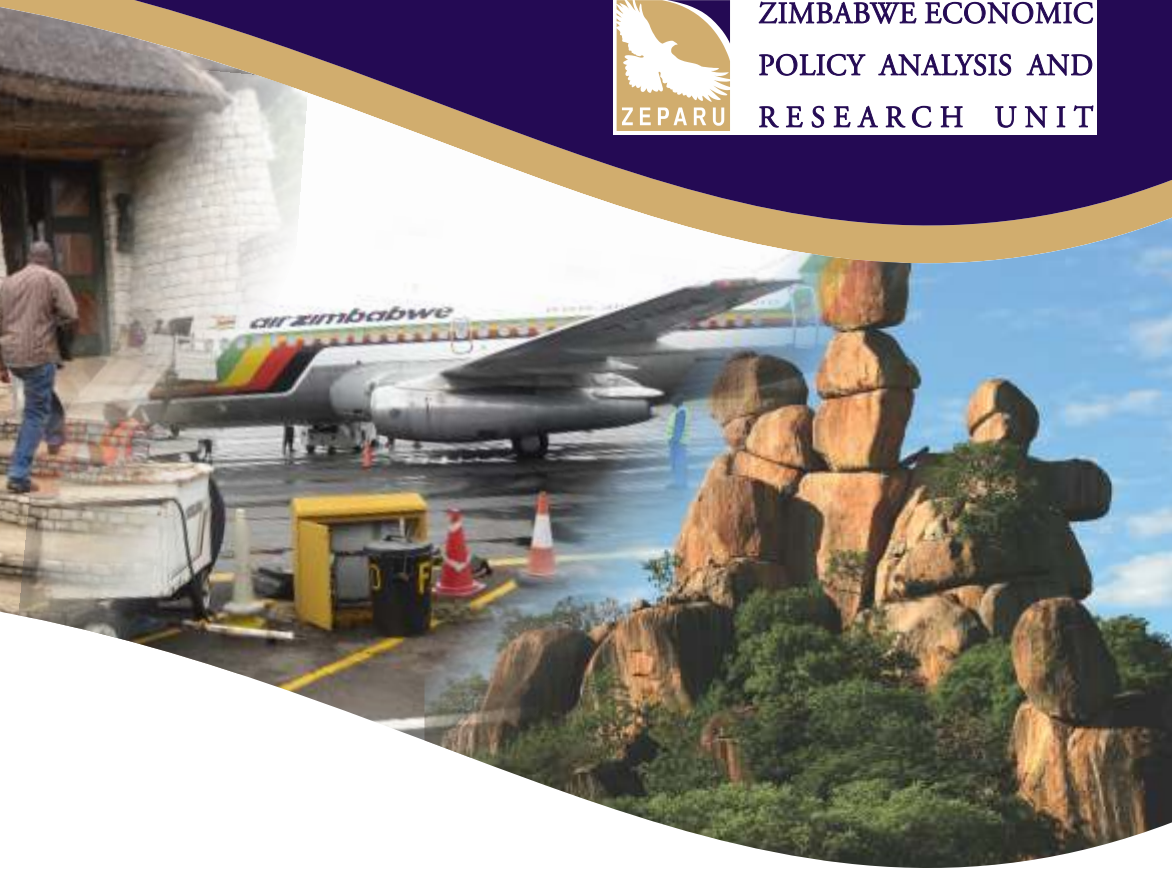




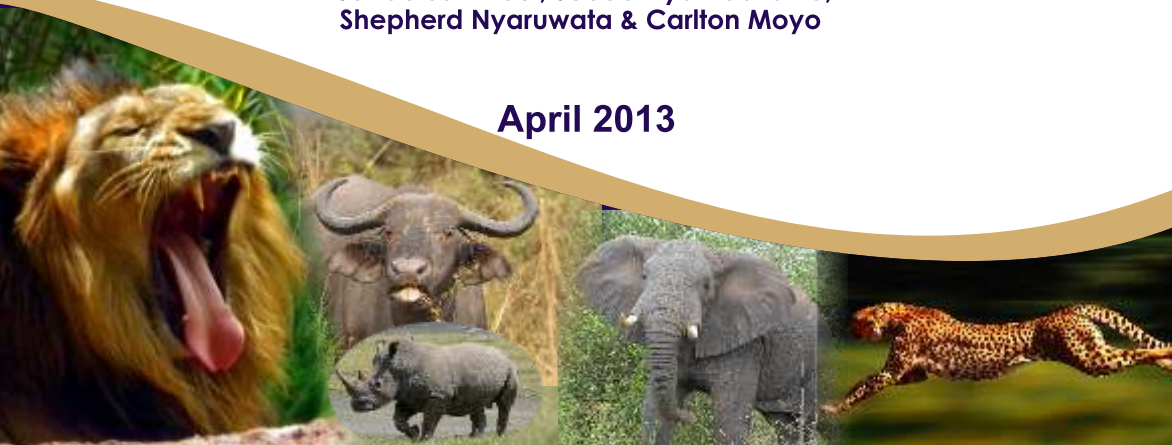
ZIMBABWE ECONOMIC  
POLICY ANALYSIS AND  
RESEARCH UNIT



# POSITIONING THE ZIMBABWE TOURISM SECTOR FOR GROWTH: ISSUES AND CHALLENGES

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## ABSTRACT

The study sought to identify issues and challenges that affect the growth of the tourism sector in Zimbabwe with a view to recommend measures that can position the sector on a sustainable growth path, in support of the country's medium term growth objectives. The study benefited from country-wide face to face interviews with key stakeholders in the tourism sector, that were selected through a stratified sample of stakeholders-hotel managers, tour operation managers and public sector executives. The study showed that there is an increasing consensus on the importance of tourism as a strategic sector in the national economy. It further showed that the sector provides an essential contribution to the economic well-being of the country and to the economic objectives of government. It noted that success of the Zimbabwe's tourism industry is based on its natural resources, people, history, culture, amenities and superstructure. However, it is noted that the sector is facing a number of growth-constraining challenges that includes lack of inter-governmental policy coordination as different government institutions promulgate policies and regulations without considerations of their impacts on other sectors hence impacting negatively on the tourism sector. Associated with this, is the issue of poor policy implementation and costly policy reversals. Other bottlenecks to tourism growth includes: lack of internal airline connectivity, road network that need urgent repair and rehabilitation; inadequate skills and experience mix in tourism facilities, weak domestic tourism promotion and limited Information Communication Technology usage, among others.

To deal with these challenges, the study establishes that tourism is an export product consumed at source, hence key to growth is the need to ensure accessibility by improving both air and road connectivity. Whilst tourists are often rich, they are very poor in terms of time. This makes it imperative to ensure the smooth passage of tourists at ports of entry, and enroute to the various resorts. Key therefore, is the need to reform the visa regime and rehabilitation of the road network and reduce needless delays on police road blocks. Furthermore, the study noted that positioning the tourism sector on a sustainable growth path requires: a conducive and well co-ordinated institutional framework and policy environment, establishment of a tourism revolving fund to support investments in the sector, improvement in internal airline connections, reforming the visa system, human resources development, and improvement in the marketing coverage to both domestic and international tourists.

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## LIST OF ACRONYMS

CAAZ	Civil Aviation Authority of Zimbabwe
CBTEs	Community Based Tourism Enterprises
GDP	Gross Domestic Product
GoZ	Government of Zimbabwe
ICTs	Information Communication Technologies
KTDC	Kenyan Tourist Development Corporation
MDGs	Millennium Development Goals
MTP	Medium Term Plan
RETOSA	Regional Tourism Organization of Southern Africa
RNTB	Rhodesia National Tourist Board
UNWTO	United Nations World Tourism Organization
VAT	Value Added Tax
ZCT	Zimbabwe Council for Tourism
ZEPARU	Zimbabwe Economic Policy Analysis and Research Unit
ZTA	Zimbabwe Tourism Authority
ZTB	Zimbabwe Tourist Board
ZTDC	Zimbabwe Tourist Development Corporation

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## 1.0 INTRODUCTION

Tourism is one of the fastest growing industries in the world. In terms of global exports, the sector ranks fourth after energy, fuels and food, it accounts for 5 percent of global Gross Domestic Product (GDP) and 6-7 percent of global employment (United Nations World Tourism Organization, (UNWTO, 2012). In both developed and developing countries, tourism has emerged as a major driver of economic and social development through, generating foreign earnings, creating incomes, stimulating domestic consumption and creating employment for both low-skilled and semi-skilled workers with a bias towards women and the youth in both urban and rural areas. In a large number of developing countries, tourism is being used as a major vehicle for achieving the Millennium Development Goals (MDGs), especially MDGs 1 and 3 on eradicating extreme poverty and hunger, and promoting gender equality and empowerment of women, respectively. This is mainly a result of the sector's potential in the exploitation of economies of scale, relieving the foreign exchange constraint, raising efficiency through increased competition and promoting the diffusion of technical knowledge.

Studies of the relationship between tourism specialization and economic growth have found that small states are fast growing especially when they are highly specialized in tourism (Lanza & Pigliaru, 2000). Tourism has also been described as having a snowball effect in contributing to economic growth, since the development of new tourism destinations is often accompanied by the arrival of new businesses and non-governmental organisations (Honey & Gilpin, 2009; Western, 2008).

According to Burkhart and Medlik (1981) tourism is "the temporary short term movement of people...and their activities during the stay at these destinations." Similarly, McIntosh and Goeldner (1990) define tourism as "the sum of the phenomena and relationships arising from the interaction of tourists, business supplies, host governments and host communities in the process of attracting and hosting these tourists and other visitors". However most countries including Zimbabwe use the definition adopted by the UNWTO, which defines tourism as "comprising the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited".

In broad terms the key components of the industry are; the tourist attractions, accommodation, transport, travel organizers, ancillary services, and destination management organizations as summarized in Figure 1.

Figure 1: Components of the Tourism Industry



Source: Authors' Compilation

The UNWTO (2009) report highlighted that the new millennium witnessed a more prominent increase of tourism as compared to the periods before. In 1950 international tourism receipts were US\$2 billion and by 2006 they had reached US\$735 billion. Similarly, international tourist arrivals rose from 25 million in 1950 to 924 million in 2008. The report further asserts that tourism was responsible for 300 million direct and indirect jobs and represented 13 percent of global GDP. Recent statistics from UNWTO indicate that international tourist arrivals increased to 983 million in 2011 with tourism receipts improving from US\$940 billion in 2010 to US\$1030 billion in 2011 (UNWTO, 2012).

As an engine for economic growth, tourism has been found to be resilient and associated with positive impacts in terms of generating foreign exchange earnings, creating employment and income, and stimulating domestic consumption (Modeste, 1995; Durbarry, 2002; Steiner, 2006). Numerous studies have demonstrated that tourism can play a significant role in balanced sustainable development, and that it can be effectively harnessed to generate net benefits for the poor (UNWTO, 2002). The potential of tourism as a tool to contribute to economic growth and poverty reduction is derived from several unique characteristics of the tourism system (UNWTO, 2002). Tourism represents an opportunity for economic diversification, particularly in marginal areas with few other export options. Tourists are attracted to remote areas with high values of cultural, wildlife and landscape assets. The cultural and natural heritage of developing countries is frequently based on such assets, and tourism represents an opportunity for income generation through the preservation of heritage values. Therefore, tourism enables communities that are poor in material wealth but rich in history and cultural heritage to leverage their unique assets for economic development (Honey & Gilpin, 2009). Tourism is the only export sector where the consumer travels to the exporting country, which provides opportunities for the poor to become exporters through the sale of goods and services to foreign tourists. Tourism is also labour-intensive and supports a diverse and versatile labour markets. It provides small-scale employment opportunities which also help to promote gender equity. Finally, there are numerous indirect benefits of tourism for the poor, including increased market access for remote areas through the development of roads, infrastructure, and communication networks.

As an export activity, international tourism is a source of long-run growth given that an increase of tourism receipts will relieve foreign exchange constraints. These extra resources can be employed to increase imports of capital goods that can further boost domestic investment and consumption (Nowak et al. 2007). The increase in competition at an international level, given by the unique supply of certain characteristics of a destination (e.g. natural amenities, art and history, climatic conditions) will enhance economic growth via better management, higher levels of accumulation and efficiency of tourism resources as well as higher levels of investment and human capital accumulation in tourism activities. In fact, multiplier effects are likely to be produced both in export and non-export sectors.

The multiplier effect that tourism has on economic growth takes into account the three elements that contribute to measuring the economic impact of tourism expenditures (Neacsu, Baron, Snake, 2006): the direct impact that measures the effects generated by the first monetary circuit from a tourist (for example: the proportion of expenditure made by the tourism unit on raw materials, wages paid etc. and monetary unit spent by tourists); the indirect impact is the successive transactions between firms, resulting from direct tourist expenditures (for example: expenditure for procurement of goods and services by firms from other sectors, necessary to meet the tourism demand); the induced (stimulated) impact measures the derived effects, caused by the employees of tourism companies that spend part of their wages in other sectors of business (clothing, education etc.).

Hence, the tourism sector has both forward and backward linkages with industries like agriculture, art and craft, the performing arts, culture, manufacturing, banking & finance and transport. Its growth, therefore, has direct impact on the performance of the multiplicity of the downstream sectors it is linked to.

Consistent with the key contribution of the tourism sector to growth, the country's Medium Term Plan (MTP) (2011 - 2015), recognise the sector as one of the vital pillars for the transformation of the Zimbabwean economy. However, despite the potential that the sector possesses, the country's tourism industry continues to suffer from growth-inhibiting challenges, thus undermining its overall contribution to growth, export earning, employment and poverty reducing programmes. The MTP (2011-2015) identified some of the challenges currently affecting the growth of tourism in the country as; skills flight, poor state of the roads, poor tourism infrastructure, water and electricity shortages, few direct flights to

and from source markets, and high utility charges which increase the cost of doing business in Zimbabwe thus making the destination less competitive, (GoZ, 2011).

Both air and ground transport network remain compromised; some parts of the road network are in a dilapidated state while some major airlines are still shunning the route to Zimbabwe. Over the years the country suffered the withdrawal of major airlines citing viability concerns. In 1998, there were some 45 airlines flying into the country whereas at the moment there are only about 14 airlines. This is also compounded by the limited air connection from Harare to the various local tourist attractions. However, recently the country has witnessed the introduction of new airlines such as Fly Emirates, the return of airlines like KLM Royal Dutch Airline, LAM (the Mozambique airline) and Air Namibia. A number of both new airlines and those formerly flying to the destination have indicated their interest to fly into the country.

This study, therefore, seeks to examine some of the pertinent issues retarding tourism growth. This is particularly important for Zimbabwe at a time when the country has identified tourism as a major pillar for economic growth. There is need for greater understanding of some of the key elements that can underpin tourism growth. Such an understanding will form the basis for policy/ strategy formulation aimed at positioning the tourism sector on a sustainable growth path in support of the country's growth objective. The paper seeks to provide answers on the key policy issues that government needs to address to facilitate the growth of the sector. The study further attempts to address a number of other critical issues which have a bearing on sustainable tourism development in the country. These include among others manpower training and development, policy coordination, marketing and markets development, new product development and institutional framework.

## **1.1 Study Objectives**

The main objective of the study was to establish the factors that can improve the growth of the tourism sector in Zimbabwe and come up with policy recommendations on strategies to position the tourism sector on a sustainable growth path, in support of the country's medium term objectives. In order to achieve this objective the research focused on the following:

- Assessing of the country's tourist natural and man-made attractions as well as the country's tourist products-hotels, amenities, activities;
- Analysing trends in tourists arrivals, contribution to GDP, employment, tourism receipts, and capacity utilization in the accommodation and other subsectors of the industry;
- Analysing air access into the country and internal airline connectivity to the tourist resorts and its implications for the growth of the tourism sector;
- Reviewing and assessing the National Tourism Policy, identifying gaps whilst benchmarking it to competitor countries;
- Reviewing and analysing the Zimbabwe Tourism Authority's (ZTA) National Tourism Development Strategy;
- Reviewing the International and Domestic Marketing Strategies being implemented by ZTA;
- Identifying new products and potential sources of growth for the Tourism sector;
- Reviewing of tourism training programmes and identification of strategic gaps;
- Assessing the opportunities for increased usage of Information Communication Technologies (ICTs) to enhance growth in the tourism industry;
- Assessing the implications of the current status of the enablers to the tourism sector, e.g. energy, water, local government services on the projected growth of the sector;
- Identifying strategies and initiatives for mainstreaming gender in the development of the tourism sector;

- Assessing the current status of community based tourism and identifying policies to facilitate its sustainable growth; and
- Reviewing international best practice in tourism development in Eastern and Southern Africa

## **1.2 Methodology**

The study is based on country-wide face to face interviews with key stakeholders in the tourism sector, that were selected through a stratified sample of stakeholders-hotel managers, tour operation managers and public sector executives. The study used a questionnaire as the main research instrument to gather data from the key stakeholders in Harare where the majority of stakeholders in both the public and private sectors are located. Furthermore, the questionnaire was administered to stakeholders in Victoria Falls, which is the hub of the tourism sector as well as key tourist resorts including Hwange, Bulawayo, Kariba, Masvingo, Mutare and Nyanga. The interviewed stakeholders provided up-to-date market trends as well as ideas on new products for growth and reviving some resorts that have stagnated since 2000.

To augment information gathered from interviews, the study was also informed by reviews of documents and literature on developments in the tourism sector in Zimbabwe and competitor countries in the region like Kenya, Botswana and Mauritius. In addition, literature reviews provided a global perspective on the role of tourism and strategies that have been employed elsewhere, to spur tourism growth. The study also benefited from the Reference Group Meeting held in December 2012 in Harare and a Stakeholder Workshop held in Harare in March 2013 wherein, the initial findings of the study were disseminated and discussed. The main stakeholders who participated at the two meetings included players from the following sub-sectors: accommodation, the airline industry, car hire, hunting, boat owners, tour operators and travel agents. Public sector stakeholders were drawn from ministries that have direct and indirect impact on the tourism sector.



## 2.0 COUNTRY CASE STUDIES FROM AFRICA

This section reviews country case studies from Kenya, Botswana and Mauritius. These case studies would assist to learn from these countries experience on how they have managed to position their tourism sectors in support of economic development in these countries.

### 2.1 Tourism in Kenya

Soon after independence, the Kenyan Government realised the enormous potential of the nascent tourism industry and undertook to upgrade the existing infrastructure and superstructure and investing in additional facilities. To achieve its goal, the Government encouraged local and foreign entrepreneurs to invest in the tourism and hospitality industries thus paving the way for the future development of the sector. This was done with the view that through its various linkages tourism development will contribute to economic diversification and reduce excessive over- dependence on the exploitation of convectional raw materials.

In 1965 the Kenyan Government set up the Kenyan Tourist Development Corporation (KTDC) to monitor and supervise the industry and direct public investment into accommodation and transport. The Ministry of Tourism and Wildlife was created in 1966 as the main policymaking organ of the Kenyan government to allocate tourism resources to cover activities carried out by other public bodies whose responsibilities impinged on tourism. In 1969, the tourism policy was put in place through sessional paper number 8 covering the following: protection and development of Kenya's tourist attractions; protection and development of tourist infrastructure and superstructure as well as other tourist facilities; training and manpower development for the sector; promotion and marketing in the tourist generating markets and research.

The impact of tourism in the Kenyan economy is mainly realized through forward and backward linkages with other sectors which increase the government revenue collection. Tourism earnings have tended to increase at a higher rate than earnings from other export commodities. Tourism contributes greatly to Government revenue through license fees, customs and exercise duty, VAT on tourism services, landing fees, passenger service charge, entry fees to game parks as well as income tax levied on employees in the tourism industry. The generated revenues play a pivotal role in the overall development of the economy.

The tourism sector in Kenya has emerged as a major contributor to GDP. According to the Statistical Abstract and Economic Survey (2005 and 2006), the figures for the contribution of Tourism to economic growth as a percentage from 2000 to 2005 were 10.34 percent, 10.33 percent, 10.10 percent, 9.72 percent, 10.33 percent and 10.44 percent. Foreign exchange earnings over the same period for the sector averaged of 15.83 percent of total earnings. In terms of employment creation there was a constant annual growth pattern in the tourism sector between 2005 and 2006. The growth in the tourism sector also resulted in a multiplier effect which stimulates growth in other sectors of the economy.

Although it can be argued that the development of tourism in Kenya has been an African success story, and that the industry has contributed to the growth of the country's GDP, raised the foreign exchange earning capacity, and has created employment opportunities, social and environmental issues which influence the development of tourism have, most often, not received similar attention in tourism planning and policy responses. This tourism development scenario has led to many structural deficiencies including, the development of a spatially constrained tourism product, the degradation and reduction of the quality of the country's tourism product, decreasing per capita tourism earnings in real terms, and the inequitable distribution of the country's total tourism revenues among different interest groups.

The participation of women in tourism is guided by the Kenya Association of Women in Tourism whose primary mandate is to provide a platform for women's empowerment through engagement, employment and participation in the tourism industry. Through its advocacy and networks, it aims to bring gender aspects of tourism to the attention of policy makers, especially the issues of women's employment in the tourism industry as well as women's participation in tourism planning, management and development. This has seen a growing representation of women in the sector.

Though the benefits of domestic tourism are not yet spilling over into the economy, the Ministry is creating a platform for its growth. The Ministry objectives for domestic tourism include: encouraging Kenyans from all walks of life to become active participants in Domestic Tourism as a way of boosting the sector. The Ministry has engaged the Domestic Tourism Council to look into issues pertaining to the development of domestic tourism as it is becoming a priority. The Domestic Tourism Council (DTC) brings the government and the private sector together to discuss ways of improving domestic tourism.

## **2.2 The Botswana Tourism Industry**

The Government of Botswana identified tourism as an engine of growth with potential to contribute to economic diversification and broaden the economic base. Botswana has been capitalising on its scenic beauty and its wildlife to promote socio-economic development in the country in an ecologically sustainable manner. The Botswana Tourism Industry is regulated by various pieces of legislation; Tourism Act, 1992; Tourism Regulations, 1996; Tourism (Licensing) Order, 1996; Finance (Tourism Industry Training Fund) Order, 1996; Financial Assistance Policy (FAP - Tourism), 1996; and Casino Act, 1971. The development of smart partnerships between the Government and the private sector has been identified as key to the future for tourism investment in Botswana, (Republic of Botswana Ministry of Commerce and Industry Department of Tourism: Tourism Master Plan: May 2000).

The tourism sector has experienced strong growth in the past years. The number of holiday visitors increased by 90 percent from 106,800 in 1993 to 203,172 in 1998, while the number of rooms in tourist accommodation increased from an estimated 1,780 rooms in 1993 to an estimated 2,375 rooms in 1998 (33 percent increase). In 1997, an estimated P1.1 billion was spent by the tourists who visited Botswana, representing a net 4.5 percent of GDP in 1996/97. This proportion of tourism contribution to GDP was estimated to increase further over the years. Currently the Tourism sector in Botswana contributes around 7 per cent of the country's GDP, providing jobs for some 15,000 people in the industry.

Credits on the Travel Account of the National Bank amounted to an estimated P495 million in 1997 representing 4.5 percent of the total exports of goods and services. This suggested that, tourism was the third largest export sector, after diamonds and vehicles and ahead of copper-nickel and beef. Direct employment in core tourism-related occupations is estimated to have amounted to 9,900 persons in 1998, 4.5 percent of the total number of paid employees in Botswana. Tourism is the main source of employment in Botswana's North and Northeast region.

Tourism-related import duties are estimated to have contributed P30 million, followed by licences and fees (P11.2 million), sales tax on hotels and lodges (P10.4 million in 1998/99), lease rentals and resource royalties (P5.2 million). Excluding income taxes, total tourism-generated revenues would be P64 million. Tourist revenues have continued to increase over the years with tourist receipts in 2003 totalling P 356 million. According to the forecast estimates by WTCC Botswana's tourism industry is expected to steadily grow over the next ten years, (Government of Botswana, 2000).

The National Advisory Council on Tourism, Botswana Tourism Board, Department of Tourism and the Tourism Industry Licensing Board, collaborate in efforts to improve the Tourism Industry and Tourism returns in Botswana. The Government position on tourism is contained in the Tourism Policy, Government Paper No. 2 of 1990. The general objective of the tourism policy is to obtain, on a sustainable basis, the greatest possible net social and economic benefits for Botswana from their tourism resources, scenic beauty, wildlife and unique ecological, geological and cultural characteristics. The specific objectives of the policy are to; increase foreign exchange earnings and government revenues; generate employment, mainly in rural areas; raise incomes in rural areas in order to reduce urban drift; promote rural development and to stimulate the provision of other services in remote areas of the country; improve the quality of national life by providing educational and recreational opportunities; project a favourable national image to the outside world.

From the 1970s, the private sector was particularly courted to participate in tourism in order to attract famous and rich tourists such as entertainment actors to Botswana. This promoted a strategy and vision called 'low volume – high price market tourism'. The Government of Botswana has been expanding its programmes to include community participation in tourism.

Since the 1990s, the Botswana Government's policy on tourism focused on involving local community participation in tourism by making Botswana cultural heritage one of the cornerstones of tourism. This policy included goals of alleviating rural poverty and promoting sustainable resource management. Communities in urban and rural areas were challenged to market their cultural knowledge such as holding court, traditional Botswana hospitality, performance arts and handicrafts in attracting international tourists.

Botswana boasts of vibrant air connectivity, the government of Botswana has liberalised its airspace. Bilateral air service agreements have been signed with different countries, including Belgium, Kenya, Malawi, Namibia, South Africa, the United Kingdom, Zambia and Zimbabwe allowing foreign air carriers to operate services on various domestic routes, while also permitting licensed domestic operators to run services on regional routes. Through this move, flight numbers have gone up and competition has increased, thus making fares more affordable. The government is also giving its four main airports a facelift to bring them up to international standards.

### **2.3 Low Impact - High Spending Tourism in Mauritius**

Tourism in Mauritius is an important component of the Mauritian economy as well as a significant source of its foreign exchange revenues. Mauritius is mostly appreciated by tourists for its natural beauty and man-made attractions, multi-ethnic and cultural diversity of the population, tropical climate, beautiful beaches and water sports.

In the past thirty years, Mauritius has developed from a low-income economy based on agriculture to a middle-income diversified economy. Much of this economic growth has been the result of the expansion of the luxury tourism sector. Mauritius was mainly dependent on the sugar and textiles industries, as world sugar prices declined and the production of textiles became economically unviable, the government decided to expand the tourist industry.

Over the years visitors to Mauritius have been mostly from European countries. However due to the economic downturn in Europe in 2011, the government decided to diversify its market by providing direct flights to Asian and African countries which were experiencing higher growth in terms of arrival. Selective, up-market, quality tourism is favoured, and although such tourism is not the only type, it constitutes the major segment of the tourists who stay in high class hotels.

Tourist arrivals have been expanding consequently, thus rising from 103,000 in 1977 to 656,450 in 2000, a more than six-fold increase. About 67 percent of the tourist arrivals are of European origin, with France supplying nearly half. The nearby Reunion French Territory is the most important short haul source market accounting for about 13 percent of total tourist arrivals. Asian residents provided 6 percent of tourist arrivals, almost half of which originated from the Indian Sub-Continent.

In 2000, total number of nights spent by tourist was estimated at 6.5 million, representing an increase of 13 percent over 1999. The average length of stay works out to around 10 nights and average expenditure per tourist reached about Rs 22,000. According to Statistics Mauritius, a total passenger arrival to Mauritius in 2011 was 1,294,387 and tourist arrivals for the year attained 964,642 which represented an increase of 3.2 percent compared to 2010. According the Bank of Mauritius the gross tourism receipts were Rs 42,845 million in 2011.

### **2.4 Lessons from International Experiences**

An experience from international perspective provides some key lessons that Zimbabwe can benefit from. These issues include among others:

- **Role Clarity** –The institutional framework that governs the tourism industry should be clearly defined in terms of duties and responsibilities. This helps to yield high levels of cooperation domestically as inconsistencies between private and public sector are evaded. For example in Mauritius, the tourism sector is supervised by the Ministry of Tourism and Leisure; the Mauritius Promotion Authority (MTPA) promotes tourism by conducting advertising campaigns, participating in tourism fairs and organizing, in collaboration with the local tourism industry and

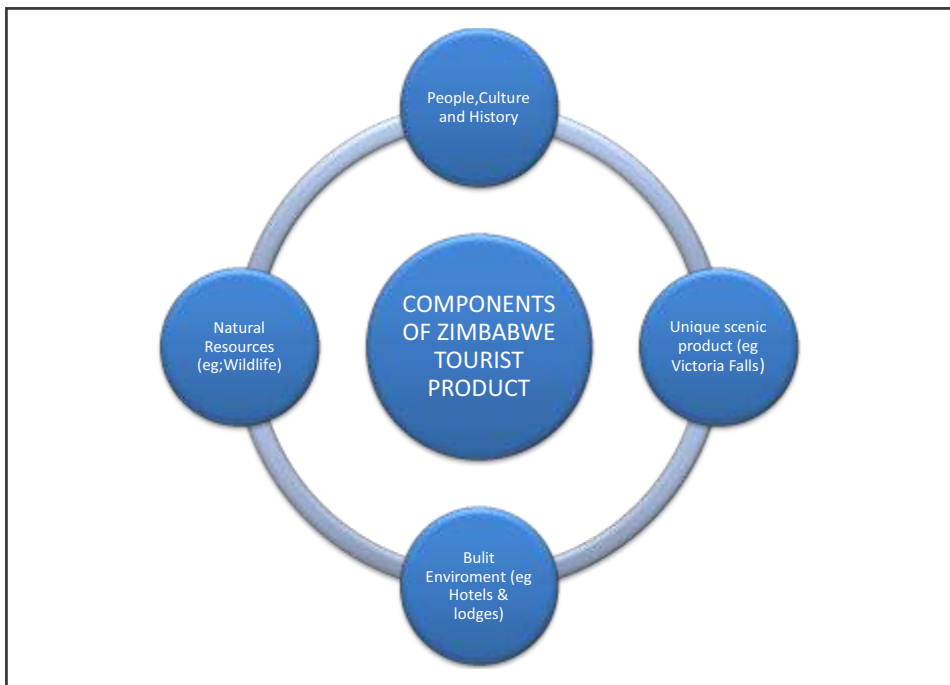
promotional activities in Mauritius and abroad. The Tourism Authority (TA) is responsible for licensing, regulating and supervising the activities of tourist enterprises, pleasure crafts, skippers and canvassers.

- **Tourism Fund** -The Tourism Fund which is provided for by the Tourism Act has the main function of developing and maintaining of tourism related projects including but not limited to eco-tourism and cultural tourism. This ensures that investment is continually being channelled into the industry.
- **Sustainable Tourism** - Mauritius has adopted low impact high spending tourism. The island is at an advanced stage in the promotion of sustainable tourism which is globally becoming a fundamental of tourism.
- **Infrastructure** -Mauritius boasts of technologically sound infrastructure where the use of plastic money is compatible at most of the tourism facilities added to that is a comprehensive and updated website.
- **The open skies policy**- Zimbabwe should learn from Botswana and extend the open skies policy for internal routes.
- **Domestic Tourism**- an advisory council should be set up that has close to the same function as the Domestic tourism Council in Kenya so as to come up with strategies to boost domestic tourism.
- **Women empowerment** - Zimbabwe should take a leaf from the Kenya Association of Women in Tourism (KAWT) which has been promoting the promotion of women in tourism

### 3.0 TOURISM PRODUCTS IN ZIMBABWE

The tourism product can be defined as “an amalgam (composition) of three components of attractions, facilities at the destination and accessibility of the destination”, (Medlik, 1973). It can also be described as ‘total experience of the tourist from the time of departure from home to the time of returning home’, (Middleton, 1994). Zimbabwe’s tourism is based on its natural resources, people, history, culture, amenities and superstructure. Figure 2, summarizes the country’s tourist products.

Figure 2: Summary of the Zimbabwe's Tourist Products



Source: Authors' Compilation

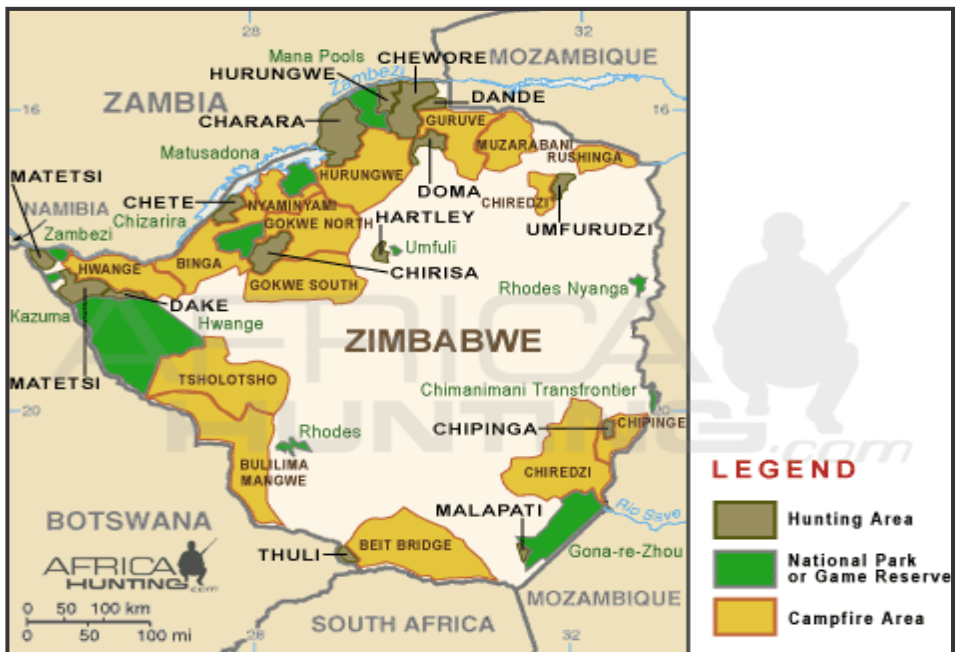
Both international and domestic tourists have a wide range of products to choose from including the following:

- The Victoria Falls, one of the natural wonders of the world, which is shared with Zambia. It offers one of the highest global bungee jumping sites at the Victoria Falls Bridge. A multiplicity of adventure activities are offered around Victoria Falls and along the Zambezi River. These include; white-water rafting, canoeing, elephant rides, walking with lions and kayaking and game viewing in the Zambezi national park ;
- Extensive game viewing opportunities in the country's national parks which include Hwange, Gonarezhou which is part of the Great Limpopo Transfrontier conservation area, the Matopos, the Zambezi, Mana Pools, which is a World heritage site and Nyanga national park. The use of helicopters offers a different experience from game viewing using vehicles and motorized boats;
- The Great Zimbabwe monument which is the second-largest stone structure in Africa after the pyramids in Egypt. The country derives its name from this structure whose name in Shona means “Houses of stones.” This was the centre of the Munhumutapa Empire that thrived in the 16th and

17th centuries. Replicas of the Great Zimbabwe stonework are found in various parts of the country, with the most outstanding being Khami ruins in Bulawayo. A major replica is found in the Limpopo province of South Africa at Mapungubwe indicating how far the influence of the Mutapa Empire had stretched in the region during its heydays;

- A unique stone sculpture tradition that has produced famous sculptors whose works are found in different public and private art galleries around the world;
- Vibrant sport hunting in designated areas, for those keen on consumptive tourism;
- Besides bird watching, the country is also important for fishing in a number of its dams like Kariba and Mutirikwi as well as its perennial rivers especially for trout fishing in the Eastern Highlands;
- A large number of golf courses are found throughout the country with Harare alone boasting more than twelve of them;
- Harare, Victoria Falls and Bulawayo offer conference facilities and vibrant night life;
- 13 percent of the country's landmass is devoted to national parks which offer tourists a wide range of activities. Figure 3 shows the distribution of the country's national parks and some of the activities carried out in these areas, as well as areas where community based tourism is being practised in the Communal Areas Management Programme for Indigenous Resources (CAMPFIRE) programme.

Figure 3: Distribution of Zimbabwe's National Parks



Source: Google maps

The structure of the tourism sector in Zimbabwe, in relation to players in the specific subsectors has evolved over the years. The number of tourism players by category and subsector in Zimbabwe over the period spanning 2000 to 2012 is shown in Table 1.

Table 1: Number of Tourism Players by Category and Subsector, Zimbabwe, 2000 to 2012

CATEGORY	SUB SECTOR	2000	2005	2010	2012
Restaurants	Amenities	82	57	233	303
Lodges	Accommodation	106	62	146	170
Hotels	Accommodation	98	59	101	192
Incentive travel Operators	Activity	117	75	101	
Visitor attraction arts, artifacts etc.	Activity	14	0	80	11
Hunting	Activity	165	119	68	82
Guest House	Accommodation	42	14	65	103
Tour Operators	Activity	118	56	60	96
Photographic and other non-consumptive safari operators	Activity	186	94	47	45
Self-catering	Accommodation	60	27	31	45
Visitor attraction canoeing, rafting cruising	Activity	16	16	28	43
Camps	Accommodation	15	15	23	32
Vehicle hire	Access	38	12	22	17
Boats, cruisers, yachts	Activity	17	7	16	17
Boats, houseboats	Accommodation	27	11	16	41
Bed and breakfast	Accommodation	10	8	13	13
Motels	Accommodation	9	5	11	10
Conferencing	Amenities	2	2	2	7
Air transport	Transport	1	0	5	4
Hostel	Accommodation	3	2	4	10
Camping caravans	Accommodation	11	5	3	4
Various activity	Amenities	0	3	3	
Motor coaches	Activity	2	3	2	2
External operator	Accommodation	32	5	2	5
Farmhouses	Activity	3	0	1	1
Bicycles	Activity	4	1	0	
Conference organizers	Amenities	8	2	0	7
Inns	Accommodation	3	3	0	3
Motor cycles	Access	3	0	0	2
<b>Total</b>		<b>1 192</b>	<b>663</b>	<b>1 086</b>	<b>1265</b>

Source: ZTA

### Community Based Tourism (CBT)

Community Based Tourism (CBT) can be defined as tourism related projects that are run and managed by people in a certain community with the benefits accruing to the local people. Most of the Community Based Tourism Enterprises (CBTEs) in Zimbabwe were established in the 90s. About 65 percent of the CBTEs were established through the Communal Areas Management Programmes for Indigenous Resources (CAMPFIRE) initiative whilst the rest were a result of individual or group initiative supported by local communities and leadership. The former are more nature based whilst the later are mostly cultural based where they hinge on the development around historical and cultural attractions and activities. None at the moment are urban based although a number of opportunities have been identified by local authorities. The distribution of CBTEs around the country is widespread although they tend to be distributed close to tourism routes and hotspots such as Parks and protected areas and national heritage sites. In terms of publicity and marketing, CBTEs are hardly known to both the domestic and international tourists.

The current audit and documented records reveal that between 1990 and 2000, there was significant investment in CBT. Local communities and individual entrepreneurs were also attracted by CBT investment opportunities (Madzara, (2012). Post 2000, investment/development on new CBT facilities



declined sharply owing to phasing out of development aid programmes and general declining trend in tourism arrivals. The major funding agency then was USAID supporting CAMPFIRE through Development Associates. An analysis of the current environment, performance of the tourism sector and the status of existing CBTEs revealed that the past two decades have seen both a fast development followed by a gradual demise of the CBTEs sector. An estimated 5 percent of CBTEs (lodges and campsites, visitor centres) are operational whilst the rest are dysfunctional and have been subject to vandalism, (Madzara 2012).

Sustaining CBT would require increased funding from the government towards the development and resuscitation of these projects. There is also need to improve access through improving the road network linking them with major highways. Most CBT are haunted by accessibility constrains, because of their remote location, there are no roads that connect them to major highways and in many instances the roads are in a deplorable state. Government, in cooperation with the private sector, should provide funding for the construction of roads or engage communities to mobilise local resources to develop access routes.

There is also need to improve urban CBT, whose development has generally been slow. Urban CBT are essential in that they form the bedrock from which township tourism can be developed. Equally important, is the need to include CBT in marketing collateral both at domestic and international markets. Lessons can be drawn from Swaziland's Mantenga Village and the King Sobuza Memorial Park which are found on the Swaziland Tourism marketing collateral.

## 4.0 TOURISM POLICIES IN ZIMBABWE

### 4.1 Evolution of the Institutional and Regulatory Framework

The policy environment is an important aspect in the development of the tourism sector especially in developing countries. Global competition for tourists and tourism investment is very high, making it imperative for the policy environment to be conducive and supportive of the growth objective. Successful tourist destinations offer attractive policy environments. In Zimbabwe the issue of the policy environment has played a major role in shaping tourism development.

At independence in 1980 the tourism sector was part of the Ministry of Information, Immigration and Tourism. In 1982 the sector was combined with the department of Natural Resources and Environment to form the Ministry of Natural Resources and Tourism to which the department of Mining was added on in the 1990s. In 2009, following the consummation of the Inclusive Government, the government created a standalone Ministry of Tourism and Hospitality Industry.

The policy changes that were effected in terms of the location of the sector reflected the general government thinking on the role of tourism in the economic development of the country at each specific time in the country's political history. For example, before independence tourism was combined with information because it was used as a propaganda tool for the settler regime. The changes that occurred in 1982 were informed by the realization that the sustainability of the sector was depended on the successful implementation of natural resources conservation programmes. The 2009 development is a result of the need to use tourism as a key pillar of the country's economic growth.

Before independence (1980) tourism was governed by the Development of Tourism Act 1975 which was administered by the then Rhodesia National Tourist Board (RNTB). The board was under the Ministry of Information, Immigration & Tourism. At Independence the RNTB was transformed into Zimbabwe Tourist Board (ZTB) which was responsible for both regulatory and commercial operations. Tourism was then redefined under the new dispensation following the amendment of the 1975 Tourism Act through the promulgation of Development of Tourism Amendment Act 1984. The Amendment Act provided for the formation of Zimbabwe Tourist Development Corporation (ZTDC), a government parastatal. ZTDC then superseded ZTB which was responsible for both destination marketing and commercial services.

The ZTDC faced numerous challenges which ranged from the problems associated with being a player and at the same time a regulator to inconsistencies in funding. Subsequently a new Act was promulgated to reform ZTDC. A private company was formed out of ZTDC, Zimbabwe Tourism Investment Company (now RTG). The Zimbabwe Tourism Authority was formed through the Tourism Act Chapter 14:20 of 1996. The main functions of the ZTA include the promotion of Zimbabwe as a prime tourist destination to the overseas, regional and domestic market.

### 4.2 Tourism Policy Framework

Despite the importance of tourism, the sector has been operating without a guiding policy framework. Development of the industry was premised on the concept of low volume high spending tourism which was not backed by any concrete policy documents. The Ministry of Tourism and Hospitality Industry has however completed the drafting of the National Tourism Policy to guide the operations of the tourism sector in the country. The draft policy was adopted by Cabinet in August 2012. The process of crafting the policy started in 2010. The objectives of the tourism policy are spelt out as, to:

- create an enabling environment for the development and management of the tourism sector;
- attract investment on new and existing tourism products;
- promote domestic tourism development;
- improve image perception of Zimbabwe;
- improve the tourism sector's contribution to the economic growth;

- promote regional and international engagements; and
- promote sustainable tourism development.

There is, therefore, need for speedy finalisation of the Policy to facilitate the implementation of programmes and regulations that will ensure that the tourism sector becomes the engine of economic growth, as envisaged in the policy document. Furthermore, given its cross cutting nature the potential of the tourism sector can only be fully realised when a range of policy frameworks affecting the sectors linked to tourism are in place and are properly synchronised and harmonised.

The National Tourism Policy outlines pronouncements on a wide range of issues which require specific programmes to be developed and implemented in order for tourism to make a meaningful contribution to the economic growth of the country. For example, the country urgently needs to develop a Tourism Master Plan which will ensure that the sector develops in a systematic and planned manner.

### **4.3 Tourism Marketing**

Tourism marketing in the country can be divided into four broad phases:

- The period immediately after independence (1980-1984);
- The period of stable growth (1985-1999);
- The period of stagnation and decline (2000-2008); and
- The period of recovery (2009-2012).

The focus of the marketing strategy for the period after independence was to position the country as a new African destination. Marketing programmes were geared at establishing market presence in the traditional source markets like the United Kingdom, Germany, North America, South Africa and Australia. Tourist offices were opened in these areas to service the needs of the travel trade and to create public awareness of the new destination. The country used the positioning statement “ZIMBABWE; WAITING TO BE DISCOVERED” in its promotional material in a bid to raise curiosity about the destination in the source markets. The marketing activities undertaken by the Zimbabwe Tourist Board resulted in noticeable increase in tourist arrivals to the country.

The period of stable growth was characterised by marketing programmes that were aimed at consolidation of market share in the traditional source markets, exploring of niche markets in the same areas and penetration of new markets. It was during this period that the country expanded its promotional activities to new markets like France, the Netherlands, Italy, Spain and New Zealand. The marketing programmes also focussed on special interest markets like conferences and incentives. The main thrust during the period was the establishment of partnership programmes with tour operators in the source market who were dedicated in packaging holidays to Zimbabwe. The country changed its positioning statement to “ZIMBABWE AFRICA'S PARADISE”. The change was meant to reflect the country's competitive position in Africa as a preferred holiday destination in the continent. The country recorded positive annual increase of tourist's arrivals. The industry witnessed continuous growth with direct employment in the sector reaching 200,000 in 1999.

The marketing programmes that ZTA embarked on during the period 2000-2009 were driven by the need to respond to the market perception of the country as an unsafe and politically unstable destination. The negative publicity that the country received during and after the implementation of the land reform programme was such that the destination was viewed by tourists in the traditional source markets as a “no go area”. ZTA repositioned its marketing efforts and focused attention on the Eastern markets with countries like China, Malaysia and Russia as the key targets. The refocusing of the marketing strategy was in line with the country's “Look East Policy”. The macro economic and political environment obtaining in the country during the period rendered the marketing activities ineffective. For example Zimbabwe's market share of tourists arrivals to the SADC region declined from a figure of 16 percent in 2000 to 9.5 percent in 2008 (RETOSA,2010).

The established of the Unity government helped to improve the image of the country in both the traditional and the new source markets. The marketing thrust of ZTA has been on re-establishing links with key tour operators and decision makers in both the old and new source markets. Besides participating in the major travel shows around the world, ZTA has also expanded its media and travel trade familiarization programmes in order to ensure continued improvement of the country's image in the source markets. The country has been rebranded as a way of repositioning it on the market. A new positioning statement "ZIMBABWE A WORLD OF WONDERS" has been adopted and is being used in all the country's promotional material. Overall these efforts have resulted in the slow recovery of the sector.

#### **4.5 Tourism and the Environment**

Zimbabwe's tourism is based on its varied natural resources ranging from wildlife, water, flora and outstanding physical features. The environment has been the springboard of the growth of the industry. Policies and programmes that have addressed issues of natural resource conservation and the involvement of rural communities in tourism stemmed from the historical protectionist ethic which focussed on protection of natural resources as a public good. This approach saw 13 percent of the country's land mass being devoted to national parks estates (Nyaruwata, S. 2011). The country has a number of policies and regulations that are aimed at protecting the environment such as:

- The 1982 Amended Parks and Wildlife Act;
- The Environment Management Act of 2004;
- The Forest Act chapter 22 of 2001; and
- The National Environment Act 2004.

The National Environment Act of 2004 includes, among its objectives, the need to conserve biodiversity and maintain the natural resource base and basic environmental process to enhance environmental sustainability. It further seek to encourage sustainable development by optimising the use of resources and energy and minimising irreversible environmental damage, waste management and pollution through incorporation of provision for environmental assessment and management in all economic and developmental activities" (SAIEA: Handbook of Environmental Assessment Legislation in the SADC region YEAR) .

Given the above regulations and a wide range of environment related conventions and protocols the country is signatory to, it would be expected that natural resources conservation would have been a success story in the country. However, the converse is the reality that the country has experienced. This is due to a number of factors which include among others:

- Lack of political will to enforce regulations;
- Political interference in regulation enforcement; and
- Lack of harmonization of government regulations.

The Mines and Minerals Act is an outstanding example of the lack of harmonization of regulations which has affected the conservation of natural resources in the country. For example, recently some companies were granted authority to mine coal in the Hwange area. The project is threatening the Gwayi Valley Intensive Conservation area which has a thriving hunting and photographic safari business. Similarly, the Matusadoma World Heritage site is threatened by the possibility of mineral sands mining exploration in the Ruckomechi and Chewore rivers. The major problem with the Act is that it elevates mining activities above a large number of other economic activities in the country. There is, therefore, the potential danger that the country's tourism icons could one day be turned into centres of mining activity with all the environmental damages that mining entails.

## 5.0 CONTRIBUTION OF TOURISM TO ECONOMIC DEVELOPMENT

There is an increasing consensus on the importance of tourism in Zimbabwe as a strategic sector in the national economy insofar as it makes an essential contribution to the economic well-being of the resident population and to the economic objectives of the government. However, measuring the contribution of tourism to growth remains a challenge in the absence of a Tourism Satellite Accounting (TSA) system. The TSA system is very important for the effective tracking and efficient accounting of the contribution of tourism to growth and all the flow-through effects of tourism. TSA serves as an instrument to analyze in detail all aspects of demand for goods and services associated with the activities of visitors (UNWTO, 2008). The system is further used to observe the linkages between supplies of goods and services in the economy and to show how supply of goods and services interacts with other economic activities. In situations where there is no TSA system in place as is the case in Zimbabwe, the contribution of tourism to growth is often understated. However, for the purposes of accounting for the contribution of tourism, this study uses the UNWTO definition of tourists. In order to ensure international comparability of tourism statistics, the UNWTO adopted a set of definitions, which member countries including Zimbabwe adhere to when collecting tourist statistics (Box 1).

### **Box 1: UNWTO Definition of Tourists**

Visitor: A person travelling to a country other than the country in which he/she has usual residence for a period not exceeding one year without seeking work in the country visited.

Day Visitors: Staying in the country visited for less than 24 hours

Tourists: Staying in the country visited for more than 24 hours (at least one overnight stay)

Tourists includes the following categories of visitors:

- Leisure tourists: those travelling for holidays and leisure activities
- Business tourists: those travelling on business missions including attending conferences
- Visiting friends and relatives (VFR): those whose primary motivation is to visit friends and relatives

Available statistics from ZTA show that over the period 2000 – 2010, Zimbabwe's tourism industry was bedevilled by a host of challenges hence the lower than expected performance. The major reason of the decline in tourism performance was the negative publicity attached to the country following the implementation of the land reform programme. This was followed by the economic meltdown characterised by high rates of inflation, price controls, exchange rate distortions and negative economic growth. These challenges limited the sector's overall contribution to GDP.

Over the period 2004-2006 tourism contribution to GDP averaged below 5 percent rising to 11.5 in 2008, (Figure 4), on the back of the various marketing activities by ZTA. However it declined to 7% in 2010 on the back of rising challenges related to limited airline connectivity. The sector's capital investments averaged 8.5 percent between 2004 and 2008, before falling to 6.5 in 2010. Tourism contribution to export earnings has been high averaging 15.86 from 2004 to 2010, (Figure 4).

Figure 4: Tourism Contribution to GDP, Exports, Capital Investment

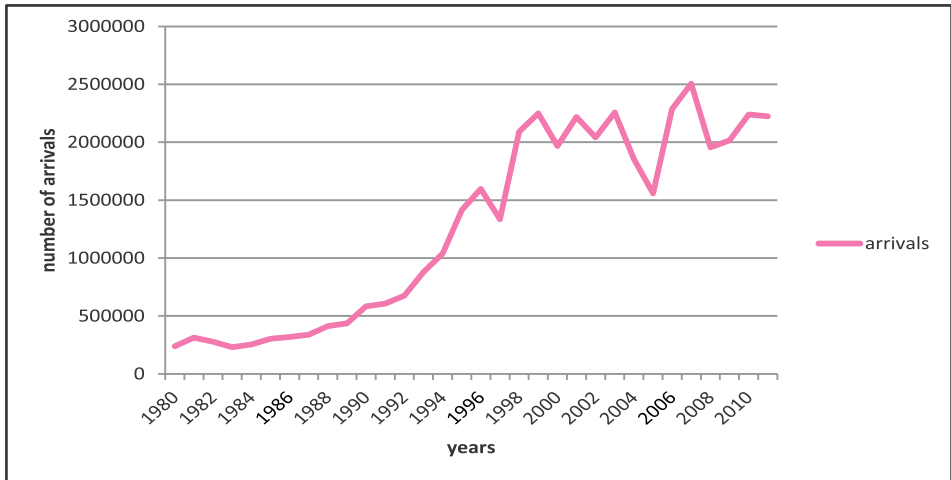


Source: ZTA

### 5.1 Trends in Tourist Arrivals

Since 1980, tourism arrivals have been increasing yearly at an average rate of 17.5 percent. The first drop by 11 percent was recorded between 1999 and 2000. The following years (1996- 2008) were marked by fluctuations in numbers of arrivals, rather than the growth trend that was experienced from 1980- 1999. Arrivals began to peak again from 2009, where arrivals rose by 3 percent and in 2010 by 11 percent. The growth pattern continued into 2011 where a growth rate of 8 percent was recorded.

Figure 5: Number of Tourist Arrivals: 1980 - 2010



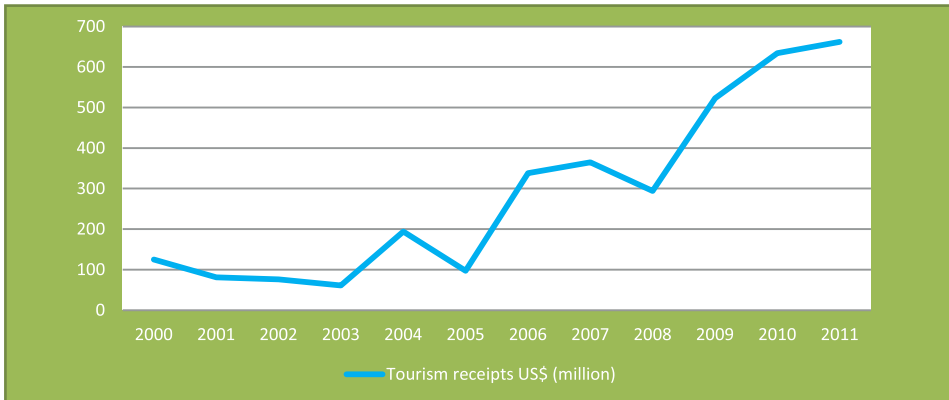
Source: ZTA

The trend in tourist arrivals to the country is closely related to the political, social and economic developments in the country since independence in 1980. For example the decline in 1982/83 is related to the political disturbances which occurred in Matabeleland and the Midlands provinces whilst the decline in 2008/2009 was a direct response to the political violence that occurred in the country during the 2008 harmonised elections.

## 5.2 Tourism Receipts

The performance of the tourism sector is also reflected through tourism receipts<sup>1</sup> (Figure 6). The tourism receipts were depressed during the period 2000 – 2005, mainly on the back of negative publicity following the country's land reform programme. After 2005 the tourism receipts took an upward trend. The tourism receipts have increased from a low of US\$61 million in 2003 to US\$662 million in 2011, (Figure 6). This trend follows a rise in foreign visitors to Zimbabwe over the period under review. Though the industry has been enjoying increased amount of receipts, funding for marketing and maintenance of tourism infrastructure has been inadequate. (Compared to South Africa, the Tourism Authority in South Africa gets about 90 million Rands (approximately US\$9.8 million) and 5 percent of the levies compared to ZTA whose allocation from the National Budget was only US\$1.7 million for 2013).

Figure 6: Tourism Receipts: 2000 to 2011 in US\$ Millions



Source: ZTA

## 5.3 Hotel and Lodge Room Occupancy

On average, lodges and hotels have been operating below 50 percent of their capacity. The least amount of business with regard to lodge room occupancy averaging 26 percent was recorded in 2009, (Table 2). This was a result of the legacy issues of the decade long economic crisis that was characterised by record inflation rate, worthless currency, low investor confidence and dilapidated infrastructure. Further, the negative publicity that the country attracted during the 2008 elections resulted in regional and international tourists shunning Zimbabwe as a holiday destination and hence the low room occupancy rates in the country's lodges and hotels, (Table 2).

Table 2: Lodge Room Occupancy Rates (percent): 2007 to 2011

CITY	2007	2008	2009	2010	2011
Harare	28	41	31	31	33
Bulawayo	26	32	24	33	33
Hwange	18	28	12	16	23
Kariba	24	22	24	29	33
Masvingo	14	37	32	24	24
Midlands	50	46	32	24	24
Mutare	56	52	32	35	48
Nyanga	12	13	18	31	32
Beitbridge	46	34	26	41	41
Vic Falls	20	25	24	28	28
Average	29	33	26	29	32

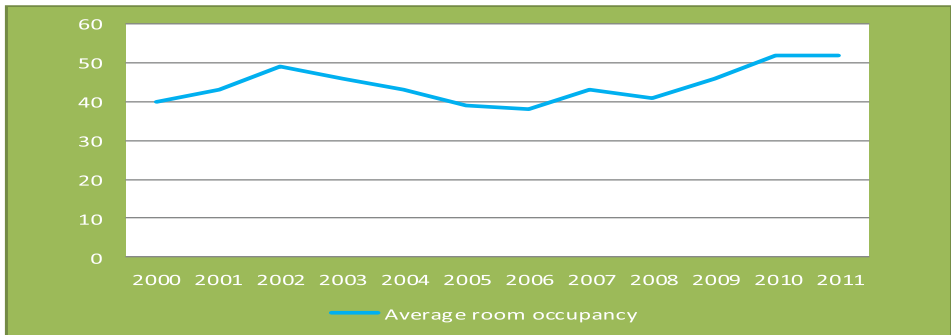
Source: ZTA

<sup>1</sup>Tourism receipts in Zimbabwe are derived from several sources including: all tourist enterprises in the country, using TRSA monthly returns forms, all hunting enterprises using TR2 forms, CAAZ airport departure tax and landing fees, National parks monthly returns, National Museums and Monuments revenue figures, Air Zimbabwe foreign tourist sales, ZIMRA revenue on carbon taxes and road taxes paid by foreign tourists and estimates of payments by VFR tourists and purchase of curios and other items not formally captured. These are compiled by ZTA and a comparative is done with the Reserve Bank of Zimbabwe.



Whilst there has been a general upward trend, in capacity utilisation in hotels, the average room occupancy rates have however remained below 50 percent, until 2011 when it rose to 52 percent, on the back of political and macroeconomic stability, (Figure 7).

**Figure 7: Average Hotel Room Occupancy: 2000-2011: (Percent)**



Source: ZTA

## 6.0 KEY ISSUES RAISED FROM STAKEHOLDERS INTERVIEWS

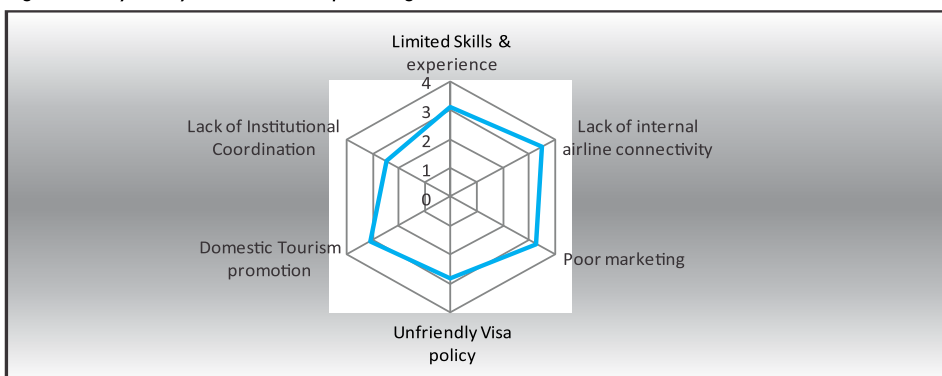
### 6.1 Policy Priorities

Whilst the Government has put in place policies to support the growth of tourism, stakeholders raised concern with regards to poor policy implementation and costly policy reversals. For instance, stakeholders noted that issues around access, infrastructure upgrading (road, rail and airports) have been well articulated in various policy pronouncements but have not been fully implemented. The role of government, therefore, should be one of industry upgrading and improvement in hard (tangible) and soft (intangible) infrastructure at every level of development of the tourism industry. Such upgrading will yield large externalities to the firm's transaction costs and returns to capital investment-thus giving positive signals to investors to invest in the country.

However this has not been the case, as the operating environment is adversely affected by policy reversals and inconsistencies. Specific reference was made to the recent Statutory Instruments (SI) 124/ 125 waiving duty on the importation of capital goods and specialised safari vehicles. The latter was valid for 6 months from October 2011 and was extended to June 2013. Whilst this was a welcome development, stakeholders raised concern that the initial 6 months was too short, given the time required to mobilise resources as well as the time lag in importing the equipment. In that regard, it was noted that a lengthy timeframe of at least a year should have been given for its implementation. On the SI 124 on capital goods, stakeholders noted the bureaucracy that has characterised the process and a lack of clarity on the specific items that can be imported under the SI. The imported goods are taking long to be cleared and in some cases operators are being asked to pay duty when initially they had been cleared to import duty free.

Furthermore, tourism growth is driven and supported by a coherent system that works to drive the tourism agenda forward. These systems are enabled by the existence of government policy that supports and regulates their operation. Discussion with stakeholders in the tourism industry identified six priority areas that government policy must address for sustainable growth of the tourism sector. These are: lack of internal airline connectivity, poor marketing, lack of institutional coordination, limited skills and experience, lack of domestic tourism promotional activities and an unfriendly visa policy, (Figure 8).

**Figure 8: Key Policy Issues that Require Urgent Government Intervention**



Source: Authors' compilation

#### i. Lack of Internal Airline Connectivity

Tourism is an export product that the clients have to consume it at source; hence access to destinations at reasonable prices is a precondition for the development of tourism. However, the country's tourist destinations are highly inaccessible by air making travelling between different places difficult. This has also been compounded by roads that are in a bad state, characterised by potholes, poor signage and high accident rates.

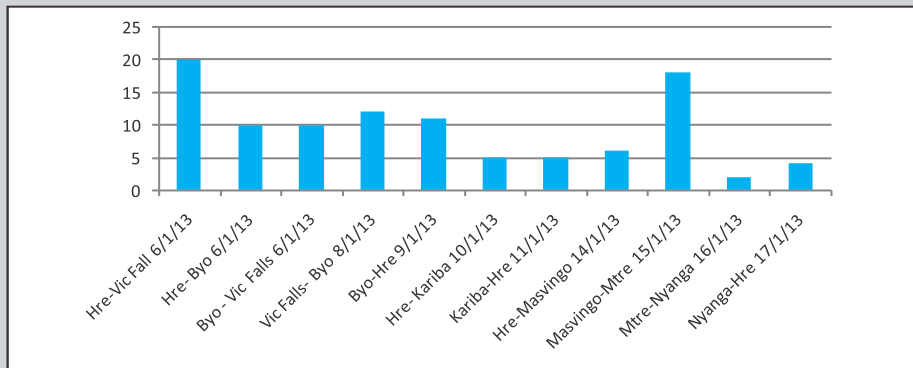
Whilst there has been progress in opening up the skies to international airlines into Zimbabwe, it remains a nightmare to link the tourists to various destinations like Kariba, Victoria Falls, Hwange, the Eastern Highlands and Masvingo. In addition, there are no luxury coaches linking the respective tourist destinations with the major cities/ towns except for the Harare-Bulawayo-Victoria Falls route. Further there are no tour packages and tour coaches to enable tourists to travel from centres like Mutare to the various destinations like Mtarazi Falls, Vumba, Mt Nyangani, Hot Springs, among others. Tourists would need to travel by public transport or taxis. The same challenges are encountered in other resorts like Masvingo and Kariba, which are not serviced by scheduled luxury coaches.

Tourists are financially rich and time poor. Travelling by road is not the most ideal form of transport for a majority of them. The problem is compounded by the presence of numerous police check points, which unnecessarily lengthens travelling time. Stakeholders in the industry thus raised concern on whether the country is now a police state, given the feedback they receive from tourists concerning harassment at these numerous police road blocks, (Box 2).

**Box 2: Police Highway Check-up Points along the Major routes to Tourist Destinations**

Travelling between Harare and Victoria Falls on the 6th of January 2013, the Researchers were met with a total of 20 police road blocks, and could have been more had it not been raining. These were broken down as 10 between Harare and Bulawayo and a further 10 from Bulawayo to Victoria Falls. However, on the return from Victoria Falls to Bulawayo on the 8th January the check points had increased to 12. Assuming an average of 5 minutes is spent at each of these roadblocks; it means almost 2hrs is lost on roadblocks alone, which unnecessarily increases the total travelling time.

**Figure 9: Police Road Blocks on Highways to Selected Tourist Resorts**



On major roads, police road blocks average 1 per every 20 kilometers and one wonders why, and for what purpose they are serving and to what benefit? Although, the Researchers were not stopped at all these points, the situation is not the same with tourists driving foreign registered cars. This is mainly because some of the requirements they are looking for from motorist may not necessarily be the same requirements in countries of origin, e.g. reflective vests, triangles and fire extinguishers. Moreover, the country is a signatory to the Vienna Convention on Road traffic of 1968, which stipulates that “The vehicle must meet all technical requirements to be legal for road use in the country of registration. Any conflicting technical requirements (e.g., right-hand-drive or left-hand-drive) in the signatory country where the vehicle is being driven do not apply”. Hence, foreign tourists should not be subjected or obligated to meet local requirements in as far as they meet traffic regulations of their countries of origin.

The feedback we received from some tour operators and hoteliers, regarding tourist pestering at police road blocks, were not encouraging at all. The perception is that the road blocks portray the country as a police state. The police are regarded as, highly corrupt and unfriendly to foreign tourists.

Below is an extract of an email from a German Tourist who visited Zimbabwe sometime in December 2012.

*"A few weeks ago we stayed in your lodge with our Germans registered grey Ford Motorhome. We discussed that the main problem we had in Zimbabwe were the numerous police road blocks where often policemen are trying to find anything to get a fine of \$20. I know that in internet forums for overland travel this is widely discussed and warnings are issued to avoid Zimbabwe. Several travelers we met have left Zimbabwe earlier than planned because of the harassment by police. One traveler was on what was supposed to be an extended research trip for a Tourist Guidebook for Zimbabwe left prematurely after having been forced to spend a total amount of \$180 on "fines". He said that his advice in his travel publications will simply be "do not go to Zimbabwe" and he will not publish the planned Guidebook.*

*You are asked to repeat my comments in writing*

*I also told you that the police near Victoria falls threatened to arrest us if we did not pay \$20. They alleged that our car (a Motorhome with less than 3.5t) needed red reflecting stripe over the full width of the rear of the car and something they called chevrons whatever it is in addition to white reflectors in the front (which we had) and the red reflectors in the rear (which we also had). Incidentally no other police checkpoint claimed that before or afterwards and police at the boarder had confirmed that my vehicle meets Zimbabwe requirements.*

*As I told you it is under Zimbabwean and international law illegal for police to require ANY modification (even the famous white and red reflectors) of a foreign registered vehicle which meets the technical requirements of its home country. As a lawyer who specializes in international law I can confirm that to you.*

*This is expressly stated in the Vienna convention on road traffic 1968 of which Zimbabwe is a signatory since 31 July 1981(<http://treaties.un.org/ages/viewDetailsIII.aspx?&src=TREATY&mtdsgno=XI~B~19&chapter=11&Temp=mtdsg3&lang=en#EndDEC>) The text of the Convention can be found here (<http://www.unece.org/fileadmin/DAM/trans/Conventn?crt198e.pdf>) and description for lay men here ([http://en.wikipedia.org/wiki/Viena\\_Convention\\_on\\_Road\\_Traffic#Cross\\_bordervehicles](http://en.wikipedia.org/wiki/Viena_Convention_on_Road_Traffic#Cross_bordervehicles)).*

*It would certainly help tourism if harassment of tourists by police would stop and if police were instructed to refrain from extortion".*

Stakeholders in the sector proposed that Government should open the skies to low cost, small airlines to service the domestic routes. They noted that the increasing volume of traffic brought by the entry into international routes by reputable airlines e.g. Emirates should be complemented by an efficient domestic air service in order to ensure that tourists are able to visit the country's different holiday destinations. They pointed out that the country continues to lose revenue given that tourists now prefer to fly through South Africa or Zambia (Livingstone) to visit Vic Falls, which are better serviced by scheduled and reliable airlines. Lack of regular scheduled airlines to tourist's resorts like Kariba and Hwange has resulted in continued decline in tourist arrivals.

Lack of internal airline connection does not only affect tourism, but also increases the cost of doing business as much of the time is lost travelling. The majority of tourists would prefer to access as much of the products offered by the country but have limited time hence the need for air transport. With regards to Air Zimbabwe, stakeholders suggested that measures should be put in place to revive the national airliner as this also helps in marketing and attracting tourists into the country. It was noted that Air Zimbabwe should be allowed to compete with other airlines both on the local and international routes. Competition is good as it helps improve efficiency, quality of the service and lowers the price.

It was pointed out that Air Zimbabwe was among the best airlines in Africa in the late 1990s when there were more than 33 airlines coming into Zimbabwe. It was indicated that the airline has the potential of successful revival if the management can draw lessons from the success factors that anchored the airline's performance during the period of stiff competition. Stakeholders also noted that whilst government has

made substantial investment in upgrading and rehabilitating of airport, there is need to fully implement the open the skies policy so that the airports are fully utilised and the country begins to enjoy the efficient gains and competitive airfares associated with increased competition. This will enable the government to earn a return on its investment. Stakeholders further indicated that the open skies policy should also be extended to domestic routes and complemented by an expanded airport and aerodrome rehabilitation programme targeting all the major tourist destinations, e.g. Masvingo, Mutare, Chiredzi, Nyanga, Hwange and Kariba.

## **ii. Poor Marketing Strategy and Programmes**

The general notion at industry level is that marketing of the nation's endowment with competitive tourism attractions is not adequate to ensure the growth of the industry. It was acknowledged that ZTA has made some efforts in marketing the country but these efforts need to be more innovative and expanded in order to ensure that the country derives maximum benefits from its natural and manmade endowments.

During the consultation, there were mixed feelings among the tourism stakeholders on the effectiveness of ZTA in marketing and promoting the country. Some stakeholders felt that the current thrust in marketing is selective with an over concentration on Victoria Falls at the expense of other destinations. The effort that is exerted at marketing Victoria Falls should be distributed evenly to other areas in the country given that the country is awash with tourist products. It was noted that some of the key attractions like Lake Mutirikwi in Masvingo area are underutilized due to lack of promotion.

There was also the perception that there is minimal consultation with the industry in terms of market segments to target as a country as well as the promotional activities to undertake. It was pointed out that operators have had to market their products individually in both regional and international markets which is very costly. This has resulted in lack of effective partnership between the public and private sector in marketing and promoting the country. Stakeholder's perception was that the 2 percent tourism levy which the industry was contributing was not being effectively channelled to the marketing and promotion of the country.

In addition, stakeholders pointed out that ZTA lacked adequate product knowledge due to lack of in-depth research about the industry. It was noted that the lack of knowledge is reflected in the poor quality of some of the organization's promotional material as well as the limited range of collaterals it produces to promote the country. Stakeholders emphasised the need for ZTA to try and match world class standards when it comes to the quality and creativity of its marketing.

On the other hand the stakeholders have acknowledged the efforts that ZTA has put in promoting the country given the adverse macropolitical and economic environment of the country during the period 2000-2008. It was noted that the organization has been able to put back a number of destinations on the tourist map through its media and travel trade familiarization programmes. For example interviewees in Masvingo pointed out that destinations like the Great Zimbabwe Monument is now back on the international tourist map due partly to the marketing efforts of ZTA.

In view of the foregoing, there are a number of issues that ZTA needs to address in order to improve the marketing and promotion of the country which include the following:

- The ZTA website needs to be kept up to date. It needs to be revamped and have more links to the country's tourist products. There is also a need to maximize the potential of the internet as an effective marketing tool and source of comprehensive visitor information;
- ZTA needs to consider the setting up of a Private Sector Advisory Group (PSAG) comprised of senior executives of local and a regional private sector organizations to provide advice and direction to its marketing program;
- Engage the private sector more in dialogue in order to develop consensus and a common vision on marketing and promotion of the country; and
- Capacitate publicity associations as these play a major role in the promotion of tourism within their regions of operation.

### iii. **Lack of Domestic Tourism Promotion**

Domestic tourism is a major component of any country's tourism industry. It provides a sustainable base for the local industry when there is a downturn in international tourist arrivals. Reference can be made to countries such as South Africa where tourism growth is underpinned by a vibrant domestic market. Domestic tourists constitute the largest market segment for the country's accommodation sector with the exception of Victoria Falls. In 2011, the majority of the country's resorts domestic tourists make up to 80 percent or more of the clients of hotels and lodges, (Table 3).

*Table 3: Hotel Room Occupancy and Client Composition 2011*

Region	Room capacity	Room OCC (%)	Local (%)	Foreign (%)
Harare	2371	53	81	19
Bulawayo	785	47	92	8
Mutare/Vumba	470	57	94	6
Nyanga	244	33	86	14
Midlands	314	35	100	0
Masvingo	190	49	96	4
Kariba	447	40	96	4
Hwange	293	25	85	15
Victoria Falls	971	50	30	70
Beitbridge	275	63	94	6
National	6360	52	86	14

*Source: ZTA 2011 Annual Statistical Report*

Notwithstanding the high occupancy rates by domestic tourist, it should be noted that the majority of the domestic tourists are mainly people on business and conferencing, whose consumption of other tourist products is limited. There is therefore, need to encourage individual and family visits.

Stakeholders observed that whilst ZTA has been talking of implementing a domestic tourism strategy nothing so far is visible on the ground. It was further noted that different institutions (National Parks and Wildlife Authority, National Museums and Monuments etc.) are going it alone in their attempts to promote domestic tourism. ZTA needs to give leadership in advocating for a partnership and coordinated approach to promotion of domestic tourism. Stakeholders expressed concern with regard to the neglect that has been given to the domestic market in comparison to the international market given the fact that the industry has been sustained by the domestic market.

Domestic tourism is largely affected by the high cost on account of numerous fees and levies charged by various Government departments to access national parks or water sports. As such, stakeholders in the sector indicated that product pricing becomes a function of costs, which automatically forces prices up. National Parks levies needs to be synchronised to reduce the burden on the tourists. For instance, Safari operators are required to pay annual license fees and US\$5 for locals and US\$ 10 for foreigners, for every tourist entering national parks and participating in water activities. Safari operators using helicopters are subjected to "double-taxation", by CAAZ for use of airspace, national parks for aerial view of national parks and the Falls (in the case of Victoria Falls) and are required to pay per passenger/ tourist to these respective government departments. It is therefore essential for Government departments to harmonise their fees and charges levied on operators. Similarly, accommodation charges are high mainly driven by the fact that hotels go for lengthy periods running on costly generators, which costs are factored into the final price of accommodation.

Other factors affecting domestic tourism include the following:

- Lack of awareness of holiday opportunities in the country;
- Lack of a culture of taking leisure holidays;
- Perception that going on holiday is expensive;
- A price sensitive market segment due to limited disposable income;
- Lack of tour packages that are aimed at stimulating demand;

- Domestic tourists paying the full price for holiday products compared to international tourists who access special rates used by tour operators;
- Lack of coordinated promotion of domestic tourism by the players in the industry: ZTA, Private sector, National Parks and Museums and Monuments each following their own strategies;
- Poor road infrastructure and lack of signage discouraging potential domestic tourists to go on holiday;
- Meal rates in hotels which are too expensive for the domestic market-breakfast costing \$20/25 per person at three star hotels. A family of four have to fork out \$100 which is enough for a week supplies at home; and
- National Parks prices that were introduced through the Parks and Wildlife Authority (Tariff of Fees) By-laws of 2012 and became effective in January 2013 are beyond the reach of a large segment of the domestic tourists.

#### **iv. Lack of Skills and Experience**

As the sector grows it is critical that it develops skills that will meet and match international standards. The country will need a competent and skilled workforce in order to be globally competitive and offer a world-class visitor experience.

The exodus of skilled manpower that took place during the crisis period in the country continues to haunt the industry. The industry has not yet recovered from the skills flight pandemic which the nation witnessed during the economic down turn of 2000 to 2008. Currently executive chefs and managerial positions in the hotel industry are occupied by a majority of personnel with limited experience and technical skills. As the industry grows the country faces a challenge of lack of experienced and skilled middle managers.

Despite the genesis of a plethora of universities and colleges offering hospitality and tourism courses in the country, there has been a decline in the quality of the graduates which are being churned out of these institutions. The shortage of qualified teaching staff and the profit motive behind enrolment into institutions has given birth to half-baked personnel manning the hospitality industry. Stakeholders in the industry believe that recruitment into the institutions offering courses in the tourism and hospitality industry is now based upon ability to pay fees and not passion for the industry as was the case in the past. It was argued that this development has contributed to the skills quality gap.

Evidence from the research indicated that one's "O&A" level results and the ability to pay fees is now the driving factor for being enrolled into these institutions. This development has created a situation where "wrong" candidates are being enrolled, who are ready to change careers if something that is perceived to be better opens up. The tourism job is being regarded as a stop gap measure and therefore, this compromises the quality of service that is offered as the cadre are not committed to the sector.

In order to bridge the skills quality gap, most companies in the sector are now offering in-house training for their staff. The main idea is to offer staff hands on training as well as giving them the opportunity to improve their skills. However, these internal efforts are being challenged by lack of experienced personnel to undertake the training. One frustrated operator viewed the in-house training as "poisoning" of staff as the trainers themselves need appropriate training.

Whilst it is generally accepted that Zimbabwe has the most friendly tourism workforce in the SADC region, this is not adequate for delivering a world class service to the customer. Customers expect and demand professional and efficient service which the sector is currently not in a position to deliver. This is a major cause for concern for the forth coming UNWTO conference that is being co-hosted with Zambia in August 2013.

The current low capacity utilization being experienced in the sector has also led to staff lying idle hence leading to the depreciation of their skills. Evidence from the study showed that staff gets overwhelmed when customer numbers reach normal levels. For example Researchers witnessed a situation in Victoria Falls whereby the hotel at which they were staying ran out of bread, fresh fruits and cereals during breakfast due to the fact that the hotel had full occupancy during the previous night.



Another factor contributing to the exodus of skilled staff in the industry is the current remuneration levels in the country compared to the regional counterparts. Wages are generally low in comparison to other countries in the region together with the prevailing economic conditions in the country. Organizations in the sector have developed an approach where staff members are given titles without the appropriate employment package. This alone is demotivating the labour force hence causing massive skills flight to other SADC countries. Closely related to this, a number of companies in the sector have been downsizing in response to low business volumes. The causalities of these strategies have been senior experienced and skilled senior management staff as they are the best paid personnel. The net result has been the manning of senior management positions in the sector by people who should be occupying supervisory positions within these organizations.

In order to adequately meet the demands of a growing tourism industry it is essential to adopt an approach that addresses both the short term and the long term needs of the sector.

The short term needs could be addressed through:

- Improvement of the technical skills of frontline staff: chefs, house-keeping, waiters, receptionists, tour guides, immigration, customs and the police;
- Retraining of lower and middle management staff in all areas of the sector to inculcate appropriate ethos of the service sector; and
- Exposure of senior management staff to international best practices.

The training programmes need to be developed as meaningful private / public sector partnership projects if they are to be successful. The long term needs could be addressed through the following, among others:

- Involve the private sector in the development of the curriculum of the institutions of higher learning offering tourism and hospitality courses;
- Encourage training institutions to specialize in different components of the sector in their courses; and
- Involve industry practitioners as guest lecturers and lecturers to have practical appreciation of the sector.

#### **v. Unfriendly Visa Policies**

Stakeholders in the industry implored on the government to look into visa policies which are currently not pro-tourism as well as the bureaucracies associated with the processing of a visa which are scaring away tourists. The pilot project to offer online visa applications need to be adopted as a full scale national policy on visa applications to the country. The industry reiterated that the nation is losing tourists to the regional competitors such as South Africa because of the stringent visa systems.

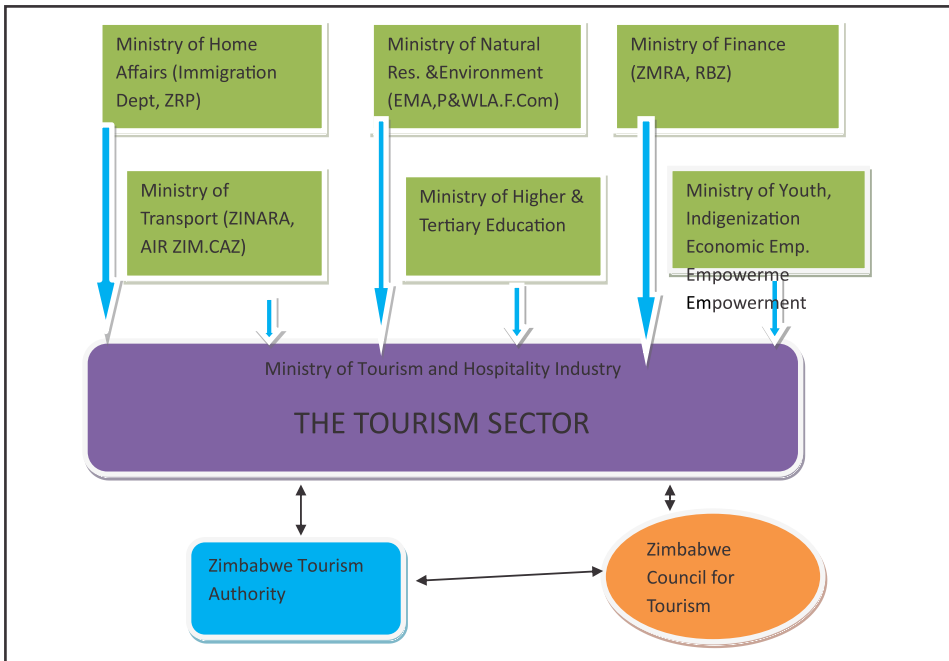
Closely related to the above is the issue of congestion at the various border posts, which affects the smooth passage of tourist. In easing congestion at the border posts, particularly Beitbridge, Government should consider establishing a Port Authority that coordinates the operations of the various government departments at the border post. The Port Authority could help create a sequential order for the government departments that travellers can easily follow. Players in the industry narrated numerous cases of South African tourists who experienced long delays at the Beitbridge border post during the Christmas holiday in December 2012 and had to return home and hence cancelling their holidays to Zimbabwe.

#### **vi. Lack of Institutional Coordination**

The tourism sector is affected by policies that originate from the ministries that govern the sectors it is linked to. Lack of effective inter-ministerial policy coordination has hampered the growth of the sector. Stakeholders in the industry expressed concern at the lack intergovernmental policy coordination. The different government institutions promulgate policies and regulations without considerations of their impacts on other sectors. This approach has negatively affected the sustainable growth of the tourism

sector because of its close linkages with different facets of the country's economy. The diagram below shows the key ministries whose policies directly and indirectly impacts on the growth of the tourism sector.

Figure 10: Key Tourism Institutions



Source: Authors' Compilation

The stakeholders noted that lack of coordination has resulted in the private sectors being charged a multiplicity of levies by different government departments to a point which it was becoming impossible for business to make a reasonable return on their investments. Examples were given of tour operators who undertake cruises on the Zambezi River or Lake Kariba who have to pay the following taxes/levies:

- Registration fee to Ministry of Transport;
- Lake tariff to Lake Water Authority;
- Tour Operators fee to Zimbabwe Tourism Authority;
- 2% tourism levy to Zimbabwe Tourism Authority;
- Annual inspection fees to Zimbabwe Tourism Authority and Water Authority;
- Annual licence fee to Ministry of Local government though the relevant local authority;
- Annual and daily park entry fees to the Parks and Wildlife Authority; and
- Quarterly payments of taxes to ZIMRA.

Some stakeholders felt that government was intentionally or unintentionally trying to make business people criminals as it was becoming almost impossible to do business in the sector without having to bribe some government official to exempt the organization from some of the nefarious charges.

The industry players also expressed concern over the institutional framework governing the tourism and hospitality industry. The perception is that there is no proper coordination and role clarity between the Ministry of Tourism and Hospitality Industry and the ZTA. The two organizations seem to be running parallel programmes. For example, the two organizations have each an office in the provincial centres

without a clear mandate of what each officer is responsible for. The general view from the stakeholders was that it is critical to streamline the duties and responsibilities of each organization so that both human and financial resources are optimally utilized.

Further, there is a general consensus from the stakeholders on the need for government and private sector to closely work together in order to establish a unity of purpose and a common vision for the development of the sector. It was noted that whilst relationships between the ZCT, the Ministry of Tourism and Hospitality and the ZTA was good it was essential to deepen the dialogue between the three organizations in order to ensure that the whole industry moves in the same direction. It was further noted that the ZCT is weak due to budgetary and manpower constraints and hence lack clout to effectively engage with public sector institutions.

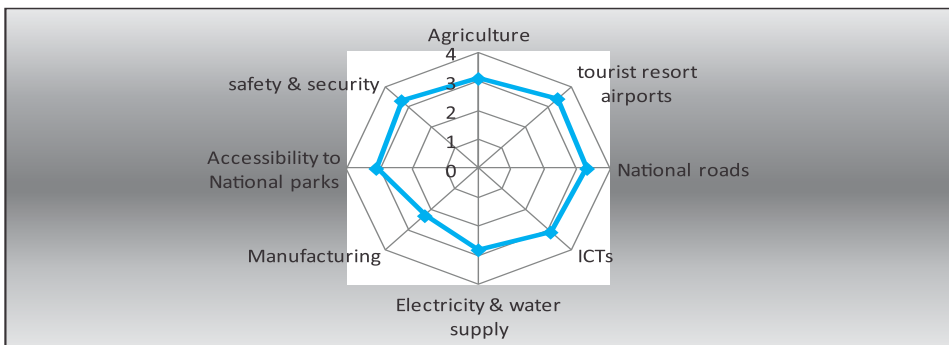
Stakeholders expressed concern on the lack of consistency and coherence on the application of the regulations of the environment policy on some new tourism projects in the country. Examples quoted included the controversial restaurant which was built in the Victoria Falls Rain Forest which is a World Heritage Site. The project attracted a substantial amount negative publicity in 2011 and 2012 (Financial Gazette 13th May 2011). Stakeholders' perception is that there was no proper Environmental Impact Assessment (EIA) undertaken on the project. Similarly stakeholders expressed dismay at the disregard of the regulation on the construction of the new hotel and shopping mall in Belvedere in Harare which is located in a wetland. Stakeholders questioned the ability of the Environmental Management Agency (EMA) to be a custodian of the National Environment Policy. The main concern of the stakeholders in the sector is that the growth of the industry may result in uncoordinated development leading to substandard products.

Whilst stakeholders highlighted the challenges that the industry faced as a result of lack of harmonization of regulations they also pointed out the need to be alert to some of the negative environmental effects that may be brought in by tourism growth in the future. It was indicated that at the height of the tourism growth during the mid-nineties curios had become a thriving industry in response to tourists demand for souvenirs. This had led to deforestation and extinction of certain tree species. This problem was noted by a number of researchers during the period (Braedtand-Gunda, 2000) .It was therefore pointed out that the government needs to be alert to these potential problems and manage them effectively as the industry recovers.

## 6.2 Key Enablers for Tourism Growth

Closely related to the above is the need for Government interventions in addressing the key enablers (infrastructure and supporting sectors) that are key in unleashing the potential of tourism and positioning Zimbabwe as a globally recognised tourism destination brand. These include, in order of priority, rehabilitation and upgrading of tourist resorts airports, safety and security, rehabilitation of the national road network, improvement in water & electricity supplies, ICTs, revamping the agriculture and manufacturing sectors, which are key suppliers of critical inputs, equipment, machinery and other ancillary services to the tourism sector.

Figure 11 :Key Enablers for Tourism Growth



Source: Authors' Compilation

Stakeholders in the sector strongly feel that strategies to encourage tourism growth should deliberately target these sectors. A policy framework that does not address the key enablers may fail to achieve the intended growth objectives.

### **6.3 Attracting Investment in the Tourism Sector**

The current state of the infrastructure in the tourism sector is tired and dilapidated hence requiring major investments. One major issue affecting investment is the lack of low cost financing. Like any other sectors in the economy, the tourism sector faces limited access to capital, given the liquidity crunch in the economy and limitations with regards to offshore financing due to the country's external payment arrears. Furthermore, access to domestic credit remains constrained by the not so conducive lending tenors being offered by the market. Banks are offering loans with average tenors of 180 days, which do not meet long term borrowing requirements for capital expenditures. In addition, when funds are available, they are often prohibitively expensive compared to external borrowing. As of end of 2012 lending rates ranged from 10- 35 percent per annum compared to interest rates offered by some donor agencies which are concessionary in nature, for example, the World Bank and some government-to-government facilities attract interest rates of below 2 percent over lengthy tenors.

On the international market the country is still perceived to be politically unstable and not credit worthy, hence securing funding from the international market remains difficult. The same factors are also making it difficult to source international partners for the tourism and hospitality industry.

During the discussion with the tourism players, there was general consensus on the need for a shared responsibility between government and private sector in investment in the tourism infrastructure with the government taking the lead in public infrastructure supporting the sector such as roads, electricity supply, water, sewerage reticulation, etc. while the private sector concentrates on the private infrastructure. Well structured Public Private Partnerships should also be pursued to resolve issues surrounding investment in tourism infrastructure.

Furthermore, investment in public utilities is essential given that tourism is an enabler driven sector. It is important that custodians of utilities are roped in to drive the tourism agenda forward. Government must create an Inter-ministerial working committee on investment that drives tourism e.g. roads, water and electricity.

Players in the industry appealed to the government to sort out the issue of bureaucracy which they encounter when registering their operations. The operators enumerated the long list of Ministries and they have to deal with in registering their business as well as in complying with the operational statutory requirements. The bureaucracy is scaring away potential investors to the country. Government should, therefore, consider establishing one central office which can handle all the investments needs of the tourism sector, as a well of improving the "ease of doing business" and attracting investors.

Any investment involves risk and therefore, Government interventions should seek to reduce risks to encourage businesses and entrepreneurs to adopt long term planning horizons. In the tourism sector, one key element to lowering investment risk is the need to address concerns regarding some aspects of the current Indigenisation and Economic Empowerment regulations so that they are consistent with the objective of attracting investments in the sector. In addition, stepping up efforts in enforcing bilateral investment protection and promotion agreements is required to ensure security of investment within the sector. Stakeholders urged government to uphold and enforce property rights and avoid the costly assault and invasion of tourism assets e.g. conservancies (Save Valley and Buby) and other assets.

### **6.4 The Use of ICTs in the Tourism Industry**

The tourism industry has experienced major evolutions since the growth of mass tourism in the 1960s. One of the major drivers of change of the business model within the industry has been the growth and adoption of Information Communication Technology as a key tool for product distribution and for communicating with potential customers (Buhalis, D. &Soo, H.J.2009; Karcher, K.1996; Poon, A.1993, 1994,) At present the internet is the fastest growth distribution channel of the tourist product with an

estimated 2 billion internet users worldwide in 2010 (Poon, 2011). A major recent development within the ICT sectors has been the convergence of network technologies and device technologies. For example, a modern smart phone can be used as a camera, an mp3 player, a webbrowser as well as a phone. The popularity of ICT devices can be seen by the growth of sales of these devices. For example, of the four billion mobile phones that were in circulation in 2012 one billion of these were smart phones (Accenture, 2013). It is estimated that by 2014 mobile internet usage will overtake desktop internet usage (ibid). The new tourist is accustomed to use ICTs for undertaking a range of activities pertaining to his/ her holiday needs. These range from searching for basic destination information to hotel and activity booking to payment for holiday products. Tourists are also using varied platforms for searching for holiday information ranging from social networks like twitter, facebook and LinkedIn to advisory platforms like travel advisor.com. This trend is expected to intensify in the future with social media is becoming a core channel- one that can be used as a marketing tool, to assess guest experience, to glean what customers candidly say about hotel properties and to be leveraged to influence customer behaviour, (Accenture, 2013).

The players in the industry acknowledged that the uptake of the use of ICTs is still low. The majority of small players in the industry confine themselves to establishing company websites, most of which are out of date and are difficult to navigate. However, the large companies like hotel chains have developed and adopted a range of ecommerce platforms on which they are able to transact business online. However the level of ICT platforms that the sector is offering is decades behind what the present tourist is expecting. For example within the hotel sector tourists now expect systems that give the ability for pre-check in, ordering of room service, book for touring activities and other services using their mobile phones. The country as a whole therefore needs to optimize digital channels in its marketing and promotional programmes.

The main concern of the stakeholders is the lack of efficient and reliable ICT infrastructure and unreliable power supply in both urban and tourist resorts. They indicated that most of the time the network systems are down and hence communication with clients becomes difficult.

In places like Kariba where the telephone system is still on the analogue system operators have had to invest in WIFI technologies. However the efficiency of the system is often compromised by a poor ICT backbone. It was further pointed out that clients are frustrated by their inability to use plastic money in most areas in the country. Within destinations like Victoria Falls Kariba, Masvingo and Nyanga, domestic tourists are also unable to use the local ZIMSWITCH money payment system as the technology is not functional in these areas.

Whilst the banking sector is beginning to address the issue of plastic money, the pace remains very slow and that the costs being charged are exorbitant. Most operators expressed alarm at the possibility of arriving at the date of hosting the UNWTO Conference in August 2013, without an efficient system of utilizing plastic money being in place.

In the medium-to-long term, the use of plastic money technologies should also be extended to those in the craft and curio business, given that cash transactions turn to limit tourist expenditures compared to the use of plastic money.

## **6.5 New Products Development**

Tourism development in the country has been based on its natural resources, its culture and its built environment. However, the tourism infrastructure is dilapidated and needs renewal. Overall the product range is narrow and limits the activities that tourists can undertake. Furthermore, both foreign and domestic tourists have no incentive to stay longer in the areas visited due to lack additional activities.

Players in the sector have not been able to finance their refurbishment and new investments because of lack of finance and the high costs of borrowing. Stakeholders noted the need for the creation of a tourism revolving fund that will enable the industry to borrow at viable interest rates so as to revamp and introduce products that can increase the length of visitors' stay and expenditure as well as reduce seasonal variations.

Current global trends in the tourism markets show a shift from the traditional sun, sea and sand mass tourism to more personalized, responsible and experiential holidays. The tourists are being driven by issues of ethical values relating to social, cultural and environmental responsibility within the places they visit and the products they use. Furthermore, growth in the different market segments in the sector is being influenced by the consumer search for “authentic experiences”. The key market segments include the following:

- **The nature based tourism (including eco-tourism) market segment.** It now accounts for 20-40% of international tourists (Centre for Responsible Travel-CREST, 2009). The growing urban population of the traditional markets as well as the new source markets is seeking to re-connect with nature. The segment has increased demand for hiking, camping, wildlife viewing, snorkeling and scuba diving holidays.
- **Cultural Tourism market segment.** It focuses mainly on Community Based Tourism (CBT). Strong growth has been observed from North America, Europe and Oceania (CREST, 2009).
- **Backpackers and Youth Tourism segment.** It has experienced major changes in its composition and characteristics with a large number of the travellers now including “mature youth” 26-30 years age group. The key motivations for travel for the segment are: exploring other cultures, experiencing excitement and increasing knowledge (CREST, 2009:82).
- **Volunteer and Education Tourism market segment.** This is a segment that incorporates unpaid participatory activities in their vacations e.g. building social amenities like schools and clinics in the destinations visited.
- **Adventure Tourism market segment.** The segment focuses on outdoor high adrenaline experience. Popular activities undertaken include mountain biking, white-water rafting, hiking, walking, kayaking, wildlife viewing and bungee jumping.

The study identified a wide range of new products which the country can develop in order to improve its international competitiveness as well as increase the length of stay of tourists in different destinations. These include:

- Development of family centred leisure activities which allow families to enjoy themselves together, drawing lessons from Sun City or Rotunda Junction model in South Africa. Places like Victoria Falls and Kariba will be ideal for this type of product development as they attract large numbers of family visitors;
- Development of health food restaurants in the tourist resorts and the main urban centres. Globally tourists are concerned about what they eat and there has been an increasing demand for health food outlets in areas visited;
- The majority of the country resorts offer very limited nightlife. Tourists, especially the youth market need 24/7 activities. There is, therefore, potential to develop products that will meet this growing demand of the market within the major tourist destinations;
- The country should maximize on its natural resources by offering products that focus on green tourism which has gained popularity worldwide. Potential products include: development of soft adventure tourism like white water rafting and hiking in the Eastern Highlands and agricultural tourism in most parts of the country;
- Tapping into the multiplicity of non-governmental organizations in the country in order to promote volunteer tourism;
- Victoria Falls has the potential to develop as staging post for tourism activities within its environs, for examples tourists can be taken to places like Binga and Hwange by helicopters for day trips;
- Victoria Falls is the country's Mecca for tourism, however there is no place that gives the tourist a full history of the area as well as souvenirs that relate to the growth of the resort. This is a project that the town council may consider;
- Promotion and development of domestic and international Meetings, Incentives, Conference and Exhibitions (MICE) market and related products e.g. stakeholders in Bulawayo raised the need for



- a modern convection centre for the city;
- Development of Ultra-City concept stopovers in the major highways where travellers can stop for refreshments and other supplies without fear of being robbed;
- Reintroduction of water based activities on lake Mutirikwi in Masvingo;
- Promotion of cultural tours around the environs of the Great Zimbabwe monument and other centres like Harare, Bulawayo, Victoria Falls, among others, drawing lessons from cultural centres like those in Ethiopia, Swaziland and South Africa;
- Development of additional accommodation facilities in Kariba which currently has 83 rooms only;
- Identifying tourists products that need to be developed at the Tokwe–Mukosi lake in Masvingo province; and
- Develop tourist products at historical sites e.g., the first liberation battle site in Chinhoyi.

## **6.6 Participation of Women in the Tourism Sector**

Whilst it is accepted that there is gender balance at lower and middle levels of the sector it was pointed out that senior management positions are dominated by men. Similarly there are very few women at board level in the tourism industry. This characteristic of the industry is a worldwide phenomenon. There is a general consensus by researchers that gender discrimination is prevalent across all levels of the tourism industry (UNWTO 2010, Ferguson, 2009 Prichard, 2005, Madzara, 2011). Women find it difficult to secure executive management positions which are presently dominated by men. There are several factors which have contributed to this state of affairs in the country's industry. These include among others:

- Societal values where women are expected to look after the family are in conflict with the long antisocial working hours that are commonplace in the tourism industry;
- Perception of the sector as an area that is conducive to low moral values;
- Perception by women managers that women in lower and middle management position are not taking the opportunities they are given to move to senior management position;
- Lack of a vibrant women organisation in the tourism sector;
- Lack of awareness of women role models; and
- Challenges in accessing project funding due to lack of collateral.

The stakeholders also highlighted a number of areas that women have made major strides, including: ownership of small and medium sized accommodation facilities in urban areas and tourist resorts; ownership of the travel agency business; and participation of women in community based tourism ventures.

## 7.0 CONCLUSIONS AND RECOMMENDATIONS

### 7.1 Conclusion

The study assessed the performance and importance of tourism to the Zimbabwean economy with regards to receipts, contribution to employment and GDP as well as the challenges constraining tourism growth, with a view to come up with policy recommendations on strategies to position the tourism sector on a sustainable growth path. The study revealed that the tourism sector remains constrained by a number of challenges inhibiting its growth and hence limiting its contribution to the country's economic growth, foreign currency receipts and employment generation. Chief among these challenges included: lack of policy consistency and coordination, limited international air access, lack of internal airline connectivity, poor state of roads, narrow marketing strategies, lack of skilled and experienced personnel, lack of capital, rudimentary ICT backbone and a tired tourism products.

### 7.2 Recommendations

To position the tourism sector on a sustainable growth path that can support the country's medium term objectives, the study makes the following recommendations:

- i. Establishment of a tourism revolving fund drawing on lessons from Mauritius. The Tourism Fund which is provided for by the Tourism Act in Mauritius has the main function of developing and maintaining of tourism related projects including but not limited to eco-tourism and cultural tourism. This ensures that investment is continually being channelled into the industry, given that the tourism products are tired and requires massive injection of fresh capital. The creation of such a well-capitalised Fund will guarantee adequate resources for reinvestment in the various tourist products.
- ii. Address internal airline connections and access to all the tourist destinations at reasonable prices. This is very important given that tourism is an export product that is consumed at source; hence it is important that access is improved to facilitate the smooth and timeous passage of tourists to the various resorts within the country and regionally. Government should consider opening the domestic routes to competition from low cost airlines, so that the country can enjoy the efficiency gains from increased competition. Improving access will also require concerted efforts to develop the road network linking all the tourist destinations.
- iii. Decongest the border posts as this has also been a major deterrent to visiting Zimbabwe. The introduction of computerized and synchronized traffic and human handling mechanism at the various border posts, particularly Beitbridge, will go a long way in improving the country's image. This could also be enhanced by the establishment of Port Authorities to coordinate the various government departments manning ports of entry. Closely related to this, is the need to urgently address the presence of numerous police road blocks, which continue to create a market perception of the country as a police and corrupt state. It would help tourism if harassment of tourists by the police stops and police were instructed to refrain from extortion of travellers.
- iv. The challenge on lack of skills needs to be addressed from both a short term and long term perspective as indicated below:

#### ***Short Term Recommendations on skills development***

- Identify retired and semi-retired experienced personnel with skills in different facets of the industry and use them to run a series of intensive training workshops in different parts of the country. Such training can be administered before the forthcoming UNWTO Conference;
- Identify individuals with outstanding management knowledge in the industry or other service sectors and use them to run a series of intensive training seminars for groups of lower and middle management staff from different organizations in the industry; and



- Select a number of senior managers in the industry and arrange for them to go on short term exchange programmes (one –six months) to countries that have excellent reputation for service delivery and management in the tourism industry.

### **Long Term Recommendations on skills development**

- Incentivise different training institutions to specialize in specific areas of the sector;
  - Provide adequate resources to the training institutions, in order to facilitate them to produce graduates that meet the needs of the industry;
  - Establishment of a national advisory committee on tourism training and manpower development (Private sector, Ministries of Higher Education, Tourism and Hospitality Industry ,Labour and Social Welfare); and
  - Encourage and facilitate staff exchange programmes in order to improve the skills base of the lecturers
- v. The Ministry of Tourism and Hospitality Industry and ZTA needs to undertake a range of feasibility studies on potential new products in the country. The identified projects can then be promoted to potential local and international investors through a range of platforms including investor workshops.
  - vi. The Ministry of Tourism and Hospitality Industry in collaboration with the Ministry of Finance needs to engage the banking sector as a matter of urgency and persuade it to expedite the universal use of plastic money in the country. This is particularly urgent given that the country will be co-hosting the UNWTO General Assembly in August 2013. Visitors during this period can be good or bad ambassadors for the country, hence the need to ensure that our payments systems are compatible with international standards and quality.
  - vii. ZTA needs to organise a series of workshops for players in the sector to create awareness on the importance of using ICT in business. ICTs are another increasingly important driver for tourism development, with the IT infrastructure having a major impact on the structure of the tourism industry and for use by tourists in undertaking a range of activities pertaining to his holiday needs. These range from searching for basic destination information to hotel and activity booking to payment for holiday products. Hence, tourism stakeholder websites should be up-to-date, easy to navigate and contain all relevant information that clients look for.
  - viii. Enhancing domestic tourism will require deliberate strategies targeting the following:
    - Developing a coordinated partnership domestic marketing programme involving ZTA, the private sector, National Parks and National Museums and Monuments;
    - Undertake of intensive awareness programme by ZTA about the country's tourist attractions targeting different market segments including schools, institutions of higher learning, companies and the general public. It is critical to build a culture of holiday taking from an early age of the population;
    - Rethinking of the pricing model by the private sector with a view of encouraging domestic tourists to access holiday products; and
    - Intensification of the production of programmes that highlights the country's tourist attractions and highlighting the benefits of taking local holidays by the local media.
  - ix. Enhancement of participation of women in the tourism sector can be achieved by identifying successful women in senior management positions who will act as mentors and role models to women in middle management positions and improving women's access to project funding for investing in tourism activities. Furthermore, there is need to strengthen the Association of Women in Tourism, so that it can play a more active role in facilitating the involvement of women in the sector and provide a platform for women's empowerment through engagement, employment and participation in the tourism industry. Through its advocacy and networks, it can as well bring gender aspects of tourism to the attention of policy makers, especially the issues of women's participation in tourism planning, management, access to finance and

development.

- x. Reform the Visa system, which has remained too stringent and a major hindrance to tourism growth. A more flexible visa regime including on-line application and or provision of visas at port of entry to tourists from key markets should be introduced.
- xi. Introduce the Tourism Satellite Accounting system for effective tracking and efficient accounting of the contribution of tourism to growth. Stakeholders in the industry spoke passionately about the need to accurately capture tourism inflows into the economy, thereby curbing leakages, through the operationalization of a tourism satellite accounting framework. It is thus recommended that measures be put in place as already alluded to in the 2013 National Budget, to expedite the process.
- xii. Reviewing and rationalizing the functions of the Ministry of Tourism and Hospitality Industry and those of Zimbabwe Tourism Authority to improve coordination. These two institutions should be seen to complement each other rather than competing.
- xiii. Government should reconsider the current funding model of the Parks and Wildlife Authority drawing of the experience of both Botswana and Kenya. The current model has proved inadequate for the authority to drive sufficient funds for effectively discharging its duties, hence its over reliance on fees and levies charged on operators. These fees have been constantly reviewed upwards; resulting in high prices for parks related activities, given that National Parks simply pass on the costs to tourists.

### **7.3 Areas of Future Research**

This study has just scratched the surface. Focus on positioning Zimbabwe as a globally recognised tourism destination brand will require key facets of the industry be examined in greater detail, to come up with evidence informed policies. The recommended next steps could thus focus on the following:

- Undertaking an in-depth Training Needs Assessment Survey in the tourism industry;
- Further research on how to strengthen the institutional framework for public-private partnerships in the tourism industry, as well as the ability of potential tourists to pay from source and the widespread use of plastic money;
- Research on ways to attract local tourists and how to build a culture of tourism among the local populace and a sustainable pricing model for domestic tourist; and
- Engage key stakeholders to start work on improving tourism statistics through implementing the TSA and undertaking Visitor Exit Surveys.

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