuses mainly on restoration and conservation measures.

It is understood that a joint Dutch/South African consortium is preparing proposals for a very large scale recreational- cum- tourism development project on reclaimed coastal land to the north of Dar-es-Salaam city centre, which, if it were to go ahead, would have a major impact on the development of the entire northern coastal zone.

The need remains, now more urgent than in 1996, to undertake a comprehensive Zonal Plan for Northern Part of Coastal Zone.

(iv) Strengthen the Training Institutions

It was envisaged that the actions implemented under Phase I would have established the institutional structures for human resource development at all levels. In Phase II, the following additional measures would be required:

- Development of a training programme for the industry involving train-the-trainer programmes, customer care programmes, etc.
- Establishment/strengthening of a mobile training unit for in-house training of existing staff in hotels, lodges, etc.
- Consideration of the feasibility of establishing an hotel management school
- Implementation of training programmes for Tourism Division and TTB staff at all levels.

Tourism Degree Course at the University of Dar-es-Salaam

A joint technical and financial proposal has been prepared by MNR&T and the University of Dar-es-Salaam (UDSM), and submitted to the French Government, for the conduct of a feasibility study on the establishment of a tourism degree course at UDSM. The estimated cost of the feasibility study (which would include comparative studies, capacity and training needs analyses) is Tsh 17 million.

Since 1996, some MNR&T and TTB personnel have been awarded scholarships to attend short training courses in Japan and other countries.

(v) Improve Modalities for Community/Local Involvement

The framework for empowering local communities has been put in place through the designation of Wildlife Management Areas, which will have community-based conservation programmes as their core activity.

The Master Plan recommended choosing one Area on a “pilot” basis and through the provision of necessary technical assistance, to formulate a Management Plan and establish a Community Development Company for this Pilot Area. This could then be replicated in the other Wildlife Management Areas in Phase III.

Since 1996, a considerable number of activities have been initiated in the area of community-based tourism development under the aegis of TANAPA, the Marine Parks and Reserves Board, USAID/AWF, the Cultural Tourism Programme and JICA. These are below:

Community Conservation Services (CCS)

Through TANAPA’s CCS programme, local communities living around the 12 national parks derive recognisable benefits which serve as an incentive for conservation. The benefit sharing is implemented by TANAPA through a fund known as support to community-initiated projects (SCIP). This helps to reduce the potential for conflicts between wildlife conservation and surrounding communities.

Provision is also made in the General Management Plan for Mafia Island to encourage and facilitate local residents’ involvement in sustainable tourism enterprises and other emerging economic opportunities.

Community Based Conservation Programmes

Community Based Conservation (CBC) is an innovative programme in Tanzania which aims at empowering people to manage and benefit from wildlife resources on their lands. The assistance to establish these CBC Programmes is being provided by a project known as ‘Partnership Options for Resource Use Innovations (PORI) which is funded by USAID through the African Wildlife Foundation.

Participatory Land Use Planning (PLUP) is being advocated as a way of involving stakeholders in decision-making about the best use of scarce land resources.

Cultural Tourism Programme

The Cultural Tourism Programme being executed with advice from the Tanzania Tourist Board and SNV (the Netherlands Development Organisation) assists local men and women to organise tours (and in some cases provide meals and accommodation) in the areas where they live, showing tourists various facets of their daily life and culture. The existing programmes are located mostly in the Arusha/Moshi/Lushoto region but also extend to the Pare and Usambara Mountains, the Pangani Coast and Mbeya.

JICA Programme

The JICA Tourism Adviser has assisted in organising public and private sector partnership meetings to develop tourism in Mbeya region.

(vi) Introduce Differential Prices of Natural Resources to Aid Management

The Master Plan recommended the introduction of differential pricing between National Parks in order to

- optimise the economic return from the use of a “scarce” resource;
- balance demand with the capacity of the resource; and
- help promote the lesser-known parks.

The Plan further recommended a differential pricing policy within certain parks depending on the time of the year.

*Differential pricing has been introduced **between** parks – but not yet **within** certain parks depending on the time of the year. This is still necessary in order to control overcrowding which occurs at Serengeti and other parks during the peak seasons.*

(vii) Implement a Properly Funded Marketing Campaign

It was recommended that an adequately funded comprehensive marketing campaign should be established during this phase, including the following main components:

- production of collaterals - consumer brochures, trade manuals, videos;
- library of transparencies for use by journalists, tour operators, etc.;
- production of press kits;
- establishment of overseas representation in the “key” markets;
- implementation of a sustained advertising and public relations campaign;
- participation at tourism fairs;

- organisation of media and travel agency visits;
- improved trade distribution of the tourism products through effective use of multi-media communications systems in the markets;
- organisation of “Marketplace Tanzania” and other selling forums.

The Master Plan also envisaged that a Marketing Adviser would be recruited to assist TTB for a period of three years in the implementation of the Marketing Campaign.

Of the above-recommended actions, only the following have actually been implemented:

- *design and production of a general consumer brochure in several languages, but stocks are now close to being exhausted;*
- *participation at the major trade fairs;*
- *the appointment of overseas representation in the USA (East Coast)*
- *the development of a TTB website (continual updating/improvement will be necessary).*

In addition, TANAPA has produced or commissioned a number of brochures/booklets on the various National Parks.

No provision has yet been made for the launch of a sustained advertising and public relations campaign, or for the recruitment of a Marketing Adviser to assist TTB in the implementation of the overall marketing strategy and action plan which will be prepared with assistance from the EU programme.

(viii) Improve Air Access To and Within the Country

As part of the initiatives needed to improve direct air access and capacity to Tanzania (and so prevent it from being increasingly promoted as an add-on destination to Kenya), the Master Plan recommended:

- formulation of an air access transport policy;
- establishment of an air access transport promotions section within the TTB;
- encouragement of more international carriers to operate services;
- allowing of ‘charters’ under certain circumstances - e.g. combination of Northern Wildlife Area with Coastal Zone/Zanzibar;
- privatisation of Air Tanzania;
- encouragement of Air Tanzania and Alliance Air to work more closely together.

Recommendations were also made to improve domestic air access, including

- deregulation of air tariffs on domestic routes;
- tax incentives to local air (private) passenger transport companies to re-invest in the fleet – for modernisation and safety reasons;
- improvement of the regional/local airports/airstrips.

Since the Master Plan was prepared, there have been some losses and some gains as far air access to Tanzania is concerned.

While Air France and Lufthansa have withdrawn their services to Dar-es-Salaam, and Alliance Air has gone into temporary suspension, these losses have been more than compensated for by the expansion of KLM services serving both KIA and DIA from three flights per week to four flights per week (as from November 2000), with a further increase to daily service from 28th May 2001. While the MD11 (297 seats) has been replaced with the B767 (226 seats), the new frequency will represent an increase of some 52 percent in passenger capacity on the Schipol – KIA/DIA route. In 2000, around two-thirds of the KLM passengers disembarked (and re-embarked) at KIA.

British Airways has also increased its service to Dar-es-Salaam (via Nairobi) from two to three flights per week with, in addition, the introduction of larger aircraft. There may even be a further increase in flight frequency (to four per week) but this has not been confirmed.

Ethiopian Airlines may increase its flight frequency to KIA and DIA (and Zanzibar). This would provide a cheaper service from Europe to Tanzania (via Addis Ababa) which is particularly attractive for backpackers and other budget travellers. Finally, new services provided by Emirates and Gulf Air have resulted in improved access to Tanzania from the Middle and Far East.

While the overall air access may have improved (but not in respect of all markets), the need still exists to

- *formulate an air access transport policy (both for scheduled and charter services);*
- *establish an air access transport promotions section within the TTB;*
- *encourage additional international carriers to operate services to Tanzania;*
- *complete the privatisation of Air Tanzania; and*
- *improve domestic air access.*

(ix) Promote Kilimanjaro as Gateway to Northern Circuit

The Master Plan recognised that to make Kilimanjaro International Airport the preferred gateway to the Northern Circuit would take considerable time and would involve the implementation of such measures as

- competitive pricing of landing charges;
- investment in runway, terminal buildings, etc.;
- investment in tourist facilities - hotels, restaurants, etc.;
- promotional campaign to the airlines and travel trade.

Now privatised, Kilimanjaro International Airport is beginning to expand its role as gateway to the Northern Circuit:

- *the runway has been resurfaced;*
- *improved safety and navigation equipment has been installed;*
- *some repairs have been made to the passenger terminal (but a general enhancement is needed);*
- *additional international flights have been attracted (most notably KLM); this reflects increased emphasis by KIA on promotional campaigns to airlines and the travel trade and more competitive pricing policies).*
- *there has been some increase in hotel capacity in the Northern Wildlife Area (notably, Serena and Sopa lodges) and some refurbishment of existing resorts (e.g. the TAHI group), but this may not be sufficient to match the planned increases in seat capacity to KIA.*

(x) Improve Presentation of Tanzanian Culture/Handicrafts

The recommended initiatives to be undertaken to improve the presentation of Tanzanian culture and handicrafts, included:

- continuation of conservation/restoration of historical/cultural sites programme initiated under Phase I
- additional technical assistance to improve existing museums in terms of layout, facilities for visitors, interpretation
- feasibility studies/implementation in respect of the establishment of two of the six proposed centres reflecting various aspects of Tanzanian culture and history.

As mentioned, some restoration/conservation measures have been initiated in respect of selected historical buildings at Bagamoyo, Kilwa and Mikindani.

In addition, technical assistance has been provided to improve some existing museums (for example, the Nyerere museum in Dar-es-Salaam).

Apart from Kilwa, Bagamoyo (where it is intended to convert the restored Caravanserai building into a slave trade museum) and the development of a private sector Heritage Centre in Arusha, little or no progress has been made with respect to the establishment of any of the proposed cultural/historical interpretative centres.

Phase III:

During the final phase, the focus would be on *infrastructure and facilities development*, the priority actions being to develop:

- roads, utilities
- accommodation facilities
- tourist service centres
- transport facilities - aircraft, boats, vehicles
- airport infrastructure.

Significant road improvements have already taken place (e.g. under the EU Serengeti project) and within the Selous Game Reserve. The roads from Dar to Morogoro and Bagamoyo are also being improved, while the new hydrofoil service between Dar-es-Salaam and Zanzibar provides a much faster service for visitors.

There has also been a considerable amount of new hotel investment and refurbishment in recent years, particularly in and around Dar-es-Salaam and at places like Bagamoyo.

There has been some investment in new aircraft (both by international and domestic carriers) while airport infrastructure at both KIA and DIA has been improved although further enhancement is needed (especially in terminal facilities).