

## Chapter 7: Tourism

### Introduction

Over the past decade, tourism has been identified as a potential growth sector that could generate foreign exchange, create employment, and spur economic growth through a series of linkages, without substantial investment or extended lead times. At present, tourism remains an immaterial contributor to the economy, generating a mere 2% of GDP and directly employing only 11,000 people (MoFED, 2001c). Statistics, however, indicate consistent growth in the sector over the past 10 years, as tabulated below:

**Table 7.1: Rate of growth in the Tourism Sector, 1994-2000**

Year	International visitor arrivals	Tourism earnings (in US\$m)	Room occupancy rate (%)	Bed occupancy rate (%)	Jobs created	Tourism contribution to GDP (%)
2000	443,072	91.2	37.2	34.4	11,892	2.1
1999	403,503	85.2	36.5	33.2	10,340	2
1998	362,025	74.4	40.4	31.2	8,991	1.9
1997	340,896	75.5	49.4	41.2	7,902	1.83
1996	263,986	59.8	40.8	31.8	6,792	1.7
1995	163,000	46.7	47	36	5,909	1.7
1994	153,103	44.8	50.7	41.4	5,141	1.6

*Source:* Zambia National Tourist Board.

In his 2001 Budget Address, the Minister of Finance and Economic Development, Dr. Katele Kalumba, reported that in the past two years, the tourism sector has grown by 5.6% (1999) and 7.2% (2000), and that this expansion is expected to continue at an accelerated pace in light of the anticipated completion of the Sun Hotels development in Livingstone before Easter 2001, the anticipated inflow of visitors as a result of the Solar Eclipse in June 2001, and the Organisation of African Unity Summit in July 2001.

This increase in tourist arrivals could have been more significant had the international reputation of Zimbabwe not been placed under such immense pressure due to land reforms and electoral tensions relating to elections. Nevertheless, it should be placed in perspective that Zambia's tourism revenues of US\$91 million are less than 4% of the tourism revenues realised by the SADC region (Southern African Development Community, 2001), with South Africa alone earning over US\$2 billion a year. Scope for growth just by attracting tourists already familiar with the region is immense.

### Situation analysis

#### PESTLIED review

**Political:** Four decades of political stability under both one-party rule and multi-party democracy have projected Zambia as an oasis of peace. The country has not adequately capitalised on this status because of military activity or political instability in neighbouring countries. Today, there are severe armed

conflicts in three countries neighbouring Zambia, and the armies of two other neighbours are engaged in a regional conflict. The proximity of Zambia to areas of conflagration serves to diminish marketability. Political stability and the absence of armed conflict have spared Zambia the descent into insecurity or physical threats to tourists.

The era of paranoid state security, where it was a criminal offence to take photographs at airports or railway stations, has given way to a tourist-friendly environment, which values the custom of international visitors. In this context, internal safety and security remain exceptional, and grant Zambia a deserved status as a safe haven for visitors.

**Economic:** Declining per capita incomes and the dearth of resources for infrastructure development have served to minimise internal tourism and limit access to potential tour sites. Whereas tourism offers prospects for GDP growth, its low significance as a contributor to national income renders it slightly immaterial at present.

**Social:** In the SADC region, Zambia has a comparatively well educated, literate and articulate population, with the mental capacity to easily assimilate the requirements for developing a tourism industry. The high level of literacy and familiarity with the English language makes travelling through Zambia easy in terms of communication for visitors. Signage is in the English language and there is no extra cost to training people to communicate with tourists.

The poor quality of health facilities, however, creates anxieties for tourists, as do the high levels of poverty, illness and deprivation that are difficult to miss. The conditions listed above also create ideal conditions for social vices and the commercial sex trade - a dangerous situation that is no longer a threat but is a reality, especially in Livingstone and Lusaka.

**Technological:** Zambia was one of the pioneer countries in Africa to develop and commercialise internet use. Today, there are three internet service providers with the capability of hosting web sites and significantly reducing the cost of marketing and communication with travel agencies and tour operators the world over. The telecommunications infrastructure of the country, while expensive, is comparatively well developed, with the state-owned Zambia Telecommunications Company providing terrestrial phone services as well as cellular phone services in competition with two international cellular license holders, Celtel and Telecel. By definition, the African tour experience does not involve much technology but is an adventure into nature, the natural environment that provides a tourist a change of scenery from the developed or urban world.

**Legal:** The tourism sector is overseen by the Ministry of Tourism and the Zambia National Tourist Board, which licenses tourism establishments. There is a Tourism Act and there are steps under way to strengthen the Tourism Council of Zambia. The legal framework within which the tourism industry operates is sound, though there are current steps to harmonise Zambia's tourism legislation with that of other SADC countries with more developed sectors.

**Infrastructure:** A major impediment to the rapid growth of the sector is poor infrastructure, encompassing:

- impassable roads, which are supposed to be access routes to national parks;
- inadequate, dated facilities at airports that do not have the capacity to handle an influx of tourists or even the arrival of a jumbo jet carrying tourists.

**Environment:** The relatively low volume of tourists visiting Zambia has spared the environment the type of degradation found in other tourist meccas. This has not, however, prevented the depletion of wildlife in many areas as a result of poaching or competition for land between man and beast.

**Demographic:** CSO reports that the population of Zambia is predominantly young and impoverished. These factors conspire to create conditions conducive to the growth of the commercial sex trade, a consequence of rising tourism.

## **SWOT analysis**

### **Strengths**

Zambian tourism is not a mass market activity along the lines of Kenya, Zimbabwe or South Africa. This means that demands on infrastructure are not of the magnitude encountered by the nations mentioned above. Also, the country is blessed with world-leading natural endowments in the form of:

- i) the Kafue National Park, the second largest in Africa;
- ii) the South Luangwa National Park, which has a high animal density and diversity;
- iii) the Victoria Falls, one of the seven natural wonders of the world;
- iv) Lake Kariba, the largest man-made lake in the world;
- v) Lake Tanganyika, the gateway to East Africa and to the source of the Nile;
- vi) the Zambezi River, the carrier of life in south-central Africa.

### **Zambian tourist attractions**

A comprehensive list of Zambia's tourist attractions is provided below:

- North Luangwa National Park
- South Luangwa National Park
- Liuwa Plain National Park
- Sioma Ngweshi National Park
- Sioma Falls
- Kafue National Park
- West Lunga National Park
- Mosi-oa-Tunya National Park
- Tiger Fishing in Senanga
- Lochinvar National Park
- Blue Lagoon National Park
- Lower Zambezi National Park
- Kasanka National Park
- Lukusuzi National Park
- Luambe National Park

- Lavushi Manda National Park
- Isangano National Park
- Nyika Plateau National Park
- Sumbu National Park
- Mweru Wantipa National Park
- Lusenga National Park
- White water rafting along the Zambezi River
- Open pit and underground mine tours on the Copperbelt. (The Nchanga Open Pit mine offers a unique tour opportunity for a tourist (internal or international) to conduct a once in a lifetime experience.)
- Bird watching, sailing and fishing
- Mulungushi/Lunsemfwa Dams
- Itezhi-Tezhi Dam
- Victoria Falls
- Ntumba Chushi Falls
- Lumangwe Falls
- Chishimba Falls
- Kundabwika Falls
- Kundalila Falls
- Nyambwezu Falls and Rock Shelter
- Lake Kariba
- Lake Mweru
- Lake Tanganyika
- Lake Bangweulu
- Lake Kashiba
- Shilengwa Lake
- Shiwa Ng'andu Hot Springs
- Kapishya Hot Springs
- Batoka Gorge
- Kafue Gorge
- Katolola Rock paintings
- Mumbwa Caves
- Kaputa GMA
- Tondwa GMA
- Munyamadzi GMA
- Mukungule GMA
- Lumimba GMA
- Musalangu GMA
- Lupande GMA
- Sandwe GMA
- Chisomo GMA
- West Petauke GMA
- Kafinda GMA
- Bangweulu GMA
- Chambeshi GMA
- Luwingu GMA
- Chikuni GMA
- Mansa GMA
- Luano GMA

- Rufunsa GMA
- Chiawa GMA
- Kafue Flats GMA
- Nkala GMA
- Namwala GMA
- Mumbwa GMA
- Machiya Fungulwe GMA
- Lunga Luswishi GMA
- Musele Matebo GMA
- Chibwika-Ntambu GMA
- Lukwakwa GMA
- Chizela GMA
- Kasonso-Busanga GMA
- Bilili Springs GMA
- Sichifulo GMA
- Mulobezi GMA
- West Zambezi GMA
- Kuomboka Ceremony – Western Province
- Umutomboko Ceremony - Luapula Province
- Cibwela Mushi Ceremony - Northern Province
- Nc’wala Ceremony - Eastern Province

#### **Lodges in Zambian national parks/game management areas:**

- Lower Zambezi: Gwabi, Kiambi Safari, Kuibo River, Kulefu Game, Kayila, Kwalata, Mkuu
- Nsumbu Park: Kalambo Lodge
- Kafue National Park: Lufupa, Mukambi, Puku Pan
- Sioma Ngweshi: Mutemwa, Zambelozzi Lodge
- South Luangwa: Chibemba, Chinzombo, Kapani, Kafunta, Luamfwa, Marula, Mfuwe, Tafuka
- Mosi-oa-Tunya: Chanters, Maramba, Nyala, Tunya, Wasawange
- Private Game Ranches: Chaminuka, Protea Safari, Lilayi

#### **Weaknesses**

Zambia is a high cost destination in regional tourism terms, with hotel/lodge rates comparing unfavourably for similar quality establishments in neighbouring countries. In the case of the Holiday Inn Garden Court franchise for example, the room rate for one night in Lusaka is a full 40% higher than for a similar hotel in Johannesburg. Worse still, travel and transit costs are high within Zambia, with an air ticket to a resort costing in excess of US\$150 per person, and transit costs for stopovers from Johannesburg or Windhoek exceeding US\$400. These are prohibitive, as are car hire rates of US\$90/day before fuel and driver expenses. In short, services are overpriced due to low volumes and high fixed costs.

Since the liquidation of Zambia Airways Corporation, the nation has had no dedicated airline and there has been a severe dysfunction caused by the air travel vacuum due to the demise of Zambia Airways, a demise that coincided with the collapse of the state passenger transport company, United Bus Company of Zambia (UBZ). The tourism industry suffers low bed/room occupancy rates (consistently hovering around 40%) and this is well below the regional average. Questionable quality control and weak maintenance of standards add to the difficulties faced by the domestic tourism industry, which is failing to realise sufficient cash flows or surplus to invest adequately in human resource or infrastructure development. The industry is afflicted by inconsistent communication and power facilities, poor marketing (advertising and promotion) arrangements and low product diversity.

## **Opportunities**

Under SADC, a Tourism Protocol has been signed (1998) and is being spearheaded by the island nation of Mauritius. The plan involves making SADC the tourist destination of choice - a situation already prevalent in the case of Mauritius and five other SADC states not including Zambia. The Protocol involves creating a tour circuit that includes unique attractions such as those found in Zambia, and it involves standardising visa requirements under the UNIVISA scheme, to allow tourists obtain a single visa for a tour that takes in more than one SADC country. The strategy would be to use the marketing channels of all SADC countries to sell SADC as a multi-faceted tourist destination for the ultimate African experience. A concomitant development would be the promotion of intra-regional travel amongst SADC citizens and residents who tend to ignore neighbouring countries as holiday destinations.

In the above context, the adverse publicity emanating from Zimbabwe as a result of land reforms and the rising political temperature ahead of presidential elections in 2001 could attract tourists accustomed to the region to switch destinations from Zimbabwe to Zambia.

The Sun Hotels development, and the proposed establishment of City Lodge facilities across Zambia, shall increase the number of quality rooms available for the discerning tourist. The country can avail of Holiday Inn, Cresta and Inter-continental Hotel group databases, in arranging bookings and linking packages with travel agencies. The same principle is applicable to the creation of linkages via the Comair and Protea booking systems. Excess capacity of bed space can handle the rise in tourist numbers, without the need for substantial additional investment. The multi-million dollar Livingstone Airport rehabilitation and the upgrading of Ndola Airport shall serve to handle increased tourist traffic.

## **Threats**

Fallout from Zimbabwe could result in regional cancellations, rather than a shift of destination to a neighbouring country. Border conflicts - Angola, Caprivi Strip, Democratic Republic of Congo - transmit an aura of regional instability. The political temperature in Zambia is rising as a result of the Third Term debate and concerns about the entrenchment, or lack, of democratic governance.

The collapse of infrastructure (heavy rains and lack of capital expenditure) has created severe access constraints, especially during the rainy season. There is an acute liquidity crisis in the tourism services sector due to weak collections in some cases, and simultaneous difficulties with the Zambia Revenue Authority. Rising energy costs and unregulated guest houses are placing further pressure on tourism enterprises.

## **Critical success factors**

Zambia does not have the pre-requisite infrastructure to handle high volume tourism of the magnitude experienced by Kenya, South Africa or Zimbabwe. The optimal strategy for Zambia would be one that does not impose excessive strain on the environment or on the limited infrastructure, namely high value, low volume tourism. It is not feasible that an international tourist will travel to the continent only to visit Zambia, thus the country must be marketed as part of a SADC and COMESA tour circuit, with travel agents being sensitised that visitors to Kenya, Tanzania, Botswana, Namibia or South Africa would benefit from a visit to Zambia with the unique selling propositions of Victoria Falls, Luangwa National Park, tiger fishing in Senanga, open pit mining at Nchanga, and sailing at Kariba or Tanganyika. To illustrate the point, Zambia's tourist arrivals are barely 4% of total tourist arrivals into SADC.

Secondly, domestic and regional African tourism is underdeveloped - with Zambians not participating in the sector as tourists. There should be involvement of surrounding communities in wildlife preservation, infrastructure maintenance (pay people in the area/food for work type arrangement) to keep foliage away from the roads, mending of roads with stones/soil, cleaning signage, etc. There should also be deliberate allocation of resources into income generating areas - i. e. areas surrounding national parks and tourist resorts should have quality health care facilities, telephone system, internet capability, electricity or solar power, first right of refusal on supply of foodstuffs to lodges, and provision of labour for lodges. It should, however, be ensured that service charges are paid to the workers.

It is important to note that a disaggregation of tourism visitors to Zambia indicates that the overwhelming number of visitors are, in fact, business visitors, followed by those visiting friends and relatives. The significance of this information is that the holiday tourist is not yet the most significant tourist group entering Zambia, and it would be essential for the nation to formulate strategies to expand this type of tourist. Further, it is significant because the high number of people visiting friends and relatives in Zambia translates into lower spending per tourist as the visitors will live with others rather than expend resources in hotels and lodges. Tourism revenue statistics bear out this observation, and there has been an empirically verifiable decline in the amount of money spent per tourist visiting Zambia.

With the revitalisation of the copper mining sector, there will be a significant number of short-term and medium-term visitors to Zambia, and these visitors tend to spend more time and more money during their sojourn as they come for a period of time and tend not to be budget tourists. The mix of motivations for visits to Zambia changes, however, when considering European, American and Asian visitors, the majority of whom are holiday travellers, largely touring the region. This information suggests differing strategies for differing market segments as will be discussed further in this chapter.

**Table 7.2: Tourist visitors to Zambia by origin and nature of visit in 2000**

<b>Residence</b>	<b>Holiday</b>	<b>Business</b>	<b>Visiting friends and relatives</b>	<b>Other</b>	<b>Total</b>
Africa	36,883	172,431	66,674	42,777	321,646
Europe	45,078	19,120	7,163	8,114	79,475
Americas	10,059	3,321	2,085	1,277	16,742
Asia/Oceania	15,435	5,606	1,797	2,371	25,209
<b>Total</b>	<b>110,336</b>	<b>200,478</b>	<b>77,719</b>	<b>54,539</b>	<b>443,072</b>
% of arrivals	15.2	26.4	51.2	7.2	100.0

*Source:* Ministry of Tourism.

## **ADMADE**

The Administrative Management Design in game management areas scheme was initiated in the latter half of the 1980s, with the objective of involving the community surrounding a GMA in the utilisation of resources generated by activities within the GMA (see Chapters 2 and 3). The ADMADE project, which today operates in collaboration with the Zambia Wildlife Authority programme, stipulates that community development committees (now called Community Resource Boards) should be constituted and should manage resources, typically 15% of revenues received by Government/ZAWA from operations in the adjoining GMA.

The funds, which are administered by the committee, which includes the area Chief, are applied towards specific projects such as health care and education facilities. The scheme has endured over a decade with minor modifications, but it has not been adequately replicated in other areas, and it faces liquidity problems due to delayed remittances of funds from ZAWA on occasion. The blueprint can, however, be adopted for other areas and provide a framework for poverty reduction in areas surrounding the GMA.

## **Recovery strategy**

### **Strategic action plan**

The advantage of tourism as a targeted growth sector is the relatively low capital outlay, the dependence of natural endowments rather than physical developments, and the short lead time to fruition compared to other economic activities. There is a case for the formulation of a marketing plan for Zambia. The plan will set out a dual programme of creating awareness about Zambia amongst those who influence international tourist flows, and also to improve the understanding and appreciation of Zambian tourist sites amongst those living in Zambia. The increase in international and internal tourist activity in Zambia will spur enhanced economic activity. The economic activity escalation will, by necessity, be shared with the communities surrounding and servicing the tourist locations, ensuring that there is a tangible benefit to preserving and protecting tourist sites.

## **Rationale**



Self-interest amongst communities will play a crucial role in ensuring that tourism provides a sustainable wealth creation mechanism for communities, and for those involved in managing tourist traffic.

## **Objectives**

The dual objectives of poverty reduction and economic development encourage a multi-faceted approach to problem solving in the tourism sector, to unlock the value that can be realised from careful marketing of our natural endowments.

## **Targets**

The major targets should be to:

- Increase the number of tourists visiting Zambia annually to 750,000.
- Increase internal tourism by 40%.
- Increase the value of expenditure per tourist from US\$212 to US\$500 within five years.
- Increase bed occupancy by dramatically increasing off peak internal tourism; formulate incentives and packages for internal tourists; cut rates during low season; step up domestic marketing of facilities; encourage educational tours; sensitise local travel agents to promote internal holidays.
- Focus on high value tourists interested in two-week photographic or hunting safaris, tour packages that take them to five sites in Zambia (National Park, Victoria Falls, Lake Kariba, Open Pit Mine, Lusaka City or tiger fishing in Senanga).
- Integrate tour packages with merchandising initiatives. Tourists visiting Zambia expect to see exotic, precious and semi-precious gemstone, preferably cut and polished. They also expect to find stone sculptures, high quality wood carvings, and woven baskets. It is the responsibility of the private sector, with possible tax incentive support from government, to encourage development of cottage industries, which could include model hut/rural dwelling visits.

## **Priorities**

- Develop a tourism web site with a detailed map of Zambia's attractions.
- Formulate a specific plan to bring decision-makers from the top 25 tour agencies in the world to visit Zambia on a conducted tour.

## **Immediate (within 12 months)**

1. Upgrade tourism map of Zambia and establish an interactive web site.

2. Arrange for a package tour of Zambia for 25 tour agency decision-makers.
3. Clear government arrears to hotels, lodges, travel agents, car hire companies and other tourism service providers currently encountering financial constraints as a result of non-payment by government and statutory institutions.
4. Compel all invoicing on hunting, photographic and walking safaris to be locally recorded and payments channelled through a Zambian bank account.
5. Complete the recruitment of the management of the Zambia Wildlife Authority.
6. Ratify the SADC Tourism Protocol (so far only Botswana, Namibia and Mauritius have done so).
7. Subscribe urgently to RETOSA (Regional Tourism Organisation of Southern Africa) and become an active participant in RETOSA initiatives.

**Medium-term** (12 months to 5 years)

8. Grade all roads leading to (and within) national parks, game management areas, lodges, camp sites and natural wonders.
9. Facilitate the establishment of a national airline
10. Establish Zambia as a destination on the SADC tour circuit.
11. Expand the ADMADE model to other game management areas, as well as to areas surrounding tourist sites like Lake Kariba, Victoria Falls, Sioma Falls, and tiger fishing sites along the Zambezi River.
12. License a further 6 private game farms.
13. Introduce tax incentives to hotels/lodges that offer special rates to local tourists in off-peak periods.
14. Offer generous capital allowances on aircraft, vehicles for hire, and equipment used in the tourism trade.
15. Develop linkages between tourist lodges and the surrounding community - offering vocational training, first options on procurement of foodstuffs and services.
16. Facilitate support - financial and training - for the production of handicrafts and semi-manufactures for sale to the tourism industry.
17. Offer duty exemptions on solar power generating equipment in areas not served by ZESCO.
18. Undertake a hospitality sector training needs assessment and formulate a programme to provide formal and informal training to draw more people into the tour services net.

19. Harmonise standards in the regional tourism industry.

**Long-term (5 to 20 years)**

20. Expand the number of high quality hotels and lodges to expand four and five star bed capacity by 300%.
21. Upgrade medical facilities to ensure that there is a well-equipped medical/emergency centre within 30 kilometres of a resort.
22. Erect communication beacons to allow for efficient radio or wireless loop communications country-wide, particularly for emergency communications or procurement.

**Costing and time frame** (see logical framework below).

**Conclusion**

The expansion of the tourism sector is not a government function, and it would not be advisable to expand the Zambia National Tourist Board to play the marketing function. It is the function of business entities to attract tourists for their own financial interest and for government to reduce the cost of tourist visits by ensuring the establishment of adequate supporting infrastructure, security and public facilities. Government will finance this via taxation and levies, and will play the redistributive role of ensuring that a proportion of tax revenues emanating from tourism is channelled towards social service provision in the communities that surround tourist sites.



**Table 7.3: Tourism sector logical framework**

<i>Objectives:</i>				
Increase in tourism receipts		Distribution of tourism earnings to community		Job creation
Target	Strategy	Implementing agency	Time frame	Cost (US\$)
750,000 tourists per year	Engage in SADC tour circuit	RETOSA/ZNTB	Immediate	150,000
	Arrange package tour for 25 agencies	ZNTB	Immediate	300,000
	Prepare and publicise tourism map of Zambia	ZNTB	Immediate	100,000
Improved access to sites	Grade roads in and towards tourist sites	National Roads Board	Medium-term	50,000,000
	Upgrade Livingstone, Mfuwe, Mongu, and Ndola Airports and construct Siavonga airstrip	MCT	Medium-term	40,000,000
Reduce cost of tourism	Offer 15% tax rate to tourism enterprises	MoFED/ZRA	Medium-term	10,000,000
	Improve Capital Allowances on tourism	MoFED/ZRA	Medium-term	4,000,000
Transfer resources to surrounding communities	Replicate ADMADE around GMAs and national parks	Ministry of Tourism/ZAWA	Medium-term	5,000,000
	Provide entrepreneurship and quality control Training to neighbouring communities	MSTVT	Medium-term	2,000,000
	Audit, tax and monitor Safari companies	ZAWA/ZRA	Immediate	250,000
Improve financial status of tourism enterprises	Clear payment arrears to hotels, lodges travel agencies, and car hire firms	MoFED	Immediate	1,500,000
Improve social services	Increase five star bed capacity	Private sector	Long-term	30,000,000

Upgrade medical/emergency facilities	MoH	Long-term	35,000,000
Erect communications beacons	MCT	Long-term	20,000,000

