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# POLICY BRIEF

## BOOSTING THE DEVELOPMENT IMPACT OF TOURISM IN AFRICA

**Tourism can play a central role in achieving the 2030 Agenda for Sustainable Development, as well as specific objectives related to Agenda 2063 of the African Union. In addition, there can be a virtuous circle between tourism and peace. However, a mix of structural policy changes and tourism-specific measures is urgently needed to bring out the sector's full potential.**

**A key challenge for the tourism sector is to reach out to policymakers beyond the tourism ministry and assert its importance in addressing cross-sectoral development issues. In this regard, this policy brief highlights the importance of tourism for sustainable development in Africa and how Governments and regional economic communities can enhance its contribution to sustainable and inclusive growth.**

### Contributing to sustainable and inclusive development

**Tourism contributes to the achievement of many Sustainable Development Goals, especially Goal 1 (poverty reduction), Goal 5 (gender equality) and Goal 8 (decent work and economic growth).** In Africa, the share of tourism in gross domestic product (GDP) rose from 6.8 per cent in 1995–1998 to 8.5 per cent in 2011–2014. Tourism is also an important source of export revenue in many countries. It makes economic growth more inclusive by generating revenue for the rural poor and employing a higher share of women and youth than in other sectors. In Africa, women comprise 47 per cent of employees of the hotel and restaurant sector, and 31 per cent of employers, which is higher than the average of 21 per cent across all sectors. In addition, one third of tourism ministers are women. At the macrolevel, tourism generated more than 21 million direct and indirect<sup>1</sup> jobs across the continent in 2011–2014, which represents about 1 out of 14 jobs and 7.1 per cent of total employment.

**Tourism leads to multiplier effects on other sectors, most notably, agriculture,**

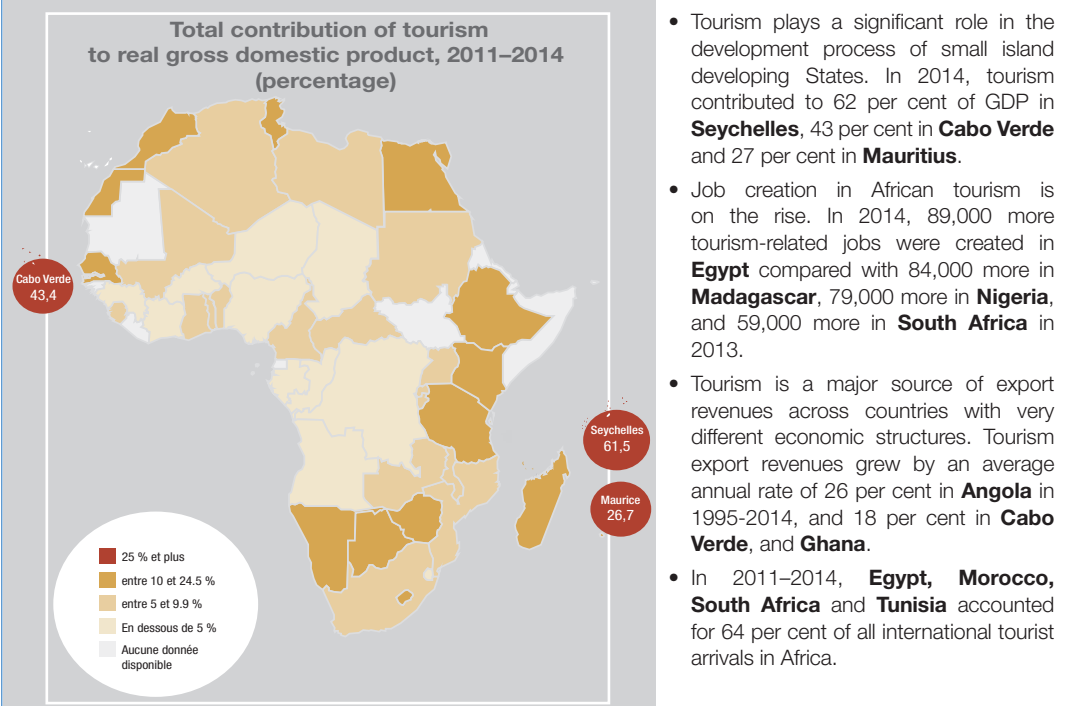
**infrastructure, construction, services and creative industries.** With regard to local sourcing, for example, food and beverages account for one third of tourist expenditures in Africa. Procurement by tourism establishments generates income for local agricultural producers and other sectors across the value chain. In turn, these limit economic leakages that may result from the import of inputs from intermediary suppliers. In countries with a thriving tourism sector, there are positive spillovers from the development of tourism-related infrastructure. Hotel construction and investment in the meetings, incentives, conventions and exhibitions sector generate positive linkages with sectors across the value chains, including travel, professional conference organization and event management. Furthermore, the competitiveness of tourism benefits from and contributes to investments in well-developed services relating to telecommunications, information and communications technologies, finance and health care. By the same token, tourism has ripple effects on the development of creative industries from cultural products such as handicrafts to performance arts and music, all of which can be harnessed for economic growth.



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<sup>1</sup> Tourism's direct contribution to GDP primarily reflects the economic activity generated by industries such as hotels, travel agencies, airlines and other passenger transportation services and restaurants, and related leisure industries. The indirect contribution is the contribution to GDP and jobs of the following three factors: capital investment, Government collective spending and supply-chain effects (purchases of domestic goods and services made directly by different industries within travel and tourism as inputs to their final tourism output).

## Box 1: Tourism's economic impact in Africa: A selection of top performers in 2011–2014



### **Intraregional tourism can be an even stronger driver of tourism growth in Africa, as well as an enabler of peace.**

In 2015, Africa had a 4.4 per cent share in worldwide tourism arrivals and a 2.3 per cent share in worldwide tourism receipts. This share was partly driven by intraregional tourism as 4 out of 10 visitors come from within the continent. In the Southern African Development Community, for example, about 64 per cent of all international tourist arrivals originate from fellow Community member States, while in the East African Community, about 33 per cent of such arrivals originate from fellow Community member States. The heightened frequency of cultural exchanges generated by intra-African tourism has shown to be conducive to peace.

### **Ample scope for growth and heightened socioeconomic impact**

The effective implementation of current cross-cutting policies and national development strategies is often a critical challenge for African States. Yet, they play an essential role in providing an enabling environment for the tourism sector. If these policies and frameworks – including those related to regional integration – are implemented, and complemented by new thinking, the tourism sector can follow a growth trajectory that should lead to better results than those witnessed today, as follows:

**The upward trend in tourist arrivals from within Africa is set to continue and can be amplified to smooth seasonality in demand,**

### **generate stronger intersectoral linkages and reduce leakages, given a higher demand for local products.**

The number of international tourist arrivals in Africa is forecast to grow at an expected annual rate of 5 per cent between 2010 and 2030. As a reflection of global trends, domestic and regional tourists in Africa are likely to greatly outnumber international tourists to reach the global average of about four out of five tourists originating from the same region.

### **Tourism in Africa can have a stronger impact on job creation, especially on the employment of women and youth.**

Tourism can generate more direct and indirect jobs and increase its share in total employment to be commensurate with the global average of 1 out of 11 jobs that the sector creates. There is scope for the sector to close the gap in women's employment in African tourism (the global average was 60 per cent). Furthermore, the sector can improve its contribution to youth employment, as more than 50 per cent of the sector's employees at the global level are aged 25 or younger. However, although 39 African countries have at least one hospitality or tourism school, the quality and accessibility of such establishments vary significantly, and more efforts are needed to develop a qualified workforce. Furthermore, if 12 African countries among the signatories of the 1999 Yamoussoukro Decision were to implement it, this could create an extra 155,000 jobs in those countries, bring about an increase of almost 5 million passengers and contribute almost \$1.3 billion to their GDP.

**The upward trend in tourism growth must be accelerated in accordance with the First Ten-Year Implementation Plan 2014–2023 of Agenda 2063.** The contribution of the tourism sector to GDP, which currently stands below the global average of 10 per cent, should be doubled to achieve the objective set out in this Plan. To do so, it would be necessary for the sector to grow much faster than GDP, and at a faster pace than it has since the global financial crisis (2008–2009).

### **Governments and regional economic communities should urgently implement policies to untap potential**

**To reach ambitious objectives related to tourism as set out at the continental level and in global forums within agreed timelines, Governments and regional economic communities must urgently implement existing cross-cutting policies and adopt new ones.** More generally, in the short term, constraints to the regional integration agenda could be promptly removed. For example, African nationals require visas at departure for travel to 55 per cent of other African countries, can obtain visas on arrival in only 25 per cent of those countries and do not require a visa for only 20 per cent of those countries. **In particular, priorities include relaxed and streamlined visa requirements, adoption of national and regional tourism strategies, currency convertibility and affordable quality air transport.** The adoption of these measures will lead to immediate results in tourism sector performance.

**The future of tourism in Africa depends on improving its image and narrative.** Media reporting on political unrest, poverty, famine and outbreaks of disease – long before the occurrence of such crises and beyond the countries affected – has a negative impact on the attractiveness of Africa as a destination. For example, following

political instability in Tunisia, total tourism receipts in 2009–2011 declined by an average of 27 per cent. Increased involvement by Governments and private sector stakeholders, including African medias and ordinary citizens, is needed to better portray the continent. It is expected that the cumulative impact of such efforts will produce better outcomes for the tourism sector.

**Public authorities, the private sector and development partners should jointly address the sector's capacity-building needs.** In addition to broader sectoral development programmes, development partners should support Governments in providing capacity-building initiatives specifically aimed at stakeholders across the tourism value chain. With regard to food supply, for example, the development of **stronger linkages between agriculture and tourism** is reliant on capacity-building initiatives that target local producers to allow them to compete with imported foods to meet quality, quantity and consistency standards, as well as **sanitary and phytosanitary standards and certification.** These initiatives will help reduce leakages from the tourism sector. More generally, the African tourism sector needs **quality vocational training** with an emphasis on **entrepreneurship and enterprise development, targeting youth and women in particular.** In addition, skills training in tourism management for local enterprises can strengthen their capacity to provide services for tourism establishments. Investment in tourism-related construction, along with a conducive regulatory framework, can help stimulate the development of infrastructure. Ensuring competitive markets in telecommunications, information and communications technologies and financial services can facilitate competition, reduce costs and improve the operating environment for local enterprises. Building on policy measures, such as **tax incentives aimed at boosting infrastructure development** can play a role in this.

#### **Box 2: Tourism policies in Africa: A selection of good practices**

- In **South Africa**, the National Responsible Tourism Development Guidelines (2002) encourage the procurement of local goods and services by tourism establishments from locally owned enterprises that meet required standards.
- In **Rwanda**, the abolition in 2011 of visa requirements for members of East African Community contributed to the increase in intraregional tourists from 283,000 in 2010, to 478,000 in 2013. In addition, the increase in meetings, incentives, conventions and exhibitions is attributed to its well-developed infrastructure. Such developments include the growth of Rwand Air, the establishment of international hotel chains and construction of the Kigali Convention Centre.
- In **Namibia**, its community-based natural resource management policy provides incentives aimed at enabling communities to earn incomes and other benefits, while sustainably managing environmental resources.
- Under the Local Sourcing for Partnerships Project of the Common Market for Eastern and Southern Africa Business Council, capacity-building workshops are held in partnership with international hotels to improve the knowledge of local small and medium-sized enterprises of food safety requirements in tourism. The Council has initiated buyer agreements between international hotels and local suppliers that have undergone training.

## **Additional reading**

UNCTAD (2017). *Economic Development in Africa Report 2017: Tourism for Transformative and Inclusive Growth in Africa*. United Nations publication. Sales No. E.17.II.D.2. New York and Geneva.

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