Presentation by Policy Monitoring and Research Centre Executive Director Ms Bernadette Deka at UNWTO, Government of Zambia International Conference on Promoting Sustainable Tourism, a Tool for Inclusive Growth and Community Engagement in Africa 16-18 November 2017
The Policy Monitoring and Research Centre (PMRC) is a public policy research think tank whose vision is “Unlocking Zambia’s Potential”.

**PMRC STATED AIM**

- Producing high quality, relevant and timely public policy analysis, delivery monitoring and reform proposals.
- Promoting and encouraging informed public debate on social and economic policy issues critical to national development.

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**THEMATIC FOCAL AREAS**

**ECONOMIC DEVELOPMENT**
- Taxation, Economic
- Diversification through
  the wealth creation series,
- Infrastructure Development,
- Mining, Tourism, Science and
  Technology

**GOVERNANCE**
- Parastatals Governance Work,
  Government Policy Series

**NATURAL RESOURCES AND ENVIRONMENT**
- Agriculture, Energy, Fisheries,
  Water, Climate Change, Land
  Development

**SOCIAL DEVELOPMENT & LIVELIHOOD**
- Child Marriages, Social and
  Development Livelihood,
- Child Protection
- Social Cash transfer Education,
  Health, Employment and
  Human Development
Zambia’s Vision 2030 and the Seventh National Development Plan (2017-2021) (7NDP) recognize tourism as an important economic sector for economic diversification, foreign exchange and employment creation.

Zambia has had one of the world’s fastest growing economies with real GDP growth averaging 6.7% per annum. (World Bank). Tourism’s contribution to GDP has grown from 2.4% in 2012 to 3.1% in 2015, according to the World Travel and Tourism Council. (Travel and Tourism Economic Impact Report for Zambia 2017, WTTC)

Tourism’s capacity to distribute wealth, reduce poverty, create jobs, and advance the change towards more sustainable consumption and production patterns has been recognized through the Tourism Value Chain a sequence of primary and support activities, strategically fundamental for the performance of the tourism sector.

A comprehensively developed Tourism Value Chain system, will certainly contribute to the achievement of various economic benefits in other sectors such as agriculture, transport, energy, health etc.
The 7NDP includes key strategies, namely:

- Improving tourism-related infrastructure,
- Promoting diversification of tourism products,
- Promoting tourism in key source markets,
- Promoting domestic tourism and
- Restocking national parks

From a policy perspective, the Zambia National Tourism Policy of 2015 sets the direction for future tourism growth and development. It states that Zambia aims to be among the top five tourist destinations of choice in Africa by 2030.

Tourism Development Measures Include:

- Promotion of domestic tourism,
- Development of tourism infrastructure,
- Promotion of “green” tourism,
- Diversifying the product through investment in various product niches,
- Licensing and grading of tourism enterprises
- Providing training and capacity building;
ZAMBIA’S TOURISM OVERVIEW

- In Southern Africa, South Africa is the leading regional tourism destination (41% of SADC arrivals in 2015).
- Botswana and Zimbabwe in second place (9% of arrivals in 2015).
- Zambia has seen almost 14% growth in visitor arrivals over the last five years. Its overall share of the total arrivals in the SADC has remained static at around 4% throughout the period.
- According to Zambia’s MoTA data, direct earnings from tourism have grown from ZMK 2.27 bn in 2012 to ZMK 4.41 bn in 2015.
- Ministry of Tourism also indicates that direct employment in tourism grew by 0.7% between 2014 and 2015 from 57,003 to 57,384 persons. (Tourism Statistical Digest)
- International tourist arrivals grew from 815,000 in 2010 to 956,000 in 2016. Zambia’s largest percentage (78%) of its tourist arrivals from the rest of Africa, with Europe at 9.2% and Asia at 7% of arrivals in 2016, reflecting a reduction in arrivals from China and an increase of arrivals from the USA and UK.
### TABLE 1: TOURIST ARRIVALS – SADC REGION

The Regional Tourism Organisation of Southern Africa (RETOSA)Member State

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
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<tbody>
<tr>
<td>Angola</td>
<td>423,651</td>
<td>585,650</td>
<td>650,031</td>
<td>594,998</td>
<td>610,650</td>
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<tr>
<td>Botswana</td>
<td>1,634,232</td>
<td>2,612,555</td>
<td>2,598,158</td>
<td>2,082,521</td>
<td>1,913,981</td>
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<td>Congo DRC</td>
<td>186,652</td>
<td>167,200</td>
<td>180,223</td>
<td>333,553</td>
<td>299,638</td>
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<tr>
<td>Lesotho</td>
<td>398,149</td>
<td>422,597</td>
<td>432,966</td>
<td>454,614</td>
<td>1,082,403</td>
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<tr>
<td>Madagascar</td>
<td>225,000</td>
<td>255,942</td>
<td>198,816</td>
<td>222,374</td>
<td>244,000</td>
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<tr>
<td>Malawi</td>
<td>766,892</td>
<td>770,341</td>
<td>789,000</td>
<td>819,166</td>
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<tr>
<td>Mauritius</td>
<td>964,642</td>
<td>965,441</td>
<td>993,106</td>
<td>1,038,968</td>
<td>1,151,723</td>
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<tr>
<td>Mozambique</td>
<td>2,012,640</td>
<td>2,205,853</td>
<td>1,969,716</td>
<td>1,750,562</td>
<td>1,633,935</td>
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<tr>
<td>Namibia</td>
<td>1,027,230</td>
<td>1,078,935</td>
<td>1,176,041</td>
<td>1,320,062</td>
<td>1,387,773</td>
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<tr>
<td>Seychelles</td>
<td>194,476</td>
<td>208,034</td>
<td>230,272</td>
<td>232,667</td>
<td>276,233</td>
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<tr>
<td>South Africa</td>
<td>8,339,354</td>
<td>9,188,368</td>
<td>8,961,565</td>
<td>9,549,236</td>
<td>8,903,773</td>
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<tr>
<td>Swaziland</td>
<td>879,000</td>
<td>888,000</td>
<td>968,000</td>
<td>939,000</td>
<td>873,000</td>
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<tr>
<td>Tanzania</td>
<td>867,994</td>
<td>1,077,058</td>
<td>1,095,885</td>
<td>1,140,156</td>
<td>1,102,169</td>
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<td>Zambia</td>
<td>920,299</td>
<td>859,088</td>
<td>914,576</td>
<td>946,969</td>
<td>931,782</td>
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<tr>
<td>Zimbabwe</td>
<td>2,423,280</td>
<td>1,794,230</td>
<td>1,832,570</td>
<td>1,880,028</td>
<td>2,056,588</td>
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<td><strong>Total</strong></td>
<td><strong>21,265,502</strong></td>
<td><strong>23,079,292</strong></td>
<td><strong>22,990,925</strong></td>
<td><strong>22,365,874</strong></td>
<td><strong>21,594,648</strong></td>
</tr>
</tbody>
</table>

IN 2011 ZAMBIA WAS ON THE 7TH POSITION IN RELATION TO THE NUMBER OF TOURIST VISITING THE COUNTRY AND IN 2015 IT MOVED TO NUMBER 9 SHOWING A DECREASE IN THE NUMBER OF TOURIST VISITING THE COUNTRY.
Tourism development in Zambia has traditionally faced **challenges of lack of good road linkages to main tourist destinations.**

Tourism sector faces the following other challenges:

- The Tourism Master plan yet to be completed;
- Underdeveloped tourism-related infrastructure;
- Limited investment in the tourism sector by both local and foreign investors;
- Limited tourism product offering range and scope;
- Inadequate tourism promotion and marketing;
- Limited human, technical and financial resources for the protection of wildlife;
- Perceived high cost of doing business
POLICY DIRECTION GOING FORWARD
(MTEF 2018-2020) 7NDP, 2018 BUDGET

In the *Medium Term Expenditure Framework* (MTEF), Government through the MOTA commits to focus on tourism marketing, tourism product development and infrastructure development.

The MOTA commits to the implementation of the Tourism Development Fund as provided for in the *Tourism and Hospitality Act*.

The 7NDP re-emphasizes the importance of the agriculture, mining and tourism sectors towards poverty reduction and employment creation by emphasizing the on *Cluster Advisory Group* development approach as opposed to sector development approach thereby removing the binding constraints to growth.

Under the 7NDP, focus is on expanding the tourism industry beyond the traditional tourism sites and products and promoting integration of destinations that will make Zambia more competitive in the region.

We note that Government intends to intensify the development of the Northern tourism circuit to enable tourists to easily combine visits of the David Livingstone memorial in Chitambo; Kasanka National Park; Bangweulu Sandy beaches; Kasaba Bay, Lumangwe and Kabweluma Falls and other key tourism sites.
The 2018 National Budget demonstrates Government’s commitment to reducing the cost of doing business and unnecessary bureaucracies in the Tourism Sector. MOTA will together with the Business Regulatory Review Agency establish and operationalize a Single Licensing System.

The Ministry of Tourism and Arts will through the establishment of a strong anti-poaching unit under the Department of National Parks and Wildlife increase surveillance of wildlife and prevention of encroachments in Protected Areas and Game Management Areas (GMAs) through collaboration with security wings and applying different appropriate Public Private Partnership models.

Government intends, through an integrated approach, to prioritize major roads, bridges and airstrips to ease access to tourism destinations.

Government is facilitating development of requisite infrastructure to increase length of stay, rehabilitate heritage sites and strengthen wildlife protection.

K8.7 billion allocations for road infrastructure will promote infrastructure that is necessary for growth of the tourism sector. This includes the continuation of the Link Zambia 8,000, the C400 and L400 projects among others.

Further K940.5 million has been allocated for the construction of the Kenneth Kaunda and Copperbelt International Airports. Once completed, this will increase air connectivity repositioning Zambia as a regional air transport hub and therefore promoting tourism growth.
Enactment and implementation of the **Tourism and Hospitality Act of 2015** has brought about various progressive changes which include:

Establishment of Tourism Development Fund: The Tourism Levy that constitutes part of the Tourism Development Fund is for the supplementation of Government funding for tourism product development; tourism marketing; tourism training and research; and tourism infrastructure development.

**The Tourism Levy** is a tourist charge paid at the rate of 1.5% of a person’s total bill in respect of accommodation and events as defined in SI 56 of 2017 and is applicable to both local and international users.

The Tourism Development Fund collection from time of inception in March 2017 is standing at **K8,060,380.78** as of second week of September 2017.

**Zambia Tourism Agency** has taken up the functions of licensing and grading in an effort to enhance efficiency and standards in the tourism sector that will allow the regulation of pricing in tourism enterprises.

Efforts to establish National airline are underway and in addition to this, there are now two local commercial private operators.
TOURISM STRATEGIES IN THE 7NDP

Strategy 1: Promote tourism-related infrastructure:
The MOTA in collaboration with other sectors will develop, upgrade and rehabilitate roads, viewing loops and airstrips to and within the major national parks, to efficiently interlink the major destinations in the northern and southern tourism circuits. The 7NDP also commits towards the development of arts and culture infrastructure, to improve the contribution of the country’s unique natural and cultural heritage to diversify the tourism product.

Strategy 2: Promote diversification of tourism products: MOTA will promote the development and expansion of non-traditional modes of tourism, such as eco- and agro-tourism; cultural and sport-based tourism.

Strategy 3: Promote tourism source market segmentation: through the increased tourism marketing budget allocation to ZTA for 2018 the MOTA will focus on growing the traditional source markets by increasing market penetration and exploiting emerging markets to expand the tourist base.

Strategy 4: Promote domestic tourism: focus will be on tapping into the unexploited potential of the middle class to boost domestic tourism as a way of contributing to the overall diversification of the tourism sector and the economy.

Strategy 5: Restocking, protecting and rehabilitating National Parks whose wildlife populations have declined to levels where safari and photographic tourism is not viable.

NOTE* Find the Strategies in The 7NDP on page 66-67
Unlocking Zambia's Potential Response to this presentation can be sent to: info@pmrczambia.net

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