



BERNARD KRIEF CONSULTANTS

Accompagnement des stratégies - Développement international - Assistance technique - Organisation

The future of the tourism industry in East Africa and the Indian Ocean

With its astonishing natural and environmental resources, the region now attracts an important market in terms of nature & wildlife as well as cultural visits. Throughout the years, the tourism industry in East Africa has shown robust growth and tourism has become an extremely important industry for the region, accounting for an average of 14% of regional GDP and 15% of regional employment through both its direct and indirect economic impact.



The sector thus represents a growing proportion of the region's economy, though mostly due to the enormous growth represented by Kenyan and Tanzanian destinations.

The evolution of the sector:

The recent focus on Globalization and development equally seems to have had an effective spin-off effect on African destinations, including East African and Indian Ocean tourism, citing merely the example of Kenya. We need however not underline the fact that for most of the countries in question, tourism has not yet become a mass market. The major destinations are, naturally, Kenya, Tanzania, Uganda and Indian Ocean states such as Mauritius and Seychelles.



Future challenges:

One of the key constraints to the sector's expansion is to find financial resources to fund investment opportunities. Other important challenges are the liberalization of several markets, such as air transports, and vocational training of personnel to develop, manage and operate tourism establishments. Another major factor is the inadequate infrastructure and accessibility to some of the key sites and attractions. Transport has indeed remained one of the main challenges for travel and tourism, not only air transport but also road and rail transport are important elements for the development of intraregional and domestic tourism.

While especially Kenya, but equally Tanzania, Uganda, Mauritius and the Seychelles seem to be on the right path, one might note that the rest of the countries in the region still face major challenges in the near future.

Without having to underline the current warfare in respectively Somalia and Sudan, it might be interesting to note that countries such as Burundi and Rwanda are generally reconstructing their tourism industry after devastating wars, which should foster development within the sector. Eritrea's instable political and economic situation has equally affected the development of the sector so far.

However, the initiatives in these countries are numerous and several measures are being implemented in order to promote investment in this sector. The tourist industry is thus expected to grow substantially in both Burundi and Rwanda during the coming years.



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Both Ethiopia's and Comoros' biggest challenges in this regard will be to efficiently promote and sustain their status as tourist destinations. Ethiopia actually withholds extraordinary tourism potential; the total number of visitors having increased with 50% between 1990 and 2003, but the country has not yet found the proper way to support and develop the sector.



Comoros is especially suffering from its geographical location, however efficient investment in all infrastructure elements would without a doubt increase the number of arrivals

Madagascar has since the country's political crisis in 2002 tried to introduce several measures in order to promote tourism. Despite these initiatives - e.g. public-private partnerships, infrastructure development, communications actions and investment incentives - tourism has not yet increased as much as one might have hoped. Madagascar is thus still holding its breath for the sector to flourish and the number of arrivals to increase.

Djibouti, which not only benefits from a strategic position in Africa, but also from natural and cultural resources, has recorded a regular growth in the tourism sector during the last couple of years. The Djiboutian Authorities have been actively promoting the tourist industry, amongst others by facilitated access to credit, a vast promotion campaign and a professional training program; these elements should enable the sector to flourish during the coming years.

Prospects :



With more than 3.5 million visitors arriving annually, and the demand for travel to this region expected to increase significantly over the next few years, East Africa and the Indian Ocean offer attractive investment opportunities for companies involved in tourism, hospitality and related activities. There are thus outstanding business and investment opportunities in such areas as hotels and resorts, maintenance, infrastructures, transports, leisure attractions, ICT and so forth.

In conclusion, tourism has become one of the leading sectors globally and is rapidly becoming an economic mainspring in East Africa and the Indian Ocean. The creation of jobs, employment, foreign exchange and government revenues makes this sector an important economic development tool. These positive factors therefore leave hope for the tourism sector to play an important role as catalyst for development in East Africa and the Indian Ocean.

PROFIT:

The PROFIT Pro€Invest Regional Investment Conference 2007 aims at promoting and supporting sustainable and environmentally friendly business opportunities in the tourism, hospitality and related sectors that are suitable targets in ACP (Africa, the Caribbean and the Pacific) countries for further growth. For additional information, please visit: www.profit-proinvest-eu.org

PROFIT 2007 is part of a promotion and support initiative targeting the tourism sector in East Africa and the Indian Ocean, and Bernard Krief is happy to organize the conference on behalf of the Pro€Invest programme, which is a common initiative of the European Commission (EC) and institutions from the ACP states to promote Euro-ACP cooperation.



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