Potential Zambian tourism

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Intro

• What is tourism
  – Overnight visitors
    • International tourism: from other countries
    • Domestic tourism: from within the country
    • Business travel is included

• Current status of tourism in Zambia
  – Stable but stays behind growth region
  – Huge potential waiting to come out
Why is tourism important

• Diversification of economy
• Important foreign exchange earner
• Tourism is an important creator of jobs
• Brings (in Safari tourism) jobs to rural areas
• Industry with big trickle down effect
  – Income tourism stays in Zambia
• Tourism catalyst for other industries
  – Countries rarely visited are not popular for investment
World tourism in key figures

- 9% of GDP worldwide comes from tourism
- 1 out 11 of jobs worldwide in tourism
- Total revenue in 2014 USD 1 250 000 000 000
  - 1 250 billion dollar
  - 3 times revenue 1995
- Number of international tourist 1 133 000 000
  - 1 133 million
  - 2 times number of tourists compared to 1995
- Around 5 billion domestic tourists a year
- Tourism continues to grow fast the coming 20 years
Position tourism in Zambia

• Comparison neighboring countries:
  – Namibia: 1.3 x more tourists, 3 x more revenue
  – Botswana: 2x more visitors, 5 x more revenue
  – Zimbabwe: 2 x more visitors, 5 x more revenue
  – Tanzania: 1.2 x more tourists, 10 x more revenue

• Conclusion:
  – Zambia does not perform well on visitor numbers
  – Zambia performs very poor on revenue per visitor
Reasons poor performance tourism Zambia

• Zambia is not well known as tourism destination (other countries much better known)
• Average stay of tourists in Zambia is very short compared to competing countries
• Tourism season in Zambia is very seasonal
  – Poor infrastructure at tourism attractions, when the rains start most roads in National Parks close
• Zambia is expensive country for tourists
  – Costs of doing business much higher compared to competing countries
Does Zambia have more potential for tourism?

• Yes!!!!

• Zambia has lots to offer to tourists
  – Victoria Falls
  – Spectacular National Parks and Rivers
  – Very friendly people

• Zambia can be a top destination for Eco tourism
  – Nature based
  – Sustainable
  – Community involvement
Barriers for development tourism

- Underfunded Park Management
  - Natural resources are not well protected
- Underfunded Tourism Board (3 to 5 times lower compared to surrounding countries)
- Poor infrastructure at tourist attractions
  - Very seasonal because of road networks in National Parks
- Very expensive to do business
- Investment in tourism in Zambia generally not profitable
  - Major investors in Zambian tourism reduce operations
  - Highest taxes on tourism in region
  - Highest tax of all industries in Zambia
Way forward

• Invest in Tourism Board, Park Management and Tourism Infrastructure

• Make Zambia attractive for investors in tourism
  – Lowering taxes in tourism to attract investors

• Reduce costs of doing business to attract more tourists

• Create a bigger revenue base by growing the tourism industry
Rewards to invest in tourism for Government

• Part of one of the fastest growing industries worldwide
  – Will keep growing for coming 50 years
• Revenues tourism worldwide are growing fast
• Enormous employment potential
• You can sell the same product endlessly!!!!!
Comparing attractiveness tourism to agriculture

Tourism
- 16% VAT on tourism
- 35% tax on profit
- 10% service levy
- Introduction tourism levy
- High wages
- No subsidies

Agriculture
- No VAT
- 10% tax on profit
- No service levy
- No agriculture levy
- Lower wages
- Subsidies on certain inputs

Would you invest in tourism or agriculture?
Make it both!!!!
Outlook tourism

• Huge potential which can be utilized relatively quickly
• Zambia has everything it takes within its borders