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TOURISM IN EASTERN AFRICA

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INTRODUCTION AND SUMMARY

The present study has been undertaken by the ECA secretariat in accordance with the recommendation made by the first meeting of the Interim Economic Committee of the Economic Community of Eastern Africa held from 30 October to 4 November 1967 in Addis Ababa. Its purpose is to present an overall picture of the tourism potential of the Eastern African sub-region and of the possibilities of its development and to make the necessary recommendations to that effect.

Information required was assembled on a field mission of the officer in charge of tourism to the nine countries surveyed from 16 January to 22 February 1968, including talks with members of the government and other high officials responsible for tourism, as well as with representatives of the hotel industry and tourist trade. The most helpful and efficient co-operation of all countries concerned has greatly facilitated elaboration of this study.

Some of the countries surveyed already have a developed tourism with a considerable experience in its various aspects; others have only a rudimentary tourism, and others again are only considering its possible development. Some countries had therefore more information available than others and, due to a more complete system of relevant statistics, official tourism development plans, studies by experts in the field or by research firms, government agencies and development corporations, more travel literature, etc., a more complete picture could be drawn of them. Nevertheless, the basic facts recorded in the chapters on individual countries, will enable the reader to understand the main problems of tourism development in each of the countries surveyed as well as in the sub-region as a whole.

Many important problems are common to the whole sub-region. They have been discussed in Chapters I to VI, where recommendations are also formulated as to how to cope with them. As, however, all the countries are neither in the same geographical situation nor at the same development stage, there are problems which concern only one or a few countries of the sub-region, and these have been discussed in the chapters concerning individual countries (VII - XV). Even when the same problem occurred in several countries it has sometimes been appropriate, in order to avoid repetition, to treat it in the chapter on the country where it is most strongly felt. The analysis of such problems and the recommended solutions may also be of interest for other countries in a similar situation.

The tremendous growth of international tourism in the last two decades has made it a very important economic phenomenon that can play a most useful role in the development of Eastern African countries. It has been shown in Chapter I that the causes of this growth are of a permanent nature, and that the rising trend of tourism can reasonably be expected to continue in the future. In Western Europe in the 9-year period (1956-1965) the gross domestic product has increased by 90 per cent, while the receipts from international tourism have increased by 210 per cent. In the main tourist-generating countries of Western Europe where data were available, tourist expenditure abroad increased in the same period 1.3 (Switzerland) to 3.4 (F.R.Germany) times as fast as disposable income.

As regards holiday travel from Europe to Eastern Africa, only families and individuals with sufficient means can afford such trips. When considering the number of incomes over US\$5,600 in the main tourist-generating countries of Western Europe it can be seen that during extended periods the number of such income earners has increased 2 to 5 times as fast as the per capita gross domestic product. In other words when a country is getting richer, all strata of population benefit from it, but in addition the number of people with high incomes increases much faster than the average increase in well-being. This means that the number of people who can afford holiday travel to distant countries is increasing much faster than the per capita GDP. With a stable social structure it is expected that this correlation will continue in the future.

This shows only the economic background which makes possible a continued increase of the demand for overseas travel. Other factors which cause the rapid rise of tourism are well known and it is not necessary to repeat them here, but it may be useful to indicate the more specific factors which are liable to direct tourist demand towards Eastern Africa. These are: the growing preference of the European public for sunny and warm countries, the desire to enjoy unspoiled nature, scenery, free space and an unsophisticated way of life - all of which is lacking more and more in Europe. This desire is strengthened by the tensions in modern industrial society that create the need for complete relaxation in a different atmosphere which a foreign country can best provide. There is also the desire to see new countries and meet different people than at home. There is hardly another region in the world which corresponds to such an extent to these preferences of the European public as does Eastern Africa.

The North American travel market shows a similar tendency. From 1956 to 1965 consumer expenditure in the United States increased by 62 per cent, while tourist expenditure abroad increased by 91 per cent, that is almost one and a half times faster. Also in the United States the number of higher incomes (over \$10,000) increased between 1950 and 1965 at an average annual rate of 14.3 per cent, which is over 3 times faster than the per capita gross domestic product. Between 1960 and 1966 the number of tourists who travelled overseas increased at a rate twice as fast as the per capita GDP. As in Western Europe, the increase in the number of people who can afford to travel to Eastern Africa is based on solid economic and psychological foundation, and this trend is likely to continue in the future. This favourable condition is of prime importance in shaping the tourist development policies in the Eastern African sub-region.

When comparing the number of people in the main tourist-generating countries who can afford to travel as far as Eastern Africa, and the number of people who actually travel there, the second figure is only a small fraction of the first and a good deal has to be done in order to transform this potential demand into actual demand for travel to the Eastern African region.

The main difficulties in the way of achieving this objective have been discussed in various chapters of this study and recommendations made as to how to overcome them, but it should be said right away that this objective is perfectly attainable. An unbiased appraisal of tourist attractions in chapters concerning individual countries, has shown that Eastern Africa is so richly endowed with such outstanding tourist assets, that once they become better known to the public and sufficient facilities are created both for less expensive travel and a comfortable stay, they will not fail to attract an important share of world's international tourism. This is possible even with the present level of incomes in the tourist-generating countries, and the actual stage of transport technology. With the further increase of wealth and new technological progress, travel to Eastern Africa is likely to exceed all expectations.

The conditions required to build up the volume of travel to the Eastern African countries depend to a large extent on the countries themselves. It is by their own effort in the first place that the conditions can be created for attracting and accommodating more tourists from other countries of the region and from overseas. And there is an obvious need for a rapid increase in accommodation facilities, for improving and extending infrastructure with roads in the first place, for park development, for improving the quality of tourist services, and this requires large investments. The most expensive among them are public investments especially in infrastructure. Assistance of international and bilateral aid agencies which has been made available for them has been very useful, but hardly sufficient, and as shown in the chapters on individual countries its increase would be highly justified.

For tourism development, participation of private capital is equally necessary, both domestic and foreign. Owing to the very favourable natural conditions for tourism development in most of the countries of the sub-region the tourist business including the hotel industry, if properly organized, is already profitable. New investments in plant on good location, functionally designed and efficiently operated should be even more profitable. These favourable investment opportunities have not escaped the attention of private finance groups, and private capital has participated in large hotel investments. However, private investments were not so widespread and important as could be desired. Two sets of conditions are necessary to overcome such hesitation. First of all favourable legal conditions for private investment in general that give sufficient guarantee of retransfer, possibility of free choice of assistants, equitable indemnity in case of nationalization, etc. Speaking generally, such favourable conditions exist in the sub-region, but a few particular regulations in one or two countries weaken to a certain extent their favourable effect on investments. If the countries concerned were to revise these regulations, it would certainly encourage foreign private investment especially if the liberal attitude of the governments concerned were to be given appropriate publicity. The second set of conditions has to do with the business conditions in the hotel industry and tourism in general. Private investors must believe in the future of tourism and the viability of tourist

enterprise. This is best achieved by a well co-ordinated and efficiently implemented tourism development policy. Investment in infrastructure which has been mentioned before is here of fundamental importance, but there are also other measures of an efficient tourist policy which have to be applied in transportation, professional training, travel promotion, simplifying administrative formalities, etc. Most of the governments in Eastern Africa have already worked out tourism development plans or are working on them now. Owing to the great importance of such plans, some remarks concerning individual draft plans have been made in the chapters concerning the respective countries. In general terms it can only be said that most of the plans have been worked out after careful deliberation on the basis of preliminary studies of tourist experts in the field and they are liable to be a useful tool in shaping tourism development of the countries concerned.

But even more has been done by individual governments. In spite of all general business encouraging measures and specific measures of promoting tourism, and in spite of very favourable trends of tourism development in the future, private capital is still showing some hesitancy to be tied up in permanent investment in the hotel industry and this was the case in most of the countries in other regions which have recently and very successfully developed tourism. It is only after government-owned or government-sponsored development companies have built new hotels and thereby given tangible proof that tourism is viable and hotel investment profitable that private capital has really started to pour into the tourist business. Therefore, a sound and realistic policy has been adopted by most of the governments in the sub-region: to have hotel and lodge construction financed by national development corporations or their subsidiaries specialized in hotels with such private participation as could be mustered both at home and abroad. The new hotels with some private participation will not fail to encourage private capital to invest also in wholly privately owned hotels and other tourist plant.

Is there anything more to be done in order to attract private capital and in particular, would it be necessary that the governments concerned offer some incentives which would reduce construction and/or operating costs, and thereby increase profitability. The trend in tourist demand, the tourist attractions of the countries concerned, the local conditions and the infrastructure provided by the governments, are favourable enough to make investments in tourism profitable, and most of them are, while others will become so in the long run. Why therefore offer special inducements in addition and should not the right answer be no? In the long run such a conclusion may be correct. But in such a complex economic activity as modern tourism, it takes time for many of the favourable factors to produce their full effect, and in the meantime the profitability of new investments may be affected. Profit tax exemption or similar measures suited to alleviate or spread out the tax burden, reduction of some taxes connected with creation of companies, etc., may be justified as a temporary measure during the initial period. Also guarantee of stability of tax laws during a certain period may be appropriate, etc. Loans at low interest and extended repayment terms or rebate of interest by government are certainly liable to

make equity more profitable. There are also a few lasting conditions which are unfavourable and it may be useful to compensate for them. Thus, imported hotel and tour operator equipment is more expensive in Eastern Africa than in many competing regions and exemption of import duty on new hotel equipment may be justified. All these incentives, however, have to be treated with the greatest care and introduced only if truly necessary. Most of them should be considered only as a temporary measure, and later investments could very well take place without benefiting from them.

Whatever the efforts of individual Eastern African countries and the wisdom of national tourism development policies, there are some vital problems of tourism development that cannot be solved successfully by one country alone and which require co-operation of all the countries of the sub-region. Such a co-operation would remove many handicaps and create better conditions for tourism in the region. It would increase profitability in the tourist business including that of international carriers and local hotel industry. It would also speed up tourism development and all these desirable results would be achieved at considerably lower costs, than if each of the countries did it alone.

Two facts are here of fundamental importance: (1) the great geographical distance of Eastern Africa from the main tourist-generating countries, and (2) the mobile character of modern tourism.

The first situation requires considerable strength in order to make people in such distant countries interested in travelling to Eastern Africa and to make such travel accessible to sufficiently large strata of the population. The mobile character of modern tourism results in the fact that the Eastern African countries, as far as overseas tourism is concerned, have by far stronger common interests to get overseas tourists into their region, than are the possible competing interests of individual countries.

This co-operation is particularly necessary in transportation policy, joint travel promotion on overseas markets, professional training and some aspects of development policy including introduction of uniform statistics. It is also useful in several other fields.

Co-operation of the Eastern African countries in transport is useful in various aspects. For the immediate purpose of encouraging holiday travel in Eastern Africa, it would be useful to increase flight frequency on some important services where bottlenecks often occur. In order to enable the governments to formulate such demands, the carriers should make available their flight statistics of the inbound and outbound services for the country concerned. Such statistics should include seat capacity, number of passengers flown, freight and mail carried, etc., and should be made public.

A tough bargaining attitude of individual East African Governments in granting traffic rights, makes the introduction of new flights more difficult, and a more liberal attitude towards carriers both from the sub-region and from overseas would help the sub-region in obtaining better air connexions with the outside world.

Owing to the great distance from the main travel markets, transportation costs are the predominant cost factor in tourist packages sold on the main overseas markets. In view of the tough competition, it is of vital importance for the successful development of Eastern African tourism that travel to Eastern Africa be sold at competitive prices and, since the transport costs are the dominant factor, no effort should be spared in order to bring these costs as much down as is compatible with a sound l/ commercial policy of the air companies.

It is essential, therefore, that Eastern Africa obtains equally inexpensive air transportation from the main tourist-generating countries as the competing regions. So far as Europe is concerned, the availability of both IT individual and group fares to Eastern Africa is altogether satisfactory. However, the lower North Atlantic fares cause Eastern Africa to be handicapped on the Western European travel market in respect of continental North America, so that the lowering of some IT fares to Eastern Africa may be appropriate.

The great future, however, for holiday travel from Europe to Eastern Africa lies in the least expensive transportation by charter planes (or other non-scheduled flights). In order to widen the possibilities for such flights, a liberal policy should be requested from those European countries which still apply restrictions to charter flights. In addition to Federal Republic of Germany and Switzerland, the United Kingdom has recently reduced the main obstacles to organizing such flights, and it is to be expected that competition will force other countries to do the same. This process could be speeded up by a joint initiative of Eastern African countries as explained in Chapter II.

On the other hand, charter flight arrangements require concentration of large hotel capacity in areas which are the destination of charter flights, and this should be taken into consideration when planning new investments especially on the Indian Ocean.

l/ Such a policy should, among others, by applying various special fares create additional traffic and thereby achieve a much higher passenger load factor than at present. Also a more efficient co-operation between the carriers in order to reduce sales- and operational-costs would be appropriate.

The lack of IT group fares from North America to Eastern Africa is a serious handicap to this sub-region in respect to other tourist regions in the world. Even more damaging for the development of African travel from North America is the limitation of all special tourist fares to a maximum of 21 days. This limitation has been custom tailored to the needs of Western European countries, and it does not fit African size. It is a serious obstacle to development of holiday travel from North America to Africa, and all special tourist fares to Eastern Africa or better still to all Africa should be valid for a period of at least 40 days.

A more elastic tariff policy and the introduction of IT group and individual fares should also be applied within Eastern Africa and on services connecting this sub-region with some neighbour regions. Such special fares backed by effective promotion and marketing would vitalize holiday air travel within the sub-region and attract tourists from neighbouring regions. Also the introduction of family fares for family members of people travelling on business would augment tourist travel within the region.

Surface transportation is of importance for local excursions and tours of overseas tourists, and as a means of getting to a country from other countries in the region. Modern road construction now in progress in most of the Eastern African countries will therefore encourage to a large extent regional tourism and also make African tours more attractive for overseas tourists. Modernization of roads connecting game parks would make them accessible all the year round. This would make it possible considerably to extend the tourist season and to increase the profitability of tourist plant and of the game parks.

To make the road networks of individual Eastern African countries more appropriate for tourist purposes, it is essential to link them by modern international roads. Such roads have in principle been agreed upon by the respective governments and international financing of a large share of the costs secured, but in some countries the implementation of these projects is slow, and priority is often given to roads of only local importance. It may be appropriate that under bilateral agreements neighbouring countries accept firm obligations to complete at fixed deadlines their respective sections of the road linking the two countries, and foreign aid could be tied to a synchronization of efforts of the neighbouring countries concerned. There are also roads which are used for circle tours in two neighbour countries and their modernization would be justified only on grounds of tourism. Here also co-operation of neighbouring countries would be most useful.

Liberalization of administrative formalities concerning road transport, car hire and tour operations by firms from neighbouring countries would encourage the circulation of individual tourists and groups of tourists in the region. In order to make possible combined air-land circle tours in regional or sub-regional scope, modification of the present IATA regulations should be considered (as suggested in Chapter III).

The limited hotel capacity in some countries surveyed and the bottlenecks which have resulted have sometimes led to the conclusion that travel promotion is not really necessary at this stage. Such ideas could do much harm to the successful development of tourism in the sub-region. Most of the hotel and lodge capacity is far from being occupied at a satisfactory rate, and some large new hotels and lodges have stayed almost empty while tour operators complained of lack of hotel capacity in the area; the tourist season in many areas is much shorter than it should be and, above all, the great attractions of the sub-region are hardly known to more than a small fraction of the travelling public. In view of the important development plans that are being implemented in the sub-region a strong promotion organized by the countries concerned and financed by the governments is one of the basic conditions to bring forward such a volume of international tourism which will make new tourist plant profitable right from the beginning and encourage new investment. There is a great potential demand for overseas travel that has accumulated on the main travel markets of Western Europe and North America, and which would be activated for travel to Eastern Africa through an effective travel promotion. If this promotion is to be really effective, it has to be carried out with great strength. This however is very expensive and well beyond the means of most of the individual countries of the sub-region. But even countries which were able to organize their own promotion on some markets, would largely benefit if such a promotion could be strengthened. Due to the mobile character of modern tourism and the great distance from the main tourist-generating countries, the chief objective is to bring as large a number of tourists as possible into the region and all the countries will benefit from it. In order to reduce costs for individual countries and at the same time to have a really strong and effective travel promotion it is recommended that a joint organization of Eastern African countries be created for travel promotion on overseas markets. The problems concerning travel promotion and the principles which could be usefully applied in its organization are set out in Chapter IV.

With such a strong competition as encountered in international tourism, it is very important that services to tourists be provided of the very best quality and at competitive prices. Both require a qualified personnel. For a successful development of tourism in the sub-region it is essential that well-trained personnel both for jobs at lower levels and for managerial and executive jobs can be recruited in the country. Although some training has been organized by international hotel management companies and tour operators, this has mainly proved effective for lower-level jobs but was inadequate for solving the problem of managerial and executive jobs. The actual volume of tourism in Eastern Africa and its development scheduled for the future, justify the creation of permanent hotel training centres for lower-level jobs and a hotel school at the secondary and at higher-level in Eastern Africa. While the training centres for lower-level jobs can be organized by individual countries, organization of training on the secondary and higher levels requires

co-operation at the sub-regional level. It is therefore recommended that a hotel school which would provide training at secondary level as well as training in hotel administration at a higher level be created in Eastern Africa. This school should also provide training in tourism at a higher level. Its organization and operation during an initial period would require the assistance of international agencies and bilateral aid both of which are highly justified.

It has already been said that in such a complex domain as modern tourism, a rapid development may bring forward various disruptions including bottlenecks on one side and idle capacity on the other. Comprehensive development planning can successfully eliminate most of these ills. Effective planning should be based on facts, and in tourism most of the relevant facts can be gathered only with the help of reliable and reasonably complete statistics. Such statistics are not available in all the Eastern African countries, and even in countries with a reasonably complete system of tourist statistics there is scope for improvement. Tourist statistics would be even more useful if they could be compared with statistics in other countries of the sub-region and statistics in other regions. The United Nations Statistical Commission and UNCTAD have already taken efficient steps to that effect, and as soon as their recommendations are adopted by ECOSOC, it would be to the great advantage of all the Eastern African countries to implement them.

In another field, co-operation of the countries of the sub-region may be useful - that is in eliminating unnecessary frontier formalities and in simplifying others. This can best be achieved by the co-ordinated action of all the ministries concerned within individual countries, but an exchange of ideas and experience of the top executives at the sub-regional level could speed up this process.

Speaking generally, more frequent contacts of the top executives responsible for tourism, and an exchange of their ideas and experience at the sub-regional level would prove useful in coping with many problems and in organizing joint action. Application of uniform criteria for hotel classification, a similar regulation of hotel industry and tourist trade, facilitation of tour operators business and even attractions of international conventions of particular interest for tourist development, are among the problems where co-operation would be useful and they have been considered in Chapter VI.

The complexity of modern tourism and its dependence on a range of diverse factors mean that if only one vital factor is lagging behind, the development of tourism will suffer. In countries with a developed tourism and a slower growth, new tourist ventures are just a drop in the ocean which would hardly upset the established balance. Therefore, further development in such countries can largely rely on long-standing traditions in various activities participating in tourism. In new countries where tourism is fast developing, or which only started to develop tourism, the co-ordination of development activities is a vital necessity. In the first place within individual countries.

If however, the bulk of tourists have to be attracted from far away overseas markets, some problems loom so large that individual countries can hardly cope with them and co-operation of the countries of a region is necessary. This has led to such co-operation in other tourist regions which have to reckon with the public from distant tourist-generating countries and such a co-operation will certainly be most useful in Eastern Africa.

The Eastern African countries accumulate an extraordinary wealth and variety of first-class tourist assets, and when put to good use these would attract a large share of the world's tourism to the greatest benefit of the entire sub-region. But to achieve this result, the problems cannot be assessed from the viewpoint of one country alone. In a social phenomenon of such world-wide importance as international tourism, a broader view can often help to a better solution of actual problems. It is expected that a presentation of basic facts concerning tourism in the sub-region may be of interest to the persons responsible for tourism development in the countries concerned and that the recommendations formulated in this study will prove useful in making decisions which would greatly encourage further development.

CHAPTER I

DEMAND FOR TRAVEL TO EASTERN AFRICA ON THE MAIN TRAVEL MARKETS

Increase of international tourism in the world

1. According to provisional estimates of the International Union of Official Travel Organizations (IUOTO) the world figure for arrivals of foreign tourists during 1966 was about 128 million, compared with 113 million in 1965 and 106 million in 1964. The increase of 13 per cent in 1966 compared with 7 per cent in 1965 and 14 per cent in 1964 seems to indicate a renewed expansion of the international tourist traffic throughout the world in 1966. The total amount of receipts from international tourism in the world as a whole in 1966, excluding receipts on account of tourist transport, reached \$12,700 million compared with \$11,400 million in 1965 and \$9,900 million in 1964. ^{1/} Of \$12,700 million total receipts, \$10,200 million were received by the countries of Western Europe, United States, Canada and Japan, while \$2,500 million was earned by the rest of the world.

2. International tourism development in Western Europe and North America (and this is true of other regions as well) has shown a steady trend of increase. It is a particular aspect of tourism development in general which includes also domestic tourism. This continuous trend is due to:

- (a) Increase of personal incomes;
- (b) Increase of population;
- (c) Universal custom of annual vacations which tend to expand in duration;
- (d) Growing number of retired people with substantial incomes deriving from personal property, life insurance and pensions;
- (e) The strain in modern industrial societies, creating an essential need of the working population for rest and relaxation on annual vacations and such relaxation is often more complete in foreign countries;
- (f) Convenience and cheapness of transportation by automobile and airplane, the first enabling whole families to travel inexpensively for vacation, and the second saving time and costs on tourist trips to more distant destinations;

1/ Tourism in OECD Member Countries, 1967, paras. 45 and 46.

- (g) Increasing possibilities to obtain foreign currency for trips abroad and simplification and even elimination of frontier formalities;
- (h) Better information on tourist attractions of foreign countries through increased travel promotion and publicity using modern methods to influence the public, and application of modern business methods in travel organization and marketing.

3. In the choice of various ways to spend one's income, there is definitely a shift towards visiting foreign countries. This has been expressed by the OECD Tourism Committee ^{1/} in two ways: by what their member countries earn from foreign tourism, and by what residents of their member countries spend on travel abroad.

TABLE 1

Gross domestic product, exports and receipts from
international tourism in Western Europe

(in \$'000 million)

	1956	1965	% Increase
GDP	260.9	495.7	+ 90
Exports of goods and services	55.8	111.6	+100
Tourist receipts	2,272	7,031	+210

Source: Tourism in OECD Member Countries, 1967.

4. It is seen from Table 1 that in the period of nine years between 1956 and 1965 receipts from international tourism in Western Europe trebled and that the rate of increase was more than twice as high as the rates of increase of the GDP and the exports of goods and services.

5. In Table 2 increase in tourist expenditure abroad is compared with the increase of the disposable income in Western European countries. It appears from these figures that tourist expenditure abroad increased during a period of nine years from 1.3 (in Switzerland) to 3.4 (in Germany) times faster than the disposable income and that tourism expenditure abroad takes an ever-growing share of the disposable income.

^{1/} Tourism in OECD Member Countries, 1967, para. 61-65.

TABLE 2

Disposable income and tourist expenditure abroad

Country	Increase 1956-1965		Coefficient of divergence	Tourist expendi- ture abroad as percentage of disposable income	
	Disposable income	Tourist expenditure abroad		1956	1965
	(per cent)				
F.R. Germany	+121	+410	3.4	0.8	1.8
France	+141	+409	2.9	0.7	1.4
Belgium	+ 69	+186	2.7	1.3	2.3
Netherlands	+115	+298	2.6	1.3	2.4
Sweden	+ 87	+241	2.5	1.0	1.7
United Kingdom	+ 70	+175	1.8	0.9	1.2
Switzerland	+104	+139	1.3	1.8	2.1

Source: OECD.

6. There are no figures on disposable income available for the same period in all Western European countries, but when comparing instead the global consumer expenditure with the tourist expenditure abroad we see that in Western Europe between 1956 and 1965 the global consumer expenditure has increased from \$171 billion to \$306.5 billion, or by 79 per cent, while tourist expenditure abroad has increased from \$1,436 million to \$5,044 million or by 251 per cent. This means that tourist expenditure abroad has increased 3.2 times faster than global consumer expenditure.

7. The bulk of this huge volume of international tourism is tourism to neighbour countries, followed by tourism to other countries of the same continent (regional tourism). Only a comparatively small number of international tourists undertake trips to other continents, and the main countries from which such tourists originate are the United States and Canada, the countries of Western Europe and Japan.

8. For Eastern Africa the main overseas markets are Western Europe and North America, which shall be further considered in this chapter. It is obvious that only persons beneficiaries of high incomes can afford such long and expensive trips as those from Europe to Eastern Africa. It is therefore appropriate to consider if the number of persons beneficiaries of high income is going to increase in the future and at what annual rate. In Table 3 a comparison is given between the average annual increase in the number of taxable incomes over \$5,600 and the increase of the per capita gross domestic product for six important tourist-generating

TABLE 3

Increase of the number of higher income earners and of the per capita gross domestic product in some European countries

Country	No. of income earners		Annual percentage of increase of increase	Annual percentage of increase of per capita GDP
	Year	Year		
United Kingdom	<u>1954/55</u>	<u>1964/65</u>		
over \$5,600	315,000	1,009,400	12.4	5.3
France	<u>1956</u>	<u>1963</u>		
over \$6,000	72,666	408,150	24.4	5.0
F. R. Germany ^{a/}	<u>1957</u>	<u>1961</u>		
over \$6,000	195,267	576,400	31.0	8.8
Sweden	<u>1959</u>	<u>1964</u>		
over \$5,750	78,173	262,357	27.4	5.4
Denmark	<u>1959/60</u>	<u>1964/65</u>		
over \$5,600	12,272	42,612	27.3	8.0
Netherlands	<u>1950</u>	<u>1960</u>		
over \$5,524	30,000	111,900	14.1	7.6

Source: Statistical annuaries of the countries concerned.

a/ The figures for F.R. Germany have to be augmented with salary earners in the same income brackets who do not pay income tax but only wage tax.

countries of Western Europe. The periods and countries chosen are those for which data were available. The number of beneficiaries of incomes over \$5,600 increased in Great Britain over 10 years at an annual rate of 12.4 per cent, while the per capita gross domestic product increased only by 5.3 per cent. This means that the number of high incomes increased 2.3 times as fast as the per capita GDP. In France during a seven-year period the number of incomes over \$6,000 increased almost five times as fast as the per capita GDP; in Germany during four years, 3.5 as fast, in Sweden during five years five times as fast, in Denmark 3.4 times as fast and in the Netherlands almost twice as fast. It appears that when a country becomes richer all strata of population benefit from it, but in addition the number of people with high incomes

increases faster than the average increase in well-being. This means that the number of those who can afford to travel as tourists to distant countries is increasing much faster than the per capita GDP. With a stable social structure it is expected that this correlation will continue in the future and even if the per capita gross domestic product should increase at a slower pace than in the past, the annual rate of increase of the number of people who can afford to travel to Eastern Africa would still be high enough to warrant the present rate of growth of overseas tourism in Eastern Africa. ^{1/} With a higher rate of increase of the GDP overseas tourism is likely to soar several times as fast.

9. The figures referred to are only to mark the existing trend but they still do not give sufficient indication of the number of potential tourists for travel to Eastern Africa or other equidistant destinations. Persons with families must have considerably larger incomes than bachelors or couples without children in their charge in order to make such extended trips. But even among those who could afford such trips, many will not decide to travel due to a high propensity to save or to established habits, family conditions, health, old age, etc. Many will find other ways to spend their incomes such as second residence, pleasure boats, other expensive hardware, etc. Consumer behaviour, however, can be influenced by efficient promotion, and the very notion of potential tourists appears to be rather fluid. In order to bring some more quantitative precision in this respect, surveys on the main travel markets would be very useful, analysing the vacation habits of individuals and families beneficiaries of incomes over \$5,000 and what actions could best be undertaken in order to make them decide to visit Eastern Africa.

10. In order to give some indication of the actual volume of travel of Europeans to other continents, the figures are given in Table 4 extracted from the IUOTO publication International Travel Statistics 1967. Besides being far from complete, these figures have to be interpreted with great care. They represent arrival at frontiers. Therefore they cannot be simply added as some tourists will visit several countries on a trip such as the United States and Canada, or Australia and New Zealand and many other countries on the way there or back. The same is true for East Africa, the Middle East, etc. The figures record foreign tourists (according to IUOTO definition). This means persons on vacation, on business and travelling for other purposes. Only some countries have broken down foreign tourists by country of permanent residence, while the others apply nationality in their classification. A European national can just reside in a country close to the country visited and may be no overseas tourist after all, etc. Nevertheless, even such incomplete figures have their value. They represent the minimum of European tourism for the respective countries and the volume of tourism will certainly go up from these figures.

^{1/} The decrease of the purchasing power of the dollar has been disregarded in this discussion as not relevant for the basic conclusions which can be drawn from this correlation.

11. In addition to the reasons for tourism development in general (mentioned in para. 2), there are particular reasons why Eastern African countries are in a favourable position in competition with other regions. There is a growing preference of the European tourist public for sunny and warm countries. It has been shown ^{1/} that in the period 1957 to 1965 increase in the volume of international tourism was almost twice as fast in the meridional European countries than in the rest of Western Europe. The attractiveness of coastal areas for modern tourists is growing in importance. The African Indian Ocean coast is one of the best accessible tropical coasts from Europe. In addition, tours to Eastern Africa make possible visiting game parks and the whole region has a charm so entirely different from what one can find elsewhere. There is also the overcrowding of the main tourist areas in Europe and the desire of tourists to enjoy unspoiled nature, scenery and free space that are lacking more and more in Europe, but which are still available in Eastern Africa. The desire to see new and far-away countries is growing stronger with tourists than ever before. The entire change of environment helps to achieve a more complete relaxation so needed by people living in modern industrial society. Thus, in competition with other tourist regions on the Western European travel markets, Eastern Africa has many advantages and it depends mainly on the countries of this region to what extent they will avail themselves of the rising opportunities for tourism development.

TABLE 4

Arrivals of European visitors in some overseas countries in 1966

United States	658,000	by country of residence
Canada	104,463	by country of residence
Bahamas ^{a/}	22,255	by country of residence
Bermuda	9,879	by country of residence
Jamaica	13,948	by country of residence
Brazil	29,459	by country of nationality
Middle East ^{b/}	473,064	by country of nationality
North Africa ^{c/}	672,618	by country of nationality
South Africa	45,402	by country of residence
Nigeria	5,115	by country of nationality
Mauritius	1,540	by country of residence
Ceylon	7,435	by country of nationality
India	21,723	by country of nationality
Japan	56,468	by country of nationality
Pakistan	38,222	by country of nationality
Singapore	31,739	by country of nationality
Thailand	34,118	by country of nationality
Australia	30,065	by country of residence
New Zealand	12,475	by country of residence
Philippines	14,471	by country of nationality
Tahiti	3,094	by country of residence

Source: IUOTO International Travel Statistics.

a/ Only from United Kingdom.

b/ Israel, Jordan and Lebanon.

c/ Libya and Sudan excluded.

^{1/} Tourism in North African Countries, ECA 1968, para. 113.

North American market

12. Another, even more important market although farther located, is North America. Since detailed figures are available for the United States, that country will be considered in the first place, while a good deal of what is relevant for it can be applied to Canada as well.

13. Competition on the American market is particularly strong, and to influence such a vast and well-attended market requires considerable effort, financial means and skill, and this will be discussed in Chapter IV. The highlights fit to attract American tourists must be of outstanding quality and presented in such an attractive way that they can compete with the top tourist attractions in the whole world. The tourist attractions which appeal to the European public do not have necessarily the same appeal for American tourists. Neither the United States nor Canada are lacking fine beaches, high mountains and beautiful lakes and tourists from there may show only a limited interest for such attractions in Africa. But American tourists are genuinely interested in people, their way of life both modern and traditional, old customs, folk dances and songs, old architecture, large cities, shopping, handicraft, and with good promotion a considerably larger number of American tourists may become equally interested in wildlife.

14. Also, the pattern of American travel differs considerably from the patterns of European tourist travel. A stay on a beach at the end of a charter flight, with a short visit to a game park or the nearest city, will hardly appeal to American tourists. When they start a trip overseas they are likely to visit a range of countries and stay in each only a few days. During such a short stay in each country they visit only the main highlights. This should be kept in mind when planning facilities and programmes for American tourists and promoting travel in the North American market.

15. From 1956 to 1965 consumer expenditure in the United States increased by 62 per cent while tourist expenditure abroad increased by 91 per cent, that is almost 1.5 times faster. The shift observed in Western Europe towards a greater share of tourism expenditure abroad has thus also been noticed in the United States.

16. When considering tourist travel of American residents to Eastern Africa, it is obvious that persons who can afford such trips must have a sufficiently large annual income. It is considered that \$10,000 is the lowest income limit to afford such trips. In Table 5 are therefore considered the numbers of beneficiaries of incomes over \$10,000. Their number increased during the period 1950 to 1965 from 1,378,000 to 10,176,000 at an annual rate of 14.3 per cent, while the per capita GDP increased in the same period from \$1,877 to \$3,501 or by 4.2 per cent annually. 1/ The number of personal incomes over \$10,000 increased more

1/ Statistical Abstract of the United States, 1967, page 321.

than three times as fast as the per capita GDP. The increase of higher incomes also reflected on the number of US residents who travelled overseas. Their number rose from 1,634,000 in 1960 to 2,975,000 in 1966 or on the average by 10.5 per cent annually. In this shorter period, the per capita GDP increased by 5.1 per cent annually which means that the number of overseas tourists increased twice as fast.

TABLE 5

Individual income tax returns in the United States
(before tax)

Gross income class	(Number of returns in thousands)					Annual % of increase 1950-1965
	1950	1960	1963	1964	1965	
\$10,000-15,000	679	3,642	5,670	6,620	7,704	16.9
\$15,000-50,000	615	1,551	2,274	2,643	3,141	11.5
Over \$50,000	84	126	162	192	231	7.0
Incomes over \$10,000	1,378	5,318	8,106	9,455	10,176	14.3

Source: Statistical Abstract of the United States, 1967, page 400.

17. In 1965, 12 million families in the United States had incomes over \$10,000, another 12.2 million families had incomes between \$7,000 and \$10,000, in addition to 1,240,000 unrelated individuals with incomes over \$7,000. There is here an immense reserve of potential travellers who could one day be activated to travel for vacation overseas after a further increase of the per capita GDP and a new lowering of air fares would enable overseas travel to compete more effectively with travel within the country.

18. But even now the United States is the most important single travel market in the world. It has been estimated by the OECD that the countries outside Western Europe, North America and Japan had earned from international tourism some \$2,500 million in 1966. About 40 per cent of these receipts were brought in by United States tourists. ^{1/} Therefore, the Eastern African sub-region would greatly benefit from a more substantial volume of tourism originating from the United States and no effort should be spared in order to achieve such a result.

^{1/} Tourism in OECD Member Countries, 1967, para. 47.

CHAPTER II

AIR TRANSPORT

19. Overseas tourism in Eastern Africa depends primarily on bringing tourists from Europe and North America, and practically the only mode of transport for them is by air. Therefore, adequate air services and frequency are of great importance. In larger Eastern African countries with developed tourism, service frequency is adequate, but in some other countries of the sub-region, it could be improved in order to encourage overseas tourism. For instance, Zambia and Malawi could be easier included in the great African tours if a better direct connexion were available between Lusaka and Central and West Africa. The best existing connexion is via Kinshasa once a week. On other routes also flight frequencies are often once or twice weekly, and this makes planning of tourist itineraries rather difficult. Countries with infrequent connexions are likely to be skipped by overseas wholesalers when planning African tours unless appropriate suggestions concerning possible tours reach them at the time of planning.

20. The passenger load factor on some routes in Eastern Africa is so high in peak periods that it is difficult to have reservations confirmed even for single passengers, not to speak of groups (i.e., Dar-es-Salaam - Tananarive, Nairobi - Johannesburg, Blantyre - Lusaka, etc.). The air carriers are happy with such a situation since it makes the routes profitable, but tourism suffers from it. With jet aircraft of 180 seats it is not so easy to decide to put an additional flight into operation and thus to cut the load factor overnight until new traffic develops. In addition, the restrictive policy of many African and overseas countries in granting traffic rights makes the introduction of additional flights even more difficult. If, however, tourism in Eastern Africa is to be successfully developed by effective promotion, rapid increase in hotel capacity and liberalization of frontier formalities, it will be necessary to augment accordingly the flight frequency and seat capacity on some critical routes and on other routes which may become critical. It is recommended therefore that the Eastern African Governments require from both national and foreign air carriers which operate international services into their respective countries to make accurate statistics available about the seat capacity, number of passengers, freight and mail carried on such international services both inbound and outbound. Such statistics should be published.

21. It is further recommended that the co-operation of Eastern African countries in the tourist field should also reflect on co-operation in air transportation so that traffic rights (Fifth Freedom) be granted more liberally - to the air companies of the sub-region in the first place - but also to overseas companies. A tough bargaining attitude of individual countries in this respect may provide some small benefits to some air companies, but it may stifle tourism development. On the

other hand, tourism development may more than compensate possible losses of passengers of the national carrier to the foreign carriers, and make him benefit from the very measure he was opposing. It can be assumed, however, that generally speaking, with the increased demand for air transportation, adequate offer will soon follow, and in favourable conditions even anticipate such increased demand.

22. We have seen in Chapter I that demand for overseas travel is highly income elastic. It is also highly price elastic so far as holiday travel is concerned. It is, therefore, of great importance that travel to Eastern African countries become accessible to ever larger strata of potential tourists and competes favourably with travel to other destinations. There are three main travel markets of interest to the Eastern African countries: Western Europe, North America and other African countries. We shall consider here mainly the first two markets. Both Western Europe and North America are at considerable distance from Eastern Africa. From 4,496 km between Rome and Addis Ababa to 9,097 km between London and Tananarive the intermediate distances are far from insignificant. The distances from North America are still greater with 11,238 km New York - Addis Ababa to 18,311 km from Seattle to Tananarive. It is obvious that transportation costs a good deal and that the share of transportation costs in the global travel costs is predominant. It is, therefore, appropriate to consider the implications of such long distances on the competitive position of Eastern Africa, and the possibilities to reduce transportation costs.

23. The most important tourist market for Eastern Africa is Western Europe. How competitive is the offer of travel to Eastern Africa on that market? In Table 1, the distances are given from Frankfurt, London and Paris to the main Eastern African airports, ^{1/} the economy-class round-trip fares and the lowest Inclusive Tour group fares ^{2/} (IT group fares) both in absolute amounts and the base rates per passenger/km and in Table 2 the corresponding data are given for routes from the same European cities to tourist places in the United States and West Indies at similar distances so that they compete with Eastern Africa on the European markets. When comparing both tables we see for example that the shortest distance from Frankfurt is to Addis Ababa with 5,395 km and the longest to Tananarive with 8,627 km. The lowest group IT fares to Addis Ababa is \$382 and the highest of \$514 to Tananarive. On the other hand the shortest distance from Frankfurt to New York is 6,197 km and the longest to Los Angeles of 9,423 km. The respective lowest IT group fares are \$268, and \$461. For a longer distance to America one pays less. The base rate per passenger/km to Addis Ababa is 3.5 cents

^{1/} A similar situation exists between other West European capitals and the same or other Eastern African airports.

^{2/} An Inclusive Tour in IATA terms is a trip undertaken for sightseeing and pleasure, completely planned in advance by a travel agent for a published price covering transportation, sleeping or hotel accommodations as well as any other facilities or attractions such as transfers, sightseeing, motor coach trips, car rentals, and sold by an IATA-approved travel agent.

against 2.2 cents to New York or 59 per cent higher. For the longer run to Tananarive versus Los Angeles the difference in base rates is smaller: 3 cents against 2.4 cents or 25 per cent higher. To Kingston, Jamaica, the base IT rate from Frankfurt is the same as to Lusaka. To some other islands in the West Indies the lowest base rates are even higher than to Eastern Africa.

24. It can be summed up that the fares from Western Europe to Eastern Africa except from the United Kingdom are considerably higher than the fares to equidistant places in the United States, but they are equal or lower than the fares to equidistant places in the West Indies. The fares from the United Kingdom to Eastern Africa have since April 1968 become more favourable than the fares to the West Indies and equally favourable as the fares to North America.

25. When comparing other competing destinations such as Iran, Pakistan, India and Ceylon (see Table 3), we see that the individual IT fares from Western Europe to Asia are as low as the group IT fares to Eastern Africa and that the base IT group rate to Teheran is considerably lower than the group rates to Eastern Africa except to Lusaka (and Blantyre). From the United Kingdom, however, the IT group rates to Eastern Africa are lower than the IT group rates to Asia.

26. The Mediterranean countries, both in Africa and Asia are considerably nearer and therefore in a better position as regards European markets. The Middle Eastern countries have in addition a considerable lower base IT group rate than most of the Eastern African countries.

27. Taking into account what has been said above, there is scope for improvement. For group of minimum 12 passengers from Europe (except from the United Kingdom) to Eastern Africa the IT group fare is now 57.90 per cent of the normal economy-class round-trip fare. From the United Kingdom to Eastern Africa the IT group fare is only 49.64 per cent of the normal economy-class round-trip fare. For groups from Europe to the Middle East, however, the IT group fare is only 43.42 per cent of the normal economy-class round-trip fare. It would improve the competitive position of Eastern Africa on the European travel markets if the IT group fares from Western Europe to Eastern Africa were reduced to 49.64 per cent of the normal economy-class round-trip fare (instead of 57.90), and to 45 per cent in the periods of slack passenger frequency. Such group fares would enable European wholesalers to offer very attractive package tours on scheduled services which could include 7 to 8 African countries. In this way, European wholesalers would be able to include in their tours Ethiopia, Zambia, Malawi and Madagascar in addition to Kenya, Tanzania and Uganda. With an effective publicity and expert marketing such tours would soon catch the imagination of the well-to-do European public and sell successfully. But also the public who intends to visit only one or two East African countries by using scheduled services would be encouraged by new lower IT group fares.

28. To the bulk of the European holiday public, the tour packages using scheduled flights will still be inaccessible and they would be unable to come for vacation to Eastern Africa if it were not for the charter flights which have considerably reduced the price of package tours. With well-organized series of charter flights, booked to 90 per cent capacity on the average the air round-trip costs per passenger would be from Frankfurt \$154 to Addis Ababa, \$177 to Nairobi, \$195 to Dar-es-Salaam or Lusaka, and \$224 to Tanatarive. Calculating with a daily expense for accommodation, food, local transport and sightseeing of \$10 a day, the costs of the entire tour of 14 days would be \$294 to Addis Ababa, \$317 to Nairobi, \$335 to Dar-es-Salaam or Lusaka, and \$364 to Tananarive. Actually the big German and Swiss wholesalers manage to offer such packages even at lower prices.

29. The greatest attraction for the charter public is a stay in an Indian Ocean beach resort, but mostly with an additional visit to a game park, or even one week Indian Ocean and one week game parks. There are also such clients who take a charter package to a large city in Eastern Africa, which serves as a base for game park visiting tours by surface transportation. In the absence of suitable statistics it would require unreserved co-operation of the big overseas wholesalers to obtain accurate figures of the number of their clients who have chosen each of these different variants. For those clients of charter flight packages who choose to spend part of their vacation on the coast and part for game viewing, it could be arranged that each should take place in a different country, for instance game viewing in Zambia, Uganda, or Rwanda, and stay in a beach resort in Tanzania or Malagasy. It is just a question of good organization based on accurate information on the preferences of the public and on good publicity. It is, therefore, recommended that the joint Eastern African tourist promotion organization, which should be created, takes as one of her tasks to contact the overseas wholesalers in order to obtain first-hand information on the preferences of the charter package public and on that basis suggest possible tours combining beach resorts and game parks, in the same or in various Eastern African countries. It is further recommended that air travel statistics of individual Eastern African countries break down the number of passengers and aircraft into passengers and aircraft on scheduled and on non-scheduled flights. Among the latter, small (taxi or private) aircraft should be shown separately.

30. On the basis of tariffs of air charter companies which were available it appears that for long-distance travel, companies operating large modern jet aircraft can offer transportation at a lower price than the companies using piston-engine aircraft. Since reduction of transportation costs is essential, the future of the charter business to Eastern Africa belongs to large jet planes. On the other hand, charter operations are economical only if restationing of empty aircraft (empty legs) can be avoided as much as possible. Therefore a whole series of flights have to be arranged to be economical, say, departure every week, and stays at destination of two

weeks. This means that a tour operator using a Boeing 707 must have 183 beds reserved for the first plane-load to arrive at the beach resort, and additional 183 beds for the second plane-load. Thus after the second week he will need 366 beds at his disposal in the beach resort. Tourism has become big industry due to technological progress in air transport and this progress has enabled tourists to travel long distance, but it requires concentration of large enough hotel capacity to accommodate such tourists. This has to be taken into account when planning investments in hotel industry and creating beach resorts. With the stretch version jets of 240 seats and the new air buses of 256 and 300 seats, transportation will become even less expensive and the groups to accommodate will become larger and larger.

31. This concentration of business due to charter flights requires also a big sales organization on markets generating overseas tourists, and only very large wholesalers can attempt such business. It also requires large travel markets.

32. There are still considerable restrictions that civil aviation authorities impose on organizing charter flights. In case of group charter they normally take the form of limiting the sale of seats to a closed or "affinity group". In the case of non-scheduled inclusive tours the restrictions vary from country to country. To be financially interesting for the air charter company and the tour operator, inclusive tour flights usually need to be arranged in series, but some States grant permission for inclusive tour operations to Africa only for single round-trip flights where the aircraft stays with the group throughout the tour. In this way charter packages are effectively discouraged. Other governments limit non-scheduled inclusive tour operations by fixing a minimum price for the package (usually based on the lowest fares on scheduled service), etc. These restrictions are intended to protect the operators of scheduled services on the routes in question who must operate on a time-table regardless of the traffic available for any particular flight. The restrictions can be lifted, however, whenever governments decide that it is in the public interest to grant authorization to their own or foreign operators for series of inclusive tour flights at prices below those offered on scheduled service and, in fact, the restrictions have been lifted in many countries so far as charter flights to Europe and the Mediterranean countries are concerned, but not to other African countries. This difference in treatment is difficult to justify, since the scheduled services from many of such tourist generating countries carry but a trickle of holiday makers compared to the volume of tourist traffic which could develop when liberalization of charter flights would bring African tours within reach of the large numbers of the middle income public. The Balears owe their spectacular tourist development primarily to charter business and with the increase of incomes in the main tourist generating countries such areas suited for rapid development can be found at increasing distance from the main travel markets. Tunisia, Kenya, Gambia, Cameroon are such examples in Africa. On the other hand, there are the justified interests of the scheduled services which should be taken care of. The solution, however, most favourable for development of overseas tourism

seems to be in the liberalization of charter business, parallel with development of new, more flexible forms of bulk sale of seat capacity of scheduled services and more flexibility in using their air-craft for charter operation. Since important tourist generating countries of Western Europe, such as Switzerland, Germany and others have adopted a liberal Attitude in respect of charter flights, competition may soon force other countries to do the same, but the moral pressure of Eastern African countries in this respect would speed up this process.

33. It is clear by now that those who utilize the non-scheduled inclusive tours come mostly from the population strata with incomes below the average of those utilizing the scheduled services. Often they also belong to a younger age group. The non-scheduled package tours are thus enlarging considerably the reservoir of potential tourists and making possible a far larger volume of travel to the Eastern African countries. The promotional value of the increased volume of travel will also benefit to scheduled air companies, since the number of tourists who use only scheduled flights will also increase due to the word-of-month promotion.

34. There are also other limitations to charter flights in addition to the preferences of a good deal of the public for scheduled flights. The very size of the charter flight operations not only requires concentration of large hotel capacity in the areas of destination of such flights, but also in the tourist generating countries where only very large wholesalers can handle such operations. It is often, when it comes to offering new tourist destinations to the public, that just the smaller tour operators show more imagination and initiative than the giant wholesaler outfits. Favourable IT group fares enable such small tour operators also to organize overseas tours which often include less-known countries, and the big tour operators are then compelled to do the same. But the greatest advantage of scheduled group travel compared to charter flights comes to the fore when tours are organized, covering a range of countries with a short stay in each of them. Such tours are less suited to charter flights. Thus, easier accommodation of smaller groups which come by scheduled services and better possibilities to organize tours through a range of countries including also less-known countries and stopovers with smaller hotel capacity are of great importance for countries which have only started to develop overseas tourism.

35. Not only that low group fares on scheduled services make it possible to include less favoured countries in a tour, they also facilitate organizing of tours in less favoured seasons, especially when such fares are lower outside the main tourist seasons. Charter operators, quite to the contrary, assume a greater risk when organizing tours in the off-season and due to a lower load factor of such tours, transportation costs more per passenger than in the main season when it is easier to book the plane

to full capacity. Therefore such charter tours cannot be sold at lower prices in the off-season, and charter tour operators concentrate therefore on shorter periods, while a dynamic air fare policy for scheduled services can stimulate travel in the slack season and considerably reduce seasonal variations both in air travel and in hotel occupancy in the tourist areas.

36. There is thus scope for both kinds of air transportation: scheduled services and non-scheduled flights. They are as much supporting each other as they are competing with each other and a dynamic policy for the former and a liberal attitude towards the latter will best serve to a successful development of tourism to Eastern Africa.

37. With over 11,000 km from New York to Addis Ababa and 18,000 km from Seattle to Tananarive the Eastern African countries are as far from the main tourist-generating areas in North America as any other farthest tourist region in the world. From New York some oceanian and Far East countries are farther, but from cities in the west of the United States, Eastern Africa is the farthest tourist region in the world. Competition to Eastern Africa on the North American market is thus practically unlimited.

38. There are nevertheless American tourists in Eastern Africa. Accurate statistics are not available for all Eastern Africa, about how many of them came on business, how many for pleasure or for other reasons, how many of them are residents of other African countries and how many came actually from North America. If we take Kenya - the country with the largest number of American tourists - of 18,417 American visitors in 1966 only 2,425 were residing in America. This is small even in comparison with South Africa which had been visited the same year by 13,735 American residents. It is just a trickle when considering that only from the United States, 2,975,000 tourists travelled overseas in 1966 and that their number is increasing by 10.5 per cent annually.

39. American tourists who travel to other continents are not looking for a pleasant beach resort on a tropical sea to spend two or three weeks relaxing and enjoying sunshine, the balmy weather and watersports. They do not have to travel that far for this sort of pleasure and just a short trip to Florida or the Caribbean will provide for it. As has been indicated in Chapter I, Americans travel to other continents in order to see people and places and enjoy the wide variety of landscape, architecture, culture and customs the world has to offer. They are in essence mobile tourists travelling from one country to another only to stay a short time in each. Therefore, charter planes are less suited for providing transportation for such tourists and scheduled services are of still greater importance than for the European public. It is therefore essential that these services be available at accessible prices.

40. In Table 4 indication is given of the economy-class round-trip fares from New York to Eastern African countries. The distances vary from 11,238 km New York - Addis Ababa to 14,440 km New York - Tananarive. The economy-class round-trip fare for the latter route is \$1,255.90 and for other Eastern African destinations it is \$1,045. The lowest published (excursion fare) is \$920 to Tananarive and \$784 to other destinations in Eastern Africa, the individual IT fares are \$890 to Tananarive and \$754 to other destinations. When comparing these fares with the fares to competing areas about the same distance from New York (see Table 5) it appears that the individual IT fares are in the same range, as the individual IT fares to Asia, but the advantage of the Asian countries over East Africa is that they also have IT group fares which are lower and range from 2.4 to 2.9 cents per passenger/km compared to individual IT fares which range from 2.8 to 3.3 cents.

41. In Table 6 are indicated the fares from New York to some important European and Middle East destinations. Europe has not only the advantage of being considerably nearer to North America and to have on that account much lower regular fares from New York; it also has the advantage of IT group fares, which are from 51 per cent to 42 per cent lower than the normal economy-class round-trip fares, and amount to 2.0 to 2.4 cents per passenger/km. The lowest basic fares from New York to Eastern African countries range from 2.7 to 3.4 cents and are thus far 1/3 to 2/5 more expensive than the fares to Europe. Thus in addition to considerably greater distance to East Africa and higher individual fares per passenger/km, East Africa is handicapped both in respect of Europe and Asia by lack of IT group fares.

42. It is obvious that if Eastern Africa is to attract any significant number of North American tourists and especially United States residents, the fares have to be lowered. It is recommended therefore that inclusive tour group fares be introduced between continental North America and the Eastern African sub-region. Owing to the higher normal basic rates than to Europe it is recommended that these fares be 50 per cent lower than the economy-class round-trip fares on the North America - Eastern African routes. By application of such IT group fares, a circle trip from New York to Blantyre would cost \$522.50, and to Tananarive \$617.90, and there is no doubt that the American wholesalers will jump at this opportunity to offer new destinations to the sophisticated American tourist public.

43. It is obvious, however, that even among well-to-do tourists not many of them will travel to the opposite side of the globe just to make an "excursion" of 25,000 to 30,000 km. When tourists decide to incur the expense of travel to such far away destinations as Eastern Africa, they will not be satisfied with visiting just two or three countries in order to have the whole tour completed in 21 days and thus benefit from fare reductions. Actually, if an American tourist wishes to avail himself of whatever fare reduction is available for tourist travel to Africa, his

trip has to be limited to 21 days - and he will have to be satisfied with visiting just a few countries, or to be hurried around with too little time available to see anything properly, not to speak of enjoying it, and to come back less relaxed and more tired than when he left home. The 21-day "Excursion fares" on which are based both the IT individual and group fares are custom tailored to travel needs of a few west-European countries. 1/ For Africa such a limitation of the validity of special tourist fares does not make much sense. A businessman might get things done in three weeks, but a holiday tourist who wishes to see the great continent of Africa and enjoy it needs considerably more time. Actually it is East Africa (Kenya, Tanzania and Uganda) which is the destination of such 21-day "excursions" from the United States. They are practically limited to wildlife that in the United States attracts only a small fraction of the potential demand for overseas travel, and if tours could include other Eastern African countries they would sell much better.

44. There are also such other, longer tours offered by American wholesalers. These, however, are based on the full normal fare which makes them very expensive and out of reach of the bulk of overseas tourists. Therefore, this limitation of the special fares to 21 days transplanted from other continents to Africa is particularly prejudicing the lesser-known East African countries (Ethiopia, Malawi, Malagasy, Rwanda and many other countries) which are simply skipped by wholesalers in order to save time and thus avoid the penalty of paying the full normal fare. But even Kenya would attract considerably more American tourists if such tourists, in addition to Kenya, Uganda and North Tanzania, were also offered the Victoria Falls, Lake Malawi and Lake Kivu, the fine shopping possibilities of Dar-es-Salaam and Zanzibar, the charming coastal areas of the Indian Ocean, and the medieval glories of Ethiopia.

45. Eastern Africa is considerably farther from North America than South America which has IT group fares valid for 28 days. From Europe the validity of the IT group fares to Eastern Africa is 30 days and for the individual IT fares 45 days. For Africa, however, even the 30-day period for the IT group fares is too short and in order to encourage longer African tours, including less-known countries, the IT tariffs from North America should be valid for a longer period. It is recommended that both the individual Inclusive Tour fares and the group IT fares to be introduced from continental North America to Africa be valid for a period of 40 days. Such fares should allow stopovers both in the "Middle East" (including Egypt and the Sudan) and in "Europe" in IATA terms (including Tunisia, Algeria and Morocco).

1/ Such a 21-day excursion fare is well suited for a trip to Italy, France and Great Britain and a few countries in between. But already when Greece, Turkey and Russia have to be included in a European tour and a few other countries in addition, tourists have to hurry around and miss most of the pleasure of such a trip. Therefore the 21-day excursion fare is just an ingenious means to keep American tourists close to the European Atlantic seaboard.

46. In order to make possible to include the Eastern African countries and the African Indian Ocean islands in the round-the-world tours, a round-the-world air route should be encouraged which would include Dar-es-Salaam, Tananarive, Mauritius in the direction to the Far East.

47. Air transportation is already of considerable importance in regional African tourism. It is therefore of interest to compare the air fares of some existing tourist routes and routes on which tourism could develop and the fares for similar distance in other regions. When comparing African fares in Table 7 with European fares in Table 8, it appears that normal African fares are considerably higher per passenger/km except on routes from or to South Africa, Rhodesia and Zambia, which are about the European level. While in Europe individual Inclusive Tour fares are available on all routes, in Eastern Africa they are limited to the routes to or from South Africa, Zambia and Rhodesia. No IT group fares are available yet in Eastern Africa, except the newly introduced fare between Johannesburg and Tananarive.

48. On some Eastern African routes there are published excursion fares. The base rates on these, however, are considerably higher than the IT base rates. It would encourage regional tourism if IT fares were extended to other potential tourist routes 1/ in addition to the existing ones. It is recommended that both individual and group inclusive tour fares be introduced on Eastern African routes where tourism already exists or could be developed and that such individual IT rates are about 3.1 cents per passenger/km while the group IT rates should be somewhere about 2.5 cents per passenger/km.

49. In the ICAO study on the Development of International Air Passenger Travel in Africa, published in 1967, it has been estimated that 90 per cent of air passenger travel in Africa is for business purposes. 2/ On the other hand, the average passenger load factor for 10 African airlines in 1965 had been 53 per cent and the break-even passenger load factor 51 per cent. It would increase the load factor and the revenue from passenger sales if with adequate safeguards family members accompanying the head of the family on a business trip were granted 50 per cent reduction of the normal fare paid by the head of the family. 3/ It is therefore recommended that family members accompanying the head of the family on a business or official trip (round-trip or circle trip) obtain a 50 per cent reduction on the normal fare paid by the head of the family. This would increase revenue of the air companies while

1/ Khartoum and Jeddah to Addis Ababa and Asmara; Addis Ababa - Nairobi-Mombasa, Dar-es-Salaam, Kampala; Lusaka and Ndola - Dar-es-Salaam, Blantyre, Tananarive, etc.

2/ Page 42, para. 22 - For Eastern Africa this percentage is considerably lower but still very important.

3/ Supposing that a tenth of the business travellers (90 per cent of the total number of travellers) were to take wife and child with them, the number of passenger load factor would increase from 53 to 57.8 per cent. At the same time global revenue from passenger sales would increase by 4.5 per cent, while there would be no increase in cost except for the sales commission.

hardly affecting their costs. At the same time an additional advantage for African tourism from this increased traffic would be that wives would spend considerably more on shopping and sightseeing than their busy husbands, and after their return, their mouth-to-ear promotion would make many of their friends interested for vacation travel to the same countries.

TABLE 1

Air fares from Europe to Eastern Africa

(in US dollars, respectively in \$.cents per passenger/km)

		km	Economy R/t		Lowest IT fare	
			US\$	Pass/km	US\$	Pass/km
<u>From Frankfurt</u>						
To	Addis Ababa	5,397	659.70	6.1	382.00	3.5
	Dar-es-Salaam	7,024	712.90	5.1	412.80	2.9
	Entebbe	6,034	665.00	5.5	395.00	3.2
	Lusaka	7,814	712.90	4.6	412.80	2.6
	Nairobi	6,356	670.40	5.3	391.20	3.1
	Tananarive	8,627	888.50	5.1	514.40	3.0
<u>From London</u>						
To	Addis Ababa	5,930	675.70	5.7	335.40	2.8
	Dar-es-Salaam	7,494	712.90	4.8	353.90	2.4
	Entebbe	6,481	665.00	5.1	330.20	2.5
	Lusaka	8,258	712.90	4.3	353.90	2.1
	Nairobi	6,826	675.70	4.9	335.40	2.2
	Tananarive	9,097	888.50	4.9	440.90	2.4
<u>From Paris</u>						
To	Addis Ababa	5,603	659.70	5.9	382.00	3.4
	Dar-es-Salaam	7,164	707.60	4.9	409.70	2.9
	Entebbe	6,174	665.00	5.4	385.00	3.1
	Lusaka	7,947	707.60	4.5	409.70	2.6
	Nairobi	6,496	670.40	5.2	388.10	3.0
	Tananarive	8,758	885.50	5.0	514.40	2.9
<u>From Stockholm</u>						
To	Dar-es-Salaam	8,953	835.00	4.7	439.60	2.5
	Nairobi	7,399	798.00	5.4	420.00	2.8

TABLE 2

Air fares from Europe over North and Mid-Atlantic
(in US dollars, respectively in \$.cents per passenger/km)

			Economy R/t		Lowest IT fare	
			US\$	Pass/km	US\$	Pass/km
<u>From Frankfurt</u>						
		<u>km</u>				
To	Bermuda	6,176	535.80	4.3		
	Chicago	6,972	553.50	4.0	350.00	2.5
	Kingston	8,887	689.70	3.9	456.70	2.6
	Los Angeles	9,423	763.00	4.0	461.00	2.4
	Miami	8,023	623.20	3.5	389.10	2.4
	Nassau	7,663	623.20	4.1		
	New York	6,197	478.80	3.9	268.00	2.2
<u>From London</u>						
To	Bermuda	5,532	456.00	4.1		
	Chicago	6,361	473.70	3.7	312.00	2.5
	Kingston	7,543	608.00	4.0	375.00	2.5
	Los Angeles	8,779	725.00	4.1	441.50	2.5
	Miami	7,783	543.40	3.7	351.00	2.4
	Nassau	7,019	543.40	3.9		
	New York	5,561	399.00	3.6	230.00	2.1
<u>From Paris</u>						
To	Bermuda	5,868	497.80	4.2		
	Chicago	6,665	515.50	3.9	332.00	2.5
	Kingston	7,880	655.50	4.2		
	Los Angeles	9,107	725.00	4.0	443.00	2.4
	Miami	7,558	585.20	3.9	371.10	2.5
	Nassau	7,355	585.20	4.0		
	New York	5,838	440.80	3.8	250.00	2.1
<u>From Stockholm</u>						
To	Bermuda	6,993	592.80	4.2		
	Miami	8,744	661.20	3.8	401.10	2.3
	New York	6,304	536.40	4.2	280.00	2.2

TABLE 3

Fares from Frankfurt to Iran, Pakistan, India and Ceylon
(in US dollars, respectively in \$.cents)

From Frankfurt		Distance in km	Y. R/t	Lowest IT fare	
					Pass/km
To	Teheran	4,375	516.10	274.20	2.5*
	Karachi	6,470	702.30	449.50	3.5
	Bombay	7,263	718.20	459.80	3.2
	Delhi	7,426	718.20	459.80	3.1
	Colombo	8,919	808.70	517.60	2.9

* Group fare.

TABLE 4

Round-trip fares from New York to Eastern Africa
(in US dollars, respectively in \$.cents per passenger/km)

	Km	Economy R/t		IT indiv. fare		Recommended IT group fare	
			Pass/km		Pass/km		pass/km
Addis Ababa	11,238	1,095	4.6	754	3.4	522.50	2.3
Blantyre	13,927	1,045	3.3	754	2.7	522.50	1.9
Bujumbura	12,144	1,045	4.3	754	3.1	522.50	2.15
Dar-es-Salaam	12,845	1,045	4.1	754	2.9	522.50	2.05
Entebbe	11,995	1,045	4.4	754	3.1	522.50	2.20
Lusaka	12,618	1,045	3.8	754	2.9	522.50	1.90
Tananarive	14,440	1,255.90	4.2	890	3.1	612.90	2.10

TABLE 5

Round-trip fares from New York to some tourist areas
competing with East Africa
(in US dollars, respectively in \$.cents per passenger/km)

	km	Economy R/t		Lowest indiv. fares		IT group fares	
			pass/km		pass/km		pass/km
Teheran	10,300	946.00	4.6	680	3.3	500	2.40
Karachi	12,200	1,111.90	5.0	789	3.2	709	2.90
Bombay	13,082	1,127.90	4.3	801	3.0	718	2.74
Colombo	14,631	1,180.30	4.0	481	2.9	794	2.70
Johannesburg	13,296	1,045.00	3.9	754	2.8	-	-
Honolulu	7,990	510.20	3.2	487.40	3.0	-	-

TABLE 6

Round-trip fares from New York to Europe and Mediterranean
(in US dollars, respectively in \$.cents per passenger/km)

	Km	Economy R/t		Indiv. IT fares		Group IT fare	
			pass/km		pass/km		pass/km
Moscow	7,537	730.00	4.8	518.00	3.4	357.00	2.4
Frankfurt	6,197	478.00	3.9	330.00	2.7	268.00	2.2
Zurich	6,317	478.00	3.8	330.00	2.6	268.00	2.1
Rome	6,887	544.40	3.9	379.00	2.8	330.00	2.4
Paris	5,838	440.80	3.8	301.00	2.6	250.00	2.1
London	5,561	399.00	3.6	270.00	2.4	230.00	2.1
Tunis	7,122	544.00	3.3	379.00	2.7	330.00	2.3
Cairo	9,025	798.00	4.4	569.00	3.1	440.00	2.4

TABLE 7

Economy-class round-trip fares and the lowest special fares on
some potential regional tourist routes in Africa
(in US dollars, respectively in \$.cents per passenger/km)

	Km	Economy R/t		Lowest published fare		Lowest IT fare	
			pass/km		pass/km		pass/km
<u>From Addis Ababa</u>							
To Dar-es-Salaam	1,833	290.00	7.9				
Entebbe	1,687	258.00	7.5	170.40	5.0		
Mombasa	1,589	232.30	7.3				
Nairobi	1,165	175.60	7.5	115.00	4.9		
Jeddah	1,595	212.80	6.7				
Khartoum	1,003	169.90	8.5				
<u>From Lusaka</u>							
To Blantyre	866	68.10	3.9				
Dar-es-Salaam	1,613	188.90	5.9	123.50	3.3		
Entebbe	1,780	310.00	8.7	246.10	6.2	169.40	4.8
Nairobi	1,859	228.80	6.1	179.50	4.8	133.00	3.6
Tananarive	3,215						
<u>From Johannesburg</u>							
To Blantyre	1,444	167.60	5.8	123.50	4.3	88.20	3.1
Dar-es-Salaam	2,527	251.40	5.0	198.50	3.9	145.60	2.9
Nairobi	2,913	307.30	5.3	215.60	3.7	178.00	3.1
Tananarive	2,116	207.80	4.9	156.80	3.7	120.50	2.8
<u>From Salisbury</u>							
To Blantyre	885	61.10	6.3	60.60	5.2		
Dar-es-Salaam	1,576	175.60	5.6	115.10	3.7	102.30	3.2
Nairobi	1,954	271.40	6.9	213.10	5.4	158.30	4.0

TABLE 8

Round-trip fares on some European tourist routes
(in US dollars, respectively in \$.cents per passenger/km)

		Km	Economy R/t		Lowest published individual fares		Lowest IT fare	
				pass/km		pass/km		pass/km
<u>From London</u>								
To	Athens	2,491	299.00	6.0	215.00	4.3	165.80	3.3
	Naples	1,613	188.10	5.8	109.50	3.4	100.70	3.1
	Salzburg	1,037	117.70	5.7	76.00	3.7	65.30	3.1
	Nice	1,021	133.00	6.5	87.00	4.1	72.00	3.6
	Barcelona	1,128	122.80	5.4	79.60	3.5	70.00	3.1
<u>From Stockholm</u>								
To	Athens	3,095	370.90	6.0	291.00	4.7	175.70	2.5*
	Naples	2,226	279.00	6.3	191.50	4.3	164.10	3.7
	Nice	1,920	249.30	6.5	171.50	4.5	146.90	3.8
	Barcelona	2,303	257.10	5.9	176.50	3.8	151.40	3.3
<u>From Frankfurt</u>								
To	Athens	2,020	242.50	6.0	191.50	4.0	114.80	2.8*
	Naples	1,151	127.00	5.5	103.70	4.5	86.30	3.7
	Malaga	1,854	173.30	4.7	144.00	3.9	116.90	3.2
	Nice	716	100.70	7.4			67.20	4.7

* Group.

TABLE 9

Round-trip fares on some tourist routes
(in US dollars, respectively in \$.cents per pass/km)

	Distance		Economy R/t		Lowest public fare	
	m	km		pass/km		pass/km
New York - Miami	1,092	1,747	112.80	3.2	108.00	3.1
" " Buffalo	292	470	42.00	4.6	31.80	3.4
" " Los Angeles	2,461	3,960	290.20	3.7	217.65	2.8
" " Hyannis	197	317				
" " Mexico City	2,086	3,357	254.00	3.8		
" " Honolulu	4,966	7,990	487.40	3.0		
Chicago - Denver	899	1,446	110.80	3.8	83.10	2.9
" Miami	1,200	1,930	149.40	3.9	112.20	2.9
" New Orleans	836	1,345	85.60	3.2	81.90	3.0
" Las Vegas	1,512	2,433	188.20	3.8	141.15	2.9
" Los Angeles	1,742	2,803	211.00	3.8	158.20	2.8
Los Angeles - Honolulu	2,553	4,108	220.00	2.7	200.00	2.4
" " Las Vegas	237	381	40.00	5.2	26.00	3.4
" " San Francisco	340	547	47.40	4.3	31.00	2.8
" " Mexico City	1,555	2,502	186.00	3.5	144.50	2.9

CHAPTER III

SURFACE TRANSPORTATION

50. International travel in Eastern Africa has developed primarily as a result of progress in air transportation which is by far the most important transport mode for tourists arriving from overseas. It is also of considerable importance for tourism from neighbour countries. Transportation by sea is much less important and with the closure of the Suez Canal its importance has been further reduced. Rail transport has also limited significance, but may be of interest for regional and local tourism such as for example between Djibouti and Dire Dawa (Harrar) or Nazareth (Rift Valley lakes) between Blantyre and Chipoka on lake Malawi) and on some routes in East Africa. Some railroad routes may be of interest for overseas tourists on account of their scenic value, such as the route between Tananarive and Tamatave, but generally speaking, due to slowness, the rail transport in Eastern Africa is less suited for international tourism than air and road transport. Also slow but of potential interest for tourists are boat trips on inland waterways, such as between Kigoma and Mpulungu on lake Tanganyika. The use of the road, be it by automobile or by minibus, is of prime importance for local transportation of overseas tourists and for regional touring between countries which are connected by suitable roads.

51. In Table 1 figures are given of the importance of various modes of transportation in four Eastern African countries for which figures have been available, and in so far as they have been available. Where roads are good and regional tourism is developed, such as in Zambia, road transport covers 67.7 per cent of the number of foreign visitors who have entered the country. In Uganda 38.8 per cent of foreign visitors come by road as against 61.2 per cent who come by air. In Tanzania 20 per cent of recorded tourists come by road.

TABLE 1

Arrivals to some Eastern African countries by mode of Transport in 1966

<u>Country</u>	<u>Total</u>	<u>Air</u>	<u>Rail</u>	<u>Road</u>	<u>Boat</u>
Zambia	110,468	27,175	8,837	74,756	-
Uganda	23,995	14,678	5	9,305	-
Tanzania	31,000	21,700	N.A.	6,200	N.A.
Kenya	146,015 ⁺	124,710 ⁺	-	699 ⁺	20,606 ⁺

+ All persons recorded as having entered the country including immigrants and residents.

52. In other Eastern African countries, except Malawi, road transportation is far less important. For Malagasy separation by sea makes this obvious, but in Ethiopia, Rwanda, and Burundi the small significance of road transportation in international traffic can to a certain extent be explained by tradition of isolation which has not entirely disappeared. But the main reasons nowadays are the high costs of road construction in difficult terrain.

53. It is obvious that not all of the roads which would help tourism development can be justified by this reason alone, but when judging on their priority in view of their importance for various economic branches, tourism should certainly not be excluded.

54. Due to the prevalence hitherto of purely national approaches, road construction has often been planned piecemeal and roads which would attract considerable through traffic if extended to neighbouring countries have been considered as of only local importance and their traffic has failed to build up.

55. The following roads undertaken for other reasons would be of great importance for the development of regional tourism, if modernized all the way through:

Lusaka-Ft. Jameson-Lilongwe-Blantyre;

Lusaka-Mbeya-Dar-es-Salaam;

Kampala-Kabale-Ruhengeri-Kigali-Butare-Bujumbura-Nyanza Lac-Kigoma;

Nairobi-Tsiolo-Moyele-Dila-Addis Ababa;

Addis Ababa-Azezo-Metema-Gedaref-Wad Medani-Khartoum.

Priority given to the fast construction of these roads all the way through over other roads of primarily local character would considerably contribute to rapid tourism development.

56. Another inconvenience for development of touring is that in most countries the roads radiate from the capital city so that sightseeing circle tours cannot be easily arranged. Generally speaking, it would be at least premature to influence road construction in order to remedy to this inconvenience, but there are a few cases where such a policy of enabling circle tours would help tourism development to such an extent that the roads in question would be justified by tourist considerations alone. One example is the Triangle Kampala-Murchison Falls Park-Queen Elizabeth Park-Kampala (see Chapter 7). In another example, creating of such outstanding facilities for visiting game parks all the year round depend on co-operation of two neighbour countries such as paving the road Nairobi-Masai Mara Reserve-Serengeti National Park-Ngorongoro crater-Lake Manyara Park-Arusha-Masai Amboseli Reserve-Nairobi.

57. Due to the fast-growing popularity of the East African Indian coast a coastal road linking Dar-es-Salaam with Mombasa-Malindi would open up the whole coastal area for rapid tourist development.

58. There are also short missing links which would greatly help development of tourism in some areas. In the reports of various tourist experts to the governments concerned attention has been drawn on them and many such recommendations have been accepted in development plans.

59. It has been explained in Chapter 2 that the present situation with special IT fares from the United States to Africa, valid only 21 days is not satisfactory since an African tour requires a considerably longer time. An extension of the validity of IT fares between North America and Africa to 40 or 45 days would help a good deal. But even more could be done to enable tourists to get the best value for their time and money and thus to augment the attractiveness of African tours. Actually tourists to Africa usually book a circle trip by air which includes a range of airports - mostly in the capital cities of the countries visited - and from these cities they make circle tours by surface transportation. Often, however, as it has been explained earlier in this chapter, such circle trips are not easily feasible due to lack of suitable roads. It would save time and travel costs if tourists could substitute surface travel to one or several air legs without forfeiting the benefit of the special circle trip air fare, and without forfeiting the amount paid for air transportation on that particular leg.

60. Suppose, a group or an individual tourist coming from North America or from Europe travelling on an itinerary such as Kinshasa-Ndola-Livingston-Lusaka-Blantyre-Tananarive-Dar-es-Salaam-Mombasa-Nairobi-Addis Ababa-Asmara-Cairo, etc., wishes to visit the Kafue National Park in Zambia between Livingston and Lusaka, or the Luangwa valley park and Salima on lake Malawi between Lusaka and Blantyre, further to visit the Tsavo National Park between Mombasa and Nairobi and finally to do the historical Ethiopian tour (Bahar Dar-Gondar-Axum) by surface transportation. According to the present IATA regulations they would have to pay for "open jaw" transportation which practically means that they would have to pay the circle trip fare for the whole itinerary from the point of departure back to that point again including the air legs on which they will not travel by air but take surface transportation instead. In addition, they will have to pay for surface transportation.

61. African tours would gain very much if air transportation could be combined with surface transportation, so that tourists would be able to move always further ahead without missing sightseeing en route on legs of particular interest for tourists. This could be easily organized for groups, but also individuals could use rented cars, etc., in order to travel by road on some especially interesting sections of their itineraries and the ingenuity of tour operators would see to it that most interesting African tours are offered at attractive prices. A considerable saving of money and time would be achieved in this way and tourists would get more value for their money.^{1/} At the same time such possibilities

^{1/} Being less expensive and having more to offer, African tours would sell much better on overseas markets, and the load factors of the airlines would increase as a consequence of larger tour sales.

would give to scheduled services a new competitive edge in respect of charter operations where such alternating of air and surface travel is impossible to arrange in an economical way.

62. Something similar already exists for sea travel in the form of the air-sea clause. However, the conditions and the benefit of the air-sea clause would not prove satisfactory since this clause does not permit application of special or reduced fares except the children's fare. For African tours it would be necessary that the air-surface clause permits use of the lowest IT individual and group fares. The whole trip could be easily arranged in the way that instead of the air ticket for one leg, a voucher (M.C.O.) is issued by the air company for the amount of the reduced air fare for that leg minus a commission for the air carrier which would have flown the passengers. This voucher could be used towards payment of surface transportation, accommodation, etc. It all, of course, depends on IATA regulations. These, however, can be modified by a proposal of the air carriers mostly interested in traffic to Africa and they depend on governments' approval. The governments can also request from their national air carriers to make such a request. In international competition, it is important that air regulations are flexible enough to be adapted to the particular conditions and requirements of African tourism and to offer to tourists maximum satisfaction at lowest possible prices. It is therefore recommended that a study be undertaken about the possibility of combining air and surface transportation on the African continent enabling individual tourists and groups to use surface transportation instead of air transportation on individual legs, and to pay towards the costs of such transportation (and accommodation) by a voucher of the air company issued instead of the air ticket for that leg in the amount of the reduced fare minus a commission to the air company. Contrary to the actual "open jaw" regulations, such travellers should remain entitled to the special round trip (circle trip) fare as if the whole circle trip were completed by air.

63. In order to facilitate the use of surface transportation in carrying tourists by road on routes covering more than one country it is necessary to liberalize administrative formalities in some Eastern African countries. The formalities which concern the free circulation of passengers and individually owned vehicles will be discussed in another chapter but it is necessary to warn here against possible protectionist measures that some countries may apply in order to eliminate foreign tour operators and reserve business for local firms which would operate tours based on the capital city of their country. Such measures would not fail to provoke retaliatory measures in neighbour countries, and they would present a serious hindrance to the successful development of international tourism in the region. Local tour operators should certainly be encouraged but this can best be done by making tours based on the national capital equally or more attractive to tourists than the tours based on a foreign city and not by making tours based on foreign cities more difficult. It is also very important to make the regulations concerning rent-a-car operations in several countries as liberal as possible.

64. Should traffic by foreign motor coaches, minibusses or other commercial vehicles develop to a considerable extent, a road maintenance tax could be charged to them based on the number of seats and the mileage (or number of days) which the foreign vehicle has covered in the country. This, however, should be moderate and compensate only for the actual wear and tear caused to the roads by circulation of heavy foreign vehicles.

CHAPTER IV

TRAVEL PROMOTION

65. It has been shown in the preceding chapters that tourist demand in the main tourist-generating countries and in particular the demand for overseas travel is increasing steadily from year to year at a high percentage and that this trend is based on durable economic, social and psychological conditions which give sufficient assurance that it will continue unabated in the future. It has also been mentioned that this demand has been met by a downward trend in air transportation costs. It has also been shown that at the present technological level further lowering of air fares can be achieved which would boost development of tourism. From Europe this would mainly consist in facilitating charter flights and from North America in the introduction of IT group fares valid for a period of at least 40 days. Also, fare reductions have been mentioned which may result from further technological progress in transportation.

66. The high income and price elasticity of tourist demand are the best guarantee that overseas tourism can rapidly develop. But in order to direct such tourism to Eastern Africa this region has to evoke in the minds and hearts of potential visitors favourable associations, strong enough to make them choose it as their travel destination instead of spending their money on other things or choosing another region. Competition in both fields is tremendous.

67. In competition for the consumer's dollar, all sorts of consumer goods industries enter the field and the most efficient weapon is their struggle is modern advertising. In 1966 only in the United States, \$16 billion was spent on advertising. This equals the value of all field crops produced in the United States in 1959. ^{1/} It is a result of this tough competitive struggle when a wealthy American resident decides to install a swimming pool, or to buy a Criss-craft, or a house boat, or a new high-powered car, a colour TV set, etc., or to travel overseas. If he decides on the latter, the competition of other tourist areas enters in full action: Europe, East Asia, the Caribbean, South America, etc., etc. In order to choose Eastern Africa, this region has to strike his imagination and create in him the actual desire to travel there. It is obvious that the best modern means of persuasion have to be applied, and to be applied with strength. In such a large and competitive market as the United States, one African country alone, even with some tourist traditions, can do little. It is no wonder that in 1966, just to take an example, only 4,260 American residents visited Uganda, and only 16,670

^{1/} The last year for which figures were available.

American nationals visited Kenya (most of them were resident of other countries closer to Kenya than North America ^{1/}) while the same year 2,975,000 tourists travelled overseas from the United States alone.

68. Although on the European markets the competitive situation of Eastern African countries is more favourable, competition of other tourist regions and of other ways of spending one's disposable income works in essentially the same way, and without modern advertising and publicity Eastern Africa will not obtain its due share of the volume of international tourism.

69. The situation is to a certain extent different with regional tourism, that is as concerns demand from neighbour countries. Like local residents, potential tourists from these countries are to a much larger extent influenced by reports of friends and relatives who have visited the country in question. Nevertheless, tourist promotion and publicity based on up-to-date and reliable information can boost to a very large extent the spontaneous publicity of returning visitors. In regional tourism, however, individual countries may have different interests in respect of various regional markets. A country may reckon with South African tourists while another country may refuse to admit them. On the other hand, competition between countries of the same region may be keener felt, while as regards overseas markets this competition is only of secondary importance and the advantages of co-operation in travel promotion are by far outweighing them. Therefore travel promotion within the region can best be done individually by the countries concerned or by an association for a more limited area such as the Indian Ocean Tourist Alliance. ^{2/}

70. But when overseas markets are concerned it is essential to bring tourists into Eastern Africa and this can best be done by joint effort of all the countries of the region, as in this way better results can be achieved at lower cost for each country. On overseas markets the advantages of a joint action of Eastern African countries far outweigh the competing interests of each individual country. This has to do to a certain extent with the mobile character of modern tourism, which means that tourists from far away markets usually visit not one country but a range of countries of a region and find only such combined tours worth their money. Such tourists usually travel on scheduled services. Charter packages, as has been shown in chapters on individual countries can also include two or even more countries offering complementary attractions. But even if one country is the only destination of a charter flight arrangement, by an efficient joint promotion each country participating in it will be better placed to attract such arrangements than

^{1/} According to the Statistical Abstract of the Republic of Kenya, 1967, Table 32, only 983 holiday tourists actually came from America.

^{2/} Alliance touristique de l'Océan Indien ATOI, grouping Malagasy, Mauritius, Réunion and the Comore Islands.

it would be if relying only on its own forces. If the whole region is strongly publicized tourists will come to this region instead of to other regions. One individual country may benefit more, the other less, but in any case each country will attract more tourists at lower costs than if it were to do it alone.

71. It has been maintained that first hotels have to be built and then advertising started or otherwise there will be many unsatisfied clients who would like to visit the advertized area but will be unable to do so for lack of adequate accommodation, and until sufficient hotel capacity is built travel promotion is not necessary since tourists come anyhow. This sounds like common sense but it is hardly conducive to fast development of tourism. It is true that tourists come to Eastern African countries and that their number is increasing. But it is also true that many Eastern African countries had registered serious set-backs in a generally upward trend and these have been amugly explained away by this or that political event which might have taken place thousands of miles away. In some cases such events might have had a negative influence on travel, in others such an influence had been negligible, but in any case appropriate public relations would have reduced whatever negative impact such events might have had. Tourist travel takes place only during a rather short period of the year while the climatic conditions would allow travel over much longer periods. The occupancy rates in most of the lodges are far from satisfactory. The city hotels are much better occupied and in some capitals scarcity of hotel rooms is acutely felt, but in some capital cities new first-class hotels have been half empty and there are cities where large and very comfortable hotels were occupied only up to 10 per cent of their capacity while overseas tour operators complained of lack of hotel space. There is no doubt that a strong and efficient travel promotion would have helped in these situations. It is true that even with a sluggish and inefficient travel promotion, even with no promotion at all, tourism will eventually develop. But this development will be much slower and weaker than in a region where development of tourist facilities is matched by a vigorous travel promotion. If such a vigorous promotion is lacking, profitability of new hotel and other tourist investments will be lower and slower to materialize, and this would divert investment capital to other economic branches, although in reality tourism may have objectively better chances for its development.

TABLE 1

Share of regional tourism in some Eastern African countries

Country	Year	African residents		Residents of other countries		Total	
			%		%		%
Kenya	1966	43,701	41	62,819	59	106,520	100
Tanzania	1964	3,599	50	3,549	50	7,139	100
Uganda	1966	10,758	45	13,227	55	23,985	100

TABLE 1 (Cont'd.)

Country	Year	African nationals		Nationals of countries on other continents		Total	
			%		%		%
Zambia	1965	106,000	90	12,000	10	118,000	100
Ethiopia	1966/67	5,351	20	22,508	80	27,859	100

Source: Official travel statistics.

72. It can be seen from Table 1 that in the countries for which data were available regional tourism (mostly from neighbour countries) plays a very important role, ranging from 40 to 90 per cent of the total volume of international tourism. The traditional way of doing business and the rudimentary travel promotion which has been carried out in some of the countries may here appear satisfactory. Cheaper air fares and road improvements will further augment the volume of regional tourism even with outmoded and inefficient travel promotion. But the results would be quite different if modern advertising, publicity and marketing methods were applied on the main regional markets, although this all would remain limited by the number of sufficient high incomes, which are rising with economic development. Things are different, however, with the main tourist-generating countries overseas. A considerable tourist potential is already there and it can be activated by an appropriate air tariff policy and effective travel promotion so that tourism to Eastern Africa may grow much faster than national income per capita.

73. If travel promotion is to be really effective on such far away markets it has to be carried out with sufficient strength. A toddler may push a heavy loaded desk as hard as it can, it will not move an inch. It requires the strength of a grown man to push such a heavy weight. With advertising we have a similar situation. There is a threshold which has to be overcome by sufficient strength in order to move forward. And the use of such an appropriate force is justified only if the facilities are sufficient to accommodate the volume of business which advertising will set into motion. Otherwise it is a waste of money. It would be illusory if with the present hotel accommodations Malagasy or Malawi were independently to undertake travel promotion on the US market. But things would be different if these two countries were to joint forces with other Eastern African countries in order to undertake joined promotion on the main overseas markets. Actually in Eastern African countries surveyed in this study there are over 22,000 beds in tourist hotels, and 380,000 foreign tourist arrivals were recorded a year. Approved or estimated development programmes schedule construction until 1973 of 120 new hotels which will increase hotel capacity for overseas tourism by 15,000 beds (see Table 2). If this new capacity is to be filled with foreign tourists up to 55 per

Table 2

Projected hotel development and additional number of tourists by 1973
(rough estimate)

	Actual capacity			Foreign Year	Visitors	Projected new capacity in 1973		Addit- ional tourists	Average stay in days	Additional tourist nights
	Year	Hotels	Beds			Hotels	Beds			
Uganda	1968	30	2,015	1967	27,000	21	1,500	60,000	5	300,000
Kenya	1967	108	7,256	1967	138,300	35	6,592	222,557	6	1,323,000
Tanzania	1967	40	2,967	1966	31,000	18	1,900	63,570	6	381,420
Zambia	1967	66	2,176	1965	118,277	14	2,000	50,000	8	400,000
Malawi	1967	12	300	1967	20,000*	7	800	32,000	5	160,000
Ethiopia	1968	48	4,499	66/67	27,859	15	1,477	59,300	5	296,500
Malagasy	1966	80*	2,500*	1966	15,000*	4	700	17,500	8	114,500
Rwanda	1967	9	203	1967	5,000*	4	400	26,666	3	80,000
Burundi	1968	7	296	1967	5,000*	1	200	20,000	2	40,000
Total		400	22,212		387,436	119	15,569	549,543		3,095,470

For new hotel capacity, occupancy rate has been calculated at 55 per cent.

* Estimate

cent, over 500,000 tourist arrivals would have to materialize in the countries surveyed, in addition to some 400,000 arrivals of tourists who will occupy the presently existing capacity. With an average stay of 6 days in a country and daily spending of US \$20, this means 5,400,000 foreign tourist nights and foreign exchange earnings of 108 million dollars. Under assumption that only 2/3 of such tourists will come from overseas, there will still be 72 million dollars due to overseas tourism which certainly justifies an effective travel promotion in order to achieve such results.

74. It is obvious that joint promotion is the best way for small countries and countries at the incipient stage of tourism to be noticed on overseas travel markets and to attract tourists from there. But what interest have large countries already established in tourist markets to join forces with their less favoured neighbours? As regards Eastern Africa, even the best established country has not such a large accommodation capacity to justify its own travel promotion set-up in many very important travel markets, and thus far Kenya has the largest number of tourist offices abroad (three). By joining forces, efficient travel promotion could be extended to other important markets, but even more important is that the promotion activity on the main travel markets could be strengthened in a way to make it really felt on the market and highly effective in attracting tourists.

75. Experience has shown that well-established tourist countries have nothing to fear from development of tourism in neighbour countries. First of all, tours including a larger number of countries offering different attractions would have a greater appeal for the public and make more people come to the region. But even such tourists whose primary aim would be one country - say Madagascar - as they have already seen East Africa, may very likely make a stopover in Nairobi, Dar-es-Salaam or Kampala on their way to Malagasy or on their return home. If a striking colour photograph in a magazine advertisement for a region catches the imagination of the public without indicating in which country it was taken, each of the countries mentioned in the ad would benefit from it, almost as if the ad were for that country alone.^{1/} The staff in an overseas national tourist office may stay idle most of the day waiting for potential tourists to come or for the travel agencies to call, while if such a tourist office represented several countries of a region, its staff would be busy all day and such an office would not cost more to run it. These are but a few examples of the advantages of joint regional promotion. It is for these and similar reasons that other tourist regions have organized co-operation for promoting travel. The European Travel Commission, by promoting travel from the United States to Europe, has largely contributed to its early start after the war and to its tremendous development since. The Organization of Central American States has established a permanent secretariat for Tourism (SITCA), which has embarked

^{1/} Thus if 8 countries participate in such an ad the promotional effect for each of the participating countries will not be 1/8 but it may be 1/4 or 1/3 of the promotional effect if the same ad would promote just this country. Thus for a given effect one has to pay less.

on a regional programme for marketing and publicity. Joint marketing and publicity arrangements have also been entered into by the groups of countries in other parts of Latin America, for example Colombia, Ecuador, Panama, Peru, Venezuela. In East Asia in 1966 co-operation in joint tourist publicity and promotion has been established by Japan, Hong Kong, Republic of Korea, Macao, the Philippines and Thailand by the constitution of East Asian Travel Association.^{1/} If Eastern Africa is not to be handicapped in competition with other tourist areas in a similar situation, the countries of this sub-region should establish an efficient co-operation in travel promotion on overseas markets and create a permanent organization to that effect.

76. A misconception is often encountered as to the promotional role of large companies interested in tourism, such as air carriers, hotel administration companies, tour operators, etc., and it is believed that these companies can do enough publicity for the country concerned so that the expenses for travel publicity can be spared to the government. It is true that air companies spend huge amounts on promotion, and hotel administration companies when describing the advantages of co-operation with them do not fail to stress the promotion they will carry out on foreign markets due to their excellent connections, etc. Often a considerable sum is augmenting their fee on this account. There is no doubt that this promotion, any good sales promotion of firms participating in tourist trade, will benefit the country as a whole. But such trade promotion is axed on increasing the sales of the company concerned and it presents only an indirect and fragmentary image of the tourist attractions and facilities of a country or of a region. The direct promotion for a country or a region is far more economical and effective. A tourist will not be attracted to Tanzania for the particular pleasure of flying on the planes of a well-advertised carrier, or to stay in a hotel run by such and such well-experienced hotel management company. Both can be reassuring in the sense that he will fly safely and comfortably and that the air-conditioning in his hotel will function and the lavatory will not be clogged, and this has some promotional value, but he will travel to Tanzania to see the famous game parks, to swim in the limpid waters of the Indian Ocean, to admire (and photograph) the magnificent sight of Kilimanjaro, to get acquainted with Tanzanian people and to shop for the exquisite ebony sculptures in Dar-es-Salaam and Zanzibar and this has to be promoted in the first place.

77. It is an experience of the countries which have successfully developed tourism that promotion for a geographical area, be it a country or a larger region, is the most efficient way to attract overseas tourism. Such a promotion stresses the striking tourist highlights and creates in the minds of the public a lively and attractive picture of a country or a region and in addition it gives reliable and up-to-date information on

^{1/} UNCTAD, Review of Developments in the Field of Invisibles, TD/B/C.3/39, 8 February 1967, page 17.

transportation, accommodation, local transportation and tours, entertainment, rates, administrative formalities, etc. - all what is necessary for travel agents and individual tourists to organize tours into the region. 1/ It is therefore of great importance that the governments concerned organize a modern, vigorous travel promotion on overseas markets. The sales promotion of various business organizations concerned with tourism can usefully supplement such promotion but never substitute to it. As such promotion benefits all the trade participating in tourism including souvenir vendors, local taxi drivers, hairdressers, etc. in addition to large hotel enterprise and transportation companies such promotion should be financed from the government budget. 2/

78. Tourist promotion carried out on a regional basis by an official tourist organization on overseas markets obtains in addition to paid advertising several times its value in free publicity, which business companies as a rule do not. Not only is each dollar spent on regional advertising much more effective in attracting tourists to the region than one dollar spent on air carrier or hotel advertizing, but in addition it generates free publicity which multiplies the effect of paid advertizing. There is of course much more new and interesting stuff to write about or to show in photographs on a vast geographical region than it is in a new hotel or in the perfect services of an air carrier. But the editors of magazines and daily papers are also more inclined to show courtesy to representatives of important countries and geographical regions by publishing favourable stories and photographs on them than they would be in respect of representatives of business firms. This also answers the enigma how, with the comparatively modest 3/ travel promotion budgets of most of the tourist countries, their promotion has proven so efficient.

79. It is not sufficient that travel promotion on foreign markets reaches the tour operators and other professionals concerned with travel. It has to reach the public! Although tour operators do a lot of promotion in order to sell the tours they organize, experienced tour operators when considering which countries to include in their tour programmes printed in several hundred thousand copies rarely consult professional

1/ Such, for instance, a complete hotel guide folder of the region, indicating location, category, size and rates will be much more useful to tourists and tour operators than a folder with the hotels of a particular company which owns or operates them.

2/ If instead, some monopolistic trade is allocated to the Official Tourist organization, in order to use its revenue for travel promotion, such an organization usually concentrates more on how to make money instead of how to put it to best use for tourism promotion.

3/ Compared to the sales promotion budgets of the consumer goods industry or of the air carriers.

reviews and trade papers but look at how much advertising and free publicity is carried on a country or a region in influential daily papers, magazines and reviews with large circulation which reach the travelling public. Such promotion which has to reach the public is very expensive. An effective newspaper advertisement costs hundreds and even thousands of dollars and an ad in an influential magazine usually costs by thousands of dollars, while TV promotion is even more expensive.^{1/}

80. It is sometimes considered that national diplomatic representatives, trade commissioners and information officers can successfully carry out tourist promotion for the country they represent. This is a good deal of self-delusion. Efficient travel promotion requires a highly professional skill incompatible with diplomatic and consular activity. It requires aggressive salesmanship, a businesslike approach of travel agents, air carriers and other organizers of travel, and a thorough knowledge of mass media. It also requires a warm and welcoming contact with the public and not the aloof and highly dignified attitude of diplomatic and consular staff in respect to the public who come to their office. Success in the travel field requires not only a thorough knowledge of travel trade, of mass media and the habits of the public but also a politically unbiased attitude and a flexible approach of the public. The necessary knowledge and aptitude for co-operation with the trade, mass media and the public can best be acquired in an organization specialized in travel promotion. Such an organization should have its own ramifications on the main travel markets in the form of official tourist offices.

81. Overseas tourist offices have a threefold task: co-operation with the trade, with the mass media and the public. Co-operation with tour operators, air carriers, steamship companies and numerous other organizations interested in travel ^{2/} should bring to their attention the advantages of tourist travel to Eastern Africa, supply necessary information and if required, help them to organize their trip or their tours. ^{3/} Co-operation

^{1/} However, the necessary impact on the public can be achieved by a judicious choice of media which reach mainly the potential public for overseas travel and such selective approach saves on advertising costs.

^{2/} From the international associations organizing conventions, large industries offering overseas travel or prizes to their most successful salesmen and agents, influential automobile associations, to the bird-watching societies, local chapters of rotary clubs, etc.

^{3/} This is not an easy task if we consider that in the United States alone there are over 6,000 travel agents.

with mass media requires detailed knowledge of each of them including the public it reaches, advertising rates, the best dates and positions for advertising, the possibilities to obtain free publicity, etc. and use of this knowledge for selecting media at the best moment in order to transmit the right message in the most effective way and thus to support the sales efforts of the trade. It also requires personal contacts with TV and film producers, travel writers, photo-reporters, lecturers and other personalities in a position to influence public opinion. Direct information of the public requires a thorough and up-to-date knowledge of the countries represented, knowledge of different categories of the public interested in overseas travel and above all a friendly and helpful attitude in both direct contact and in answering written requests.

82. The breakdown of costs of such an organization able to carry out effective promotion on six important overseas markets is indicated in Table 3. The total amount of EA £200,000 or US \$560,000 presents too heavy a burden even for the most important tourist countries of the region, but the cost would be quite bearable if distributed on several interested countries on an equitable basis.

TABLE 3

Estimate of costs of an adequate organization
for travel promotion on overseas markets

<u>Headquarters</u> (salaries, rent, travel costs, general expenses and production and shipment of tourist material)		£ 60,000
<u>Tourist offices abroad</u> - 22 employees of which 6 local secretaries		£ 89,000
New York - 4 employees	£19,000	
London - 4 employees	£15,000	
Frankfurt - 4 employees	£15,000	
Paris - 4 employees	£15,000	
Stockholm - 3 employees	£12,500	
Zurich - 3 employees	£12,500	
<u>Advertising overseas</u>		£ 51,000
US	£11,000	
UK	9,000	
Germany	9,000	
France	9,000	
Scandinavian countries	9,000	
Switzerland	4,000	
		200,000

83. In Table 4, just as an example, a rough estimate is given of the number of foreign visitors residents of Europe and America in the nine countries surveyed in this report.^{1/} If we took this rough estimate as the actual volume of tourism originating from the countries in which

TABLE 4

Estimated number of visitors to Eastern African countries residing in Europe and North America in 1966 a/

Country	Arrivals in the country	Percentage	Share in joint promotion costs in E.A. pounds
Uganda	12,000	13	£ 26,000
Kenya	41,000	44	88,000
Tanzania	16,000	17	34,000
Zambia*	6,000	6	12,000
Malawi*	1,000	1	2,000
Ethiopia	14,000	15	30,000
Malagasy	3,000	3	6,000
Rwanda	500	0.5	1,000
Burundi	500	0.5	1,000
Eastern Africa	94,000	100	£200,000

a/ This is a rough estimate. In reality the distribution of costs should be based in the future on accurate frontier check statistics, with visitors broken down by country of residence.

* The great majority of visitors come from neighbour countries.

joint promotion should take place (Europe and North America) Kenya would have to pay E.A. £88,000 against £30,000 for Ethiopia and £6,000 for Malagasy. Zambia, which derives most of its tourism from neighbour countries where it may carry out its own promotion, would pay only £12,000 in the joint fund.

84. In addition to its share in the costs of this joint travel promotion each participating country would have to bear the cost of its own tourist promotion set-up be it the Ministry responsible for tourism, or the National Tourist office or a similar organization, which will remain

^{1/} When the frontier check are introduced in all the countries concerned and broken down by country of residence instead of nationality, accurate recordings will substitute to the estimates as the basis for calculating cotisations.

responsible for regulating tourist activities in the country, elaborating the tourism development plan, participating in tourist development corporations, etc., for carrying out tourist promotion in neighbour countries, for preparing travel promotion material for the country 1/ and which will control jointly the regional tourist organization.

85. As regards the joint regional tourist organization that we could call the Eastern African Tourist Organization, it should be financed by the member countries according to the number of visitors-residents of overseas countries in which the joint promotion is taking place. The number of such visitors should be taken from the frontier check statistics which would have to be introduced or adapted to this purpose by all the member countries. Later on, when statistics on hotel arrivals and nights are introduced in all the countries of the region, the number of nights could present an even better criterion. In addition, a modest membership fee would be paid in equal amount by all full members - all participating countries.

86. The staff of the permanent secretariat (headquarters of the organization) and of the tourist offices abroad should be provided by the member countries according to the importance of their tourism (and their cotisation) provided the candidates qualify for the job in question. Assignments in both headquarters and overseas offices should be for a limited period of 3 to 5 years. It is fair that the great experience and knowledge of travel markets and tourist trade which such officers will acquire serving overseas should benefit their own countries when after a tour of duty abroad they return home to serve in the National tourist organizations, government bodies or development corporations.

87. In contact with business people and the public, presentable, well-trained and affable African directors and other officers of the Eastern African tourist offices overseas will be of immense promotional value by themselves creating the first favourable impression of the countries and people of the Eastern African region. Their courtesy and professional knowledge would not fail to impress favourably both the tour operators and the potential tourists who visit their office. But they have to be well-trained, not only to master completely the language of the country they will be sent to, but also in all aspects of travel business and must also possess basic knowledge of public relations, advertising media and technique. In addition they should acquire a thorough knowledge of the tourist attractions and facilities of all the countries they represent. This is not an overwhelming task, and basic professional knowledge could be acquired during a crack course of 3 months, plus 3 months to get acquainted with the tourist attractions and facilities of the countries concerned including a study tour of the entire sub-region, provided the

1/ Which will be distributed by the joint tourist offices overseas, while in the neighbour countries it will be distributed directly.

candidates have good general education, preferably college education, and a working knowledge of the language of the country they will be sent to which will have to be improved during the 6 months training and of course during their work in the overseas office.

88. It is perfectly feasible that they master all pertinent facts needed in their contact with the travel trade and the public. It can be said in support of this that the 9 African countries surveyed in this study have together 500 tourist hotels with slightly over 22,000 beds.^{1/} In the 5-6 years' period another 120 hotels with 16,000 beds will be added so that there will be some 620 hotels with 38,000 beds. By comparison, only in one of the many tourist areas of Spain (Balears) there is presently 937 hotels with 64,379 beds. And if a man can supply all necessary tourist information on Spain, his Eastern African colleagues could very well do so for the Eastern African countries. The staff of the Eastern African Tourist Organization should be indoctrinated to be equally eager to send tourists to all or any of the countries they represent as if it were to their own country and when confronted with problems in their work to solve them to the best advantage of the tourism development of the entire sub-region. As there will be 2 to 3 Eastern African officers in each office, they should be each from a different country so that between them they will accumulate a pretty vast background knowledge of the region. The staff of the already-existing national tourist offices abroad should certainly be taken over by the new organization and kept on their jobs or transferred to another office abroad in order to have more countries represented in each of them.

89. The Eastern African Tourist Organization could best be organized along the following lines: It should have full and associate members. Full members would be the official tourist organizations of the member countries. The heads of the National tourist organizations or their delegates would form the Executive Committee, which would be responsible for all the decisions of the EATO. The most important ones should be carried unanimously others - more of a procedural character - by simple majority. Eligible for associate membership would be air carriers, shipping companies, railroads, hotel companies, hotel associations, tour operators, other travel agencies and their associations, folklore groups, associations of handicraft and souvenir shopkeepers, etc. They would pay a nominal cotisation which would correspond more or less to the importance of their business. Associate members, in addition to the full members will be convened every two years in the EATO Convention where they will have the right of discussion and of voting for recommendations concerning the shaping of tourist policy in the region. The EATO Convention would thus be a regional professional gathering where important issues could be discussed and the opinions of business voiced. However, the binding decisions as to the use of the means available and the promotion policy to be followed would rest with the Executive Committee.

^{1/} See Table 2.

90. Although the cotisations of the full members will differ in size, in principle all the member countries should be equally included in all joint promotional material and activities. Thus an advertisement in a magazine will carry the names and pertinent data of each participating country. In illustrated folders and other printed material, however, it may well be justified that countries with a more developed tourism obtain more space. In a hotel guide, Kenya will necessarily occupy more space, having more hotels to list than say Rwanda, but it may also strengthen the impact of an illustrated folder if Kenya or Tanzania would have three colour photographs of their highlights published in it against 2 of Madagascar or one of Burundi. Also actual work in overseas offices may consist in answering more requests for information about one country than about another for the simple reason that there would be more such requests.

91. It should be reminded in this connexion that important, well-established tourist countries might feel a certain apprehension to be prejudiced by such co-operation. In reality they will not be prejudiced at all as in this way it will be possible to carry out a much stronger and more efficient promotion which will attract by far larger numbers of overseas tourists into the region. The centrally-located countries, the countries less distant from the main markets and the countries already well-established in tourism can only benefit from overseas travel expanding beyond their boundaries to lesser-known and farther away countries. But there is also another aspect of the question. In the tremendous effort that is needed to catch up with the highly-developed regions of other continents, African countries should not only rely on assistance from outside the region; wherever possible they should help each other within the region. In addition to proper efforts of each individual country, both regional and international co-operation are the best guarantee of success. It is therefore recommended that a regional organization for joint tourist promotion on overseas markets be created by the Eastern African countries, along the lines formulated in this chapter.

92. It can be expected that the ECA Secretariat provides assistance in drafting the charter of this organization, elaborates a comprehensive programme of tourist promotion on overseas markets and a proposal for joint financing of this programme. It could also assist in organizing training of candidates for the headquarters of the joint promotion organization and its overseas offices.

CHAPTER V

NEED FOR SKILLED MANPOWER AND PROFESSIONAL TRAINING

93. Recent history has shown in a most striking way that the essential element in building up production and a prosperous economy are people, and that skilled hard-working manpower is slowest to build up. Some European countries which were reduced to ashes and ruin during the Second World War succeeded in a record time to rebuild their economy and attain a higher living standard than ever before. Most of them have obtained considerable foreign aid, first in food, consumers' goods, vehicles and tools, and later also in monetary form (grants and soft loans) and, finally, loans at market conditions and also direct capital participation. But skilled, hard-working manpower was available all the time for jobs ranging from the most elementary ones to jobs and positions requiring greatest professional know-how and organizing ability.

94. It is an advantage of modern tourism that professional and managerial skills required in hotel industry and other tourist service industries can be easier developed than in many other productive activities, but on the other hand being service industries they require a large number of trained staff which cannot be replaced by mechanical devices. If tourism is to develop successfully in Eastern Africa, the staff necessary for it has to be properly trained both for jobs on a lower level and the managerial and executive jobs. Thus far, in most of the countries of the sub-region, something has been done for jobs on a lower level but almost nothing for managerial and executive jobs. Training for lower level jobs is usually organized by local subsidiaries of foreign hotel management companies a few months before the opening of a new hotel and similar courses were also organized by individually hired foreign managers. Under the circumstances, this seems to have been the only practical solution for this problem, but with development of hotel industry there will be sufficient need for trained personnel to justify permanent national training centres at lower level. As regards training for jobs at the upper level, including managerial and executive jobs, people in tourist trade and hotel industry often maintain that proper qualifications for them can best be acquired on the job through a long experience. In a way this is what actually happened with many of them. They grew and developed with the trade. But today the tourist trade and hotel business have so grown in importance that professional training is provided in appropriate schools which in a systematic and methodical way convey to students the most up-to-date technical and economic knowledge which in practice might have taken a lifetime to acquire. It is no wonder that while advancement on the job is possible it is not very frequent and even the brightest employees learn only from what they see in actual practice, while elsewhere newer and better methods and techniques might have developed in the meantime.

1/ An improvement of the training on the job is provided by large hotel administration companies which select bright young people and give them a thorough on-the-job training in other well-run hotels of their chain. But even such a training cannot substitute to the systematic knowledge taught in good schools or hotel institutes.

For the new and rapidly developing hotel industry and tourism in the East African countries in the conditions of strong international competition, it is of great importance that young men who will enter the hotel and travel business in order to assume responsible positions in the future acquire the most up-to-date know-how in the field. Only schooling in a good professional school can give them the basic knowledge required and enable them always to keep abreast with the new techniques which may develop after they have left school.

95. However, it would be a mistake to consider that after graduation from a hotel school, such graduates are ipso facto able to assume executive and managerial posts in a large hotel. It is true that modern hotel schools convey both systematic knowledge and practical skill, as training even at college level includes not only laboratory and cuisine demonstrations, but also practical work in full-fledged hotel plant connected with the school. Still, the knowledge and skill acquired in school has to be applied and polished in actual practice and future managers must prove that they possess the ability of leading men. But only a few years in employment will give them the opportunity to show their abilities to assume the most responsible jobs and that is the difference between them and employees without previous schooling.

96. In the highly developed industrial countries, young people well-trained in the best professional schools obtain only junior jobs on entering business and they have to undergo very keen competition with equally qualified colleagues to determine who will get to the top. This competition within the company, in addition to the outside competition, unleashes tremendous young energies and ambitions which, coupled with thorough professional knowledge, have produced such remarkable results in technology, organization, new sales techniques and other means of increasing efficiency. It is of course not possible to have such a competition of trained young men in a country lacking qualified people. But if a young man out of school knows in advance that after a couple of years' practice he will obtain such and such managerial job, he may take it for granted and hardly exert himself in order to qualify for it. Sometimes, he may also not be sufficiently encouraged by the actual holder of the job whom he is to succeed. It may therefore be more appropriate if a man trained by his superior is not designated to succeed him as soon as he has acquired sufficient experience but rather that he may qualify for some similar job.

97. In this connection it would be useful to examine briefly other implications of the policy of job nationalization in the tourist trade. There is nothing so justified as that the key positions in Government, politics, business and social life be occupied by the nationals of a country, and that the East African countries which in the past had not been in a position to have as many young people trained as necessary step up the training of young people and make jobs available to them. It is obvious that in government and politics this process had to be carried out urgently, although

in public administration co-operation of well-qualified expatriates will still be useful for some time on some important technical and administrative jobs.

98. In business, however, a hurried nationalization of staff may often bring more harm than good, as experience has already shown in some regions. If the principle is adopted that any post held by an expatriate has to be given to a national as soon as such a national is available, such a precarious situation for expatriate job-holders may discourage them to do their best job and this might upset the efficiency of the business organization that applies such a policy. On the national scale this might weaken the whole economy and slow down development of tourism. Under such conditions it would also be difficult to obtain from abroad top experts, managers and executives. If highly qualified men are to be attracted, they must be offered attractive conditions. If a capable hotel manager, well trained and with great experience, is to abandon his permanent and secure position in his own country to accept to manage a new hotel in Africa, such a man must not only be offered a better salary, but also a reasonable permanence on his new job as long as his job performance is satisfactory. And if in Africa he will keep his job only until he has developed business and a national successor is found, he will be little encouraged to accept such a job and only second- and third-rate men will be available and the results with such men would be far less satisfactory. Countries which have most successfully developed their economy have usually proven real hospitability to qualified foreign entrepreneurs and employees who were willing to bring in their money or their professional skill.

99. In the absence of the feeling of security about their future in the host country, most of the qualified people do not take chances to accept a job directly from a local enterprise, but rather as employees of large international organizations which give their employees a feeling of security for the future. In the hotel industry, the fast-increasing role of international management firms in East Africa can partially be explained by such considerations. Under the circumstances, it is a convenient solution to many difficulties including professional training and it may well be indispensable for making government-owned hotels profitable. It is nevertheless a costly solution which would be unnecessary if trained personnel were available to the hotel industry.^{1/}

1/ In its offer to supervise game lodge construction and manage them after completion, a management firm has made an estimate of the development costs, the amount of sales and operating and other costs and the expected profit. The development costs included staff training which was three months longer than what would be necessary for already trained personnel and the training costs increased the development costs by 5.5 per cent. On account of such higher capital costs and the fee for the management company the profit before taxation was estimated to be of 8 per cent on invested equity. If trained personnel had been available for all the jobs so that no management firm were necessary the profit before taxation would have amounted to 13.5 per cent.

100. In the hotel industry and tourist business which cater directly to an overseas public, employment of expatriates may be useful on account of their connections with overseas tour operators, travel agents, etc., and to a certain extent also in respect of the overseas clientele. However, there is no doubt that in the long run the nationals of a country must be enabled to carry all the important jobs both in government and business and to organize business independently of outside help and this cannot be done without appropriate training. The most effective and economical way to provide quality professional training in the hotel industry and in tourism are within special schools. Like education in other fields, this should be primarily the task of the Government.^{1/} Well-schooled nationals with a few years of practice will not only be equal to but better than many of the existing expatriate employees. On the other hand, since they will be living and working permanently in their own country, they will not have the same expenses and risks as expatriate staff have and they will be satisfied with a lower salary for an equally good work. Under such conditions, Africanization will present no problem as it will proceed almost automatically without causing any disruption or deterioration in business efficiency.

101. A rough estimate of tourism development and of the projected new hotel capacity in East Africa has been given in Chapter IV, Table 2 for the 5-year period 1968-1973. Estimates of future needs of qualified hotel personnel can be based on these figures. It is estimated that 120 new hotels with 15,570 beds will be constructed during the 5-year period in the nine countries surveyed. This means there will be an annual increase of 24 hotels with 3,114 beds during that period, and we may assume that this trend will also continue in the years beyond 1973. Under the present conditions, this would require an additional staff of 2,800 employees each year. With increased productivity of labour due to better training, the ratio of number of employees to beds available may drop in the future. Most of the employees should be trained in national hotel training centres and certain number of unskilled workers employed in hotels could be trained on the job, and co-operation of interested countries in respect of their training is hardly necessary. However, candidates for the key positions in hotel establishments such as assistant general manager, head receptionist, head control clerk, maître d'hôtel, chef de cuisine, should be well trained. For the time being, the requirements of most of the East African countries taken individually are not large enough to warrant the establishment of a national hotel school to train them, but when the countries of the sub-region are considered together, such requirements are large enough to justify the creation of a hotel school both at secondary and higher levels. For about 24 new hotels to be opened each year in Eastern Africa, in addition to new restaurants and the teaching staff for national hotel training centres, some 150 young people trained in a junior hotel school would be necessary each year. If we take only 2/3 of this figure as the rock-bottom requirements, the hotel industry and the training centres should be supplied each year with 100 candidates trained in secondary hotel school. With a schooling period of three years

^{1/} Education financed by grants of individuals and of interested industries, even if wholeheartedly supported by industry, is a less economical way which only rich countries can afford.

and reckoning with the usual number of drop-outs, the hotel industry school should admit 110 first year students, in the second year there will be 215 students altogether and some 315 to 320 students by the third year.

102. The requirements of candidates trained at a higher level for executive and managerial jobs in large hotels, for directors of national hotel training centres, for instructors in the junior college, some government officers, etc., in the whole sub-region would amount to some 40 graduates a year and with a two-year schooling after completed secondary hotel school there would be 80 students in the senior hotel school.

103. For government bodies, for executive personnel of the East African Tourist Organization, for the key jobs in tour-operating companies, for passenger departments of the carriers, etc., candidates should be trained in a tourist school during 2 years after completion of secondary education. Such a tourist school should be connected with the senior hotel school and should turn out some 30 graduates each year.

104. It is recommended that a hotel training school be created for the Eastern African sub-region to provide hotel training both on the secondary and on higher level. At the secondary level training should last 3 years and it would qualify for most of the managerial and highly professional jobs in a hotel establishment. At higher level the school would provide training in hotel administration and condition of admission would be successfully terminated hotel training at secondary level. Schooling at the higher level would last two years. Equally on higher level a school for Tourism should be connected with the senior hotel school. Secondary general education would be required to enter this school and schooling should last 2 years.

105. The following tentative suggestions could be considered in this respect. The junior hotel school should provide two curricula: A - for hotel administration, reception, accountancy, house, and B - for restaurant, cuisine, bar, etc., with respective accountancy and administration. The schooling in each branche should last 3 years. Qualifications for admission to the A curriculum would be 9 years of general education, while for the B curriculum lowering of the admittance qualification to 8 years of general education could be considered.

106. Working languages of the school should be English and French, with all the subjects in the first year being taught in English, but with some subjects taught only in French from the second year on. In addition, English, French and German languages should be taught thoroughly by application of modern audiovisual methods during all 3 years. The curriculum in the senior hotel school should include more advanced accounting, fundamentals of hotel planning and engineering, hotel management, law of business and taxation, general economics, sales promotion, travel and tourist trade, and several elective subjects such as resort management, etc.

107. The curriculum of the tourist school would usefully include fundamentals of tourism and international tourism in particular, passenger transportation, travel agency business, government organization of tourism, law of business and taxation, travel promotion (including advertising and public relations), accountancy, general economics and some elective subjects as air transport, monetary and credit instruments, safari organization, etc.

108. The schools could also organize refresher courses for hotel employees and employees of travel agencies where the newest techniques would be demonstrated and explained. Also a consultancy service could be provided to hotels which would be very useful when more private capital starts to pour into the hotel industry.

109. It would be advantageous if the school were centrally located in the sub-region. On the other hand countries with a strong tourist industry and important development plans would be best qualified to play host to such a school as a large number of its nationals would attend classes. This already limits the choice to a considerable extent. The presence of a large university with courses in business administration, accounting, economics, etc., may be helpful as professors may be obtained to teach their subjects in both schools. However, owing to its practical character and the teaching on two levels, such a school could not be incorporated in a university.

110. Whichever country is selected as the host country for the school, it would be useful to establish some co-operation from other interested countries in a form which should be studied in more detail. Students from other countries should be admitted, and even have some priority of admittance in dormitories. Other countries may wish to participate in financing the school and in being represented in the board of management.

111. In view of the necessity to obtain the best teaching staff and the best up-to-date equipment, co-operation of the UNDP, and possible of other international agencies would be highly desirable and also bilateral aid could be requested, either in teaching staff or equipment or both. The UNDP has already approved in principle a similar project in North Africa and the amount of assistance required is about US\$1,000,000 to be spent in 5 years. In Eastern Africa, the distance from existing hotel training institutes is still greater and there is absolute lack of adequate hotel training institutions within the sub-region. Therefore, and in view of the fine possibilities of development of international tourism in the sub-region, it is recommended that a request for assistance for a hotel training institute (school) in Eastern Africa organized along the lines traced in this chapter be favourably considered by the UNDP and other international agencies, and that due priority be given to such a project.

CHAPTER VI

STATISTICS AND OTHER JOINT INTERESTS IN TOURISM DEVELOPMENT

112. In countries with developed tourism and a long tradition in its various fields new investments in tourist plant can be judiciously decided upon in the light of past experience and each new plant or enterprise will hardly upset the balance between various factors of tourism. Nevertheless, it is considered that for co-ordinating various activities which participate in tourism and formulating the government policy, accurate tourist statistics are necessary. These statistics also serve as an additional guideline for private enterprise. The need of reliable statistics is felt even more strongly in countries which either do not have much experience in tourism or where recent changes have created favourable conditions for a rapid development of tourism which was undreamed of only a few years ago. In order to make possible a rapid and smooth development, a co-ordinating policy is necessary, primarily in national scope but in some aspects also in regional scope. In chapters on individual countries some examples of lack of co-ordination or of improper timing of various projects can be seen which were responsible for bottlenecks in some areas and insufficient use of facilities in others. It can also be seen that the idea of development plans has been widely accepted and that the individual governments of Eastern African countries are willing to include tourism in such plans and some have already done so.

113. Elaboration of tourism development plans is generally preceded by a survey of the tourism potential and by other studies of necessary facilities for tourism development. Some of these studies, however, were not convincing enough to be accepted as a basis for the government investment plans, while in other countries they had all the desired qualities and could very well be used in elaborating the development plan. The difference involved does not reflect so much on the ability of individual experts or research firms who have made such preliminary studies as it has to do with the availability of pertinent data or lack of them. Among the data required the basic ones are quantitative data which can be provided only by reliable and reasonably complete statistics.^{1/}

114. Except in East Africa and to a certain extent in Zambia, tourism statistics in Eastern African countries are far from satisfactory and in some countries they are practically non-existent. But even in countries which already have an elaborate system of tourism statistics, a few changes or additions would considerably improve the whole system and in addition make the statistics more easily comparable with other countries. It is therefore recommended that a uniform system of tourism statistics be introduced by all the Eastern African countries. This system should be based on the up-to-date and practical recommendations in the United Nations Report of the Expert Group on International Travel Statistics (E/CN.3/385) as soon as these recommendations are approved by ECOSOC.^{2/}

^{1/} In some countries tourism development plans were worked out on the basis of rather incomplete statistics, and some important decisions proved to be on weak grounds. Such plans could not be successfully implemented and revision was necessary.

^{2/} Which is expected to take place in the summer of 1968.

115. Most of the principles underlying these recommendations have recently been adopted by the East African countries, Zambia and Malawi, so that in reality only some minor adjustment of the existing systems are necessary. Ethiopia is already considering making her system of tourism statistics more complete along the lines traced by the expert group and it remains only Malagasy, Rwanda and Burundi which would have to introduce most of the tourist statistics required.

116. It would be useful if the recommendations in respect of tourism statistics, once they have been adopted by ECOSOC be published separately and widely distributed in order to facilitate their implementation. In the meantime it would be useful to indicate here the most important paragraphs of the Expert Group report. The definitions recommended in the report concerning frontier check statistics are the following:^{1/}

- "1. Permanent immigrants (non-residents - nationals and aliens - intending to remain for a period exceeding one year).
2. Temporary immigrants (non-residents intending to exercise for a period of one year or less an occupation remunerated from within the country).
3. Dependents of temporary immigrants.
4. Visitors^{2/} (persons visiting a country other than that in which they have their usual place of residence, for any reason other than following an occupation remunerated from within the country visited).
5. Residents (nationals and aliens) returning after a stay abroad not exceeding one year.
6. Foreign diplomatic and military personnel stationed in the country."

117. Also very important are the recommended minimum information to be obtained from frontier check statistics.

"For countries using entry and exit forms the following is the minimum information needed for a simple classification of visitors:

- ^{1/} ECOSOC, Report of the Expert Group on International Travel Statistics, E/CN.3/385, 6 December 1967, paragraphs 6 and following.
- ^{2/} The distinction between "Transit passengers" (with transit visas allowing a stay up to two weeks) and "visitors" as used in the Eastern African statistics, has little practical value since many holiday tourists nowadays stay only a few days in a country and so do often business visitors. Therefore the same sub-divisions on "business", "holiday" and other visitors should also be made for transit passengers.

"A. All travellers (incoming and outgoing)

1. Name and sex (this information not required for statistical purposes).
2. Whether accompanied by: (a) wife; (b) family members aged 16 and over (number); (c) children under 16 (number). The number of "family members" and children under 16 may also apply to travellers in charge of groups.

"B. Outgoing travellers

If residents of the country

1. Principal country to be visited.
2. Main purpose of proposed visit: migration; employment; holiday; business; other (specify).

If visitors to the country

1. Country of present residence.
2. Main purpose of visit: employment; holiday, business; visit to relatives or friends; other (specify).
3. Length of stay in this country (days; zero if no overnight stay).

"C. Incoming travellers

If residents returning from abroad

1. Principal country visited.
2. Main purpose of visit: employment; holiday; business; visit to relatives or friends; other (specify).
3. Length of stay abroad (days; zero if no overnight stay).

If visitors to the country or immigrants

1. Country of present residence.
2. Main purpose of visit: migration; employment; holiday; business; other (specify).

"By means of these standard questions, periodic figures classified by means of transport used could be provided (because this information would be automatically available according to the collection point: airport, seaport, rail or road frontier post)^{1/} on visitors departing, classified

^{1/} See paragraph 119.

by country of residence, and on residents returning home, by principal country visited, both groups being analysed by purpose of visit and length of stay (classified as appropriate). Less complete information (e.g., without length of stay) could be assembled for visitors arriving and for residents departing."

118. If Kenya and Tanzania also were, like Uganda, to record visitors arriving by land from the other two East African countries, this would provide a more accurate picture of the travel pattern in the three countries than the present estimations. If entry and exit cards were available to tour operators and also at gas stations, in hotels and restaurants frequented by passengers travelling by road from one East African country to the other, in addition to the frontier check point, it would facilitate filling in of cards which would be just handed over to immigration officers without any waste of time. Immigration officers should collect the cards but only exceptionally check them, just enough to remind the travellers that filling in the cards is a serious obligation. The replies to the questions in the cards should wherever possible be by checking the squares following the question so that filling in the card is made as easy as possible as well as the reading of the cards.

119. The cards should be classified by means of transport, but the simple distinction of road, rail, boat and air is not sufficient. Distinction should also be made for road transport if the passenger came by passenger automobile, motor coach (including minibus) or otherwise. For air transport distinction should be made between arrival by scheduled service, or non-scheduled (charter) plane, and for boats between sea and inland waterways.

120. The statistics of arrivals and nights of visitors at hotels should cover all types of paid accommodations, including pensions, boarding houses, camping sites and holiday villages. The usefulness of these statistics for the hotel trade should be explained to hotel keepers and such statistics should not be used for tax purposes but compliance with this obligation should be checked by inspectors and in case of non-compliance, fines should be imposed.

121. In paragraph 28 of the report mentioned, "the data to be collected from visitors and residents on registration at the hotel, camping site, etc., should be restricted to:

Name _____ (not required for statistical purposes)

accompanied by wife and family members aged 16 or over*

and children (under 16)*

Permanent address in country of residence _____

Is this your first hotel, etc., registration during this visit to
[this country]?**

Yes

No

* This item may also be adapted for group registrations.

** To be completed by non-residents only.

122. By means of these standard questions, a periodic (monthly, seasonal etc.) report could be prepared showing:

- (a) The number of arrivals at the hotel according to the principal countries of residence (or groups of countries if required);
- (b) The number of nights spent in the hotel in the reporting period, classified according to the principal countries of residence (or groups of countries, if required).

These statistics could also, where appropriate, be classified according to the category and grade of the hotel location, etc., (information which could be derived from its grading, name and address) and other criteria. The data could be related to the appropriate figures of normal capacity so as to obtain occupancy rates. For those countries needing it, information would also be available from the registration forms on the number of arrivals from abroad at all hotels etc., in the country (i.e., those who answered "yes" to the last question) and on the length of stay of these visitors, classified as appropriate."1/

123. Hotel statistics and frontier check statistics provide the basic elements. The daily spending of visitors may be obtained from the central bank or it has to be estimated on bases of sample surveys or otherwise. Also, other data of interest for tourism can be obtained by appropriate surveys. These, however, require a more sophisticated approach than tourist statistics by actual count and when necessary such surveys should be organized by trained statisticians.

124. As soon as the recommendation of the United Nations expert group on international travel statistics has been adopted by the responsible United Nations bodies, it would be useful to elaborate instructions how best to implement them in the Eastern African sub-region, taking into account the existing systems. If a sub-regional seminar could be organized to that effect, some advanced techniques of tourism surveys could also be included in its programme.

125. The United Nations Economic and Social Council has been particularly concerned that there should be no increase in tourist formalities on account of obtaining data for tourism statistics. However, one or two more questions on a form, easy to reply by checking the corresponding squares, cannot be considered as increased formalities, while they may often provide useful information. On the other hand, there are some police questions in the forms, required for double checking, and some of them could be eliminated in order to simplify the forms.

1/ It could be considered, however, if the question on the purpose of visit or stay at the hotel should be included in the questionnaire to be replied under the heading: employment, business, holiday, others.

126. Most of the frontier formalities, however, have nothing to do with statistics and their justification from other points of view should be reconsidered from time to time in order to check if the reasons for their application still hold, or if the country concerned could do without them. The visa requirement is still an efficient means against undesirable immigration, but even then a distinction between temporary visitors and persons desirous to become residents of the country can provide the possibility for bona fide tourists to be dispensed of visa requirement, while persons who wish to stay over a certain period of time or get a remunerated job in the country or get established in business would still need a visa. With development of large scale travel across the borders, a visa as a security measure is of very limited value and there is little justification to discourage visits of large numbers of tourists by requiring entry visas which should prevent entry to a few undesirable persons.^{1/} Even less justified is to base visa requirements on reciprocity. The United States just to take an example, requires visas from British, French and Spanish citizens, but neither the United Kingdom, nor France, nor Spain require visa from United States citizens. It is well known that the said European countries are anxious to get American tourists and it is only too justified to facilitate their entry while the United States may still have other reasons which offset their desire to have more British and French tourists and therefore still require visas for them. But this too is likely to change in the near future so that tourists will be able to come to the United States without visa.

127. In most of the Eastern African countries, citizens of the former metropolis or of other countries which belong to the same community of nations are admitted without visa, and sometimes without passport as well, while citizens of other countries need a visa. It is natural that countries which belong to a certain community have closer cultural, economic and political co-operation with other member countries of the same group, but it would hardly serve their interest if contacts with other countries are made more difficult by requiring visas from their citizens. The existing visa formalities in Eastern Africa make entry into the country more complicated for nationals of a range of important tourist-generating countries, thereby practically limiting the potential tourist markets to a few countries. This attitude is not only prejudicial to the country in question, but also to its neighbour countries, making tourist circulation in the region more difficult.

128. It is true that visa requirements are not a hindrance which cannot be overcome and it should not be assumed either that once visa requirements are waived tourism would develop by itself. The basic conditions for tourism development are adequate hotel facilities, convenient and

^{1/} If such a preventive measure is really needed, for instance as regards citizens from a neighbour country or another country with which relations are not friendly, such restrictions should be limited to the citizens of these countries and not applied to other countries where no danger is likely ever to come from.

inexpensive transportation, efficient publicity which makes people desire to travel to Eastern Africa and the quality of tourist services in the region. But when such conditions exist or are being developed visa conditions may considerably slow down development and partially offset tourism encouragement measures. With the modern mobile tourism and tourists including a range of countries in the same tour visa and other restricting requirements make organization of such a tour time-consuming and considerably increase its costs. Specialized labour is very expensive in the main tourist-generating countries and additional work of travel agents in order to secure the visas of a dozen or so countries greatly increases the cost of a tour and the prices at which such tours are sold. In the strong international competition, this works in the same negative way as high air fares. It is not astonishing that so few United States residents visit as tourists Eastern African countries and that so many travel to other regions. It is rather difficult to persuade a British tourist to visit Malagasy in addition to Tanzania which he has chosen as destination, when such a trip is not only more expensive but also more complicated on account of the visa to be obtained beforehand. It is also less likely under the present condition to make a French citizen on his way from Malagasy to France stop as tourist in Kenya for a few days. Why should he bother with a visa on a pleasure trip? For citizens of smaller European countries which generate a large number of overseas tourists such as Sweden, Denmark, Finland, Norway, Switzerland, Netherlands, Belgium, etc., where most of the Eastern African countries have no diplomatic or consular representatives, organization of tours to Eastern Africa becomes even more difficult and no wonder if tourists from these countries choose other destinations instead.

129. In some of the Eastern African countries the immigration procedure is rather slow and complicated and numerous complaints were heard both from the public and from tour operators. In other countries and especially Ethiopia and Tanzania great improvements have taken place recently which have drawn very favourable comment, both from the public and tour operators. There is no doubt, however, that even in these countries some formalities could be further simplified and some requirements entirely dispensed with, and that other Eastern African countries could do the same. It is recommended therefore that in countries which have not introduced it yet a committee be created of representatives of all the interested ministries: Tourism, Transport, Interior, Foreign Affairs, Finance, Health on a high enough level to make its recommendations effective. This committee should convene once or twice a year and consider the possible new simplifications of frontier formalities including visas and make respective recommendations. It will soon appear that some well-established formalities are only a heritage of the past hardly justified under the new circumstances and could be eliminated or simplified one by one to the great benefit of tourism development. An exchange of ideas and experience on meetings of tourism officials in the sub-regional scope would speed up this favourable development.

130. If tourism is to be rapidly and successfully developed, co-operation of foreign capital and know-how is desirable. While in most of the countries of the sub-region the laws and regulations are favourable to foreign investments and skilled manpower from abroad, there are countries in which the legal situation concerning the latter is not very encouraging and might hinder development. It would be useful for tourist investments if the legal conditions for foreign investment, enterprise and skilled manpower were made more uniform in the whole sub-region in a way that would encourage co-operation from abroad. Such favourable conditions in the sub-region should then be efficiently publicized in suited media in countries willing and able to invest. Such publicity need not be limited to hotel industry and tourism but could also englobe other opportunities for investment in the sub-region. If this publicity is carried in illustrated inserts of influential daily papers, it may have an additional value of an effective travel promotion as well.

131. In other chapters a few cases of the need for co-operation between neighbour countries in planning of infrastructure have been mentioned. But also when undertaking hotel and lodge investments, an eye should be always open for what is being done in neighbour countries and mutual information on tourism development plans would be useful for all parties concerned. Also, a uniform classification of hotels, a uniform legal regulation of hotel industry and of other tourist activities may be useful. This can be often achieved by simple imitating a successful legislation in one country by other countries but if a uniform regulation would considerably facilitate business throughout the sub-region (such as tour operation activities, car hire and motorcoach tours in neighbour countries, insurance of commercial vehicles, introduction of taxation of foreign heavy vehicles, etc.) proper international conventions would be the adequate solution.

132. Co-operation in tourism development among neighbour countries could also be very effective in many other fields, and in the first place in facilitating regional tourism between neighbour countries. But joint actions of the countries of the sub-region could be useful in overseas tourism as well in addition to what has been said in previous chapters. With the present state of air fares and air frequency it is not very likely that Eastern Africa could as successfully attract international conventions from outside the African region as the North African countries could do. But there is a convention which could be of tremendous interest for development of tourism in African countries. It is the annual convention of the American Society of Travel Agents (ASTA) which is held every second year outside the United States. In 1969 it will take place in Tokyo, while in 1971 it could very well be Nairobi. Africa is a new continent for American travel bureaus and the public, and it is good policy for travel bureaus to offer new destinations to their clients. In connexion with the ASTA convention, pre- and post-convention tours are organized for travel agents by the host country and other countries and offered at a nominal price (\$7.50 to \$10 a day).

There are over 2,000 participants at ASTA conventions, mainly travel agents and their wives, but also representatives of carriers, the trade press, etc. It would be useful if the Eastern African countries agreed to extend an official invitation to ASTA to hold their 1971 convention in Nairobi, and if support of other African countries were obtained to that effect. Many of the participating travel agents, when already travelling as far as Nairobi, will gladly include other African countries and book their pre- or post-convention tours. Such tours could also be organized in co-operation by several neighbour countries so as to offer the agents choice suggestions for sections of African tours they may be willing to organize for their American public. In connexion with other measures recommended in previous chapters, this would very efficiently boost vacation travel to Eastern Africa from the prosperous United States market. Also, conventions of other travel agents' associations could be invited to Eastern Africa.

CHAPTER VII

TWO COUNTRIES WITH TOURISM AT INCIPIENT STAGE

A. SOMALIA

(637,000 sq. km., Population 2.35 million)

133. Progress in air transportation and the lowering of air fares has made the African countries accessible for overseas tourists. There are good opportunities for a country whose tourist attractions are of the sort which is currently in demand with the public of the developed industrial countries to attract a portion of the rapidly growing demand for overseas travel in the main tourist generating countries. The distance between Rome and Mogadishu is 3,437 miles or 5,500 km and the economy class round-trip air fare is \$638.40. The lowest inclusive tour group fare from Europe costs 38 per cent of the normal economy class round-trip fare, that is \$244.80 from Rome. There are possibilities, however, for further improvements which will allow more stopovers by tourists in Abeyio. The IATA has agreed on the new "bulk" fare between New York and Rome of \$220 for the round-trip. For a distance of 6887 km this makes 1.66 \$cts. per km, as compared with 2.2 \$cts. per km for Rome - Mogadishu. Well organized series of charter flights can provide even less expensive transportation. The essential question therefore is whether or not Somalia has such tourist attractions which could, properly developed, attract large-scale tourism from Western Europe to Somalia.

134. The Somali Republic is situated between 41° and 50° East and 12° North and 2° South in the easternmost part of the African continent. It is bordered by the Red Sea for about some 1000 km between Djibouti to C. Guardafui and from C. Guardafui by the Indian Ocean for some 1,900 km to Chiamboni at Kenyan border. With temperatures on the coast showing little seasonal variation or difference between day and night temperatures, the suitability of various seasons for holiday travel depends primarily on the rainfall, wind and humidity of the air. There are notable variations, however, from year to year in monthly rainfall,

humidity and temperature and the implications of this uncertainty in the weather merits further study. According to the experience of Somalia's residents the weather is less pleasant during the Tangambili periods, roughly in April/May and in October/November, leaving a season of eight months.

135. The improvement of inland surface transportation will probably open up interesting areas of North Somalia for regional and domestic tourism and this has already been envisaged in the first Five Year Plan 1963-1967. Some of these tourist highlights may be of interest for overseas tourists as well. A more detailed survey of the country will help to identify such highlights. For the time being, however, two main tourist assets of Somalia appear to be best suited to attract overseas tourists: the coast and wildlife.

136. The existence of fine beaches on the Indian Ocean, sheltered from sharks by coral reefs, is probably the most suitable basis for building up international tourism in Somalia. The craving of a large portion of the European tourist public for a warm and sunny climate and tropical seas has already attracted overseas tourists to Kenya and Tanzania and is rapidly creating facilities for the same type of public. Mogadishu is some 500 km nearer from Western Europe than Dar-es-Salaam and as in the surroundings of Dar-es-Salaam, beach areas are located conveniently near to the capital city and its modern international airport.

137. It has been mentioned that the costs of air transport could be reduced by using charter flights: they are about \$140 per person for a round-trip from Western Europe, at the present technological level. With Jumbo jets, transportation costs could be further lowered for large groups of passengers. However, before embarking on a major tourism development programme, many things have first to be clarified. It is necessary to evaluate from the tourist point of view:

- the quality of beaches, their safety and accessibility;
- the scenic value of their immediate hinterland;

- the availability of sufficiently extended strips of land along the beaches to allow construction of resorts with several large hotels, some of them possibly of bungalow type, swimming pools, shopping centres, facilities for entertainment and sports etc.;
- road connexions of suited locations from the capital city;
- the possibility of capturing sufficient fresh water for drinking, cooking, washing, bathing, cleaning and irrigation of the parks and other plantations;
- the absence of salinity in the soil which will permit planting of parks and alleys at reasonable cost;
- other possibilities of improving the landscape.

138. Whatever the attractions of the coast and the advantages of the locations of beach resorts not far from the capital city, an important advantage of the East African coast resorts is the proximity of wildlife parks. The possibility of combining a stay at an ocean beach resort with an excursion to a game park or a tour through several game parks gives a unique feature to Kenyan/Tanzanian tour packages. We have therefore to consider here the wildlife of Somalia and find out to what extent wildlife could augment the attraction of tour packages. One national park is to be created in the Kisimai^o area and, with adequate protection of the animals, this could provide just the feature necessary to catch the imagination of the public. The inconvenience, however, is the distance of 450 km as the crow flies between Mogadishu and the National Park. The visits (excursions) to the park could be organized for the beach resort guests by charter planes which would fly only when fully booked and thereby provide transportation at reasonable cost. With a beach resort of 400 beds capacity, a DC 3 craft could be employed full-time by transporting groups every day, and with a 600 beds or more resort capacity, even a Fokker Friendship could be used. Development of beach resorts around Kisimaio could make possible land transportation of guests to the park, but a precondition for such development is the construction of a modern airport at Kisimaio suited for large jets and this is certainly premature at the present stage.

139. Another possibility is to combine in the same tour package a beach resort vacation in Somalia and a wildlife tour in a landlocked country, say Uganda. If the series of charter flights are long enough, the initial and terminal two flights would not unduly increase transportation costs. It would also be possible to combine a beach resort vacation on the Indian Ocean with a stopover in Addis Ababa, Khartoum etc.

140. As regards hunting safaris, there is already some experience in Somalia with this type of tourism and further improvement is possible. It is however a type of tourism limited both on the demand side by the restrained number of high income tourists who can afford such an expensive sport, and on the offer side by the rate of natural reproduction offsetting the annual reductions of game due to hunting. Therefore, when consideration is given to developing large scale tourism in Somalia, other types of tourism - beach resort tourism, wildlife viewing and sightseeing tourism - have to be considered in the first place. The development of these types of tourism requires a very careful assessment of the quality of the tourist attractions, means for their improvement and further development, the categories of tourists which could best be attracted from overseas and the areas to be given priority in development plans. It should be stressed at once that this large scale tourism does not develop in the same way as domestic tourism. Domestic tourism, and under favourable circumstances tourism from neighbouring countries, develops more or less spontaneously with small private enterprise taking the lead. A restaurant for excursionists here, a small hotel there and the effective demand of local residents is easily assessed and taken care of. Overseas tourism, quite to the contrary, requires concentration of large enough hotel capacity to accommodate large groups, which may number 160 to 180 people when they come by charter flights. Only substantial accommodation capacity will make Somalia interesting enough for the big tour operators as only such capacity will permit the volume of business necessary for economic operation by filling the available seat capacity of the chartered planes over a long enough period, thereby making possible the sale of tour packages at competitive prices. A concentration of sufficient hotel capacity in several

large hotels located in a small area will save on costs of infrastructure (water supply, electricity, sewage, access roads etc.); will make possible organization of essential tourist services in an economic way such as sports equipment, quality entertainment at reasonable prices, shopping centres, personal services, local transportation etc. and in addition will create favourable conditions for an attractive social life. Such conditions have to be created right from the beginning as only large-scale operation will bring the economies of scale necessary for success where a smaller enterprise may be doomed to failure. This, of course, requires large initial investment in infrastructure and tourist plant, in professional training and publicity abroad, in the organization of which the Government should play an active role, both by planning tourism development and facilitating implementation of the tourism development programme.

141. Before engaging in a large tourism development programme, the Government must be satisfied beyond reasonable doubt that the objective conditions for development of overseas tourism are favourable and as to the type of tourists which can best be attracted in sufficiently large numbers. The type of tourist governs the choice of attractions to be offered, accommodation facilities to be provided, areas to be developed etc. The type of tourists to be attracted also determines the kind of promotion to be undertaken in overseas markets and the marketing methods applied.

142. The actual hotel capacity in Somalia is insignificant. With 260 beds in hotels which can be used by foreign tourists, Mogadishu could not accommodate even the tourist groups sent by one tour operator using a Boeing 707 or similar equipment. The first batch would consist of 180 tourists, the second flight would bring an equal number and if the arrangement is for two weeks' stay in Mogadishu, 360 beds would be needed by this tour operator alone. Other towns have still smaller hotel capacity which is mostly not suited to the requirements of overseas tourists.

143. It is reported that no tourism statistics exist in Somalia. It can be guessed, however, that apart from business people who visit the country

and visitors who stay with friends and relatives, the overseas tourist public is represented only by a limited number of big game hunters. It would not be difficult to estimate their number, length of stay and expenditure. Hotel statistics could easily be introduced in Somalia, but it is obvious that no development trends should be based on the present figures and the actual tourism experience in the country. If the Government decides to develop overseas tourism, after the conditions have been found favourable, appropriate investments, professional training and publicity will soon create radically changed conditions and the pace of tourism development will depend on the volume of investment, quality of attractions and services offered, on the price policy and on travel promotion. Promotion on overseas markets is an expensive proposition but co-operation with the neighbouring countries could greatly strengthen the effect of advertising and publicity on the main travel markets and at the same time reduce the costs for each participating country. Before deciding on all these questions and other related issues of a sound tourism policy, a detailed study of tourism possibilities will be necessary, based on an objective evaluation of the tourist attractions and possibilities of tourism development in Somalia.

B. LESOTHO

(Area 11.716 sq. miles; Population 1,000,000)

144. With the rapidly growing tourist demand in the main tourist-generating countries and the downward trend in transportation costs owing to progress in technology, there is a fair chance for even far away countries to attract an increasing volume of overseas tourism. In addition, Lesotho can reckon with a still larger volume of tourism from the same sub-region. The essential issue is to decide the extent the natural tourist attractions of Lesotho would appeal to overseas and regional tourists provided they are made easily accessible and adequate tourist facilities are made available. In regional tourism some more questions have to be clarified before the answer can be given as to the volume of tourism that Lesotho will be able to attract from the neighbouring countries. The attractions of Lesotho have to be compared with similar attractions in the neighbouring countries and their comparative advantages and disadvantages assessed. This analysis could not be done by the ECA secretariat as it was not possible for its officer-in-charge of the report to visit the respective areas outside Lesotho. Therefore, it should be done by the Lesotho officers responsible for tourism after they have visited the areas concerned and this study should serve as the basis for their estimate as to what extent regional tourism could be developed in Lesotho at the present stage. This explains why some of the recommendations which follow are only valid under the assumption that the comparison of natural tourist assets of Lesotho with those in the neighbouring countries is encouraging enough to justify for tourism development in Lesotho.

145. Until all necessary infrastructure has been built and the know-how acquired, tourism in Lesotho is unlikely to be particularly profitable and financing on favourable terms is therefore necessary for the success of tourist ventures. This might well be the case in other economic fields, so that economic development in Lesotho will require a preparedness to undertake marginal projects. In tourism, however, the chances are good that such marginal projects will become much more profitable in the future.

146. It is not likely that Lesotho will be able to attract overseas tourists independently, by dint of its own tourist attractions alone, but it could attract those tourists who have already decided to come to Southern Africa even if they are primarily interested in other countries. Since some of the tourist attractions in Lesotho and in the neighbouring countries are complementary, a tour through Southern Africa which includes Lesotho will prove more varied and therefore more attractive than tours in one country alone.

147. As regards regional tourism, it should be borne in mind that only a small portion of the public in the sub-region shows preference for spending their holidays in mountain resorts. By far the greatest majority of tourists who patronize mountain hotels stay there just overnight or for a short stopover on their way to the coast, the national parks or to the neighbouring countries. There are in South Africa, however, real mountain resorts which are the target of holiday-makers where they stay for a shorter or longer period, but the number of such tourists in the region is considerably smaller than the number of tourists interested in other attractions.

148. The mountain resorts of the neighbouring country are at about the same altitude above sea level as the Lesotho lowland and it is not certain that the much higher altitude of Lesotho upland would appeal to the large public except for a short stopover on a scenic drive. The location of South African mountain hotels on a main highway linking the large inland cities with the coast or with other countries is of great advantage for attracting motorists. Lesotho will never be on such a heavy traffic thoroughfare and it can hope to attract only a more restricted number of holiday motorists who are not taking the fastest road but like to enjoy scenery and are willing to take a longer route. The construction of a modern highway from Maseru through north-western Lesotho as far as Butha-Buthe has been undertaken and its linkage at both ends with the South Africa road network would attract a certain amount of touring by automobile and motorcoach. If, in connexion with other development projects, a road is to be built from the Caledon river valley high up into the Oxbow and Pelaneng areas and continued over the mountain ranges down

into Natal, thus providing a scenic but ~~not~~ too long a mountain drive, it would be of great importance for development of tourism both in the high mountains and at the foothills.

149. Since the valley road is nearing completion, may the modernization and possibly the enlargement of the hotels in the northwestern lowland of Lesotho, and the additional construction of a modern representative hotel in Maseru may be justified.

150. In order to develop a larger volume of tourism, the creation of a foothill resort hotel in the northwest of Lesotho should be considered. The first step to be taken in this direction is to compare the advantages and disadvantages of this area with the mountain hotels and resort areas in the neighbouring country. It is therefore recommended that the person responsible for tourism development in Lesotho visits by car the Drakensberg resorts, the Golden Gate National Park, the mountain hotels in the Machadorp-Lydenburg-Sabie-Nelspruit area, around Louis Trichardt and on the Southpansberg in order to obtain first-hand information on the sites, their scenic and other attractions as compared to those of Lesotho. At the same time as much information as possible should be obtained on the type, size, amenities of the hotels, and their resort facilities such as golf, tennis, bowling, swimming pools, boating, riding, hiking, etc., on the length of the season, occupancy rates, operating costs, hotel rates, etc. In the light of his visit, the officer in charge of tourism development will be able to make a documented proposition as to what extent resort hotels should be developed in the Lesotho lowland.

151. If the conclusion is that hotels should be built, a further step would be a visit to the potential sites for a foothill resort in northwestern Lesotho by a team consisting of the officer-in-charge of tourism, an engineer well acquainted with infrastructure problems, and an architect with experience in resort hotel construction. This team should make a well documented proposal for the site they recommend, taking into consideration accessibility, water supply, electricity, sewage, possible artificial lake, in addition to the scenery and adequate land for development of hotel plant.

152. After these preliminary questions have been settled, a feasibility study should be undertaken by a good hotel expert with experience in hotel development. Such a study should preferably be made on a technical assistance basis by an expert provided by the United Nations Development Programme or by a team of the World Bank or the African Development Bank.
153. At the same time, tourist information on Lesotho should be compiled and drafted and the travel promotion campaign should be organized both on regional and overseas markets. It would be advisable to secure for a couple of months the co-operation of an expert in order to work out a tourism promotion programme both on overseas markets and within the region.
154. Prior to any tourism development programme, the neighbouring country should be requested to withdraw the existing strict requirements for entering Lesotho from South Africa. The reduction of frontier formalities should be fixed by a bilateral convention with the neighbouring country.
155. Hotel statistics (on nights and arrivals) should be made obligatory for Lesotho hotels and tourist camps, and organized along the lines recommended by the expert group for tourism statistics commissioned by the United Nations.
156. The development of high mountain hotels is linked to the construction of a road over the Drakensberg range into Natal. Unless this is done, the construction of a hotel high up in the mountains on a dead end road would be a risky venture. If, however, private capital is interested in such a venture it should not be discouraged, provided it can be implemented without special incentives from the Government.
157. The success of Lesotho in the development of tourism will contribute to augmenting its economic independence and providing a better standard of living for its population. It may also prove that a hard-working and courageous people, even though endowed with only scarce natural resources and landlocked within a much more powerful country, can successfully undertake development: this effort certainly deserves encouragement and appropriate economic assistance from friendly countries at an advanced stage of economic development.

CHAPTER VIII

KENYA

(Population: 9,948,000; Area 224,960 square miles)

Tourist attraction

158. Kenya's major tourist assets are its excellent wildlife resources, delightful beaches, magnificent scenery and admirable climate. One should certainly add the friendly and attractive population and the appeal of Nairobi and Mombasa as pleasant stopovers and places suited also for a longer stay.

159. The policy followed since 1945 in respect both of the protection of game and of making wildlife sanctuaries accessible to tourists has recently been further strengthened. The old national parks are being extended and equipped (Nairobi, Tsavo, Aberdare, Mount Kenya, Lake Nakuru) and new national parks established (Shimba Hills, Marsabit, Ol Donyo Sabuk, Lake Rudolf, Mountain Elgon). The recommendations of tourist experts about making the main park lodges accessible throughout the year by all-weather roads and about linking by shortcuts some neighbouring parks have been accepted in the development plan 1966-70 and the future of wildlife as the main tourist asset of Kenya seems reasonably secured. There are, however, some points which should be stressed. Modern tourism brought forward by progress in air transportation is already attracting large numbers of the medium income public from overseas who like to see the most famous (best advertized) highlights in a comfortable way, in a rather short time and at the lowest possible cost. Now, the very size of this growing demand will enable tourist enterprises to offer quality at a low price and, by applying modern business methods, still to make a substantial profit. This means that several standard wildlife itineraries, from two days to six days, would have to be built up, with large enough lodge accommodation of the comfortable type, all-weather roads preferably paved with tarmac suited for medium and even large-size motorcoaches which will reduce travel costs and make such wildlife tours a matching element to an inexpensive stay on the Indian Ocean coast within a charter flight package. The game parks included should be well-stocked and even if game becomes tame this would hardly present an inconvenience. A few well-launched stories, ranchers trained in public relation, warnings about the danger from animals and good publicity will take care of the romantic safari tradition atmosphere which will be further developed by the inventiveness of the tourists themselves. In establishing which roads should be modernized or built in order to make possible such itineraries, the co-operation of Tanzania should be secured as most of such circuits should include the famous game parks of northern Tanzania where already new first-class lodges are planned in several parks and so is new road construction.

160. There will also be other itineraries for the more selective public who will still prefer the old-time wildlife atmosphere and be willing to pay more for less comfortable transportation and accommodation facilities only to get away from the crowd.

161. The second great tourist asset which could easily become the first in importance by its power to attract large-scale tourism is the Indian Ocean coast, which has not yet attracted full attention of tourism planners in Kenya, although it requires such attention right from the beginning. The fine sand beaches fringed by palm groves, with emerald sea water sheltered by coral reefs provide all that a northerner dreams of tropical sea. The warm and humid climate is just ideally suited for relaxation and rest. The glare of the sun is tempered by a slight haze and occasional cloudiness, and there is less danger of overexposure to sun rays than in the Mediterranean. Safe swimming, goggle fishing, skiing, deep sea fishing, etc. are among the outstanding attractions of the Indian Ocean coast which will greatly appeal to the European public. It is without doubt that this coast will soon become a perfect place for a seaside vacation for people of the highly industrialized cold regions of Europe who can afford it and who will become more and more numerous due to the spreading of higher incomes and lowering of transportation costs. Its value is also greatly enhanced by the possibility of combining its pleasures with wildlife viewing within the same package.

162. Once development of the coast starts it will go rapidly. While there are still vast stretches of barren land both in Kenya and Tanzania which can be developed into game reserves and national parks, the coast is in rather short supply. The best building lots on the 270 mile long coastline as the crow flies from Shimani to Chiamboni, may get into private hands and the land prices might soar to such heights as to prevent further investment. Such a situation may develop almost overnight immediately after a major breakthrough makes possible rapid tourist development. Before starting the huge tourism development project in Languedoc and Roussillon, the French government secretly purchased through agents all available land, reclaimed it and sold to investors at cost. In the German Alpine villages land has become so dear that only landowners themselves can think of building new hotels, boardinghouses or room-renting houses, while for others land prices have become a major obstacle. In a Mediterranean country speculation has been so wild that the Government has considered introducing expropriation in order to supply construction lots for approved investments in tourist accommodation plant.

163. Already in Kenya nationals of overseas countries are acquiring plots of land in order to build a house with a view of retiring there.^{1/} If such plots are sold at random at the choice of the buyers it might soon happen that the best locations for future hotel and resort development be

^{1/} T.S. Gichuru, M.P., Minister for Finance of Kenya, "Looking Ahead," in New Commonwealth, No. 5, 1967.

appropriated for a few individual cottages on vest plots of land, while the remaining land is much less suited for development purposes. It would be very useful if a physical development plan of facilities and of locations of primary interest for the development of tourism be elaborated for the part of the coast of Kenya which is suited for tourism and only lots are sold to particulars which will be used in accordance with the plan. This should be an urgent task as the elaboration of such a plan takes time and in the meantime new development should not be prevented. This is made possible by working out provisional plans for some priority sections and allotting land for construction in accordance with the provisional plan. The definite plan will of course have to recognize actual development based on the provisional plans. On the other hand, it should be encouraged and even made compulsory that suitable land bordering on beaches be planted with coconut palms.

164. The idea of the marine national park^{4/} already adopted in the Development Plan is now being implemented.

165. There is an attraction whose full value is not always understood by local people concerned with tourism and this is a friendly and attractive local population its way of life, costumes, customs, artistic expressions, etc. Mr. Bertrand in his report^{2/} has rightly emphasized its importance and made the following suggestions:

- to encourage the upkeep of original customs and traditions of the tribes, to organize artistic and folkloric manifestations, and to publish a calendar of events to enable tourists to visit them;
- to include visits to villages and town market places in itineraries;
- to encourage local handicraft;
- to educate the population and the local authorities on the economic importance of tourism for the country, and the necessity of making tourists feel welcome and of allowing them to be present at local festivals, to take pictures, etc.

1/ See also ECOSOC Committee on Housing, Building and Planning, E/C.6/75 on Physical Planning for Tourism, 5 September 1967.

2/ This has in principle been recognized by the Development Plan of Kenya 1966-1970 (page 205, point 7) but entrusting the Tourist Development Corporation with such area planning instead of the local authorities and the Ministry of Wildlife and Tourism might not be the best solution.

3/ Compare also report of Mr. L. Bertrand on a mission to Kenya, 1965, page 11.

4/ Development Plan of the Republic of Kenya, 1966-1970, page 219.

5/ Report of Mr. L. Bertrand on a mission to Kenya, 1965.

But the great appeal of the local population is not limited to its traditional aspect, which is slowly disappearing. In urban surroundings it is taking a different form, and the friendly attitude of the city dwellers in Kenya towards tourists is certainly an asset which should be encouraged in all countries desirous to attract tourists. Most tourists travel in order to see different places but also to meet different people.

166. The beautiful scenery, mountains and lakes (even if they are not bird sanctuaries) enhance the value of Kenyan tours but like in Uganda, they have not independent value for attracting overseas tourists. They could be included and stressed in tour programmes but only in addition to wild-life, Nairobi and the coast which are the main highlights for overseas tourists.

Volume of overseas tourism

167. Development of foreign tourism is evident from the figures in Table 1.

TABLE 1

Visitors to Kenya (first arrivals)

Year	Persons in transit	Visitors on business	Visitors on holiday	Other visitors	Total	All overseas visitors ^{a/}
1957	24,005	2,305	8,556	3,250	38,116	
1958	25,970	2,619	9,643	2,266	40,498	
1959	27,863	3,774	11,219	2,073	44,929	
1960	16,563	4,970	12,636	1,613	35,800	
1961	18,138	7,107	14,577	2,213	42,035	49,600
1962	24,561	7,325	15,615	2,419	49,920	56,800
1963	27,419	9,591	21,806	2,536	61,352	76,100
1964	31,215	9,217	22,363	2,637	65,432	77,300
1965	35,119	11,134	32,351	2,844	81,448	96,000
1966	39,156	15,064	49,076	3,224	106,520	125,800
1967	50,771	15,261	51,600	-	117,138	138,300

Source: Official Statistics of Kenya.

a/ Estimated number of all overseas visitors including those who entered East Africa by way of Uganda or Tanzania.

1/ This has to be borne in mind when choosing appropriate location for tourist plant, organizing transport facilities to the nearest town, making facilities accessible to local people as well organizing of excursions, entertainment, etc. Such, i.e., folk dances, ancient costumes, etc. should not only be encouraged in their original form but also taken over and artistically further developed by professional or semi-professional folk dance groups, larger and smaller, and their performances should take place in larger lodges, towns and at coastal resorts, not only on stage but among the public who should be encouraged to try to learn such dances in an informal and gay atmosphere and dance with the performers at the end of the show.

Residents from Tanzania and Uganda are not considered foreign visitors and are not included in these figures. Among foreign visitors only those who arrive in Kenya directly from a country outside of East Africa are recorded (first arrivals in East Africa) but not those who come by way of Tanzania or Uganda. Estimation of the total number of foreign visitors is given in the last column of the table.

168. These figures show that the number of foreign visitors has increased from 49,600 in 1961 at an average rate of 18.6 per cent to reach the figure of 138,300 in 1967. In 1967, however a slowing down of the increase has taken place compared to previous years. The number of tourists on holiday in the same period has increased at an annual rate of 22.8 per cent but in 1967 there was hardly any increase compared to 1966. It is not excluded that many tourists on holiday were supplied with transit passes allowing a stay in Kenya of up to two weeks, but in any case progress has slackened and this fact requires careful analysis. There might have been a slowing down of the demand for overseas travel on the main travel markets or increased competition of other overseas destinations coupled with inadequate travel promotion for Kenya. One important factor may very likely be the limitation of hotel capacity of Nairobi international hotels. In Table 2 the number

TABLE 2

Foreign visitors to Kenya by quarters
of 1966 and 1967

	1st quarter	2nd quarter	3rd quarter	4th quarter	Total
1966	24,611	23,921	31,529	26,459	106,520
1967	30,581	26,537	31,624	28,396	117,138

Source: Official tourist statistics.

of visitors to Kenya in 1967, broken down by quarters, are compared with the corresponding figures of the previous year. The peak seasons were the first and third quarters. In the first quarter the occupancy rate of Nairobi international hotels has reached an average of 82.6 per cent and in the third 80 per cent (see Table 3). Owing to a large number of twin-bed rooms

TABLE 3

Bed occupancy in Nairobi international hotels during peak season (1967)
Occupancy rate

1st quarter - 1966	75 per cent
1967	82.6 per cent
3rd quarter - 1966	74 per cent
1967	80 per cent

Source: Official tourist statistics.

which are occupied by one guest, and the even higher peaks which develop in shorter periods or on some weekdays, a quarterly average of 80 per cent occupancy in Nairobi hotels seems to be near the saturation point on account of which tourist and travel agents requesting advance reservations are turned away, and this bottleneck in Nairobi might have prevented further increase of the volume of tourism.

169. On the other hand, the game lodges had been most of the time under-occupied. There is an inter-relationship of hotel space requirements in Nairobi, in the lodges (including those in northern Tanzania) and on the coast. This relationship is probably shifting rapidly owing to increasing charter flights and coastal arrangements and it should be analyzed carefully in order to channel new investments accordingly. To that effect it would be necessary to carry hotel occupancy statistics by areas. It would also be helpful if the statistics of external traffic handled at Nairobi and Mombasa airports were to state the number of non-scheduled flights and the passengers on such flights separately from scheduled flights and passengers carried on them. It looks, however, that for lodges the key position lies with the Nairobi hotels. One can imagine that clients of overseas travel agents who cannot be booked for the whole package book instead transportation and stay in Nairobi, and make in Nairobi their own arrangements to visit those game parks where there are still vacancies. But if hotel space in Nairobi cannot be secured, they will have to abandon the idea of visiting Kenya. Since the hotel capacity in Nairobi will considerably increase by 1969, a new jump of overseas tourism to Kenya has to be expected provided sufficient publicity is made in this respect, which will reach the overseas wholesalers in time to prepare their programmes.

170. It has been estimated that the average foreign visitor's expenditure in Kenya was £104 in 1963, £121 in 1964 and £114 in the following years.^{1/} This means that the gross foreign exchange receipts from tourism were £7.9 million in 1963, £9.4 million in 1964 and £15.8 million (\$44.2 million) in 1967. In 1966 the gross foreign exchange earnings (£14.4 million) amounted to 23 per cent of all visible Kenya exports to countries outside East Africa.

171. In Table 4 a comparison is given of foreign visitors to Kenya by country of origin (permanent residence) and by nationality. It appears from this table that among 106,520 foreign visitors who arrived in Kenya from outside East Africa only 62,820 visitors or 59 per cent came from other countries, while 43,700 visitors or 41 per cent were from African countries.^{2/} Only 38,000 out of 68,000 nationals of European countries were residents of Europe, while the others came from other continents - Africa in the first place. The number of American visitors who came directly from America is almost eight times smaller than the number of Americans who came from other

1/ Prospects for Tourism Development in East Africa, IBRD, September 1967, page 11.

2/ If we added to the latter the visitors residing in Uganda and Kenya, the balance would further shift in favour of African residents.

continents. On the other hand, of 43,700 African residents only 9,250 or 21 per cent were nationals of African countries, while almost 4/5 were nationals of countries outside Africa.

TABLE 4

Foreign visitors to Kenya in 1966 by nationality and continent of origin (first arrivals in East Africa)

Continent and type of visitor	National	%	Residents	%	Difference
<u>Africa</u>					
Visitors on holiday	970	2.0	14,870	30.3	-13,900
Total visitors	9,252	8.6	43,701	41.0	-34,449
<u>America</u>					
Visitors on holiday	9,886	20.0	983	2.0	+ 8,903
Total visitors	18,417	17.2	2,425	2.3	+15,992
<u>Asia</u>					
Visitors on holiday	2,557	5.2	11,824	24.0	- 9,267
Total visitors	8,913	8.4	21,898	20.5	-12,975
<u>Europe</u>					
Visitors on holiday	35,093	71.5	21,348	43.5	+13,745
Total visitors	68,144	64.0	38,204	36.0	+29,940
<u>Others</u>					
Visitors on holiday	570	1.1	51	0.1	+ 519
Total visitors	1,794	1.6	302	0.2	+ 1,492
<u>Total</u>					
Visitors on holiday	49,076	99.8	49,076	99.9	-
Total visitors	106,520	99.8	106,520	100.0	-

172. There were no specific data available as to the form of transportation used by foreign visitors and persons in transit, but taking all reported arrivals in Kenya including returning residents and new permanent immigrants, of 146,015 arrival in 1966, 124,710 or 84 per cent were by air, 20,606 or 14.5 per cent by sea and 699 or 0.5 per cent by other means of transportation.^{1/}

^{1/} Here, however, are not reckoned persons who arrive in Kenya by way of Tanzania and Uganda and who are not recorded. It is likely that a much greater percentage of them use land transportation.

Hotel capacity

TABLE 5

Hotel beds in Kenya and occupancy rates in the first nine months of 1967

	Beds	Total	Percentage of occupancy			
			Kenya residents	East African residents	Residents of other countries	
<u>Coast</u>	2432					
Beach	1541	49.5	0.2	20.0	29.3	
Other	891	45.1	8.4	22.1	14.6	
<u>Nairobi</u>	2862					
International	1461	75.0	5.0	8.1	61.8	
Other	1401	63.8	31.7	18.1	14.0	
<u>Up-country</u>	1503					
Western	428	40.0	5.2	32.0	2.8	
Rift Valley	370	35.5	8.6	19.6	7.3	
Mt. Kenya	463	28.7	5.4	12.8	10.5	
Tsavo/Amboseli/Mara	242	31.3	-	14.1	17.2	
<u>Game lodges</u>	459					
Tsavo/Amboseli/Mara	328	47.6	-	7.7	39.9	
Mt. Kenya	131	47.9	-	16.3	40.0	
<u>Total</u>	7256	7256	53.6	9.3	16.8	27.5

173. Hotel capacity in October 1967 is given in Table 5. In 1967 there were 7,256 hotel beds available of which 2,432 on the coast, 2,862 in Nairobi, 459 in game lodges and 1,503 in up-country. Extension and modernization of existing hotels is being undertaken in order to make them more attractive to tourists and at the same time more profitable. It is obvious, however, that new hotel construction is urgently needed for a rapid further increase of the volume of tourism. The development plan of the Republic of Kenya 1966-1970 has scheduled investments in tourist accommodation facilities, tourist roads and wildlife sanctuaries. The hotel development plan has been subsequently modified and a new hotel development plan is being worked out covering the period 1969-1973. The new draft prepared by the Kenya Tourist Development Corporation includes a projection of foreign tourists visits and bed night utilization until 1973 which is reproduced in Table 6. This projection has served for calculating hotel

space requirements in this period which is reproduced in Table 7. It has been estimated that the number of beds should increase by 3,313 until 1970 and by 6,565 beds until 1973. This would bring the total hotel capacity of 7,234 beds at the beginning of 1968 to 10,547 in 1970 and 13,807 in 1973.

TABLE 6.

Projected foreign tourist visits and bed-night utilization (1968-73)

Year	Toutist visits	Bed-nights
1967	143,000	740,000
1968	173,500	860,000
1969	203,000	1,040,000
1970	238,000	1,280,000
1971	284,000	1,560,000
1972	330,000	1,900,000
1973	385,000	2,300,000

Source: Kenya Tourist Development Corporation.

174. While this seems to be a reasonable target which is well within the construction business potential of Kenya, the organizational ability of Kenyan enterprise and the possibility to secure necessary finance, there are some remarks as to its details. The actual hotel construction in Nairobi will secure sufficient capacity in first-class hotels. With the decrease of transportation costs, however, more and more tourists will be coming who require modern and comfortable accommodation, but of less luxurious type. The old residential hotel scattered far from the center will not satisfy their requirements, which will be mainly directed towards modern inexpensive hotels in the city centre. Therefore only old residential hotels close to the city centre will profit from modernization while new inexpensive hotels in the very centre of the city are likely to achieve the highest occupancy rates. Therefore building of such hotels in Nairobi centre should be encouraged.

175. The draft plan of the new hotel development has implied building hotels of 100 beds along extended sections of the coast. Owing to the fast-developing charter business which will be further encouraged by making Mombasa airport suited for large jet planes, larger hotels will be necessary in order to cope with this new demand.^{1/} At the same time concentration of several large hotels in one or two resorts would create better conditions for organizing

^{1/} Such larger hotels are also more profitable.

excursions, local transportation, quality local entertainment, sports and social life. It will also save on costs of infrastructure (access roads, water supply, electricity, PTT).

TABLE 7

Accommodation investments required during development plan 1969-1973

Investment demand is broken down as follows:

<u>Coast</u>		
662 1st-class beds @ £2,000		= £1,104,000
1,656 medium class beds @ £583		965,448
552 economy class beds @ £400		220,800
		<u>£2,290,248</u>
<u>Nairobi international</u>		
Intercontinental	* 400 beds @ £5,000	£2,000,000
Nairobi Hilton	= 600 beds @ £3,300	1,980,000
Panafric Extension	= 72 beds @ £3,000	216,000
	1,072 beds	<u>£4,196,000</u>
<u>Nairobi, other</u>		
	525 beds @ £1,250	656,250
<u>Lodges</u>		
	1,578 beds @ £1,750	£2,761,500
<u>Up-country</u>		
	630 beds @ £1,000	630,000
<u>Total investment 6,565 beds</u>		<u>£10,533,998</u>

Source: Kenya Tourist Development Corporation, 31/1/68.

176. The plan includes also investments in up-country hotels. With the average occupancy rate of 34 per cent it is not so sure that new investments up-country would be justified. If, however, certain locations already attract large numbers of tourists and accommodation facilities in such locations are inadequate or insufficient, a high occupancy rate of a new hotel would be assured right from the beginning and its construction justified.

Profitability of hotel industry

177. The unique attractions of Kenya are such that tourists are willing to pay adequate prices for tourist services, so much more as Kenyan rates compare favourably with rates in other African countries south of the Sahara. Favourable climatic conditions make possible an extended season over the greatest part of the year and labour costs are low which is of importance in any service industry. However, high costs of imported equip-

ment impair to a certain extent the very favourable basic elements for the profitability of the hotel industry in Kenya.

178. The hotels in Nairobi are particularly favoured by catering both to business and holiday clients which enables them to achieve high rates of occupancy. (Table 5). In the lodges and beach resorts seasonal variations are more accentuated and the annual occupancy rates are lower (Table 5). As construction and operating costs of beach hotels are lower than corresponding costs of lodges, the profitability of hotel plant on the coast is also very favourable and therefore we shall only consider here the profitability of lodges as the least favourable investment. According to a recent estimate of a well-known hotel industry expert, elaborated on the basis of operating costs in existing hotels and construction costs of new hotels, a modern lodge of adequate size on a good location in a national park, functionally designed and economically built would, with 50 per cent occupancy, yield a net profit before taxation of 14.3 per cent of direct investment. It is assumed that half the costs of the investment would be financed out of $8\frac{1}{2}$ per cent loan repayable in 10 years, and that costs for the training of staff are charged to capital costs. Lease of the land, however, has not been included. There might be some reserves as to the construction costs which might have been estimated too low, but even when the necessary corrections are made and with the fees of the management firm included, net profit before taxation (and payment of rent for the land) would represent a very satisfactory percentage of the equity invested provided an occupancy rate of 55 per cent can be achieved in the lodges. In reality, if the road construction programme goes ahead as recommended and the season in the parks where new lodges are built is thereby extended, even a 60 per cent occupancy rate could be achieved which would entail a very high return on the capital invested. It is therefore of prime importance to make possible a high bed occupancy ratio by (1) construction of all-weather roads; (2) improving the efficiency of the reservation system; (3) discount rates in the slack season for lodges, park entrance fees and local transportation; (4) obtaining specially favourable off-season fares in international transportation and (5) appropriate publicity and marketing. A similar policy would benefit the beach hotels as well and make it possible to augment occupancy rates and secure a high profitability.

179. In spite of such favourable conditions, new hotel investments are not materializing as fast as could be expected. Both the Constitution and the Foreign Investment Protection Act 1964 give adequate guarantee for transfer of profits and transfers of capital, and other important guarantees,

but new investments are not materializing as fast as desired. Would other incentives be necessary? Such incentives to hotel industry can include subsidy of interests to be paid on long-term loans, subsidy in capital, temporary exemption from profit taxes or income taxes, reduction of local taxes, of transfer taxes, etc., exemption of import duties for imported equipment, grant of land or its sale at low prices, or renting land on favourable conditions, etc. Such incentives are meant to encourage foreign private investment if the basic economic conditions are not sufficiently favourable. In Kenya, however, they are very favourable except for equipment costs, which justify exemption of import duty for hotel equipment. But the most effective encouragement is to assure the investors of a friendly and secure legal situation enabling them to carry out their trade undisturbed with the help of the staff they can freely choose.

180. It is possible to limit new hotel investments to large mixed or state-owned companies, such as the Kenya Tourist Development Corporation and its subsidiaries, which try to attract foreign loan (and aid) capital and the direct participation of large foreign air companies, hotel companies or other companies interested in developing travel to East Africa and which are less vulnerable to restrictions. The new hotels can also be managed by one of the international companies for hotel management which have already made substantial inroad in the African hotel industry. However, to achieve a rapid and successful development of Kenyan tourism both individual enterprise and big companies are necessary and should be encouraged.

181. It is therefore recommended that necessary public relations activity be undertaken to that effect. An excellent example of such activity is the article by the Minister for Tourism and Wildlife, Mr. S.O. Ayodo "A Boost for Tourism" and the article by the Minister of Commerce and Industry in the same issue on "Planned Development of Commerce and Industry in Kenya Since Independence." It is stated in the latter article that "in addition to the various incentives for attracting foreign private capital, the Government is setting up in the Ministry of Commerce and Industry an adequate machinery in an effort to provide systematic economic information to prospective investors about the favourable conditions of operating in Kenya; formalities by way of obtaining permission from various authorities, economic conditions such as the market and the profitability of production, the raw material position, the labour situation, the availability of power, transportation and manpower facilities. In certain sectors of industrial development the government also intends carrying out feasibility studies with a view to supplying full project reports to overseas investors who can then determine where and how to invest before implementing their project." Also for tourism development, setting up of such a machinery within the Ministry of Tourism and Wildlife would be of the greatest use in order to supply in suitable form necessary information on the legal and administra-

tive regulation and procedures on the construction possibilities and costs of new hotels, on the suitable locations available, purchase or rent of land, availability and cost of local material, conditions of import of equipment, government guarantees, incentives, etc., on the labour situations, taxation, costs of food and material and other operating costs, etc. It would also be useful to make available to potential investors recent feasibility studies for a game lodge, a beach hotel and a Nairobi hotel. Compiling of the necessary data and their editing might also be helpful in discovering what particular legal and factual conditions could be improved in order to make investments in Kenya's tourism even more attractive than it is now.

CHAPTER IX

TANZANIA

(Population: 10,179,000; Area 361,800 square miles)

Tourist attractions

182. There is no wonder that such a vast territory stretching between the Indian Ocean and the great lakes of Victoria and Tanganyika has to offer an extremely rich and varied assortment of tourist attractions, ranging from the snow-capped mountains and spacious volcano craters to the vast open plains and from the arid bush to the rain forests and the warm emerald ocean with its white sand beaches fringed by palm groves. Some of the finest wildlife areas in the world are concentrated in the north and others are scattered all over the country in national parks and game reserves well stocked with animals in most fascinating scenery. Big game hunting, fishing and goggling in the Indian Ocean, trout fishing on Kilimanjaro, shopping for sculptured ebony and carved ivory, handbags of crocodile, leopard, lion, ostrich, elephant and zebra skins, gold and silver jewellery with locally-mined precious and semi-precious stones, Masai spears and shields and inexpensive textile printed in striking patterns, will delight overseas visitors and so will the friendliness and innate courtesy of the people. In addition to handicraft, the artistic talent of the population has best been expressed in the tribal dances and songs which should also be encouraged.

183. The vastness of Tanzania's territory and its geographical situation, in addition to the scarcity of financial and manpower resources, require that a very careful scrutiny be made as to possible lines of development. The tourist area of Tanzania already well established in trade is the north of the country with the famous game parks Serengeti, Ngorongoro, Lake Manyara, Ngurdoto crater, Momela lakes, the town of Arusha and to a certain extent the Kilimanjaro area. It has been felt that Tanzania does not draw full advantage from the natural assets so densely concentrated in this area, because the tours which englobe its highlights are based on Nairobi so that Kenyan tour operators take the lion's share out of them. It has been proposed therefore that a new international airport suited for large jet craft be constructed at Sanya Yuu area south of Kilimanjaro. Such an airport should make possible tours of North Tanzania based on Arusha instead of Nairobi.

184. It is true that Nairobi tour operators derive a sizeable profit from providing transportation, guide service, organization, reservations for their combined Kenya-Tanzania tours. There is nevertheless a substantial

revenue from these tours which remains in Tanzania deriving from accommodation, food sale, park entrance fees, rent of park vehicles, sale of gasoline, etc. In addition, clients of such tours spend in Tanzania money to buy souvenirs, postcards, stamps, personal services, etc., so that it cannot be said that the Nairobi-based tours do not benefit Tanzania as well. Such tours would not be so successful if based on Dar-es-Salaam which is some 340 miles (547 km) away against the 172 miles (277 km) distance from Nairobi. In addition, Nairobi is 415 miles (688 km) nearer from Western Europe and North America than Dar-es-Salaam.

185. It is true that the proposed Sanya Yuu airport near Arusha would be only 140 miles (215 km) farther from Europe than Nairobi, but then, Nairobi is a great tourist attraction by itself and a city very well suited for a shorter or longer stay so that Arusha-based tours may not have the same appeal as those based on Nairobi, although as a stopover on a tour Arusha is certainly very attractive. There are already two airports (in Moshi and Arusha) suited for piston-engined craft and it is less justified from the tourist point of view alone to build a third international airport in the same area in order to attract charter flights and direct scheduled service from Europe. It would be more advantageous for both Tanzania and Kenya to reach an agreement about modernizing the road from Nairobi to Namanga (in the direction of Arusha) and the road from Nairobi to the Masai Mara reserve while from the Tanzanian side the Makuyuni-Oldeani road should be continued as an all weather (preferably tarmac) road into the Serengeti park to link there with the Masai Mara road from Nairobi. In this way circular tours covering some of the most beautiful game parks in the world would be feasible all the year round which would greatly increase profitability of game lodges and of the national parks themselves.

186. In 1966 (April to December) Tanzania's game lodges had achieved only 35 per cent occupancy and the hotels in the Arusha/Moshi area of only 31.4 per cent as compared with the 41 per cent occupancy rate of Kenya's southern hotels and lodges. In the chapter on Kenya, however, it has been shown how the lodge occupancy is depending on the available hotel capacity in Nairobi and the actual lack of hotel capacity in that city. With the completion of the hotels now under construction in Nairobi this situation will be completely changed. It should be added that with the present road conditions it is possible to make from Nairobi 1 to 2 days excursions to the Kenyan parks which are not far away from Nairobi, while a visit to the North Tanzanian parks requires a 5 to 6 days tour. With the recommended modernizing of the roads on the North Tanzanian game circuit, not only will tours be feasible throughout the year but also one or two days excursions from Nairobi to Tanzanian parks. It is therefore recommended that the capacity of the existing game lodges in north Tanzanian parks be increased and new lodges built in addition and that modernizing of the roads on the whole North Tanzanian game circuit be undertaken and the linking of these roads with Nairobi secured through co-operation with Kenya.

187. As regards development of national parks and game reserves, investments in the North Tanzanian game sanctuaries will soonest become profitable and should obtain priority. From a conservation point of view, however, it would also be desirable to give the game reserves in other areas full protection and as far as financial means become available to designate further areas as national parks. But as regards development of game reserves for actual tourist purposes, only the Mikumi reserve should be considered at this stage as it may become an excursion place for tourists in the Dar-es-Salaam area and a stopover for motorists touring from Zambia to Dar-es-Salaam.

188. The Indian Ocean coastline is also a highly attractive tourist area. In addition to the European public it could also attract a considerable number of Zambian vacationists especially after the completion of the Great North Road and improvement of the road from Irunga to Dar-es-Salaam. A great advantage of this area for international tourism is its proximity to Dar-es-Salaam, a very attractive capital city with a modern international airport. Foreign visitors on business trips and the city residents may provide an additional clientele to the restaurants of the beach hotels.

189. Although the Tanzanian coast is quite extended, good beaches are not too numerous and it is of great importance for further tourism development that such beaches are protected and their adjacent areas reserved for hotels and other tourist facilities^{1/}. Therefore, a physical plan of coastal development should be worked out and new construction allowed only in conformity with this plan. The sites chosen for beach resorts would often be considerably improved by planting fast-growing palm trees along the beaches. Such planting should be encouraged and if necessary subsidized by the government in form of interest-free loans.

190. After the first beach resorts in the Dar-es-Salaam area have proved successful, the coastal area could be developed farther north with beach resorts at appropriate locations between Kunduchi and Tanga. A modern coastal road from Dar-es-Salaam to Tanga would greatly accelerate development of tourism in this area.

191. Other tourist areas like the Kilimanjaro area, the Lake Rukwa-Ruaha area, the Tanganyika and Victoria lakes area and the Selous game reserve merit adequate protection of their natural resources of interest for tourism. It is considered, however, that for the time being priority in development for immediate tourist purposes should be given to the North Tanzania game area and the coast around Dar-es-Salaam. As many tourists may be interested in Kilimanjaro, one or two vantage points offering a fine view of it and having other attractions in addition should be developed rather than Kilimanjaro itself.

Volume of tourism

192. In Tanzania, only foreign visitors entering directly from countries other than Uganda and Kenya are recorded at the border. Residents of Uganda and Kenya are not considered foreign visitors. Thus the official

^{1/} See also chapter on Kenya.

statistics give only a very incomplete picture of the volume of tourism, which has to be supplemented by estimates. The outdated distinction by races instead of the modern distinction by country of residence also creates some difficulties in exploring the pattern of foreign tourism.

TABLE 1
Foreign visitors and persons in transit

Year	Total	Transit	On business	On holiday	Others
1957	10,595	2,123	1,510	5,562	1,400
1960	7,534	3,179	892	3,058	455
1961	7,351	2,800	1,256	3,295	-
1962	9,257	3,967	1,725	3,565	-
1963	9,878	3,278	2,398	4,202	-
1964	7,140	2,021	2,258	2,861	-
1965	8,278	NA	NA	NA	-
1966	13,455	NA	NA	NA	-
1967	15,961	4,214	NA	NA	-

Source: Official frontier statistics.

NA Not available

193. In Table 1 a survey is given of the total number of foreign visitors, broken down by purpose of visit. The year 1957 was a peak year with 10,595 foreign visitors, whereupon the number of visitors dropped to 7,351 in 1961, and thereafter started to recover until the events of Zanzibar in 1964 caused a new setback. Since then tourism has been recovering rapidly to set a record in 1967 with 15,961 visitors. In 1964, the last year for which such statistics were available, 56 per cent of foreign visitors came on holiday and 44 per cent on business. Transit passengers (allowed to a stay up to two weeks) could also be roughly considered to be 56 per cent holiday tourists and 44 per cent travelling on business. The actual number of foreign visitors was considerably higher since most of them came via Kenya or Uganda and were not recorded. The estimate of all foreign visitors during the same period is shown in Table 2. 1/ Their number rose from 9,847 in 1960 to

TABLE 2
Estimated number of foreign visitors in Tanzania
and foreign exchange receipts from tourism

		Average expenditure per visitor
1960	9,847	£1,270,975
1961	12,218	1,562,000
1962	15,666	2,024,000
1963	20,350	2,330,000
1964	20,257	2,314,000
1965	21,500	2,643,000
1966	31,000	3,500,000
1967 ^{a/}	37,000 ^{a/}	

Source: Situation of Tourism in Tanzania in 1967 by D. Gindré, tourist expert.

a/ Estimate of ECA secretariat.

1/ But still excluding residents of Kenya and Uganda.

31,000 in 1966 and the estimated foreign exchange earnings from tourism rose from £1,270,075 in 1960 to £3,500,000 in 1966. Since no detailed figures are available about this full volume of tourism, we shall consider mainly the recorded volume with due regard to its incompleteness.

194. In Table 3 foreign visitors in 1964 are classified by continent of departure and mode of transportation. Some 50 per cent of the recorded foreign visitors came from African countries, 24 per cent from European

TABLE 3

Foreign visitors entering Tanzania in 1964
(excluding persons traveling between East African countries)
classified by continent of departure and mode of transport

	Sea	Air	Other	Total	
<u>Europe</u>	206	1,466	9	1,681	24%
U.K.	111	806	4	921	
Other European countries	95	660	5	760	
<u>Asia</u>	648	439	57	1,144	16%
India and Pakistan	602	183	10	795	
Other Asian countries	46	256	47	349	
<u>America</u>	25	392	6	423	6%
U.S.	23	327	6	356	
Canada	2	65	-	67	
<u>Africa</u>	148	1,870	1,581	3,599	50%
South Africa	27	59	78	164	
Congo, Rwanda & Burundi	4	82	230	316	
Zambia, Rhodesia, Malawi	25	1,075	1,216	2,316	
Other African countries	92	654	57	803	
<u>Other countries</u>	13	269	11	293	4%
<u>TOTAL</u>	1,040	4,436	1,664	7,139	100%
	15%	62%	23%	100%	

countries, 16 per cent from Asia, 6 per cent from America and 4 per cent from other countries.

195. In Table 4 based on hotel statistics introduced in April 1966, the number of tourist nights is broken down by countries of residence. Of 152,860 nights of foreign residents (including residents of Kenya and Uganda, 48 per cent were of European residents, 21 per cent were of residents of Kenya, Uganda and Zambia, 16 per cent of American residents and 15 per cent of residents of other countries including African and Asian countries.

1/ When compared with the pattern of foreign visitors in Kenya in 1966, Chapter IV Table 4, the share of visitors coming from other African countries is larger in Tanzania than in Kenya, probably because most of the European and American tourists came via Kenya and are not recorded in Tanzania.

TABLE 4

Number of hotel tourist nights by country of permanent residence
(1 April - 31 December 1966)

	Tanzania	Kenya, Zambia, Uganda	Europe	America	Elsewhere	Total
	140,119	31,638	72,641	24,402	23,379	292,179
Percentage of total	48%	11%	25%	8%	8%	100%
Percentage of foreign tourists	-	21%	48%	16%	15%	100%

The discrepancy with the pattern in Table 3 can be explained not so much by the fact that Table 3 refers to a different year, as by the probability that European and American tourists mainly stayed at hotels while visitors from Asian and African countries might have stayed in many cases with friends or relatives so that their share in the hotel statistics is smaller than in the frontier statistics.

196. In 1964, 62 per cent of foreign visitors came by air, 23 per cent by land and 15 per cent by sea. If, however, we consider only visitors from African countries only 52 per cent came by air and 44 per cent came by land. If visitors who came via Kenya and Uganda were included as well as the residents of these two countries the balance would shift in favour of land transportation.

197. If we consider the figures of foreign visitors in Table 1 from 1961 - which recorded the lowest ebb in foreign tourism - to 1967, the average annual rate of increase during that period would be 14.2 per cent. The picture would be quite different if we considered the period from 1957 to 1967. The average annual rate of increase would then be only 4.2 per cent. It would be rather arbitrary, therefore, to take the figures in the past in order to forecast automatically the future trend of the volume of tourism. This volume will rather develop as a result of the trends in demand on overseas and regional markets, on the future air fares, on road construction, on publicity on foreign markets and on the actual increase of hotel capacity. If these conditions are favourable future development might by far surpass even the most optimistic projection based on past trends in Tanzanian tourism.

Hotel capacity

198. In Table 5 the hotel capacity in 1967 is given by areas. Of 80 hotels with 2,967 beds, only 6 hotels with 722 beds are of international class.^{1/}

TABLE 5

Hotels in Tanzania in 1967

	<u>Hotels</u>	<u>Beds</u>
Dare-es-Salaam area	23	1,249
Arusha/Moshi area	10	459
Game lodges	6	362
Other areas	<u>41</u>	<u>897</u>
Total	80	2,967

During 9 months, from April to December 1966, the average bed occupancy rates have been 35 per cent for the whole country, 46.7 per cent in the Dar-es-Salaam area, 31.4 per cent in the Arusha/Moshi area, 35 per cent in the game lodges and 33 per cent in other areas. In 1967 the bed occupancy rates have increased in the Dar-es-Salaam area to 49 per cent and in the Game lodges to 47 per cent, while they have decreased in other areas. These average figures tell only one side of the story which is that as a consequence of the deep shifts in the political, social and economic conditions which occurred in recent years, a number of hotels, inns, etc. have lost part of their traditional clientele while their location, size, amenities etc. do not cope with the requirements of the fast-developing international tourism and cannot attract such tourists. At the same time the occupancy rates of other hotels - modern and at the right location - are more satisfactory and in certain periods the lack of adequate hotel capacity is actually felt. Up-to-date hotels in Dar-es-Salaam are booked throughout the year and the modern Lake Manyara lodge could have booked in the season 150 per cent of its capacity. With a co-ordinated tourist policy and the creation of hotel facilities suited for international tourism the occupancy rates of the new hotels could be high above the average rates and exceed the actual occupancy rates of the existing modern hotels and lodges in Tanzania.

Development plans

199. It is an experience of many countries which have successfully developed tourism that at the beginning private capital was rather slow and reluctant to invest in hotel plant catering to holiday tourism. It is only when public money invested in tourism has given tangible proof of its profitability and assured future that private capital has moved in.

^{1/} In Dar-es-Salaam, Moshi and Arusha.

200. The bulk of new hotel investments in Tanzania in the immediate future is undertaken by the Government owned National Development Corporation as shown in Table 6. Eight hotels with 932 beds have been scheduled for

TABLE 6

Hotel investment plan of the NDC

<u>Location</u>	<u>Estimated cost</u>	<u>No. of beds</u>	<u>To be completed</u>
<u>Lodges</u>			
Mikuni	£268,000	100	May 1969
Ngorongoro	£330,000	100	May 1969
Lobo (Serengeti)	£330,000	100	August 1969
Mafia island	£217,000	60	April 1969
<u>Indian Ocean</u>			
<u>Coast and Islands</u>			
Kunduchi Beach	£400,000	200	July 1970
Zanzibar beach	£400,000	200	October 1970
<u>Wing of Africa</u>			
Hotel in Dar	£130,000	52	May 1969
Mwanza-Lake Victoria	£200,000	120	February 1969
8 hotels -- total	£2,275,000	932	

completion by 1970 at an estimated cost of £2,275,000. If priority is considered between the scheduled hotels the following considerations should be taken into account. It is undisputed that augmentation of hotel capacity in the North Tanzanian game area is highly justified. Also, the Dar-es-Salaam coastal area should be the first one where beach resorts should be developed. It is not very accurate though to talk of an "Eastern coastal circuit." The visitors to beach resorts in this area will mainly be tourists who would come on charter planes from overseas and spend a week or two in an ocean resort. Also, vacationists from Zambia and Malawi can be expected and possibly from other African countries, further excursionists from Dar-es-Salaam and business people on a shorter stay in Dar. If, however, charter business is to be developed it is essential (see Chapter II) that large modern hotel capacity be concentrated in a small area as otherwise charter flights could not be economically organized. One hotel even of 200 beds is not enough and larger capacity ought to be created right from the beginning. As first step it would therefore be preferable to concentrate on one beach resort (Kunduchi for instance if the available sites are large enough) and build there hotels of first and tourist categories providing all together 400 to 500 beds to begin with. In this way the necessary infrastructure (roads, water supply, sewage, electricity, telephone) could be provided at less cost and also the conditions would be more favourable for organizing quality entertainment, excursions, local transport to Dar-es-Salaam, car hire, social life, etc. Such a resort could be much better promoted than scattered hotels along the coast. As it would also attract Dar-es-Salaam residents, additional restaurant capacity (snack bars, cafeteria)

should be planned, as well as family cottages with cooking facilities for Zambian vacationists. Such a full-fledged beach resort should have priority over somewhat uncertain projects as the hotels on Mafia island^{1/} and at Mwanza.^{2/} As regards Zanzibar, its tourist attractions would appeal to a much wider clientele and if means are available to build both a beach resort near Dar-es-Salaam of at least 400 to 500 beds and a 200 bed hotel in Zanzibar both could be undertaken. If a choice has to be made, Zanzibar could for the time being be just an exciting excursion place (by hydrofoil from Kunduchi or plane from Dar-es-Salaam and Mombasa) and a good modern beach restaurant with some bungalow sleeping accommodation would do for the beginning.

201. A marked competitive edge of East African coastal resorts derives from the possibility to combine photo safari circuits with a stay at a beach resort. For short excursions to a game park, the Mikumi reserve will be all right. For combined air charter packages - one week safari and one week beach resort - co-operation with Uganda, Zambia and other landlocked countries would be useful^{3/} in addition to combinations with North Tanzania.

202. As the capital city of a well-known African country, Dar-es-Salaam is likely to be a favourite stopover on any grand African tour as well as on any tour limited to Eastern Africa. The clients of such tours usually prefer to stay in the city itself and further expansion of hotel capacity in Dar-es-Salaam (Hilton hotel, etc.) is justified on account of such holiday tourists (who usually travel on scheduled services) as well as on account of business visitors.

203. Most of the new hotel investments are undertaken by the government-owned National Development Corporation. This, however, is about to transfer its hotel interests to a holding company, Tanzania Hotel Investments Ltd., THIL, which will be initially a wholly owned subsidiary of the NDC. Participation by outside investors in the NDC programme is welcome either through subscription to newly issued equity capital in THIL, by subscription to equity in

^{1/} It is rather uncertain as to whether deep sea fishing off Mafia island as practiced off Florida and the Bahamas would attract a sufficient number of wealthy sportsmen over a long enough season to make this venture profitable. Not only are the travel costs incomparably higher, but also those who can afford them may not be satisfied with the limited possibilities for entertainment ashore after a long day of solitude on the deep sea. It would therefore be advisable to enquire very thoroughly into this very special market before deciding actual investment.

^{2/} As regards tourism on Victoria Lake, see chapter on Uganda.

^{3/} See also chapters on Uganda and Malagasy.

a subsidiary or associate of THIL, by loans to either THIL or its subsidiary or by combinations of any or all of these participations.

204. Over 2 million for the first phase of development will be financed by NDC or its subsidiary. This original programme could be substantially enlarged if private capital were to participate in its financing. Some extensions of existing hotels have been financed by loans of the Tanganyika Development Finance Company Ltd. at $7\frac{1}{2}$ per cent interest repayable in 15 years. More recent loans were extended at rates of $8\frac{1}{2}$ and 9 per cent. Owing to a long season and high occupancy rates which can be achieved in hotels on good location invested equity should also return a sizeable profit.

205. The foreign investment Act of 1963 is under revision and further incentives and privileges are being considered. Some hotel equipment can be imported duty free but not all necessary equipment.^{1/} What else would be necessary to encourage private investment in hotel industry? The role of government should be in the first place to provide the necessary infrastructure and in particular roads. Bilateral assistance in form of soft long term loans would be highly justified to this purpose. Government action would further be necessary to organize efficient travel promotion on foreign markets, to finance professional training on secondary and higher level,^{2/} to further facilitate entry of foreign tourists in the country etc., to initiate introduction of more favourable creative fares, etc. When by these measures the necessary favourable conditions for tourism development are created, new well-located and functionally built hotels, will be highly profitable even without special incentives, except possibly the exemption of import duties for hotel equipment. However, when considering the long term immobilization of capital required for construction of new hotels in a new field which has not yet proven its viability and profitability, some additional incentives may be necessary to get things started. Granting of loans under favourable terms, or interest subsidy, tax exemption in the first few years and similar measures may be considered. But as soon as tourism reaches a sufficient volume to make new investments obviously profitable, such incentives would become less and less necessary and could be gradually reduced for later investments. The great wealth and variety of Tanzania's tourists attractions and the friendliness of her people will not fail to attract just such a volume of tourism. This process, however, would be greatly accelerated by the measures recommended in the chapters II-VI and in this way savings could soon be made on subsidies and incentives which would be no longer necessary.

1/ An exception was made for the Kilimanjaro hotel the whole equipment of which had been imported customs free.

2/ In co-operation with other interested countries.

CHAPTER X

MALAWI

(Population: 4,042,600; Area: 45,747 square miles)

206. Landlocked between Zambia, Tanzania and Mozambique, this picturesque country with a pleasant climate and charming people has only recently envisaged the development of international tourism. The main tourist attraction is Lake Malawi (1,500 feet above sea level) which is the third largest lake in Africa with extended beaches fringed with palm trees and other tropical vegetation, girt by mountains which form magnificent scenery. Its clear water, bilharzia-free at the beaches and with no danger from crocodiles, provides safe bathing and opportunity for all kinds of water sports. The climate on the lake, with a low annual rainfall, is warm and agreeable all the year round and a stay at the lake is pleasant even during the rainy season. Other attractions are the high plateaux: Mlanje, Zomba, Vipya and Nyika with a bracing climate and magnificent mountain scenery, trout fishing and some hunting possibilities. The game reserves of Lengwe and Kasungu and the Malawi National Park on the Nyika plateau offer possibilities of game viewing.

207. It is considered that these natural assets would have enough appeal for tourists from neighbour countries and that especially Lake Malawi, provided comfortable hotels are available, could attract holidaymakers from the Zambian Copperbelt and possibly from Rhodesia, South Africa and Mozambique. There are good reasons in support of this opinion. The lake shore near Salima has fine beaches and it is some 80 miles from the town of Lilongwe which has a good all-weather airport suited for DC-3 and DC-4 planes. ^{1/} The air distance between Ndola and Lilongwe is 350 miles and between Salisbury and Lilongwe 330 miles. With the paving of the Lusaka-Blantyre road, driving by automobile could also become popular on 467 miles of paved road from Lusaka to Lilongwe and another 67 paved miles plus 13 miles on good gravel road to the lake shore near Salima. Also, the diesel train could bring holidaymakers from Blantyre and farther to Chipoka which is some 17 miles from Salima.

208. Another question is: to what extent can Malawi expect to attract big international tourism from Europe and America? Although Malawi does not have such outstanding tourist highlights that would attract tourists from overseas to travel that far south just for their sake, it should be considered if during a two- or three-day stopover in Blantyre a tour by rented automobile or by motorcoach for groups to Zomba, Zomba plateau, Fort Johnston and Lake Malawi and a return via Balaka could be made sufficiently attractive to be publicized and sold on overseas markets.

^{1/} Salima airstrip, which can be used only in dry weather, is close to the lake shore. It can receive planes up to DC-3 in size at present.

The attraction of this package would be heightened by including a visit to a typical Malawi village and by tribal dances 1/ and sale of handicraft in such a village or in Blantyre.

209. With the development of tourism in the area, a longer circle tour could be organized by motorcoach via Zomba and Zomba plateau to Fort Johnston, combined with a lake trip by hydrofoil to Salima, and back via Lilongwe to Blantyre with a visit to a village, shopping for handicrafts, and folk dances.

210. It must be borne in mind that Blantyre is already connected by direct flights with London, Paris, Frankfurt, Rome and Cairo. What is even more important, it is connected by direct flights with Lusaka (thrice a week), Nairobi (three times), Dar-es-Salaam (twice), Salisbury (ten times a week), Johannesburg (once a week) and Beira (twice a week). An African circle tour from Western Europe or from North America which includes Dar-es-Salaam or Lusaka or Salisbury, etc., would not cost more if Blantyre were included and one more country would add to the attractiveness of such a tour provided a good publicity angle is found to present the tourist attractions of Malawi in a persuasive way.

Volume of tourism

211. Frontier check statistics have been introduced only since 1 April 1967. They are carried by country of residence, month of arrival, means of transportation and purpose of visits. They will give a better insight in the pattern of tourist traffic. The picture would be much clearer, however, if hotel statistics were also introduced. This would give more information on the length of stay of tourists and on the viability of the existing hotel industry.

212. It has been estimated that the number of foreign visitors in Malawi has increased from 14,000 in 1964 to 15,500 in 1965 and 20,000 in 1967 and that their average stay had been five days. It is not known, however, how many of them are business visitors and how many tourists on holiday.

213. There have been 12 hotels in Malawi with 297 rooms, mostly double of which 177 rooms in towns and 120 rooms at Lake Malawi.

214. The hotels reported reduction of business in the last few years so that the hotel keepers are unwilling to spend money on improvement of their hotels and do not have money to finance the building of new ones. Some existing hotels are also not very well maintained. It is a common experience of African countries that in the first years after independence hotel business has temporarily slackened down, but after

1/ Dance groups, trained by a first-class choreographer, could pick up not only Malawi dances, but also the most striking dances of other African countries and be sent to perform abroad with a diversified programme which would be excellent publicity. But there should be enough dancers in reserve at home to perform for larger overseas tourist groups.

a few years it has begun not only to recuperate but to increase rapidly. Nevertheless, this has been accompanied by a shift in demand from which some existing hotels have benefited but some others have permanently suffered. Therefore new hotel construction has to take into consideration the changing circumstances and to depart from the traditional pattern of the hotel industry in the country in order to meet the new potential demand.

Development plans

215. In order to provide hotels of international class, a 98 double bedroom hotel is being built in Blantyre and a 20 bedroom hotel at Fort Johnston on Lake Malawi with the possibility of its extension to 50 double bedrooms. It has been planned for a later stage to build a 50-100 bedroom hotel at the Salima lake shore and 10-20 room car tourist hotels on the plateaus of Mlanje, Zomba, Vipye and Nyika as well as a 100 room hotel in Lilongwe.

The building of the two hotels of the first phase is justified by the need for modern hotel facilities in Blantyre for business people and holiday tourists and the hotel in Blantyre should prove quite profitable. According to a conservative estimate it should return a 9.2 per cent profit on equity, and after repayment of loans 16 per cent.

216. The hotels to be built at a later stage, however, are based on a rather conservative reasoning. Instead of the old inns just a new edition of them is planned, more modern and a little larger. This is largely based on the recommendation of a well known hotel consultant of the Commonwealth Development Corporation under the assumption that the main cause for declining hotel business has been the lack of up-to-date comfortable hotels and that modern, well-managed hotels will attract tourism to Malawi. In reality there have been considerable changes in the political and economic situation which have influenced travel as well as the requirements for hotel space. On the other hand, progress in air transportation has made things possible which could not be considered only a couple of decades ago. If air charter business or other air package tours are to be attracted from the Copperbelt including Congo and from Lusaka, and possibly Salisbury and Johannesburg, the lake shore facilities should be large enough to accommodate full plane loads of passengers from various cities, to offer them quality entertainment, sports, excursions, shopping, social life, etc. For such purposes a 30 double room hotel is not large enough and it might prove a failure, while a hundred rooms hotel or rather a couple of new hotels, in addition to the existing hotels, new bungalows for families on vacation, etc., might be highly successful as a larger initial capacity would make possible successful business right from the onset. But before implementing such a scheme of a lake-shore resort, an impartial survey should evaluate the real attractiveness of the Malawi lake area and the market conditions which would justify the development of a resort on its shore. A comprehensive survey should assess the size

of the potential markets for such a lake resort in Zambia, Rhodesia, etc., and what features such a resort should have to attract successfully the tourist public of the neighbour countries. Competition of Zambian and Rhodesian lake resorts has also to be taken into consideration. Also, competition of Tanzania ocean beaches has to be considered, and the extent to which greater distance of Tanzania is attenuating competition. In particular a careful calculation of the full pension rates and transportation costs from the potential markets should be made and the lowest possible offer compared with prices of other similar packages already sold on these markets. Tour operators and other travel agents should also be consulted in addition to the air companies, automobile clubs, etc.^{1/}). Also, the possible reduction of frontier formalities should be envisaged and its effect in attracting tourists, and the costs and methods of an efficient travel promotion campaign on the main potential markets. Since the whole scheme would require considerable financial means for a rather new venture, the possibilities should also be explored of obtaining capital from the organizations interested in tourism development on the main potential markets. It is only if the results of such a comprehensive survey prove to be favourable and encouraging that full scale implementation of such a project should be undertaken.

217. The new plateau inns could be built at a later stage when improvement of roads would attract motorists from neighbour countries.

^{1/} Also combined packages lake Malawi and Luangwa valley park should be considered.

CHAPTER XI

ZAMBIA

(Population: 3,894,636; Area: 290,580 square miles)

Tourist attractions

218. The main attractions of Zambia are the wealth of wildlife and the Victoria Falls, 1,900 yards wide and 347 feet in height - the largest waterfall on the earth. In the Luangwa Valley National Park visitors experience the unique attraction of being able to walk among the animals. The Kafue National Park covers an area of 8,650 square miles and offers fine game viewing and fishing. Kasaba Bay on Lake Tanganyika provides opportunity for sailing, water skiing, swimming and fishing in addition to game viewing in the Sumbu game reserve where this lake resort is located. There are other picturesque waterfalls, lakeside resorts and beautiful scenery everywhere, and finally, the main towns - Lusaka, Kitwe, Ndola, Livingstone - are also worth a stopover. The prosperity of the country, the well-being of wide strata of the population, and the friendly and tolerant atmosphere do not fail to impress favourably most of the visitors, in addition to the favourable climate of Zambia. Each season has its particular advantages and tourist travel is pleasant all the year round.

219. There are other tourist attractions and opportunities for all kinds of sports which are also first rate, but of lesser interest for overseas tourists. They are very attractive though for domestic tourists and tourists from other countries of the region, and thus far the bulk of tourism in Zambia has been domestic and regional tourism. Due to the fast development of the country, domestic tourism will further increase. Regional tourism depends to a large extent on the solving of problems which today oppose some territories bordering on Zambia i.e., to Zambia and the rest of Africa. The visa requirements for visitors from the southern neighbours of Zambia have a negative effect on tourism, but under the present situation, this obstacle is not likely to be removed soon.

220. Progress of air transportation has made it possible to attract overseas tourism on a much larger scale than until recently, provided appropriate measures are undertaken both within Zambia and at sub-regional level. There is of course a growing number of overseas visitors on business or to visit relatives and their number is certainly to grow substantially in the future. It is not likely, however, that many holidaymakers from Europe and North America or Australia will come to Zambia to spend their whole vacation there, but with an appropriate effort and efficient publicity and marketing, numerous tourists from North America and Europe could become interested in spending a few days in Zambia in order to see her main highlights in addition to other African countries included in their tour. With this in view, the location of the main highlights has to be

considered and their suitability to link them into African itineraries. The main highlights of Zambia are far apart: Livingstone (Victoria Falls) is some 383 miles from Ndola by air and 235 miles from Lusaka. Kafue is some 200 miles from Lusaka by road but only some 60 miles from the Livingstone-Lusaka highway. Luangwa Valley Park is some 70-80 miles from the Lusaka-Blantyre road from points 388 and 467 miles from Lusaka. Since there is an airstrip in Luangwa Valley and a scheduled air service operates twice a week between Lusaka and Mfuwe, it should be considered if this service could extend to Blantyre so that tourists can continue on their African itinerary. Kaseba Bay on Lake Tanganyika is also linked to Lusaka by flights twice a week. It could be considered in the future if these flights could connect with the departures and arrivals of the steamer plying between Mpulungu and Kigoma. Although the voyage is rather long, it is liable to be a unique experience and with efficient publicity, it may attract individual tourists and groups. There are also flights twice a week between Ngome in the Kafue National Park and Lusaka. Another possibility to consider is to include the Kafue National Park as a side trip on a surface tour (by rented automobile or by rented motorcoach) from Livingstone to Lusaka or vice versa. ^{1/} Only a good knowledge of local circumstances would permit the best solutions to be found, but the problem is clear: how to make an attractive, comfortable and inexpensive three to five days arrangement which will show the outstanding highlights of Zambia and fit into various African tours.

Volume of tourism

221. The frontier check statistics are available since 1964. Table 1 shows that foreign tourism after an upsurge in 1965 has decreased somewhat in 1966 to regain momentum in 1967. A net upward trend is shown in the number of business visitors, while the number of holiday visitors declined, although not significantly.

TABLE 1

Foreign tourists to Zambia by reason of visit

	Tourist	Business	Transit	Other	Total
1964	23,833	20,560	19,443	27,526	91,363
1965	22,167	26,522	14,353	55,324	118,366
1966	22,859	27,963	7,108	52,539	110,469
1967: January	2,220	2,452	855	6,460	11,987

Source: Monthly Digest of Statistics, December 1967.

222. In 1966, 24.6 per cent of foreign tourists arrived by air, 8 per cent by rail and 67.4 per cent by road. This pattern of travel is understandable when considering the structure of tourism by nationality shown in Table 2.

^{1/} See also Chapter III.

TABLE 2

Visitors in Zambia by nationality in 1965

			<u>Percentage</u>
<u>Africa</u>		106,081	90.1
Congo	17,361		
Malawi	7,450		
Rhodesia	46,863		
South Africa	25,386		
Tanzania	3,739		
Others	5,282		
<u>Europe</u>		7,573	6.4
Germany	327		
Greece	48		
Holland	58		
Ireland	201		
United Kingdom	5,482		
Others	1,457		
<u>Americas</u>		2,717	2.3
Canada	356		
United States	2,274		
Others	87		
<u>Asia</u>		885	0.8
<u>Oceania</u>		421	0.4
<u>Total</u>		117,677	100.0

Source: Zambia National Tourist Bureau.

Ninety per cent of tourists were nationals of African countries and 85 per cent from the African neighbour countries. Sixty-one per cent of foreign tourists came from Rhodesia and South Africa. A considerable number of South African visitors must have travelled by car covering about 1,000 miles each way. This proves that provided roads are good, long-distance travel by automobile is currently practised in Africa.

223. The average stay of foreign visitors in Zambia has been reported to be eight days on the average in 1964. The estimation of daily spending for visitors of £1/16/- is, however, unreliable and should be checked.

New development

224. According to the official hotel guide there were in 1967, 37 hotels with 1,669 beds and 29 rest houses with 423 beds. In addition there were 84 beds in hotel-type lodges in Kafue, Luangwa and Sumbu game parks. The existing accommodation capacity has achieved high occupation rates and there is an acute shortage of hotel rooms in Lusaka. But even game park accommodation is showing an average occupancy rate of 60 per cent.

225. The companies owning Lusaka hotels are extending their capacity, and in addition the Government-owned Industrial Development Corporation (80 per cent of equity) and the Intercontinental Hotel Corporation (20 per cent) are building a 400-bed hotel in Lusaka and a 200-bed hotel at Livingstone. The first is scheduled to be completed by September 1968 and the second by August 1968. Owing to a considerable share of imported equipment (40 per cent) in the total construction and equipment costs of these first-class hotels, the costs per bed are £4,000, £3,250 respectively. As half of the investment cost is financed by loans under favourable conditions, the profitability of the equity invested is estimated to be 12 per cent on the basis of 50 per cent room occupancy at the beginning which is supposed to increase later. Two 100-bed lodges are also planned to be completed by 1970, one at Kasaba Bay and one at the Luangwa Valley National Park. These very comfortable lodges will cost between £3,000-£4,000 per bed. A hotel will soon be completed in Mongu and at Fort Jameson a hotel will be taken over by a Government-owned hotel company and modernized. Two smaller game lodges (30 beds each) will be built mostly to cater to domestic tourists, one of them in the northern part of the Kafue National Park. Tour operator services are now being offered by the Zambia National Tourist Bureau.

226. Implementation of this programme will create a solid base for attracting overseas tourism. The tourists to be attracted from overseas are rightly supposed to be well-off tourists and the facilities required have been planned accordingly. There are two pitfalls, however, to be avoided in this endeavour to attract such well-to-do tourists. The first is to disregard the question of prices at which tourist services are offered as wealthy tourists are also sensitive about prices and the second is to rely too much on the sales promotion which the foreign companies interested in bringing tourists to Zambia will undertake on foreign markets. Such promotion on overseas markets is useful and effective only if supported by a far-reaching promotional support for the country itself or the entire tourist region. ^{1/} With such an effective promotion, sales of tours including Zambia would increase still faster if the costs of such tours and especially air travel costs between overseas countries and Eastern Africa were reduced in the future, as has been explained in Chapters II and III of this study.

^{1/} See also Chapter IV.

CHAPTER XII

URUNDI

(Population: 2,800,000; Area: 28,000 square km)

227. The tremendous development of international tourism in the world and the substantial economic benefit this development has brought to many countries have been widely publicized under the assumption that each country has its own particular attractions to offer. And, indeed, due to careful scrutiny many countries have brought forward original features of interest for tourists in addition to attractions which are also available in many other countries and based on them have successfully developed tourism. Another factor has been progress in long-distance transportation, especially by air, and the lowering of transportation costs. This has brought many potential tourist countries nearer to the main tourist-generating markets and made possible development of tourism between them. On the other hand, accessibility of far-away countries has increased international competition enabling well-to-do people to choose such countries which offer the most fascinating tourist highlights or where the amenities at the disposal of tourists are particularly satisfying. Seasoned travellers appreciate new and different countries but they will speak quite differently if a country has really impressed them with its tourist attractions than if it is just somewhat different from other countries without anything very spectacular or particularly attractive to offer.

228. As regards regional tourism, distances are essential and people will often be satisfied with a vacation in less strikingly attractive places if they are considerably nearer and less expensive.

229. Burundi is far away from the main tourist-generating countries and on the other hand it is bordering on countries which have first-class tourist attractions to offer. Thus Burundi has to take into account not only competition of other tourist regions all over the world, but also of countries in the same region which have a good deal to offer to the tourist public. It is therefore an essential question if Burundi has such tourist attractions which can compete with or supplement the tourist attractions of neighbour countries; or if such tourist attractions can be created. The answer to these questions should determine the size of both the regional and overseas tourism which could be developed in Burundi.

230. The capital city of any country - as the highest concentration of activity in that country - presents a certain tourist interest by this very fact, not only for business people but also for tourists as well. Bujumbura is a pleasant town and its site between the lake and the hills provides an extended lake shore, a small but busy port and fine panoramic views from the surrounding hills. The attraction of Bujumbura would increase if features specific to the country were to be developed for tourist purposes. The museum of traditional art in

Bujumbura is reputed to be one of the finest in Africa. This should be made more widely known to foreign visitors. Development of handicraft and traditional art should also be encouraged by creating facilities for producers (market place) to sell handicraft items directly to customers. There is always room for improving the design and workmanship of local products through professional assistance and by making available perfected tools. At the beginning when tourism has not developed yet, the demand for handicraft items by foreign tourists will obviously be limited. A good organization of the export of handicraft items would encourage production. Another important tourist attraction and at the same time publicity means are the folk dances and songs. The folk dancers of Burundi have already acquired international reputation. The initial successes of folk dance performances abroad should be carried further. Dances can be artistically perfected with the help of a professional choreographer and further diversified so that the concert agencies in Europe and other continents become more interested in them. The folk dance performances abroad can be put to good use for tourist promotion purposes by distributing publicity material on Burundi or printing a programme studded with such material. Also folk dancers should perform in Bujumbura when larger groups of tourists arrive. With suitable transportation facilities and modern hotels of international class, a certain volume of international tourism could thus be attracted for a stopover in Bujumbura. Also sightseeing, including places of scenic or historic interest in the areas surrounding the capital city should be made available to tourists. Villages with interesting architecture such as Muramvya should be included in excursions as well as Bigarama on the watershed between the Congo and Nile rivers. The pleasant climate and the facilities for golf, horseback riding, tennis, swimming and other water sports could also be publicized as additional amenities provided they are made easily available to tourists during their stay in Bujumbura.

231. Modernization of the roads from Bujumbura to Kayanza, already in progress, should be continued to the Rwanda border at the same time as the modernization of the road from Kigali to the Burundi border. Modernization of the road from Bujumbura south to Nyanza-lac, already approved in principle, should be continued to Kigoma in Tanzania which is the terminal of the railroad from Dar-es-Salaam and of the steamship service from Mpulungu in Zambia.^{1/} This road, running along the Tanganyika lake shore through flat country and climbing occasionally over spurs with beautiful views on the lake and past picturesque villages would prove quite attractive for touring by motorcycle or rented automobile. The Gombe Stream Game Reserve ("Chimpanzee Park") near Kigoma in Tanzania would equally present considerable interest for tourists. On the Tanzanian side a trunk road is considered from Makuyuni to Mwanza, and the extension of this road to Kigoma might also be considered. These roads are primarily justified by their importance for other economic branches but they would also help develop a certain volume of regional and even international touring which is to a large extent dependent on co-operation with the

^{1/} The train ride from Kigoma to Dar-es-Salaam or vice versa takes some 44 hours, and the boat trip from Mpulungu to Kigoma 63 hours, and both will please primarily the more enterprising type of tourists, with sufficient time for travel. Air connexion between Kigoma and Dar-es-Salaam however is suited for all kinds of tourists.

neighbour countries. As considerable financial means are required for the implementation of these projects, grants or soft-term loans from individual developed countries and further help of international finance agencies would be justified.

232. Another requirement for tourism development is an airport suited for large jet aircraft. Since the extension of the present runway has been decided this will not present much difficulty. With such investments in addition to modern hotels, Bujumbura could become a starting point for tours by air which would include Bukavu, Goma, Kigali before continuing to Uganda and Kenya. Sabena could very well organize the offer of such tours to the big European and American tour operators.

233. There are seven hotels in Burundi, 6 of them in Bujumbura and one at Gitega. The six hotels in Bujumbura total 189 rooms with 343 beds. Hotel occupancy in 1967 was 80 per cent for rooms and 60 per cent for beds. Hotel prices are \$5 to \$7 for a double-bed room with all amenities. The five-year development plan has scheduled construction of two international class hotels in Bujumbura.

234. Since 1964 frontier check statistics are compiled in Burundi. They are broken down by nationality, month of arrival and method of transport used. No distinction is made as regards purpose of visit. In 1964 there were 38,950 foreign visitors' arrivals in Burundi of which 17,867 by air. The respective figures in 1967 were 36,921 foreign visitors' arrivals of which 13,034 by air. Hotel statistics are carried since 1963, broken down by country of residence and month of arrival, but they also give no indication of the purpose of visit. Visitors in supplementary accommodation are not recorded. In 1967 there were 35,292 arrivals at hotels of local residents and 25,370 arrivals of foreign residents of which 5,931 from Belgium, 6,738 from other European countries, 808 from America, 3,008 from Congo, 1,045 from Rwanda, etc. Tourist receipts are not recorded separately from other foreign exchange earnings. The daily expenditure of foreign visitors has been estimated at \$30 which looks rather large when compared with foreign tourist expenditures in neighbouring countries.

235. Construction of modern international-class hotels has been envisaged as an essential condition to attract tourism. The capital city may certainly need large modern hotels, but it would also require an efficient tourist promotion to attract tourists to Bujumbura and make such hotels a profitable venture. It is through co-operation in travel promotion with other countries of the sub-region that both aims could be best achieved. Relaxation of frontier formalities and abolishing of visa requirements for overseas tourists would also be useful. The legal regulations concerning foreign investments are favourable and no discrimination is made in respect of foreign nationals, who enjoy legal equality with citizens. Transfer guarantees are adequate and exemption from import duties and income tax can be obtained. Development of tourism in Burundi, however, is subject to various factors, some of which have been mentioned, and its development would require time. It would, therefore, improve the financial situation of the future hotel in Bujumbura if part of its costs would be financed on a soft-term loan basis extended by a bilateral aid agency.

CHAPTER XIII

RWANDA

(Population: 3,073,000; Area: 26,338 square km)

236. Bordering on Uganda, Congo, Burundi and Tanzania, Rwanda is a country little known outside Africa. Yet the scenic beauty of the region, its wild-life and the good looks and artistic talent of her people have not failed to attract great film producers. The picture "Rendezvous with the Devil" was filmed close to Rwanda's border and the "Lords of the Forest" in the same mountain range on Rwanda's territory and so were the dances in "King Solomon's mines". Difficult accessibility, however, was greatly responsible for the lack of tourist interest for this beautiful country. With the building of an international airport at the capital of the country, Kigali, and with the construction of modern roads, which is now in programme, Rwanda may soon become one of the very attractive tourist countries in Africa.

237. Among the main tourist highlights of Rwanda is the National Park of the Volcanoes, bordering on the Congolese Albert National Park, and close to the beach resort of Kisenyi on the enchanting lake Kivu. The park is not only outstanding for its spectacular scenery and extremely interesting tropical mountain vegetation; it is also one of the rare places where mountain gorillas can still be seen. The other great attraction is the Kagera National Park of 250,000 ha bordering the road from Kigali to Kampala. This park with magnificent landscape is the habitat of animal species found also in the parks of the neighbour countries, but the very dense population of some of them such as zebras, elands and some species of antelopes can rarely be found elsewhere. The capital, Kigali, picturesque town on top of a hill, is in itself a rewarding stopover on an African tour. The virgin forest of Nyungwe, the Rusumi Falls, the lakes near Ruhengeri will add to the wealth of Rwanda's tourist attractions as soon as road improvement makes them easily accessible. Original folklore, with most interesting folk dances, songs and massed drums, and handicraft will also be very much appreciated by tourists.

238. There is one important advantage which will favour tourist development; all the outstanding tourist highlights are concentrated in a very small area. The entrance to the Kagera Park is only 82 miles from Kigali and 36 miles from the Uganda border. Gisenyi is 112 miles from Kigali and close both to Albert National Park in Congo and the adjacent Rwanda Park of the Volcanoes. It would greatly favour tourism development if the roads from Kigali both to Gisenyi and to the Uganda border were paved, and if on the Uganda side the paved road from Kampala were continued to link with the Rwanda roads to the border. In this way Kampala-based tours could include Queen Elizabeth Park and the Uganda - Rwanda lake region, Gisenyi, the park of the volcanoes, Kigali and Kagera Park, in addition to the shorter Kigali-based tours.

239. The mountain gorilla population on the Birunga is seriously endangered by the destruction of forests where they live, and by the encroachment of cattle in the area inhabited by them. The gorillas are a unique tourist asset of the region, liable to attract numerous overseas visitors in the future. It is therefore very important to organize in co-operation with the Congo, and if necessary with Uganda also, the protection of the area inhabited by gorillas from further encroachments, to take steps for the health protection of these animals, for the provision of sufficient food and the construction of access roads which will permit tourists to watch them.

240. As regards the protection and development of the Kagera National Park and the Mutara game reserve, it is referred here to the pertinent recommendations of the advisor of Rwanda's government Mr. Kinloch^{1/} and in particular to the principle adopted in East Africa to manage the wildlife, but also to put them to good use for the economic benefit of the country.

241. There are no tourist statistics in Rwanda, and only some figures are kept on the number of foreign visitors at hotels. In 1967 there were altogether nine hotels, respectively guest houses in Rwanda with 106 rooms (203 beds). Two of the hotels with 38 beds were in Kigali, three with 65 beds at the lake resort of Gisenyi, and one with 16 beds at the Mutara game reserve.

242. A new hotel is being built in Kigali by a Swiss Company. It is planned to have 100 rooms constructed in several stages. The building of this hotel and the suitability of Kigali airport for jet planes is the first step in making Rwanda easily accessible to foreign visitors and in providing them with comfortable accommodation. Both will encourage business trips to Rwanda and facilitate economic development. For development of holiday tourism however, this is not sufficient. Experience has proved that in such a complex field as that of modern tourism, individual entrepreneurs or even large companies are able to successfully develop their business only if the general conditions for tourism development are favourable. Such favourable conditions are created by an efficient co-ordination of various factors which participate in tourism: transportation, hotel industry, operation of tours, marketing, promotion, entertainment and other tourist services. In countries with traditional tourism this co-ordination takes place almost spontaneously. New ventures are based on the already existing economic activities, the development of which can more or less accurately be projected in advance. In addition, most of the new ventures would hardly upset this balanced development. In countries, however, where tourism is new or fast developing as a result of basically changed conditions the co-ordination of various factors in tourism can best be achieved by government planning. Since in Rwanda everything has to be started from scratch and with no experience in international tourism, it is indispensable for this country to have a comprehensive tourism development programme elaborated by an expert in the field and adopted by the government.

^{1/} Report concerning the development of Kagera National Park - August 1966

243. This programme should be based on an objective evaluation of the tourist attractions of Rwanda from the viewpoint of overseas tourists and on a realistic assessment of the possibilities to improve and further develop these attractions. A detailed study of the climatic conditions of the potential tourist areas and of the possible length of the tourist season should also be included. On the other hand, the plan should take into account the existing projects for improvement of airport facilities and of road construction and modernization and their phasing.

244. In view of these basic elements, the Plan should recommend:

- (1) What measures should be taken in order to protect and further develop the existing tourist attractions of Rwanda;
- (2) What improvements should be made to the existing airport facilities in order to attract international travel;
- (3) Which roads have to be modernized in the first place in order to develop international tourism and which new roads should be built;
- (4) Where new hotels and lodges should be erected, what category and size;
- (5) What measures should be taken in order to provide entertainment and other tourist services;
- (6) What organizations should be created in the country or invited to come from abroad in order to operate tours in Rwanda and sell them on overseas markets;
- (7) What travel promotion should be undertaken overseas, and in which markets;
- (8) To give a rough estimate of the costs of implementation of the programme both in local currency and foreign exchange and to suggest the best ways of financing various projects included in the programme;
- (9) To give a quantitative estimation of the likely profitability of individual projects and of the economic benefits to the country from the implementation of the programme.

245. A very favourable element for tourism development in Rwanda is the friendly and hospitable attitude of her population. It is not only in respect of visiting foreigners, but also in respect of those who came from abroad in order to participate in the economic development of the country. This friendly attitude has found its expression in the legislation concerning immigration and the legal status of foreign citizens. In addition to the usual guarantees and incentives to investors, this liberal attitude is liable to encourage not only large financial groups, but also the small entrepreneur, who brings in his know-how and capital, both necessary for a successful development of tourism.

246. But these very favourable legal conditions for skilled entrepreneurs and labour as well as for capital investments, are not enough. There are also essential requirements for tourist infrastructure and especially roads, airports, telecommunication and game parks which themselves are not profitable for the time being but are essential for a profitable tourist business. Good planning of such facilities will save on costs, but nevertheless their costs are considerable. The rich natural resources of Rwanda and the hospitability of her people can make tourism an important component of the economic development of the country, and financing of the infrastructure required for tourism is particularly justified and should be made possible both on bilateral and multilateral basis.

CHAPTER XIV
MADAGASCAR

(Population: 6,180,000; Area: 587,000 square km)

Tourist attractions

247. A large island in the Indian Ocean stretching from the 12° to the 25.5° of southern latitude through a variety of climates with plains, mountains, and an extended coastline, has certainly many interesting and pleasant places which could well serve tourist purposes. It has been rightly stressed,^{1/} however, that a distinction has to be made between the tourist attractions suited to domestic tourism and those suited for international tourism.

248. The distance of Madagascar from the main tourist markets is immense. Time and costs involved to overcome such long distances have all but prevented until recently development of overseas tourism in Madagascar. However, with progress in air transportation and especially putting of large jet aircraft into overseas service and reduction of operating costs per passenger seat, this situation has been modified and overseas tourism to Madagascar has become a practical possibility. In Table 1 a survey is given of distances and costs of travel from the main tourist-generating areas which come into consideration for Madagascar.

Table 1

Distance and air fares from various potential markets to Madagascar
(in US dollars)

To Tananarive	km	Economy R/t	Lowest published rate	Lowest IT fare pass/km
From San Francisco	18,573			1,180.20**
New York	14,440	1,225.90	920.00	890.00**
London	9,097	888.50		440.90
Paris	8,758	888.50		514.50
Frankfurt	8,627	888.50		514.50
Johannesburg	2,116	207.80		120.50*
Salisbury	1,843	N.A.	N.A.	197.20***
Mauritius	1,096	157.00	111.00	N.A.
Nossi Be	660	92.00		
Tamatave	N.A.	28.10		
Majunga	336	49.70		

* Group IT fare

** Individual IT fare

*** To Nossi Be

^{1/} Tourism and Madagascar by United Nations expert C. Kuipers, Tananarive 1962.

Table 2

Distances from Mauritius (in km)

Mauritius - Tananarive	1,096
" - Bombay	4,694
" - Perth	7,207
" - Sydney	10,484

249. There are three main potential tourist-generating regions for Malagasy: North America, Western Europe and South Africa and Rhodesia. From the first region mobile tourism is the only one which can be practically developed be it within an African tour, be it within a round-the-world tour. South Africa and Rhodesia may be principally interested in stationary tourism in a beach resort, and Europe in both forms of tourism or in a combined form. It is beyond the scope of this study to consider the possibilities of development of domestic tourism.

250. When considering North America as a tourist market the great distance makes that in order to attract American tourists, Madagascar has to compete with the whole world including countries which offer unique and world-famous attractions. It is with these world-famous tourist highlights that the Malagasy tourist attractions have to be compared in an unbiased way. It should also be considered what has been said about American tourists in Chapters I and II. If Malagasy were to try to attract American tourists only by her own forces this would be an overwhelming task requiring enormous means. It is therefore a great step that the Tourist Alliance of the Indian Ocean has been formed with the aim of promoting international tourism to Madagascar, Mauritius, Reunion and the Comores Islands. The effectiveness of this promotion on the North American markets would be considerably increased if TAIIO were to join forces with the organization for travel promotion of Eastern Africa. On the American market Madagascar and other Indian Ocean Islands are no real competition to continental Eastern Africa. Quite to the contrary, the additional possibilities to visit also the Indian Ocean islands when travelling to Eastern Africa will add to its appeal for American tourists.

251. Owing to the mobile character of American tourists and the unlimited competition on the North American travel market, only the main highlights from an American tourist viewpoint could successfully attract them. This is Tananarive in the first place, the capital city of this vast and little-known island, the unusual architecture and sights of its royal palaces, both in the city and its surroundings. Folk dances and songs and shopping for exquisite sculptures in wood, precious stones, etc., would be of great interest for tourists and to a lesser degree a sightseeing trip by train to Tamatave and a return by plane. If Nossi Be were accessible to scheduled jet aircraft (on the way between East Africa and Mauritius) it could be considered as a short stopover on a tour. There might be other highlights but they should first be evaluated from an American

viewpoint. In any case, no attempt should be made to keep American tourists too long, but instead no effort should be spared to make their short stay as interesting and pleasant as possible. The policy in respect of American tourists should be rather to attract more tourists for a short stay than to try to keep them for a longer stay.

252. When the IT group fares recommended in Chapter II are introduced, a circle trip from New York including Tananarive would cost \$613 which would make tours based on such a fare accessible to a far larger clientele than with the present rates. Madagascar could also be included in a round-the-world tour. Since the eastwards connections are via Mauritius, in Table 2 are indicated the connecting legs. It could be considered if in the future other connexions to Djakarta or Singapore would also be appropriate.

253. The West European travel markets generate both stationary tourists who travel to one place in order to spend their whole vacation there and tourists who visit a range of countries on a tour. Also a combination of the two is becoming increasingly popular. Transportation in group of 12 passengers for a maximum duration of 30 days costs from London to Tananarive \$440.90, and \$514.50 from Frankfurt or Paris. Good promotion and marketing could make both tour operators and their clients interested in African circle tours which would include Madagascar.

254. However, the main tourist asset for the bulk of the European public would be a beach resort in the Indian Ocean. Documentation available supported by evaluation of experts who have visited the main tourist highlights of Madagascar seems to indicate that the island Nossi Be is just the right place for such a resort. This island, some 20 km in width and 30 km in length, has safe bays and coves with fine beaches fringed by cocconut groves, limpid water sheltered by coral reefs, densely wooded hills providing magnificent scenery and a sunny and warm climate, making possible a tourist season throughout the year.^{1/} Compared with the Kenyan and Tanzanian coast, it is handicapped in respect of the European market by a 1,300 to 1,600 km longer distance. This, however, can be overcome by use of large intercontinental jet aircraft of 160-183 seats^{2/} and even larger aircraft when they become available.

255. It has been explained that charter flights require concentration of big hotel capacity in a small area which means that if Nossi Be is to attract overseas charter business it has to be a developed beach resort with several large first class hotels, facilities for entertainment, social life, sports, excursions, and with appropriate infrastructure including a runway for large jet aircraft.

^{1/} Distance from Tananarive or any other large town and lack of good roads and other suitable communications except by air, may influence unfavourably both construction and operation costs of hotels. There might also be other inconveniences which have to be considered before deciding to develop this island as an international resort.

^{2/} At 90 per cent occupancy transportation costs per passenger would cost from Frankfurt to Nossi Be about \$215 compared with \$195 to Dar-es-Salaam.

256. Another comparative advantage of the Kenyan and Tanzanian coast presents the possibility for beach resort clients to visit the game parks, or to combine a stay on the coast with a game viewing tour. In the chapter on Uganda the possibility has been mentioned to combine a week of wildlife and stay in Kampala with a week or so at a beach resort. Such combination could also be possible with Zambia and as soon as the necessary facilities are created also with Rwanda.

257. The nearest markets for a beach resort at Nossi Be would be South Africa and Rhodesia with about 2,700 km as the crow flies from Johannesburg and 2,000 km from Salisbury. If the South African market is large enough for organizing charter flights the round trip would cost not more than \$75 to \$80 per person. Already an IT group fare of \$120 has been introduced between Johannesburg and Tananarive, and if the spa Antsirabe can be sold on the South African public (as suggested by Mr. Kuipers) this would already be a modest beginning of international tourism. But the chances of attracting the South African public to a tropical beach resort are much brighter and only such a place would successfully attract large scale European tourism.

258. Before deciding on making large investments both into infrastructure and accommodation facilities necessary to have a large enough resort suited for intercontinental charter flights, it is recommended that a feasibility study be undertaken about the development of an international beach resort at Nossi Be, including study of the potential sources of clients, construction and operating costs, estimated revenues etc., and the best way to finance it.

Volume of tourism

259. There are no statistics on temporary visitors to Malagasy as they are included indiscriminately in the migration statistics. In 1965, 30,990 persons entered Malagasy of which 25,741 by air and 5,239 by boat. During the first semester of 1966, 14,141 persons entered the country, 11,66 of them by air and 2,478 by boat. 10,685 of the incoming persons were male and 3,456 female. It is not known how many of these were immigrants, how many came on business, how many to visit relatives, and how many were holiday tourists.

260. The number of hotel rooms with at least private shower and toilet has augmented from 164 in 1963 to 606 in 1966. The number of hotel rooms in economy class has risen from 637 in 1965 to 930 in 1966.

261. The government in 1964 earmarked \$202,429 for encouraging tourism development. This amount has been used for modernizing a hotel at the spa Antsirabe, construction of some accommodation facilities in places of tourist interest and for participation in hotel enterprise.

Table 3Number of persons over 15 years old entering Malagasy
in the first semester of 1966

<u>Nationality</u>	
Malagasy	772
French	7,330
Other French-speaking nations	953
Other Europeans	1,654
Asian	300
African	991
Americans	336
Oceanians	14
Other	8
Total	<u>12,358</u>

262. Private initiative has invested in a motel in Tananarive. In addition a 200-bed hotel of international class is being constructed in Tananarive by a foreign company; 35 per cent of construction costs is financed by equity subscription and 65 per cent by loan. The Malagasy Government's participation in equity is of 35 per cent.^{1/} The loans are extended partly by Malagasy finance institutions and partly by foreign interests.

263. The construction costs of the Grand Hotel du Madagascar are higher than on the African continent, but in view of the high occupancy rate which is foreseen for the hotel and adequate hotel rates (\$11 for a single person and \$18 for two persons in a room - all rooms are double) it is expected that the hotel revenues will allow the servicing of loans at 7-1/2 and 8 per cent interest, and in addition that the share capital will be returning a substantial profit. Speaking generally on the conditions of investment in hotel industry, the higher construction and equipment costs are more than compensated by the length of the tourist seasons which can extend over at least 9 months for the beach resorts and over the whole year for the city hotels.

264. The laws and regulations constituting the investment code are very favourable for foreign investors, giving the usual guarantees and incentives which can englobe downright capital subsidy, subsidizing payment of interest on the loans contracted, exemption of import duty, temporary exemption of profit taxation, and of other taxes including transfer taxes and taxes on constitution of companies.

265. For residents and companies of the franc zone no limitations exist as to the transfer of revenues and retransfer of capital. For residents and companies from other countries, the investment code refers in this respect to the regulations concerning foreign exchange. It would help

^{1/} Through the Société Nationale d'Investissements Malgache.

investment from countries other than the franc zone if the transfer guarantees accorded to foreign investors were stated as clearly as those existing for the investors from the franc zone. The investment code applies only to enterprises of the industrial, agricultural or mining character, but not to commercial enterprise. It would be helpful if the text of the ordinance were authentically interpreted as to recognize the "industrial character" to large hotel enterprise.

266. The laws and regulations concerning foreign investments and hire of expatriate labour are very favourable to foreign investors and the subsidies and exemptions based on the law which can be negotiated in each individual case open ample opportunity for ensuring prosperity of an enterprise if other - economic - conditions are favourable.

267. It has been already said that changing conditions in air transport and the increasing number of high income earners in the main tourist-generating countries have opened up new prospects for development of international tourism even in the remotest countries. It has still to be figured out in quantitative terms what size of the potential demand can be reckoned with on the main travel markets and in particular if the combined potential of Western Europe and South Africa would supply a sufficient number of tourists during a season long enough to make a full-fledged beach resort profitable. Such a resort would have to rely on charter flights and consequently it should provide hotel capacity of international class of several hundred beds. The construction, equipment and operating costs of the necessary facilities have to be accurately calculated in order to figure out how competitive could Malagasy tourist packages be on foreign markets, and this is also what the recommended feasibility study would have to find out.

268. If this study gives a favourable answer to all questions which have to be cleared it would help tourism if the Nossi Be project be integrated into the development plan of the Malagasy Republic. This plan should also foresee activities financed by the government in order to promote tourism to Madagascar on overseas markets, in the way it has been recommended in Chapter IV. It should also foresee adequate means for the necessary infrastructure (runways, roads, water supply, electricity supply), for professional training of hotel personnel, etc. Energetic action should also be taken to simplify and speed up frontier formalities and to dispense with visa requirements at least for holiday tourists coming from the main tourist-generating countries.

269. What is tourism expected to bring to the economy of the country? There are no statistics available about the number of tourists, the nights spent by them in hotels, their daily expenditure on accommodation, food, local transportation, entertainment, shopping, personnel services, etc., and it is recommended that a complete set of tourism statistics be introduced in Malagasy based on the United Nations recommendations which are expected to be approved at the next session of ECOSOC.

270. In order, however, to give an approximate and rough answer to the question of the role of foreign tourism in the economy, we shall just take a hypothetical example. Supposing the Grand Hotel du Madagascar is completed in Tananarive and a modern international beach resort of 500 first-class hotel beds constructed at Nossi Be. The Grand Hotel, with 200 beds, at 60 per cent yearly bed occupancy, will provide 43,800 foreign tourists nights. The average spending of foreign tourists for hotel costs, local transportation, personnel services, entertainment and shopping can be estimated at \$25 a day, which means \$1,095,000 a year for the foreign guests of the Grand Hotel. The Nossi Be hotels with an estimated 55 per cent bed occupancy rate, would represent 100,375 foreign tourist nights. If the average daily spending is figured at \$20 a day there will result \$2,007,500 foreign exchange earnings from such guests. Thus the two projects (hotel in town and resort in Nossi Be) would bring into the country \$3,100,000 or 765.7 million Malagasy francs of gross foreign earnings in a year.

271. Productive new investments are generating increased sales and revenues not only in the tourist industry where they took place but also in other economic branches, both in those which supply the tourist industry and in those which cater to the needs of the new personnel employed and so it goes on and on. This multiplier effect of the tourist industry has been estimated in some developing countries^{1/} to have been 3.2 times as big as the foreign currency earnings. If in our example we take the coefficient 3, the resulting increase in economic activity in the country would amount to 2,291 million Malagasy francs. About 10 per cent of this amount may be expected to present additional revenue to the government in the form of tax revenue.

272. Some 630 people would be employed in the new hotels alone and several times their number in other economic activities generated by the said investments. In addition, construction of infrastructure and of tourist facilities will employ a host of workers.

273. On the other hand, since purchase of hotel equipment and other tourist plant requires considerable foreign exchange, the gross foreign currency earnings from tourism will have to be accordingly reduced in order to obtain the net foreign currency earnings. If we consider that such foreign currency expenses will amount to 50 per cent of the total hotel construction and equipment costs, and that they will be financed by foreign capital (loans or direct investment) and that the repatriated annuities and dividends would amount to 15 per cent of the foreign investment, a sum of \$472,500 would have to be deducted each year from the gross foreign exchange earnings. Tourist business requires also some imported material (liquor, some foods, petrol, spare parts) in addition

^{1/} The Future of Tourism in the Pacific and Far East by H.F. Clement, United States Department of Commerce, Washington, 1961.

to renewable equipment and their foreign exchange costs have also to be deducted from the gross foreign exchange earnings. In a service industry like tourism the bulk of the costs are manpower costs and most of the material required is produced in the country. We can take, therefore, that 10 per cent of the gross foreign exchange earnings would amply provide for such requirements. Thus \$310,000 in addition to \$478,500 or all together \$788,500 or 25 per cent will have to be deducted from \$3.1 million in order to obtain the net foreign currency earnings from tourism. For a developing country such a high return of foreign exchange is of great importance and in order to make possible a successful tourism development in Madagascar the feasibility studies of the most likely projects are largely justified. On the basis of such studies which will show more accurately the advantages of investments in tourism it may be expected that both the economic aid agencies of individual developed countries on a bilateral basis and the international finance agencies such as IDA and IFC will view with a favourable eye the financment of tourism projects in Malagasy, both of infrastructure and hotel plant.

CHAPTER XV

ETHIOPIA

(Population: 24,000,000; Area: 450,000 square miles)

Tourist attractions

274. The tourist attractions of Ethiopia are numerous and varied. Some among them are unique in the world, others unique in their particular setting. With appropriate publicity they could become famous and a must for the well-to-do and sophisticated world-wide travellers. For many old churches and castles conservation measures are necessary and, whenever financially feasible, some of the old structures should be restored to their former splendour by experts in the field, as is being done in Lalibela with the aid of the International Fund for Monuments.

275. Most of the historical attractions of Ethiopia are scattered over a vast mountainous territory and not easily accessible. Visiting them is time-consuming and expensive. A genuine effort to lower the prices and a good organization are required to include these highlights in a great number of African tours. Lowering of prices, however, could be more easily achieved if a substantial volume of business could be built up. Lalibela, the monasteries on lake Tana and even Gondar, Axum and Harar, are not easy to visit unless all arrangements have been made in advance by a travel agency and local transportation and accommodation secured. On a small basis, however, such arrangements are very expensive.

276. Addis Ababa itself has many attractions of considerable tourist interest and can already be included in any African tour at very reasonable cost. Great attraction for tourists are handicraft items linked to the Ethiopian medieval tradition. Production by artisan-artists of metal and wooden crosses, icons, chalices, amulets, etc., in the best old tradition but with perfected technique, will prove a very profitable activity as soon as tourism starts developing on a large scale. Embroideries, national costumes or separate items of them could find a ready market provided the tastes and requirements of the tourists are better known and such items are sold at reasonable prices. The new crocodile skin tannery to be soon opened could give birth to a large artisanal or small factory production of high quality crocodile leather items such as hand bags, brief cases, purses, etc. -if necessary measures are taken for training of artisans or factory workers and if the supply of quality accessories is secured.

277. The unusual medieval pageantry of some big holidays is also of great interest for tourists. Since these are not daily events only tourists who happen to be in Ethiopia on such days would enjoy them. However, they enliven the old monuments and if striking pictures of them were shown in

publicity folders and in illustrated colour photographs in consumer magazines such events would catch the fancy of the public and help to develop an attractive image of Ethiopia as an unusually interesting tourist country. 1/

278. The magnificent scenery and the invigorating climate of Ethiopian highlands and the Rift Valley lakes, some of which offer fine swimming and other water sports are primarily of interest for Ethiopian residents. They could, however, be developed for regional tourism and with the right air tariff, policy and suitable publicity attract residents from neighbour countries, especially Saudi Arabia, Sudan, the French Territory of Afars and Somalia.

279. Big game hunting is already practised in Ethiopia. If a large game park could be economically developed in the lake area, this would enhance its attractiveness for both local and regional tourism.

Volume of tourism

280. International tourism in Ethiopia is of a comparatively recent date. As shown in Table 1 the number of foreign visitors' arrivals has risen from 19,215 in 1963 to 33,696 in 1966.

TABLE 1

Foreign visitors' arrivals in Ethiopia
(by nationality)

Year	Europe	America	Africa	Middle East	Others	Total
1963	7,346	4,426	3,953	2,073	1,467	19,215
1964	9,537	4,721	2,856	1,431	1,291	19,936
1965	11,482	8,209	2,443	1,794	1,484	25,412
1966	13,564	8,872	4,653	3,170	3,437	33,696

Source: Ethiopian Tourist Office.

1/ Folk dances and songs of Ethiopia differ considerably from those in most of the neighbour countries. They are already encouraged and cultivated but they could be made more popular on an amateur basis by the Young Men's or Young Women's Christian Association or similar organizations.

281. Foreign visitors are broken down by nationalities and not by country of residence. In 1966, 40 per cent of foreign visitors were of European nationalities and 26 per cent of American nationality. The great majority of foreign visitors came by air.

282. No figures are available about the share of holiday tourists in the total number of foreign visitors but the following should be taken into account. As the seat of the United Nations Economic Commission for Africa, other regional United Nations agencies, and the Organization of African Unity, Addis Ababa is an important international centre and the meeting place of many international conferences attended by delegates from numerous countries both in Africa and from other continents who stay during shorter or longer periods thereby boosting the figures of foreign visitors in the official statistics. The number of foreign diplomatic missions in Addis Ababa rose from 27 in 1965 to 55 in 1968. The staff of these missions, the international staff of the United Nations and Organization of African Unity, of various bilateral, technical, commercial, cultural and other official missions, expatriate technical advisers, teaching staff, physicians, etc., in Addis Ababa but also in other towns as often as not receive visits from overseas of their family members, relatives, friends, who are all recorded as foreign visitors. There are also many permanent residents of foreign origin, who to a lesser extent also play host to relatives and friends from abroad that are recorded as foreign visitors.

283. It is very difficult under such circumstances to draw a line between the official and business visitors, the family members of foreign residents, and the world-wide travellers who travel just to see new countries and meet new people. This distinction is necessary since the number of visitors in the first two categories is rather fixed or at least does not depend very much on the tourism development activities of the Government, and of private enterprise in Ethiopia. The number of world-wide tourists, however, and of tourists from neighbour countries who travel for vacation and pleasure is far more responsive to new tourist facilities created in the country and to travel promotion carried out on foreign markets. In order to prepare a plan of tourism development in Ethiopia, an extensive study has already been made and another commissioned. Whatever the value of these studies, they will necessarily lack precision, and must be based on more or less ingenious estimates instead of reliable data. It is therefore recommended as a very urgent task that a complete system of tourist statistics be introduced in Ethiopia in conformity with the recommendations formulated in Chapter VI of this report.

284. The average length of stay of foreign visitors is estimated to have been of four days from 1963 to 1966, while the estimated daily spending has been Eth.\$57.3 in 1963, Eth.\$60.6 in 1964, Eth.\$60.00 in 1965 and Eth.\$66.0 in 1966. In reality, these average figures give very little insight into the actual spending habits of different categories of foreign visitors which were mentioned before.

291. If Addis Ababa were linked by direct air service with Rhiad and Dhahran the travel times and air fares could be still further reduced and thus compete with the Rhiad and Dhahran-Beyrut runs.

292. The draft of the third five year plan schedules construction of a modern 221 km road between Azezo (13 km south of Gondar on the road to Addis Ababa and Gorgora) and Metema on the Sudan border. If this road, conceived primarily as a feeder road of a fertile agricultural region, were to be extended to Sudan by upgrading the existing 390 km long dirt road from Metema via Gedaref to Wad Medani, this would be the shortest road connexion between Addis Ababa and Khartoum (1536 km) which would be attractive for both regional and overseas tourists. Also in the South, linking Addis Ababa to Nairobi by a modern highway would greatly increase the attractions of the Rift lake area for regional tourism and bring also considerable transit traffic.

293. While the development of regional tourism can proceed gradually with a sufficient incentive in the form of creative air fares, successful development of overseas tourism requires simultaneous construction of adequate hotel facilities in several places which would form together an attractive sightseeing itinerary for overseas tourists and improvement of transport facilities which would make these places easily accessible. In addition, a very energetic travel promotion campaign has to be undertaken on the main travel markets in order to build up a substantial volume of business right from the beginning.

294. The itinerary which would prove most attractive for overseas tourists is between Addis Ababa and Asmara or vice versa and includes Bahar Dar, Gondar, Lalibela and Axum (the historical route). While all these places have highly interesting things to offer, the highlights of Axum can be visited in a few hours including shopping, lunch or dinner and this can be done between two planes on the same day or during a few hours stay of the same plane. Bahar Dar, Lalibela and Gondar need modern international class hotel accommodation. It is considered that 100 bed is the minimum size for an international class hotel in a small place in Africa to be profitably operated, while a larger size hotel would be preferable. Although hotels already exist in these places with 33 to 40 bed capacity, it would nevertheless make sense to build new hotels of the right size and to build up the volume of tourism by providing transportation facilities and organizing a strong and efficient travel promotion. Most of the tourists would stay just one night in each of the three places (Lalibela, Bahar Dar and Gondar) in addition to one or two days in Addis Ababa and one day in Asmara. Thus the Ethiopian leg of an African tour would last some 5 to 6 days and if need be even shorter. With about 100 new bed capacity^{1/} in each of the stopovers, if a 55% yearly average bed occupancy

^{1/} Those will be in addition business visitors and local tourists from Addis Ababa and Asmara who would visit these places by air or by automobile, and many of them would use the existing hotel facilities which will be cheaper than the new ones.

is to be achieved 20,000 additional sightseeing tourists will have to be attracted each year to Ethiopia, which is not an easy task. When considering however that South Africa had in 1966, 58,000 holiday tourists who came from other continents and that Kenya had the same year some 34,000 holiday tourists who came from other continents in addition to the 15,000 holiday tourists who came from other African countries^{2/} and that Ethiopia's tourist attractions are entirely different and complementary, the initial objective of 20,000 sightseeing tourists could be attained provided the measures recommended in this report are taken. Such tourists could be attracted (1) from the United States and Canada, (2) from Western Europe and (3) from Australia and New Zealand on their way to the United Kingdom or back. As it can be expected that demand for international travel will continue to increase as it did in the past, this trend will also reflect on the increase of overseas tourists in Ethiopia. It is, therefore, with good reason that the draft development plan for tourism in Ethiopia has foreseen further extension of hotel capacity on the historic route.

295. The same provisional plan has foreseen new hotel construction in some other places which are of tourist interest. Most of the proposed hotels will be primarily of interest for local and regional tourism but some may also be of interest for overseas tourism. The proposed hotels in these other places would require further study, and in some of the sites a restaurant instead of a hotel would be all what is needed for the time being (Menageshaforst, Blue Nile Falls, Gorgora).

296. The historic route, however, should obtain priority, including hotels, airstrips suited for more economic craft, access roads, water supply, electricity, etc., and daily air service required to bring clients to the hotels.

297. Parallel to the new investments, a national hotel school has been proposed by the Ethiopian Tourist organization, which will train new hotel personnel on the secondary level and in various courses and seminars increase the professional efficiency of the staff already employed.

298. Ethiopia has in the last few years done a remarkably good job in simplifying frontier formalities and speeding up immigration procedure, and is leading the Eastern African countries in this respect. This has been widely recognized by overseas tours operators and only words of praise have been heard about the courtesy and efficiency of the immigration and customs officers. Tourist visas are also obtainable upon arrival in Ethiopia at the Addis Ababa and Asmara airports. There is a further

^{2/} Actually a considerable number of tourists visitors (with transit visas entitling to a stay up to two weeks) might also have been tourists on holiday and should be added to the above figure.

step in the same direction which would be of great promotional value in the tourist-generating countries and this is to abolish visa requirements for overseas tourists, at least for tourists from the main tourist-generating countries. Although this would entail a loss of receipt of US\$4 per visitor, this loss would be far more than compensated by increased revenues to the government from an expanded volume of international tourism. In addition to an efficient promotion such an increase may just turn the scales with many tour operators and make them decide to include Ethiopia in their African tours.

299. There were recommendations made by some experts that national parks and game reserves should be created at appropriate locations in addition to the already existing Awash river National park. When deciding on these proposals it should be taken into consideration that large, well stocked national parks and game reserves exist in many African countries. Most of these parks and numerous game reserves are not directly profitable and depend on subsidies from the government budget and on aid from international associations for the protection of wildlife. In addition to their scientific significance they are often the main tourist highlights of the countries concerned, and due to them other branches of the tourist industry are operating profitably. With further development of the volume of tourism they could soon become directly profitable as well.

300. Now, the main highlights of Ethiopia are Addis Ababa and the historical route, and these highlights could complement very well wild life, coastal resorts, the modern cities and the traditional villages as well as other attractions of other African countries and, so far as mobile overseas tourism is concerned, game parks in Ethiopia are not indispensable so that priority should be given to other more immediately profitable investments. This, however, should not exclude game parks and game reserves from development plans. There is one thing which is getting more and more scarce in the tourist-generating countries and this is natural scenery and wildlife. With its immense and sparsely populated territory Ethiopia can still easily secure both for the future by staking the claims now and secure vast territories for such a purpose in areas which are not particularly suited for agriculture or sheep and cattle breeding. A careful study should precede the choice of the territory earmarked for such a purpose, and the necessary legal and administrative protection should be established for the territories chosen, and those of them which are closest to the tourist areas should be developed for immediate tourist purposes within the financial means available both from the government budget and international funds set up for wild life protection. With development of local and regional tourism in the lake area a game park and hunting reserves in its neighbourhood would still more enhance its tourist appeal and provide a new competitive edge in respect of the Lebanon mountains and other competing tourist areas.

ANNEX
RECOMMENDATIONS

for joint action of Eastern African countries (Recommendations concerning individual countries have not been formulated separately from the chapters concerning them)

TRANSPORT

1. It is recommended that the Eastern African governments require from both national and foreign air carriers which operate international services into their respective countries to make accurate statistics available regarding the seat capacity, number of passengers, freight and mail carried on such international services both inbound and outbound. Such statistics should be published (para. 20).
2. It is recommended that the co-operation of Eastern African countries in the tourist field should also reflect on co-operation in air transportation so that traffic rights (Fifth Freedom) be granted more liberally to the air companies of the sub-region in the first place, but also to overseas companies (para. 21).
3. It would improve the competitive position of Eastern Africa on the European travel markets if the Inclusive Tour group fares from Western Europe to Eastern Africa were reduced to 49.64 per cent of the normal economy class round trip fare (instead of 57.90) and to 45 per cent in the period of slack passenger frequency (para. 27).
4. It is recommended that the Joint Eastern African tourist promotion organization which should be created takes as one of their tasks the contacting of overseas wholesalers in order to obtain first hand information on the preferences of the charter package public and on that basis suggest possible tours combining beach resorts and game parks in the same or in various Eastern African countries. It is further recommended that the air travel statistics of individual Eastern African countries break down the number of passengers and aircraft into passengers and aircraft on scheduled and on non-scheduled flights. Among the latter small (taxi or private) aircraft should be shown separately (para. 29).
5. Tourism has become a big industry due to technological progress in air transport and this progress has enabled tourists to travel long distances, but it requires concentration of large enough hotel capacity to accommodate such tourists. This has to be taken into account when planning investments in hotel industry and creating beach resorts (para. 30).
6. It is recommended that the Eastern African countries adopt a favourable attitude in respect of the liberalization of charter flights in order to attract the middle income public from overseas markets.

7. It is recommended that Inclusive Tour group fares be introduced between Continental North America and the Eastern African sub-region. Owing to the higher normal basic rates than from North America to Europe, it is recommended that these fares be 50 per cent lower than the Economy class round trip fares on the North America-Eastern African routes (para. 42).
8. It is recommended that both the Individual Inclusive Tour Fares and the Group IT Fares to be introduced from Continental North America to Africa be valid for a period of at least 40 days. Such fares should allow stopovers both in the "Middle East" (including Egypt and Sudan) and in "Europe" in IATA terms (including Tunisia, Algeria and Morocco) (para. 45).
9. In order to make possible to include the Eastern African countries and the African Indian Ocean islands in the round-the-world tours, a round-the-world air route should be promoted which would include Dar-es-Salaam, Tananarive, Mauritius in the direction to the Far East (para. 46).
10. In Africa itself, it is recommended that both individual and group inclusive tour fares be introduced on Eastern African routes where tourism already exists or could be developed and that such Individual IT rates are about 3.1 cents per passenger/Km, while the group IT rates should be somewhere around 2.5 cents per passenger/Km (para. 48).
11. It is recommended that family members accompanying the head of the family on a business or official trip (round trip or circle trip) obtain a 50 per cent reduction on the normal fare paid by the head of the family (para. 49).
12. It is recommended that a study be undertaken about the possibility of combining air and surface transportation on the African continent enabling individual tourists and groups to use surface transportation instead of air transportation on individual legs and to pay towards the costs of such transportation (and accommodation) by a voucher of the air company issued instead of the air ticket for that leg in the amount of the reduced fare minus a commission to the air company. Contrary to the present "open jaw" regulations, such travellers should remain entitled to the special round trip (circle trip) fare as though the whole circle trip were completed by air. (para. 67).
13. The following roads, the construction of which has been undertaken for other reasons, would be of great importance for the development of tourism if modernized all the way through.

Lusaka-Ft. Jameson-Lilongwe-Blantyre;

Lusaka-Mbeya-Dar-es-Salaam;

Kampala-Kabale-Ruhengeri-Kigali-Butare-Bujumbura-Nyanza-Lac-Kigoma;

Nairobi-Tsiolo-Moyele-Dila-Addis Ababa;

Addis Ababa-Azezo-Metema-Gedaref-Wad Medani-Khartoum (para 55).

14. The following roads would facilitate numerous circle tours and their paving all the way through would be justified by tourist reasons alone:

Kampala-Murchison Falls Park-Queen Elizabeth Park-Kampala; and
Nairobi-Masai Mara Reserve-Serengeti National Park-Ngorongoro
crater-Lake Manyara Park-Arusha-Masai Amboseli Reserve-Nairobi (para. 56).

15. In order to facilitate the use of surface transportation in carrying tourists by road on routes covering more than one country it is necessary to liberalize administrative formalities (para. 63).

Travel promotion

16. Travel promotion in the neighbour countries can best be done individually by the countries concerned, but when overseas markets are concerned it is essential to bring tourists into Eastern Africa and this can best be done by joint effort of all the countries of the region, as in this way better results can be achieved at lower cost for each country. On overseas markets the advantage of a joint action of Eastern African countries far outweighs the competing interests of each individual country (paras. 69 and 70).

17. If Eastern Africa is not to be handicapped in competition with other tourist areas in a similar situation, the countries of this sub-region should establish an efficient co-operation in travel promotion on overseas markets and create a permanent organization to that effect (para. 75).

18. Travel promotion abroad should be financed by the governments concerned (para. 77). It is not sufficient that it reaches only the tour operators and other professionals concerned with travel. It has to reach the public! (para. 78). Efficient travel promotion requires a highly professional approach incompatible with diplomatic and consular activity, and an organization specialized in travel promotion is therefore necessary. Such an organization should have its own ramifications on the main travel markets in the form of official tourist offices (para. 80). It is therefore recommended that a sub-regional organization for joint tourist promotion on overseas markets be created by the Eastern African countries, along the lines formulated in Chapter IV of this study (para. 91).

Professional training

19. In order to develop tourism successfully in Eastern Africa, the necessary staff has to be properly trained both for jobs on a lower level and the managerial and executive jobs. For the new and rapidly developing hotel industry and tourism in the Eastern African countries in the conditions of strong competition it is of great importance that young men who will enter the hotel and travel business in order to assume responsible positions in the future acquire the most up-to-date know-how in the field. Only schooling in a good professional school can give them the basic knowledge required and enable them always to keep abreast with the new techniques which may develop after they have left school (para. 94).

20. It is recommended therefore that a hotel training school be created for the Eastern African sub-region to provide hotel training both on the secondary and on higher level. At the secondary level training should last three years and it should qualify for most of the managerial and highly professional jobs in a hotel establishment. At higher level the school should provide training in hotel administration and condition of admission would be successfully terminated hotel training at secondary level. Schooling at the higher level should last two years. Equally on higher level a school for Tourism should be connected with the senior hotel school. Secondary general education would be required to enter this school and schooling should last two years (para. 104).

21. Creation of both schools should be facilitated by co-operation of the interested countries in the sub-region and it is recommended that assistance be provided by the UNDP and other international agencies for this purpose. Also bilateral aid could be secured in order to implement such a project (para. 111).

Other joint or uniform actions

22. It is recommended that a uniform system of tourism statistics be introduced by all the Eastern African countries. This system should be based on the up to date and practical recommendations in the report of the United Nations Expert Group of International Travel Statistics. (E/CN.3/385) as soon as they are approved by ECOSOC (para. 114).

23. It would be useful if the recommendations in respect of tourism statistics, once they have been adopted by ECOSOC, be published separately and widely distributed in order to facilitate their implementation (para. 116).

24. The use of entry cards for immigration and statistical purposes could be facilitated if the cards for land border crossing were available to tour operators and at places where travellers stop on their way to the border crossing and not only at the border check point itself (para. 118).

25. The entry cards should be classified in more detail by means of transport. For road traffic distinction should be made if the passenger came by automobile, motorcoach or otherwise. For air transport distinction should be made between arrivals by scheduled service and arrivals by non scheduled service, with a sub group of private and small taxi planes within the second group. For boat arrivals distinction should be made between the sea and inland waterways (para. 119).

26. As soon as the recommendations of the United Nations Expert Group on international travel statistics has been adopted by the responsible United Nations bodies, it would be useful to elaborate instructions how best to implement them in the Eastern African sub-region, taking into account the existing systems. If a sub-regional seminar could be organized for this purpose some advanced techniques of tourism surveys should also be included in its programme (para. 124).

27. The existing visa formalities in Eastern Africa make entry into a country more complicated for nationals of a range of important tourist generating countries, thereby practically limiting the potential tourist markets to only a few countries. This attitude is not only prejudicial to the country which makes such discriminations, but also to its neighbour countries, making tourist circulation in the region more difficult (para. 177). It is recommended therefore that in countries which have not introduced it yet a committee be created of representatives of the ministries responsible for Tourism, Transport, Interior, Foreign Affairs, Finance and Health on a high enough level to make its recommendations effective. This committee should convene once or twice a year and consider the possible new simplifications of frontier formalities and make respective recommendations (para. 129).

28. It would be useful for tourist investments if the legal conditions for foreign investment, enterprise and skilled manpower were made more uniform in the whole sub-region in a way that would encourage co-operation from abroad. Such favourable conditions should then be efficiently publicized in countries willing and able to invest (para. 130).

29. In addition to the co-operation between neighbour countries in planning of infrastructure mutual information on other elements of tourism development plans is also recommended.

30. Also uniform criteria in classification of accommodation facilities and in legal regulation of hotel industry and other tourist activities should be aimed at (para. 131).

31. The 1971 Convention of the American Society of Travel Agents should be invited by Kenya to take place in Nairobi. This invitation should be seconded by all African countries. At this occasion, pre and post convention tours should be organized by individual Eastern African countries jointly or by two or three such countries offering sections of the best recommended African itineraries. Also Travel Agents Associations from Western Europe should be encouraged to hold one of their annual conventions in Eastern Africa (para. 132).