



POSITIONING THE ZIMBABWE TOURISM SECTOR FOR GROWTH¹

EXECUTIVE SUMMARY

This Policy Brief offers advice on strategies necessary to position the Tourism sector on a sustainable growth path, in support of the country's medium term growth objectives. The Brief notes the need for the tourism policy and institutional framework to be clearly defined in terms of duties and responsibilities for better coordination and avoidance of duplication and inherent inconsistencies. Furthermore, there is need for the country to draw lessons from the Mauritian example and come up with the Tourism Fund which should be provided for by the Tourism Act for the purposes of developing and maintaining of tourism related projects while also extending the open skies policy for internal routes. Concerted efforts are also required in promoting domestic tourism through increased marketing and developing packages that attracts domestic tourists.

BACKGROUND

Tourism is one of the fastest growing industries in the world. Its rapid expansion has made it a key driver of economic development in both developed and developing countries and is being used for sustainable development including poverty reduction in many countries. Tourism, globally has taken center stage both as foreign exchange earner and an export industry. In Zimbabwe, the importance of the sector is highlighted

by the fact that the government has identified the sector as one of the four pillars of economic development together with agriculture, mining and manufacturing. There is, therefore, need for economic policies that promote both domestic and international tourism as a potential strategic anchor for economic growth and development.

Despite the government recognising 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 creation and poverty reducing programmes. Some of the challenges currently affecting the growth of tourism in the country are; 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. Furthermore, both air and ground transport network remain compromised; the road network is in a dilapidated state while major airlines are shunning the route to Zimbabwe. Over the years the country suffered the withdrawal of major airlines citing viability concerns.

Furthermore, 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 document. The current effort by the government of developing the national tourism policy is a step in the right direction. Given the cross cutting nature of the tourism sector, its potential can be fully realised through a well co-ordinated institutional framework and policy environment that clearly outlines roles and responsibilities for all the stakeholders. The draft National Tourism Policy makes 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. This should be buttressed by tying together the different pieces of legislation which have a bearing on the development of the sector. Adequate resources should also be set aside for the envisaged activities in the draft policy.

In addition, addressing the key challenges in the sector requires a shared responsibility between government and the private sector in investing in tourism infrastructure. Government should be taking the lead in investing in public infrastructure such as roads, electricity supply, water, sewage reticulation etc. while the private sector concentrates on the private infrastructure. Well-structured Public Private Partnerships (PPPs) should be pursued to attract growth-enhancing investments in the country's tourism infrastructure.

POLICY CHALLENGES

Lack of Internal Airline Connectivity

Tourism is an export product that is consumed at source hence access is a key imperator. However, the country's tourist destinations are highly inaccessible by air making travelling between different places difficult. 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 by air. This has also been worsened by poor road network characterised by potholes, poor signage and high accident rates coupled with the non-availability of luxury coaches linking the respective tourist destinations with the major cities/ towns except for the Harare-Bulawayo-Victoria Falls route. The problem is compounded by the presence of numerous police check points, which unnecessarily lengthens travelling time and creates a perception that the country has become a police state.

Poor Marketing Strategy and Programmes

The general notion at industry level is that the nation's endowment with competitive tourism attractions is not adequately marketed to ensure the growth of the industry. Despite the effort that ZTA has been making in marketing the country, there is need to be more innovative and aggressive in order to ensure that the country derives maximum benefits from its natural and manmade endowments. There is need to exert equal efforts in marketing all areas in the country given that the country is awash with tourist products rather than over concentrating on Victoria Falls. It should be noted that some of the key attractions in the country are underutilized due to lack of promotion.

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. Domestic tourists constitute the largest market segment for the country's accommodation sector with the exception of Victoria Falls. In the majority of the country's resorts domestic tourists make up 80% or more of the clients in hotels and lodges. There is need for implementing a domestic tourism strategy which outlines the different initiatives that the government can institute to promote domestic tourism in schools, household levels and institutional level.

Lack of Skills and 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 hence creating skills quality gap.

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. 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. This is resulting in the private sectors being charged a multiplicity of levies by different government department to a point which it was becoming impossible for business to make a reasonable return on investment.

Unfriendly Visa Policies and Congestion at Ports of Entry

The current visa policies are not pro-tourism as they discourage tourism development. The bureaucracies and discrepancies associated with the processing of a visa are scaring away tourists. In the modern world of e-commerce, there is need to offer online visa applications as a full scale nation policy on visa applications. The current stringent visa system should be relaxed without compromising the country's security system. Congestion at the various border posts is affecting the smooth passage of tourists. This can be improved through creation of 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.

Policy Recommendations

This policy brief recommends the following for adoption and implementation;

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. This is particularly important given that the country's tourism product is tired and requires massive investments. 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 resorts. 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. 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. Skills needs can be addressed from both a short term and long term perspective as follows:

Short Term Recommendations

- 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. This should be undertaken before the hosting of the 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***
 - 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 and market them to a wide audience, both locally and internationally.
 - 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 the industry.

viii. Enhancing domestic tourism will require deliberate strategies targeting the following:..

- Developing a coordinated domestic marketing programme involving ZTA, the private sector, National Parks and National Museums and Monuments;
- Undertaking 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 through the local media.

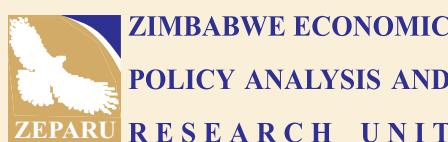
- ix. Enhancement of participation of women in the tourism sector can be achieved by identifying successful women in senior management positions who will act as mentors and role models to women in middle management positions and improving women's access to project funding for investing in tourism activities. 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 are passionate 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. 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 levied on operators.



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