

PRESENTATION

PMRC SUBMISSION TO THE PARLIAMENTARY COMMITTEE ON ENERGY, WATER DEVELOPMENT AND TOURISM

TOURISM SECTOR DEVELOPMENT AND THE EFFECTIVENESS OF TOURISM DEVELOPMENT STRATEGIES IN ZAMBIA

INTRODUCTION

Zambia stands out as one of the prime tourist destinations in Africa offering a wealth of natural tourism assets such as waterfalls, lakes and rivers which hold close to 35% of Southern Africa's total natural water resources and wildlife-protected areas' occupying about 32% of the country's total land area. Zambia is divided into two tourism Circuits, namely Northern Tourism and Southern Tourism which are highly endowed with a wealth of natural tourism assets (Office of the Auditor General, 2020).

The tourism sector is an important contributor to the country's economic development through job creation, foreign exchange earnings, contributions to Gross Domestic Product (GDP) and other economic facets. The Eight National Development Plan (8NDP) recognises tourism as one of the sectors for economic diversification and Job creation due to its potential to generate revenue, foreign exchange earnings and employment. The tourism industry in 2019 contributed 7% of GDP (USD 1,701 million) and 7.2% of total employment (469 thousand jobs). International visitors spent USD 849 million, representing 10% of Zambia's total exports.

It is evident that Zambia's tourism sector has the potential to contribute to the country's economy, however, the sector faces several impediments such as underdeveloped tourism-related infrastructure; limited investment in the tourism sector by both local and foreign investors; limited tourism product offering range and scope; inadequate tourism promotion and marketing; low participation by locals in direct and indirect tourism development; and Zambia being perceived as high cost.

I. THE LEGAL AND POLICY FRAMEWORK IN PLACE FOR THE DEVELOPMENT AND MANAGEMENT OF THE TOURISM SECTOR IN ZAMBIA

Legal Framework- The National Tourism and Hospitality Act N. 13 of 2015

- The National Tourism and Hospitality Act of 2015 emphasises a Whole Government Approach.
- The Act provides for the sustainable development of the tourism industry through effective tourism planning, management, promotion and coordination to ensure sustainable tourism;
- Provides for an enabling and facilitating environment for the growth of the tourism industry by ensuring that Zambia responds to changing tourism trends in the macro and competitive tourism market environment;
- Provides effective mechanisms for coordination amongst the Government, private sector and local communities for the sustainable development of tourism through public-private partnerships and community participation;
- Provides for integration of tourism into national development planning, budgeting and

decision-making processes related to infrastructure development, environmental management and protection and empowerment of local communities;

- Strengthens linkages and co-ordination between tourism development and key subsectors such as arts and culture, heritage, transport, education, energy, forestry, fisheries, wildlife and water resource management by using a whole of Government approach;
- Ensures that the tourism value chain is enhanced by positive linkages between tourism and supporting services and sectors, including police, immigration, customs, health and safety;
- Establishes the Zambia Tourism Agency and constitutes the Board of the Agency and provides for their functions; regulates tourism enterprises and tourism-related services and enforces standards of operation and service
- Establishes the Tourism Development Fund and provides for its administration; repeal the Tourism and Hospitality Act, 2007, and the Zambia Tourism Board Act, 2007.

Policy Framework- The National Tourism Policy of 2015

- From a policy perspective, the National Tourism Policy of 2015 sets the direction for future tourism growth and development.
- It states that the Government aims to be among the top five tourist destinations of choice in Sub-Saharan Africa by 2030.
- Some key objectives stated in the National Tourism Policy are to recognise the real value of careful tourism planning, to encourage partnerships with the public and private sectors adopting a “whole of Government” approach, to strengthen backward and forward linkages, to ensure community involvement and to position the tourism sector as a major contributor to job creation, foreign exchange earnings and poverty reduction.
- Tourism development measures highlighted include the promotion of domestic tourism, development of tourism infrastructure, promotion of “green” tourism, diversifying the product through investment in various product niches, improving standards in the sector, providing training and capacity building and making Zambia a regional hub for tourism.

II. THE INSTITUTIONAL FRAMEWORK AND THE CAPACITY OF INSTITUTIONS PROMOTING AND MANAGING THE TOURISM SECTOR IN ZAMBIA

- The National Tourism Policy of 2015 provides an institutional framework for promoting and managing the tourism sector. The Framework is organized into four parts based on the roles of each principal stakeholder group which includes Government, the Private

Sector, Local Communities and Civil Society.

- The Ministry of Tourism and Arts is the principal Ministry and is responsible for spearheading policy formulation and development planning; conducting research, and facilitating and monitoring product development activities.
- Additionally, the framework lists various supporting Ministries which include the Ministry of Agriculture and Livestock, Ministry of Chiefs and Traditional Affairs, Ministry of Commerce, Trade and Industry and other line ministries.
- The Framework also lists key players such as the Hotel and Tourism Training Institute, Zambia Tourism Agency, National Museums Boards, National Arts Council of Zambia (NAC) and the National Heritage and Conservation Commission (NHCC).

Institutional Arrangements

1. Government Overall- Ministry of Tourism and Arts

- In its overall commitment to developing a more decentralized progressive tourism economy, the Government shall
- Facilitate and participate in tourism development;
- Formulate tourism-related policies and strategies;
- Enact legislation to consolidate the legislative developments;
- Facilitate implementation of the Tourism and Hospitality Act No. 13 of 2015 and other relevant pieces of legislation specifically concerning tourism attractions and facilities;
- Streamline and eliminate overlaps in policy-making, administration, legislation and implementation;
- Introduce appropriate administrative structures as necessary for policy implementation;
- Streamline regulatory and fiscal barriers to maximize tourism business and investment without compromising the protection and enhancement of cultural and natural assets and resources; and
- Collaborate with other line government Ministries.

2. The Private Sector

- The private sector shall collaborate with Government in promoting the competitiveness of the tourism sector, especially in explaining when regulations and legislation are counter-productive and potentially damaging to the Government's employment and economic growth goals;
- Seek public-private partnerships, particularly for infrastructure, destination management, wildlife management and marketing;
- Invest in the tourism and hospitality industry;
- Be collectively represented to the Government by the Tourism Council of Zambia (TCZ), Hotel Catering Association of Zambia (HCAZ), the Institute of Hospitality (IoH), Wildlife Producers Association of Zambia and others although individual representatives or

organizations are not restricted in any way from communicating their views;

- Ensure the safety, security and health of all visitors and workers on their property and tours and in their vehicles, with Government and according to Government regulations;
- Operate business according to international standards of corporate governance and social responsibility and codes of ethics;
- Seek to involve local communities in the tourism industry by establishing partnership ventures with rural communities whenever possible;
- Work with the Government in stimulating domestic tourism and encourage social outings such as incentive tours for their employees.

3. Local Communities

- The local communities shall organize themselves to effectively participate in the tourism industry and to interact with Government and the private sector;
- Promote sustainable tourism development, especially land use planning, which enhances the local environment and culture of the area;
- Enter into joint agreements with lodges and hotels for the supply of locally produced agricultural and other products, including the provision of labour;
- Enter into partnerships with investors in tourism facilities, so that local communities play a full part in the industry, including accessing a fair amount of the benefits and opportunities for ownership;
- Work with the Government and the private sector on land use planning and provision of land rights on customary lands that will support tourism development while safeguarding the interests of their communities; and
- Collaborate with Government to promote transparency and accountability in the management of resources generated by communities to ensure the broadest possible benefits

4. Civil Society

- Civil society organizations shall foster sustainable tourism in both urban and rural areas throughout the country;
- Develop programmes to encourage the participation of youth, women, senior citizens and communities in tourism development; and
- Encourage Voluntarism opportunities.

III. THE VARIOUS GOVERNMENT TOURISM DEVELOPMENT / PROMOTION STRATEGIES IN ZAMBIA

The following strategies aimed at improving the tourism sector have been put in place by Government;

- Ensure that the “Whole of Government” approach appreciates and utilizes the linkages

that exist between tourism and other ministries and agencies, as well as with a broad range of private sector stakeholders, to maximize the benefits of tourism for the country.

- Promote equal opportunities for both men and women in the tourism industry.
- Zambia will cooperate with other countries in enhancing the role of tourism in the process of regional institutions that are an important catalyst to increasing regional tourism cooperation and promoting regional marketing and the development of regional circuits.”
- Maximize the application of sustainable tourism development practices and principles in planning and developing tourism in protected areas and other open areas.
- Promote domestic tourism to complement international tourism and reduces tourism leakages.
- Develop tourism infrastructure in areas with comparative advantages for cultural and tourism development.
- Promote domestic and foreign investment in tourism
- Promote a “green” environmentally responsible tourism that enhances the country’s natural and cultural resources and addresses environmental threats such as climate change, poaching, over-fishing, and deforestation.
- Increase community participation in tourism development
- Increase job creation opportunities and benefits for the local community in tourism.
- Raise public awareness, sensitize and educate the local communities about tourism issues and how they can benefit from it.
- Diversify Zambia’s tourism offers from wildlife and nature-based tourism and beyond to other segments such as cultural and experiential tourism, community-based tourism, youth tourism, voluntourism, creative tourism, eco-tourism, sports tourism, mining tourism, medical and wellness tourism, events, and the meetings, incentives, conferences and exhibitions(MICE) segment.
- Position Zambia as a destination of choice and a strategic hub for connection to a range of tourism products and attractions in the region.
- Enhance tourism education and training to better meet the needs of both domestic and international tourists and the growing industry.
- Ensure that best practices and principles are used in the development of minimum standards and grading criteria for all types of accommodation establishments, in consultation with key stakeholders.
- Enhance the formulation and adherence to regulations for the tourism sector to provide an enabling environment for private-sector participation

IV. THE RESILIENCE OF THE STRATEGIES AGAINST EXTERNAL SHOCKS

- The Tourism sector has been one of the most affected by the COVID-19 pandemic. During the first half of 2020, the country received only 290,244 international tourists compared to 634,757 during the same period in 2019 representing a 56.3 percent decrease (Government of the Republic of Zambia, 2020).

- Out of 257 lodges and camps, 165 have closed with over 7000 jobs likely to be lost. 165 tourism businesses in Livingstone and Zambia's protected areas face bankruptcy (Tabetando, 2020).
- The COVID-19 Pandemic brought to light the vulnerability of the tourism sector to international shocks. Zambia's tourism is largely dependent on international tourism. Going forward domestic tourism must be enhanced. The various strategies put across if well executed have the potential to make the tourism sector more resilient to international shocks.

V. THE STATE OF INFRASTRUCTURE TO SUPPORT THE TOURISM SECTOR IN ZAMBIA

- The Office of the Auditor General conducted an audit in 2020 to assess the extent to which the measures put in place by the Ministry of Tourism and Arts had promoted an increase in the average length of stay of tourists visiting the Southern and Northern Tourism Circuits to improve the performance of the tourism sector.
- It was observed that most tourism sites did not have any infrastructural development in the period under review.
- Only two heritage sites visited namely the Administrator's House based in Kalomo and Ing'ombe Illede were being renovated under the National Heritage and Conservation Commission. However, the renovations were done to the extent that the building's heritage was being destroyed. It was also observed that the Kalomo site was used as staff accommodation thereby reducing the heritage value of the site.
- Additionally, most of the sites visited did not have the basic amenities required such as camping areas, restaurants and seating/relaxing areas, ticketing offices and storage space. In the Northern circuit, only the Chishimba falls and the Kalambo falls provided basic amenities such as restaurants for tourists to get refreshments once they were done with sightseeing.
- Funding was highlighted as a challenge in the rehabilitation of heritage sites. In 2019, out of K975, 000 Capital Grants, the National Heritage and Conservation Commission did not receive any funding. In 2018, the National Heritage and Conservation Commission received K264, 000 posing a challenge for the NHCC to undertake renovation or conservation works of the sites.
- The Report revealed that the Ministry was unable to develop and implement a Tourism Infrastructure Development Plan (TIDP). This was due to the lack of an overarching Tourism Development Plan for the country, which would help prioritise tourism development in the circuits.
- The main challenges faced by the Ministry concerning the preparation of the TIDP within the period under review were mainly attributed to challenges with funding and the inability to carry out adequate research and development as a result of the delay in the formation of the Tourism Satellite Account.

VI. THE CHALLENGES AND WAY FORWARD

Challenges

1. Lack of Adequate or Acceptable Infrastructure- Zambia only had a handful of good hotels and these are concentrated in urban areas. Access to some tourist sites remains a challenge due to poor road networks. This has resulted in tourists visiting the same places creating saturation and reducing their length of stay.
2. Limited Tourism Product – Zambia’s tourism sector has limited tourism products which are mainly natural based especially in the Northern Circuit. These mainly include waterfalls and wildlife.
3. Poor Communication- Poor communication networks in some parts of Zambia where tourist attractions are found
4. Burdensome bureaucracy for tour operators- many tourism enterprises required a minimum of twenty-two licenses, and some as many as forty-nine different licenses and permits from seven different authorities who are situated in different locations. This is a tedious and costly process which ultimately increases the cost of doing business.
5. Failure to Grow Domestic -Zambia’s tourism is mainly dependent on foreign visitors which makes it highly vulnerable to international shocks.
6. Increasing Competition and Failure to Tap into New Markets- Zambia faced serious competition from neighbouring countries such as Zimbabwe, Botswana, Namibia, Mozambique, Tanzania and South Africa.
7. Poor Marketing and promotion of Zambia’s tourism- This has reduced the country’s exposure as a tourist destination and has contributed to the reduction in the number of tourists visiting the country.

Policy Recommendations

1. There is a need to improve the tax regime, Zambia is perceived as an expensive destination and one of the reasons is the structure of taxes in the tourism industry. Government should carry out a comprehensive study and review of the various licensing fees and taxes in the sector to determine the actual effects of the tax regime on the sector.
2. The private sector should be encouraged to develop tourism products from natural to cultural, experiential, community-based, youth, medical tourism, creative, eco-tourism, and sports tourism among others.
3. The Ministry should undertake more extensive and effective destination marketing to increase awareness and demand. Further, there is a need to ensure that the Marketing Strategy is put in place to facilitate an effective understanding of the needs of the different niche markets.
4. There is a need to make use of social media to market both tourist sites and locally produced arts and crafts. The tourism industry can utilize current advances in Information and

Communication Technology (ICT), such as virtual reality (VR), web-based technologies, and mobile devices, to engage tourists and gain a competitive advantage. These technologies are capable of influencing tourist decisions on a global scale

5. There should be extensive education for the locals on the tourism sites which would increase the network of communication that would help to foster increased tourist arrivals in Zambia.
6. The Private sector must be engaged to enhance the marketing of the sector locally and internationally.
7. Citizens in the diaspora should be engaged to intensify the marketing of Zambia in their country of dwelling.
8. Zambian celebrities could be engaged to brand and market Zambia, as this has been a common trend and a sure way of attracting more tourists. Additionally, the Ministry can consider endorsing Zambian celebrities and personalities as tourism ambassadors, who would capture a wider audience.
9. The Ministry of Tourism in conjunction with the Zambia Tourism Board must compile the country's tourism sector's strengths and weaknesses which will help inform the strategies need to market Zambia's tourism sites by profiling both the Northern and the Southern circuits. The Board can also draw a lesson from best practices from countries that have a vigorous marketing strategy.
10. Government should consider increasing funding towards the tourism sector aimed at facilitating infrastructure development to attract more tourists and investors.
11. There is a need for collaboration between the government and private sector to introduce economic routes by road and air to viable tourist destinations
12. Access to tourist attractions should by all means be easy and affordable. A sure way is to promote competition among tour operators and internal airlines This will ensure that there is no monopoly in transport services and thus the cost and prices of accessing tourist attractions would be reduced.
13. There is need to improve tourism education and training to meet the needs of domestic and international tourists and a growing tourist industry. One measure that can be put in place is the introduction of tourism and hospitality courses at undergraduate and postgraduate institutions.
14. There is a need for refresher courses from the Zambia Institute for Tourism and Hospitality to be offered to available technical staff.
15. The Ministry of Tourism in conjunction with the Ministry of Higher Education can facilitate for sponsorship of technical staff to advance their studies abroad.
16. The Ministry of Tourism in conjunction with various Embassies can explore possibilities of exchange programs for technical staff members.

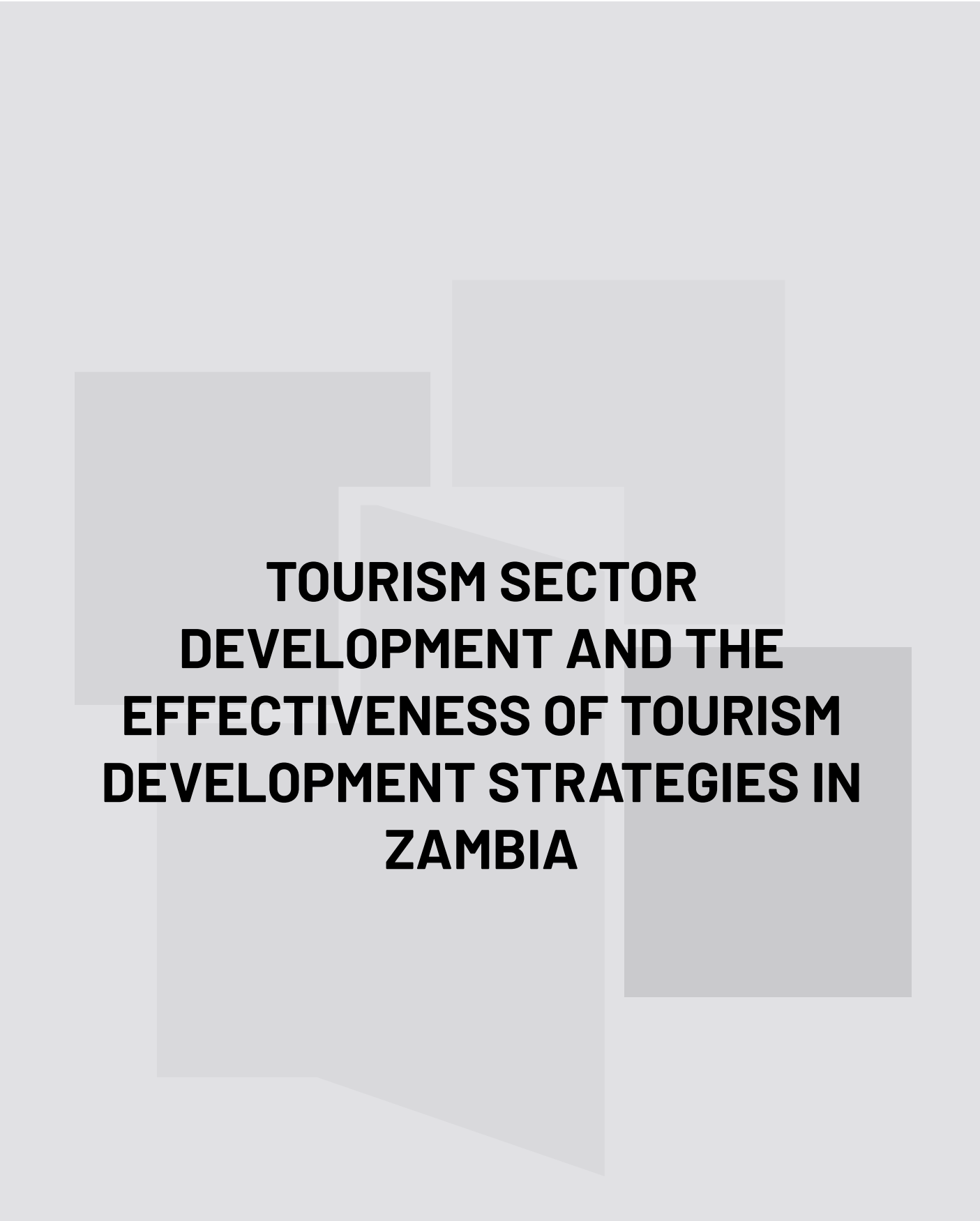
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