



Mainstreaming Tourism Development in Least Developed Countries: Coherence and Complimentarity of Policy Instruments

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with Mario Filadoro

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The initial idea of undertaking this extensive study came about after the first Roundtable at the WTO in 2010 when we explored the topic of sustainable tourism and possible linkages with green jobs and climate change mitigations. Our colleague Mr. Eloi Laourou was the initiator of this thematic roundtable which was co-organised with his NGO, COMDEV, in collaboration with the LDC Group in the WTO.

The first Round Table generated enthusiastic responses and very helpful discussions which culminated in a working document adopted by the Sub-Committee on Least-Developed Countries and Council for Trade in Services on 21 December 2010 (WT/COMTD/LDC/18/S/C/W/328).

Discussions with various ambassadors and colleagues confirmed the necessity of conducting a comprehensive review of the policy governance environment within the LDCs and the international community in regard to tourism development and trade facilitation. The ensuing comparative analysis on policy coherence and policy complementarity was hence undertaken to establish a baseline for assessing successful tourism development policies in the LDCs. Initial findings of this comparative study were presented at a second CSEND Roundtable at the WTO on 26 April 2011.

Throughout this process, we have received sustained support from members of the LDC Group in the WTO who helped us raise awareness on the importance of tourism development and trade in tourism services and its potential for poverty alleviation.

Sincere thanks go to many colleagues who contributed to the previous Round Tables. In particular the following experts who continued to provide valuable inputs and feedback for this report. Their suggestions have helped us fine tune our research methodology and reflections. We particularly thank Mr. Dale Honeck, Dr. Magdi Farahat, Mr. Henryk Handszuh and Mr. Charles Tsai for reviewing earlier drafts of our policyscapes.

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Acronyms

AfT	Aid For Trade
AHRB	Association des Hôteliers et Restaurateurs du Burkina
AM	Action Matrix
ANGAP	Association Nationale pour la Gestion des Aires Protégées
ANOPRITOB	Association des Opérateurs Privés Touristiques du Bénin
BIMSTEC	Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation
CBT	Community Based Tourism
CEMAC	Communauté Economique et Monétaire de l'Afrique Centrale
CNDT	National Committee for Tourism Development
COMESA	Common Market for Eastern and Southern Africa
CSEND	Centre for Socio-EcoNomic Development
CTTI	Catering and Tourism Training Institute
DATC	Département de l'Aménagement du Territoire Communautaire, des Transports et du Tourisme
DTIS	Diagnostic Trade Integration Study
EAC	East African Community
ECOWAS	Economic Community of West African States
EDF	European Development Fund
EFTA	European Free Trade Association
EIF	Enhanced Integrated Framework
EPA	Ethiopian Privatisation Agency
ETC	Ethiopian Tourism Commission
EU	European Union
FDI	Foreign Direct Investment
FTA	Free Trade Agreement
GATS	General Agreement on Trade in Services
GDP	Gross Domestic Product
GNP	Gross National Product
GSTP	Global System of Trade Preferences
IBA	Important Birding Areas
ICT	Information and Communications Technology
IMC	Inter-Ministerial Coordination
IMF	International Monetary Fund
INTH	Institut national du tourisme et de l'hôtellerie
IOC	Indian Ocean Commission
IPR	Investment Policy Review
ITC	International Trade Centre
LDC	Least Developed Countries
MA	Market Access
MCAT	Ministry of Culture, Traditional Crafts, and Tourism
MFN	Most Favoured Nation
MINICOM	Ministry of Commerce, Industry, Investment Promotion, Tourism and Cooperatives

MSME	Micro, Small, and Medium Enterprises
MTM	Madagascar Chamber of Tourism
NEPAD	New Partnership for Africa's Development
NT	National Treatment
NTB	National Tourism Board
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
OMATHO	Office malien du tourisme et de l'hôtellerie
PATA	Pacific Asia Travel Association
PRDTOUR	Programme Régional de Développement du Tourisme au sein de l'UEMOA
PRSP	Poverty Reduction Strategy Paper
PPP	Public-Private Partnership
RDEWFT	Regional Directorates of Environment, Water and Forest, and Tourism
RETOSA	Regional Tourism Organization for Southern Africa
RNAC	Royal Nepal Airlines Corporation
RTA	Regional Trade Agreement
SAARC	South Asian Association for Regional Cooperation
SACU	Southern Africa Customs Union
SADC	Southern Africa Development Community
SAFTA	South Asian Free Trade Area
SAPTA	SAARC Preferential Trading Arrangement
SARPN	Southern African Regional Poverty Network
SITHO	Ouagadougou International Tourism and Hotel Show
SME	Small and Medium Enterprise
TDI	Tourism Development Index
TFCA	Transfrontier Conservation Area
TSA	Tourism Satellite Account
UN CPC	United Nations Central Product Classification
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNECA	United Nations Economic Commission for Africa
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNWTO	World Tourism Organization
USAID	United States Agency for International Development
VAT	Value Added Tax
VET	Vocational Training Levy
WAEMU	West African Economic and Monetary Union
WTO	World Trade Organization
WTTC	World Travel and Tourism Council
ZNTB	Zambia National Tourist Board

Executive Summary

Tourism is a significant contributor to GDP, employment and to the international appreciation of a country and its culture – regardless of its level of development. This policy analysis seeks to assist the Least Developed Countries (LDCs) in harnessing development opportunities by providing a comprehensive overview of existing international development instruments, i.e., Diagnostic Trade Integration Studies (DTISs) and their Action Matrices, Poverty Reduction Strategy Papers (PRSPs), and reviewing their alignment with the national tourism development strategies, investment policies and tourism related trade arrangements. The authors encourage the use of findings from this analysis by all actors and stakeholders engaged with trade facilitation activities in LDCs. In reviewing these key development policy documents, this in-depth analysis seeks to better equip LDCs to manage international policy advice provided by a multitude of international development partners. The ultimate objective of this work is to support their achievement of greater social and economic benefits through growth trade in tourism services. It is also hoped that this analytical report will enhance the coherence and complementarity of tourism development advice proposed by the international community via drawing attention to policy gaps and implementation vacuums existing within the tourism supply and value chain.

Context

Tourism has emerged as one of the most dynamic and fastest growing industries worldwide representing about 6% of international trade in goods and service and accounting for 30% of the world's export of commercial services. Globally, tourism also ranks fourth as an export category, after fuels, chemicals and automotive products.¹ It is projected that the contribution of Travel & Tourism to GDP globally will rise from 9.2% (US \$5,751 billion) in 2010 to 9.6% (US \$11,151 billion) by 2020. The contribution of the Travel & Tourism Economy to employment is also expected to rise from 8.1%, or 235,758,000 jobs across the world in 2010, to 9.2%, or 303,019,000 jobs, by 2020.²

LDCs are endowed with natural tourism assets and distinctive cultural and historical sites. Many in this study have designated UNESCO World Heritage Sites. Sound tourism development strategies and well coordinated implementation plans can enable the LDCs to achieve greater value creation without compromising national tourism assets. LDCs need to develop and more fully exploit their tourism resources in a sustainable manner to achieve their midterm poverty reduction objectives.

Tourism is a people driven industry. Effective tourism strategies can create sustainable income generating opportunities and provide employment needed to absorb large numbers of semi-skilled or unskilled workers. Such strategies require investment in the tourism industry itself, i.e., hotels, transportation, catering and restaurants, but also entail investments to strengthen forward linkages to value chains and backward linkages to supply chains.³ The absence of integrated development approaches such as project investments ranging from hotels to game parks, will impede the higher rates of return that are otherwise possible.

Recent reports from different agencies have highlighted the importance of tourism for LDCs. A flourishing tourism sector can contribute to LDCs' development through its linkages with other economic sectors and through the inclusion of local communities, as well as through job reaction and reduction of poverty.

¹ 2010 World Tourism Organization (UNWTO) Tourism Highlights. See www.unwto.org/facts/eng/pdf/highlights/UNWTO_Highlights10_en_HR.pdf.

² 2010 World Travel and Tourism Council (WTTC), Progress and Priorities Report. See www.wttc.org/bin/pdf/original_pdf_file/pandp_final2_low_res.pdf.

³ For an analysis on the value chain in LDCs, see the 2009 study "Commodity Development Strategies in the Integrated Framework" available from <http://csend.org/publications/development-a-int-rel/48-commodity-development-strategies-in-the-integrated-framework>.

The main constraints faced by the tourism sector in Africa have to do with political instability, wars and terrorist attacks, leakages and limited linkages to the local economy. Hence the challenge for sustainable tourism development is to “overcome these risk factors; ensure effective market place value, quality of service products and meaningful community-private-public partnerships, supported by policies that influence flows to the poor.”⁴

This comparative analysis on policy coherence and complimentarity was conducted to establish a baseline for assessing successful tourism development policies in the LDCs. Initial findings of this comparative study were presented at a second Roundtable at the WTO on 26 April 2011 for discussion and for validation of the analytic framework to be applied for an in depth analysis of key international policy instruments that have directly impacted LDC tourism services exports.

Methodology

A quantitative method was used to clarify a set of policyscapes in order to analyse the coherence and complimentarity of policy choices reflected within the tourism sector of specific countries. The tourism sector was selected as the domain of these policyscapes for the reasons cited above. Future research addressing other services sectors could rely on the same methodology developed and applied in this work.

A group of fourteen LDCs was selected for this policy analysis with a view to diversity based on criteria including varied geographic contexts and heterogeneity in the challenges facing development of sustainable tourism sectors. Thirteen of these selected countries are from Africa while one is from Asia. They are: Benin, Burkina Faso, Burundi, Ethiopia, Lesotho, Madagascar, Malawi, Mali, Nepal, Rwanda, Sierra Leone, Tanzania, Uganda and Zambia. Conclusions from these comparative analyses are broadly applicable to LDCs not included in this study and relevant in general to developing countries particularly the low-income developing country group.

Country tourism “policyscapes” were created in order to draw attention to the policy convergence and divergence at the international level. The study also expects to create unique visions for delivering national tourism development in the selected LDCs. These country tourism policyscapes have been developed in accordance with the Tourism Development Index, designed and developed by CSEND, and attempt to illustrate site specific conditions, such as tourism assets and national strategy, and trajectory set by international policy instruments, such as DTISs, PRSPs and IPRs. Regional trade arrangements as well as global trade commitments were also analysed thus contributing to the richness and complexity of the policy landscapes mediated by national policy leaders and development actors representing donors, beneficiaries and development agencies. Through this multi-leveled analysis, it becomes possible to identify the intersection and interdependence of national policies and international assistance frameworks thus clarifying the degree of coherence and complimentarity attained.

This study does not focus on the regulatory framework that defines the tourism business environment, such as land use, foreign exchange rules, border controls and mobility of people. Nevertheless, an indirect link is provided in the section focusing on the inter-regional trade agreements that countries have made which address some of the regulatory business issues.

Analytic Tool: Tourism Development Index (TDI):

Objective of the TDI Index is to assess the coherence and complimentarity among different policy instruments and related trade commitments concerning the development of the tourism sector in LDCs. This forms the basis of a country’s tourism policyscape.

⁴ Ibid, p. xviii.

Eight parameters were used to assess policy coherence for sustainable tourism development in the LDCs selected for this in-depth study:

1. To what extent has the country identified national assets able to provide differing tourism products?
2. To what extent do DTISs, AMs and PRSPs refer to tourism?
3. To what extent do DTISs, AMs and PRSPs offer coherent advice to LDCs on developing their tourism sectors from a value chain orientation (e.g., transport, hotel & facilities, health and hygiene, quality standards, investment, training)?
4. To what extent have LDCs made GATS commitments in the tourism sector?
5. To what extent have LDCs signed RTAs/FTAs with the potential to benefit from trade preferences?
6. To what extent is the tourism sector of the country supported by domestic institutions (e.g. inter-ministerial policy coordination mechanism, government to industry policy consultation mechanism, tourism industry organisations)?
7. To what extent have LDCs articulated national tourism strategies, developed tourism promotion websites and engaged regional strategies supporting tourism?
8. To what extent do DTISs, AMs and PRSPs address the sustainability of tourism development?

Overall Comparative Policyscapes

Table 1 sets out the comparative TDI ranking across all fourteen countries. It offers a complete picture of all eight dimensions assessed in this study. A few general observations will be made first before launching into specific cross country comparisons according to each of the TDI dimensions.

Firstly of all, it is worthy of note that all four policy documents, DTISs, AMs, PRSPs and IPRs contain references to the tourism sector in each of the fourteen countries reviewed (TDI dimension 2). However, quantitative and qualitative differences exist in the national treatment reflected in these policy documents. Seven countries (50%) addressed tourism in one of the four respective policy instruments with at least one complete chapter on tourism, while four other countries (29%) have at least a subsection on tourism in one of their documents. This is an important finding in terms assessing priority attached to the tourism sector particularly with respect to provision financial resources. However, policy intent needs to be realised through actual actions taken by the government from a fiscal point of view and by the entrepreneurs working in this sector. Comparisons of Action Matrices with the main body of DTISs yield inconsistent findings.

For LDCs facing resource constraints and limited factor conditions in terms of infrastructure, human capital and other comparative advantages, it is necessary to underscore the significance of coherence in policy instruments being employed to address these conditions. This policy coherence must be disciplined through alignment with a national tourism development strategy for concerted national and international efforts to best support domestic tourism performance. International assistance programmes, if well used, could have a catalytic role in strengthening national capacity to deliver superior tourism services and generate greater economic growth.

A related issue for the better use and conservation of national tourism assets is sustainability (TDI dimension 8). Sustainability stands out as the least developed dimension (TDI value at 0.5 level) in among the policy instruments reviewed within this study. This issue is hardly referred to in relation to tourism related concerns. Half of the countries did not address the sustainability question among the four policy instruments reviewed while the other half made very few references to this mounting challenge. This oversight in today's context of climate change and environmental vulnerability could mean accelerated deterioration of natural environments – a key element of these countries' tourism assets.

From a socio-economic perspective, environmental vulnerability also diminishes a country's policy potential in achieving greater job creation and improved standard of living.

Table 1: Comparative Countryscapes based on Tourism Development Indexes

	Benin	Burkina Faso	Burundi	Ethiopia	Lesotho	Madagascar	Malawi	Mali	Nepal	Rwanda	Sierra Leone	Tanzania	Uganda	Zambia	AVERAGE
1-Assets	2	2	2	3	2	3	3	2	4	2	2	2	2	3	2.43
2-References	4	2	2	3	4	3	2	3	4	4	4	4	4	3	3.29
3-Coherence	3	2	3	3	3	4	4	4	3	4	3	4	4	4	3.43
4-GATS	1	2	3	0	3	0	4	1	2	1	4	1	2	4	2.00
5-RTAs/FTAs	3	2	2	1	4	2	2	2	4	2	1	3	2	3	2.36
6-Governance	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2.00
7-Tourism Strategy	4	4	4	4	4	4	4	4	4	4	3	4	4	4	3.93
8-Sustainability	0	1	0	1	0	0	1	1	0	1	0	0	1	1	0.50
AVERAGE	2.38	2.13	2.25	2.13	2.75	2.25	2.75	2.38	2.88	2.50	2.38	2.50	2.63	3.00	

Legend: 0 = None; 1 = Few; 2 = Some; 3 = Several; 4 = Many references in documents

Other weak areas found in this cross-country TDI comparison relate to a) governance, b) GATS (TDI dimension 4), c) RTAs and FTAs (TDI dimension 5) and d) Tourism Assets (TDI dimension 1). Short of paying attention to the comprehensive policy environment, countries could experience difficulties in developing relevant and responsive tourism sector policies that could foster appropriate and/or favourable environments for exporting tourism services.

Very few among the fourteen countries reflect domestic governance infrastructure policies (TDI dimension 6) that could be a framework for effective national policy development and implementation. Data collected from the available public sources denote that inter-ministerial coordination and private sector consultations have not been sufficiently formalised with clear guidelines and monitoring mechanisms. In a sector such as tourism where progress is highly dependent on inter-sectoral cooperation, it is critically important to designate an official or government body with overarching policy leadership responsibilities over tourism development. Little evidence was found of such a formalised role in any of the fourteen countries under study. Since tourism development requires cross cutting planning and investment strategy, formalising such governance mechanisms and processes can be vital to successfully exploiting or developing tourism assets, existing capabilities and investments. More importantly, better coordinated and consulted policies developed based on cross sectoral commitment and engagement of the private sector would also better ensure returns to investment whether directly in the tourism sector or indirectly via linkages to ancillary economic activities.

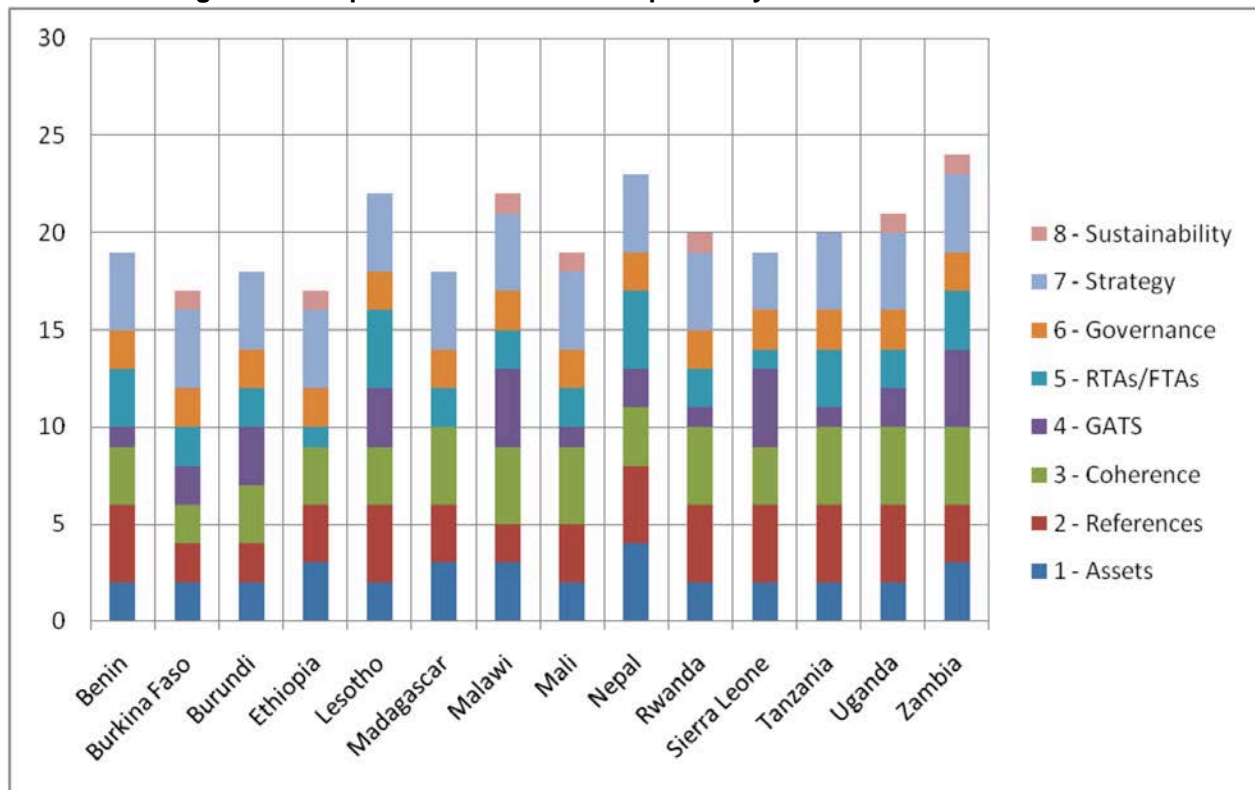
GATS commitments (TDI dimension 4) are another area requiring improvement to enhance the environment for exporting of tourism related services. With the exception of Malawi, Sierra Leone and Zambia which have to a great extent liberalised this sector, 50% of the countries studied have chosen not to undertake any liberalisation commitments in this sector, or only partially liberalised one in four of the tourism subsectors, i.e., hotels and restaurants, travel agencies and tour operators services, tourist guides services and other.

Looking at the policy instruments included in this study from a coherence and complementarity prospective, the countries studied did relatively well. Taking the four policy instruments together, various backward and forward linkages were found in support of tourism economy (TDI dimension 3), such as transport, hotel & facilities, health and hygiene, quality standards, investment and training. Under this TDI dimension, Burkina Faso faired worst among the fourteen countries studied.

Connected to policy coherence and complimentarity, almost all countries studied had a tourism development strategy in place as well as a tourism promotion site on the internet (TDI dimension 7). All countries studied have signed one or more regional or sub-regional agreements to leverage the benefits of more integrated markets and thus their economic potential (TDI dimension 5). Regional strategies for joint tourism development in many of these regional trade agreements are also articulated in specific sections of treaties or in additional documents dealing with tourism development on a regional basis except in the case of Sierra Leone. It could be inferred that these international policy instruments are increasingly aligned to national development strategies.

These diverse findings are reflected in Figure 1, which depicts the level of tourism development dynamism per parameter or dimension. These results indicate that, although policy development instruments analysed in this report address tourism as a vector for development in LDCs, more work should be done to complement this sector's development by undertaking better thought out GATS commitments. Moreover, scope for progress exists in strengthening governance mechanisms such as by establishing formal processes of inter-ministerial coordination for tourism policy and fostering policy regimes responsible for enhancing sustainability in the tourism sector. Bukina Faso together with Burundi, Ethiopia and Madagascar seem to be less competitive in their overall capacity to manage international donors and effectiveness in utilising market mechanisms.

Figure 1. Comparative tourism development dynamism based on the TDI



Comparative Countryscapes by Specific TDI Dimensions

TDI Index 1: Tourism assets

Table 2 presents the TDI rating of the countries according to their stated tourism assets. Countries reviewed in this study have sought to identify and share their tourism assets within the public domain largely via their web promotion efforts. With the exception of Nepal, the countries studied have however recorded a relatively small proportion of their potential tourism assets as formal tourist attractions or destinations. From a product diversification point of view, tourism assets that were formally indicated did not identify unique product attributes that would be sufficient to realise the value added potential of their respective tourism products.

Country	CSEND Index Rating*	Nr. of UNESCO World Heritage Sites
Benin	2	1
Burkina Faso	2	0
Burundi	2	0
Ethiopia	3	6
Lesotho	2	0
Madagascar	3	1
Malawi	3	3
Mali	2	4
Nepal	4	4
Rwanda	2	0
Sierra Leone	2	0
Tanzania	2	0
Uganda	2	0
Zambia	3	0
AVERAGE	2.43	1.36

***Legend:**

0 = None

1 = Few

2 = Some

3 = Several

4 = Many

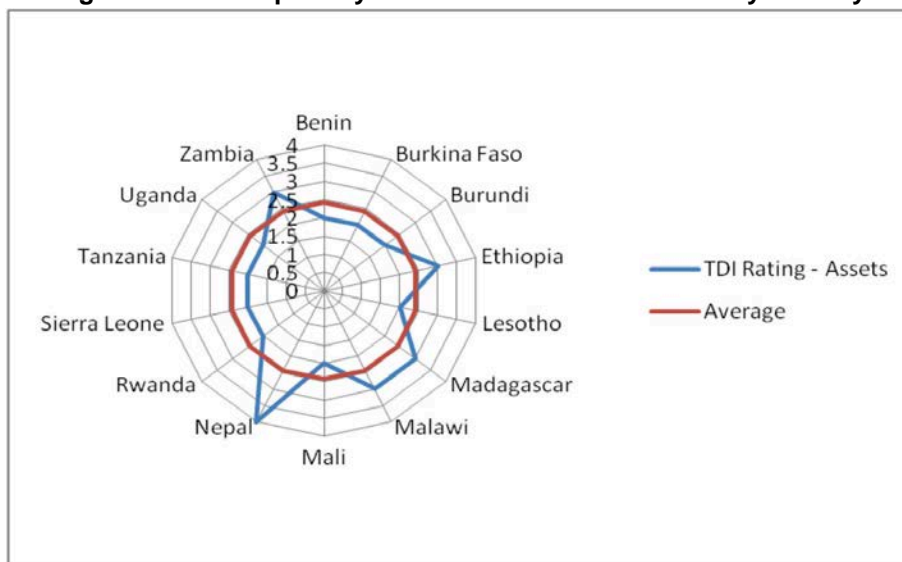
Table 2. Countries tourism assets¹ and the number of UNESCO World Heritage Sites

(¹Assets identified in the public domain to offer different tourism products)

Figure 2 clarifies the comparative landscape of the tourism assets identified in the individual country studies. Ethiopia, Madagascar, Malawi, Nepal and Zambia are better endowed than other countries according to the respective countries tourism website and promotion. By definition, the remaining members of the group have fewer tourism resources than the group average.

The UNESCO World Heritage Site designation identifies and recognises the world's most important cultural and natural places for their outstanding value. They are some of the world's most heavily marketed and visited tourism attractions. Five out of fourteen countries host UNESCO World Heritage Sites. Of the group studied, Ethiopia enjoys the highest number of World Heritage Sites (six). The UNESCO appellation offers a competitive edge in tourism product development but should be better and more carefully managed. According to the International Task Force on Sustainable Tourism Development, the sheer tourist traffic to and from World Heritage Sites has engendered growing concern from the conservationist community. Careful planning, development and management of visits to these unique cultural and natural assets should be addressed in national tourism development strategies.

Figure 2. Radar: quantity of tourism assets identified by country



In general, tourism assets and resources (actual and potential) are not clearly stated in the documents analysed. Although these documents do not specifically focus on tourism, it is possible to assess the assets, figures and statistics, constraints and tourism strategies with reasonable precision. The countries under study could strengthen the attractiveness of national tourism services vis-à-vis the global market by drawing a clearer link between the activities offered and the tourism assets identified. Countries with national tourism websites that do not clearly identify which tourism activities are offered could strengthen the effectiveness of such websites by clarifying and fortifying them in this respect.

TDI Index 2: References to tourism in DTISs, AMs, PRSPs and IPRs

Below, references made to tourism in DTISs, AMs, PRSPs and IPRs are compared across countries. This comparison provides an overview of how frequently intervention in relation to tourism is suggested in each of the development and capacity building plans or strategies. Exactly half of the countries studied enjoy highest possible rating due to the extent to which tourism development is covered under these policy instruments (see Table 3). Other countries, such as Burkina Faso, Burundi have no direct reference to tourism sector development in their respective DTISs and AMs. Malawi has addressed tourism development as one of the subsections of its DTIS yet failed to include it in the AM. Such an omission clarifies a dichotomy between the country's DTIS and AM that may have a real and negative impact on realised investment.

Table 3. References to tourism in DTISs, AMs, PRSPs and IPRs

Country	DTIS	AM	PRSP	IPR	CSEND Index Rating
Benin	2	2	2	2	4
Burkina Faso	0	0	2	2	2
Burundi	0	0	2	2	2
Ethiopia	2	2	0	2	3
Lesotho	2	2	2	2	4
Madagascar	2	2	2	N/A	3

Legend:

	A full Chapter on Tourism
	Subsection on Tourism
	Some references on Tourism
	No references on Tourism
	N/A IPR Not Available

- 0 = None
- 1 = Few
- 2 = Some
- 3 = Several
- 4 = Many

Malawi				N/A	2
Mali				N/A	3
Nepal					4
Rwanda					4
Sierra Leone					4
Tanzania					4
Uganda					4
Zambia					3
AVERAGE					3.29

Figure 3 depicts the level of emphasis addressed to tourism development as expressed in the various policy instruments employed by the countries under study. In view of the development potential and poverty reduction possibilities offered by this sector, countries falling below the group average have scope for improving their situation by reviewing their respective policy instruments and sharpening their focus on tourism sector development and technical assistance.

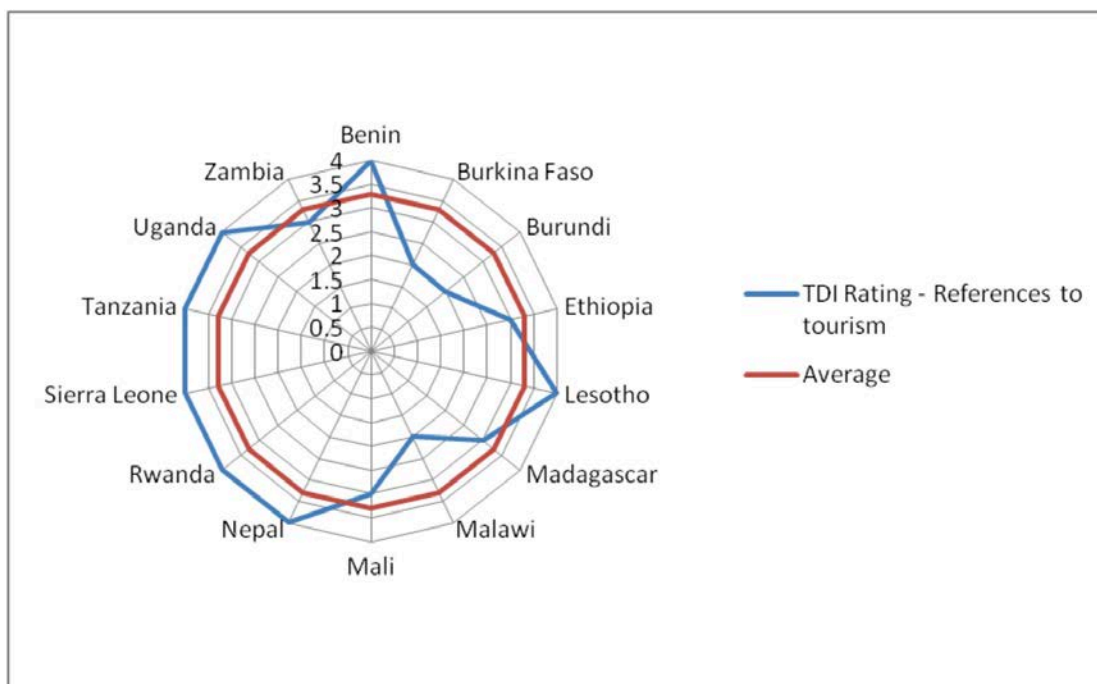


Figure 3. Radar: inclusion of tourism in DTISs, AMs, PRSPs and IPRs

TDI Index 3: Coherence and complementarity of tourism related trade development support in DTISs, AMs, PRSPs and IPRs

Table 4 provides an overview of the trade linkages that could support greater value creation of country tourism sectors and tourism economies. Seven backward and forward linkages were highlighted when reviewing the policy documents in order to examine the overall value chain development of the tourism sector. Tanzania and Zambia are the only two countries that have adopted a systemic orientation and addressed fully these business linkages in the key policy documents that this study is based on. Tanzania's DTIS and AM have a strong focus on the supply chain and backward linkages.

Table 4. Coherence of trade development support in DTISs, AMs, PRSPs and IPRs

Country	Transport	Hotel & facilities	Health and Hygiene	Quality Standards	Investment	Education & training services	Local agricultural inputs	CSEND Index Rating*
Benin								3
Burkina Faso								2
Burundi								3
Ethiopia								3
Lesotho								3
Madagascar								4
Malawi								4
Mali								4
Nepal								3
Rwanda								4
Sierra Leone								3
Tanzania								4
Uganda								4
Zambia								4
AVERAGE								3.43

Legend:


 DTISs, AMs, PRSPs and/or IPRs make reference (additively) to the selected value-chain component
 0 = None; 1 = Very low; 2 = Low; 3 = High; 4 = Very high coherence concerning supply chain.

Figure 4 offers a comparative view of the leaders and laggards under this coherence dimension. Burkina Faso has been identified as the weakest based on CSEND TDI rating. Without a systemic approach to tourism development by addressing, for example, health and hygiene or transportation, deters international tourists who are also courted by countries with much higher levels of tourism product development and product sophistication. In turn, investments made in hotels and other facilities show disappointing returns if adequate attention has not been paid to the rest of the supply chain, such as guaranteeing sufficient supply of fresh foods, or convenience of access; or the value chain such as service quality, construction standards just to name a few. The phenomenon of “leakage” in the tourism sector has often been the consequence of insufficient coherence and interaction between these linkages or the absence of certain linkages entirely.

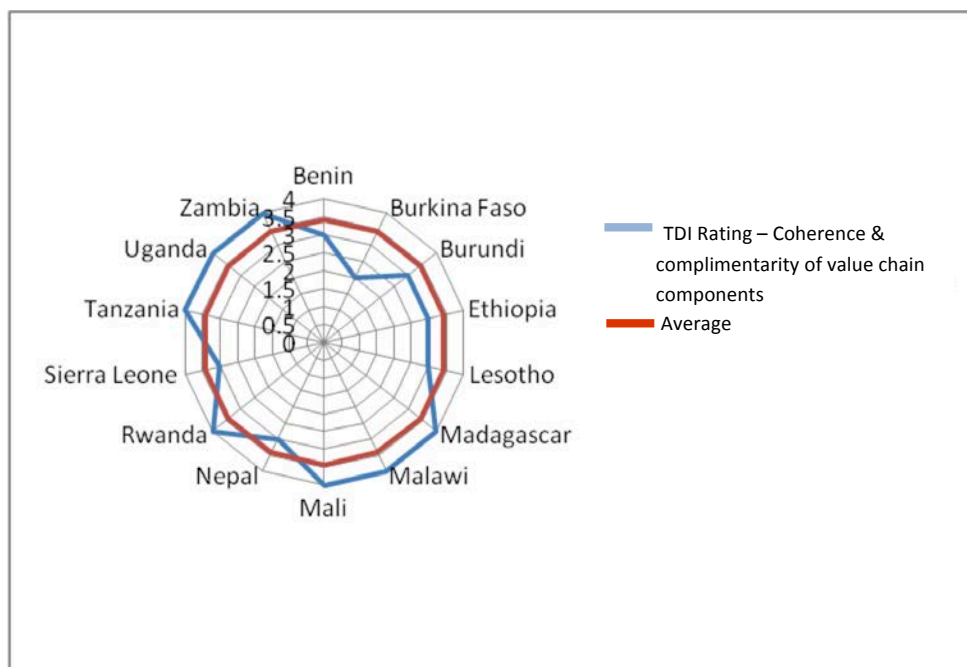


Figure 4. Radar: coherence and complementarity of the four policy documents concerning tourism development

Promotion of tourism, branding, marketing and development of country image are interventions frequently proposed to further develop tourism in the documents. Other improvements often proposed are:

- Transit corridors and infrastructure development;
- Institutional development and IMC;
- Linkages with other sectors like natural resources, handicrafts industry, and cultural industries;
- Eco-tourism;
- Training required to improve the human resources skills;
- Diversification and scaling up of tourism products;
- Involvement of local entrepreneurs and communities;
- Statistics;
- Involvement of local communities;
- Expansion of tourist attractions and increase and scale up tourism products.

Of these interventions, transit corridors and transportation infrastructure in particular require both political will and substantial financing. These two interventions are among the most challenging interventions to undertake. However, investments in these two areas are also the ones most likely to yield substantial and tangible cross sectoral benefits such as in the public transport, goods exports and a cross section of other economic sectors.

TDI Index 4: Extent of trade liberalisation in tourism sector

WTO agreements on trade in services could have a strong impact on a country's tourism development and exports.

Under GATS Specific Commitments (sector 09. Tourism and Travel Related Services), the countries studied are more liberal in modes 1 and 2 (cross-border supply and consumption abroad). Many countries in this study set limitations on Market Access and National Treatment in modes 3 and 4 (commercial presence and presence of natural persons). However, few limitations exist on their citizens' capacity to

consume services abroad. Limitations exist for foreign suppliers to provide tourism services in the LDCs. Table 5 provides a detailed analysis regarding the tourism sectors and respective modes of service provision.

Table 5. Extent of trade liberalisation in tourism sector

Country	GATS Specific Commitments in Tourism																CSEND Index Rating*
	09.A. Hotels and Restaurants				09.B. Travel Agencies and Tour Operators Services				09.C. Tourist Guides Services				09.D. Other				
	M1	M2	M3	M4	M1	M2	M3	M4	M1	M2	M3	M4	M1	M2	M3	M4	
Benin	N/U	N	N	U*													1
Burkina Faso	U	N	N	U*	N	N	N*	U*									2
Burundi	N	N	N	U*	N	N	N	U*	N	N	N	U*					3
Ethiopia	WTO Observer Government																0
Lesotho	U*	N	U*	U*	U	U	U	U*	U	N	N	U*					3
Madagascar																	0
Malawi	N	N	N	U*	N	N	N	U*	N	N	N	U*	N	N	N	U*	4
Mali	U	N	N	N													1
Nepal	N	N	N*	U*	N	N	N*	U*									2
Rwanda	N	N	N	U*													1
Sierra Leone	N	N	N	U*	N	N	N	U*	N	N	N	U*	N	N	N	U*	4
Tanzania	N	N	N*	U*													1
Uganda	N	N	N*	U*	N	N	N*	U*									2
Zambia	N	N	N	U*	N	N	N	U*	N	N	N	U*	N	N	N	U*	4
AVERAGE																	2.00

Source: WTO Trade in Services Database (<http://tsdb.wto.org/>)

Legend:



The country has done commitments in this Tourism subsector

N: None // N*: With limitations in Market Access // U: Unbound // U*: Unbound with exceptions // N/U: None/Unbound, depending on the section of the subsector

* 0 = None; 1 = Few; 2 = Some; 3 = Several; 4 = Many commitments

Figure 5 offers a visual presentation of the market liberalisation (TDI dimension 5) of the specific countries in terms of the liberalisation of their domestic market for tourism related trade. In comparison, Malawi, Sierra Leone and Zambia are the most open. These three countries have liberalised their tourism sector the most when compared to the other countries in this study.

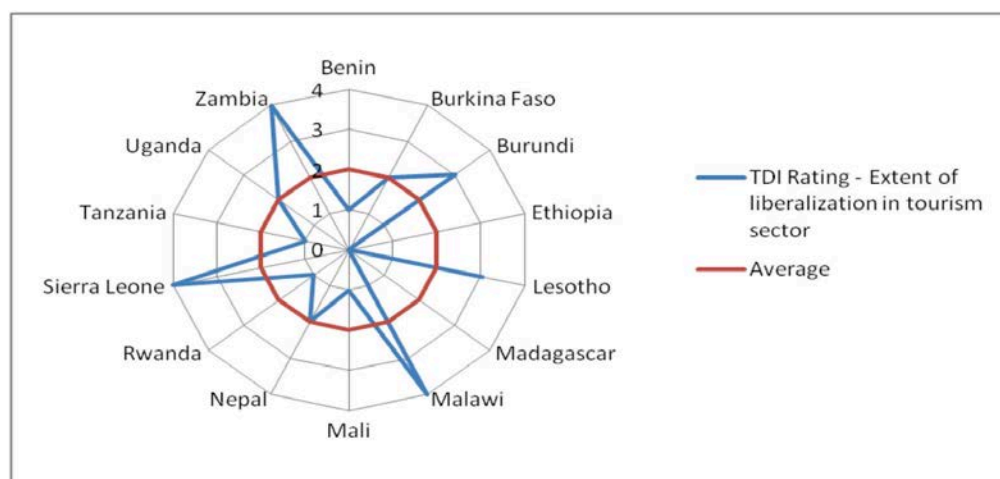


Figure 5. Radar: differing extents of trade liberalisation in tourism sector

TDI Index 5: Trade arrangements (RTAs/FTAs) concerning trade in tourism

All countries included in this study have made efforts to enhance complementarity or enlarge the scale of their tourism sector through trade agreements within their own geographic regions or with other countries through FTAs. The number of trading arrangements to which the countries under study are party varied from 1 agreement in the case of Sierra Leone to 4 agreements in the cases of Lesotho and Nepal. Not all of these trade agreements contain tourism development as a specific work item. Arrangements to which Lesotho and Nepal have joined contain no reference to tourism trade (see Table 6). In the case of Lesotho however, co-operation with South Africa has seen Lesotho being offered as a secondary tourist destination in some tourism packages offered by South African tour operators.

Table 6. Trade arrangements (RTAs/FTAs)

Country	SAD C	SAC U	EFT A-SAC U	India - SAC U	WAEM U	COME SA	EA C	GST P	ECOW AS	India - Nepal	SAFTA A	SAPT A	BIMST EC	CSEND Index Rating *
Benin									X					3
Burkina Faso									X					2
Burundi						X	X							2
Ethiopia						X								1
Lesotho														4
Madagascar						X								2
Malawi						X								2
Mali									X					2
Nepal														4
Rwanda						X	X							2
Sierra Leone									X					1
Tanzania							X							3
Uganda						X	X							2
Zambia						X								3
AVERAGE														2.36

Legend:

	RTAs / FTAs that the country is part of, based on the WTO RTAs Database
X	RTA whose agreement contains references to Tourism

* 0 = None; 1 = Few; 2 = Some; 3 = Several; 4 = Many RTAs or FTAs signed

For LDCs that are island states, transport connections with a continent or land bridge countries are crucial for competitive pricing. Similarly, landlocked countries tend to pay singular attention to transport links with their neighbours. In such countries, preferential regional or sub-regional trade agreements with special attention to the tourism sector are crucial for higher productivity in the tourism sector. Figure 6 illustrates this point well. Nepal has used effectively its various trade agreements with neighbouring countries and the EU in order to sustain its tourism sector, despite its geographic isolation and access limitations. Likewise, Lesotho uses its business alliance with neighbouring South Africa and other countries to ensure its integration into a larger tourism market.

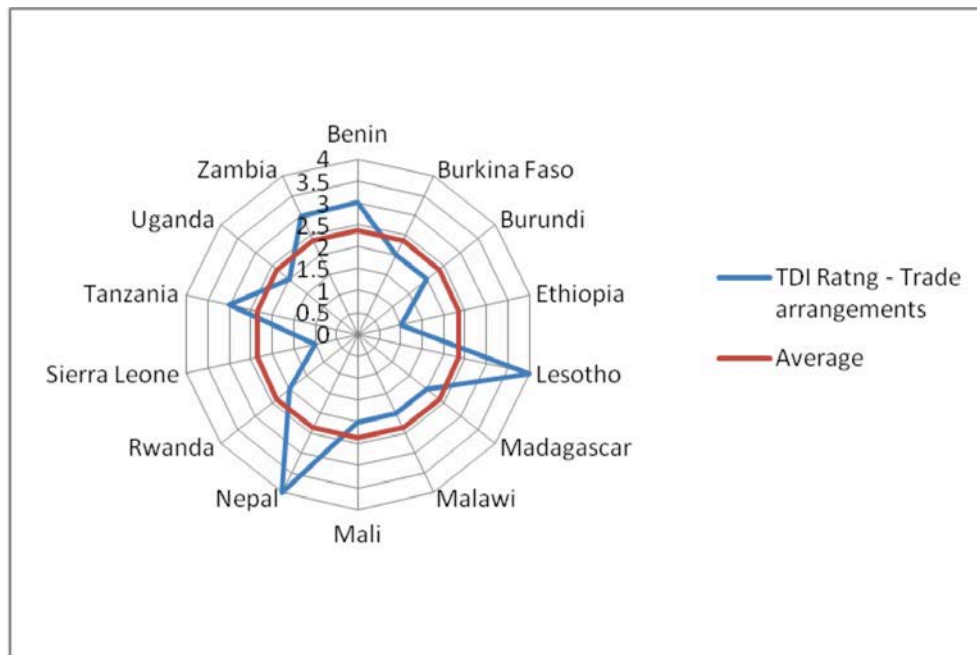


Figure 6. Radar: capturing the CSEND TDI rating on potential benefits from trade preferences

Table 7 presents the specific agreements made concerning tourism development within different regional or sub-regional groupings. Some of these agreements are very comprehensive. Implementation would create privileged conditions for tourism to flourish.

Table 7. Specific references to tourism in selected RTAs'

Shared + Unique Agreements	COMESA	EAC	ECOWAS
Integrate environmental management and conservation measures in a all developmental activates such as trade, tourism, agriculture mining, livestock, fisheries, industry, commerce, wildlife			
Standardize hotel classifications, harmonize professional standards of agents in the tourism and travel industry within the community			
Coordination of marketing of quality tourism into and within the community joint promotion of products portraying natural and socio cultural values of the region			
Facilitating movement of travelers, framework for tourism statistics, promoting establishment of efficient tourism enterprises, catering for the needs, establishment of training institutions			
Establishment of Technical Commissions area of Transport Customs and Tourism			
Eliminate all discriminating measures practices against community citizens in the area of tourist hotel services			
Council of ministers shall by a simple majority by a proposal from the executive secretary. Delegates executive secretary same majority enforcement power necessary for the coordination of member states polices on tourism			
Co-ordinate inter-regional airline schedules			
Establishment of regional tourism development centers			
Provide the regulatory and institutional framework necessary for regional promotion development			
Promotion of private sector in tourism			
Organization of tourism fairs and exhibitions			
Provision of meteorological services and support			
Develop a regional strategy for tourism promotion whereby individual efforts are reinforced by regional action			

Source: CSEND database 2011.

TDI Index 6: Existing governance mechanisms for tourism development

High performance in the tourism sector requires a well coordinated development strategy to ensure quality inputs such as transportation, hotel accommodations, restaurants, sightseeing, sports and entertainment. Other business conditions are equally important in making a tourist feel comfortable and secure. This involves health and hygiene, variety of food choices, banking services, electricity and water supply just to name a few. Provision of the above requires cross-sector cooperation and setting investment priorities. Without proper governance mechanisms for policy making and implementation, it would not be easy to develop a well configured and diversified tourism product.

These mechanisms consist of Inter-Ministerial Coordination (IMC), government to industry consultation and intermediary buffer organisations able to represent the interests of different stakeholders. Table 8 depicts existing governance mechanisms in various countries. While all countries have already established mechanisms for government-business consultation and tourism industry organisations, less evident is the formalised IMC mechanisms. A formalised IMC mechanism should have clear guidelines and procedures in order to regulate its actual practices. Short of these tools, IMC tends to be ineffective and irrelevant to the real decision making process and fiscal allocation.

Table 8: Governance mechanisms for tourism development

Country	Interministerial Coordination	Government to Industry Consultation Mechanism	Tourism Industry Organizations	CSEND Index Rating*
Benin				2
Burkina Faso				2
Burundi				2
Ethiopia				2
Lesotho				2
Madagascar				2
Malawi				2
Mali				2
Nepal				2
Rwanda				2
Sierra Leone				2
Tanzania				2
Uganda				2
Zambia				2
AVERAGE				2

Legend:

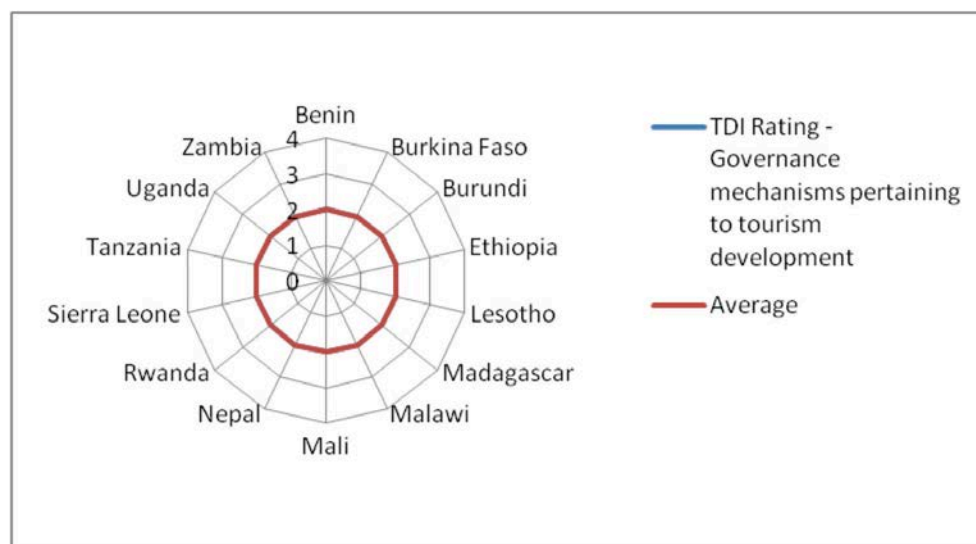
 Availability of domestic support institutions (IMC, Govt. to Industry Consultation Mechanism, Tourism Industry Organizations)

* 0 = None; 1 = Few; 2 = Some; 3 = Several; 4 = Many references in documents

Figure 7 depicts the current state of TDI rating based on the publicly available information on the internet and limited cross checking by telephone with most representatives of the fourteen country missions in Geneva. The general picture emerging is that IMC coordination remains informal and cannot be verified since there exist no formal practices or requirements to do so. With all the benefits of proper coordination, the perception by individual ministries of negative trade-offs inherent to this work method including time investment and perceived ceding of administered authority are clear impediments that must be addressed.

Many countries included in this study have a National Tourism Board for consultation with the business sector. Such Boards often do not have a clear mandate of cross-ministry coordination function and power. After careful checking of the public information sources, it can be observed that no mention of formal IMC mechanisms linked to tourism policies were found. Nevertheless, institutional reinforcement of Ministries of Tourism in terms of capacities and budget (mainly) has been proposed in several of the country documents examined.

Figure 7. Radar: Governance mechanisms for tourism development



TDI Index 7: Articulation of a national tourism strategy

All fourteen countries have made their country tourism strategy available in the public domain. In addition, a national tourism site is often available on the web which promotes different tourist destinations and attractions in the country. With the exception of Sierra Leone, the other thirteen countries have also developed a regional tourism strategy for clustering.

Table 9. Articulation of a national tourism strategy

Country	National tourism strategy	Regional strategy supporting tourism (RTAs)	Tourism promotion website	CSEND Index Rating*
Benin		WAEMU	http://benintourisme.com/	4
Burkina Faso		WAEMU	www.tourismeburkina.com/	4
Burundi		COMESA, EAC	www.burunditourisme.net/	4
Ethiopia		COMESA	www.tourismethiopia.org/	4
Lesotho		SADC	www.visitlesotho.travel/	4
Madagascar		COMESA, SADC	www.visitmadagascar.com/	4
Malawi		COMESA, SADC	www.visitmalawi.mw/	4
Mali		WAEMU	www.officetourisme-mali.com/	4
Nepal		BIMSTEC	http://welcomenepal.com/stn/	4
Rwanda		COMESA, EAC	www.rwandatourism.com/	4
Sierra Leone			www.sierraleonetourism.sl/	3
Tanzania		EAC, SADC	www.tanzaniatouristboard.com/	4
Uganda		COMESA, EAC	www.visituganda.com/	4
Zambia		COMESA, SADC	www.zambiatourism.com	4
AVERAGE				3.93

Legend:

 The country has an articulated National Tourism Strategy and a tourism promotion website, and has developed a regional strategy supporting tourism in the public domain

* 0 = None; 1 = Few; 2 = Some 3 = Several; 4 = All three elements

Including all three elements, a national tourism strategy, a tourism promotion web site and a regional tourism strategy, Figure 8 captures the density of such strategic design. However no data available in the public domain address the question of outcome or impact of these strategies.

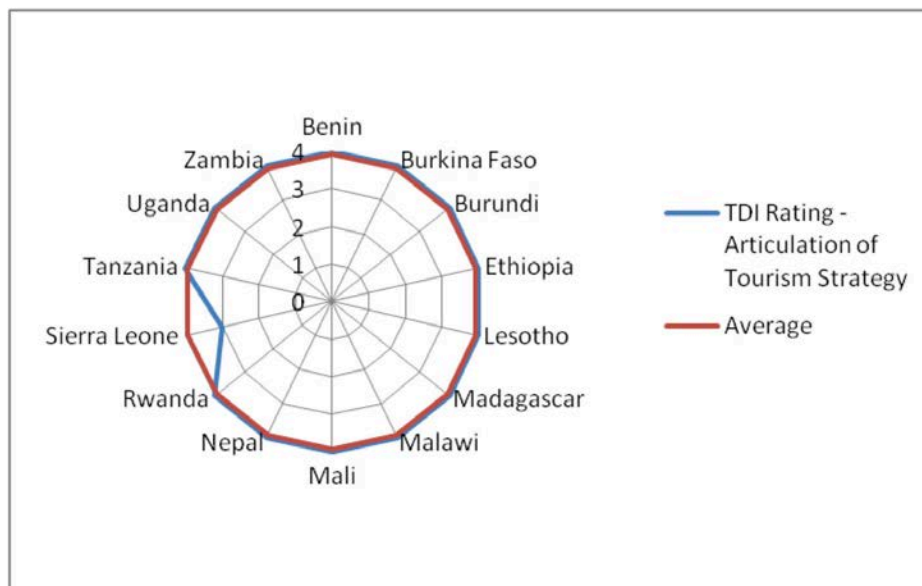


Figure 8. Radar: the extent to which countries have articulated a national tourism development strategy

TDI Index 8: References to sustainability of the tourism sector in DTISs, AMs, PRPSs and IPRs

Tourism sustainability, both social and environmental, were not mentioned in the four policy documents examined. Similarly, sustainability was also unaddressed in IPRs in relation to attracting foreign direct investment in this the tourism sector.

Table 10. References to sustainability of the tourism sector in DTISs, AMs, PRPSs and IPRs

Country	None	Few	Some	Several	Many	CSEND Index Rating
Benin						0
Burkina Faso		PRSP				1
Burundi						0
Ethiopia		DTIS				1
Lesotho						0
Madagascar						0
Malawi		PRSP				1

Legend:

 References made to sustainability of tourism in DTIS, AM, PRPS and/or IPR

- None:** No reference at all in the four documents. Minimum *one of the four* documents makes a reference.
- Few:** At least *two of the four* documents make a reference.
- Some:** At least *two of the four* documents make a reference.
- Several:** Several references in *all four* documents are made.
- Many:** Several references in *all four* documents are made.

Mali		DTIS				1
Nepal						0
Rwanda		PRSP				1
Sierra Leone						0
Tanzania						0
Uganda		DTIS				1
Zambia		PRSP				1
AVERAGE						0.50

Even when mention was made of sustainable tourism in either DTISs or PRSPs, no policy coherence was found in the four country documents examined. No investment commitments were found in Action Matrices in which capacity building projects were proposed.

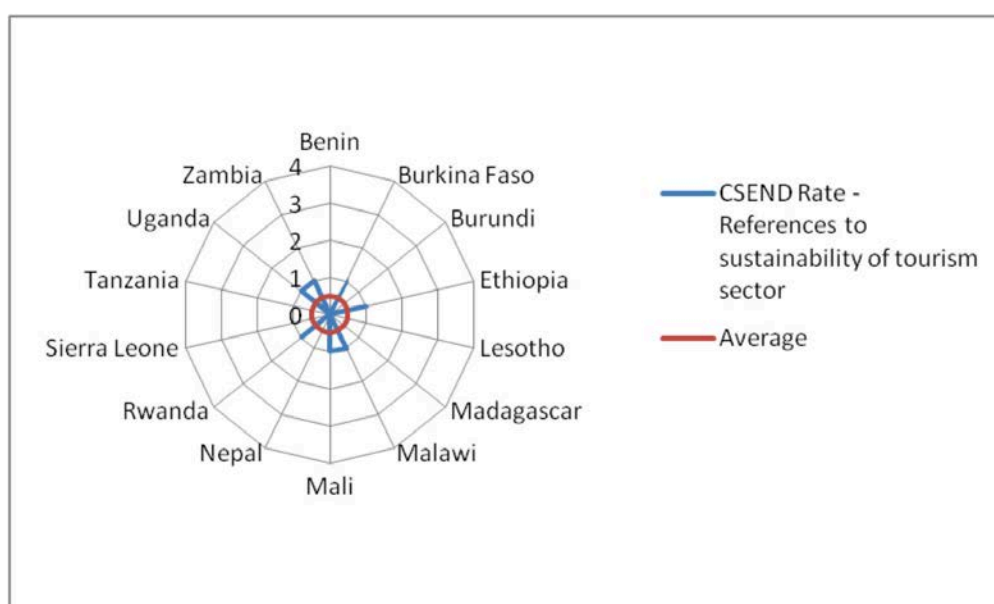


Table 10. References to sustainability of the tourism sector in DTISs, AMs, PRSPs and IPRs

Summary of Key Findings

When looking at both the overall comparative landscape of tourism development and specific TDI parameters, the following key findings can be summarised:

1. Tourism development is addressed in varying degrees in the DTISs, Action Matrices, PRSPs and IPRs of the selected 14 LDCs. The variance between countries could be due to differing national priorities regarding the use of international aid for tourism development.
2. A large number of LDCs have undertaken GATS commitments in the tourism service sector. More targeted commitments are needed to strengthen competition (market access and national treatment) to avoid monopoly rent extraction by foreign or domestic service providers. With the exception of Malawi, Sierra Leone and Zambia which have liberalised to a great extent this sector, the majority of the countries studied have not liberalised the tourism sector or only partially liberalised one in four of the tourism subsectors, i.e, hotels and restaurants, travel agencies and tour operators services, tourist guides services and other.

3. The 14 countries studied are, in general, more liberalised in modes 1 and 2 (cross-border supply and consumption abroad) but most of the countries set limitations on market access and national treatment in modes 3 and 4 (commercial presence and presence of natural persons). However, there are fewer limitations for their citizens to consume services abroad and foreign suppliers have limited access to provide tourism services in the LDCs.
4. Tourism strategies require intense coordination among ministries including those with mandates not directly related to tourism, but which nevertheless govern policies that impact the tourism industry. None of the countries assessed showed evidence of an institutionalisation of Inter-Ministerial Coordination (IMC) processes, whether in terms of mechanisms, procedures and guidelines for institutional leadership.
5. Sustainable use of national tourism assets remains an “idea”. Insufficient attention has been given in the country DTISs, AMs, PRSPs and IPRs in this regard. This serious lacuna requires urgent remedial action.
6. Comprehensive and user friendly data on tourism for policy analysis is often not available to the public and potential investors. Absence of reliable data discourages investment by professional and reliable tourism investors and on the other hand attracts unreliable, high risk and less than ethically sound tourism operators
7. All 13 African LDCs included in the review are members of major trade arrangements (RTAs/FTAs).⁵ These agreements contain provisions on differing and important tourism-related subjects from common standards, to joint marketing and establishing training institutions.⁶ All such agreed initiatives should be implemented to foster greater regional integration in both supply and value chains based on respective comparative advantages. Implementing regional integration processes could enhance the competitiveness of the tourism sector and the attractiveness of its products. Regional leaders must leverage political will for the common good.
8. None of the 14 countries has a webpage where *all* the national and regional tourism strategies are listed. Such a site/database could be created under the UNWTO, including the name of the country, the link to the strategy (regional and national) and the Ministry and or National Tourism Board. As these strategies are already published, such an effort should be relatively simple and economical.

Policy recommendations

Taking into account the strengths and weaknesses identified in the individual Country Polycsapes and bearing in mind the importance of making the most effective use of available support provided by donors and development agencies, the following observation and recommendations are put forward:

In order to improve the economic performance of the tourism sector in the selected LDCs, greater effort is needed to improve tourism infrastructure including physical (roads, transportation) as well as other soft and human factors (e.g. managerial competence, service quality, food security and hygiene). Equally important is the development of cultural and creative industries. Strengthening these different elements requires an overarching strategic plan, concerted investments and political leadership; otherwise countries risk increased fragmentation and ineffectiveness in their tourism plans.

⁵ East African Community (EAC), Commission de la Communauté Economique et Monétaire de l’Afrique Centrale (CEMAC), Economic Community Of West African States (ECOWAS) and Common Market for Eastern and Southern Africa (COMESA).

⁶ Details of these RTAs containing specific elements to tourism include the following: integration of environmental management and conservation measures in all developmental activities; standardisation of hotel classifications, harmonisation of professional standards for agents in the tourism and travel industry within the community; coordination of marketing of quality tourism into and within the community, joint promotion of products portraying natural and socio-cultural values of the region; facilitation of the movement of travellers; framework for tourism statistics; promotion of the establishment of efficient tourism enterprises; and establishment of training institutions.

Recommendation 1:

Extend implementation periods and flexibilities under the WTO Agreements (GATS Articles IV and XIX)⁷ to safeguard LDCs' still vulnerable tourism sectors. Transition periods are needed to allow LDCs to create an adequate business climates and effective internal regulations for governing their tourism sectors.

When thinking of trade negotiations, countries tend to focus more on goods, and less on services. However, tourism is a service sector with a rich potential to integrate other goods and services that is not yet well exploited. LDCs need extended implementation periods and flexibilities under the WTO Agreements (GATS Articles IV and XIX) to safeguard their still vulnerable tourism sectors.

Tourism is one of the sectors where many LDCs have taken commitments in the context of the GATS and several countries within then group have included tourism as a priority sector under their poverty reduction strategic plans and programmes. A transition period is needed to allow LDCs to create adequate business climates and effective internal regulations for governing their tourism sectors. To give LDCs such a transition period for implementing GATS commitments should be seen as providing "social credit" in support of their efforts to escape poverty.

Recommendation 2:

Institutionalise inter-ministerial policy coordination and consultation mechanisms for tourism development to underpin policy effectiveness.

Successful tourism development in LDCs depends on making use of international aid commitments and on creating effective national governance capacities and capabilities. Without such governance instruments, government agencies and ministries will miss opportunities to reduce misallocations of time and resources and miss out on opportunities to limit counterproductive inter-ministerial struggles for policy space. Tourism ministries alone are unable to take sole policy leadership on issues that are cross cutting and encompass longer term impacts such as sustainability and preservation of national tourism capital.

Recommendation 3:

Target capacity building in inter-ministerial coordination and develop institutional leadership for enhanced government capabilities and the deepening of the needed reforms.⁸

Most LDCs suffer from weak institutional leadership, lack of capacity and continuity in policy making, implementation and monitoring. LDC governments must make improving these functions a priority area. Donor countries and development partners should similarly prioritise capacity building and support in these areas. Such capacity building programmes should also include computer aided management information systems so that decisions can be taken based on quantitative and qualitative analyses and feedback is ensured based on qualified information.⁹

⁷ GATS Article IV refers to increasing participation of developing countries and GATS Article XIX deals with negotiation of specific commitments.

⁸ For concrete recommendations on development aid monitoring see Yiu & Saner (2011) "An Evidence-based Monitoring System for an effective Aid for Trade" available at: <http://csend.org/programmes-a-services/aid-effectiveness-a-efficiency>.

⁹ For concrete recommendations on development aid monitoring see Yiu & Saner (2011) "An Evidence-based Monitoring System for an effective Aid for Trade" available at: <http://csend.org/programmes-a-services/aid-effectiveness-a-efficiency>.

Recommendation 4:

Align international support by donors and development agencies to achieve better results in tourism development under the Enhanced Integrated Framework.

The tourism sector has been recognised as a key potential driver for employment generation and foreign exchange earnings. To realise this potential, concerted and coordinated efforts by the international community must be undertaken in their aid programmes and instruments.

LDCs need to take charge of policy space (ownership) and steer the inputs coming from DTISs and PRSPs towards tourism development with attention to linkages with businesses. Investments made in the tourism industry need to be aligned to the aim of improving overall attractiveness and sustainability of its tourism sector. It takes two to tango. Effective aid programmes in tourism development require collaborative teamwork by both parties, donor and beneficiary, and a shared vision. The Enhanced Integrated Framework could be a forum to support such a coordinated approach.

Recommendation 5:

Harness the existing trade arrangements (RTAs/FTAs) to support development of the tourism sector value chains in neighbouring countries.

All 13 African LDCs included in this CSEND study are members of major trade arrangements.¹⁰ These agreements contain provisions on different and important tourism-related subjects ranging from common standards to joint marketing arrangements and also the establishment of common training facilities.¹¹ All such agreed initiatives should be implemented with immediacy to foster greater regional integration in both supply and value chains in accordance with the respective comparative advantages of each member country of a trade arrangement. Active use of trade arrangements could enhance tourism sector competitiveness and the attractiveness of its products.

Regional leaders should commit to regional cooperation for the common good of the member countries. Existing regional and sub-regional organisations need to take commitments in assisting countries to implement the priority areas of their trade arrangements and contribute to their realisation.

Conclusion

Policy solutions to foster sustainable tourism development in LDCs consist of four overlapping policy spheres namely: a) adequate trade rules (WTO, RTAs and FTAs); 2) appropriate GATS commitments under tourism with competition safeguards; 3) effective tourism sector development strategies & policy coherence (DTISs/AMs and PRSPs); 4) and sufficient mid-and long-term domestic investment & competition framework (UNCTAD and IPRs).

The Integrated Framework is an international commitment to the enhance policy coherence of development aid for LDCs. However the actual practice remains less than ideal when viewed from the perspective of tourism development strategy within DTISs and AMs. One positive note, however, is that

¹⁰ East African Community (EAC), Commission de la Communauté Economique et Monétaire de l'Afrique Centrale (CEMAC), Economic Community Of West African States (ECOWAS) and Common Market for Eastern and Southern Africa (COMESA).

¹¹ Details of these trade arrangements containing elements specific to tourism include the following: integrate environmental management and conservation measures in a all developmental activities; standardize hotel classifications, harmonize professional standards of agents in the tourism and travel industry within the community; coordination of marketing of quality tourism into and within the community, joint promotion of products portraying natural and socio cultural values of the region; facilitate movement of travellers; framework for tourism statistics; promote establishment of efficient tourism enterprises; and establish training institutions.

there exists a minimum coherence among the various policy instruments and complementarity to foster a more comprehensive development of the sector.

Findings of the CSEND study underline the need for policy leadership and coordination for better implementation of investment in the tourism sector. However, national solutions should be enhanced by regional coordination and joint effort in creating synergistic business networks. The lack of regional integration prevents meaningful cooperation in terms of forward and backward linkages representing missed opportunities for African LDCs, consumers and also for their citizens in terms of employment and economic growth.

A well developed global trade governance framework could provide such opportunities which need to be well thought out and effectively negotiated in the WTO. Political leadership needs also to be better manifested when LDCs negotiate country implementation strategies with international organisations and donors in DTISs, AMs and PRSPs.

Tourism can generate growth, jobs and prosperity. Incoherence in governmental vision, strategy, policies and actions are barriers preventing LDCs from achieving sustained and successful tourism development. Recommendations made here are steps that seek to enable LDCs to better realize their tourism development potential.

All in all, the analysis shows that there is a high degree of coherence and complementarity among the tourism policy instruments. However, more work should be done to strengthen governance (i.e. inter-ministerial coordination) on tourism policy and sustainability in order to make better use of the available policy instruments and resources.

■

Part One

Comparative Analysis of Policyscapes Across Selected Least Developed Countries

1 - Introduction

Tourism is a significant contributor to GDP, employment and the international appreciation of a country and its culture – regardless of its level of development. Tourism can also serve as a driver of overall economic growth by increasing demand for products and services in adjacent sectors thus motivating improvements in the efficiency and quality of domestic supply chains which are ultimately the engines of value creation.

An Important Economic Sector

Tourism has emerged as one of the most dynamic and fastest growing industries worldwide representing about 6% of international trade in goods and services and accounting for 30% of the world's exports of commercial services. Globally, tourism also ranks fourth as a category of exports, after fuels, chemicals and automotive products.¹² It is projected that the contribution of travel & tourism to global GDP will rise from 9.2% (US\$ 5,751 billion) in 2010 to 9.6% (US\$ 11,151 billion) by 2020. The contribution of the travel & tourism economy to employment is also expected to rise from 8.1%, or 235,758,000 jobs across the world in 2010, to 9.2%, or 303,019,000 jobs, by 2020.¹³

Recent reports from different agencies have also highlighted the importance of tourism for Least Developed Countries (LDCs). A flourishing tourism sector can contribute to an LDCs' development through its linkages with other economic sectors and through the inclusion of local communities, as well as through job creation and reduction of poverty. The following viewpoints expressed are directly relevant to this policy study, namely:

- 1) The Istanbul Programme of Action¹⁴ calls for “[s]upport[ing] [] Least Developed Countries' efforts to develop [] sustainable tourism sector[s], in particular through infrastructure and human capital development, increased access to finance and enhanced access to global tourism networks and distribution channels...”
- 2) According to the Green Economy Report (2010) of United Nations Environment Programme (UNEP), tourism development can support the local economy and contribute to poverty reduction. The New Partnership for Africa's Development (NEPAD) has identified sustainable tourism development as an important vehicle to address the current development challenges facing Africa.
- 3) United Nations Economic Commission for Africa's (UNECA's) “Sustainable Development Report on Africa” highlights the approval of a Tourism Action Plan in 2004. Its main objective is to “provide an engine for growth and integration, and to contribute to poverty eradication. Most African governments have included tourism in their national development strategies. Countries have also started adopting policies that unlock opportunities for the poor to gain employment through tourism development. Additionally, countries have adopted the Global Code of Ethics for Tourism and have reported on implementation progress.”¹⁵

Tourism is a people driven industry. In countries where most people work in the informal economy, the chance of escape poverty trap is slim. Advanced and productive tourism services would offer

¹² 2010 World Tourism Organization (UNWTO) Tourism Highlights. See www.unwto.org/facts/eng/pdf/highlights/UNWTO_Highlights10_en_HR.pdf.

¹³ 2010 World Travel and Tourism Council (WTTC), Progress and Priorities Report. See www.wttc.org/bin/pdf/original_pdf_file/pandp_final2_low_res.pdf.

¹⁴ See <http://ldc4istanbul.org/uploads/IPoA.pdf>, p. 12.

¹⁵ UNECA Report “Sustainable Development Report on Africa”, 2008: www.uneca.org/eca_resources/publications/books/sdra/SDRAfull.pdf, p.xvii.

opportunities for many to be engaged in gainful formal employment. Effective tourism strategies can create sustainable income generating opportunities and provide employment needed to absorb large numbers of semi-skilled or unskilled workers. Such strategies require investment in the tourism industry itself, i.e., hotels, transportation, catering and restaurants, but also entail investments to strengthen forward linkages to value chains and backward linkages to supply chains.¹⁶ Absent such integrated development approaches, project investments such as hotels or game parks, will prevent the higher rates of return than are otherwise possible.

Sub-optimal Performance and Business Constraints

In most LDCs, the tourism sector has not lived up to its full potential. The tourism industry grew from a mere US\$ 6.8 billion in international tourist receipts beginning in the 1960s to US\$ 941 billion by 2008 before falling to US\$ 852 billion in 2009. The geographical distribution of tourist receipts for 2009 reflect that of the indicated total: 48.5% went to Europe, 23.9% to Asia and the Pacific, 19.4% to the Americas, 4.8% to the Middle East and only 3.4% to Africa.¹⁷

LDCs are endowed with natural tourism assets and distinctive cultural heritage and historical sites. Some are designated UNESCO World Heritage Sites. Greater tourist receipts could be generated, if the domestic business environment and international trading potential could be better aligned and harnessed. Sound tourism development strategies and well coordinated implementation plans can enable the LDCs to achieve greater value creation without compromising national tourism assets. LDCs need to develop and more fully exploit their tourism resources in a sustainable manner to achieve their midterm poverty reduction objectives.

The main constraints facing the African tourism sector relate to political instability, wars and terrorist attacks, leakages and limited linkages to the local economy. Hence the challenge for sustainable tourism development is to “overcome these risk factors; ensure effective market place value, quality of service products and meaningful community-private-public partnerships, supported by policies that influence flows to the poor.”¹⁸

UNECA noted that,

“The tourism industry is still very fragmented, and coordination is required, particularly for small and micro tourism firms. Traditionally, the focus of national governments has been at [the] macro level (international promotion, attracting investors for major hotel and resort developments, national and regional master planning). Regulations, economic incentives, fiscal measures, resources and institutions to promote and disseminate good practices and in general, the policy space for tourism to respond to sustainability issues is inadequate, if not lacking in most cases.”¹⁹

Lack of infrastructure development also hampers greater productivity in the tourism sectors of LDCs. The scale of investment needed tends to elude the realm of possible for many. Co-development of tourism services and requisite infrastructure on a regional basis could make sense. Additionally, other enabling conditions such as addressing managerial skills shortages and/or capital scarcity would also make sense and may be facilitated by collaborative ventures with neighbouring countries. However, and as expressed by the UNECA Report on “Assessing Regional Integration in Africa III”, the lack of regional integration is slowing down the integration of tourism markets. Little progress has been made concerning the free movement of persons and the right of commercial presence which raises real costs for the tourism sector.²⁰

¹⁶ For an analysis on the value chain in LDCs, see the 2009 study “Commodity Development Strategies in the Integrated Framework” available at: <http://csend.org/publications/development-a-int-rel/48-commodity-development-strategies-in-the-integrated-framework>.

¹⁷ UNWTO, op cit.

¹⁸ Ibid, p.xviii.

¹⁹ Ibid, p.60.

²⁰ UNECA, Report “Assessing Regional Integration in Africa III”, 2008: www.unece.org/aria3/ARIA3_ENG.pdf, p. 39.

Calls for a Foundation Study

In 2010 the Centre for Socio Eco-Nomic Development (CSEND), with the support of the LDC group, organized a first Roundtable at the World Trade Organization (WTO) to raise awareness about the complexity of tourism development and to posit tourism in the context of sustainable economic, social and environmental development. The conclusions of the Roundtable on “Sustainable Tourism, Green Jobs and Climate Change Adaptation: Possible Linkages?” were adopted by the Sub-Committee on Least-Developed Countries and by the Council for Trade in Services on 21st December 2010.²¹ One of the key findings of the 2010 Roundtable was the deficit of policy coherence and inter-ministerial policy coordination to support sustainable tourism development.

As a result, this comparative analysis on policy coherence and complimentarity was conducted to establish a baseline for assessing successful tourism development policies in the LDCs. Initial findings of this comparative study were presented at a second Roundtable at the WTO on 26 April 2011 for discussion and for validation of the analytic framework to be applied for an in depth analysis of key international policy instruments that directly impact LDC exports of tourism services.

²¹ For more information on the recommendations adopted by the Sub- Committee on Least-Developed Countries and Council for Trade in Services (WT/COMTD/LDC/18, S/C/W/328) check http://docsonline.wto.org/GEN_viewerwindow.asp?http://docsonline.wto.org:80/DDFDdocuments/t/WT/COMTD/LDC18.doc.

2 - Methodology

A quantitative method was used to clarify a set of policyscapes in order to analyse the coherence and complementarity of policy choices reflected within the tourism sector of specific countries. The tourism sector was selected as the domain of these policyscapes for the reasons cited above. Future research addressing other services sectors could rely on the same methodology developed and applied in this work.

A group of fourteen LDCs was selected for this policy analysis with a view to diversity based on criteria including varied geographic contexts and heterogeneity in the challenges facing development of sustainable tourism sectors. Thirteen of these selected countries are from Africa while one is from Asia. They are: Benin, Burkina Faso, Burundi, Ethiopia, Lesotho, Madagascar, Malawi, Mali, Nepal, Rwanda, Sierra Leone, Tanzania, Uganda and Zambia. Conclusions from these comparative analyses are broadly applicable to LDCs not included in this study and relevant in general to developing countries particularly the low-income developing country group.

Country tourism “policyscapes” were created in order to draw attention to the policy convergence and divergence at the international level. The study also expects to create unique visions for delivering national tourism development in the selected LDCs. These country tourism policyscapes have been developed in accordance with the Tourism Development Index, designed and developed by CSEND, and attempt to illustrate site specific conditions, such as tourism assets and national strategy, and trajectory set by international policy instruments, such as DTISs, PRSPs and IPRs. Regional trade arrangements as well as global trade commitments were also analysed thus contributing to the richness and complexity of the policy landscapes mediated by national policy leaders and development actors representing donors, beneficiaries and development agencies. Through this multi-level analysis, it becomes possible to identify the intersection and interdependence of national policies and international assistance frameworks thus clarifying the degree of coherence and complementarity attained.

This study does not focus on the regulatory framework that defines the tourism business environment, such as land use, foreign exchange rules, border controls and mobility of people. Nevertheless, an indirect link is provided in the section focusing on the inter-regional trade agreements that countries have made which address some of the regulatory business issues.

General Conceptual Framework

This study addresses two questions: “Did the LDCs make coherent and complimentary use of key investment instruments to develop their supply and value chain for sustainable tourism development?” A subordinate related question is “Does national policy leadership exist and if so, does it effectively ensure coherence and complementarity of various investment policy initiatives?”

A causal link is hypothesised to provide the basis for establishing a set of parameters that could be integrated into the TDI. Table 1 depicts this conceptual framework by looking at independent variables and dependent variables together with expected outputs and outcomes. This study and the ensuing national policyscapes focused on mapping the “WHAT IS” of these variables, without delving into actual analysis of their impact or outcomes. Therefore, the policyscapes created are descriptive in nature and are intended to summarise intermediate (process) variables rather than looking at the outputs and poverty reduction outcomes from an evaluator’s perspective.

Table 1: Conceptualisation of a causal link between governance and tourism sector performance

Independent variables	Intermediate variables	Dependent variables	Outputs	Outcomes
<ul style="list-style-type: none"> Domestic policy setting - National tourism development strategy - IMC & policy consultation - Coherent investment & aid instruments - Strategic approach to GATS commitments - Monitoring Information system and data collection 	<ul style="list-style-type: none"> • Transforming national tourism assets (resources) into tourism “capital” • Investment policy • Investment sources <ul style="list-style-type: none"> ○ Domestic public ○ Domestic private ○ FDI ○ ODA (AfT, PRSP, EIF) ○ Regional Joint ventures (public & private): RTAs • Business climate • Business • Human resources and other elements of value chains • Environment protection • WTO commitments, flexibility & negotiations • (Tourism IP protection)* 	<ul style="list-style-type: none"> • Greater transition period for making & implementing GATS commitments • Horizontally coherent policies and investment strategies • Better coordinated national tourism development strategies and actions • More conducive investment environment <li style="text-align: center;">↓ • Development of the supply and value chain • Conservation of the tourism assets and resources • “Branding” • Tourism competitiveness 	<ul style="list-style-type: none"> • Increasing of tourism receipts • Job creation • Growth • GNP • Foreign exchange reserve 	<ul style="list-style-type: none"> • Poverty reduction • Social development objectives • National development

Analytic Tool: Tourism Development Index (TDI):

The objective of the TDI Index is to assess the coherence and complementarity among different policy instruments and related trade commitments concerning the development of the tourism sector in LDCs. This forms the basis of a country’s tourism policyscape.

This research covers tourism related policy instruments at the national, regional and global/multilateral level. The instruments relied upon are: Trade Integration Diagnostic Studies (DTISs) and Action Matrices, Poverty Reduction Strategy Papers (PRSPs), UNCTAD’s Investment Policy Reviews (IPRs), WTO GATS Commitments, regional trade agreements (RTAs) and free trade agreements (FTAs), and country (and regional) tourism development strategy reports where publicly available on internet.

Eight parameters or dimensions are compository parts of the TDI. They are: Assets, References, Coherence and Complementarity, GATS commitments, RTAs/FTAs, Governance, Strategy and

Sustainability. The following questions were used to assess policy coherence for sustainable tourism development:

1. To what extent has the country identified national assets able to provide differing tourism products?
2. To what extent do DTISs, AMs and PRSPs refer to tourism?
3. To what extent do DTISs, AMs and PRSPs offer coherent advice to LDCs on developing their tourism sectors from a value chain orientation (e.g., transport, hotel & facilities, health and hygiene, quality standards, investment, training)?
4. To what extent have LDCs made GATS commitments in the tourism sector?
5. To what extent have LDCs signed RTAs/FTAs with the potential to benefit from trade preferences?
6. To what extent is the tourism sector of the country supported by domestic institutions (e.g. inter-ministerial policy coordination mechanism, government to industry policy consultation mechanism, tourism industry organisations)?
7. To what extent have LDCs articulated national tourism strategies, developed tourism promotion websites and engaged regional strategies supporting tourism?
8. To what extent do DTISs, AMs and PRSPs address the sustainability of tourism development?

Assessment Criteria

The TDI is comprised of eight parameters covering different aspects of tourism development policy. A five point scale is used for indexing purpose from 0 to 4, where: 0 = None; 1 = Few; 2 = Some; 3 = Several; and 4 = Many. A detailed definition for each of the TDI parameters or dimensions is presented below.

Parameter 1 - Tourism assets

To what extent has the country identified assets to offer different tourism products?

<u>None (0):</u>	No tourism assets identified at all
<u>Few (1):</u>	Scarce tourism assets identified
<u>Some (2):</u>	A few tourism assets identified
<u>Several (3):</u>	Some tourism assets identified
<u>Many (4):</u>	Diverse tourism assets identified

Parameter 2 - References to tourism in DTISs, AMs, PRSPs and IPRs

To what extent does the country's DTIS, AM, PRSP and IPR make reference to tourism?

<u>None (0):</u>	No reference to tourism at all in the four documents
<u>Few (1):</u>	Some references to tourism in at least <i>one of the four</i> documents
<u>Some (2):</u>	Some references to tourism in at least <i>two of the four</i> documents
<u>Several (3):</u>	Some references to tourism in at least <i>three of the four</i> documents
<u>Many (4):</u>	Some references to tourism in <i>all the four</i> documents

Parameter 3 - Coherence and complementarity of tourism related trade development support in DTISs, AMs, PRSPs and IPRs

To what extent does the country's DTIS, AM, PRSP and IPR offer coherent advice to develop the LDC tourism sector in terms of value chain considerations (e.g., transport, hotel & facilities, health and hygiene, quality standards, investment, education & training services, local agricultural inputs)?

- None (0): The advice on tourism in the documents is not coherent to the value chain orientation
- Few (1): The advice on tourism in the documents is *of little coherence (only one of the seven categories stated above)*
- Some (2): The advice on tourism in the documents is of limited coherence (additively *two or three* categories)
- Several (3): The advice on tourism in the documents is somewhat coherent (additively *four or five* categories)
- Many (4): The advice on tourism in the documents is highly coherent (additively *six or seven* categories)

Parameter 4 - Extent of trade liberalisation in tourism sector

To what extent has the LDC made commitments in the tourism sector?

- None (0): The sector is not liberalised (no commitments made)
- Few (1): The sector is partially liberalised (commitments made in *one* of the four Tourism subsectors with limitations)
- Some (2): The sector is partially liberalised (commitments made in *two* of the four Tourism subsectors with limitations)
- Several (3): The sector is partially liberalised (commitments made in *three* of the four Tourism subsectors with limitations)
- Many (4): The sector is fully liberalised (commitments made in *all* the tourism subsectors)

Parameter 5 - Trade arrangements (RTAs/FTAs) concerning trade in tourism

To what extent has the LDC signed RTAs/FTAs with potential to benefit from trade preferences?

- None (0): No RTA/FTA has been signed
- Few (1): Minimum one RTA/FTA signed.
- Some (2): Minimum two RTAs/FTAs signed
- Several (3): Up to 3 RTAs/FTAs signed
- Many (4): More than 3 of RTAs/FTAs signed

Parameter 6 - Existing governance mechanisms for tourism development

To what extent is the country's tourism sector supported by domestic institutions (inter-ministerial policy coordination mechanism, government to industry policy consultation mechanism, tourism industry organisations)?

- None (0): No designated institutional mechanism exists (any domestic institutions supporting tourism)
- Few (1): At least *one type of institutional mechanism* exists (IMC, policy consultation or tourism industry organisations)
- Some (2): At least *two types of institutional mechanisms* exist (IMC, policy consultation or tourism industry organisations)

Several (3): At least one institution exists in all the three categories (IMC, policy consultation or tourism industry organisations)

Many (4): Diverse institutions exist in all the three categories stated above

Parameter 7 - Articulation of a national tourism strategy

To what extent has the LDC articulated a National Tourism Strategy and implemented a tourism promotion website, and developed a regional strategy supporting tourism in the public domain?

None (0): No articulated strategy or tourism promotion website in the public domain

Few (1): Only a tourism promotion website in the public domain

Some (2): Only a National Tourism Strategy in the public domain

Several (3): The country has a National Tourism Strategy and a tourism promotion website in the public domain

Many (4): The country has a National Tourism Strategy and a tourism promotion website in the public domain, and has developed a regional strategy supporting tourism

Parameter 8 - References to sustainability of the tourism sector in DTISs, AMs, PRSPs and IPRs

To what extent do the country's DTIS, AM, PRSP and IPR make references to sustainability of tourism?

None (0): No reference at all in the four documents

Few (1): Minimum one of the four documents makes a reference

Some (2): Two of the four documents make a reference

Several (3): Three of the four documents make a reference

Many (4): Several references in all four documents are made

Structure of Country Polycsapes:

Each Country Polycsapes contains the following elements:

- CSEND Tourism Development Index
- CSEND Summary and Assessment
- Tourism Statistics (Population, GDP, Travel & Tourism Direct Industry GDP,²² Travel & Tourism Economy GDP,²³ International Visitor Arrivals, Travel & Tourism Direct Contribution to Employment,²⁴ and Travel & Tourism Total Contribution to Employment²⁵) + 5-year trend graph for tourism direct contribution to GDP and Employment.
- Tourism assets identified in the public domain to offer different tourism products. This section is based on public sources like country tourism promotion sites and ministries of tourism.

²² *Travel & Tourism Direct Industry GDP* measures the value added of the traditional Travel & Tourism industries, excluding any indirect effects generated throughout the supply chain and all tourism-related investment, collective public spending and export of tourism-related goods. (World Travel and Tourism Council).

²³ *Travel & Tourism Economy GDP* records the activity of traditional Travel & Tourism providers (e.g. lodging, transportation, etc), plus tourism-related investment, public spending and export of goods. Both the direct effects and the indirect effects via the supply chain of Travel & Tourism spending are included. (World Travel and Tourism Council).

²⁴ *Travel & Tourism Direct Industry Employment* covers the jobs generated by Travel & Tourism Direct Industry GDP. (World Travel and Tourism Council).

²⁵ *Travel & Tourism Economy Employment* covers the jobs generated by Travel & Tourism Economy GDP. (World Travel and Tourism Council).

- ☑ Summary of the references to tourism in the Diagnostic Trade Integration Study, Action Matrix, Poverty Reduction Strategy Paper and Investment Policy Review (these sections are based on the references to tourism sector in each report, therefore, they re-phrase the original documents).²⁶
- ☑ Explanation of the GATS Commitments in the tourism sector
- ☑ Institutional arrangements supporting tourism (including Ministries of Tourism, National Tourism Boards, Tourism Promotion Websites, Tourism Associations, and National and Regional Strategies on Tourism)
- ☑ Identification of the RTAs/FTAs that the country is part of according to the WTO Regional Trade Agreements Database (including also regional initiatives in the tourism sector)

Individual country policyscapes are presented in the Part Two of this report. Detailed data for each of the 14 Country Policyscapes are enclosed in Annexes to this report. Information included is from the following sources:

Annex 1: Transcription of the references to tourism in DTISs, AMs, PRSPs and IPRs. In those cases where there is a subsection and/or a chapter, only the page numbers are identified.

Annex 2: GATS Sector Specific Commitments. Horizontal commitments are included in those cases where the Specific Commitments make a reference to them

Annex 3: Sector Commitments in “Tourism and Travel Related Services” according to the UN CPC Classification²⁷

Annex 4: Country Risk Briefing from the Economist Intelligence Unit²⁸

Annex 5: UNDP Human Development Index + graph with a 1970-2010 historical trend²⁹

General limitation of the study

This report is based on publicly available information provided on government and international organizations websites.

Regarding effective inter-ministerial coordination mechanisms for tourism policymaking and its implementation, a limited cross-reference and cross-checking was conducted through short telephone interviews with representatives of the permanent missions of the sampled LDCs in Geneva.

Therefore this report does not claim to have reviewed privileged information outside of the public domain or taking such information into account in writing country policyscapes.

The authors made use of publicly available information but are not responsible for the authenticity of the publicly available information sourced in this study.

²⁶ DTISs are available at: www.integratedframework.org/; PRSPs are available at: www.imf.org/external/np/prsp/prsp.asp; and IPRs are available at: www.unctad.org/Templates/Page.asp?intlItemID=2752&lang=1.

²⁷ See United Nations Statistics Division: <http://unstats.un.org/unsd/cr/registry/regct.asp?Lg=1>.

²⁸ See Economist Intelligence Unit: <http://viewswire.eiu.com/index.asp?layout=RKAllCountryVW3>.

²⁹ See UNDP Human Development Index: <http://hdr.undp.org/en/data/trends/>.

3 - The Tourism Development Index (TDI): Comparative Polycsapes and policy recommendations

Benchmarking has been an important method employed by organisations to learn from the successful practices of others. For this reason, this section provides a comparative landscape of the tourism policy environment in each of the countries studied as a vehicle to assist countries to identify areas for future improvement.

The current economic performance of tourism in LDCs studied

The first phase of the CSEND policy analysis covered a total number 13 LDCs in Africa and 1 in Asia. The countries covered were: Benin, Burkina Faso, Burundi, Ethiopia, Lesotho, Madagascar, Malawi, Mali, Nepal, Rwanda, Sierra Leone, Tanzania, Uganda and Zambia. Table 1 provides data on tourism contributions in percentage terms to the economy and employment.

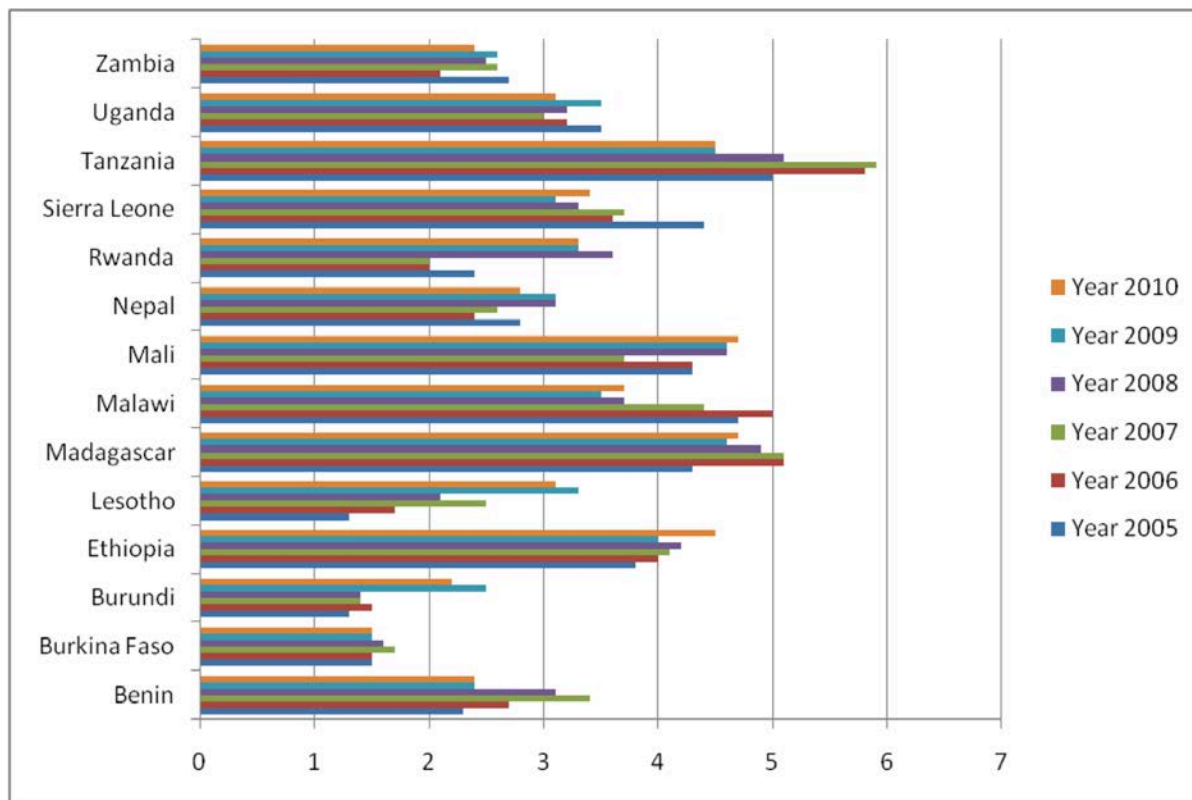
Table 1: Direct and total travel & tourism contribution to economy and employment

Country	Travel & tourism: direct contribution to GDP, 2010, % share	Travel & tourism: total contribution to GDP, 2010, % share	Direct / total coefficient	Travel & tourism: direct contribution to employment, 2010, % share	Travel & tourism: total contribution to employment, 2010, % share	Direct/ total coefficient
Benin	2.4	6.3	0.38	2	5.5	0.36
Burkina Faso	1.5	3.6	0.42	1.2	3.1	0.39
Burundi	2.2	4.8	0.46	1.8	4.2	0.43
Ethiopia	4.5	10.7	0.42	3.8	9.2	0.41
Lesotho	3.1	7.7	0.40	2.6	6.6	0.39
Madagascar	4.7	12.3	0.38	3.8	10.5	0.36
Malawi	3.7	7.9	0.47	3.1	6.8	0.46
Mali	4.7	10.8	0.44	4	9.4	0.43
Nepal	2.8	6.7	0.42	2.3	5.8	0.40
Rwanda	3.3	7.8	0.42	2.7	6.8	0.40
Sierra Leone	3.4	7.7	0.44	2.9	6.7	0.43
Tanzania	4.5	12.9	0.35	3.7	11.2	0.33
Uganda	3.1	7.5	0.41	2.6	6.5	0.40
Zambia	2.4	5.5	0.44	1.4	3.8	0.37

Source: World Travel and Tourism Council Database (2011), coefficient calculations by CSEND.

Looking at growth potential, a five-year trend analysis of the tourism sector is presented in Figure 1. Only two out of the fourteen countries, Ethiopia and Mali, reflected uninterrupted improvement of tourism receipts between 2005 and 2010.

Figure 1: Selected LDCs - travel & tourism: direct contribution to GDP, 2005-2010



Source: Own elaboration based on database of the World Travel and Tourism Council, 2011.

The financial performance of the tourism sector in most of the countries studied was affected by the economic crisis of the 2008, yet the impact varied among the countries. Some countries, for instance, Sierra Leone, Mali, Ethiopia and Burundi, have even seen improvements in their tourism performance. Most of the other countries were able to hold on to the gains that they made in 2007-2008.

Performance of the tourism sector depends on many different factors, ranging from infrastructure, local attractions, security, health conditions and quality of services. To get all these factors right, the role of government in setting the policy environment, investment conditions and market conditions in general are critical for the success of this sector. This study seeks to look overview different aspects of tourism development policies, existing practices and institutional frameworks in order to identify the appropriate policy drivers to support tourism development in the LDCs.

Special attention will also be given to the issues of market access as defined in the WTO agreements and other regional trade arrangements in order to identify areas for policy interventions in the future.

Overall Comparative Policyscapes

Table 1 sets out the comparative TDI ranking across all fourteen countries. It offers a complete picture of all eight dimensions assessed in this study. A few general observations will be made first before launching into specific cross country comparisons according to each of the TDI dimensions.

Firstly of all, it is worthy of note that all four policy documents, DTISs, AMs, PRSPs and IPRs contain references to the tourism sector in each of the fourteen countries reviewed (TDI dimension 2). However, quantitative and qualitative differences exist in the national treatment reflected in these policy documents. Seven countries (50%) addressed tourism in one of the four respective policy instruments with at least one complete chapter on tourism, while four other countries (29%) have at least a subsection on tourism in one of their documents. This is an important finding in terms assessing priority attached to the tourism sector particularly with respect to provision financial resources. However, policy intent needs to be realised through actual actions taken by the government from a fiscal point of view and by the entrepreneurs working in this sector. Comparisons of Action Matrices with the main body of DTISs yield inconsistent findings.

For LDCs facing resource constraints and limited factor conditions in terms of infrastructure, human capital and other comparative advantages, it is necessary to underscore the significance of coherence in policy instruments being employed to address these conditions. This policy coherence must be disciplined through alignment with a national tourism development strategy for concerted national and international efforts to best support domestic tourism performance. International assistance programmes, if well used, could have a catalytic role in strengthening national capacity to deliver superior tourism services and generate greater economic growth.

A related issue for the better use and conservation of national tourism assets is sustainability (TDI dimension 8). Sustainability stands out as the least developed dimension (TDI value at 0.5 level) in among the policy instruments reviewed within this study. This issue is hardly referred to in relation to tourism related concerns. Half of the countries did not address the sustainability question among the four policy instruments reviewed while the other half made very few references to this mounting challenge. This oversight in today's context of climate change and environmental vulnerability could mean accelerated deterioration of natural environments – a key element of these countries' tourism assets. From a socio-economic perspective, environmental vulnerability also diminishes a country's policy potential in achieving greater job creation and improved standard of living.

Table 1: CSEND TDI: Overall rating

	Benin	Burkina Faso	Burundi	Ethiopia	Lesotho	Madagascar	Malawi	Mali	Nepal	Rwanda	Sierra Leone	Tanzania	Uganda	Zambia	AVERAGE
1-Assets	2	2	2	3	2	3	3	2	4	2	2	2	2	3	2.43
2-References	4	2	2	3	4	3	2	3	4	4	4	4	4	3	3.29
3-Coherence	3	2	3	3	3	4	4	4	3	4	3	4	4	4	3.43
4-GATS	1	2	3	0	3	0	4	1	2	1	4	1	2	4	2.00
5-RTAs/FTAs	3	2	2	1	4	2	2	2	4	2	1	3	2	3	2.36
6-Governance	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2.00
7-Tourism Strategy	4	4	4	4	4	4	4	4	4	4	3	4	4	4	3.93
8-Sustainability	0	1	0	1	0	0	1	1	0	1	0	0	1	1	0.50
AVERAGE	2.38	2.13	2.25	2.13	2.75	2.25	2.75	2.38	2.88	2.50	2.38	2.50	2.63	3.00	

Legend: 0 = None; 1 = Few; 2 = Some; 3 = Several; 4 = Many references in documents

Other weak areas found in this cross-country TDI comparison relate to a) governance, b) GATS (TDI dimension 4), c) RTAs and FTAs (TDI dimension 5) and d) Tourism Assets (TDI dimension 1). Short of

paying attention to the comprehensive policy environment, countries could experience difficulties in developing relevant and responsive tourism sector policies that could foster appropriate and/or favourable environments for exporting tourism services.

Very few among the fourteen countries reflect domestic governance infrastructure policies (TDI dimension 6) that could be a framework for effective national policy development and implementation. Data collected from the available public sources denote that inter-ministerial coordination and private sector consultations have not been sufficiently formalised with clear guidelines and monitoring mechanisms. In a sector such as tourism where progress is highly dependent on inter-sectoral cooperation, it is critically important to designate an official or government body with overarching policy leadership responsibilities over tourism development. Little evidence was found of such a formalised role in any of the fourteen countries under study. Since tourism development requires cross cutting planning and investment strategy, formalising such governance mechanisms and processes can be vital to successfully exploiting or developing tourism assets, existing capabilities and investments. More importantly, better coordinated and consulted policies developed based on cross sectoral commitment and engagement of the private sector would also better ensure returns to investment whether directly in the tourism sector or indirectly via linkages to ancillary economic activities.

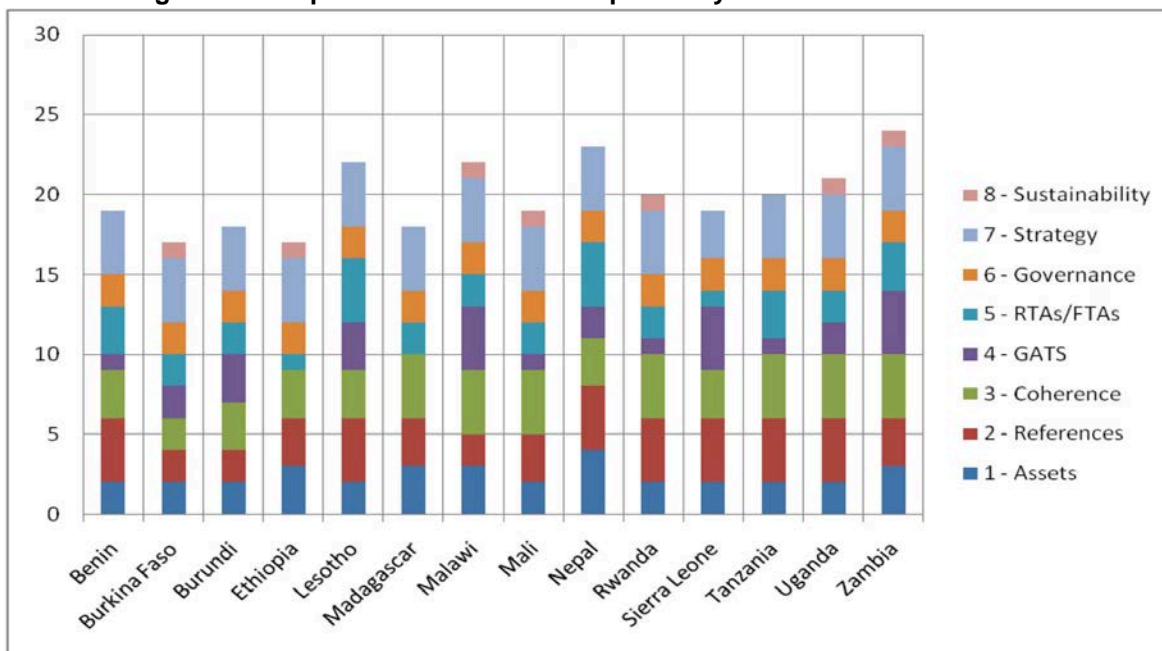
GATS commitments (TDI dimension 4) are another area requiring improvement to enhance the environment for exporting of tourism related services. With the exception of Malawi, Sierra Leone and Zambia which have to a great extent liberalised this sector, 50% of the countries studied have chosen not to undertake any liberalisation commitments in this sector, or only partially liberalised one in four of the tourism subsectors, i.e., hotels and restaurants, travel agencies and tour operators services, tourist guides services and other.

Looking at the policy instruments included in this study from a coherence and complementarity perspective, the countries studied did relatively well. Taking the four policy instruments together, various backward and forward linkages were found in support of tourism economy (TDI dimension 3), such as transport, hotel & facilities, health and hygiene, quality standards, investment and training. Under this TDI dimension, Burkina Faso fared worst among the fourteen countries studied.

Connected to policy coherence and complementarity, almost all countries studied had a tourism development strategy in place as well as a tourism promotion site on the internet (TDI dimension 7). All countries studied have signed one or more regional or sub-regional agreements to leverage the benefits of more integrated markets and thus their economic potential (TDI dimension 5). Regional strategies for joint tourism development in many of these regional trade agreements are also articulated in specific sections of treaties or in additional documents dealing with tourism development on a regional basis except in the case of Sierra Leone. It could be inferred that these international policy instruments are increasingly aligned to national development strategies.

These diverse findings are reflected in Figure 1, which depicts the level of tourism development dynamism per parameter or dimension. These results indicate that, although policy development instruments analysed in this report address tourism as a vector for development in LDCs, more work should be done to complement this sector's development by undertaking better thought out GATS commitments. Moreover, scope for progress exists in strengthening governance mechanisms such as by establishing formal processes of inter-ministerial coordination for tourism policy and fostering policy regimes responsible for enhancing sustainability in the tourism sector. Burkina Faso together with Burundi, Ethiopia and Madagascar seem to be less competitive in their overall capacity to manage international donors and effectiveness in utilising market mechanisms.

Figure 1: Comparative tourism development dynamism based on the TDI



Comparative Countryscapes by Specific TDI Dimensions

TDI Index 1: Tourism assets

Table 2 presents the TDI rating of the countries according to their stated tourism assets. Countries reviewed in this study have sought to identify and share their tourism assets within the public domain largely via their web promotion efforts. With the exception of Nepal, the countries studied have however recorded a relatively small proportion of their potential tourism assets as formal tourist attractions or destinations. From a product diversification point of view, tourism assets that were formally indicated did not identify unique product attributes that would be sufficient to realise the value added potential of their respective tourism products.

Country	CSEND Index Rating*	Nr. of UNESCO World Heritage Sites
Benin	2	1
Burkina Faso	2	0
Burundi	2	0
Ethiopia	3	6
Lesotho	2	0
Madagascar	3	1
Malawi	3	3
Mali	2	4
Nepal	4	4
Rwanda	2	0
Sierra Leone	2	0
Tanzania	2	0

***Legend:**
0 = None
1 = Few
2 = Some
3 = Several
4 = Many

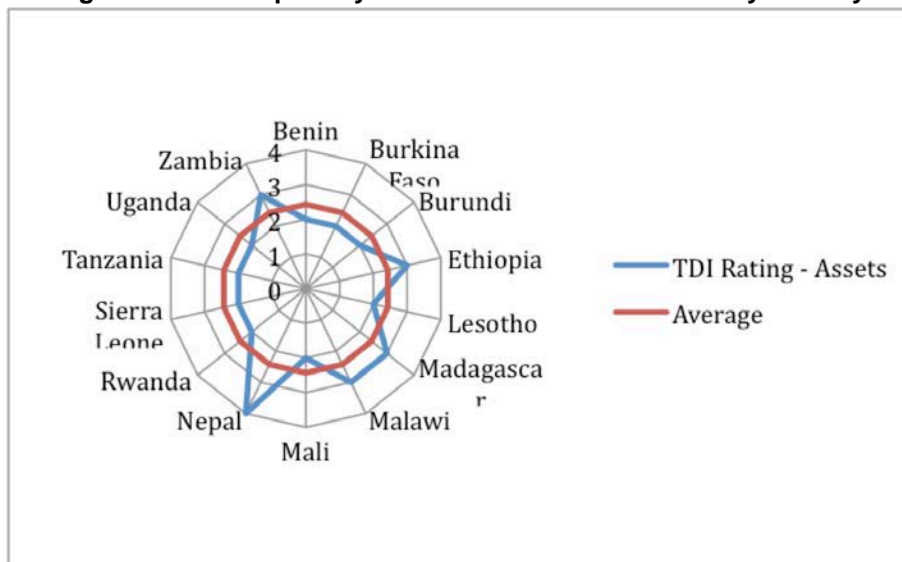
Uganda	2	0
Zambia	3	0
AVERAGE	2.43	1.36

Table 2. Countries tourism assets¹ and the number of UNESCO World Heritage Sites
(Assets¹ identified in the public domain to offer different tourism products)

Figure 2 clarifies the comparative landscape of the tourism assets identified in the individual country studies. Ethiopia, Madagascar, Malawi, Nepal and Zambia are better endowed than other countries according to the respective countries tourism website and promotion. By definition, the remaining members of the group have fewer tourism resources than the group average.

The UNESCO World Heritage Site designation identifies and recognises the world's most important cultural and natural places for their outstanding value. They are some of the world's most heavily marketed and visited tourism attractions. Five out of fourteen countries host UNESCO World Heritage Sites. Of the group studied, Ethiopia enjoys the highest number of World Heritage Sites (six). The UNESCO appellation offers a competitive edge in tourism product development but should be better and more carefully managed. According to the International Task Force on Sustainable Tourism Development, the sheer tourist traffic to and from World Heritage Sites has engendered growing concern from the conservationist community. Careful planning, development and management of visits to these unique cultural and natural assets should be addressed in national tourism development strategies.

Figure 2. Radar: quantity of tourism assets identified by country



In general, tourism assets and resources (actual and potential) are not clearly stated in the documents analysed. Although these documents do not specifically focus on tourism, it is possible to assess the assets, figures and statistics, constraints and tourism strategies with reasonable precision. The countries under study could strengthen the attractiveness of national tourism services vis-à-vis the global market by drawing a clearer link between the activities offered and the tourism assets identified. Countries with national tourism websites that do not clearly identify which tourism activities are offered could strengthen the effectiveness of such websites by clarifying and fortifying them in this respect.

TDI Index 2: References to tourism in DTISs, AMs, PRSPs and IPRs

Below, references made to tourism in DTISs, AMs, PRSPs and IPRs are compared across countries. This comparison provides an overview of how frequently intervention in relation to tourism is suggested in each of the development and capacity building plans or strategies. Exactly half of the countries studied enjoy highest possible rating due to the extent to which tourism development is covered under these policy instruments (see Table 3). Other countries, such as Burkina Faso, Burundi have no direct reference to tourism sector development in their respective DTISs and AMs. Malawi has addressed tourism development as one of the subsections of its DTIS yet failed to include it in the AM. Such an omission clarifies a dichotomy between the country's DTIS and AM that may have a real and negative impact on realised investment.

Table 3. References to tourism in DTISs, AMs, PRSPs and IPRs

Country	DTIS	AM	PRSP	IPR	CSEND Index Rating
Benin	Subsection on Tourism	Some references on Tourism	Some references on Tourism	Subsection on Tourism	4
Burkina Faso	No references on Tourism	No references on Tourism	Some references on Tourism	Some references on Tourism	2
Burundi	No references on Tourism	No references on Tourism	Subsection on Tourism	Subsection on Tourism	2
Ethiopia	A full Chapter on Tourism	Subsection on Tourism	No references on Tourism	Some references on Tourism	3
Lesotho	Some references on Tourism	Some references on Tourism	Subsection on Tourism	Some references on Tourism	4
Madagascar	A full Chapter on Tourism	Subsection on Tourism		N/A	3
Malawi	Subsection on Tourism	No references on Tourism	Subsection on Tourism	N/A	2
Mali	Subsection on Tourism	Subsection on Tourism	Subsection on Tourism	N/A	3
Nepal	Subsection on Tourism	Subsection on Tourism	Some references on Tourism	Subsection on Tourism	4
Rwanda	Subsection on Tourism	Some references on Tourism	Some references on Tourism	Subsection on Tourism	4
Sierra Leone	A full Chapter on Tourism	Subsection on Tourism	Some references on Tourism	Subsection on Tourism	4
Tanzania	Subsection on Tourism	Subsection on Tourism	Some references on Tourism	Subsection on Tourism	4
Uganda	A full Chapter on Tourism	Subsection on Tourism	Subsection on Tourism	Some references on Tourism	4
Zambia	Subsection on Tourism	No references on Tourism	Subsection on Tourism	Subsection on Tourism	3
AVERAGE					3.29

Legend:

- A full Chapter on Tourism
- Subsection on Tourism
- Some references on Tourism
- No references on Tourism
- N/A IPR Not Available

0 = None
1 = Few
2 = Some
3 = Several
4 = Many

Figure 3 depicts the level of emphasis addressed to tourism development as expressed in the various policy instruments employed by the countries under study. In view of the development potential and poverty reduction possibilities offered by this sector, countries falling below the group average have scope for improving their situation by reviewing their respective policy instruments and sharpening their focus on tourism sector development and technical assistance.

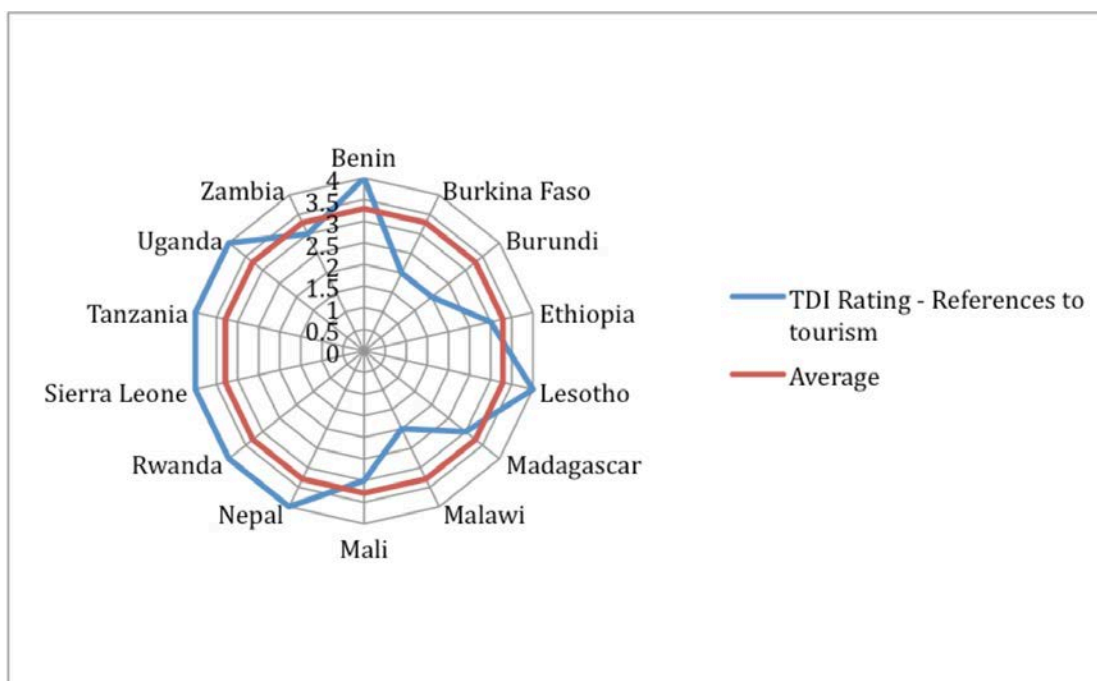


Figure 3. Radar: inclusion of tourism in DTISs, AMs, PRSPs and IPRs

TDI Index 3: Coherence and complementarity of tourism related trade development support in DTISs, AMs, PRSPs and IPRs

Table 4 provides an overview of the trade linkages that could support greater value creation of country tourism sectors and tourism economies. Seven backward and forward linkages were highlighted when reviewing the policy documents in order to examine the overall value chain development of the tourism sector. Tanzania and Zambia are the only two countries that have adopted a systemic orientation and addressed fully these business linkages in the key policy documents that this study is based on. Tanzania's DTIS and AM have a strong focus on the supply chain and backward linkages.

Table 4. Coherence of trade development support in DTISs, AMs, PRSPs and IPRs

Country	Transport	Hotel & facilities	Health and Hygiene	Quality Standards	Investment	Education & training services	Local agricultural inputs	CSEND Index Rating*
Benin								3
Burkina Faso								2
Burundi								3
Ethiopia								3
Lesotho								3
Madagascar								4
Malawi								4
Mali								4
Nepal								3
Rwanda								4

Sierra Leone									3
Tanzania									4
Uganda									4
Zambia									4
AVERAGE									3.43

Legend:

DTISs, AMs, PRSPs and/or IPRs make reference (additively) to the selected value-chain component

0 = None; 1 = Very low; 2 = Low; 3 = High; 4 = Very high coherence concerning supply chain.

Figure 4 offers a comparative view of the leaders and laggards under this coherence dimension. Burkina Faso has been identified as the weakest based on CSEND TDI rating. Without a systemic approach to tourism development by addressing, for example, health and hygiene or transportation, deters international tourists who are also courted by countries with much higher levels of tourism product development and product sophistication. In turn, investments made in hotels and other facilities show disappointing returns if adequate attention has not been paid to the rest of the supply chain, such as guaranteeing sufficient supply of fresh foods, or convenience of access; or the value chain such as service quality, construction standards just to name a few. The phenomenon of “leakage” in the tourism sector has often been the consequence of insufficient coherence and interaction between these linkages or the absence of certain linkages entirely.

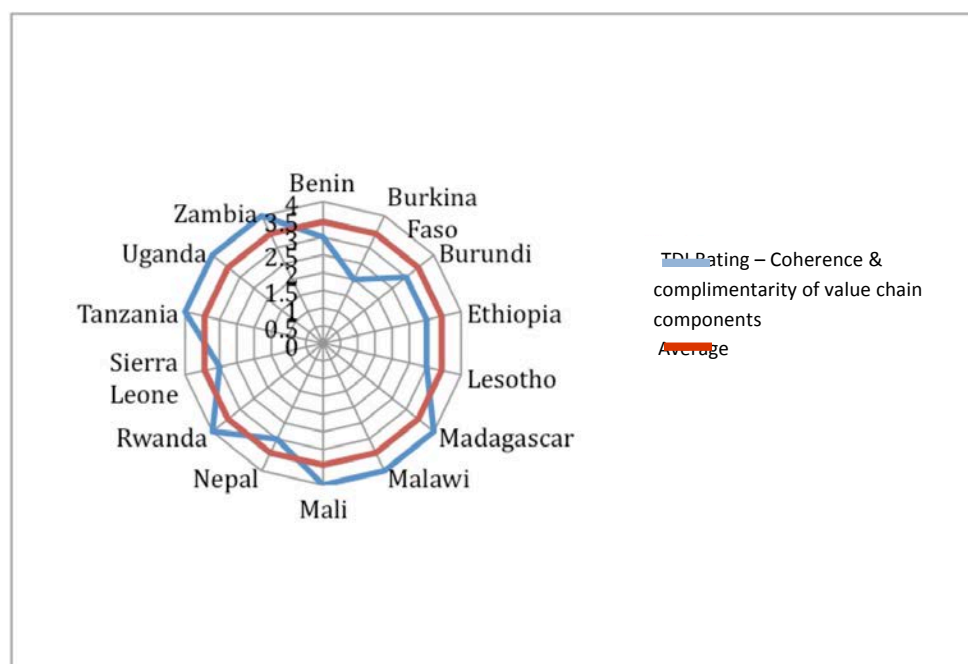


Figure 4. Radar: coherence and complementarity of the four policy documents concerning tourism development

Promotion of tourism, branding, marketing and development of country image are interventions frequently proposed to further develop tourism in the documents. Other improvements often proposed are:

- Transit corridors and infrastructure development;
- Institutional development and IMC;
- Linkages with other sectors like natural resources, handicrafts industry, and cultural industries;
- Eco-tourism;
- Training required to improve the human resources skills;

- Diversification and scaling up of tourism products;
- Involvement of local entrepreneurs and communities;
- Statistics;
- Involvement of local communities;
- Expansion of tourist attractions and increase and scale up tourism products.

Of these interventions, transit corridors and transportation infrastructure in particular require both political will and substantial financing. These two interventions are among the most challenging interventions to undertake. However, investments in these two areas are also the ones most likely to yield substantial and tangible cross sectoral benefits such as in the public transport, goods exports and a cross section of other economic sectors.

TDI Index 4: Extent of trade liberalisation in tourism sector

WTO agreements on trade in services could have a strong impact on a country's tourism development and exports.

Under GATS Specific Commitments (sector 09. Tourism and Travel Related Services), the countries studied are more liberal in modes 1 and 2 (cross-border supply and consumption abroad). Many countries in this study set limitations on Market Access and National Treatment in modes 3 and 4 (commercial presence and presence of natural persons). However, few limitations exist on their citizens' capacity to consume services abroad. Limitations exist for foreign suppliers to provide tourism services in the LDCs. Table 5 provides a detailed analysis regarding the tourism sectors and respective modes of service provision.

Table 5. Extent of trade liberalisation in tourism sector

Country	GATS Specific Commitments in Tourism																CSEND Index Rating*
	09.A. Hotels and Restaurants				09.B. Travel Agencies and Tour Operators Services				09.C. Tourist Guides Services				09.D. Other				
	M1	M2	M3	M4	M1	M2	M3	M4	M1	M2	M3	M4	M1	M2	M3	M4	
enin	N/U	N	N	U*													1
Burkina Faso	U	N	N	U*	N	N	N*	U*									2
Burundi	N	N	N	U*	N	N	N	U*	N	N	N	U*					3
Ethiopia	WTO Observer Government																0
Lesotho	U*	N	U*	U*	U	U	U	U*	U	N	N	U*					3
Madagascar																	0
Malawi	N	N	N	U*	N	N	N	U*	N	N	N	U*	N	N	N	U*	4
Mali	U	N	N	N													1
Nepal	N	N	N*	U*	N	N	N*	U*									2
Rwanda	N	N	N	U*													1
Sierra Leone	N	N	N	U*	N	N	N	U*	N	N	N	U*	N	N	N	U*	4
Tanzania	N	N	N*	U*													1
Uganda	N	N	N*	U*	N	N	N*	U*									2
Zambia	N	N	N	U*	N	N	N	U*	N	N	N	U*	N	N	N	U*	4
AVERAGE																	2.00

Source: WTO Trade in Services Database (<http://tsdb.wto.org/>)

Legend:



The country has done commitments in this Tourism subsector

N: None // N*: With limitations in Market Access // U: Unbound // U*: Unbound with exceptions // N/U:

None/Unbound, depending on the section of the subsector

* 0 = None; 1 = Few; 2 = Some; 3 = Several; 4 = Many commitments

Figure 5 offers a visual presentation of the market liberalisation (TDI dimension 5) of the specific countries in terms of the liberalisation of their domestic market for tourism related trade. In comparison, Malawi, Sierra Leone and Zambia are the most open. These three countries have liberalised their tourism sector the most when compared to the other countries in this study.

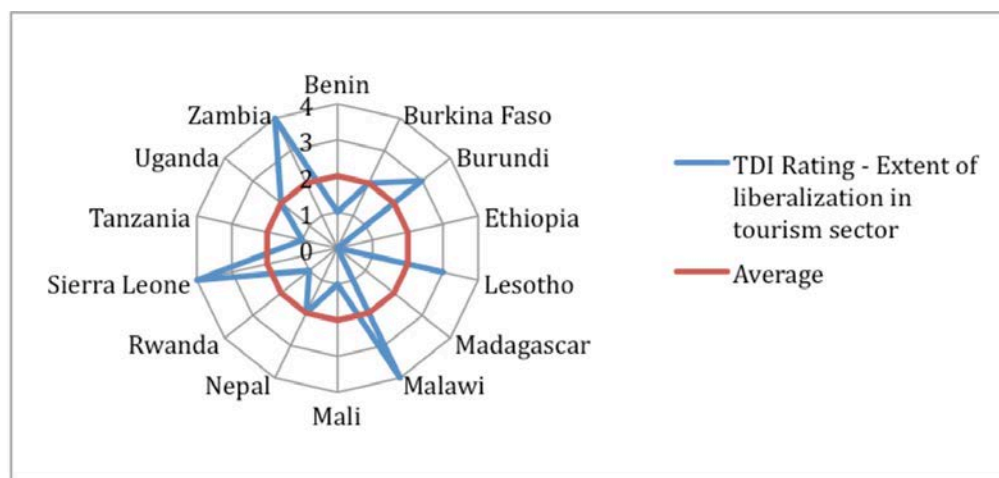


Figure 5. Radar: differing extents of trade liberalisation in tourism sector

TDI Index 5: Trade arrangements (RTAs/FTAs) concerning trade in tourism

All countries included in this study have made efforts to enhance complementarity or enlarge the scale of their tourism sector through trade agreements within their own geographic regions or with other countries through FTAs. The number of trading arrangements to which the countries under study are party varied from 1 agreement in the case of Sierra Leone to 4 agreements in the cases of Lesotho and Nepal. Not all of these trade agreements contain tourism development as a specific work item. Arrangements to which Lesotho and Nepal have joined contain no reference to tourism trade (see Table 6). In the case of Lesotho however, co-operation with South Africa has seen Lesotho being offered as a secondary tourist destination in some tourism packages offered by South African tour operators.

Table 6. Trade arrangements (RTAs/FTAs)

Country	SAD C	SAC U	EFT A-SAC U	India - SAC U	WAEM U	COME SA	EA C	GST P	ECOW AS	India - Nepal	SAFTA A	SAPT A	BIMST EC	CSEN D Index Rating *
Benin									X					3
Burkina Faso									X					2
Burundi						X	X							2
Ethiopia						X								1
Lesotho														4
Madagascar						X								2

Malawi						X									2
Mali									X						2
Nepal															4
Rwanda						X	X								2
Sierra Leone									X						1
Tanzania							X								3
Uganda						X	X								2
Zambia						X									3
AVERAGE														2.36	

Legend:

	RTAs / FTAs that the country is part of, based on the WTO RTAs Database
X	RTA whose agreement contains references to Tourism

* 0 = None; 1 = Few; 2 = Some; 3 = Several; 4 = Many RTAs or FTAs signed

For LDCs that are island states, transport connections with a continent or land bridge countries are crucial for competitive pricing. Similarly, landlocked countries tend to pay singular attention to transport links with their neighbours. In such countries, preferential regional or sub-regional trade agreements with special attention to the tourism sector are crucial for higher productivity in the tourism sector. Figure 6 illustrates this point well. Nepal has used effectively its various trade agreements with neighbouring countries and the EU in order to sustain its tourism sector, despite its geographic isolation and access limitations. Likewise, Lesotho uses its business alliance with neighbouring South Africa and other countries to ensure its integration into a larger tourism market.

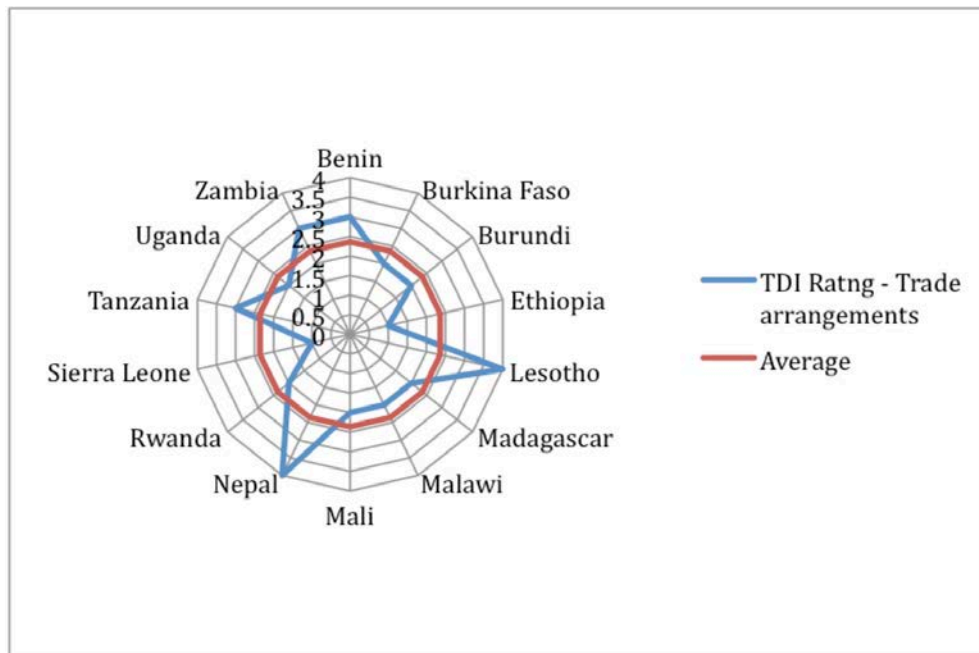


Figure 6. Radar: capturing the CSEND TDI rating on potential benefits from trade preferences

Table 7 presents the specific agreements made concerning tourism development within different regional or sub-regional groupings. Some of these agreements are very comprehensive. Implementation would create privileged conditions for tourism to flourish.

Table 7. Specific references to tourism in selected RTAs'

Shared + Unique Agreements	COMESA	EAC	ECOWAS
Integrate environmental management and conservation measures in a all developmental activates such as trade, tourism, agriculture mining, livestock, fisheries, industry, commerce, wildlife			
Standardize hotel classifications, harmonize professional standards of agents in the tourism and travel industry within the community			
Coordination of marketing of quality tourism into and within the community joint promotion of products portraying natural and socio cultural values of the region			
Facilitating movement of travelers, framework for tourism statistics, promoting establishment of efficient tourism enterprises, catering for the needs, establishment of training institutions			
Establishment of Technical Commissions area of Transport Customs and Tourism			
Eliminate all discriminating measures practices against community citizens in the area of tourist hotel services			
Council of ministers shall by a simple majority by a proposal from the executive secretary. Delegates executive secretary same majority enforcement power necessary for the coordination of member states polices on tourism			
Co-ordinate inter-regional airline schedules			
Establishment of regional tourism development centers			
Provide the regulatory and institutional framework necessary for regional promotion development			
Promotion of private sector in tourism			
Organization of tourism fairs and exhibitions			
Provision of meteorological services and support			
Develop a regional strategy for tourism promotion whereby individual efforts are reinforced by regional action			

Source: CSEND database 2011.

TDI Index 6: Existing governance mechanisms for tourism development

High performance in the tourism sector requires a well coordinated development strategy to ensure quality inputs such as transportation, hotel accommodations, restaurants, sightseeing, sports and entertainment. Other business conditions are equally important in making a tourist feel comfortable and secure. This involves health and hygiene, variety of food choices, banking services, electricity and water supply just to name a few. Provision of the above requires cross-sector cooperation and setting

investment priorities. Without proper governance mechanisms for policy making and implementation, it would not be easy to develop a well configured and diversified tourism product.

These mechanisms consist of Inter-Ministerial coordination (IMC), government to industry consultation and intermediary buffer organisations able to represent the interests of different stakeholders. Table 8 depicts existing governance mechanisms in various countries. While all countries have already established mechanisms for government-business consultation and tourism industry organisations, less evident is the formalised IMC mechanisms. A formalised IMC mechanism should have clear guidelines and procedures in order to regulate its actual practices. Short of these tools, IMC tends to be ineffective and irrelevant to the real decision making process and fiscal allocation.

Table 8: Governance mechanisms for tourism development

Country	Interministerial Coordination	Government to Industry Consultation Mechanism	Tourism Industry Organizations	CSEND Index Rating*
Benin				2
Burkina Faso				2
Burundi				2
Ethiopia				2
Lesotho				2
Madagascar				2
Malawi				2
Mali				2
Nepal				2
Rwanda				2
Sierra Leone				2
Tanzania				2
Uganda				2
Zambia				2
AVERAGE				2

Legend:

 Availability of domestic support institutions (IMC, Govt. to Industry Consultation Mechanism, Tourism Industry Organizations)

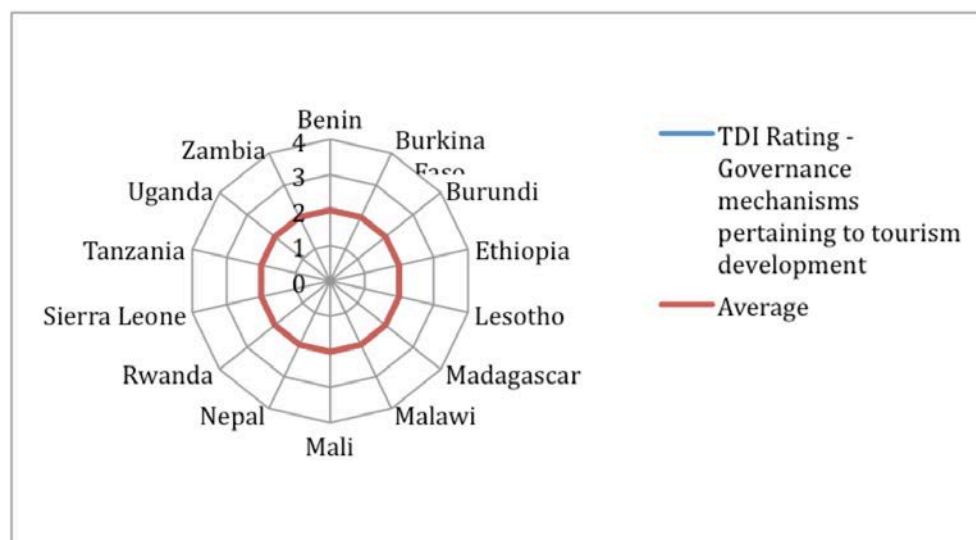
* 0 = None; 1 = Few; 2 = Some; 3 = Several; 4 = Many references in documents

Figure 7 depicts the current state of TDI rating based on the publicly available information on the internet and limited cross checking by telephone with most representatives of the fourteen country missions in Geneva. The general picture emerging is that IMC coordination remains informal and cannot be verified since there exist no formal practices or requirements to do so. With all the benefits of proper coordination, the perception by individual ministries of negative trade-offs inherent to this work method including time investment and perceived ceding of administered authority are clear impediments that must be addressed.

Many countries included in this study have a National Tourism Board for consultation with the business sector. Such Boards often do not have a clear mandate of cross-ministry coordination function and power. After careful checking of the public information sources, it can be observed that no mention of formal IMC mechanisms linked to tourism policies were found. Nevertheless, institutional reinforcement of Ministries

of Tourism in terms of capacities and budget (mainly) has been proposed in several of the country documents examined.

Figure 7. Radar: Governance mechanisms for tourism development



TDI Index 7: Articulation of a national tourism strategy

All fourteen countries have made their country tourism strategy available in the public domain. In addition, a national tourism site is often available on the web which promotes different tourist destinations and attractions in the country. With the exception of Sierra Leone, the other thirteen countries have also developed a regional tourism strategy for clustering.

Table 9. Articulation of a national tourism strategy

Country	National tourism strategy	Regional strategy supporting tourism (RTAs)	Tourism promotion website	CSEND Index Rating*
Benin		WAEMU	http://benintourisme.com/	4
Burkina Faso		WAEMU	www.tourismeburkina.com/	4
Burundi		COMESA, EAC	www.burunditourisme.net/	4
Ethiopia		COMESA	www.tourismethiopia.org/	4
Lesotho		SADC	www.visitlesotho.travel/	4
Madagascar		COMESA, SADC	www.visitmadagascar.com/	4
Malawi		COMESA, SADC	www.visitmalawi.mw/	4
Mali		WAEMU	www.officetourisme-mali.com/	4
Nepal		BIMSTEC	http://welcomenepal.com/stn/	4
Rwanda		COMESA, EAC	www.rwandatourism.com/	4
Sierra Leone			www.sierraleonetourism.sl/	3
Tanzania		EAC, SADC	www.tanzaniatouristboard.com/	4
Uganda		COMESA, EAC	www.visituganda.com/	4

Zambia		COMESA, SADC	www.zambiatourism.com	4
AVERAGE				3.93

Legend:

The country has an articulated National Tourism Strategy and a tourism promotion website, and has developed a regional strategy supporting tourism in the public domain

* 0 = None; 1 = Few; 2 = Some 3 = Several; 4 = All three elements

Including all three elements, a national tourism strategy, a tourism promotion web site and a regional tourism strategy, Figure 8 captures the density of such strategic design. However no data available in the public domain address the question of outcome or impact of these strategies.

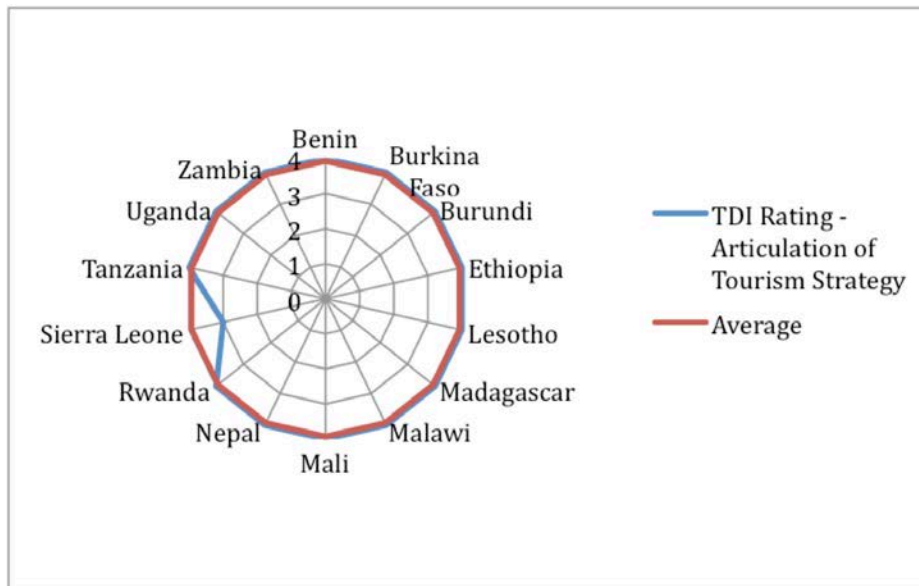


Figure 8. Radar: the extent to which countries have articulated a national tourism development strategy

TDI Index 8: References to sustainability of the tourism sector in DTISs, AMs, PRPSs and IPRs

Tourism sustainability, both social and environmental, were not mentioned in the four policy documents examined. Similarly, sustainability was also unaddressed in IPRs in relation to attracting foreign direct investment in this the tourism sector.

Table 10. References to sustainability of the tourism sector in DTISs, AMs, PRPSs and IPRs

Country	None	Few	Some	Several	Many	CSEND Index Rating
Benin						0
Burkina Faso		PRSP				1
Burundi						0
Ethiopia		DTIS				1
Lesotho						0

Legend:

References made to sustainability of tourism in DTIS, AM, PRPS and/or IPR

None:

No reference at all in the four documents. Minimum *one of the four* documents makes a reference.

Few:

At least *two of the four* documents make a reference.

Some:

At least *two of the four* documents make a reference.

Several:

Several references in *all four* documents are made.

Many:

Several references in *all four* documents are made.

Madagascar						0
Malawi		PRSP				1
Mali		DTIS				1
Nepal						0
Rwanda		PRSP				1
Sierra Leone						0
Tanzania						0
Uganda		DTIS				1
Zambia		PRSP				1
AVERAGE						0.50

Even when mention was made of sustainable tourism in either DTISs or PRSPs, no policy coherence was found in the four country documents examined. No investment commitments were found in Action Matrices in which capacity building projects were proposed.

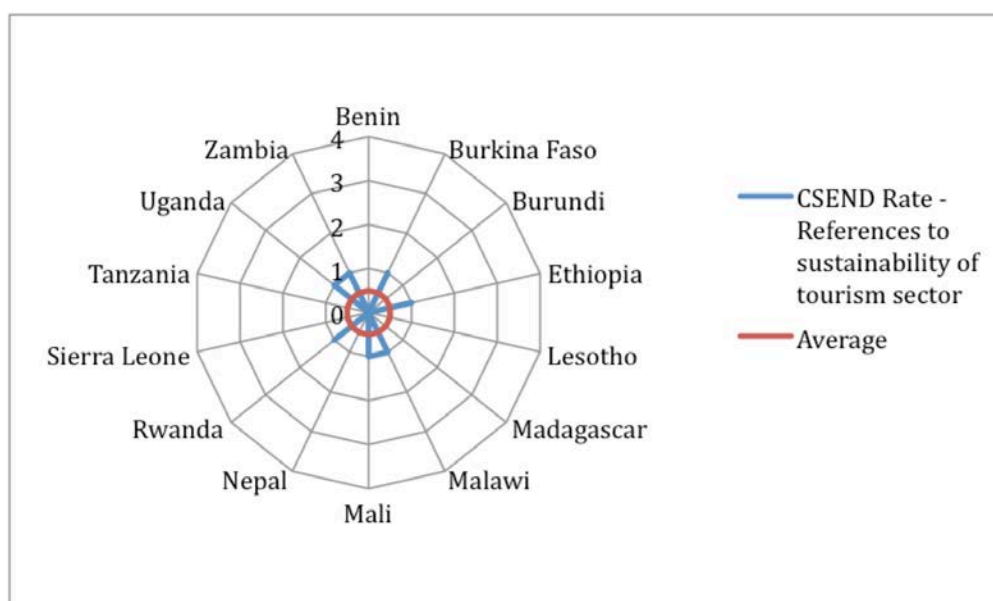


Table 10. References to sustainability of the tourism sector in DTISs, AMs, PRSPs and IPRs

Summary of Key Findings

When looking at both the overall comparative landscape of tourism development and specific TDI parameters, the following key findings can be summarised:

1. Tourism development is addressed in varying degrees in the DTISs, Action Matrices, PRSPs and IPRs of the selected 14 LDCs. The variance between countries could be due to differing national priorities regarding the use of international aid for tourism development.
2. A large number of LDCs have undertaken GATS commitments in the tourism service sector. More targeted commitments are needed to strengthen competition (market access and national treatment) to avoid monopoly rent extraction by foreign or domestic service providers. With the exception of Malawi, Sierra Leone and Zambia which have liberalised to a great extent this sector, the majority of the countries studied have not liberalised the tourism sector or only partially

liberalised one in four of the tourism subsectors, i.e., hotels and restaurants, travel agencies and tour operators services, tourist guides services and other.

3. The 14 countries studied are, in general, more liberalised in modes 1 and 2 (cross-border supply and consumption abroad) but most of the countries set limitations on market access and national treatment in modes 3 and 4 (commercial presence and presence of natural persons). However, there are fewer limitations for their citizens to consume services abroad and foreign suppliers have limited access to provide tourism services in the LDCs.
4. Tourism strategies require intense coordination among ministries including those with mandates not directly related to tourism, but which nevertheless govern policies that impact the tourism industry. None of the countries assessed showed evidence of an institutionalisation of Inter-Ministerial Coordination (IMC) processes, whether in terms of mechanisms, procedures and guidelines for institutional leadership.
5. Sustainable use of national tourism assets remains an “idea”. Insufficient attention has been given in the country DTISs, AMs, PRSPs and IPRs in this regard. This serious lacuna requires urgent remedial action.
6. Comprehensive and user friendly data on tourism for policy analysis is often not available to the public and potential investors. Absence of reliable data discourages investment by professional and reliable tourism investors and on the other hand attracts unreliable, high risk and less than ethically sound tourism operators
7. All 13 African LDCs included in the review are members of major trade arrangements (RTAs/FTAs).³⁰ These agreements contain provisions on differing and important tourism-related subjects from common standards, to joint marketing and establishing training institutions.³¹ All such agreed initiatives should be implemented to foster greater regional integration in both supply and value chains based on respective comparative advantages. Implementing regional integration processes could enhance the competitiveness of the tourism sector and the attractiveness of its products. Regional leaders must leverage political will for the common good.
8. None of the 14 countries has a webpage where *all* the national and regional tourism strategies are listed. Such a site/database could be created under the UNWTO, including the name of the country, the link to the strategy (regional and national) and the Ministry and or National Tourism Board. As these strategies are already published, such an effort should be relatively simple and economical.

Policy recommendations

Taking into account the strengths and weaknesses identified in the individual Country Policyscapes and bearing in mind the importance of making the most effective use of available support provided by donors and development agencies, the following observation and recommendations are put forward:

In order to improve the economic performance of the tourism sector in the selected LDCs, greater effort is needed to improve tourism infrastructure including physical (roads, transportation) as well as other soft and human factors (e.g. managerial competence, service quality, food security and hygiene). Equally important is the development of cultural and creative industries. Strengthening these different elements

³⁰ East African Community (EAC), Commission de la Communauté Economique et Monétaire de l’Afrique Centrale (CEMAC), Economic Community Of West African States (ECOWAS) and Common Market for Eastern and Southern Africa (COMESA).

³¹ Details of these RTAs containing specific elements to tourism include the following: integration of environmental management and conservation measures in all developmental activities; standardisation of hotel classifications, harmonisation of professional standards for agents in the tourism and travel industry within the community; coordination of marketing of quality tourism into and within the community, joint promotion of products portraying natural and socio-cultural values of the region; facilitation of the movement of travellers; framework for tourism statistics; promotion of the establishment of efficient tourism enterprises; and establishment of training institutions.

requires an overarching strategic plan, concerted investments and political leadership; otherwise countries risk increased fragmentation and ineffectiveness in their tourism plans.

Recommendation 1:

Extend implementation periods and flexibilities under the WTO Agreements (GATS Articles IV and XIX)³² to safeguard LDCs' still vulnerable tourism sectors. Transition periods are needed to allow LDCs to create an adequate business climates and effective internal regulations for governing their tourism sectors.

When thinking of trade negotiations, countries tend to focus more on goods, and less on services. However, tourism is a service sector with a rich potential to integrate other goods and services that is not yet well exploited. LDCs need extended implementation periods and flexibilities under the WTO Agreements (GATS Articles IV and XIX) to safeguard their still vulnerable tourism sectors.

Tourism is one of the sectors where many LDCs have taken commitments in the context of the GATS and several countries within then group have included tourism as a priority sector under their poverty reduction strategic plans and programmes. A transition period is needed to allow LDCs to create adequate business climates and effective internal regulations for governing their tourism sectors. To give LDCs such a transition period for implementing GATS commitments should be seen as providing "social credit" in support of their efforts to escape poverty.

Recommendation 2:

Institutionalise inter-ministerial policy coordination and consultation mechanisms for tourism development to underpin policy effectiveness.

Successful tourism development in LDCs depends on making use of international aid commitments and on creating effective national governance capacities and capabilities. Without such governance instruments, government agencies and ministries will miss opportunities to reduce misallocations of time and resources and miss out on opportunities to limit counterproductive inter-ministerial struggles for policy space. Tourism ministries alone are unable to take sole policy leadership on issues that are cross cutting and encompass longer term impacts such as sustainability and preservation of national tourism capital.

Recommendation 3:

Target capacity building in inter-ministerial coordination and develop institutional leadership for enhanced government capabilities and the deepening of the needed reforms.³³

Most LDCs suffer from weak institutional leadership, lack of capacity and continuity in policy making, implementation and monitoring. LDC governments must make improving these functions a priority area. Donor countries and development partners should similarly prioritise capacity building and support in these areas. Such capacity building programmes should also include computer aided management

³² GATS Article IV refers to increasing participation of developing countries and GATS Article XIX deals with negotiation of specific commitments.

³³ For concrete recommendations on development aid monitoring see Yiu & Saner (2011) "An Evidence-based Monitoring System for an effective Aid for Trade" available at: <http://csend.org/programmes-a-services/aid-effectiveness-a-efficiency>.

information systems so that decisions can be taken based on quantitative and qualitative analyses and feedback is ensured based on qualified information.³⁴

Recommendation 4:

Align international support by donors and development agencies to achieve better results in tourism development under the Enhanced Integrated Framework.

The tourism sector has been recognised as a key potential driver for employment generation and foreign exchange earnings. To realise this potential, concerted and coordinated efforts by the international community must be undertaken in their aid programmes and instruments.

LDCs need to take charge of policy space (ownership) and steer the inputs coming from DTISs and PRSPs towards tourism development with attention to linkages with businesses. Investments made in the tourism industry need to be aligned to the aim of improving overall attractiveness and sustainability of its tourism sector. It takes two to tango. Effective aid programmes in tourism development require collaborative teamwork by both parties, donor and beneficiary, and a shared vision. The Enhanced Integrated Framework could be a forum to support such a coordinated approach.

Recommendation 5:

Harness the existing trade arrangements (RTAs/FTAs) to support development of the tourism sector value chains in neighbouring countries.

All 13 African LDCs included in this CSEND study are members of major trade arrangements.³⁵ These agreements contain provisions on different and important tourism-related subjects ranging from common standards to joint marketing arrangements and also the establishment of common training facilities.³⁶ All such agreed initiatives should be implemented with immediacy to foster greater regional integration in both supply and value chains in accordance with the respective comparative advantages of each member country of a trade arrangement. Active use of trade arrangements could enhance tourism sector competitiveness and the attractiveness of its products.

Regional leaders should commit to regional cooperation for the common good of the member countries. Existing regional and sub-regional organisations need to take commitments in assisting countries to implement the priority areas of their trade arrangements and contribute to their realisation.

Conclusion

Policy solutions to foster sustainable tourism development in LDCs consist of four overlapping policy spheres namely: a) adequate trade rules (WTO, RTAs and FTAs); 2) appropriate GATS commitments under tourism with competition safeguards; 3) effective tourism sector development strategies & policy

³⁴ For concrete recommendations on development aid monitoring see Yiu & Saner (2011) "An Evidence-based Monitoring System for an effective Aid for Trade" available at: <http://csend.org/programmes-a-services/aid-effectiveness-a-efficiency>.

³⁵ East African Community (EAC), Commission de la Communauté Economique et Monétaire de l'Afrique Centrale (CEMAC), Economic Community Of West African States (ECOWAS) and Common Market for Eastern and Southern Africa (COMESA).

³⁶ Details of these RTAs trade arrangements containing specific elements specific to tourism include the following: integrate environmental management and conservation measures in a all developmental activities; standardize hotel classifications, harmonize professional standards of agents in the tourism and travel industry within the community; coordination of marketing of quality tourism into and within the community, joint promotion of products portraying natural and socio cultural values of the region; facilitate movement of travellers; framework for tourism statistics; promote establishment of efficient tourism enterprises; and establish training institutions.

coherence (DTISs/AMs and PRSPs); 4) and sufficient mid-and long-term domestic investment & competition framework (UNCTAD and IPRs).

The Integrated Framework is an international commitment to the enhance policy coherence of development aid for LDCs. However the actual practice remains less than ideal when viewed from the perspective of tourism development strategy within DTISs and AMs. One positive note, however, is that there exists a minimum coherence among the various policy instruments and complementarity to foster a more comprehensive development of the sector.

Findings of the CSEND study underline the need for policy leadership and coordination for better implementation of investment in the tourism sector. However, national solutions should be enhanced by regional coordination and joint effort in creating synergistic business networks. The lack of regional integration prevents meaningful cooperation in terms of forward and backward linkages representing missed opportunities for African LDCs, consumers and also for their citizens in terms of employment and economic growth.

A well developed global trade governance framework could provide such opportunities which need to be well thought out and effectively negotiated in the WTO. Political leadership needs also to be better manifested when LDCs negotiate country implementation strategies with international organisations and donors in DTISs, AMs and PRSPs.

Tourism can generate growth, jobs and prosperity. Incoherence in governmental vision, strategy, policies and actions are barriers preventing LDCs from achieving sustained and successful tourism development. Recommendations made here are steps that seek to enable LDCs to better realize their tourism development potential.

All in all, the analysis shows that there is a high degree of coherence and complementarity among the tourism policy instruments. However, more work should be done to strengthen governance (i.e. inter-ministerial coordination) on tourism policy and sustainability in order to make better use of the available policy instruments and resources.

4 - Conclusion

Policy solutions to foster sustainable tourism development in LDCs consist of four overlapping policy spheres namely: a) adequate trade rules (WTO, RTAs and FTAs); 2) appropriate GATS commitments under tourism with competition safeguards; 3) effective tourism sector development strategies & policy coherence (DTISs/AMs and PRSPs); 4) and sufficient mid-and long-term domestic investment & competition framework (UNCTAD and IPRs).

The Integrated Framework is an international commitment to the enhance policy coherence of development aid for LDCs. However the actual practice remains less than ideal when viewed from the perspective of tourism development strategy within DTISs and AMs. One positive note, however, is that there exists a minimum coherence among the various policy instruments and complementarity to foster a more comprehensive development of the sector.

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Part Two

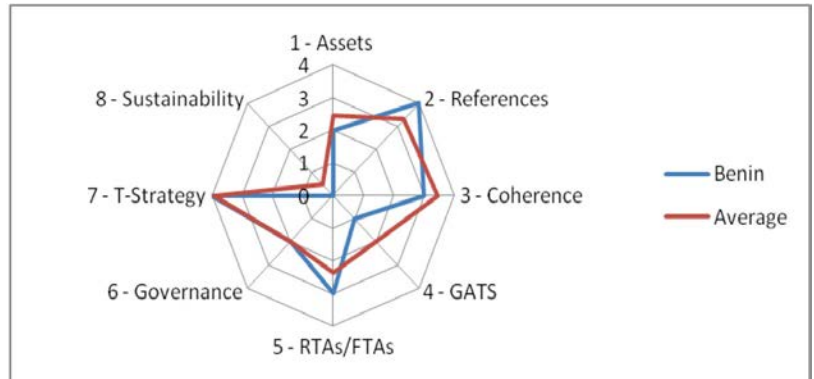
Individual Country TDI Indexes and Policyscapes

- 1. Benin**
- 2. Burkina Faso**
- 3. Burundi**
- 4. Ethiopia**
- 5. Lesotho**
- 6. Madagascar**
- 7. Malawi**
- 8. Mali**
- 9. Nepal**
- 10. Rwanda**
- 11. Sierra Leone**
- 12. Tanzania**
- 13. Uganda**
- 14. Zambia**

1. Republic of Benin

CSEND Tourism Development Index (TDI): 2.38

	CSEND TDI Rate	Average Rate*
1-Tourism assets	2	2.43
2-References to tourism in DTIS, AM, PRSP and IPR	4	3.29
3-Coherence of trade development support in DTIS, AM, PRSP and IPR	3	3.43
4-Extent of liberalisation of trade in tourism sector	1	2.00
5-Regional trade arrangements (RTAs, FTAs)	3	2.36
6-Governance mechanisms pertaining tourism development	2	2.00
7-Articulation of Tourism Strategy	4	3.93
8-References to Sustainability of tourism sector in DTIS, AM, PRSP and IPR	0	0.50



Investment Risk Profile:

	The Economist Rate	Average Rate
Overall Risk Assessment by the Economist	2	2.14

* Average based on TDI Ranking of all 14 selected LDCs

Summary and Assessment

Benin has a few high value tourism assets (one being a UNESCO World Biosphere Reserve). The tourism sector is supported by national and regional institutional arrangements and strategies and the country is part of two regional integration processes and a south-south initiative: these initiatives could be a tool to foster the development of more diversified tourism clusters and to enhance regional competitiveness together with partner countries within these regions.

The DTIS focuses on Benin's tourism advantages such as short distance from Europe, warm and dry weather, friendly population and relatively good security for visitors, rich cultural heritage and historical legacy and picturesque villages. The main obstacles identified as impeding greater value creation in this sector are the high cost of airfare, the near-absence of resort hotels on the coast, high land prices and non-existent investment promotion. The report also refers to weak institutional support for tourism development and highlights the need for the Ministry of Culture, Traditional Crafts and Tourism to work together with private developers in identifying opportunities for hotel development.

The Action Matrix recommends measures to improve the overall business environment by opening competition for developers, promoting a voodoo festival and identifying areas for technical assistance.

The PRSP refers to the following areas for strengthening tourism sector performance: improving the institutional and regulatory framework, developing crafts industries, renovating access routes to tourism sites, developing and promoting ecotourism, constructing a historical centre and developing and restoring historical sites.

Benin's Investment Policy Review refers to tourism as one of the country's key unexploited assets in terms of FDI and economic development. The report refers to the country's rich historical sites as representing significant potential but also underscores challenges to their development including: inadequate hotel infrastructure; delays in transport infrastructure; insufficient efforts to promote the sector's huge potential; ensuring protection of forest resources; development of routes for tourism packages including airfare, accommodations and ecotourism activity; and the development of a strategy for promoting FDI in the tourism sector based on improving the country's image abroad.

Benin has chosen logistics, transport and services as central pillars of its development. It has also identified cotton-textile, agribusiness, international trade, building construction, building materials, tourism, crafts and culture and ICT as secondary pillars. These pillars are also called secondary project clusters. They should be implemented by taking into account the potential and specific advantages of different regions.

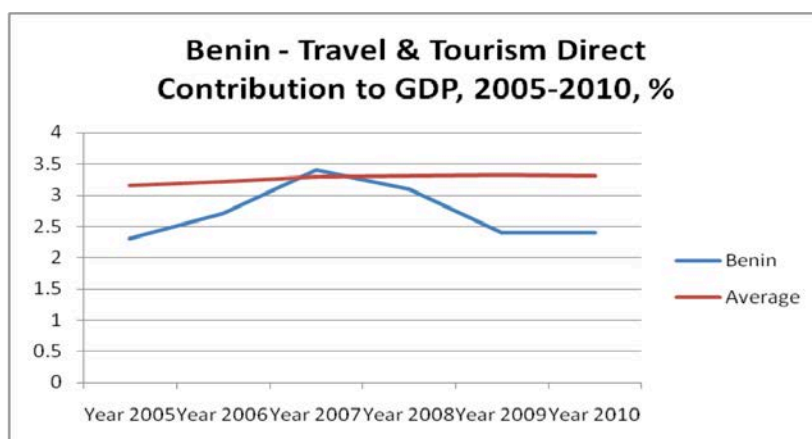
Benin's specific GATS commitments state that foreign suppliers of "lodging, hotels, motels, holiday villages, inns, and hydro-therapy centres (spas)" services face no limitations on offering their services in the country (mode 1); offering such services to Benin citizens who travel to foreign countries (mode 2) "but manager must have hotel management qualifications"; and establish a "commercial presence" in which the service is supplied by setting up a business or professional establishment (mode 3). In regard to the presence of natural persons (mode 4), there are certain limitations because this mode of service supply is "unbound" and therefore Benin retains full freedom to open or close mode 4 as it may desire. Furthermore, foreign suppliers of restaurant services are free to provide their services in mode 2 and 3 but they face limitations in modes 1 and 4.

Country Polycscape

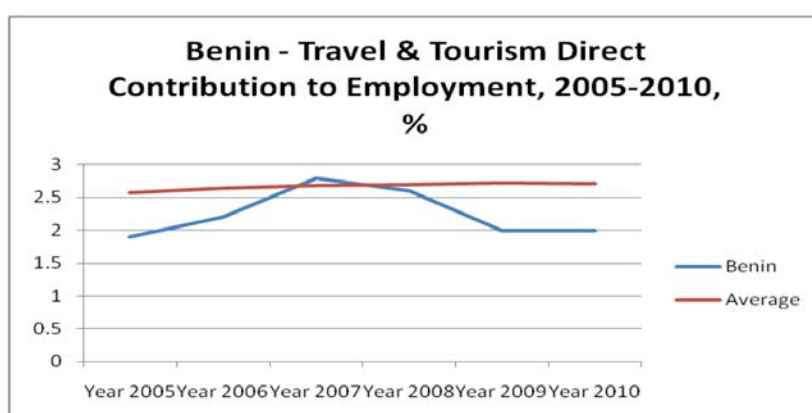
Tourism statistics:

Population (2009, thousands)	GDP (2009, million US dollars)	Travel & tourism direct industry GDP, 2010		Travel & tourism economy GDP, 2010		International visitor arrivals, 2010	Travel & tourism direct contribution to employment, 2010		Travel & tourism total contribution to employment, 2010	
		US\$ bn	% share	US\$ bn	% share		'000	'000	% share	'000
8.935	6.656	0.203	2.4	0.435	5.2	940	40.9	2	108	5.5

Source: World Bank Database (<http://siteresources.worldbank.org/DATASTATISTICS/Resources/GDP.pdf> and <http://siteresources.worldbank.org/DATASTATISTICS/Resources/POP.pdf>) and World Travel and Tourism Council Database (www.wttc.org/eng/Tourism_Research/Economic_Data_Search_Tool/index.php).



Source: Based on data from the World Travel and Tourism Council Database.



Source: Based on data from the World Travel and Tourism Council Database.

Tourism Assets:³⁷

The tourism assets identified in the public domain to offer different tourism products are the following:

Park Pendjari (including W National Park, Atacora and Djona hunting zones); lakes (Nokoué; Ahémé; Ouémé); Mono River; Atakora Mountains; Zougou great forest; coastal beaches (Cotonou, Grand Popo); Waterfalls (Tanongou and Kota); Port of Cotonou; Dassa Zoume Catholic Pilgrimage; picturesque villages, and cultural and historical sites including traditional markets, museums and handicrafts (Allada village; Cotonou; Ouidah; Ganvié: The Venice of Africa; Taneka Koko; Abome; Porto Novo; Parakou; Nikki); and conference centers (International Conference Center and Le Palais des Congress).

Park Pendjari is recognized by UNESCO as World Biosphere Reserve.

The main tourism activities offered are: excursions and tours; sightseeing; cultural tourism; canoeing; hunting; wildlife safari and observation of hippos; bird watching; conferences

³⁷ Benin Tourism: <http://benintourisme.com/?lang=de> and www.benin-direct.com/activities.html.

DTIS:³⁸

The DTIS report contains a subsection on tourism. Tourism seems to be a promising industry for Benin since it is very labour-intensive and could be a good source of employment growth. The country has substantial tourist attractions but little effort has gone into their development. The little investment to date has focused on the game parks in the northern part of the country. However, the most promising tourist destinations are in the south, with its coastal beaches and historical attractions.

Benin enjoys significant tourism advantages. They are:

- Relative short distance from Europe;
- Warm and dry weather for tourists seeking a break from the European winter;
- Friendly population and relative security for visitors;
- Attractive and diverse natural scenery;
- Rich cultural heritage and folklore: the birthplace of Voodoo;
- The historical legacy of the slave trade and the colonial period; and
- Picturesque villages, especially Ganvié, a sort of African Venice.

The main obstacles identified for this sector are:

- High cost of airfare associated with Air France's near monopoly on serving Cotonou, since the dissolution of Air Afrique and the withdrawal of charter companies;
- The near-absence of resort hotels on the coast, the most promising site for tourist development;
- Insecure land title and high land prices;
- Non-existent investment promotion; and
- **Weak institutional support.**

The Ministry of Culture, Traditional Crafts, and Tourism (MCAT) should work with private developers in identifying a tract of land on the coast for hotel development, and then lease this land securely to the private sector. The government should consider developing a section of the coast for a hotel/resort complex in the Ouidah, Porto Novo, Abome vicinity and open a competitive bidding process for a lead developer. The MCAT could promote a Voodoo and/or music festival as a way to attract additional visitors. The export promotion agency should market these attractions in Europe and possibly to populations of African descent in the United States and Brazil.

Action Matrix:³⁹

The Action Matrix contains some references to tourism and proposes the following actions:

- Develop local processing of fruits, nuts and vegetables through improvements in overall business environment, technical assistance to prospective investors and producers;
- Designate a section of the coast for a hotel/resort complex in the Ouidah, Porto Novo, and Abome vicinity;
- Open a competition for a lead developer;
- Promote a voodoo and/or music festival; and

³⁸ Benin's Diagnostic Trade Integration Study ("DTIS"), December 2005. Available at: www.enhancedif.org/EN%20web%20pages/Where%20we%20work/Benin.htm.

³⁹ Benin's Diagnostic Trade Integration Study ("DTIS") and Action Matrix, December 2005. Available at: www.enhancedif.org/EN%20web%20pages/Where%20we%20work/Benin.htm.

- Provide technical assistance to farmers in quality control, norms, standards, marketing, credit, inputs, promotion of new agricultural products, shrimps, and tourism.

PRSP:⁴⁰

The report contains some references to tourism highlighting the fact that the existing Development and Promotion of Tourism and Handicrafts programmes have contributed to:

- Improvement of the institutional and regulatory framework of these sectors;
- Enhancement of tourism sites and the development of crafts;
- Development of tourist sites and their access routes (e.g., Calavi loading and unloading dock):
 - Establishment of tourist villages in Savalou and Boukoubé
 - Development of the Bori pool in the Pendjari national park
 - Development of the Tanekas-kokos site and its surroundings
 - Construction of a tourist area along the "Route des Pêches";
- Development and promotion of ecotourism in Attodji and Aguégus;
- Construction of a historical center; and
- Development and restoration of sites at Savi.

Benin has chosen logistics, transport and services as central pillars of its development. Cotton-textile, agribusiness - international trade, building construction- building materials, tourism, crafts and culture, and ICT were identified as secondary pillars of national development. These pillars are also called secondary project clusters. They should be implemented by taking into account the potential and specific advantages of different regions.

Investment Policy Review (UNCTAD):⁴¹

UNCTAD report contains a subsection on the tourism sector of Benin. The following issues are addressed:

- The tourism industry in Benin is in the initial phase of its development and this sector could be one of the main perspectives of the country in terms of FDI and economic development.
- The country is rich in historical sites that represent a significant potential, such as the coastal cities of the era of slavery, Ouidah, Grand Popo and Porto Novo, the current administrative capital, the lakeside villages in the lagoons around Ganvié and the town of Abomey, former capital of the empire of pre-colonial Dahomey and the nature reserves in the north to Pendjari (W Park which straddles the border between Burkina Faso and Niger) and thermal areas Dangbo, and Possotomé Bopa.
- Despite these historical and natural resources that could attract a considerable number of tourists, the country's hotel infrastructure is inadequate and sometimes absent altogether, especially outside Cotonou.
- Other problems affecting the development of the area are delays in transport infrastructure and utilities, lack of supervision of private firms, and a poor image of the country to foreign tourists, especially as regards security.
- The following recommendations are stated:
 - Develop hotel capacities and diversify the sites of tourist accommodation;
 - Accelerate the privatisation process for hotels of State;

⁴⁰ Benin's Poverty Reduction Strategy Paper ("PRSP"), July 2008. Available at: www.imf.org/external/pubs/ft/scr/2008/cr08233.pdf.

⁴¹ Benin's Investment Policy Review (UNCTAD), 2005, Available at: www.unctad.org/fr/docs/iteipc20044_fr.pdf.

- Accelerate the upgrading of transport infrastructure and utilities, through the cooperation of the international private sector;
- Promote the sector's huge potential reserves and parks and historical and archaeological sites;
- Ensure protection of forest resources between national agricultural activities, forestry and animal husbandry;
- Develop routes with package including airfare, accommodations and ecotourism activity; and
- Develop a strategy for FDI promotion based on improving the country's image abroad.

GATS / Specific Commitments: Sector 09.Tourism and Travel Related Services

Foreign suppliers of “Hotels and Restaurants” face some limitations in providing their services in Benin.

Foreign suppliers of “lodging, hotels, motels, holiday villages, inns, and hydro-therapy centres (spas)” services are free to:

- Offer their services in Benin without being present within its territory (mode 1);
- Offer their services to Benin citizens who travel to foreign countries (mode 2) “but manager must have hotel management qualifications”; and
- Establish a "commercial presence" in which the service is supplied by setting up a business or professional establishment, such as a subsidiary corporation or a branch or representative office (mode 3).

In contrast, mode 4 (presence of natural persons) is unbound except “for measures affecting the entry and temporary stay of natural persons - who are employees of a company and transferred to a company incorporated in Cameroon belonging to, controlled by or a subsidiary of the former - in the following categories: directors; senior executives; and specialists who possess knowledge that is essential to the provision of the service.” There are no limitations to National Treatment in mode 4.

Furthermore, foreign suppliers of restaurant services are also free to:

- Offer their services to Benin citizens who travel to foreign countries (mode 2); and
- Establish a "commercial presence" in which the service is supplied by setting up a business or professional establishment, such as a subsidiary corporation or a branch or representative office (mode 3).

However, mode 1 and 4 are unbound and therefore Benin retains regulatory freedom under these headings. Foreign suppliers might face some limitations to:

- Offer their services in Benin without being present within its territory (mode 1); and
- The presence of natural persons providing services in Benin (mode 4) “except for measures affecting the entry and temporary stay of natural persons - who are employees of a company and transferred to a company incorporated in Cameroon belonging to, controlled by or a subsidiary of the former - in the following categories: directors; senior; executives; and specialists who possess knowledge that is essential to the provision of the service.” No limitations in National Treatment in mode 4.

For a more detailed analysis of the specific sector commitments please refer to Annex 3.

Sector Commitments in “Tourism and Travel Related Services” and “Recreational and Sporting activities”

GATS Sectors and Sub-Sectors	MA	NT	GATS Sectors and Sub-Sectors	MA	NT
9. TOURISM AND TRAVEL RELATED SERVICES			10. RECREATIONAL, CULTURAL AND SPORTING SERVICES		
A. Hotels and restaurants (incl. catering) (CPC 641-643)	X	X	A. Entertainment services (including theatre, live bands and circus services) (CPC 9619)		
B. Travel agencies and tour operators services (CPC 7471)			B. News agency services (CPC 962)		
C. Tourist guides services (CPC 7472)			C. Libraries, archives, museums and other cultural services (CPC 963)		
D. Other			D. Sporting and other recreational services (CPC 964)		
			E. Other		

Source: WTO Services Database (<http://tsdb.wto.org/default.aspx>).
References: MA: Market Access / NT: National Treatment.

Institutional arrangements supporting tourism:

Institutional arrangements supporting tourism comprise a Ministry, a tourism board, tourism associations, country strategies and a regional strategy. The arrangements identified in the case of Benin are the following:

Ministry of Culture, Traditional Crafts, and Tourism:

www.estis.net/sites/tourbenin/default.asp?site=tourbenin&page_id=7B9BD2A1-D1D7-4AB3-8637-1498B19B0EF2

Benin Tourism: <http://benintourisme.com/?lang=de>

Parc National de la Pendjari: www.pendjari.net/

Projet d'aménagement touristique de la Route des Pêches : www.laroutedespeches.bj

Tourism Associations:

Travel & Tourist Agents Association – no link available

ANOPRITOB / Association des Operateurs Prives Touristiques du Benin – no link available

Country Strategy:

Long term perspective studies, Benin 2025 (iv) National tourism policy – no link available

Benin 2006-2011 Strategic Development Orientation Program (1st strategic axis for the rehabilitation and the valorisation of an attractive tourist site) – no link available

Regional Strategy within WAEMU:

Programme Régional de Développement du Tourisme au sein de l'UEMOA (PRD TOUR):
www.uemoa.int/Documents/Actes/Annexe_Dec_11_2010_CM_UEMOA.pdf

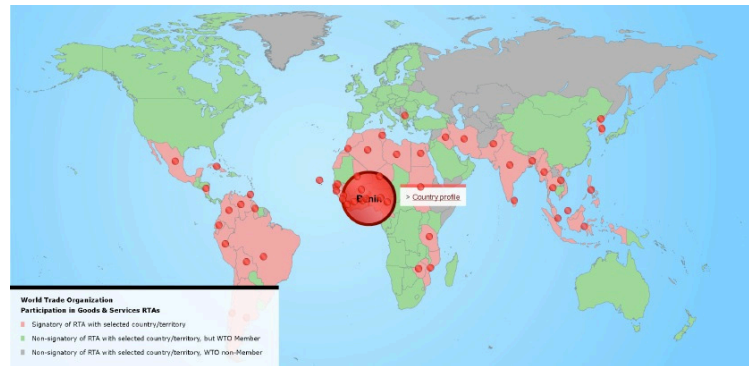
RTAs/FTAs:⁴²

According to the WTO database on Regional Trade Agreements, Benin is part of the following agreements:

Economic Community of West African States (ECOWAS)

Global System of Trade Preferences among Developing Countries (GSTP)

West African Economic and Monetary Union (WAEMU)



*Regional Initiative within ECOWAS:*⁴³

ECOWAS Commission, Office of the Commissioner Trade, Customs & Free Movement, Customs and Tourism Department: www.comm.ecowas.int/dept/stand.php?id=i__dep&lang=en

Regional Initiative within WAEMU:

WAEMU Commission, Département de l'Aménagement du Territoire Communautaire, des Transports et du Tourisme (DATC):

www.uemoa.int/Pages/UEMOA/Commission%20de%20L_UEMOA/commissaires_datc.aspx

⁴² WTO Regional Trade Agreements Database.

⁴³ Although the inclusion in the Treaty of ECOWAS of tourism as one of the sectors in which regional cooperation should be promoted (Art. 3 and Art. 34), the sector is not mentioned in the Regional Strategic Plan 2011-2015 (www.spu.ecowas.int/documents/regional-strategic-plan/final_draft-sp_doc__24_09_10/).

2. Burkina Faso

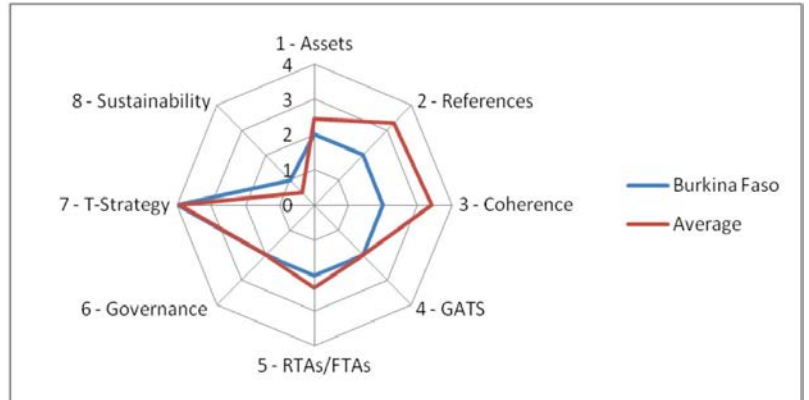
CSEND Tourism Development Index (TDI): 2.13

	CSEND TDI Rate	Average Rate *
1-Tourism assets	2	2.43
2-References to tourism in DTIS, AM, PRSP and IPR	2	3.29
3-Coherence of trade development support in DTIS, AM, PRSP and IPR	2	3.43
4-Extent of liberalisation of trade in tourism sector	2	2.00
5-Regional Trade arrangements (RTAs, FTAs)	2	2.36
6-Governance mechanisms pertaining tourism development	2	2.00
7-Articulation of Tourism Strategy	4	3.93
8-References to Sustainability of tourism sector in DTIS, AM, PRSP and IPR	1	0.50

Investment Risk Profile:

	The Economist Rate	Average Rate
Overall Risk Assessment by the Economist	2	2.14

* Average based on TDI Ranking of all 14 selected LDCs



Summary and Assessment

Burkina Faso has identified a few high valued tourism assets. This sector is supported by national and regional institutional arrangements. Burkina Faso has passed a law establishing the orientation of tourism development.

The country is part of two regional integration processes: these initiatives could foster the development of more diversified tourism clusters and enhance regional competitiveness together with partner countries within these regions.

Neither the DTIS nor the Action Matrix contains references to tourism. In contrast, the PRSP addresses the following tourism related issues: strengthening the synergy between culture and tourism; valorizing the country's ecological heritage; supporting and supervising the sectors' operators; developing tourism infrastructure and promoting tourist companies' access to credit; and implementing a tourism development policy. This report also highlights avenues of concomitant work that has enhanced tourism development including: conducting an inventory of cultural sites with a tourist vocation, commissioning studies on safeguarding and promoting cultural tourism in selected villages; providing technical assistance and support to the sector's actors; conducting a hotel infrastructures census, elevating the general level of professionalism within the industry, and sensitizing hotel managers/owners to the regulatory framework; opening of the Maison du Burkina Faso; and organising international tourism-related events.

The Investment Policy Review of Burkina Faso provides the observations including: tourism is a relatively undeveloped sector; the domestic commercial tax regime is not competitive at the regional level for most economic sectors analysed; and the National Tourism Office has limited financial resources.

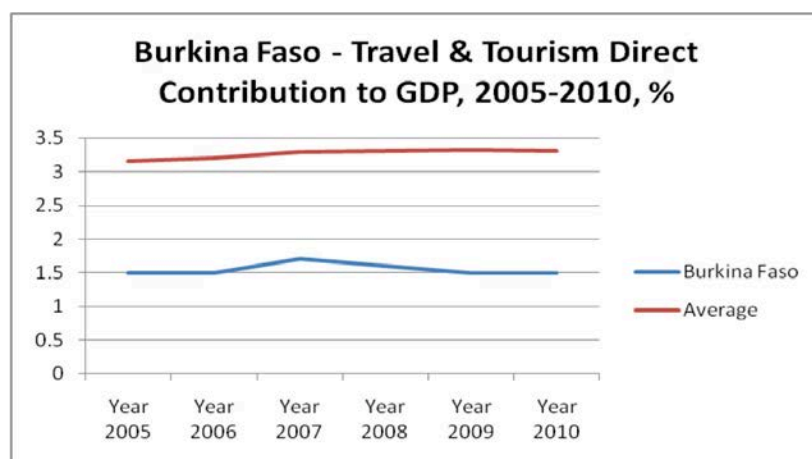
Burkina Faso's GATS specific commitments state that foreign suppliers of "Hotel and restaurant services" face no limitations to: offering such services to Burkina Faso citizens who travel to foreign countries (mode 2); and establish a "commercial presence" in which the service is supplied by setting up a business or professional establishment (mode 3). However, there may be limitations in modes 1 (offer their services in the country) and mode 4 (presence of natural persons) because these modes of supply are "unbound" and, therefore, Burkina Faso retains regulatory freedom under these headings. Furthermore, foreign suppliers "Travel agencies and tour operators' services" are free to provide their services in modes 1, 2 and 3 but they face limitations in mode 4.

Country Polycscape

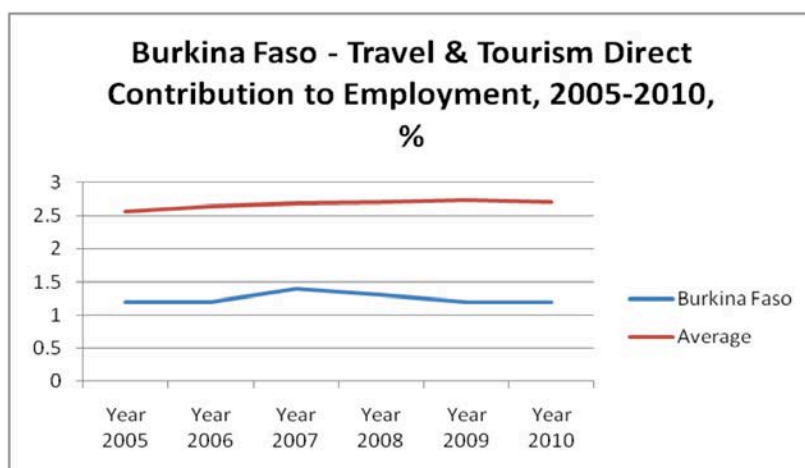
Tourism Statistics:

Population (2009, thousands)	GDP (2009, million US dollars)	Travel & tourism direct industry GDP, 2010		Travel & tourism economy GDP, 2010		International visitor arrivals, 2010	Travel & tourism direct contribution to employment, 2010		Travel & tourism total contribution to employment, 2010	
		US\$ bn	% share	US\$ bn	% share		'000	'000	% share	US\$ bn
15.757	8.141	0.09	0.9	0.25	2.7	1379.6	53	1.2	131.8	3.1

Source: World Bank Database (<http://siteresources.worldbank.org/DATASTATISTICS/Resources/GDP.pdf> and <http://siteresources.worldbank.org/DATASTATISTICS/Resources/POP.pdf>) and World Travel and Tourism Council Database (www.wttc.org/eng/Tourism_Research/Economic_Data_Search_Tool/index.php).



Source: Based on data from the World Travel and Tourism Council Database.



Source: Based on data from the World Travel and Tourism Council Database.

Assets identified in the public domain to offer different tourism products:⁴⁴

National parks, reserves and wildlife (Parc Arly, Parc National Tambi Kaboré, Parc Urbain Bangr Weoogo Parc du W, réserve de Pama, Sabou, Bazoulé, Parc Animalier de Ziniaré, Bala); Sahel sand dunes; lakes (Tin, Dankou, Tengrela, Higa, Tapoa, Tougouri and Yalgo, Bam and Dem); waterfalls (Sogodjankoli, Driko, Banfora, Karfiguela, Niofila); oasis (Djomga, Oursi, Toma Île); traditional and historic sites (Kassena de Tiébélé; Dioulasso-ba, Pobe Mengao, Gorom-Gorom and Dori markets); royal palaces (Nayiri de Kokologho, Yatenga, Mogho Naba; and conferences and festivals (Ouagadougou).

Main tourism activities offered: hiking, wildlife, safari bird (hippo, crocodile) watching, cultural tourism, conferences and festivals.

DTIS:⁴⁵

The report has no references to tourism.

Action Matrix:⁴⁶

The report has no references to tourism.

PRSP:⁴⁷

The report contains some references to tourism. With regard to the culture and tourism sectors in Burkina Faso, the main activities carried out in 2006 included:

⁴⁴ Burkina Faso National Tourism Office: www.ontb.bf/.

⁴⁵ Burkina Faso's Diagnostic Trade Integration Study ("DTIS"), September 2007. Available at: www.enhancedif.org/EN%20web%20pages/Where%20we%20work/Burkina_Faso.htm.

⁴⁶ Burkina Faso's Action Matrix, Diagnostic Trade Integration Study ("DTIS"), September 2007. Available at: www.enhancedif.org/EN%20web%20pages/Where%20we%20work/Burkina_Faso.htm.

⁴⁷ Burkina Faso's Poverty Reduction Strategy Paper ("PRSP"), July 2008. Available at: www.imf.org/external/pubs/ft/scr/2008/cr08212.pdf.

- Strengthening synergy between culture and tourism;
- Valorizing the country's ecological heritage;
- Supporting and supervising the sectors' operators;
- Setting up an international structure for tourism and promoting tourist companies access to credit;
- Implementing a tourist development policy.
- Conducting an inventory of cultural sites with a tourist vocation, including 12 new inventoried sites, was carried out; and
- Preparing studies on safeguarding and promoting cultural tourism in the villages of Koumi, Gani, and Tiébélé, part of the ST-EP (Sustainable Tourism-Eliminating Poverty) program, have been performed.

In terms of support activities, technical services in charge of tourism provided daily assistance and supervision to actors in the sector, while the National Tourism Office helped to insure their participation to international tourism fairs and exhibitions.

Other tourism-related actions carried out include:

- Hotel infrastructures census, development of professional competencies, and sensitizing hotel managers/owners on the regulatory framework;
- The third edition of the Ouagadougou International Tourism and Hotel Show (SITHO), including a workshop on tourism financing;
- The opening of the Maison du Burkina Faso in Paris to be used for the promotion of Burkina Faso culture and tourism, before the end of 2007; and
- The organization of a WTO regional conference in Ouagadougou on the topic "tourism and the crafts industry for development".

Investment Policy Review (UNCTAD):⁴⁸

The report contains some references to the tourism sector. The following issues are addressed:

- The tourism sector is relatively undeveloped, although the Government wants to promote cultural tourism and conferences. Foreign investment in the sector is relatively small.
- A comparative study of the combined weight of direct taxation on business under the basic scheme of Burkina Faso (excluding incentives) found that the scheme is not competitive at the regional level for most economic sectors analysed. The tax domestic tax system must be revised to create a better environment for domestic and foreign investment and to strengthen Burkina Faso's competitiveness within its region.
- The National Tourism Office of Burkina is responsible for investment promotion but has limited financial resources for participation in a large number of international fairs. Often, the office is unable to afford an exhibition booth.

GATS / Specific Commitments: Sector 09.Tourism and Travel Related Services

Foreign suppliers of "Tourism and Travel Related Services" face some limitations to provide their services in Burkina Faso.

⁴⁸ Burkina Faso's Investment Policy Review (UNCTAD), 2009, Available at: www.unctad.org/fr/docs/diaepcb20094_fr.pdf.

Foreign suppliers of “Hotel and restaurant services” are free to:

- Offer their services to Burkina Faso citizens who travel to the foreign countries (mode 2); and
- Establish a "commercial presence" in which the service is supplied by setting up a business or professional establishment, such as a subsidiary corporation or a branch or representative office (mode 3).

However, modes 1 and 4 are unbound and therefore Burkina Faso retains regulatory freedom under these headings. Mode 1 is unbound due to “lack of technical feasibility”. Foreign suppliers may face limitations on:

- Offering their services in Burkina Faso without being present within its territory (mode 1); and
- Establishing the presence of natural persons providing services in Burkina Faso (mode 4).

Furthermore, foreign suppliers of “Travel agencies and tour operators’ services” are free to:

- Offer their services in Burkina Faso without being present within its territory (mode 1);
- Offer their services to Burkina Faso citizens who travel to foreign countries (mode 2); and
- Establish a "commercial presence" in which the service is supplied by setting up a business or professional establishment (mode 3), but “the number of foreign travel agencies may not exceed 1/3 of the national total”.

In contrast, mode 4 (presence of natural persons) is unbound except “except for measures affecting the entry and temporary stay of natural persons in the following categories: managers, executives and specialists.”

For a more detailed analysis of the specific sector commitments please refer to Annex 3.

Sector Commitments in “Tourism and Travel Related Services” and “Recreational and Sporting activities”

GATS Sectors and Sub-Sectors	MA	NT	GATS Sectors and Sub-Sectors	MA	NT
9. TOURISM AND TRAVEL RELATED SERVICES			10. RECREATIONAL, CULTURAL AND SPORTING SERVICES		
A. Hotels and restaurants (incl. catering) (CPC 641-643)	X	X	A. Entertainment services (including theatre, live bands and circus services) (CPC 9619)		
B. Travel agencies and tour operators services (CPC 7471)	X	X	B. News agency services (CPC 962)		
C. Tourist guides services (CPC 7472)			C. Libraries, archives, museums and other cultural services (CPC 963)		
D. Other			D. Sporting and other recreational services (CPC 964)		
			E. Other		

Source: WTO Services Database (<http://tsdb.wto.org/default.aspx>).

Institutional arrangements supporting tourism:

Burkina Faso’s Ministry of Culture, Arts and Tourism: www.culture.gov.bf/
 Burkina Faso National Tourism Office: www.ontb.bf/
 Burkina Tourism: www.tourismeburkina.com/
 Centre de formation en tourisme et hôtellerie
 Maison du Burkina Faso in Paris (to be opened)

Tourism Associations:

Association des Professionnels des Voyages et du Tourisme: www.apvt-bf.org/

Association des Hôteliers et Restaurateurs du Burkina (AHRB) – no link available
YIRIWA Association Burkinabé d'Écotourisme:
www.association-itinerance.info/ext/http://yiriwa.blogspot.com/

Country Strategy:

Loi d'orientation du tourisme au Burkina Faso : www.ccia.bf/pdf_actu/Loi_orientation_tourisme.pdf

Burkina Faso's Ministry of Culture, Arts and Tourism: "Politique nationale de la culture et du tourisme", May 2008 – no link available

Regional Strategy within WAEMU:

Programme Régional de Développement du Tourisme au sein de l'UEMOA (PRD TOUR):
www.uemoa.int/Documents/Actes/Annexe_Dec_11_2010_CM_UEMOA.pdf

RTAs/FTAs:⁴⁹

Economic Community of West African States (ECOWAS)
West African Economic and Monetary Union (WAEMU)



Regional Initiative within ECOWAS:⁵⁰

ECOWAS Commission, Office of the Commissioner Trade, Customs & Free Movement, Customs and Tourism Department: www.comm.ecowas.int/dept/stand.php?id=i__dep&lang=en

Regional Initiative within WAEMU:

WAEMU Commission, Département de l'Aménagement du Territoire Communautaire, des Transports et du Tourisme (DATC):
www.uemoa.int/Pages/UEMOA/Commission%20de%20L_UEMOA/commissaires_datc.aspx

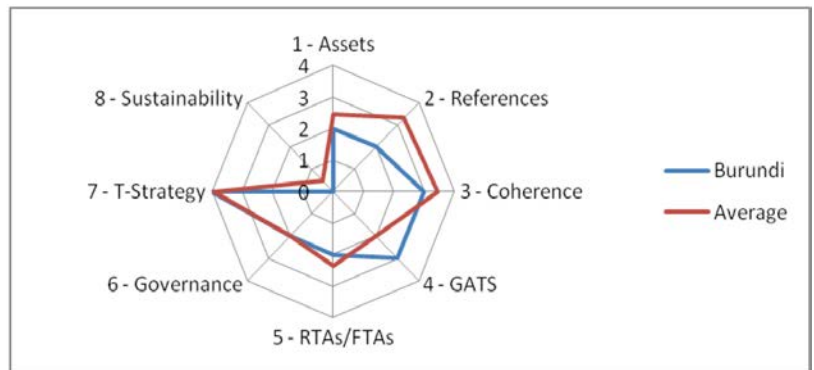
⁴⁹ WTO Regional Trade Agreements Database.

⁵⁰ Although the inclusion in the Treaty of ECOWAS of tourism as one of the sectors in which regional cooperation should be promoted (Art. 3 and Art. 34), the sector is not mentioned in the Regional Strategic Plan 2011-2015 (www.spu.ecowas.int/documents/regional-strategic-plan/final_draft-sp_doc_24_09_10/).

3. Republic of Burundi

CSEND Tourism Development Index (TDI): 2.25

	CSEND TDI Rate	Average Rate *
1-Tourism assets	2	2.43
2-References to tourism in DTIS, AM, PRSP and IPR	2	3.29
3-Coherence of trade development support in DTIS, AM, PRSP and IPR	3	3.43
4-Extent of liberalisation of trade in tourism sector	3	2.00
5-Regional Trade arrangements (RTAs, FTAs)	2	2.36
6-Governance mechanisms pertaining tourism development	2	2.00
7-Articulation of Tourism Strategy	4	3.93
8-References to Sustainability of tourism sector in DTIS, AM, PRSP and IPR	0	0.50



Investment Risk Profile:

	The Economist Rate	Average Rate
Overall Risk Assessment by the Economist	3	2.14
*Average based on TDI ranking of all 14 selected LDCs		

Summary and Assessment:

Burundi has identified a few tourism assets. The sector is supported by a national and regional strategy. The country is part of two regional integration processes: these initiatives could foster the development of more diversified tourism clusters and enhance regional competitiveness together with partner countries within these regions.

Neither the DTIS nor the Action Matrix contains references to tourism. In contrast, the PRSP deserves a brief subsection on tourism, referring to the following issues: re-launching tourism related programs; restoration of the pyramid at the source of the Nile; development of a database on tourist site; identifying new attractions and tourist products with a view to diversification; **seeking better links with the regional tourism circuits (in progress)**; and establishing a hotel and tourism tax.

Burundi's Investment Policy Review contains references to tourism underscoring the following subjects: significant potential in domestic tourism (cultural heritage, lakes and some national parks with wildlife and flora very diverse); acknowledging the high priority given to tourism by the Government; noting the country's **strategic location as an asset for benefiting from regional tourism; low level of GATS commitments**; promoting Lake Tanganyika as a tourism destination; attention to avoiding mass tourism and focusing on niche tourism; focusing on FDI promotion offering specialised tourist services, promoting adventure tourism and ecotourism; and attracting FDI in tourism services (restaurants, car rentals, sports and recreation and entertainment).

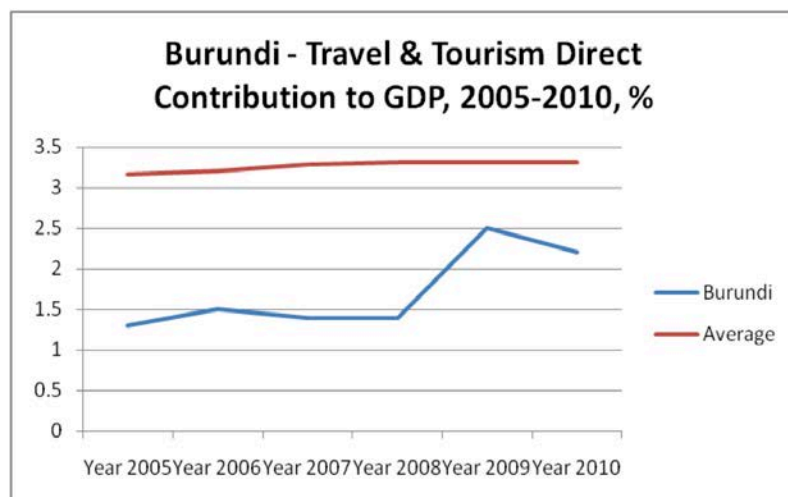
Burundi's GATS specific commitments state that foreign suppliers of "Hotels and restaurants (incl. catering)", "Travel agencies and tour operators" and "Tourist guides" services face no limitations on offering their services in the country (mode 1); offering such services to its citizens who travel to foreign countries (mode 2); and establishing a "commercial presence" in which the service is supplied by setting up a business or professional establishment (mode 3). However, there are certain limitations in the presence of natural persons (mode 4) because this mode of supply is "unbound" (except for manager, as indicated in the horizontal section) and therefore Burundi retains regulatory freedom under these headings.

Country Polycscape

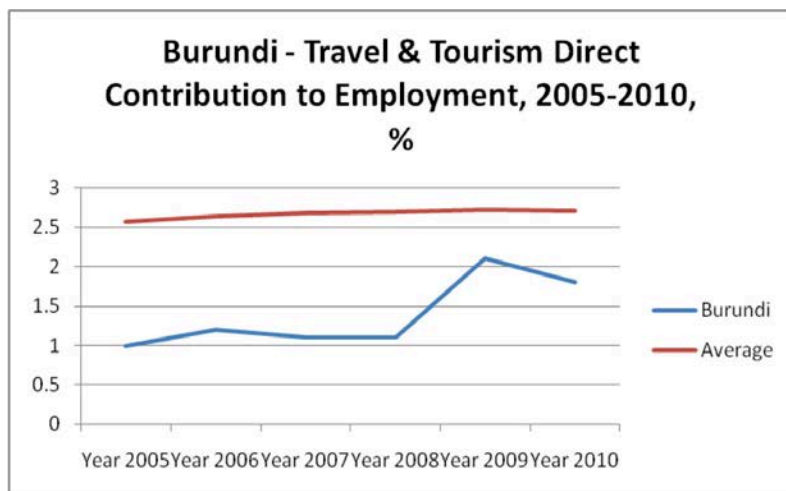
Tourism Statistics:

Population (2009, thousands)	GDP (2009, million US dollars)	Travel & tourism direct industry GDP, 2010		Travel & tourism economy GDP, 2010		International visitor arrivals, 2010	Travel & tourism direct contribution to employment, 2010		Travel & tourism total contribution to employment, 2010	
		US\$ bn	% share	US\$ bn	% share	'000	'000	% share	US\$ bn	% share
8.303	1.325	0.02	1.7	0.05	3.8	122.1	33.5	1.8	74.8	4.2

Source: World Bank Database (<http://siteresources.worldbank.org/DATASTATISTICS/Resources/GDP.pdf> and <http://siteresources.worldbank.org/DATASTATISTICS/Resources/POP.pdf>) and World Travel and Tourism Council Database (www.wttc.org/eng/Tourism_Research/Economic_Data_Search_Tool/index.php).



Source: Based on data from the World Travel and Tourism Council Database.



Source: Based on data from the World Travel and Tourism Council Database.

Assets identified in the public domain to offer different tourism products:⁵¹

Forests, national parks and wildlife (Kibira National Park; Ruvubu National Park; Rusizi National Park; Kibira Forest; Kigwena Natural Forest; Vyanda Natural Forest; Nyakazu and Mwishanga Forest); lakes (Tanganyika and its beaches Saga and Kalera Beach; Cohoha, Rweru and Rwhinda -nicknamed 'Birds Lake'); traditional culture and arts (Bujumbura; Gitega)

Main tourism activities offered: eco-tourism; water sports (sailing, water-skiing and fishing); hiking; golf; cultural activities; primates, birds, crocodiles and hippos watching; canoeing.

DTIS:⁵²

The report has no references to tourism.

Action Matrix:⁵³

The report has no references to tourism.

⁵¹ Burundi National Tourism Office: www.burunditourisme.net and Regional Investment Conference Tourism East Africa and the Indian Ocean, Country profile: Burundi, PROINVEST-EU: www.bk-conseil.com/espaceinformation/documentation/tourism/Burundi_Country_Profile.pdf.

⁵² Burundi's Diagnostic Trade Integration Study ("DTIS"), November 2003. Available at: www.enhancedif.org/EN%20web%20pages/Where%20we%20work/Burundi.htm.

⁵³ Burundi's Action Matrix, Diagnostic Trade Integration Study ("DTIS"), November 2003. Available at: www.enhancedif.org/EN%20web%20pages/Where%20we%20work/Burundi.htm.

PRSP:⁵⁴

The report contains a brief subsection on promotion of tourism and crafts addressing the following items:

- Tourism related programs such as those relating to the rehabilitation of the information and sales office could be re-launched;
- Restoration of the pyramid at the source of the Nile;
- Developing a database on tourist site;
- Identifying new attractions and tourist products with a view to diversification;
- **Seeking better integration within the regional tourism products (in progress);** and
- Creating a hotel and tourism tax.

Investment Policy Review (UNCTAD):⁵⁵

The report contains a subsection on the tourism sector. The following issues are addressed:

- Burundi has significant potential in tourism. In addition to rich cultural heritage (historic sites, crafts, traditional dance), Burundi has several regional natural attractions, offering a variety of landscapes. The country is dotted with lakes and national parks with very diverse wildlife and flora.
- The Government wants to give tourism a high priority (PRSP, Vision 2025) as an activity that can generate jobs and foreign exchange earnings. The country has significant tourist attractions, particularly in terms of landscapes of great beauty and ecological diversity. Nevertheless, significant improvements in political and personal security will be necessary to consolidate the accessibility and attractiveness of the domestic tourism assets.
- Burundi has also an untapped tourism potential. Indeed, **the country has a variety of different natural regions and its strategic location makes it an intuitive value additive component of potential regional tourism products.** The development of the tourism sector is among the top objectives of government policy as can be seen in actions such as the restoration of tourist sites and the creation of a national school of tourism. Some foreign investors are already present in the hotel sector but expanding the reforms would likely to attract more. Some hotel facilities exist but often require renovations.
- Burundi has made very few commitments under the General Agreement on Trade in Services World Trade Organization (WTO). The commitments relate to construction services and related engineering, distribution, health and social services, and those relating to tourism and travel, and some business services. For all other services, the country retains regulatory freedom including the possibility of introducing reforms that serve to reduce market access or dilute national treatment vis-à-vis foreign operators. No commitment to liberalise access to services trade has been implemented under the liberalisation process initiated by the ECA.
- Burundi must also promote the Lake Tanganyika, which offers potential in various sectors including transport, fisheries, water and tourism. It is a major asset in terms of transport as a strategic access to the entire region of Central and Southern Africa.
- Promotion of FDI in niche/specialist tourism such as ecotourism is an area holding potential but which Burundi hitherto not devoted significant government resources. The new web site of the National Office of Tourism (www.burunditourisme.net) currently under construction is a promising

⁵⁴ Burundi's Poverty Reduction Strategy Paper ("PRSP"), March 2009. Available at: www.imf.org/external/pubs/ft/scr/2009/cr0990.pdf.

⁵⁵ Burundi's Investment Policy Review (UNCTAD), 2010, Available at: www.unctad.org/fr/docs/diaepcb200917_fr.pdf.

instrument and may become a source of reliable and detailed information attracting potential travellers.

- As Burundi is a high cost destination offering less competitive services, the tourism strategy is to avoid mass tourism and to focus on niche tourism. The 'adventure tourism' segment, for example attracts customers whose expectations of comfort are lower. In the longer term, government strategy could move towards eco-tourism which is a higher cost and higher quality product. To support such a development, the government could award an "eco-tourism" label to hotels and tourist sites that meet rules on environmental protection to be developed as part of this effort.
- The tourism strategy should target service providers and tour operators present in the EAC countries; conduct FDI promotion offering specialised tourist services, including adventure tourism and ecotourism; and seek to attract FDI in tourism services (restaurants, car rentals, sports and recreation, entertainment).

GATS / Specific Commitments: Sector 09.Tourism and Travel Related Services

Foreign suppliers of “Hotels and restaurants (incl. catering)”, “Travel agencies and tour operators” and “Tourist guides” services face no limitations on:

- Offering their services in Burundi without being present within its territory (mode 1);
- Offering their services to Burundi citizens who travel to foreign countries (mode 2); and
- Establishing a "commercial presence" in which the service is supplied by setting up a business or professional establishment, such as a subsidiary corporation or a branch or representative office (mode 3).

However, mode 4 (presence of natural persons) is unbound and therefore Burundi retains regulatory freedom under this heading, “except for managers”. Burundi’s horizontal commitments establish that the presence of natural persons (mode 4) is unbound “except for medical specialists, specialised senior management and managers. Medical specialists, managers or specialised senior management may be taken to include persons who meet the following requirements:

- They have specialised, and not general, knowledge, of the profession;
- They engage in it regularly and exclusively;
- They have studied beyond a general level, as evidenced by diplomas.”

For a more detailed analysis of the specific sector commitments please refer to Annex 3.

Sector Commitments in “Tourism and Travel Related Services” and “Recreational and Sporting activities”

GATS Sectors and Sub-Sectors	MA	NT	GATS Sectors and Sub-Sectors	MA	NT
9. TOURISM AND TRAVEL RELATED SERVICES			10. RECREATIONAL, CULTURAL AND SPORTING SERVICES		
A. Hotels and restaurants (incl. catering) (CPC 641-643)	X	X	A. Entertainment services (including theatre, live bands and circus services) (CPC 9619)		
B. Travel agencies and tour operators services (CPC 7471)	X	X	B. News agency services (CPC 962)		
C. Tourist guides services (CPC 7472)	X	X	C. Libraries, archives, museums and other cultural services (CPC 963)		
D. Other			D. Sporting and other recreational services (CPC 964)		
			E. Other		

Source: WTO Services Database (<http://tsdb.wto.org/default.aspx>).

Institutional arrangements supporting tourism:

Burundi's Ministry of Trade, Industry and Tourism: www.commerceetindustrie.gov.bi/
Burundi National Tourism Office: www.burunditourisme.net

Tourism Associations:

Chambre Sectorielle de l'Hôtellerie et du Tourisme – no link available
Chambre de Commerce, d'Industrie, d'Agriculture et d'Artisanat du Burundi: www.ccib.bi/

Country Strategy:

“Stratégie nationale de développement durable du tourisme *Programme d'actions prioritaires pour construire un Burundi réconcilié et en paix*”, Republic of Burundi and PNUD: www.bi.undp.org/index.php?option=com_docman&task=doc_download&gid=66&Itemid=211

Regional Strategy:

Within COMESA:

Tourism is part of the Investment Development Integration Agenda: <http://about.comesa.int/lang-en/overview/comesa-strategy>

*Within EAC:*⁵⁶

EAC Development Strategy (2006-2010): www.eac.int/advisory-opinions/doc_details/159-eac-development-strategy-2006-2010.html

RTAs/FTAs:⁵⁷

Common Market for Eastern and Southern Africa (COMESA)
East African Community (EAC)



Regional Initiative:

EAC Tourism Statistics: www.statistics.eac.int

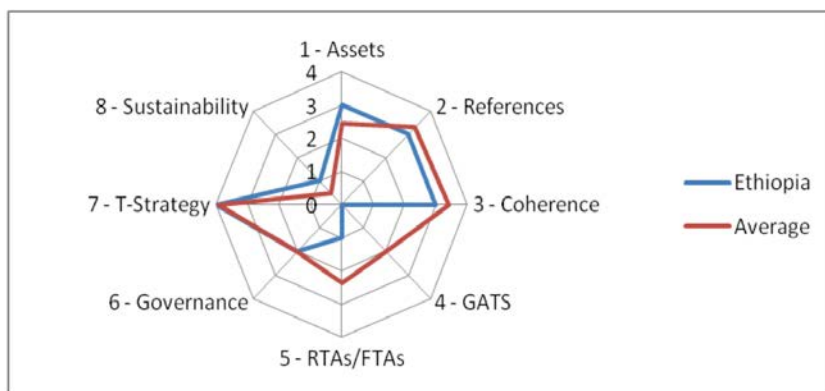
⁵⁶ The Treaty for the establishment of the EAC requires Partner States to undertake and to develop a regional strategy for tourism promotion, with the stated Development Objective of “Maximized benefits from sustainable tourism and wildlife resources.”

⁵⁷ WTO Regional Trade Agreements Database.

4. Federal Democratic Republic of Ethiopia

CSEND Tourism Development Index (TDI): 2.13

	CSEND TDI Rate	Average Rate *
1-Tourism assets	3	2.43
2-References to tourism in DTIS, AM, PRSP and IPR	3	3.29
3-Coherence of trade development support in DTIS, AM, PRSP and IPR	3	3.43
4-Extent of liberalisation of trade in tourism sector	0	2.00
5-Regional Trade arrangements (RTAs, FTAs)	1	2.36
6-Governance mechanisms pertaining tourism development	2	2.00
7-Articulation of Tourism Strategy	4	3.93
8-References to Sustainability of tourism sector in DTIS, AM, PRSP and IPR	1	0.50



Investment Risk Profile:

	The Economist Rate	Average Rate
Overall Risk Assessment by the Economist	2	2.14

*Average based on TDI ranking of all 14 selected LDCs

Summary and Assessment:

Ethiopia counts a number of tourism assets including UNESCO heritage sites. The tourism sector development is supported by several institutional arrangements as well as by national and regional strategies.

While the DTIS and AM contain references to tourism, the PRSP does not have any. DTIS has a chapter on tourism focusing on technical assistance, tourism promotion, tourism infrastructure, sector regulation and development, sustainability of tourism and the use of a multi-sectoral approach to deal with tourism. The report encourages the consideration of further the GATS commitments in several sectors (including tourism). The Action Matrix refers mainly to developing a strategic plan (including regional tourism support institutions), imposing local content requirements, facilitating community involvement, developing the handicraft sector, improving tourism market intelligence and promotion, and investing in further workforce training.

Ethiopia's Investment Policy Review addresses the following subjects relating to tourism: the sector has potential to attract FDI; FDI for tourism should be better integrated within into the emerging national and sectoral policies on exports, education, tourism and agriculture; privatisation should be focused on SMEs in retail, tourism and similar sectors; establishment of an Ethiopian Tourism Commission holds potential for attracting more affluent tourists; promoting tourism and investment in

Ethiopia; Ethiopian Airlines' has a unique position to play a lead role in investment promotion abroad; and engagement of activities to facilitate and promote tourism by the Regional Micro and Small Enterprises Development Agency.

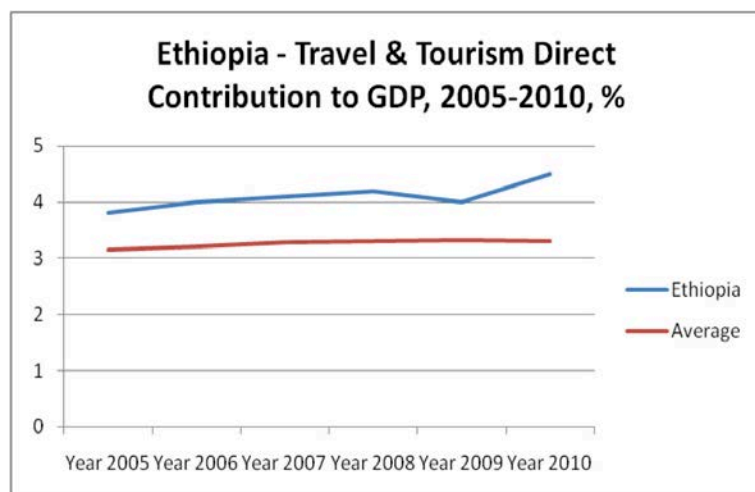
Since Ethiopia is not yet a WTO Member (it has the status of Observer Government), the country has made no commitments.

Country Polycscape

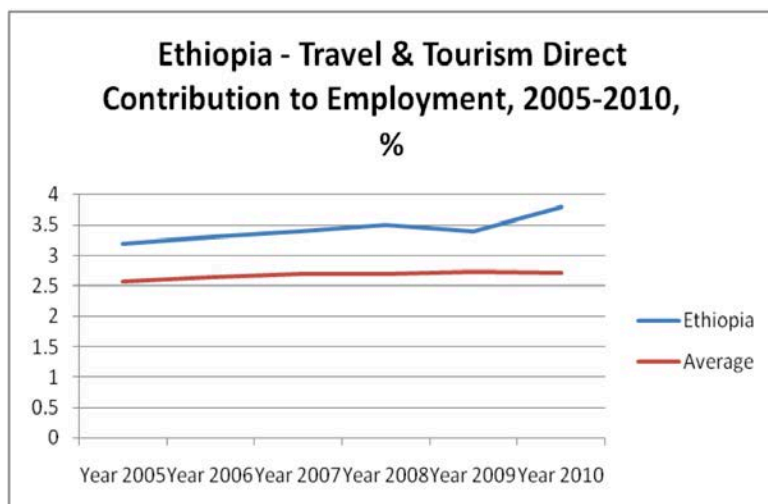
Tourism Statistics:

Population (2009, thousands)	GDP (2009, million US dollars)	Travel & tourism direct industry GDP, 2010		Travel & tourism economy GDP, 2010		International visitor arrivals, 2010	Travel & tourism direct contribution to employment, 2010		Travel & tourism total contribution to employment, 2010	
		US\$ bn	% share	US\$ bn	% share		'000	'000	% share	US\$ bn
82.825	28.537	1.22	4.3	2.51	8.8	412.4	884.1	3.8	2146.7	9.2

Source: World Bank Database (<http://siteresources.worldbank.org/DATASTATISTICS/Resources/GDP.pdf> and <http://siteresources.worldbank.org/DATASTATISTICS/Resources/POP.pdf>) and World Travel and Tourism Council Database (www.wttc.org/eng/Tourism_Research/Economic_Data_Search_Tool/index.php).



Source: Based on data from the World Travel and Tourism Council Database.



Source: Based on data from the World Travel and Tourism Council Database.

Assets identified in the public domain to offer different tourism products:⁵⁸

National Parks, mountains, lakes and falls (Great Rift Valley; Dallol (or Danakil) Depression; Abjatta-Shalla Lakes National Park; Awash National Park; Bale Mountains National Park; Gambella National Park; Simien Mountains; Lake Tana; Lake Langano; Omo River; Blue Nile Falls); cultural attractions (National Museum, the Menelik Palace, the Jubilee Palace, the Meskal Revolution Square, St George's Cathedral, the Ethnology Museum and the mercato); UNESCO World Heritage sites (Hadar; Axum; Debre Damo monastery; Gondar; Harar; and Lalibela); and meetings and conferences facilities (the United Nations Conference Centre in Addis Ababa).

Main tourism activities offered: cultural tourism, archaeological and historical attractions; hiking and pony trekking; climbing; swimming; natural springs; fishing; sailing; white-water rafting; caving; and meetings and conferences.

DTIS:⁵⁹

The report dedicates a subsection and a chapter to tourism. Ethiopia has enormous potential as a tourism destination: not only does it offer the usual African game and cultural experiences to visitors, but it also has a rich array of historic and natural sites that set it apart from most of its neighbours. But while much potential exists, Ethiopia is not being frequented by the amount of visitors warranted by the quality of its tourism assets. In contrast, its neighbour Kenya records roughly one million visitors annually.

Tourism, among other sectors, can obtain greater benefits from the Everything but Arms and Africa Growth Opportunity Act initiatives than at present. One factor inhibiting the growth of tourism is the regulation that foreigners visiting Ethiopia are allowed to obtain cash advances on their credit cards (subject to a maximum of Birr 500) only from approved hotels.

The government should direct cross sectoral planning and coordination efforts in developing a concrete policy posture towards GATS subjects including financial services, telecommunications and

⁵⁸ Ethiopia's Ministry of Foreign Affairs (www.mfa.gov.et/Facts_About_Ethiopia/Tourism_Investment_Banking.php).

⁵⁹ Ethiopia's Diagnostic Trade Integration Study ("DTIS"), July 2004. Available at: www.enhancedif.org/EN%20web%20pages/Where%20we%20work/Ethiopia.htm.

tourism where the current absence of commitments (indeed absence of WTO membership) serve to deter foreign participation. Of particular significance is the uncertainty that potential foreign investors face in terms the timeline for bringing these sectors within GATS disciplines and also the extent of commitments likely to be undertaken. International technical assistance could play a role in further designing the certification system and developing the website, and well as other means of advertising such as coffee “cupping” and tourism.

The chapter on tourism focuses on infrastructure (accommodation, transport, facilities and tourist attractions and human resources); and sector regulation and development (tourism development institutions, market intelligence, and tourism promotion). Additional constraints to tourism identified are:

- Access to money and credit card facilities;
- Customs import duties and taxes;
- Entry visas; and
- Entrance fees and guides.

According to the report, immediate priorities for supporting tourism development in Ethiopia should include:

- Focus on the allocation of scarce resources and capacity to developing sectors such as tourism; upgrade the Catering and Tourism Training Institute to include hotel management and admit more paying students to finance a more intensive curriculum and training;
- Sustainability - failure to preserve the cultural, historical and natural attractions adequately will undermine the long-term development of the tourism sector;
- An integrated approach - tourism is multi-sectoral in nature which implies that return on investments in one sector is often linked to (or constrained by) supporting services in other sectors;
- Identification of resource constraints - there are large resource constraints relative to the list of infrastructure required; and
- Clarification of target markets - the current promotion and development strategy has no clear target market, which means that promotional budgets are not used efficiently.

Action Matrix:⁶⁰

There is a subsection on tourism stating the following actions:

- Develop a coherent detailed action-oriented strategic plan, including a restructuring and capacity building programme for the Ethiopian Tourism Commission and regional tourism support institutions, as well as a tourist development code related to tourist destinations as an immediate priority;
- Develop and impose local content requirements;
- Facilitate community involvement and integrate their needs in tourism planning; and
- Assist in developing the handicraft sector to produce souvenirs and gift articles and so enhance its participation in the tourism trade.

It is also mentioned as a priority to:

⁶⁰ Ethiopia's Action Matrix, Diagnostic Trade Integration Study ("DTIS"), July 2004. Available at: www.enhancedif.org/EN%20web%20pages/Where%20we%20work/Ethiopia.htm.

- Improve the tourism market intelligence system;
- Devise promotional strategies based on target markets and improve tourism information available at hotels, airports and tourist attractions; and
- Encourage investment in training through incentives, and upgrade the Catering and Tourism Training Institute (CTTI) to include a school of hotel management and increase the number of paying students.

PRSP:⁶¹

The report has no references to tourism.

Investment Policy Review (UNCTAD):⁶²

The report contains some references to the tourism sector. The following issues are addressed:

- There are opportunities for FDI in tourism. There is an attractive climate and an evolving tourism sector that combines antiquities with wildlife and visual beauty.
- A number of tourism-related Government agencies and private sector organizations are involved in delivering or contributing to Ethiopia's investment promotion effort. However, discussions with managers and senior officials in relevant government departments and agencies indicate that FDI is not yet fully integrated into the emerging national and sectoral policies on exports, education, tourism and agriculture.
- The Ethiopian Privatization Agency (EPA) was formally established in 1994 and initiated its work programme by reversing the post-1975 wholesale nationalisation of Ethiopia's private sector. The first phase of EPA's privatisation (achieved through tender sales) focused on SMEs in retail, tourism and similar sectors.
- The Ethiopian Tourism Commission (ETC) was established to capitalize on the country's combination of history and wildlife by attracting international tour operators to bring in high end tourism clientele. Currently, Ethiopia lags well behind Egypt and Kenya as a tourist destination. Operators and those who do visit often find that hotels, guest houses and restaurants (especially those outside Addis Ababa) require additional investment and modernisation of management. The potential for attracting the more affluent tourists (both leisure and business) has been proven with the opening in 1998 of the luxury Sheraton Hotel in Addis which is considered on par with quality hotels in developed countries.
- All Ethiopian ambassadors have been instructed to promote the country as a suitable investment location, find markets for Ethiopian exports and encourage tourism into Ethiopia.
- Ethiopian Airlines is playing a leading role in Africa's emerging air-transport sector by training aircrew and maintenance mechanics, in flight simulator training and in assembling light aircraft for use in rural areas and agriculture. The company is also uniquely qualified to play a leadership role in investment promotion abroad and sees FDI and tourism as sectors critical for Ethiopia's future.
- Enterprise promotion efforts in Ethiopia have traditionally focused on urban based and small and micro enterprises. In the 1960s and early 1970s, a department within the then Ministry of Industry and Tourism was responsible for coordinating promotion activities consisting largely of providing training on business management. The Regional Micro and Small Enterprises Development

⁶¹ Ethiopia's Poverty Reduction Strategy Paper ("PRSP"), January 2006. Available at: www.imf.org/external/pubs/ft/scr/2006/cr0627.pdf.

⁶² Ethiopia's Investment Policy Review (UNCTAD), 2002, Available at: www.unctad.org/en/docs/poiteipcm4.en.pdf.

Agency identified, among other needs, that of engaging activities that facilitate and promote tourism.

GATS / Specific Commitments: Sector 09. Tourism and Travel Related Services

Ethiopia has the status of WTO Observer Government. This status is granted initially for five years and observer governments are expected to take a decision on accession to the WTO within that period of time.⁶³

Sector Commitments in “Tourism and Travel Related Services” and “Recreational and Sporting activities”

GATS Sectors and Sub-Sectors	MA	NT	GATS Sectors and Sub-Sectors	MA	NT
9. TOURISM AND TRAVEL RELATED SERVICES			10. RECREATIONAL, CULTURAL AND SPORTING SERVICES		
A. Hotels and restaurants (incl. catering) (CPC 641-643)			A. Entertainment services (including theatre, live bands and circus services) (CPC 9619)		
B. Travel agencies and tour operators services (CPC 7471)			B. News agency services (CPC 962)		
C. Tourist guides services (CPC 7472)			C. Libraries, archives, museums and other cultural services (CPC 963)		
D. Other			D. Sporting and other recreational services (CPC 964)		
			E. Other		

Source: WTO Services Database (<http://tsdb.wto.org/default.aspx>).

Institutional arrangements supporting tourism:

Ministry of Culture and Tourism: www.tourismethiopia.gov.et/English/Pages/OverviewMinistry.aspx
 Ethiopian Tourism Commission (ETC)
 Catering and Tourism Training Institute (CTTI)
www.tourismethiopia.org/

Tourism Associations:

Eco-Tourism Association of Ethiopia: www.ecotourismethiopia.org/
 Wenchi Eco-Tourism Association: www.wenchi-crater-lake.com/about.php (supported by GTZ)
 Ethiopian Tourism Professionals Association
 Ethiopian Hotels & Restaurants Association
 Ethiopian Wild life Association
 Ethiopian Travel & Tour Agents Employers Association

Country Strategy:

Tourism Development Strategy:
http://siteresources.worldbank.org/INTETHIOPIA/Resources/ET_Tourism_Strategy.pdf (World Bank)

Regional strategy within COMESA:

Tourism is part of the Investment Development Integration Agenda: <http://about.comesa.int/lang-en/overview/comesa-strategy>.

⁶³ See www.wto.org/english/thewto_e/acc_e/cbt_course_e/c4s2p1_e.htm.

RTAs/FTAs:⁶⁴

Common Market for Eastern and Southern Africa (COMESA)



⁶⁴ WTO Regional Trade Agreements Database.

5. Kingdom of Lesotho

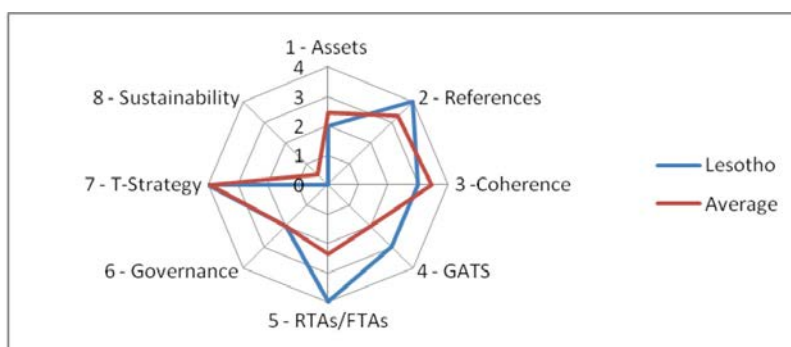
CSEND Tourism Development Index (TDI): 2.75

	CSEND TDI Rate	Average Rate *
1-Tourism assets	2	2.43
2-References to tourism in DTIS, AM, PRSP and IPR	4	3.29
3-Coherence of trade development support in DTIS, AM, PRSP and IPR	3	3.43
4-Extent of liberalisation of trade in tourism sector	3	2.00
5-Regional Trade arrangements (RTAs, FTAs)	4	2.36
6-Governance mechanisms pertaining tourism development	2	2.00
7-Articulation of Tourism Strategy	4	3.93
8-References to Sustainability of tourism sector in DTIS, AM, PRSP and IPR	0	0.50

Investment Risk Profile:

	The Economist Rate	Average Rate
Overall Risk Assessment by the Economist	2	2.14

*Average based on TDI ranking of all 14 selected LDCs



Summary and Assessment:

Lesotho counts a number of tourism assets that could allow the country to offer a broad range of activities related to nature and to traditional life. The tourism sector is supported by national but also regional institutional arrangements.

A landlocked country, Lesotho is part of two regional integration processes and also benefits from preferential agreements with EFTA and India. These agreements could help foster tourism from Europe and South Asia to the country as well as support consolidation of regional and local supply chains.

The DTIS addresses the subjects of eco-tourism, supply capacities, the regional dimension, and to open markets to increase tourism opportunities. The report suggests that the development of local supply capacity might lead to large environmental costs undermining government efforts to develop eco-tourism. The AM focuses on further liberalisation in tourism and on financial and technical assistance. The PRSP tackles items including “sensibilisation” of the population towards tourism, involving local communities, coordination of multi-sectoral efforts and strategies for disseminating domestic tourism information. In terms of the regional dimension, and in line with the DTIS, the PRSP proposes use of tourism-related regional initiatives within the SADC and highlights the linkages among accommodation, food and community based services.

Lesotho’s Investment Policy Review refers to tourism as a sector showing considerable potential. The report addresses the following items: the current fiscal regime does not encourage investment in the

non-manufacturing sectors – and tourism is pointed out in particular as a sector negatively impacted; the need to reform taxation of investment to improve sustainability; a new Tourism Board is being set up to invest in infrastructure, and to set up facilities and seek foreign investors; **prospects for developing tourism on a regional basis in cooperation with SADC members**; and the need to improve tourism infrastructure and analysis on the potential for attracting FDI into agro-based and mining activities.

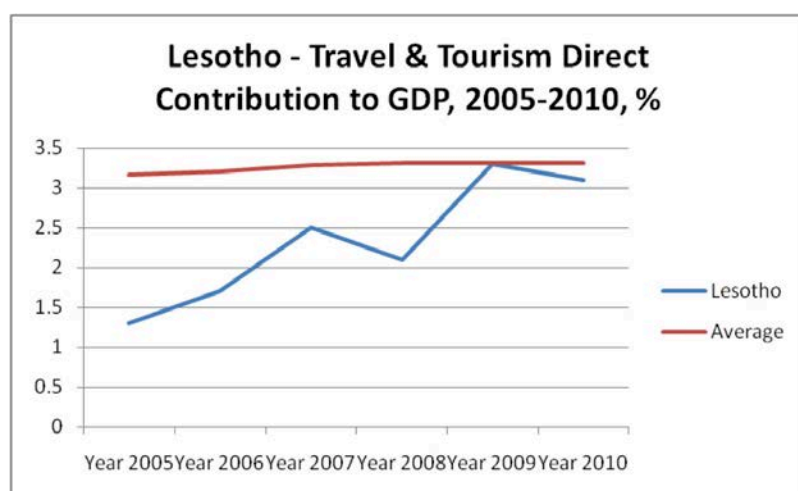
Lesotho's GATS specific commitments state that foreign suppliers of "Hotels and Restaurants", "Travel Agencies and Tour Operators Services" and "Tourist Guide Services" face several limitations on provision of services. Lesotho's horizontal commitments also establish limitations in market access for firms and persons coming to the country to provide a service ("commercial presence" and "presence of natural persons", modes 3 and 4).

Country Polyscape

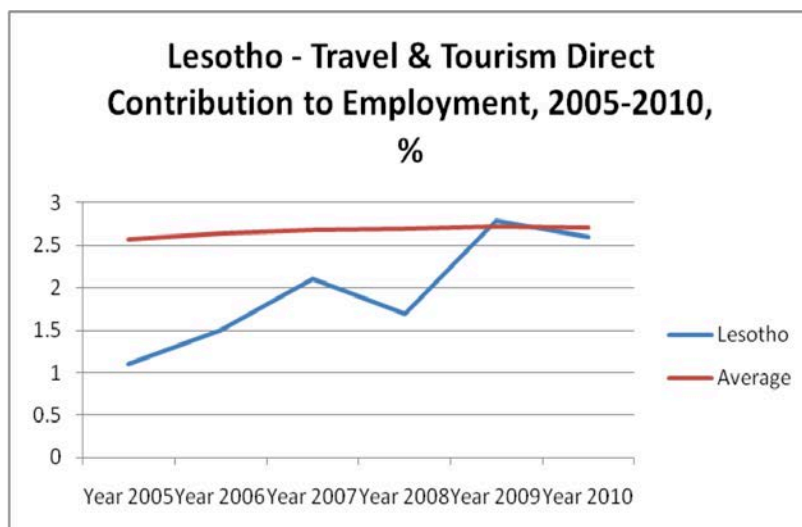
Tourism Statistics:

Population (2009, thousands)	GDP (2009, million US dollars)	Travel & tourism direct industry GDP, 2010		Travel & tourism economy GDP, 2010		International visitor arrivals, 2010	Travel & tourism direct contribution to employment, 2010		Travel & tourism total contribution to employment, 2010	
		US\$ bn	% share	US\$ bn	% share		'000	'000	% share	US\$ bn
2.067	1.758	0.02	0.9	0.05	2.4	277.9	14.3	2.6	36	6.6

Source: World Bank Database (<http://siteresources.worldbank.org/DATASTATISTICS/Resources/GDP.pdf> and <http://siteresources.worldbank.org/DATASTATISTICS/Resources/POP.pdf>) and World Travel and Tourism Council Database (www.wttc.org/eng/Tourism_Research/Economic_Data_Search_Tool/index.php).



Source: Based on data from the World Travel and Tourism Council Database.



Source: Based on data from the World Travel and Tourism Council Database.

Assets identified in the public domain to offer different tourism products:⁶⁵

Parks and reserves (Sehlabathebe National Park and Tse'hlanyane National Park; Liphofung Nature Reserve); Thaba Bosiu Mountain; highlands (ski on the slopes below the Mahlasela Pass); trekking on Basotho; mountain landscapes; traditional life; sightseeing and adventure routes.

Main tourism activities offered: horse riding; 4x4; hiking; skiing; mountain biking; abseiling and rock climbing; and trout fishing. (Visit Lesotho website)

Other activities are: photography; bird watching; fossil hunting; rock collecting; and purchasing local handicrafts. (Regional Tourism Organization for Southern Africa, RETOSA)

DTIS:⁶⁶

The report contains some references to tourism. It refers to the following points:

- Tourism is frequently identified as an industry that could produce employment opportunities in rural areas.
- A small proportion of FDI (around 10 percent) went to the services sector. Over the 1990s, there was FDI in tourism (the main hotels are operated by the Sun chain from South Africa), car rental, air travel, insurance and telecommunications (privatized to a consortium of South African, Mauritian and local interests).
- Lesotho is small and its ecosystem is fragile. **The development of local supply capacity might lead to huge environmental costs and undermine government efforts to develop eco-tourism as part of its strategy to alleviate poverty.**
- At the regional level, SADC members envision closer harmonisation of government and economic policies. SADC members established the Regional Tourism Organization for Southern Africa

⁶⁵ Lesotho's Ministry of Tourism, Sports and Culture (www.lesotho.gov.ls/tourism/); Lesotho Tourism Development Corporation (www.ltdc.org.ls/tourismproducts.php); and Visit Lesotho website (www.visitlesotho.travel/).

⁶⁶ Lesotho's Diagnostic Trade Integration Study ("DTIS"), June 2003. Available at: www.enhancedif.org/EN%20web%20pages/Where%20we%20work/Lesotho.htm.

(RETOSA) in 1996, and drew up a protocol on tourism in 1998, which only Botswana, Mauritius, and Zimbabwe have signed.

- RETOSA has conducted economic studies of tourism and engaged in some promotional activities. The goals of the tourism protocol are to exploit tourism for purposes of sustainable development, promote the region as a single tourist destination by coordinating and facilitating intra-regional travel.
- SADC members have accepted in principle the establishment of a common region-wide visa for international tourists, named UNIVISA. If implemented, this could yield benefits for Lesotho, given its limited consular operations abroad. A number of working groups have been formed and strategy documents published. There is no evidence of results so far. Also poor regional transportation infrastructure limits the potential for developing a regional tourism industry.
- The existing system governing entry of foreigners into Lesotho constitutes a serious impediment to private business activity as well as to the development of tourism.
- **Opening markets to foreign providers of services, along with investments in physical infrastructure, hospitality industries and marketing can contribute to a thriving domestic tourism industry.**

Action Matrix:⁶⁷

There are some references to tourism that suggest the following actions:

- Liberalise more than South Africa in key areas (e.g., tourism); and
- Financial and technical assistance needed.

The liberalisation should be linked to commitment to future maintenance as well as take into account Lesotho's potential to attract tourism.

PRSP:⁶⁸

The report has a subsection on tourism. In terms of resources, Lesotho's dramatic alpine scenery and villages offer a unique product within Southern Africa.

- Tourism should be given high priority, especially where investors are able to demonstrate links between lodge-based services, such as accommodation and food, and community-based services such as guide services, pony-trekking and cultural activities (as is the case, for example, at Malealea, Morija and Semonkong).
- Special emphasis will be placed on supporting the development of agri-business, tourism and mining sectors in order to realize their employment potential. Natural resources could more optimally be used by developing agro business, tourism and mining in a manner that is anchored in community participation and private sector development. Culture and cultural services should be promoted as a means to unify the nation, develop tourism and generate income.
- These ambitious goals cannot be attained through the efforts of any single ministry or organization. **A multi-sectoral effort will be launched involving trade and industry, natural resources, tourism and agriculture.** At the same time, Government will outsource awareness campaigns to ensure that adults are sensitised to critical issues regarding use of natural

⁶⁷ Lesotho's Action Matrix, Diagnostic Trade Integration Study ("DTIS"), June 2003. Available at: www.enhancedif.org/EN%20web%20pages/Where%20we%20work/Lesotho.htm.

⁶⁸ Lesotho's Poverty Reduction Strategy Paper ("PRSP"), April 2006. Available at: www.imf.org/external/pubs/ft/scr/2006/cr06143.pdf.

resources and maintenance of cleanliness and beauty, which are fundamental if tourism is to grow on solid footing.

- Lesotho should seek to develop and diversify the tourism product and encourage community-based income generating activities on the tourism sites; and develop an information dissemination strategy (e.g. a joint tourist promotional package with the Republic South Africa or linking with travel agencies abroad) to attract tourists to Lesotho.
- By promoting cultural activities, Lesotho's national image and identity would be enhanced, which could then be relied upon as a cornerstone of the tourism industry.

Investment Policy Review (UNCTAD):⁶⁹

The report contains some references to the tourism sector. The following issues are addressed:

- Lesotho's industrial base has grown markedly in the textile and garments sector and the highlands reflect considerable tourism potential. Foreign investment in tourism, aimed largely at the South African market, may be boosted by activities taken to protect Lesotho's natural environment and ecological attractions.
- Currently only industrial buildings qualify for depreciation allowances under tax rules – thus placing buildings for services, tourism, farming not benefiting from similar allowances on unequal footing. Also, infrastructure such as land improvements and site services does not qualify. This bias deters investment and this development of the tourism and other non-manufacturing sectors.
- Services including business and professional services, transport, tourism and agriculture are subject to VAT in a manner similar to the current sales tax which also deters investment in and consumption of tourism products.
- Currently the fiscal regime does not encourage investment in the non-manufacturing sectors – in particular in tourism, property development and mining thus creating an environment in which more competitive arrangements must be sought in order to attract domestic as well as inward foreign direct investment.
- Reform of investment taxation should be encouraged to improve sustainability of the manufacturing base and to help diversify FDI into new sectors, including tourism, property development and mining. These reforms should remove the bias in corporate taxation and VAT against non-manufacturing sectors.
- Tourism is already high on the government agenda, and a new Tourism Board is being created to invest in infrastructure, establish tourism facilities and seek foreign investors. It will cooperate with South Africa and develop a 'tourism route' through Lesotho's highlands and exploit tourism potential related to artificial lakes created by the construction of the Katse Dam and the Mohale Dam, both part of the Lesotho Highland Water Project. **Strong prospects exist for developing tourism on a regional basis in cooperation with SADC members.**
- The most urgent need is to improve the tourism infrastructure and to analyse the potential for attracting FDI into agro-based and mining activities.

⁶⁹ Lesotho's Investment Policy Review (UNCTAD), 2003, Available at: www.unctad.org/en/docs/iteipc20034_en.pdf.

GATS / Specific Commitments: Sector 09.Tourism and Travel Related Services

Foreign suppliers of “Hotels and Restaurants”, “Travel Agencies and Tour Operators Services” and “Tourist Guide Services” face several limitations to provide their services in Lesotho.

There are several limitations for the “Hotels and Restaurants” foreign services suppliers:

- Mode 1, 3 and 4 (cross-border supply; commercial presence; and presence of natural persons) are “unbound”. Therefore Lesotho retains regulatory freedom under this heading.
- Foreign suppliers of “catering” are free to offer their services in Lesotho without being present within its territory (mode 1).
- Foreign suppliers are free to offer such services to Lesotho citizens who travel to foreign countries (mode 2).

There are also several limitations for the foreign suppliers of “Travel Agencies and Tour Operators Services”:

- The four ways of supply (cross-border supply; consumption abroad; commercial presence; and presence of natural persons) are “unbound”. Therefore Lesotho retains regulatory freedom under this heading.

Finally, the foreign suppliers of “Tourist Guide Services” face some limitations:

- Cross-border supply and presence of natural persons (modes 1 and 4) are “unbound”. Therefore Lesotho retains regulatory freedom under these headings.
- Foreign suppliers are free to offer such services to Lesotho citizen who travel to foreign countries (mode 2).
- The establishment of “commercial presence” is open when the service is supplied by setting up a business or professional establishment, such as a subsidiary corporation or a branch or representative office (mode 3).

For a more detailed analysis of the specific sector commitments please refer to Annex 3.

Lesotho's horizontal commitments establish the following limitations in market access:

- Commercial presence (mode 3): Foreign-owned enterprises including joint-venture enterprises with Lesotho must satisfy minimum capital outlay and foreign equity requirements as follows: A wholly foreign-owned company require a minimum equity capital outlay of US\$200,000. Joint-venture companies should have a minimum foreign-equity capital outlay of US\$50,000 in cash or in kind. Agency establishment must have authority to negotiate and conclude contracts on behalf of foreign parent company.
- Presence of natural persons (mode 4): Automatic entry and work permit is granted for up to 4 expatriate senior executives and specialised skill personnel in accordance with relevant provisions in the Laws of Lesotho. Approval is required for any additional expatriate workers beyond the automatic level. Enterprises must also provide for training in higher skills for the locals to enable them to assume specialised roles.

Sector Commitments in “Tourism and Travel Related Services” and “Recreational and Sporting activities”

GATS Sectors and Sub-Sectors	MA	NT	GATS Sectors and Sub-Sectors	MA	NT
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9. TOURISM AND TRAVEL RELATED SERVICES			10. RECREATIONAL, CULTURAL AND SPORTING SERVICES		
A. Hotels and restaurants (incl. catering) (CPC 641-643)	X	X	A. Entertainment services (including theatre, live bands and circus services) (CPC 9619)		
B. Travel agencies and tour operators services (CPC 7471)	X	X	B. News agency services (CPC 962)		
C. Tourist guides services (CPC 7472)	X	X	C. Libraries, archives, museums and other cultural services (CPC 963)		
D. Other			D. Sporting and other recreational services (CPC 964)		
			E. Other		

Source: WTO Services Database (<http://tsdb.wto.org/default.aspx>).

Institutional arrangements supporting tourism:

Ministry of Tourism, Sports and Culture (www.lesotho.gov.ls/tourism/)
 Lesotho Tourism Development Corporation (www.ltcd.org.ls/tourismproducts.php)
 Visit Lesotho (www.visitlesotho.travel/)

Country strategy:

Lesotho: Tourism Strategy and Action Plan 2007 (no link available)
 Lesotho 2010 Tourism Strategy (no link available)

Tourism Associations:

Lesotho Council of Tourism (no link available)
 Lesotho Hotels and Hospitality Association (no link available)

Regional Strategy within SADC:

SADC has established a Protocol on Tourism (www.sadc.int/index/browse/page/160#3). Tourism is also listed under the SADC Regional Indicative Strategic Development Plan.⁷⁰

RTAs/FTAs:⁷¹

EFTA - SACU
 Southern African Customs Union (SACU)
 Southern African Development Community (SADC)
 India - SACU



Regional Initiatives within SADC:

Regional Tourism Organization for Southern Africa (RETOSA): www.retosa.co.za/home
 Transfrontier Conservation Area (TFCA): www.boundlessinvest.com
 Community Based Tourism (CBTs): www.community-tourism-africa.com
 The Tourist Visa (UNIVISA): <http://retosa.co.za/sites/retosa.co.za/files/UNIVISA-net-passport.pdf>

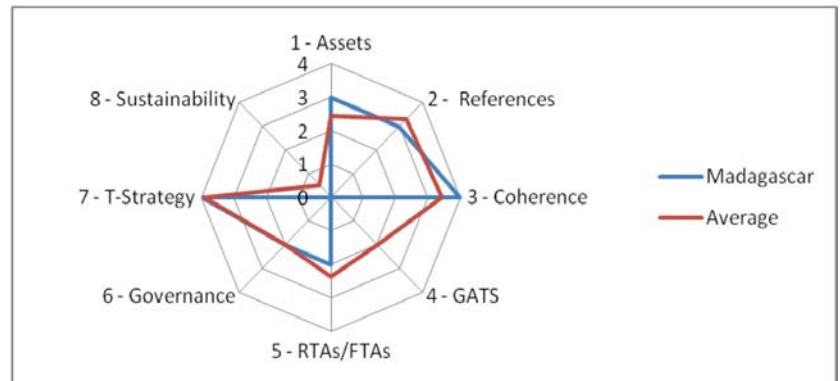
⁷⁰ See www.sadc.int/index/browse/page/104 p.30.

⁷¹ WTO Regional Trade Agreements Database.

6. Republic of Madagascar

CSEND Tourism Development Index (TDI): 2.25

	CSEND TDI Rate	Average Rate *
1-Tourism assets	3	2.43
2-References to tourism in DTIS, AM, PRSP and IPR	3	3.29
3-Coherence of trade development support in DTIS, AM, PRSP and IPR	4	3.43
4-Extent of liberalisation of trade in tourism sector	0	2.00
5-Regional Trade arrangements (RTAs, FTAs)	2	2.36
6-Governance mechanisms pertaining tourism development	2	2.00
7-Articulation of Tourism Strategy	4	3.93
8-References to Sustainability of tourism sector in DTIS, AM, PRSP and IPR	0	0.50



Investment Risk Profile:

	The Economist Rate	Average Rate
Overall Risk Assessment by the Economist	3	2.14

*Average based on TDI ranking of all 14 selected LDCs

Summary and Assessment:

Madagascar has identified some tourism assets, in particular natural parks and reserves (one of them being a UNESCO heritage site) and the tourism sector is supported by a significant number of institutional arrangements. However, the Ministry of Tourism has a limited capacity to inject the required dynamism into the sector (stated by the DTIS).

The country benefits from preferential trade with two regional integration processes. These initiatives could foster intra-regional tourism.

The DTIS focuses on tourism's linkage with crafts and agriculture; diversification of markets; high costs of international and domestic air transport; liberalisation of air transport; inadequate accommodation structures; disadvantages in infrastructure (health and transportation); encouraging trade and regional cooperation; technical assistance; tourism promotion; and identification of clusters of excellence.

The Action Matrix focuses on building capacities and developing a Tourism Master Plan, open sky policy, empowering the Ministry of Tourism and enhancing capacity to collect statistics.

In contrast, the PRSP briefly reviews some initiatives put in practice related to institutional development, tourism related training, and the establishment of an information system. It also calls for the

rehabilitation of facilities destroyed by a cyclone, and for the initiation of discussions to reinforce tourism linkages with transport, environment, telecommunications and communications.

There is not Investment Policy Review for this country.

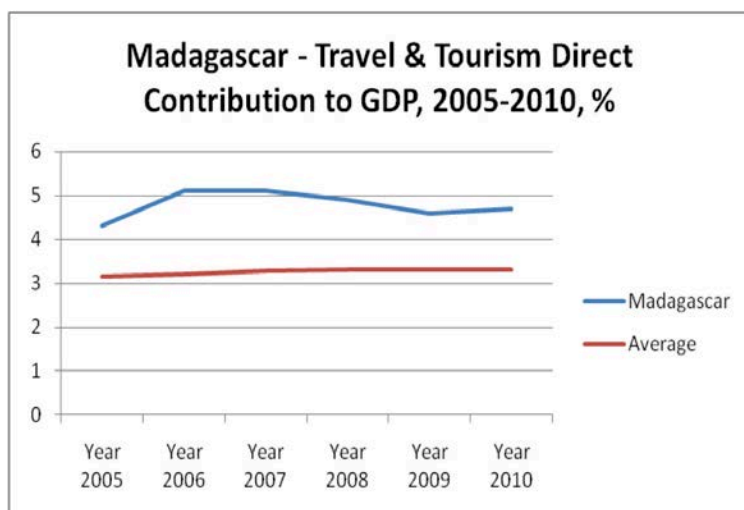
Madagascar has made no commitments in Sector 09 “Tourism and Travel Related Services”.

Country Polycscape

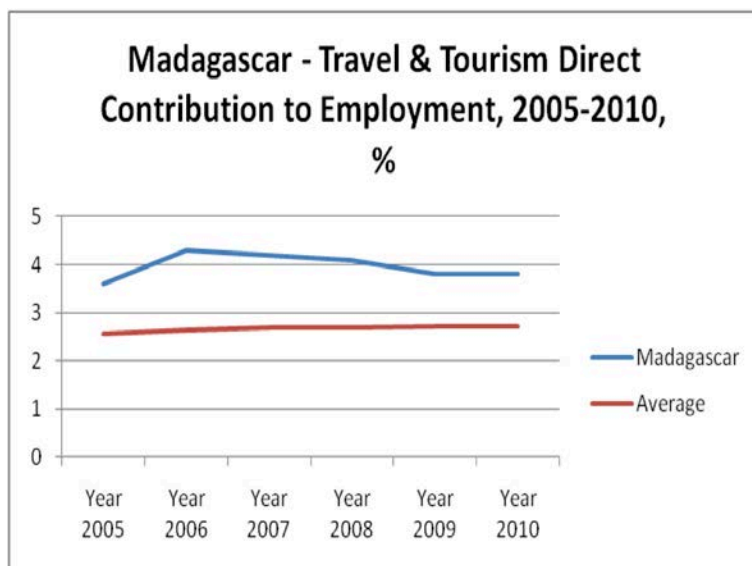
Tourism Statistics:

Population (2009, thousands)	GDP (2009, million US dollars)	Travel & tourism direct industry GDP, 2010		Travel & tourism economy GDP, 2010		International visitor arrivals, 2010	Travel & tourism direct contribution to employment, 2010		Travel & tourism total contribution to employment, 2010	
		US\$ bn	% share	US\$ bn	% share		'000	'000	% share	US\$ bn
19.625	9.052	0.357	3.9	1.146	12.7	310.3	173	3.8	473.1	10.5

Source: World Bank Database (<http://siteresources.worldbank.org/DATASTATISTICS/Resources/GDP.pdf> and <http://siteresources.worldbank.org/DATASTATISTICS/Resources/POP.pdf>) and World Travel and Tourism Council Database (www.wttc.org/eng/Tourism_Research/Economic_Data_Search_Tool/index.php).



Source: Based on data from the World Travel and Tourism Council Database.



Source: Based on data from the World Travel and Tourism Council Database.

Assets identified in the public domain to offer different tourism products:⁷²

National parks and reserves (Parc National de Montagne d'Ambre, Réserve Spéciale de l'Ankarana, Parc National d'Ankarafantsika, Parc National de Mananara-Nord, Réserve de Nosy Mangabe, Parc National d'Andasibe-Mantadia, Réserve Spéciale de Beza-Mahafaly, Parc National de l'Isalo, Réserve Pivée de Berenty, Parc National d'Andringitra, Parc National de Ranomafana); beach and coral reefs (Vanilla Coast, Coast of Spices, Capricorn Coast); hills and inactive volcanoes (Center Highlands); islands (Nosy Be, Ile Sainte Marie); rainforests (Masoala Peninsula); UNESCO World Heritage site: Parc National du Tsingy de Bemaraha; Lakes (Itsay, Alaotra); healing thermal springs (Antsirabe).

Main tourism activities offered: seaside activities, fishing, diving, sailing, surf and windsurf, wildlife, walking, ecotourism, cultural discovery, sports and adventure, hiking, climbing, whale watching and bird watching.

DTIS:⁷³

The report has a chapter on tourism. Tourism is identified as a driving force of development that can contribute to opening enclosed areas. Madagascar's extraordinary natural assets, land-based and marine, make it a target destination for diverse groups of tourists.

The tourism sector holds the possibility of generating activities in regions that have remained inaccessible to industrial development, and could have positive effects on the least-advantage segments of the population by creating dynamic links with other sectors, such as crafts and agriculture.

Tourism does not meet the expectations of its potential. Paradoxically, Malagasy tourism is the least developed among the Indian Ocean islands (compared to Mauritius and the Seychelles) and faces serious handicaps. The diversification of markets is low, the costs of international and domestic air

⁷² www.visitmadagascar.com/index.php and Madagascar National Tourism Board (www.madagascar-tourisme.com/article.php?&article_id=112&lang=us).

⁷³ Madagascar's Diagnostic Trade Integration Study ("DTIS"), August 2003. Available at: www.enhancedif.org/EN%20web%20pages/Where%20we%20work/Madagascar.htm.

transport remain very high, and current accommodation facilities do not allow for the development of a genuine industry.

Other generic factors discouraging investors in this sector include the lack of a site development policy that would enable the facilitation of land procedures and making sites viable, as well as heavy taxation (the sector is not considered an export activity). The lack of adequate public infrastructure (health and transportation) is another obstacle that puts Madagascar at a disadvantage compared to other destinations.

Liberalisation of air transport is a precondition realising the tourism sector's potential. Although the tourism sector continues to grow, it should be noted that the government's role in tourism and in other private sector activities has diminished considerably (reflecting the government's commitment to liberalisation). According to the IMF, increasing revenue and capacity in the tourism industry has spilled over into the construction industry, which has grown at an annual average of more than 10 percent towards the end of the 1990s. The growth of urban activities and of tourism can absorb surplus agricultural labour.

The Indian Ocean Commission (IOC), created in Victoria in 1984, is a regional cooperation agreement, which reclassifies five COMESA members, under the auspices of the European Union through the European Development Funds. Its objective is to encourage trade and regional cooperation in all possible areas such as diplomacy, economic and cultural matters, and also in technical sectors (environment, tourism, health, etc.).

Madagascar's natural resources, and, therefore, its asset base for tourism, have been studied extensively and have received considerable international financing and technical assistance for conservation. However, data on the demand side for tourism is poor.

The constraints to growth in tourism identified are the following:

- Air transport costs are among the highest in the world due to the lack of competition;
- There are too few good hotels, lodges and camps in the main tourist destinations;
- High charges and erratic service in the telecommunications sector reduce attractiveness; and
- Red tape together with unpredictable and arbitrary regulatory decision making also discourage investors from pursuing new investment opportunities in the country or even maintaining existing ones.

The Ministry of Tourism has the will to inject the required dynamism into the sector, but a low budget, limit its actions. The government has also re-commissioned the National Committee for Tourism Development (CNDT) to coordinate policymaking for rapid development of the tourism sector.

Tourism should be promoted: the absence of public-private partnership campaigns to promote Madagascar as a tourist destination prevents this sector from garnering benefits from access to a larger market. The Master Plan on tourism should comprise financing tourism, greening Madagascar, application of environmental impact assessments, focus on pro-poor tourism and identification of clusters of excellence.

Action Matrix:⁷⁴

There is a subsection on tourism that suggests the following actions:

- Completion of the Tourism Marketing Plan which defines Madagascar's marketing positioning (including demand analysis, tourism type, products to be promoted, marketing strategy, role of stakeholders, priority and sequence of investment, nature of required financing);
- Support in cooperation with tourism actors, to develop a Tourism Master Plan including a management plan for sites, with zoning, site development and an overall environmental plan;
- Strengthening of institutional capacity within the Ministry of Tourism;
- Implementation of an open skies policy;
- Privatisation of Air Mad to facilitate better partnership with other airline companies; and facilitation of operators' access to a system of finance; and
- Strengthening existing capacities and support for the creation of an information system to enhance the base of statistical information (together with the creation of a satellite account for tourism).

PRSP:⁷⁵

The report has a subsection on tourism highlighting the improved performance of the tourism sector as reflected in increasing tourism revenues, number of tourists and employment in the tourism sector. However, the sector recorded less dynamic increases in growth when compared to insurance and sea transportation.

The steady growth was mainly driven by private investments that benefited from a conducive business climate and increasingly streamlined procedures (in the area of taxation). Changes in the national production structure reflect the tertiary sector as key to economic growth over the last years with significant contributions by transport, public works, telecommunications (NICTs) and tourism.

The following initiatives are mentioned:

- The establishment of the Regional Directorates of Environment, Water and Forest, and Tourism (RDEWFT)
- Awareness should be raised on women's rights and on gender during thematic days such as on Women's day or open days on tourism
- Micro, Small, and Medium Enterprises (MSMEs) are trained in hospitality related skills such as reception, accommodation, catering, management, business management and business planning, and e-marketing in Nosy Be, Antsirabe and Taolagnaro
- A tourism-related information system was established
- The Tourism Code has been revised in collaboration with the World Bank

The following actions related to tourism are suggested:

- To urgently rehabilitate the hotel facilities destroyed by cyclones Fame and Ivan in order to be ready for the next tourist season; and

⁷⁴ Madagascar's Action Matrix, Diagnostic Trade Integration Study ("DTIS"), August 2003. Available at: www.enhancedif.org/EN%20web%20pages/Where%20we%20work/Madagascar.htm.

⁷⁵ Madagascar's Poverty Reduction Strategy Paper ("PRSP"), January 2009. Available at: www.imf.org/external/pubs/ft/scr/2009/cr0910.pdf.

- To initiate discussions to reinforce linkages of tourism with other sectors, especially public works and transport, environment, telecommunications and communications;

Investment Policy Review (UNCTAD):

Report not available for this country.

GATS / Specific Commitments: Sector 09.Tourism and Travel Related Services

Madagascar has made no commitments in Sector 09 “Tourism and Travel Related Services”.

Sector Commitments in “Tourism and Travel Related Services” and “Recreational and Sporting activities”

GATS Sectors and Sub-Sectors	MA	NT	GATS Sectors and Sub-Sectors	MA	NT
9. TOURISM AND TRAVEL RELATED SERVICES			10. RECREATIONAL, CULTURAL AND SPORTING SERVICES		
A. Hotels and restaurants (incl. catering) (CPC 641-643)			A. Entertainment services (including theatre, live bands and circus services) (CPC 9619)		
B. Travel agencies and tour operators services (CPC 7471)			B. News agency services (CPC 962)		
C. Tourist guides services (CPC 7472)			C. Libraries, archives, museums and other cultural services (CPC 963)		
D. Other			D. Sporting and other recreational services (CPC 964)		
			E. Other		

Source: WTO Services Database (<http://tsdb.wto.org/default.aspx>).

Institutional arrangements supporting tourism:

Madagascar's Ministry of Environment, Water, Forests, and Tourism: www.meeft.gov.mg/

Madagascar National Tourism Board: www.madagascar-tourisme.com/home.php

Visit Madagascar: www.visitmadagascar.com/index.php

National Committee for Tourism Development (CNDT)

Association Nationale pour la Gestion des Aires Protégées (ANGAP)

Madagascar National Parks: www.parcs-madagascar.com/

Maison du Tourisme (private sector initiative set with the support of the EU)

l'Institut national du tourisme et de l'hôtellerie (INTH)

Madagascar Tourisme Durable: www.mada-tourisme-durable.org/fr/tourismedurable.php?page=3

Tourism Associations:

Association des Tours Opérateurs Réceptifs de Madagascar:

www.top-madagascar.com/members.php?command=view&id=97&lang=us

Madagascar Chamber of Tourism (MTM)

Country Strategy:

Plan Directeur Touristique pour Madagascar: www.pic.mg/docs/pdt1.pdf

Republic of Madagascar: Tourism Sector Study June 2003, (World Bank):

www.worldbank.org/afr/wps/wp63.pdf

Regional strategy:

- *Within COMESA:*

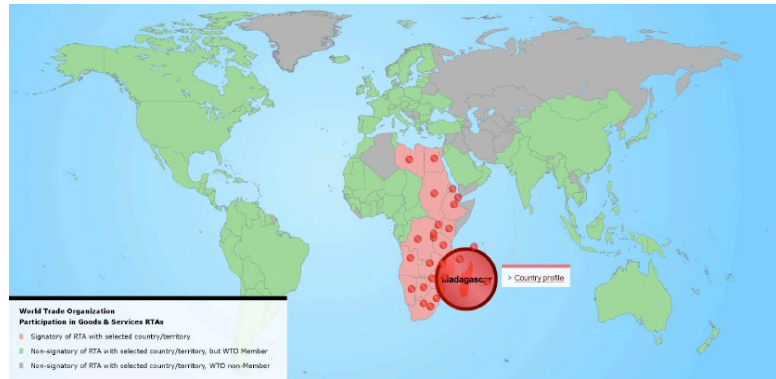
Tourism is part of the Investment Development Integration Agenda: <http://about.comesa.int/lang-en/overview/comesa-strategy>

- *Within SADC:*

SADC has established a Protocol on Tourism (www.sadc.int/index/browse/page/160#3). Tourism is also listed under the SADC Regional Indicative Strategic Development Plan.⁷⁶

RTAs/FTAs:⁷⁷

Common Market for Eastern and Southern Africa (COMESA)
Southern African Development Community (SADC)



Regional Initiatives within SADC:

Regional Tourism Organization for Southern Africa (RETOSA): www.retosa.co.za/home

Transfrontier Conservation Area (TFCA): www.boundlessinvest.com

Community Based Tourism (CBTs): www.community-tourism-africa.com

The Tourist Visa (UNIVISA): <http://retosa.co.za/sites/retosa.co.za/files/UNIVISA-net-passport.pdf>

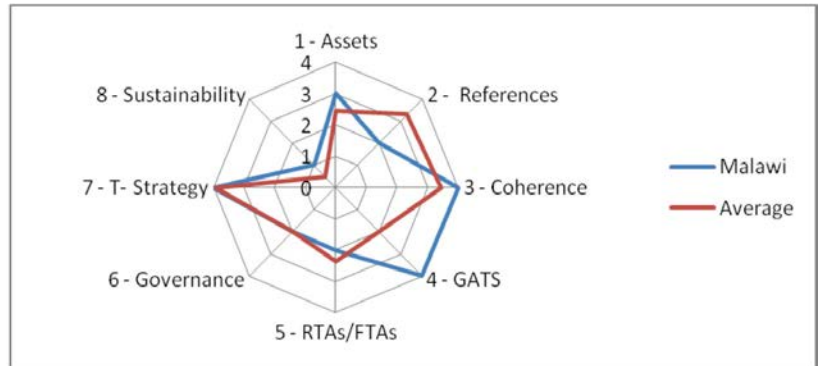
⁷⁶ See www.sadc.int/index/browse/page/104 p.30.

⁷⁷ WTO Regional Trade Agreements Database.

7. Republic of Malawi

CSEND Tourism Development Index (TDI): 2.75

	CSEND TDI Rate	Average Rate *
1-Tourism assets	3	2.43
2-References to tourism in DTIS, AM, PRSP and IPR	2	3.29
3-Coherence of trade development support in DTIS, AM, PRSP and IPR	4	3.43
4-Extent of liberalisation of trade in tourism sector	4	2.00
5-Regional Trade arrangements (RTAs, FTAs)	2	2.36
6-Governance mechanisms pertaining tourism development	2	2.00
7-Articulation of Tourism Strategy	4	3.93
8-References to Sustainability of tourism sector in DTIS, AM, PRSP and IPR	1	0.50



Investment Risk Profile:

	The Economist Rate	Average Rate
Overall Risk Assessment by the Economist	2	2.14

*Average based on TDI ranking of all 14 selected LDCs

Summary and Assessment:

Malawi has identified some tourism assets, in particular parks and reserves (some being UNESCO World Heritage Sites). The tourism sector is supported by a significant number of institutional arrangements and the country benefits from preferential trade with two regional integration processes. These initiatives could foster intra-regional tourism.

Although the DTIS has a subsection on tourism, the Action Matrix does not contain any reference to this sector. The DTIS focuses on the promulgation of a comprehensive Tourism Law; a UNDP-funded Tourism Master Plan Study recently completed; improvement of human resources; tourism awareness and improvement of data collection; transport and infrastructure disadvantages; concerns about security and health risks; and the need to better explore the links between tourism and other sectors.

The PRSP underlines areas for improvement including: increasing accommodation capacity; strengthening transportation; increasing the attractiveness of national parks for tourism and eco-tourism; improving tourism marketing; attention to conservation, management and developing wildlife resources to effectively contribute to sustainable development; developing quality and diversified products and services; and facilitating investment.

There is no Investment Policy Review for this country.

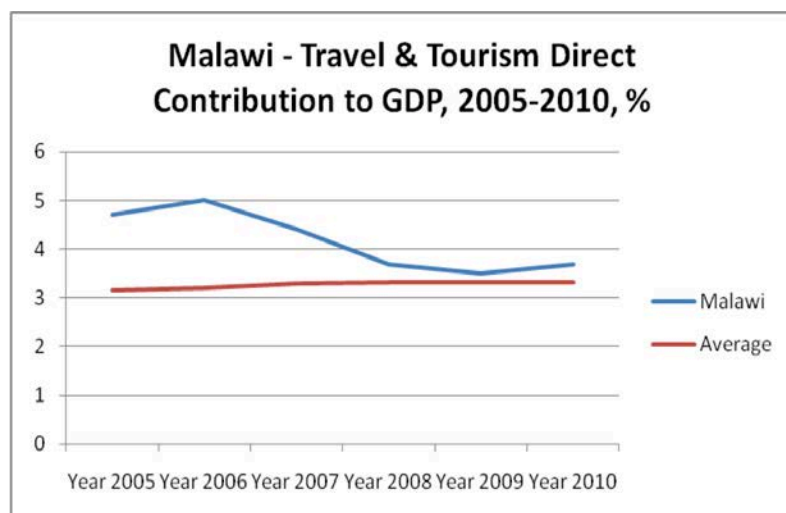
Malawi's GATS specific commitments state that foreign suppliers of Tourism and Travel Related Services face no limitations on: offering their services in the country (mode 1); offering such services to Malawians who travel to foreign countries (mode 2); and establish a "commercial presence" in which the service is supplied by setting up a business or professional establishment (mode 3). However, there are certain limitations in the presence of natural persons (mode 4) because this mode of supply is "unbound" (except as indicated in the horizontal section) and therefore Malawi retains regulatory freedom under this heading.

Country Polycscape

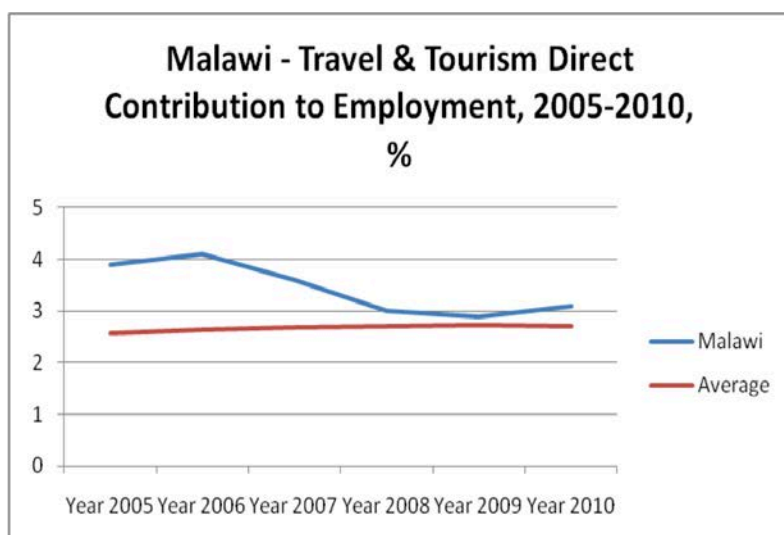
Tourism Statistics:

Population (2009, thousands)	GDP (2009, million US dollars)	Travel & tourism direct industry GDP, 2010		Travel & tourism economy GDP, 2010		International visitor arrivals, 2010	Travel & tourism direct contribution to employment, 2010		Travel & tourism total contribution to employment, 2010	
		US\$ bn	% share	US\$ bn	% share		'000	'000	% share	'000
15.263	4.975	0.104	2.4	0.209	4.9	584.3	92.4	3.1	205.2	6.8

Source: World Bank Database (<http://siteresources.worldbank.org/DATASTATISTICS/Resources/GDP.pdf> and <http://siteresources.worldbank.org/DATASTATISTICS/Resources/POP.pdf>) and World Travel and Tourism Council Database (www.wttc.org/eng/Tourism_Research/Economic_Data_Search_Tool/index.php)



Source: Based on data from the World Travel and Tourism Council Database.



Source: Based on data from the World Travel and Tourism Council Database.

Assets identified in the public domain to offer different tourism products:⁷⁸

Highlands and valleys (Mulanje Mountain; Zomba Plateau; Malingu Mountains; Misuku Hills; Dedza Highlands; Dowa Highlands; Shire Valley; Rift Valley); parks, reserves and wildlife (Nyika National Park; Vwaza Marsh Wildlife Reserve; Nkhotakota Reserve; Kosungu National Park; Liwonde National Park; Majete Reserve; Longwe National Park; Mwabvi Reserve; Dzalanyama Forest Reserve; Dedza-Salima Forest Reserve; Thuma Forest Reserve and Ntchisi Forest Reserve); Lake Malawi (Nkhata Bay; Karonga); Shire River; Islands (Likoma Island; Maleri Island; Mumbo & Domwe Islands); heritage sites (Mzuzu; Livingstonia Mission; Lilongwe; Mua Mission; Blantyre); and UNESCO World Heritage Sites (The Chongoni Rock Art Monument Area; Mulanje Mountain Biosphere Reserve; Nyika National Park).

Main tourism activities offered: water sports (snorkelling & diving; kayaking & sailing; boat trips; water skiing and sail boarding); safaris; cultural visits; climbing & abseiling; walking & trekking; horse riding; cycling & mountain biking; fishing; quad bikes & 4x4 trips; and bird watching.

DTIS:⁷⁹

The report has a subsection on tourism. Tourism in Malawi is concentrated on Lake Malawi and the country's main national parks (Liwonde, Kasungu and Nyika). With the high human population density in rural Malawi, there are few remaining prime sites for tourism development, other than along the more isolated sections of the lakeshore. A UNDP-funded Tourism Master Plan Study has recently been completed, focusing on the further development of the tourism sector. The plan highlights the range of initiatives, which must be undertaken including:

- The promulgation of a comprehensive Tourism law to act as the foundation for the sector;
- The improvement of human resources through training efforts; and
- The undertaking of a tourism awareness effort along with improved data collection through the creation of a "tourism information data base".

⁷⁸ Visit Malawi: www.visitmalawi.mw/ and Malawi Tourism Marketing Consortium: www.malawitourism.com/.

⁷⁹ Malawi's Diagnostic Trade Integration Study ("DTIS"), February 2004. Available at: www.enhancedif.org/EN%20web%20pages/Wwhere%20we%20work/Malawi.htm.

The main constraints facing the tourism industry include:

- Long and costly transport links to the major tourist markets in Europe and North America;
- Poor infrastructure services near the main tourist areas;
- Poor communications infrastructure;
- Limited and unreliable power supplies;
- High levies and taxes together with high costs of accommodation, at least in hotels;
- Concerns about security; and
- Health risks, principally malaria and schistosomiasis (bilharzia) in resort areas on Lake Malawi.

A detailed economic analysis of the Malawi tourist industry is needed to evaluate the real costs and benefits of the industry and its linkages to other parts of the economy. The economic and employment multipliers of tourism are not known and should be studied and understood.

Action Matrix:⁸⁰

There are no references to tourism.

PRSP:⁸¹

The report contains a subsection on tourism. Malawi will be established as a principal and leading eco-tourism destination in Africa and domestic tourism will be increased. Strategies to be pursued include:

- Increasing capacity to service additional tourists in internationally competitive accommodations;
- Improving transportation links to tourism destinations;
- Increasing attractiveness of national parks for tourism and eco-tourism; and
- Improving tourism marketing regionally and internationally.

The overall goal is to conserve and manage protected areas and wildlife. In the medium term, the sub-sector is expected to conserve, manage and develop wildlife resources to effectively contribute to the sustainable development of biodiversity and the tourism industry in Malawi. Thus, not only does the strategy directly consider environmental sustainability in forestry resources and fisheries, enforcement and education regarding environmental standards, but also it seeks to identify areas, such as eco-tourism, which have a positive spill over effect on economic sustainability.

The main strategies proposed include:

- Developing quality and diversified products and services based on natural and cultural resource heritage to attract tourists;
- Increasing capacity to service additional tourists in accommodation facilities that are competitive with other tourist destinations in the region, including transportation links to tourism destinations;
- Improving the reach of tourism products to domestic, regional and international markets; and

⁸⁰ Malawi's Action Matrix, Diagnostic Trade Integration Study ("DTIS"), February 2004. Available at: www.enhancedif.org/EN%20web%20pages/Where%20we%20work/Malawi.htm.

⁸¹ Malawi's Poverty Reduction Strategy Paper ("PRSP"), February 2007. Available at: www.imf.org/external/pubs/ft/scr/2007/cr0755.pdf.

- Facilitating investment, infrastructure development and visitor management programmes in undeveloped areas with proven tourism potential.

Investment Policy Review (UNCTAD):

Report not available for this country.

GATS / Specific Commitments: Sector 09.Tourism and Travel Related Services

“Tourism and Travel Related Services” are liberalised, with no limitations in modes 1, 2 and 3 (cross-border supply; consumption abroad; commercial presence). Hence, foreign services suppliers in this sector face no limitations to:

- Offering their services in Malawi without being present within its territory (mode 1);
- Offering their services to Malawi citizens who travel to foreign countries (mode 2); and
- Establishing a "commercial presence" in which the service is supplied by setting up a business or professional establishment, such as a subsidiary corporation or a branch or representative office (mode 3).

In contrast, mode 4 (presence of natural persons) is “unbound” except as indicated in the horizontal section. Therefore Malawi retains regulatory freedom under this heading.

Malawi’s horizontal commitments establish that the presence of natural persons (mode 4) is unbound except “for measures concerning the entry and temporary stay of natural persons employed in management and expert jobs for the implementation of foreign investment. The employment of such persons shall be agreed upon by the contracting parties and approved by the Ministry of Home Affairs.”

For a more detailed analysis of the specific sector commitments please refer to Annex 3.

Sector Commitments in “Tourism and Travel Related Services” and “Recreational and Sporting activities”

GATS Sectors and Sub-Sectors	MA	NT	GATS Sectors and Sub-Sectors	MA	NT
9. TOURISM AND TRAVEL RELATED SERVICES			10. RECREATIONAL, CULTURAL AND SPORTING SERVICES		
A. Hotels and restaurants (incl. catering) (CPC 641-643)	X	X	A. Entertainment services (including theatre, live bands and circus services) (CPC 9619)		
B. Travel agencies and tour operators services (CPC 7471)	X	X	B. News agency services (CPC 962)		
C. Tourist guides services (CPC 7472)	X	X	C. Libraries, archives, museums and other cultural services (CPC 963)		
D. Other	X	X	D. Sporting and other recreational services (CPC 964)		
			E. Other		

Source: WTO Services Database (<http://tsdb.wto.org/default.aspx>).

Institutional arrangements supporting tourism:

Ministry of Tourism, Wildlife & Culture: www.sdn.org.mw/tourism/Licenced-Tourism-Units-In-2008.html

Tourism and Hotels Board – no link available

Visit Malawi: www.visitmalawi.mw/

Malawi Institute of Tourism: www.mitmalawi.com

Tourism Associations:

Malawi Tourism Association: www.malawi-tourism-association.org.mw/
Malawi Tourism Marketing Consortium: www.malawitourism.com/
Tourism Association of Mount Mulanje: www.mountmulanje.org.mw/tourism.htm
Travel Agents Association of Malawi – no link available

Country Strategy:

National Tourism Policy for Malawi (Visit Malawi):
<http://visitmalawi.mw/Publications/documents/NATIONAL%20TOURISM%20POLICY.pdf>
Malawi Tourism Development Strategy (ITC, Ministry of Tourism):
www.intracen.org/wedf/ef2005/Tourism_Mega_Cluster_Papers/malawi.pdf
UNDP-funded Tourism Master Plan Study – no link available

Regional strategy:

- *Within COMESA:*

Tourism is part of the Investment Development Integration Agenda: <http://about.comesa.int/lang-en/overview/comesa-strategy>

- *Within SADC:*

SADC has established a Protocol on Tourism (www.sadc.int/index/browse/page/160#3). Tourism is also listed under the SADC Regional Indicative Strategic Development Plan.⁸²

RTAs/FTAs.⁸³

Common Market for Eastern and Southern Africa (COMESA)
Southern African Development Community (SADC)



Regional Initiatives within SADC:

Regional Tourism Organization for Southern Africa (RETOSA): www.retosa.co.za/home
Transfrontier Conservation Area (TFCA): www.boundlessinvest.com
Community Based Tourism (CBTs): www.community-tourism-africa.com
The Tourist Visa (UNIVISA): <http://retosa.co.za/sites/retosa.co.za/files/UNIVISA-net-passport.pdf>

⁸² See www.sadc.int/index/browse/page/104 p.30.

⁸³ WTO Regional Trade Agreements Database.

8. Republic of Mali

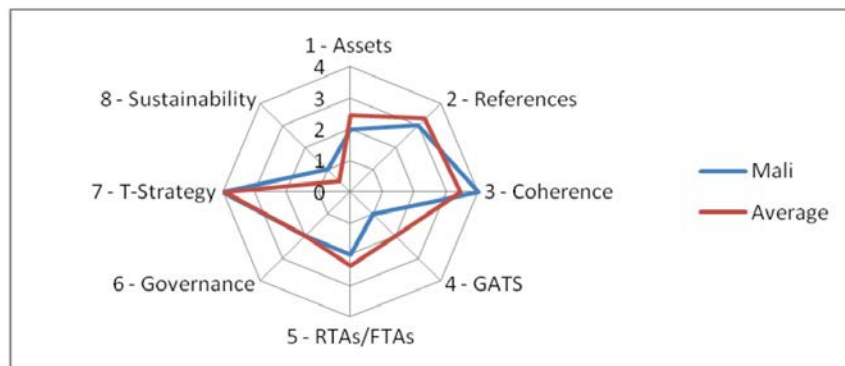
CSEND Tourism Development Index (TDI): 2.38

	CSEND TDI Rate	Average Rate *
1-Tourism assets	2	2.43
2-References to tourism in DTIS, AM, PRSP and IPR	3	3.29
3-Coherence of trade development support in DTIS, AM, PRSP and IPR	4	3.43
4-Extent of liberalisation of trade in tourism sector	1	2.00
5-Regional Trade arrangements (RTAs, FTAs)	2	2.36
6-Governance mechanisms pertaining tourism development	2	2.00
7-Articulation of Tourism Strategy	4	3.93
8-References to Sustainability of tourism sector in DTIS, AM, PRSP and IPR	1	0.50

Investment Risk Profile:

	The Economist Rate	Average Rate
Overall Risk Assessment by the Economist	2	2.14

*Average based on TDI ranking of all 14 selected LDCs



Summary and Assessment:

Mali tourism counts on a few high value assets (some of them being UNESCO World Heritage Sites). The tourism sector is supported by national and regional institutional arrangements. However, the DTIS notes that insufficient capacity in the tourism development agency, Office malien du tourisme et de l'hôtellerie (OMATHO) impedes progress in this sector.

The country is part of two regional integration processes: these initiatives could foster intra-regional tourism not only in terms of tourist flows but more importantly the co-creation of tourism clusters and increasing the level of product value added.

The DTIS addresses subjects including: improving the quality of accommodation facilities, restaurants, tour agencies and tourist guides; strengthening the tourism development agency, OMATHO; training in tourism development and planning; strengthening of tourism statistical systems; ensuring the rehabilitation, renovation and maintenance of tourism sites; increasing the participation of municipalities and local governments; promoting sustainable tourism; and exploring and promoting the linkages between the tourism and cultural industries. If implemented, combined measures would strengthen substantially the tourism value chain hence creating additional benefits alongside what has already been achieved.

The Action Matrix focuses on improving the quality of tourism; reinforcing institutional capacities; and better understanding linkages with other sectors.

The PRSP highlights the introduction of regulatory frameworks for the tourism and hotel sectors; diversification of the products offered; improvement of the quality of tourism products; professionalization of employees in the sector; strengthening institutional mechanisms and building capacity in all stakeholders; better coordination of investment programmes for road and security infrastructure; and organization of tourism events.

Both instruments, the Action Matrix and PRSP, share views suggested in the DTIS recommendations reflecting the need for Mali to diversify its current tourism product portfolio and strengthen its tourism value chain. Absent their implementation, the growth potential of Mali's tourism will not be fully realised.

There is not Investment Policy Review for this country.

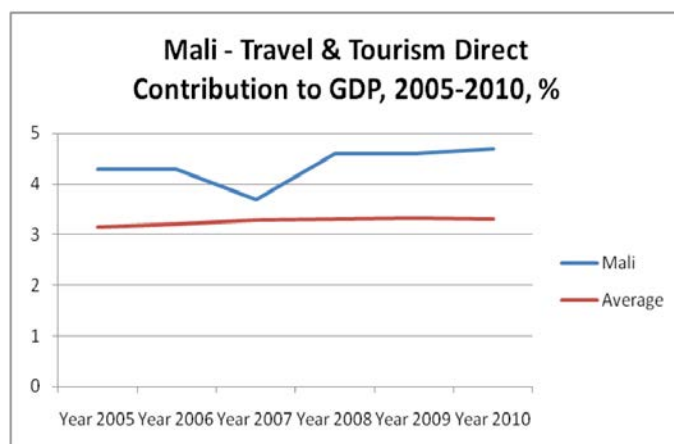
Mali's GATS commitments state that foreign suppliers of "Hotel and restaurant services" face no limitations in modes 2, 3 and 4. However, they might face limitations on offering their services in Mali from their own country since mode 1 is "unbound" (Mali retains regulatory freedom in this mode of supply).

Country Polycscape

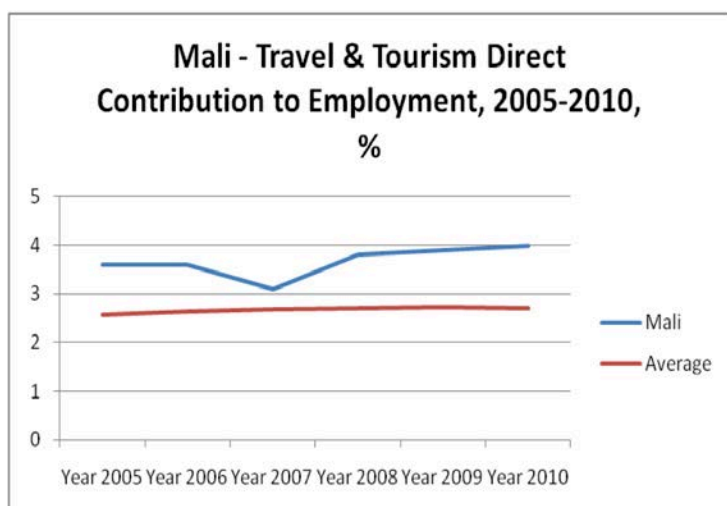
Tourism Statistics:

Population (2009, thousands)	GDP (2009, million US dollars)	Travel & tourism direct industry GDP, 2010		Travel & tourism economy GDP, 2010		International visitor arrivals, 2010	Travel & tourism direct contribution to employment, 2010		Travel & tourism total contribution to employment, 2010	
		US\$ bn	% share	US\$ bn	% share		'000	'000	% share	US\$ bn
13.010	8.996	0.223	2	0.523	4.9	210.3				

Source: World Bank Database (<http://siteresources.worldbank.org/DATASTATISTICS/Resources/GDP.pdf> and <http://siteresources.worldbank.org/DATASTATISTICS/Resources/POP.pdf>) and World Travel and Tourism Council Database (www.wttc.org/eng/Tourism_Research/Economic_Data_Search_Tool/index.php).



Source: Based on data from the World Travel and Tourism Council Database.



Source: Based on data from the World Travel and Tourism Council Database.

Assets identified in the public domain to offer different tourism products:⁸⁴

UNESCO World Heritage Sites (Old Towns of Djenné; Timbuktu; Cliff of Bandiagara-Land of the Dogons; Tomb of Askia); cultural and historical sites (Mopti, Gao, Ségou, Sikasso and Timbuktu); countryside (Niger river and the desert; Falaise de Bandiagara); wildlife reserves (Bafing, Boucle du Baoulé; Gourma; Douentza). (DTIS)

Main tourism activities offered: adventure; cultural experiences; hiking.

DTIS:⁸⁵

The report has a subsection on tourism. For tourism, impediments to further development relate to:

- The limited availability of quality accommodations;
- The variable quality and service standards of accommodation facilities and restaurants;
- The dearth of qualified tourist guides;
- Expensive travel to and within the country; and
- **Weak capacity in the tourism development agency (Office malien du tourisme et de l'hôtellerie, OMATHO).**

Support in this sector would include measures to:

- Encourage improvements in quality and service standards of hotels, restaurants, tour agencies and tourist guides;
- Strengthen OMATHO based on a review of its organization structure and operations so as to rationalize and enhance its efficiency;
- Training in tourism development and planning;

⁸⁴ Direction Promotion et Facilitation des Investissements, Tourism Sector Presentation: www.apimali.gov.ml/uploads/profil_secteurs/tourisme.pdf and Mali's Diagnostic Trade Integration Study ("DTIS").

⁸⁵ Mali's Diagnostic Trade Integration Study ("DTIS"), November 2004. Available at: www.enhancedif.org/EN%20web%20pages/Where%20we%20work/Mali.htm.

- Promoting sustainable tourism; and
- Strengthening of tourism statistical systems.

Mechanisms should be introduced to ensure the rehabilitation, renovation and maintenance of tourism sites, including increased participation of municipalities and local communities, so as to improve the accessibility and image of those sites.

There are some possibilities in developing existing or potential cultural and historical sites (i.e. Dogon country, Djenné, Mopti, Gao, Ségou, Sikasso and Timbuktu), of which a number are classified as UNESCO World Heritage sites; the countryside (i.e. Niger river and the desert); and wildlife reserves (i.e. Bafing and Boucle du Baoulé and Gourma).

There are also important synergies arising from promoting both tourism and cultural industries since the link between these are significant. In particular, cultural industries play an essential role in promoting the “image” of Mali. A recommendation of the DTIS is therefore to explore such linkages and adopt a master plan concerning promoting linkages between the two. Other recommendations aim at reinforcing the institutional framework and diversifying and improving the quality of tourism.

Action Matrix:⁸⁶

There is a subsection on tourism addressing the following actions:

- Diversifying and improving the quality of tourism;
- **Reinforcing the institutional framework;** and
- Encouraging tourism’s linkages to other sectors of the economy.

PRSP:⁸⁷

The report has a subsection on tourism. Tourism is considered as an important sector in the fight against poverty, because it affects all sectors of the economy. Mali has developed a cultural policy seeking to consolidate cultural heritage in order to tap its tourism potential. The Government has also updated some texts relating to the organisation of the profession of travel organisers and guides; in addition, it has developed activities for the promotion of tourism.

Tourism faces enormous challenges, in particular:

- Coherence between the actions of the different stakeholders in the sector, including the private sector;
- Introduction of a regulatory framework for the tourism and hotel trades;
- Development of touristic sites;
- Creation of trust between private sector professionals and representatives of the public sector; and
- Professionalization of employees in the sector.

⁸⁶ Mali’s Action Matrix, Diagnostic Trade Integration Study (“DTIS”), November 2004. Available at: www.enhancedif.org/EN%20web%20pages/Where%20we%20work/Mali.htm.

⁸⁷ Mali’s Poverty Reduction Strategy Paper (“PRSP”), April 2008. Available at: www.imf.org/external/pubs/ft/scr/2008/cr08121.pdf.

To address these challenges standing against tourism becoming an engine of growth, Mali adopted in 2004 a report defining strategic guidelines to promote the development of tourism as a means to create jobs and increase public revenue (Government and Local Authorities). The strategy in the sector centres on:

- Strengthening of institutional mechanisms;
- Diversification of the products offered; and
- Assistance for more efficient administration of activities by stakeholders.

Attendant measures to support the sector were identified as:

- **Strengthening institutional mechanisms and building capacity in all stakeholders;**
- Diversifying the supply and development of touristic sites, restaurants and hotels;
- **Better coordination of investment programmes for road and security infrastructure;**
- Organising tourism events; and
- Improving the quality of tourism products.

Investment Policy Review (UNCTAD):

Report not available for this country.

GATS / Specific Commitments: Sector 09. Tourism and Travel Related Services

“Hotel and restaurant services” are liberalised, with no limitations in modes 2, 3 and 4 (consumption abroad; commercial presence; and presence of natural persons). Hence, foreign services suppliers in this sector face no limitations on:

- Offering their services to Mali citizens who travel to foreign countries (mode 2);
- Establishing a "commercial presence" in which the service is supplied by setting up a business or professional establishment, such as a subsidiary corporation or a branch or representative office (mode 3); and
- Allowing natural persons to enter to Mali national territory to deliver services (mode 4).

Foreign suppliers of “Hotel and restaurant services” might face limitations on offering their services in Mali from their own country since mode 1 is “unbound” (due to lack of technical feasibility). Therefore Mali retains regulatory freedom in this mode of supply.

For a more detailed analysis of the specific sector commitments please refer to Annex 3.

Sector Commitments in “Tourism and Travel Related Services” and “Recreational and Sporting activities”

GATS Sectors and Sub-Sectors	MA	NT	GATS Sectors and Sub-Sectors	MA	NT
9. TOURISM AND TRAVEL RELATED SERVICES			10. RECREATIONAL, CULTURAL AND SPORTING SERVICES		
A. Hotels and restaurants (incl. catering) (CPC 641-643)	X	X	A. Entertainment services (including theatre, live bands and circus services) (CPC 9619)		
B. Travel agencies and tour operators services (CPC 7471)			B. News agency services (CPC 962)		
C. Tourist guides services (CPC 7472)			C. Libraries, archives, museums and other cultural services (CPC 963)		
D. Other			D. Sporting and other recreational services (CPC 964)		
			E. Other		

Source: WTO Services Database (<http://tsdb.wto.org/default.aspx>).

Institutional arrangements supporting tourism:

Mali's Ministry of Handicrafts and Tourism:

www.primature.gov.ml/index.php?option=com_content&task=view&id=1035&Itemid=1

Office malien du tourisme et de l'hôtellerie (OMATHO): www.officetourisme-mali.com/

Mali Sustainable Tourism Alliance (with the support of USAID):

http://gstalliance.net/index.php?option=com_content&task=view&id=86

Tourism Associations:

Mali Travel & Tour Agencies Association – no link available

Country Strategy:

Tourism sector development strategy formulated in 2003, Ministry of Handicrafts and Tourism (with the support of UNDP) – no link available

Direction Promotion et Facilitation des Investissements, Tourism Sector Presentation: www.apimali.gov.ml/uploads/profil_secteurs/tourisme.pdf

Regional Strategy within WAEMU:

Programme Régional de Développement du Tourisme au sein de l'UEMOA (PRD TOUR):

www.uemoa.int/Documents/Actes/Annexe_Dec_11_2010_CM_UEMOA.pdf

RTAs/FTAs:⁸⁸

Economic Community of West African States (ECOWAS)

West African Economic and Monetary Union (WAEMU)



Regional Initiative within ECOWAS:⁸⁹

ECOWAS Commission, Office of the Commissioner Trade, Customs & Free Movement, Customs and Tourism Department: www.comm.ecowas.int/dept/stand.php?id=i__dep&lang=en

Regional Initiative within WAEMU:

WAEMU Commission, Département de l'Aménagement du Territoire Communautaire, des Transports et du Tourisme (DATC):

www.uemoa.int/Pages/UEMOA/Commission%20de%20L_UEMOA/commissaires_datc.aspx

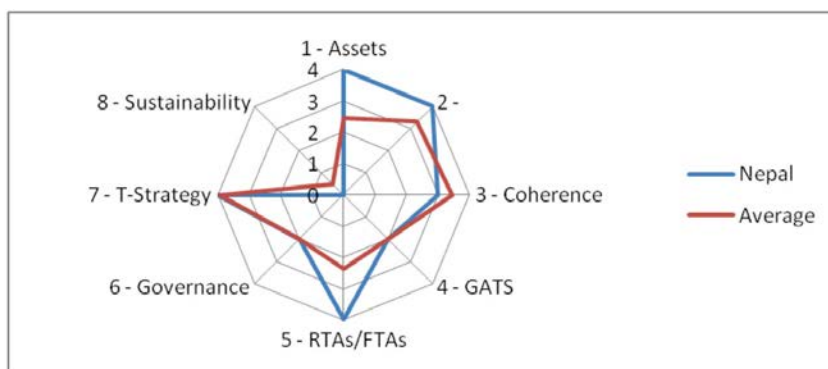
⁸⁸ WTO Regional Trade Agreements Database.

⁸⁹ Although the inclusion in the Treaty of ECOWAS of tourism as one of the sectors in which regional cooperation should be promoted (Art. 3 and Art. 34), the sector is not mentioned in the Regional Strategic Plan 2011-2015 (www.spu.ecowas.int/documents/regional-strategic-plan/final_draft-sp_doc_24_09_10/).

9. Federal Democratic Republic of Nepal

CSEND Tourism Development Index (TDI): 2.88

	CSEND TDI Rate	Average Rate *
1-Tourism assets	4	2.43
2-References to tourism in DTIS, AM, PRSP and IPR	4	3.29
3-Coherence of trade development support in DTIS, AM, PRSP and IPR	3	3.43
4-Extent of liberalisation of trade in tourism sector	2	2.00
5-Regional Trade arrangements (RTAs, FTAs)	4	2.36
6-Governance mechanisms pertaining tourism development	2	2.00
7-Articulation of Tourism Strategy	4	3.93
8-References to Sustainability of tourism sector in DTIS, AM, PRSP and IPR	0	0.50



Investment Risk Profile:

	The Economist Rate	Average Rate
Overall Risk Assessment by the Economist	2	2.14

*Average based on TDI ranking of all 14 selected LDCs

Summary and Assessment:

Tourism in Nepal counts on several assets (some of them being UNESCO World Heritage Sites). The tourism sector is supported by an important number of institutional arrangements touching on different parts of the tourism supply chain. However, the sector faces problems related to inter-ministerial coordination and stakeholder consultation (stated by the DTIS).

The country benefits from preferential trade with three regional initiatives as well as a bilateral agreement with India.

The DTIS addresses subjects including difficulties with air and road transport, the improvement of cooperation between agencies and the importance of tourism promotion. The AM refers mainly to institutional issues relating to improving the National Tourism Board. The PRSP does not provide any insights relating to tourism. This contrast between the DTIS and the PRSP on tourism can also be seen in the number of references concerning tourism in each report: while the DTIS and AM have subsections on tourism the PRSP makes few references to the sector.

Nepal's Investment Policy Review refers to tourism as: one of the niche sectors where potential for the country to attract FDI exists; requiring improvement in the business climate; lacking marketing links that foreign investors could offer; holding potential for increasing exports; having a catalytic role on employee training, requiring the establishment of backward linkages, dependent on the development of

infrastructure and holding the potential to provide a “demonstration effect” for local entrepreneurs; requiring regulations to maintain Nepal’s tourism reputation for quality and transparent prices; having potential for developing a cluster of both herbal products and herbal services providers linked to tourism; and potentially benefitting from Government study on building a second international airport.

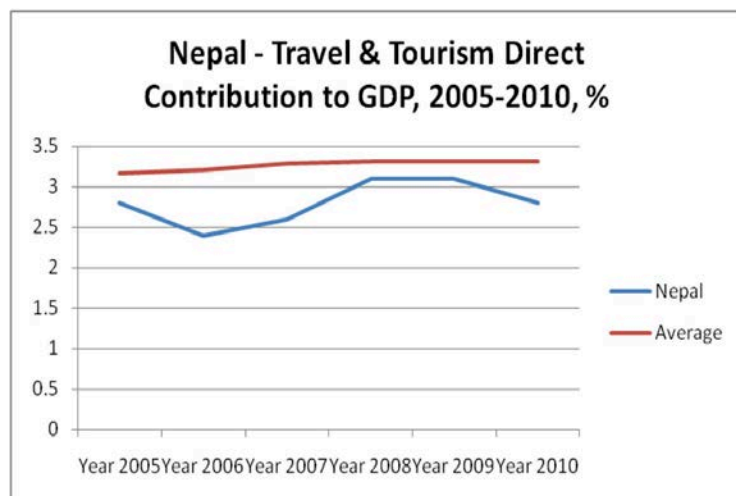
Nepal’s GATS specific commitments state that foreign suppliers of “Tourism and restaurants” and “Travel agency and tour operators” are almost completely free in modes 1 and 2. However, there are certain limitations for the commercial presence of foreign firms in Nepal (mode 3). In mode 4 Nepal retains regulatory freedom under this heading. Nepal has some exceptions to the MFN treatment related to the allocation of currency.

Country Polycscape

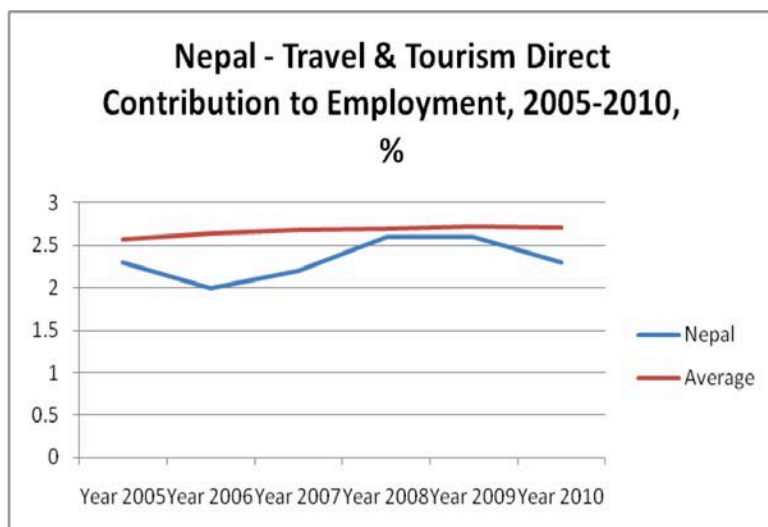
Tourism Statistics:

Population (2009, thousands)	GDP (2009, million US dollars)	Travel & tourism direct industry GDP, 2010		Travel & tourism economy GDP, 2010		International visitor arrivals, 2010	Travel & tourism direct contribution to employment, 2010		Travel & tourism total contribution to employment, 2010	
		US\$ bn	% share	US\$ bn	% share		'000	'000	% share	'000
29.331	12.531	0.47	3.2	1.072	7.4	519.4	287.3	2.3	705.7	5.8

Source: World Bank Database (<http://siteresources.worldbank.org/DATASTATISTICS/Resources/GDP.pdf> and <http://siteresources.worldbank.org/DATASTATISTICS/Resources/POP.pdf>) and World Travel and Tourism Council Database (www.wttc.org/eng/Tourism_Research/Economic_Data_Search_Tool/index.php).



Source: Based on data from the World Travel and Tourism Council Database.



Source: Based on data from the World Travel and Tourism Council Database.

Assets identified in the public domain to offer different tourism products:⁹⁰

Parks and reserves (nine National Parks, three Wildlife Reserves, three Conservation Areas and one Hunting Reserve); rural tourism; UNESCO heritage sites (Kathmandu Valley; Sagarmatha National Park, Chitwan National Park and Lumbini, birthplace of Lord Buddha); hill stations (Bandipur, Nagarkot, Dhulikhel, Tansen, Gorkha, among others); plains (Tarai); pilgrimage sites (Kathmandu Valley is home to the famous Pashupatinath Temple, Swayambhu Stupa and several other famous temples) and wildlife (Koshi Tappu Wildlife Reserve in the eastern tarai close to Itahari attracts a large number of migratory birds).

Main tourism activities offered: mountain climbing; trekking; bird watching; mountain flight; rock climbing; rafting/kayaking/canyoning; hot air ballooning; bungee jumping; paragliding; ultra light aircraft; mountain biking and jungle safari. (Ministry of Tourism and Civil Aviation)

DTIS:⁹¹

The report has a subsection on tourism. The Himalayan landscape, a wide diversity of flora and fauna, and a rich heritage of cultural and religious sites are Nepal's inherent advantages.

In the 1990s, tourism grew rapidly before interruption by a series of shocks (e.g., Indian airlines hijacking, escalating Maoist conflict, etc.). In the last two years, the sector has experienced a severe downturn due to these factors, though more recently tourism from the Far East and India has been growing and shows promise.

- Improving transport will be key for this sector's prospects. Eighty percent of tourists arrive by air. But the uncertain prospects of the Royal Nepal Airlines and the high landing costs of Tribhuban Airport have had a restrictive effect on air access.

⁹⁰ Nepal Sustainable Tourism Network (<http://welcomenepal.com/stn/>) and Nepal's Ministry of Tourism and Civil Aviation (www.tourism.gov.np/tourism-associations.php).

⁹¹ Nepal's Diagnostic Trade Integration Study ("DTIS"), October 2003. Available at: www.enhancedif.org/EN%20web%20pages/Where%20we%20work/Nepal.htm.

- Inadequate road transport raises costs for tourists to pilgrimage sites like Mount Kailash (in Tibet) and to scenic, trekking and rafting destinations. Road-transport master planning needs to incorporate tourism's needs along with freight.
- **Cooperation between agencies involved in this sector requires improvement.**
- Important segments of the industry are not well represented in the National Tourism Board (NTB) and there is political interference, leading to low performance. The funding of the NTB is volatile, depending on business taxes applied based on the number of tourist. This funding volatility restricts tourism promotion at precisely the time it is most needed.
- Foreign investment is restricted to hotel accommodations and resort operations: Nepal's Foreign Investment and Technology Transfer Act of 1992 reserves certain component activities of tourism for domestic providers (including travel agencies, trekking agencies, water rafting, pony trekking, and tourist lodges).

Action Matrix:⁹²

There is a subsection on tourism proposing the following actions:

- Creating a stabilization fund for the NTB with its own revenues and private sector support;
- Improving the industry's ownership of the NTB and increasing the NTB's independence from Government; and
- Conducting independent reviews of the finances and management of Royal Nepal Airlines Corporation (RNAC) before privatisation with a view to promoting tourism.

PRSP:⁹³

The report has almost no references to tourism. It refers to the following points:

- A favourable monsoon, prudent economic policies containing inflation, recovery in tourism, and growth in trade, construction and service sectors helped to increase the GDP.
- However, re-intensification of conflict and negative growth in the construction, trade, restaurant and hotels sectors could lead to very low GDP growth.

Investment Policy Review (UNCTAD):⁹⁴

The report contains a subsection on the tourism sector. The following issues are addressed:

- Tourism is one of the niche sectors harbouring potential for the country to attract FDI. However, an overall improvement in the business climate will be required to make the sector more investor-friendly.
- Tourism accounts for almost a quarter of total FDI projects, a fifth of total FDI and about a sixth of employment in all approved FDI projects. Reflecting the overall pattern of sectoral distribution of FDI, four of the nine enterprises were in the tourism (hotel) industry.

⁹² Nepal's Action Matrix, Diagnostic Trade Integration Study ("DTIS"), October 2003. Available at: www.enhancedif.org/EN%20web%20pages/Where%20we%20work/Nepal.htm.

⁹³ Nepal's Poverty Reduction Strategy Paper ("PRSP"), May 2007. Available at: www.imf.org/external/pubs/ft/scr/2007/cr07176.pdf.

⁹⁴ Nepal's Investment Policy Review (UNCTAD), 2003, Available at: www.unctad.org/en/docs/iteipcmisc20031_en.pdf.

- The tourism sector is a good example of the important role played by FDI. Tourism is Nepal's second largest source of FDI, and an important source of foreign exchange earnings. It is unlikely that foreign exchange earnings from this sector could have reached their current levels without FDI.
- Foreign investors in the tourism sector bring strong marketing links, particularly when part of international hotel chains. For instance, one of Nepal's hotels with majority FDI, Hotel Yak and Yeti, actively arranged sales through offices located outside Nepal and through its website. Such a business method cannot be easily replicated by domestic investors.
- The positive impact is most apparent in the case of exports. FDI has undoubtedly played a major role in garments and tourism – Nepal's two most important foreign-exchange earning industries. FDI has also enabled the country to export non-traditional manufactured products, such as micro transformers and personal care consumer products, illustrating its potential to open up new export horizons. In addition, FDI has played a beneficial role in Nepal's development through employee training, the establishment of backward linkages, development of infrastructure and a "demonstration effect" providing stimulus to local entrepreneurs.
- Tourism is regulated under the Tourism Act, last amended in 1997. Almost all tourism related activities require licenses and certain specialised activities, for example ascent of major mountains, requires permits. The regulations are designed principally to maintain Nepal's tourism reputation for quality and transparent prices. Special attention is given to safety and environmental protection in more extreme activities such as mountaineering and trekking in remote areas. There are some elements of protection of local participation in tourist-related activities.
- As mentioned above, niche tourism in areas such as natural health related tourism is a fast growing segment in the industry. There is potential to develop a cluster of both herbal products and herbal services providers in Nepal.
- Similar rights in relation to tax and customs administration, work and residence permits, relief from certain aspects of labour law and special foreign investor rights are set out under the tourism development certificate.
- A tax and regulatory relief package and structuring of tourism development zones aimed at upscale and niche tourist market opportunities is needed;
- Nepal has only one international airport that is operating at near capacity and does not have scope for expansion. The Government is studying the feasibility of a second international airport in the Terai region, which would greatly facilitate tourism and business travel.

GATS / Specific Commitments: Sector 09. Tourism and Travel Related Services

The "Tourism and restaurants" and "Travel agency and tour operators" are almost completely liberalised (almost no restrictions in market access and national treatment) in modes 1, 2 and 3. Mode 4 is "unbound" and therefore Nepal retains regulatory freedom under this heading.

- Foreign suppliers of "Tourism and restaurants" and "Travel agency and tour operators" are completely free to offer their services in Nepal without being present within its territory (mode 1).
- Foreign suppliers are also free to offer such services to Nepalese who travel to foreign countries (mode 2).
- The establishment of "commercial presence" is open when the service is supplied by setting up a business or professional establishment, such as a subsidiary corporation or a branch or representative office (mode 3). The only limitation is through incorporation in Nepal and with maximum foreign equity capital of 51 per cent for travel agency and tour operator and 80 per cent for hotel, lodging services (star hotels only), and graded restaurants.

- The presence of natural persons providing services in Nepal (mode 4) is “unbound”. Therefore Nepal retains regulatory freedom under this heading.

Nepal has some exceptions to the MFN treatment. These exceptions are the following:

- Allocation of non-convertible currency effected by commercial banks without involvement of Central Bank (in all sectors); this measure applies to India with an indefinite duration.
- In the tourism sector: higher allocation of convertible currency for travel purposes; this measure applies to all OECD Countries with an indefinite duration.

For a more detailed analysis of the specific sector commitments please refer to Annex 3.

Sector Commitments in “Tourism and Travel Related Services” and “Recreational and Sporting activities”

GATS Sectors and Sub-Sectors	MA	NT	GATS Sectors and Sub-Sectors	MA	NT
9. TOURISM AND TRAVEL RELATED SERVICES			10. RECREATIONAL, CULTURAL AND SPORTING SERVICES		
A. Hotels and restaurants (incl. catering) (CPC 641-643)	X	X	A. Entertainment services (including theatre, live bands and circus services) (CPC 9619)		
B. Travel agencies and tour operators services (CPC 7471)	X	X	B. News agency services (CPC 962)		
C. Tourist guides services (CPC 7472)			C. Libraries, archives, museums and other cultural services (CPC 963)		
D. Other			D. Sporting and other recreational services (CPC 964)		
			E. Other	X	X

Source: WTO Services Database (<http://tsdb.wto.org/default.aspx>).

Institutional arrangements supporting tourism:⁹⁵

Ministry of Tourism and Civil Aviation (www.tourism.gov.np/tourism-associations.php)
 Nepal Tourism Board / Nepal Sustainable Tourism Network (<http://welcomenepal.com/stn/>)
 Discover Nepal (www.discovernepal.com.np/introduction.php)

Country Strategy:

Tourism Policy, 2065 (available only in Nepali from www.tourism.gov.np/pdf-files/tourism-policy-2065.pdf)
 Tourism Marketing Strategy for Nepal 2005-2020
 (www.discovernepal.com.np/pdf/tourismMarketing.pdf)

Tourism Associations:

Nepal Mountaineering Association (www.nma.com.np/)
 Hotel Association of Nepal (www.hotelassociation.org.np/)
 Nepal Association of Rafting Agents (www.raftingassociation.org.np/)
 Nepal Association of Tour and Travel Agents (www.natta.org.np/)
 Trekking Agents Association of Nepal (www.taana.org.np/)
 Airlines Operators Association of Nepal
 Association of Helicopter Operators Nepal
 Pacific Asia Travel Association (PATA) Nepal Chapter (www.patanepal.org/)
 Thamel Tourism Development Board
 Cargo Agents Association of Nepal
 Himalayan Rescue Association
 Restaurant and Bar Association of Nepal

⁹⁵ Nepal's Ministry of Tourism and Civil Aviation website (www.tourism.gov.np/tourism-associations.php).

Tourist Guide Association of Nepal
Board of Airline Representatives in Nepal
Federation of Nepalese Chambers of Commerce and Industry
Freight Forwarders Association of Nepal
Handicraft Association of Nepal
Nepal Association of Tour Operators
Nepal Entrepreneurs Association of Tourism
Nepal Incentive and Convention Association
Non-Star Hotel Association of Nepal Chapter
Everest Submitters Association

Regional Strategy within BIMSTEC:

Tourism as one of the priority sectors for regional cooperation (www.bimstec.org/sector.html)

RTAs/FTAs:⁹⁶

India - Nepal
South Asian Free Trade Agreement (SAFTA)
South Asian Preferential Trade Arrangement (SAPTA)
Bay of Bengal Initiative on Multi-Sectoral Technical and Economic Cooperation (BIMSTEC)

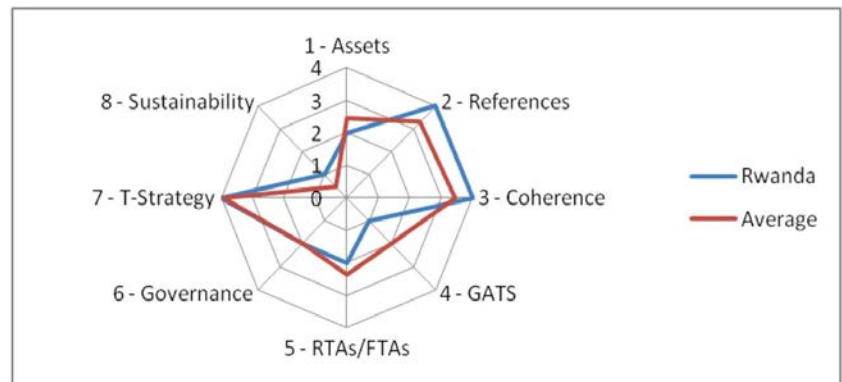


⁹⁶ WTO Regional Trade Agreements Database.

10. Republic of Rwanda

CSEND Tourism Development Index (TDI): 2.50

	CSEND TDI Rate	Average Rate *
1-Tourism assets	2	2.43
2-References to tourism in DTIS, AM, PRSP and IPR	4	3.29
3-Coherence of trade development support in DTIS, AM, PRSP and IPR	4	3.43
4-Extent of liberalisation of trade in tourism sector	1	2.00
5-Regional Trade arrangements (RTAs, FTAs)	2	2.36
6-Governance mechanisms pertaining tourism development	2	2.00
7-Articulation of Tourism Strategy	4	3.93
8-References to Sustainability of tourism sector in DTIS, AM, PRSP and IPR	1	0.50



Investment Risk Profile:

	The Economist Rate	Average Rate
Overall Risk Assessment by the Economist	2	2.14

*Average based on TDI ranking of all 14 selected LDCs

Summary and Assessment:

Rwanda has identified a few tourism assets. The sector is supported by national and regional strategies. The country does not have a Ministry of Tourism among its institutional arrangements supporting tourism. Instead, Rwanda has developed a Tourist Board and a Department dealing with tourism within the Rwanda Development Board.

The country is part of two regional integration processes: these initiatives could foster the development of more diversified tourism clusters and enhance regional competitiveness together with partner countries within these regions.

DTIS refers to the imperatives of increasing human capacity; improving the business climate to encourage private sector investment; developing tourism linkages with horticultural producers and the handicraft sector; improving Rwanda's image and marketing; expanding physical capacity to service tourism (accommodation, direct flights); and developing initiatives to integrate Rwanda within tourism products offered by other countries in the region.

The Action Matrix addresses the subjects of insufficient human capacity in tourism; constraints on investments in the sector; and the need for rapid and extensive personnel training in the tourism industry.

The PRSP recommends actions to promote and develop ecologically friendly tourism; diversify of products; implement planning, research and monitoring of wildlife and national park conservation; involve local communities; improve tourism infrastructure and services; increase marketing in tourism; develop regional and international links; involve the private sector; encourage investment in product development, training, access to finance in a manner linking tangible benefits to local communities. **The report highlights the importance of Inter-Ministerial Coordination in developing infrastructure, engaging the private sector and ensuring necessary skills development.**

Rwanda's Investment Policy Review addresses the following subjects relating to tourism: the tourism industry is a high priority for Rwanda, although the country has not been able so far to capitalise on its location; tourism policy targets high-end and high-cost eco-tourism while de-prioritising mass tourism; tourism policy avoid very large numbers of tourists for the preservation of mountain gorillas; improve Rwanda's severe image deficit; establish high-quality as well as backpacker service products; prepare legislation allowing for classification and monitoring of hotels based on strict criteria; and target boutique investors (services providers and tour operators) present in Kenya, Uganda and Tanzania.

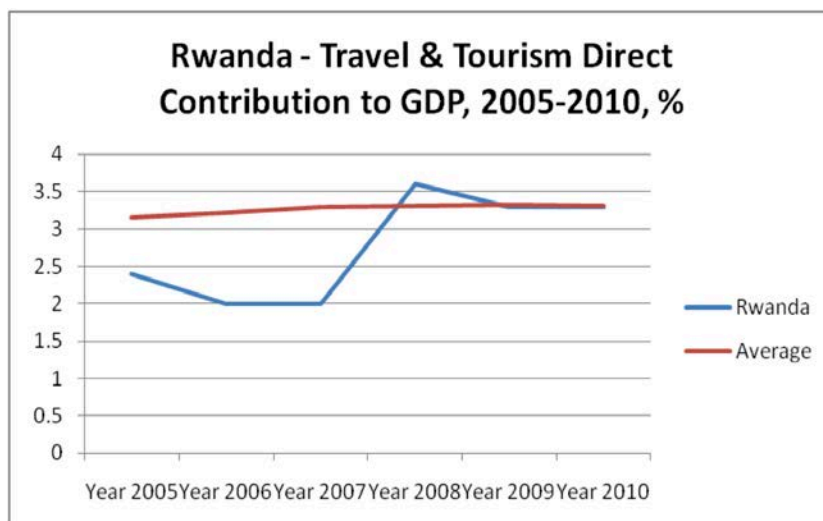
Rwanda's GATS specific commitments state that foreign suppliers of Hotels and restaurants (including catering) face no limitations on: offering their services in the country (mode 1); offering such services to Rwandans who travel to foreign countries (mode 2); and establish a "commercial presence" in which the service is supplied by setting up a business or professional establishment (mode 3). However, there might be certain limitations in the presence of natural persons (mode 4) because this mode of supply is "unbound" and therefore Rwanda retains regulatory freedom under this heading.

Country Polycscape

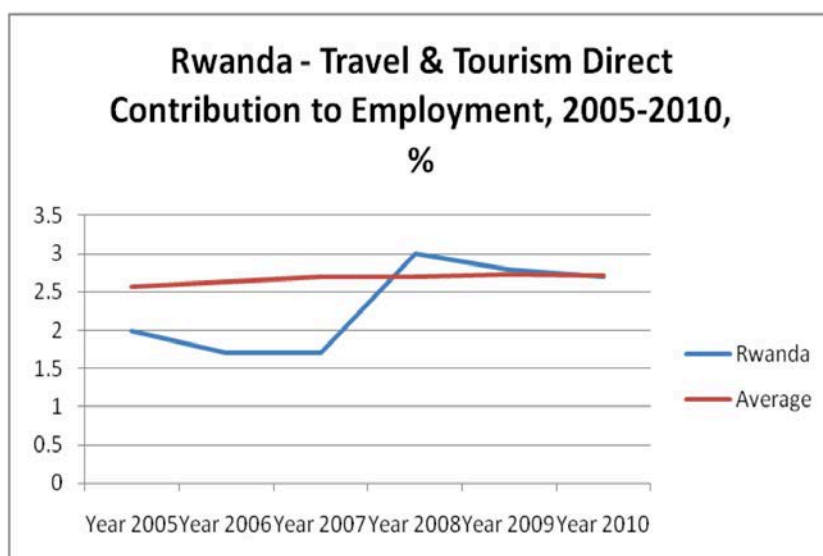
Tourism Statistics:

Population (2009, thousands)	GDP (2009, million US dollars)	Travel & tourism direct industry GDP, 2010		Travel & tourism economy GDP, 2010		International visitor arrivals, 2010	Travel & tourism direct contribution to employment, 2010		Travel & tourism total contribution to employment, 2010	
		US\$ bn	% share	US\$ bn	% share		'000	'000	% share	'000
9.998	5.064	0.204	3.9	0.428	8.3	146.7	51.8	2.7	127	6.8

Source: World Bank Database (<http://siteresources.worldbank.org/DATASTATISTICS/Resources/GDP.pdf> and <http://siteresources.worldbank.org/DATASTATISTICS/Resources/POP.pdf>) and World Travel and Tourism Council Database (www.wttc.org/eng/Tourism_Research/Economic_Data_Search_Tool/index.php).



Source: Based on data from the World Travel and Tourism Council Database.



Source: Based on data from the World Travel and Tourism Council Database.

Assets identified in the public domain to offer different tourism products:⁹⁷

National parks, mountains and rainforests (Akagera National Park; Nyungwe National Park; Volcanoes National Park- Virungas); waterfalls in Nyungwe National Park; lakes (Kivu; Muhazi; Ihema; Burera; Ruhondo and Karago); Akagera River; and museums, art and culture (Nyanza Royal Palace; The Museum of Rwandan Ancient History; Rwesero Arts Museum; The Museum of Natural History).

Rwanda has seven Important Birding Areas (IBAs) including the three National Parks—Volcanoes, Akagera and Nyungwe, Rugezi Swamp, Akanyaru, Nyabarongo and Cyamudongo.

Main tourism activities offered: mountain gorillas trekking; canopy walk; bird watching; hiking; mountain biking; mountain climbing; water sports; fishing; kayaking; canoeing; and boat rides.

⁹⁷ Rwanda Tourist Board: www.rwandatourism.com/.

DTIS:⁹⁸

The report has a subsection on tourism. Expansion of the tourism sector would have a significant impact on exports of services. The tourism strategy is dependent upon a significant increase in human capacity and an improvement in the business climate to encourage the necessary private sector investment.

Expansion of tourism offers new opportunities for horticultural producers. Local restaurants and stores purchase a modest share of local produce. However, if the tourist sector expands as projected, new opportunities for domestic growers will arise. Increasing cargo space due to increased passenger plane traffic could have a positive spill over effect of expanding transport services to key external markets for horticulture exports.

Also, significant benefits of Rwanda's tourism strategy are projected to go to the handicraft sector in the form of tourist souvenirs. The handicraft sector is however currently plagued by low capacity and weak organization as reflected in constant supply, timeliness and quality of products.

Rwanda's tourism strategy should follow a model of competitive advantage (via developed human resources, learning institutions and improved business climate to encourage the necessary private sector investment) rather than one of comparative advantage (based on existing physical assets and unskilled human resources). Tourism development will have a wide impact on a broad range of business opportunities: hotels, restaurants, retail stores selling handicrafts, handicrafts producers, tour agencies, tour operators, and so on. The tourism strategy identifies the following key constraints:

- Rwanda's image must be improved;
- Physical capacity to service tourism must be expanded (there is limited accommodation available at key tourism sites, limited direct flights to major markets, and a small range of tourism experiences);
- Human capacity in the sector must be dramatically augmented; and
- Investment climate must be improved to encourage private sector led development of the sector.

The key obstacles to achieving the goals of the Tourism Strategy are lack of human capital in the tourism sector and the generally low level of development in supporting sectors of economic activity.

Some of the main recommendations made in the DTIS include:

- The need for a rapid and extensive training and education to develop human capital in the tourism sector;
- The development and support of an initiative to integrate Rwandan tourism with tourism to other countries in the region; and
- The need for assistance in marketing itself as a tourist destination.

Action Matrix:⁹⁹

References to tourism in the Action Matrix include the following actions:

⁹⁸ Rwanda's Diagnostic Trade Integration Study ("DTIS"), November 2005. Available at: www.enhancedif.org/EN%20web%20pages/Where%20we%20work/Rwanda.htm.

⁹⁹ Rwanda's Action Matrix, Diagnostic Trade Integration Study ("DTIS"), November 2005. Available at: www.enhancedif.org/EN%20web%20pages/Where%20we%20work/Rwanda.htm.

- Remove unnecessary regulatory constraints on investment; and
- Address the human capacity deficit in the tourism sector through rapid and extensive training programmes.

PRSP:¹⁰⁰

This report refers to tourism indicating it as an important sector for both employment and foreign exchange earnings. The sector has grown steadily becoming the second source of exports (behind coffee but ahead of tea and mining).

Rwanda has a substantial advantage in tourism offering many investment opportunities. Considering its national advantages and limitations, Rwanda has developed a strategy that focuses on high-end eco-tourism and invites foreign investment to support development of this sector. The strategy focuses on the primate resources (Rwanda's niche tourism product) and diversification with "add-on" products that can be cross-sold to tourists. Important for this type of tourism is the conservation of Rwanda's natural environment and especially its national parks. Therefore Rwanda will promote and develop tourism that is ecologically friendly and environmentally sustainable. Some of the suggested actions include:

- Improve planning for wildlife and national park conservation;
- Promote research and monitoring of wildlife, including restocking national parks with relevant wildlife;
- Involve and engage local communities;
- Engineer a regulatory framework for channelling a proportion of tourism revenues to the protection of the natural resource base;
- Develop and promote tourism opportunities by improving tourism infrastructure and services;
- Create more tourist attractions and facilities in all provinces (including eco-tourism sites);
- Increase the marketing of tourism;
- **Forge regional and international links;**
- Develop new innovative attractions different from or that build upon eco-tourism and cultural sites; and
- Encourage private sector investment.

An overarching challenge to developing the tourism sector in Rwanda is that of broadening leadership within the sector. The private sector and the Tourism Chamber should be encouraged to increase and deepen collaboration on tourism strategy development and implementation. Rwanda should also encourage private sector investment in key areas such as product development (hotels, Parc National des Volcanes, Discovery Centres, boats on Lake Kivu), joint marketing, and cross-cutting areas such as training, access to finance and enhancing linkages to tangible benefits in local communities.

It is crucial that Ministry of Commerce, Industry, Investment Promotion, Tourism and Cooperatives (MINICOM) works with Ministry of Infrastructure and private service providers to develop the appropriate infrastructure for private sector development, engages private sector institutions in the development of the export diversification strategy, and works with Ministry of Education and educational institutions to ensure urgently needed skills development.

¹⁰⁰ Rwanda's Poverty Reduction Strategy Paper ("PRSP"), March 2008. Available at: www.imf.org/external/pubs/ft/scr/2008/cr0890.pdf.

Investment Policy Review (UNCTAD):¹⁰¹

The report contains a subsection on the tourism sector. The following issues are addressed:

- Rwanda has not been able so far to capitalize on its location in one of the most visited regions in sub-Saharan Africa. Although no comprehensive data are available, the number of foreign visitors per capita is among the lowest in the world. The number of visits to national parks started falling a few years before the genocide with the political and military instability.
- The tourism industry is a high priority for a number of reasons: it can be a major source of employment and poverty reduction; it can decentralise economic activity; and it generates foreign exchange earnings. The key aspects of its tourism policy are:
 - Targeting high-end, high-cost eco-tourism, and deemphasise mass tourism;
 - Recognizing that Rwanda must market itself through a regional eco-tourism circuit and seek to lengthen the stays of visitors who come for gorilla watching and business;
 - Addressing the high cost of Rwanda as a destination, the unsatisfactory quality of services and the persistent image problem;
 - Acknowledging that private investment must drive the development of the sector, under improved and efficient regulatory supervision by the Government.
- Rwanda should not – and should not – seek to attract tourists in very large numbers. The preservation of mountain gorillas would not be possible if tourism traffic increase significantly.
- The development of the tourism sector into a significant industry through private sector investment will require diversification and innovation around the flagship gorilla product. The decision to focus exclusively on high-end eco-tourism (and business tourism) may thus be too restrictive. Rwanda would benefit from developing a second “axis” to its tourism sector, in an area where it may also have a comparative advantage such as “backpacking” tourism. Attracting backpackers, however, would require provision for them to visit Rwanda’s main attraction, the mountain gorillas.
- Rwanda suffers from a severe image deficit, which affects not only tourism, but also foreign investment in general. Yet, visitors’ image of the country tend to change rapidly and dramatically after upon the first visit.
- Given this twin axis of high-cost/low-cost tourism, the role of foreign investors could be particularly important in a number of areas:
 - Implementing high-quality services, which Rwanda does not have experience of;
 - Establishing backpackers services;
 - Preparing legislation to classify and monitor hotels according to strict criteria;
 - Recruiting proficient individuals to service the backpacker segment;
 - Providing better and more diversified ancillary services (restaurants, car and motorbike rental, recreational facilities, entertainment); and
 - Targeting boutique investors (services providers and tour operators) present in Kenya, Uganda and Tanzania and elsewhere that have experience in the type of investments Rwanda is seeking and are best positioned to package and market Rwanda as part of an “East Africa” destination.

GATS / Specific Commitments: Sector 09.Tourism and Travel Related Services

Hotels and restaurants (including catering) Services are liberalised, with no limitations in modes 1, 2 and 3 (cross-border supply; consumption abroad; commercial presence). Foreign services suppliers in this sector face no limitations on:

- Offering their services in Rwanda without being present within its territory (mode 1);
- Offering their services to Rwanda citizens who travel to foreign countries (mode 2); and

¹⁰¹ Rwanda’s Investment Policy Review (UNCTAD), 2006, Available at: www.unctad.org/en/docs/iteipc200611_en.pdf.

- Establishing a "commercial presence" in which the service is supplied by setting up a business or professional establishment, such as a subsidiary corporation or a branch or representative office (mode 3).

In contrast, mode 4 (presence of natural persons) is "unbound" and therefore Rwanda retains regulatory freedom under this heading.

- For Hotels, mode 4 is unbound "except for measures affecting senior executives and specialists who possess knowledge that is essential to the provision of the service."
- For Restaurants, mode 4 is unbound "except for measures affecting natural persons in the following categories: directors, senior executives and specialists who possess knowledge that is essential to the provision of the service."

For a more detailed analysis of the specific sector commitments please refer to Annex 3.

Sector Commitments in "Tourism and Travel Related Services" and "Recreational and Sporting activities"

GATS Sectors and Sub-Sectors	MA	NT	GATS Sectors and Sub-Sectors	MA	NT
9. TOURISM AND TRAVEL RELATED SERVICES			10. RECREATIONAL, CULTURAL AND SPORTING SERVICES		
A. Hotels and restaurants (incl. catering) (CPC 641-643)	X	X	A. Entertainment services (including theatre, live bands and circus services) (CPC 9619)		
B. Travel agencies and tour operators services (CPC 7471)			B. News agency services (CPC 962)		
C. Tourist guides services (CPC 7472)			C. Libraries, archives, museums and other cultural services (CPC 963)		
D. Other			D. Sporting and other recreational services (CPC 964)	X	X
			E. Other		

Source: WTO Services Database (<http://tsdb.wto.org/default.aspx>).

Institutional arrangements supporting tourism:

Rwanda Tourist Board / Rwanda Office of Tourism and National Parks: www.rwandatourism.com/
 Tourism and Conservation Department, Rwanda Development Board: www.rdb.rw/departments/tourism-and-conservation.html

Rwanda Tourism University College: www.rtuc.rw/
 Ministry of Trade and Industry: www.minicom.gov.rw/

Tourism Associations:

Rwanda Tours and Travel Association: www.rttarwanda.org/
 Rwanda Hotel & Restaurant Association: <http://rhrassociation.com/>
 Amahoro Tourism Association – no link available

Country Strategy:

Rwanda's Tourism Strategy (Ministry of Trade and Industry), 2007 – no link available

Regional Strategy:

- Within COMESA:

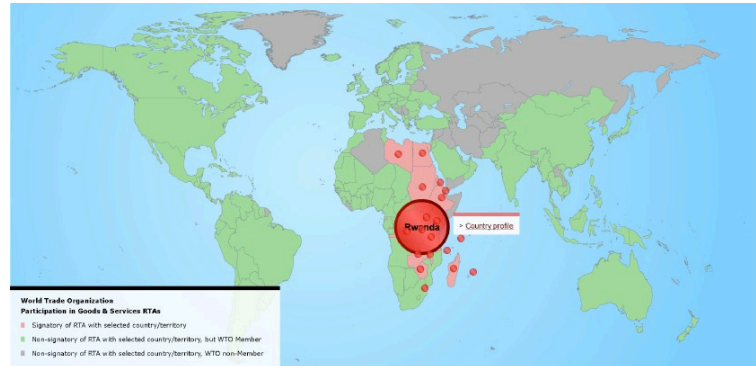
Tourism is part of the Investment Development Integration Agenda: <http://about.comesa.int/lang-en/overview/comesa-strategy>

- *Within EAC:*¹⁰²

EAC Development Strategy (2006-2010): www.eac.int/advisory-opinions/doc_details/159-eac-development-strategy-2006-2010.html

RTAs/FTAs:¹⁰³

Common Market for Eastern and Southern Africa (COMESA)
East African Community (EAC)



Regional Initiative:

EAC Tourism Statistics: www.statistics.eac.int

¹⁰² The Treaty for the establishment of the EAC requires Partner States to undertake and to develop a regional strategy for tourism promotion, with the stated Development Objective of “Maximized benefits from sustainable tourism and wildlife resources.”

¹⁰³ WTO Regional Trade Agreements Database.

11. Republic of Sierra Leone

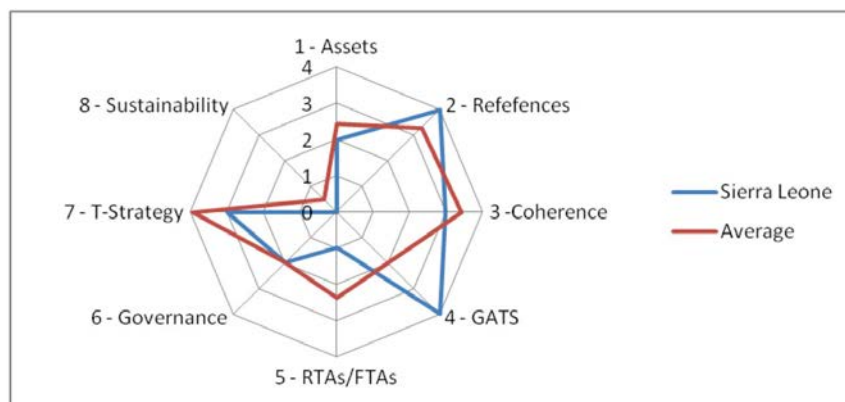
CSEND Tourism Development Index (TDI): 2.38

	CSEND TDI Rate	Average Rate *
1-Tourism assets	2	2.43
2-References to tourism in DTIS, AM, PRSP and IPR	4	3.29
3-Coherence of trade development support in DTIS, AM, PRSP and IPR	3	3.43
4-Extent of liberalisation of trade in tourism sector	4	2.00
5-Regional Trade arrangements (RTAs, FTAs)	1	2.36
6-Governance mechanisms pertaining tourism development	2	2.00
7-Articulation of Tourism Strategy	3	3.93
8-References to Sustainability of tourism sector in DTIS, AM, PRSP and IPR	0	0.50

Investment Risk Profile:

	The Economist Rate	Average Rate
Overall Risk Assessment by the Economist	2	2.14

*Average based on TDI ranking of all 14 selected LDCs



Summary and Comments:

Sierra Leone has identified a few high value tourism assets. The tourism sector is supported by national and regional institutional arrangements within ECOWAS: these initiatives could foster intra-regional tourism not only in terms of tourist flows but more importantly the co-creation of tourism clusters and product enrichment.

The DTIS focuses on: Sierra Leone's potential for tourism; the need for developing a strategy on tourism with regional master plans; the significant image problems facing the country; several definite advantages boding well for the development of a leisure tourism sector; the need to establish training programmes as well as a programme for renovation and improvement of existing hotel accommodation to support tourism; the uncertainty over Government intentions for tourism and the direction of tourism policy; the lack of unique attractions that put Sierra Leone on the 'tourism map'; the mismatch between quality of available accommodations and the requirements of tourists from source markets; and the inadequacies in infrastructure and public services.

The Action Matrix focuses on improving the country's image, developing a long-term plan, expanding the range of attractions and infrastructure; building capacity for tourism planning and implementation; improving information dissemination on attractions in Sierra Leone; expanding the range of tourist attractions; developing beach tourism; and rehabilitating existing hotels and guesthouses.

The PRSP contains a few references to tourism highlighting the lack of programmes developed or implemented to promote tourism; the opportunities for rehabilitating and preserving the country's historic land marks and sites; and the implementation of a tourism project by the National Tourist Board, which are in line with the Action Matrix proposals.

Sierra Leone's Investment Policy Review refers to the following issues related to tourism: the sector has been showing signs of recovery and has already attracted some investment from Chinese sources; recent investment in light manufacturing and tourism is also creating demand for workers with specific skill sets; **development related to the tourism industry is likely to put pressure on the environment and could become a source of concern**; Sierra Leone's scheme of incentives for tourism compares favourably with the other African countries but could be more ambitious; the efforts underway to revitalise the tourism industry are challenged by high operating costs and strong competition from better established West African tourist destinations; to cope with this challenge in the early stages of this sector's development, the most feasible approach is an integration of Sierra Leone as part of West African tourist products; the National Tourist Board should define a strategic plan and engage supportive legal reforms; and a marketing programme should be initiated to promote Sierra Leone's image.

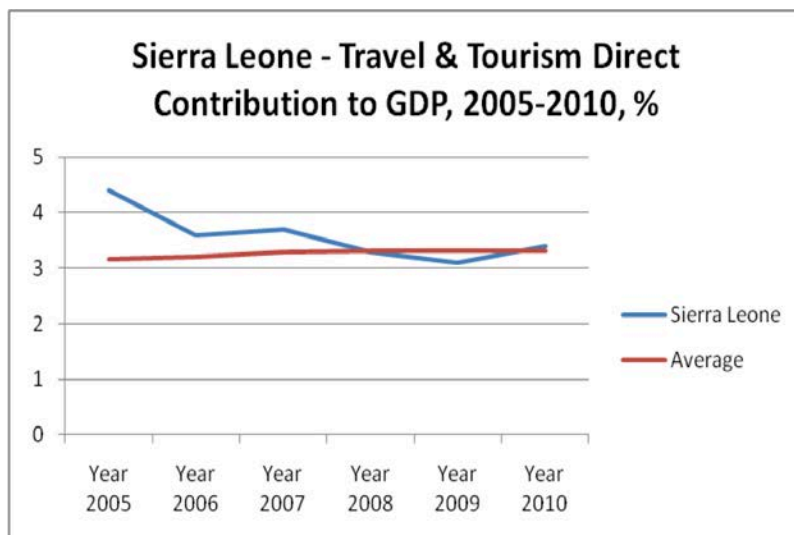
Sierra Leone's GATS specific commitments state that foreign suppliers of "Tourism and Travel Related Services" face no limitations on: offering their services in the country (mode 1); offering such services to Sierra Leone citizens who travel to foreign countries (mode 2); and establishing a "commercial presence" in which the service is supplied by setting up a business or professional establishment (mode 3). However, there may be limitations on mode 4 (presence of natural persons) because this mode of supply is "unbound" and, therefore, Sierra Leone retains regulatory freedom under this heading.

Country Polycscape

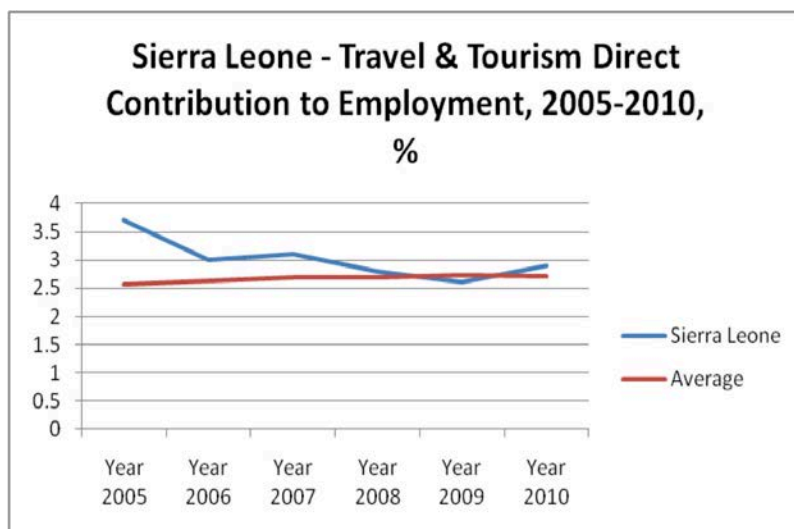
Tourism Statistics:

Population (2009, thousands)	GDP (2009, million US dollars)	Travel & tourism direct industry GDP, 2010		Travel & tourism economy GDP, 2010		International visitor arrivals, 2010	Travel & tourism direct contribution to employment, 2010		Travel & tourism total contribution to employment, 2010	
		US\$ bn	% share	US\$ bn	% share		'000	'000	% share	US\$ bn
5.696	1.942	0.07	2.5	0.133	4.8	40.4	31.9	2.9	73	6.7

Source: World Bank Database (<http://siteresources.worldbank.org/DATASTATISTICS/Resources/GDP.pdf> and <http://siteresources.worldbank.org/DATASTATISTICS/Resources/POP.pdf>) and World Travel and Tourism Council Database (www.wttc.org/eng/Tourism_Research/Economic_Data_Search_Tool/index.php).



Source: Based on data from the World Travel and Tourism Council Database.



Source: Based on data from the World Travel and Tourism Council Database.

Assets identified in the public domain to offer different tourism products:¹⁰⁴

Wildlife, national parks and sanctuaries (Outamba-Kilimi National Park; Tacugama Chimpanzee Sanctuary; Tiwai Island Wildlife Sanctuary; museums and historical sites (National Museum; Victoria Park; Gateway to the Old King's Yard and the King Jimmy/Wharf Steps; Railway National Museum - Keeping Sierra Leone's Railway Treasure; Maroon ans St. Charles Churches); mountains (Loma; Tingi; Mount Bintimani; Wara Wara; Sankan Biriwa; Leicester Peak; Sugar Loaf Mountain; Pickett Hill); mountain Villages (Regent, Bathurst, Leicester and Gloucester); beaches (Peninsular Beaches; Goderich; Lakka; Hamilton; Sussex; River No.2; Tokeh; Black Johnson; Kent; Bureh; Mamah); dams (Guma Valley; Bumbuna); water falls (Charlotte Falls); and crafts (Big Market).

Main tourism activities offered: hiking; bird watching; safari; swimming and relax; fishing; canoeing; scuba diving; boat trips; snorkelling.

¹⁰⁴ Sierra Leone National Tourist Board: www.sierraleonetourism.sl/.

DTIS:¹⁰⁵

The report has a chapter on tourism. Sierra Leone is a country with sea, mountains, islands, lush vegetation, interesting wildlife, and a special culture and history - all the ingredients for considerable tourism potential.

Tourism has the potential to generate significant economic benefits for Sierra Leone. The Government has a critical role to play in planning and promoting the sector. A strategic plan, with regional master plans, is urgently required to establish the parameters for private sector development. There was in the past a small but thriving holiday tourism industry in the 1980s and there is every reason to believe that it can be rebuilt.

However, the country faces a major image problem due to its troubled past, so significant effort will be necessary to bring back both investors and tourists in significant numbers. **When they do come, skilled and unskilled jobs will be created, primarily near Freetown in the Western Peninsula and at Lungi, with further benefits through linkages to ancillary suppliers of goods and services.** The impact on the rural poor is likely only to be modest.

The indirect benefits of tourism are expected to lie somewhere in between. The tourism industry is more labour-intensive than large-scale mining or fishing, but many of the jobs require more skills and education than in agriculture. However, perhaps half of the jobs in hotels may be accessible to the unskilled, and there are positive linkages to providers of food, fish, handicrafts, taxis, guides and other services.

The chapter presents some figures on tourism as well as three scenarios for 2015 and options to be considered. The potential for tourism in Sierra Leone will be driven by new investment in tourism accommodation, in particular along the Western peninsula.

Sierra Leone enjoys several definite advantages boding well for the development of a leisure tourism sector:

- Outstanding white sand and golden beaches with dramatic tropical and mountainous backdrop;
- A tropical environment and scenery (mountains, forests, rivers, coastline and islands) and nature (birds, flora and fauna). Sierra Leone has interesting wildlife, and could tap into the rapidly growing bird-watching tourism market;
- Proximity to Northern Europe – a 5-6 hour flight, which puts it closer than the Caribbean, the Maldives and Mauritius;
- Warm and fairly dry weather during the European winter;
- Interesting heritage and tribal history which can be built into an attractive 'story' for Europeans, African-Americans and the Diaspora, perhaps with a focus on the return of freed slaves; and
- Diamonds, which offer a special 'story' as well as a potential commercial opportunity.

Given Sierra Leone's recent history, there are naturally a number of challenges that have to be addressed in re-launching the tourism sector. Arguably, the principal challenges are:

- Perception in the source markets of Sierra Leone as a conflict zone;
- Uncertainty over Government intentions for tourism and the direction of tourism policy;

¹⁰⁵ Sierra Leone's Diagnostic Trade Integration Study ("DTIS"), October 2006. Available at: www.enhancedif.org/EN%20web%20pages/Where%20we%20work/Sierra_Leone.htm.

- Lack of unique attractions that put Sierra Leone on the ‘tourism map’;
- Mismatch between quality of available accommodation and likely demands from the source markets; and
- Inadequate infrastructure and public services.

The priorities for moving ahead stated in the chapter are the following:

- Creating a Marketing Program;
- Establishing a Strategic Plan for Re-launching the Tourism Sector 2006 -2015;
- Detailing Tourism Master Plans for key areas;
- Elevating human resource and administrative capacity building within the Ministry of Tourism and The Sierra Leone National Tourist Board’;
- Implementing a Tour Guide Training Program;
- Founding an Interpretive Centre (at Museum in Freetown);
- Initiating a Tourist Attraction Development Program - Tacugama, Tiwai, Outamba - Kilimi National Park, diamond experience – other attractions that may be suitable;
- Initiating Joint Venture Beach Resorts (private sector) down the Western Peninsula – a feasibility investigation;
- Implementing a Program for refurbishment and improvement of existing hotel accommodation; and
- Establishing a Program for improving standards for guesthouses and other small hotels.

Action Matrix:¹⁰⁶

The report contains a subsection on tourism referring to the following actions:

- Improve the image of Sierra Leone;
- Creating a long-term plan for tourism;
- Developing detailed plans for key areas;
- Building capacity for tourism planning and implementation;
- Establishing tour guide capacity;
- Improving information on attractions in Sierra Leone;
- Expanding the range of tourist attractions; developing beach tourism; and
- Rehabilitating existing hotels and guesthouses.

PRSP:¹⁰⁷

The report contains a few references related to tourism. The following issues are addressed:

- Even though tourism was highlighted as key to job creation and growth, there were no programmes developed or implemented to promote the sector.
- The tourism sector therefore needs to be supported so that the potential to promote private sector is tapped.
- Promoting tourism will also create opportunities for rehabilitating and preserving the country’s historic landmarks and sites.

¹⁰⁶ Sierra Leone’s Action Matrix, Diagnostic Trade Integration Study ("DTIS"), October 2006. Available at: www.enhancedif.org/EN%20web%20pages/Where%20we%20work/Sierra_Leone.htm.

¹⁰⁷ Sierra Leone’s Poverty Reduction Strategy Paper ("PRSP"), July 2008. Available at: www.imf.org/external/pubs/ft/scr/2008/cr08250.pdf.

- Following the development of the Action Matrix, the IF Trust Fund Manager has committed funding and implementation of a tourism project by the National Tourist Board has commenced.

Investment Policy Review (UNCTAD):¹⁰⁸

The report contains a subsection referred to the tourism sector. The following issues are addressed:

- The declining share of the services sector between 2002 and 2006 can be explained by decreasing tourism and lack of demand for related services resulting from the drawdown of staff from international organizations prior to the stabilisation of the country after the war. Halted by the war, it is now a sector that is once again showing potential.
- Showing signs of recovery, the tourism sector has already attracted investment from Chinese sources. Sierra Leone has a diverse landscape of mountains, lush vegetation and beaches on a calm ocean, which represents considerable tourism capital.
- Recent investment in light manufacturing and tourism is also creating a need for workers with specific skill sets. The average level of education and skills within the domestic labour force are insufficient to meet demand.
- Outside of mining, Sierra Leone's environment can also be expected to come under pressure from other activities. In this regard, development related to the tourism industry could become a source of concern.
- Sierra Leone's incentive scheme for tourism compares well with the other African comparator countries but it is not as ambitious. It is also recommended the sectoral laws such as those governing tourism that give discretionary power to grant investment incentives be eliminated.
- There are various efforts underway to revitalize the tourism industry in Sierra Leone, but these efforts are challenged by high operating costs and strong competition from better established West African destinations such as Benin, Côte d'Ivoire, the Gambia, Ghana and Senegal. To cope with this challenge in the early stages of this sector's development, the most feasible approach is seek the packaging of Sierra Leone within West African tourist products.
- Several initiatives to revitalise the sector are in the early design stage. One such initiative is being carried out by the National Tourist Board to define a strategic plan and legal reforms that it will entail. By finalising the strategic plan for the sector and initiating legal and institutional reforms, the government could pave the way for the development of tourism.
- Moving forward with pilot projects such as the Western Peninsula Development Project of the World Bank should play a catalytic role for the development of the entire sector. In this regard, a simplification of the process to obtain tourist visas and a review of the fee structure would be desirable.
- A marketing programme initiated to promote Sierra Leone's image should be implemented, as well as a training programme for potential workers in the sector.

GATS / Specific Commitments: Sector 09.Tourism and Travel Related Services

Foreign suppliers of "Tourism and Travel Related Services" are free to:

- Offer their services in Sierra Leone without being present within its territory (mode 1);
- Offer their services to Sierra Leone citizens who travel to foreign countries (mode 2); and
- Establish a "commercial presence" in which the service is supplied by setting up a business or professional establishment (mode 3).

¹⁰⁸ Sierra Leone's Investment Policy Review (UNCTAD), 2010, Available at: www.unctad.org/en/docs/diaepcb200914_en.pdf.

In contrast, mode 4 (presence of natural persons) is “unbound” and therefore Sierra Leone retains regulatory freedom under this heading.

Sierra Leone’s horizontal commitments establish that:

- Commercial presence (mode 3) “requires that foreign service providers incorporate or establish the business locally in accordance with the relevant provisions of Sierra Leone laws and, where applicable, regulations particularly with respect to land and building acquisition, lease, rental, etc. Foreign enterprises with investment in Sierra Leone could transfer abroad their profits in accordance with the existing regulations.”
- Presence of natural persons (mode 4) is unbound “except for senior management personnel and technical experts not available in the local labour market. Prior to a natural person working in Sierra Leone, a Work Permit must be obtained.” There is no limitation in National Treatment “with respect to categories of persons indicated in market access”, but this mode is unbound “for all other categories of persons.”

For a more detailed analysis of the specific sector commitments please refer to Annex 3.

Sector Commitments in “Tourism and Travel Related Services” and “Recreational and Sporting activities”

GATS Sectors and Sub-Sectors	MA	NT	GATS Sectors and Sub-Sectors	MA	NT
9. TOURISM AND TRAVEL RELATED SERVICES			10. RECREATIONAL, CULTURAL AND SPORTING SERVICES		
A. Hotels and restaurants (incl. catering) (CPC 641-643)	X	X	A. Entertainment services (including theatre, live bands and circus services) (CPC 9619)		
B. Travel agencies and tour operators services (CPC 7471)	X	X	B. News agency services (CPC 962)	X	X
C. Tourist guides services (CPC 7472)	X	X	C. Libraries, archives, museums and other cultural services (CPC 963)	X	X
D. Other	X	X	D. Sporting and other recreational services (CPC 964)	X	X
			E. Other		

Source: WTO Services Database (<http://tsdb.wto.org/default.aspx>).

Institutional arrangements supporting tourism:

Ministry of Tourism and Cultural Affairs – no link available

Sierra Leone National Tourist Board: www.sierraleonetourism.sl/

Visit Sierra Leone: www.visitsierraleone.org/ (site officially approved by the National Tourist Board)

Tourism Associations:

Sierra Leone Travel Agencies Association – no link available

Sierra Leone Hotel & Tourist Association – no link available

Country Strategy:

Integrated Framework Tourism Project (Government of Sierra Leone and United Nations Development Programme): www.sl.undp.org/2_focus/tourism_prjtdoc_sl.pdf

Tourism strategy for Sierra Leone, elaborated by Dunira in partnership with Todd Associates (Scotland) and FJP (Gambia): www.dunira.com/recentprojects.html#sustainableintro

Regional Strategy: None

RTAs/FTAs:¹⁰⁹

Economic Community of West African States (ECOWAS)



*Regional Initiative within ECOWAS:*¹¹⁰

ECOWAS Commission, Office of the Commissioner Trade, Customs & Free Movement, Customs and Tourism Department: www.comm.ecowas.int/dept/stand.php?id=i__dep&lang=en

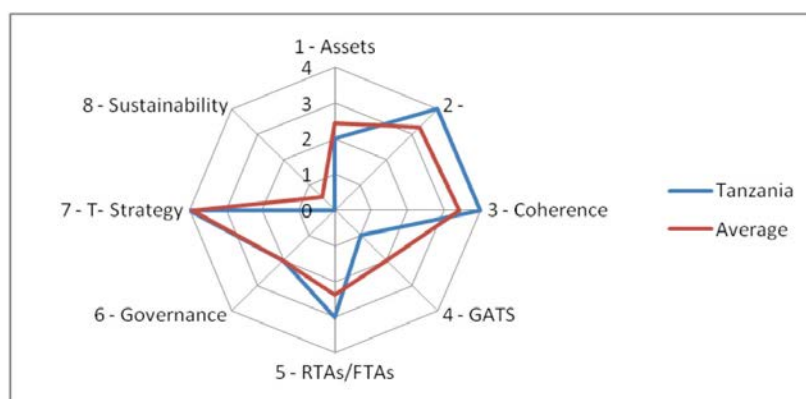
¹⁰⁹ WTO Regional Trade Agreements Database.

¹¹⁰ Although the inclusion in the Treaty of ECOWAS of tourism as one of the sectors in which regional cooperation should be promoted (Art. 3 and Art. 34), the sector is not mentioned in the Regional Strategic Plan 2011-2015 (www.spu.ecowas.int/documents/regional-strategic-plan/final_draft-sp_doc__24_09_10/).

12. United Republic of Tanzania

CSEND Tourism Development Index (TDI): 2.50

	CSEND TDI Rate	Average Rate *
1-Tourism assets	2	2.43
2-References to tourism in DTIS, AM, PRSP and IPR	4	3.29
3-Coherence of trade development support in DTIS, AM, PRSP and IPR	4	3.43
4-Extent of liberalisation of trade in tourism sector	1	2.00
5-Regional Trade arrangements (RTAs, FTAs)	3	2.36
6-Governance mechanisms pertaining tourism development	2	2.00
7-Articulation of Tourism Strategy	4	3.93
8-References to Sustainability of tourism sector in DTIS, AM, PRSP and IPR	0	0.50



Investment Risk Profile:

	The Economist Rate	Average Rate
Overall Risk Assessment by the Economist	2	2.14

*Average based on TDI ranking of all 14 selected LDCs

Summary and Assessment:

Tanzania counts several tourism assets as well as several institutional arrangements supporting this activity. At the same time, the country benefits from preferential trade with two regional integration processes and a south-south initiative.

The DTIS has a strong focus on backwards linkages (addressing also the issue of food safety), quality and investment promotion. It also provides concrete recommendations on each supply chain related to tourism. The AM also has a strong focus on backward linkages and also refers to training, cultural attractions and private sector participation. In contrast, the PRSP contains almost no reference to tourism but states that specialised segments of tourism demand are: bird-watching, adventure tourism, deep-sea fishing, scuba diving, cultural tourism and hunting. This contrast with the DTIS and PRSP in the amount of references concerning tourism in each report: while the first contains an entire subsection on tourism, the latter has only some references on it.

Tanzania's Investment Policy Review addresses the following topics related to tourism: tourism is a key sector with high potential; the sector is a significant source of non-farm employment in rural areas with considerable multiplier benefits in terms of supply of food, tourist artefacts, transport and construction; major FDI inflows in tourism are constrained by infrastructure; there is a growing national awareness of the environmental consequences that unplanned and unregulated economic and commercial development can bring, especially in sensitive coastal and rural areas of Tanzania; licensing restrictions currently exist within this legislation and its implementing ordinances; regional integration

within SADC is understood to be implemented through sectoral protocols; and development of sectoral programmes in energy and minerals, agribusiness and tourism improve attractiveness to foreign investors but also encourage linkages with local enterprises, including technological linkages.

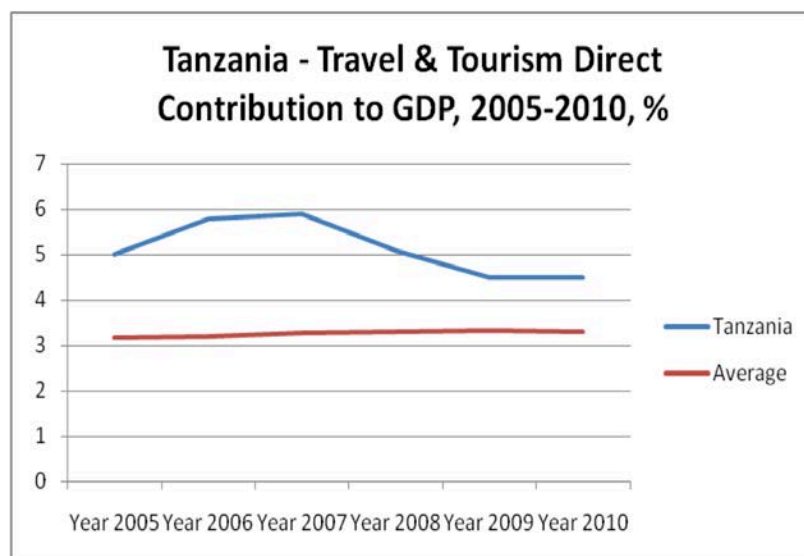
Tanzania's GATS specific commitments state that foreign suppliers of "Hotels of four stars and above" are completely free to offer their services in the country (mode 1) and to offer such services to Tanzanians who travel to foreign countries (mode 2). However, there are certain limitations for the commercial presence of foreign firms in Tanzania, and in the presence of natural persons from other countries (modes 3 and 4).

Country Polycscape

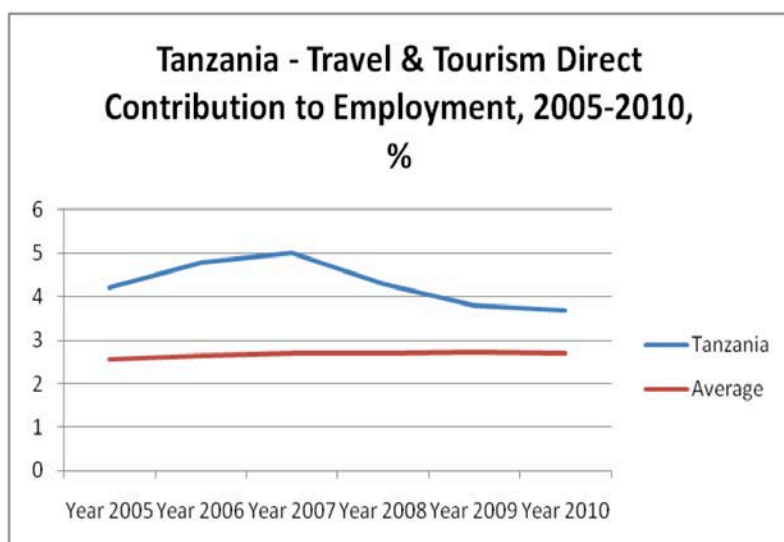
Tourism Strategy:

Population (2009, thousands)	GDP (2009, million US dollars)	Travel & tourism direct industry GDP, 2010		Travel & tourism economy GDP, 2010		International visitor arrivals, 2010 '000	Travel & tourism direct contribution to employment, 2010		Travel & tourism total contribution to employment, 2010	
		US\$ bn	% share	US\$ bn	% share		'000	% share	'000	% share
43.739	21.623	0.73	3.3	1.76	8	718.3	372.6	3.7	1104	11.2

Source: World Bank Database (<http://siteresources.worldbank.org/DATASTATISTICS/Resources/GDP.pdf> and <http://siteresources.worldbank.org/DATASTATISTICS/Resources/POP.pdf>) and World Travel and Tourism Council Database (www.wttc.org/eng/Tourism_Research/Economic_Data_Search_Tool/index.php).



Source: Based on data from the World Travel and Tourism Council Database.



Source: Based on data from the World Travel and Tourism Council Database.

Assets identified in the public domain to offer different tourism products:¹¹¹

Eco-tourism; Wildlife; National Parks & Reserves; Coral reefs; Mountains and volcanoes (Crater Highlands: Serengeti, Ngorongoro Crater and Ngorongoro Conservation Area, Ol Donyo Lengai); Lake Manyara; Islands: Zanzibar Archipelago; Safari Circuits.

Specialised segments of tourism demand: bird watching, adventure tourism, deep-sea fishing, scuba diving, cultural tourism, and hunting. (PRSP, 2005)

DTIS:¹¹²

The report has a subsection on tourism. Tourism is among the top foreign exchange earners in Tanzania, exceeding even gold exports, the top merchandise export item. Recent reports have looked at the issue of how to more fully exploit Tanzania's tourism potential.

The DTIS focuses on the backward linkages of tourism, given the large potential they have in raising value-added within the economy, and hence reducing poverty. Specifically, the potential for increasing value-added, while simultaneously strengthening sector-to-sector linkages, could be realised in the following areas:

- The value of agricultural production through improved techniques, and processing of fruits and vegetables;
- The value of fish and seafood through improved techniques of catching, storing, transporting, and merchandising, pricing and marketing;
- The value of chicken farming through increased capacity, more location options, better trained employees, and improved quality of inputs, especially chicken feed;

¹¹¹ Tanzania Tourist Board (www.tanzaniatouristboard.com/) and Tanzania's Tourism Master Plan 2002 developed by the Ministry of Natural Resources and Tourism (www.tzonline.org/pdf/tourismmasterplan.pdf).

¹¹² Tanzania's Diagnostic Trade Integration Study ("DTIS"), November 2005. Available at: www.enhancedif.org/EN%20web%20pages/Where%20we%20work/Tanzania.htm.

- The value of beef and lamb through better monitoring through the supply chain to ensure its quality;
- The value of furniture through increased capacity and better-trained employees; and
- The value from trading goods not produced in Tanzania through improved importing procedures, increasing variety of products, and improved communication between buyers and sellers to ensure availability and continuity of products and services.

The recommendations identified under each supply chain review (fruits and vegetables; dry goods and non-perishable food; meats, chicken, fish and seafood; handicrafts; furniture; machinery and equipment; and ground transport) will help achieve this objective of increasing earnings from travel and tourism economy.

The cross cutting issues affecting the above linked sectors are low quality of products, poor investment promotion, poor communication between suppliers and tourism businesses and lack of trained manpower. It is also addressed the link with food safety and the need for better practices and risk management. Strengthening these linkages requires a strategic and realistic approach.

Action Matrix:¹¹³

There is a subsection on tourism that identifies the following actions:

- Extend implementation framework for monitoring Tanzania Bureau of Standards in agriculture and fishery supply chains to include local vendors;
- Conduct a focused campaign to encourage investments in products “most likely” for local production: dry, processed, and canned fruits and vegetables, select small machinery items, and furniture;
- Review the list of capital goods approved for tourism and the exemptions associated with it;
- Organize a “trade fair” specifically for tourism businesses for supplier and buyer interactions particularly with respect to dry goods and perishables, and locally manufactured goods;
- Include private sector representatives on executive boards of training and research institutions, with a view to evaluate course offerings and participate in curriculum development;
- Ensure accreditation and consistency of curricula amongst all institutions offering training in tourism;
- Continue reviewing Vocational Training Levy (VET) which increases production costs and in the long-run could significantly reduce Tanzania’s competitiveness in the regional market;
- Explore other sustainable measures for training employees;
- Develop quality vendor program linking small local producers of fresh produce and meat suppliers with hotels/restaurants;
- Develop and improve production of handicraft supply into tourism market involving the private sector; and
- Develop a policy to emphasize historical and cultural attractions involving the private sector.

¹¹³ Tanzania’s Action Matrix, Diagnostic Trade Integration Study (“DTIS”), November 2005. Available at: www.enhancedif.org/EN%20web%20pages/Where%20we%20work/Tanzania.htm

The recommended actions in the Action Matrix addressed most of the potential areas that were identified for higher value creation.

PRSP:¹¹⁴

The report has very few references to tourism. They refer to the following points:

- Growth was mainly through mineral and service exports (including earnings from tourism)
- Export of services, particularly tourism, increased as a result of government and other stakeholders' efforts in promoting Tanzania as a quality tourist destination
- Communities living adjacent to natural resources continue to enjoy benefits such as fuel wood, fishing, eco-tourism and hunting

Investment Policy Review (UNCTAD):¹¹⁵

The report contains a subsection referred to the tourism sector. The following issues are addressed:

- As a short-term strategy, the Government should continue to focus on immediate FDI potential in mining, utilities and tourism. Tourism is the key sector in Zanzibar and the potential for expansion and for FDI is significant. In northern Tanzania, tourism is a significant source of non-farm employment in rural areas, with considerable multiplier benefits in terms of supply of food, tourist artefacts, transport and construction. With its 12 National Parks, wildlife reserves, coastline and beaches, island resorts and archaeological sites, Tanzania has very substantial tourist attractions and, consequently, FDI potential.
- Major FDI inflows in tourism are constrained by infrastructure but there are short-term opportunities nonetheless. FDI in major hotel projects also has the potential for boosting the tourism industry in the direction of high-quality services, thereby widening the country's foreign exchange earning capacity.
- There is a growing national awareness of the environmental consequences of unplanned and unregulated economic and commercial developments, especially in sensitive coastal and rural areas of Tanzania important to Tanzania's growing tourism economy. FDI projects guaranteed by the Multilateral Investment Guarantee Agency (MIGA) must undertake EIAs to demonstrate that they do not damage the environment and are sustainable, especially for mining, oil and natural gas, and tourism projects in the wildlife parks and coastal areas.
- Attracting FDI in tourism and the hotel sector is a strategic priority for Tanzania, especially in relation to the major game parks, wildlife reserves and coastal areas.
- Tourism FDI is generally governed by the 1997 Act, and its development is the responsibility of the Ministry of Natural Resources, which has the policy remit for the game parks, nature and coastal areas.
- Investment in tourism enterprises in Tanzania is governed by the Hotels Act 1963 and the Tourist Agency Licensing Act 1969, both drawn up in the context of much less internationally competitive tourism markets.
- Licensing restrictions currently exist within this legislation and its implementing ordinances – that is, car hire and travel agency licences can be issued only to Tanzanian nationals – and travel agencies must employ at least two Tanzanian nationals holding certificates in tourism.
- There are numerous constraints on the development of the tourism industry: inadequate infrastructure, especially in terms of roads, telecommunications, water supply and hotel accommodation, as well as service infrastructure. Resolution of these constraints will generate major growth opportunities, including opportunities for FDI in hotels, financial facilities and other

¹¹⁴ Tanzania's Poverty Reduction Strategy Paper ("PRSP"), June 2005. Available at: www.imf.org/external/np/prsp/2000/tza/02/

¹¹⁵ Tanzania's Investment Policy Review (UNCTAD), 2002, Available at: www.unctad.org/en/docs/iteipcmisc9_en.pdf.

tourist-related services. Security, along with natural attractions, is an important requirement for successful tourism.

- Regional integration within SADC is to be attained through sectoral protocols, eight of which have been signed, including protocols on minerals development, energy, education and training, trade and tourism.
- Developing sectoral programmes in energy and minerals, agribusiness and tourism would improve attractiveness to foreign investors but also encourage linkages with local enterprises, including technological linkages. Tourism is the easiest to develop in the short term, and should be the initial emphasis.

GATS / Specific Commitments: Sector 09. Tourism and Travel Related Services

The “Hotels of four stars and above” have certain limitations on establishment in Tanzania.

- Foreign suppliers of “Hotels of four stars and above” are completely free to offer their services in Tanzania (mode 1).
- Foreign suppliers are also free to offer such services to Tanzanians who travel to foreign countries (mode 2).

However, as mentioned above, there are limitations in other modes of supply:

- There are limitations in the establishment of "commercial presence" in which the service is supplied by setting up a business or professional establishment, such as a subsidiary corporation or a branch or representative office (mode 3). These limitations are related to: merger and acquisition of domestic firms by foreigners and acquisition of land by foreigners.
- There are also limitations to the presence of natural persons providing services in Tanzania (mode 4), except for senior managers that possess skills not available in the country.

There is no Part 1 (horizontal commitments). Before Part 2 of the schedule (specific commitments) it is only mentioned that “The Investment Promotion and Protection Act provides areas where foreign direct investment is allowed except for sectors specifically reserved for nationals.” For a more detailed analysis of the specific sector commitments please refer to Annex 3.

Sector Commitments in “Tourism and Travel Related Services” and “Recreational and Sporting activities”

GATS Sectors and Sub-Sectors	MA	NT	GATS Sectors and Sub-Sectors	MA	NT
9. TOURISM AND TRAVEL RELATED SERVICES			10. RECREATIONAL, CULTURAL AND SPORTING SERVICES		
A. Hotels and restaurants (incl. catering) (CPC 641-643)	X	X	A. Entertainment services (including theatre, live bands and circus services) (CPC 9619)		
B. Travel agencies and tour operators services (CPC 7471)			B. News agency services (CPC 962)		
C. Tourist guides services (CPC 7472)			C. Libraries, archives, museums and other cultural services (CPC 963)		
D. Other			D. Sporting and other recreational services (CPC 964)		
			E. Other		

Source: WTO Services Database (<http://tsdb.wto.org/default.aspx>).

Institutional arrangements supporting tourism:

Ministry of Natural Resources and Tourism (www.mnrt.go.tz/)

National College of Tourism
www.tanzaniatouristboard.com/

Tourism Associations:

Hotel Keepers Association
Tourism Confederation
The Tourism Confederation of Tanzania
Tanzania Association of Tour Operators (www.tatotz.org)
Tanzania Society of Travel Agents
Tanzania Air Operators Association
Hotels Association of Tanzania (HAT) (www.hotelstanzania.com)
Intra-African Travel and Tourism Association
Zanzibar Association of Tourism Investors

Country Strategy:

Tourism Master Plan 2002 developed by the Ministry of Natural Resources and Tourism
(www.tzonline.org/pdf/tourismmasterplan.pdf)

Recently, the Tanzania Tourist Board promoted a new strategy but there is no published document
(www.tanzaniainvest.com/tanzania-tourism-and-travel/news/411-tanzania-tourist-board-promotes-new-tourism-strategy).

Regional Strategy:

- *Within EAC:*

EAC Development Strategy (2006-2010)¹¹⁶: www.eac.int/advisory-opinions/doc_details/159-eac-development-strategy-2006-2010.html

- *Within SADC:*

SADC has established a Protocol on Tourism (www.sadc.int/index/browse/page/160#3). Tourism is also listed under the SADC Regional Indicative Strategic Development Plan.¹¹⁷

RTAs/FTAs:¹¹⁸

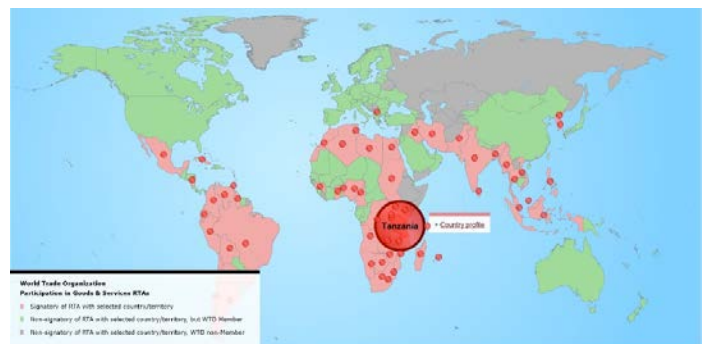
East African Community (EAC)
Global System of Trade Preferences among
Developing Countries (GSTP)
Southern African Development Community
(SADC)

Regional Initiative within EAC:

Tourism Statistics: www.statistics.eac.int

Regional Initiatives within SADC:

Regional Tourism Organization for Southern Africa (RETOSA): www.retosa.co.za/home
Transfrontier Conservation Area (TFCA): www.boundlessinvest.com
Community Based Tourism (CBTs): www.community-tourism-africa.com
The Tourist Visa (UNIVISA): <http://retosa.co.za/sites/retosa.co.za/files/UNIVISA-net-passport.pdf>



¹¹⁶ The Treaty for the establishment of the EAC requires Partner States to undertake and to develop a regional strategy for tourism promotion, with the stated Development Objective of “Maximized benefits from sustainable tourism and wildlife resources.”

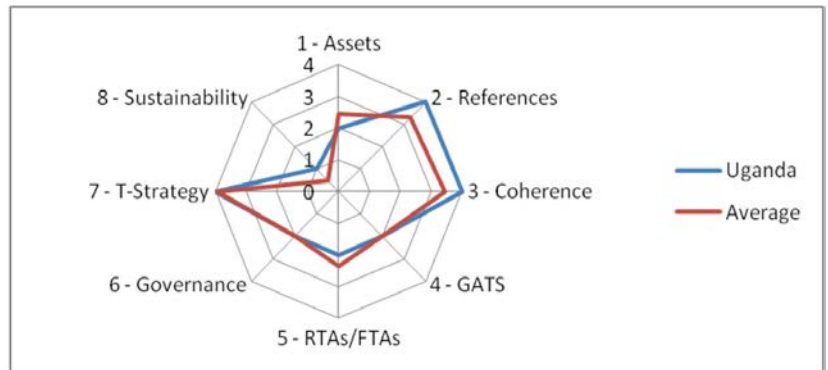
¹¹⁷ See www.sadc.int/index/browse/page/104 p.30.

¹¹⁸ WTO Regional Trade Agreements Database.

13. Republic of Uganda

CSEND Tourism Development Index (TDI): 2.63

	CSEND TDI Rate	Average Rate *
1-Tourism assets	2	2.43
2-References to tourism in DTIS, AM, PRSP and IPR	4	3.29
3-Coherence of trade development support in DTIS, AM, PRSP and IPR	4	3.43
4-Extent of liberalisation of trade in tourism sector	2	2.00
5-Regional Trade arrangements (RTAs, FTAs)	2	2.36
6-Governance mechanisms pertaining tourism development	2	2.00
7-Articulation of Tourism Strategy	4	3.93
8-References to Sustainability of tourism sector in DTIS, AM, PRSP and IPR	1	0.50



Investment Risk Profile:

	The Economist Rate	Average Rate
Overall Risk Assessment by the Economist	2	2.14

*Average based on TDI ranking of all 14 selected LDCs

Summary and Assessment:

Uganda counts several (national and regional) institutional arrangements supporting tourism. At the same time the country benefits from preferential trade with two regional integration processes. These initiatives could foster the development of more diversified tourism clusters and enhance regional competitiveness together with partner countries within these regions.

Both the DTIS and PRSP contain a number of references to tourism in their reports. The DTIS refers to the link with food safety and other areas, sensitizing and training, improving coordination, security, infrastructure and improving the quality of the supply chains that support tourism. It is highlighted that there is a need to strengthen the capacity of various actors in the tourism supply chain to enhance the level of food hygiene and safety in the hospitality industry. Improved food hygiene and safety will not only benefit the tourists per se but also improve the general health conditions of the population, especially the vulnerable segments of the population like children, senior citizens and hospital patients.

Action Matrix focuses on some (not all) of the key areas identified by the DTIS. These interventions include: the need for assessment and data collection, training and promotion for awareness of the tourist industry.

The PRSP refers mainly to eco-tourism, tourism information and awareness, infrastructure challenges, training human resources, tourism promotion, development of the cultural heritage, linkages

to wildlife, security enhancement and product diversification. It also highlights specifically the need to strengthen collaboration with key sectors notably tourism, agriculture, water supply and fisheries sub-sectors through harmonisation of relevant sectoral policies.

Uganda's Investment Policy Review refers to tourism as: a sector where the privatisation programme provided impetus to FDI in Uganda; a potential initiative, to attract FDI to second-tier airport operations in the context of an integrated tourism development; requiring a well-coordinated and orchestrated promotional and public relations effort with full cooperation from the private sector; and suffering a severe deterrent arising from the hidden costs of poor infrastructure and unreliable utility services, where only particular subsectors like special-interest tourism generally felt that access to natural resources outweighed such disadvantages.

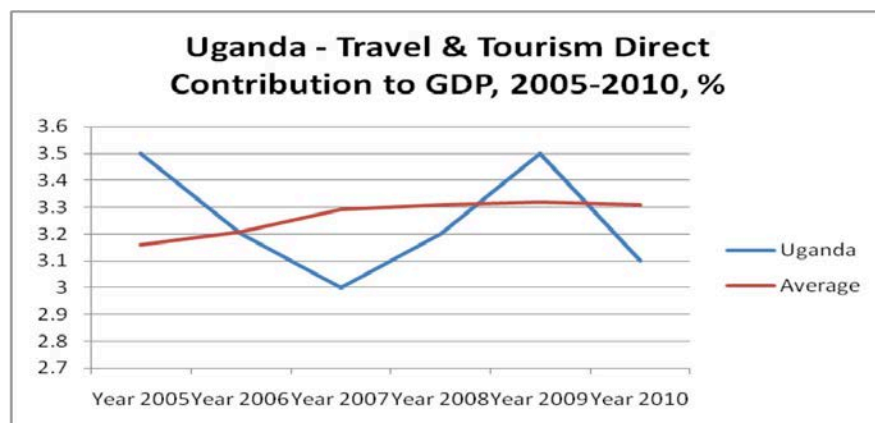
Uganda's GATS specific commitments state that foreign suppliers of "Hotels and Restaurants" and "Travel Agencies/Tour Operators" are completely free to offer their services in the country (mode 1) and to offer such services to Ugandans who travel to foreign countries (mode 2). However, there are certain limitations for the commercial presence of foreign firms in Uganda, and in the presence of natural persons from other countries (modes 3 and 4).

Country Polycscape

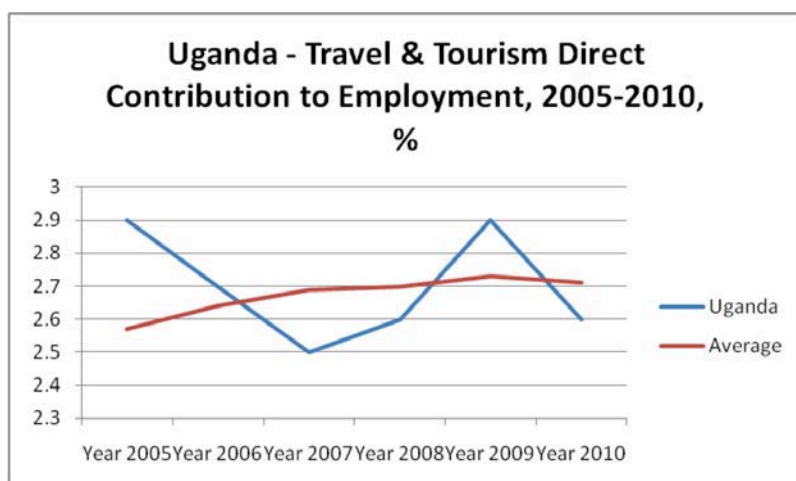
Tourism Statistics:

Population (2009, thousands)	GDP (2009, million US dollars)	Travel & tourism direct industry GDP, 2010		Travel & tourism economy GDP, 2010		International visitor arrivals, 2010	Travel & tourism direct contribution to employment, 2010		Travel & tourism total contribution to employment, 2010	
		US\$ bn	% share	US\$ bn	% share		'000	'000	% share	'000
32.710	15.736	0.663	3.5	1.39	7.4	705.4	171.3	2.6	428.5	6.5

Source: World Bank Database (<http://siteresources.worldbank.org/DATASTATISTICS/Resources/GDP.pdf> and <http://siteresources.worldbank.org/DATASTATISTICS/Resources/POP.pdf>) and World Travel and Tourism Council Database (www.wttc.org/eng/Tourism_Research/Economic_Data_Search_Tool/index.php).



Source: Based on data from the World Travel and Tourism Council Database.



Source: Based on data from the World Travel and Tourism Council Database.

Assets identified in the public domain to offer different tourism products:¹¹⁹

National parks, mountains and reserves (Queen Elizabeth; Bwindi Impenetrable; Rwenzori Mountains; Mgahinga; Virungas; Kidepo; Tororo rocks; Nyero rock paintings; The Elgon Mountain; Mt. Moroto); lakes and falls (Murchison Falls; Bujagali falls; Ssezibwa falls; Lake Mburo); river Nile.

Main tourism activities offered: bird-watching, game viewing, kayaking, mountain biking, safari, water rafting, hiking, bungee jumping, wildlife; art and crafts-monuments-cultural tourism.

DTIS:¹²⁰

The report has a chapter on tourism. Uganda has a wide range of tourism assets that have been exploited to varying degrees:

- 10 national parks, ranging from an African savannah park such as Queen Elizabeth to the underexploited snow-capped Ruwenzori Mountains which offer year-round hiking and mountaineering comparable to Mount Kenya and Mount Kilimanjaro.
- The “Source of the Nile” in Jinja (the second most important city in Uganda) which has become a hub for adventure.

Concerning the link between tourism and managing food safety risks, **there is a need to strengthen the capacity of various stakeholders to enhance the level of food hygiene and safety in the hospitality industry.** The Ministry of Tourism, Trade, and Industry, the Consumer Education Trust and other parties, should consider developing a draft proposal seeking technical assistance to carry out a public-private partnership that would involve:

- Conducting a comprehensive baseline survey and needs assessment on food safety in tourism;
- Developing and disseminating food safety user manuals for hotels, restaurants, and regulators;
- Enhancing the capacity of district authorities to conduct food safety and hygiene inspections;
- Sensitizing and training hotel and restaurant operators on the importance of food safety; and

¹¹⁹ Uganda Tourist Board (www.visituganda.com/).

¹²⁰ Uganda’s Diagnostic Trade Integration Study (“DTIS”), June 2006. Available at: www.enhancedif.org/EN%20web%20pages/Where%20we%20work/Uganda.htm.

- Conducting training for regulators and other experts in this field and developing monitoring and evaluation tools for use by regulators.

Some of the key areas to consider when seeking to better exploit Uganda's tourism assets for generating employment, income and growth are:

- Personal security;
- Stronger government commitment;
- Product and market development;
- Increasing the low level of demand (regionally and internationally) for leisure tourism; and
- Capacity building for tourism services suppliers that have skill deficiencies in a number of areas.

Regarding supporting supplies for the tourism sector, the Uganda local market is reasonably well supplied with fruit and vegetables. A recent study of the domestic fresh fruit and vegetable market noted "smallholder farmers have almost all of the market, even in the recently opened foreign-owned supermarkets." Only very small quantities of fresh fruit and vegetables are imported.

However, Uganda's climate makes it difficult to grow good quality apples, oranges, pears and, at certain times of the year, mangoes. Garlic and asparagus could be produced locally. An increase in the number of tourists coming to Uganda would help raise the demand for locally grown fruit and vegetables.

The chapter on tourism analyses the sector focusing on Uganda's assets including: infrastructure, tourism services and its institutional framework. Other overarching issues for Uganda's tourism sector are:

- Coordination of Government of Uganda's planning, implementation, policy development, and institutions related to the tourism sector;
- The need for further product and infrastructure development;
- Low levels of generated demand for leisure tourism to Uganda;
- Weak skills among suppliers in the tourism sector;
- The first two issues are prerequisites for scaling up tourism in Uganda, while the third and fourth are ongoing weaknesses in the tourism supply chain that limit current demand.

The recommendations in the chapter are the following:

- Improve security;
- Define and implement a product development strategy;
- Policy changes for private tourism development; and
- Increase awareness and demand for Ugandan tourism products;

Action Matrix:¹²¹

There is a subsection on tourism that proposes the following actions:

- Conduct a comprehensive baseline survey and needs assessment on food safety in hotels and restaurants;
- Evaluate and apply quick and inexpensive screening tests for aflatoxin that can be used at collection centres and storage warehouses;

¹²¹ Uganda's Action Matrix, Diagnostic Trade Integration Study ("DTIS"), June 2006. Available at: www.enhancedif.org/EN%20web%20pages/Where%20we%20work/Uganda.htm.

- Intensify efforts to improve post-harvest drying/management of maize through training + investments in suitable facilities; and
- Promote awareness and application of HACCP (Hazard Analysis and Critical Control Points) through broad based programs in the food and manufacturing sector generally or in designated pilot sectors.

PRSP:¹²²

The report has a subsection on tourism. Uganda's current tourist products are nature-based and centred on distinct geographic areas. Several of these are linked to national parks, wildlife reserves, forests reserves or specific attractions, and activities such as white water rafting at the source of the Nile in Jinja.

In order to promote eco-tourism, there is a need to:

- Scale-up the profile of forest development within the Tourism Sector Development Strategy;
- Invest in and promote eco tourism (forest tourism); and
- **Strengthen collaboration with key sectors notably tourism, agriculture, water supply and fisheries sub-sectors through harmonisation of relevant sectoral policies.**

The subsection on tourism provides an analysis of the sector by presenting statistics and referring to eco-tourism, cultural heritage, face-based tourism, community and development tourism, and meetings, incentives, conferences and events. The main constraints to the performance of the tourism sector identified are the following:

- Inadequate public and private institutional capacity to initiate meaningful tourism development;
- Inadequate policy frameworks to conserve Uganda's cultural heritage which is presently threatened to extinction;
- Limited funding: tourism promotion is costly yet the sector experiences serious shortages in resource allocation to effectively compete with other tourist destinations;
- Lack of adequate skilled human resources;
- Negative perception about Uganda's image due to past insecurity;
- Inadequate physical infrastructure support;
- Inadequate research and development of the tangible and intangible heritage;
- Narrow product diversity; and
- Inadequate research on emerging trends, markets and consumer surveys as well as regular statistical information.

The following strategies are contemplated:

- Operationalise the Tourism Development Levy and Fund;
- Develop marketing tools packaging Uganda as the preferred tourism destination;
- Develop Meetings, Incentives, Conferences and Events (MICE) strategy;
- Strengthen the tourism and wildlife information system, including developing the Tourism Satellite Account (TSA);
- Secure international and domestic source markets for tourism;
- Diversify tourism products;

¹²² Uganda's Poverty Reduction Strategy Paper ("PRSP"), May 2010. Available at: www.imf.org/external/pubs/ft/scr/2010/cr10141.pdf.

- Regulate tourism products development;
- Support development of tourism enterprises;
- Develop tourism human resource;
- Develop tourism support infrastructure;
- Undertake research to support the development of tourism, wildlife resources and cultural heritage;
- Develop a public-private partnership (PPP) framework for the management of tourism, wildlife and cultural heritage attractions;
- Improve human-wildlife relationships;
- Effective participation in international decision making; and
- Enhance security and safety for tourists and tourism resources.

Investment Policy Review (UNCTAD):¹²³

The report contains references to the tourism sector. The following issues are addressed:

- The privatisation programme started in November 1992 and has provided impetus to FDI in Uganda. The projects earmarked were mainly in agri-business, manufacturing, tourism (e.g. hotels) and trade sectors.
- A potential initiative, but a longer-term one, would be to attract FDI to second-tier airport operations in the context of an integrated tourism development, possibly in conjunction with private management of wildlife areas.
- During these two years, all aspects of Uganda, e.g. manufacturing, tourism, agriculture, etc., should be the subject of a well-coordinated and orchestrated promotional and public relations effort with full cooperation from the private sector.
- One severe deterrent at present arises from the hidden costs of poor infrastructures and unreliable utility services, which were described as more than offsetting the savings realised from low labour costs. Only in particular subsectors like special-interest tourism was it generally felt that access to natural resources outweighed such disadvantages.

GATS / Specific Commitments: Sector 09.Tourism and Travel Related Services

The “Hotels and Restaurants” and “Travel Agencies/Tour Operators” services are liberalised in modes 1 and 2, while there are limitations for both in modes 3 and 4.

- Foreign suppliers of “Hotels and Restaurants” and “Travel Agencies/Tour Operators” are completely free to offer their services in Uganda (mode 1).
- Foreign suppliers of “Hotels and Restaurants” and “Travel Agencies/Tour Operators” are also free to offer such services to Ugandans who travel to foreign countries (mode 2).

However, there are limitations for foreign suppliers in other modes of supply:

- Foreign suppliers of “Hotels and Restaurants” and “Travel Agencies/Tour Operators” establishing a "commercial presence" when the service is supplied by setting up a business or professional establishment, such as a subsidiary corporation or a branch or representative office (mode 3)

¹²³ Uganda’s Investment Policy Review (UNCTAD), 2000, Available at: www.unctad.org/en/docs/iteiipmisc17_en.pdf.

face some limitations in market access: “Government approval is required in accordance with the Investment Code and the regulations within it.”

- The presence of natural persons (mode 4) of “Hotels and Restaurants” and “Travel Agencies/Tour Operators” is “unbound”. Therefore Uganda retains regulatory freedom under this heading, except “for technical personnel except where Ugandans are or become available. Entry and temporary stay of foreign service suppliers subject to compliance with laws, regulations and guidelines in force in Uganda.”

For a more detailed analysis of the specific sector commitments please refer to Annex 3.

Sector Commitments in “Tourism and Travel Related Services” and “Recreational and Sporting activities”

GATS Sectors and Sub-Sectors	MA	NT	GATS Sectors and Sub-Sectors	MA	NT
9. TOURISM AND TRAVEL RELATED SERVICES			10. RECREATIONAL, CULTURAL AND SPORTING SERVICES		
A. Hotels and restaurants (incl. catering) (CPC 641-643)	X	X	A. Entertainment services (including theatre, live bands and circus services) (CPC 9619)		
B. Travel agencies and tour operators services (CPC 7471)	X	X	B. News agency services (CPC 962)		
C. Tourist guides services (CPC 7472)			C. Libraries, archives, museums and other cultural services (CPC 963)		
D. Other			D. Sporting and other recreational services (CPC 964)		
			E. Other		

Source: WTO Services Database (<http://tsdb.wto.org/default.aspx>).

Institutional arrangements supporting tourism:

Ministry of Tourism, Trade, and Industry: www.mtti.go.ug/utb.php

Uganda Tourist Board: www.visituganda.com/

Uganda Wildlife Authority: www.ugandawildlife.org/

Uganda Wildlife Education Centre www.uweczoo.org

Tourism Associations:

Uganda Hotel Owners Association: www.ugandahotels.co.ug/cgi-sys/suspendedpage.cgi

Uganda Community Tourism Association: www.ucota.or.ug/

Association of Uganda Tour Operators: www.auto.or.ug/

Uganda Tourism Association: www.ugandatourismassociation.org/

Country Strategy:

Uganda Sustainable Tourism Development Programme 2003 - 2007 (supported by the European Development fund-EDF): www.mtti.go.ug/ustdp.php/

Five-year Tourism Strategy 2006 (with the support of USAID-funded SCOPE project) – no link available

Regional Strategy:

- Within COMESA:

Tourism is part of the Investment Development Integration Agenda: <http://about.comesa.int/lang-en/overview/comesa-strategy>.

- *Within EAC:*¹²⁴

EAC Strategic Development Strategy (2006-2010) – no link available

RTAs/FTAs:¹²⁵

Common Market for Eastern and Southern Africa (COMESA)
East African Community (EAC)



Regional Initiatives:

EAC Tourism Statistics (www.statistics.eac.int).

African Travel Association www.africa-ata.org

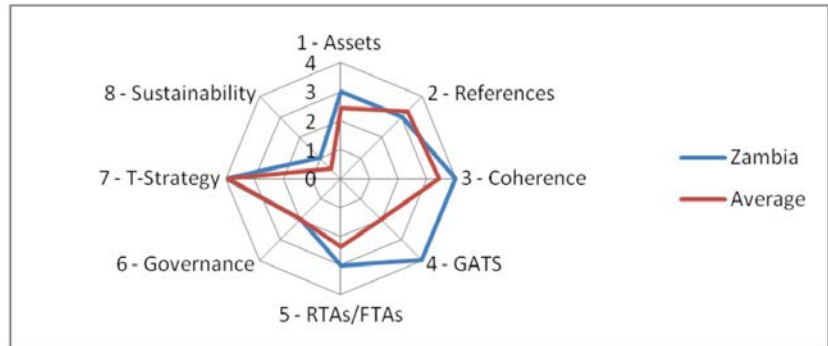
¹²⁴ The Treaty for the establishment of the EAC requires Partner States to undertake and to develop a regional strategy for tourism promotion, with the stated Development Objective of “Maximized benefits from sustainable tourism and wildlife resources.”

¹²⁵ WTO Regional Trade Agreements Database.

14. Republic of Zambia

CSEND Tourism Development Index (TDI): 3.00

	CSEND TDI Rate	Average Rate *
1-Tourism assets	3	2.43
2-References to tourism in DTIS, AM, PRSP and IPR	3	3.29
3-Coherence of trade development support in DTIS, AM, PRSP and IPR	4	3.43
4-Extent of liberalisation of trade in tourism sector	4	2.00
5-Regional Trade arrangements (RTAs, FTAs)	3	2.36
6-Governance mechanisms pertaining tourism development	2	2.00
7-Articulation of Tourism Strategy	4	3.93
8-References to Sustainability of tourism sector in DTIS, AM, PRSP and IPR	1	0.50



Investment Risk Profile:

	The Economist Rate	Average Rate
Overall Risk Assessment by the Economist	2	2.14

* Average based on TDI ranking of all 14 selected LDCs.

Summary and Assessment:

Zambia relies on the Tourist Board as a consultation mechanism but there is no coordination mechanism between the government agencies responsible for implementation. The Hotel and Tourism Training Institute is an asset to improving the quality of personnel and to increasing the quality of the tourism services provided. Based on the information available online, organisation within the tourism industry is uncommon.

The country benefits from preferential trade with two regional integration processes in East and South Africa and a south-south initiative. These initiatives could foster tourism from these regions.

The DTIS focuses on awareness within the population, improving infrastructure, eco-tourism, investment, improvement of accommodation, best practices for standards in tourism, among other issues. It is also highlighted the absence of coordination between the government agencies responsible for implementation. In contrast, the Action Matrix does not contain any reference to tourism.

The PRSP is in line with the content of the DTIS: it refers to transport and infrastructure improvement, marketing and tourism promotion, product diversification, local communities' involvement, inadequate environmental management, and training facilities. PRSP also highlights the need to devise strategies to revitalize the tourism sector.

Zambia's Investment Policy Review refers to tourism as: the second largest sectoral recipient of FDI in the services sector; encompassing underutilized rural resources, including unspoiled wilderness areas for tourism; related the ability of FDI to transfer skills and knowledge in the horticulture and tourism sectors; a key instrument for raising export revenues; suffering from the large number of licenses that investors are required to obtain; basis of significant potential economic growth; and challenged by the fact that major tourist attractions are in rural areas lacking adequate infrastructure.

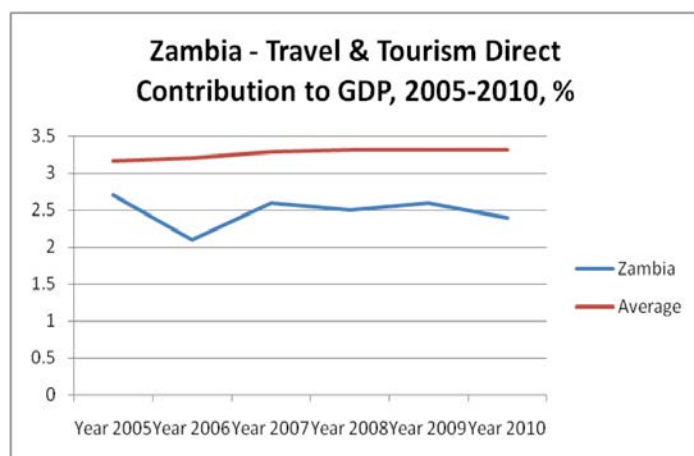
Zambia's GATS specific commitments state that foreign suppliers of Tourism and Travel Related Services face no limitations on: offering their services in the country (mode 1); offering such services to Zambians who travel to foreign countries (mode 2); and establishing a "commercial presence" in which the service is supplied by setting up a business or professional establishment (mode 3). However, there are certain limitations in the presence of natural persons (mode 4) because this mode of supply is "unbound" (except as indicated in the horizontal section) and therefore Zambia retains regulatory freedom under this heading.

Country Polycscape

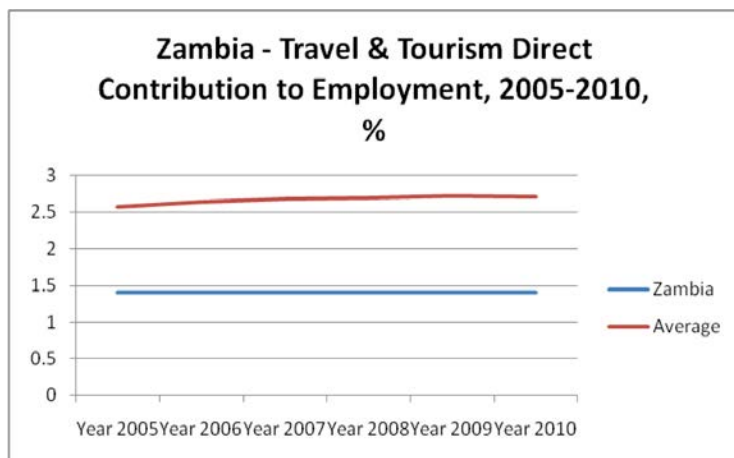
Tourism Statistics:

Population (2009, thousands)	GDP (2009, million US dollars)	Travel & tourism direct industry GDP, 2010		Travel & tourism economy GDP, 2010		International visitor arrivals, 2010	Travel & tourism direct contribution to employment, 2010		Travel & tourism total contribution to employment, 2010	
		US\$ bn	% share	US\$ bn	% share		'000	'000	% share	'000
12.935	12.748	0.202	1.2	0.657	3.9	943.4	21.6	1.4	59.7	3.8

Source: World Bank Database (<http://siteresources.worldbank.org/DATASTATISTICS/Resources/GDP.pdf> and <http://siteresources.worldbank.org/DATASTATISTICS/Resources/POP.pdf>) and World Travel and Tourism Council Database (www.wttc.org/eng/Tourism_Research/Economic_Data_Search_Tool/index.php).



Source: Based on data from the World Travel and Tourism Council Database.



Source: Based on data from the World Travel and Tourism Council Database.

Assets identified in the public domain to offer different tourism products:¹²⁶

Falls, rivers and lakes (Victoria Falls, Zambezi River, Kariba, Bangweulu, Mweru and Tanganyika Lakes); game reserves and parks (North and South Luangwa, Kafue, Lower Zambezi, Sumbu, Lochinvar, Nyika, Sioma Ngwezi, Kasanka, Bangweulu Plains, Mosi-o-Tunya, Luambe, Blue Lagoon); wildlife and birdlife; and cities and towns (Shiwa Ngandu, Lusaka, Livingstone Memorial, Chimp Sanctuary).

Main tourism activities offered: cultural and eco-tourism, adventure/sports, safari, bird watching, canoeing safaris, river rafting, rafting, kayaking, canoeing trails, 4x4 routes, house boating, horseback trails, scuba diving, bungee jumping and fishing. (Zambia Tourist Board and DTIS)

DTIS:¹²⁷

The report has a subsection on tourism. The sector holds significant export earning potential for Zambia. Its location on a high plateau and consequent temperate climate within the southern Africa region poise the country favourably for year-round tourism.

Zambia is a politically stable country that is home to over 70 different ethnic groups. It is a safe travel destination that is endowed with a variety of tourist attractions including Victoria Falls; the Lower Zambezi (with numerous water sporting options); cultural tourism (local ethnic customs, song, dance, art and handicrafts, museums); and eco-tourism (experiencing game and lodging in a natural setting). Zambia's tourism market primarily caters to European, regional and domestic travellers.

There is an absence of coordination between the various government agencies responsible for implementation. This absence has constrained growth of this sector.

Further development of the tourism sector requires additional physical infrastructure and an improved business/investment climate. There is also the need to raise awareness within the domestic population about the benefits of tourism. Zambia will also need to counter negative perceptions of potential tourists relating to health and security perceptions. It should also be recognised that increasing the number of tourists will lead to a growing number of flights causing greater carbon footprint.

¹²⁶ Zambia Tourist Board: www.zambiatourism.com.

¹²⁷ Zambia's Diagnostic Trade Integration Study ("DTIS") and Action Matrix, October 2005. Available at: www.enhancedif.org/EN%20web%20pages/Where%20we%20work/Zambia.htm.

There is also a general need to remove administrative barriers to business entry and operation, and to facilitate development of high-growth sectors:

- Rationalise and consolidate licenses required to operationalise tourism enterprises;
- Publicise the Tourism Policy, advance development of the Tourism Master Plan; and
- Enact the Tourism Hospitality Bill and ZNTB Bill.

The main policy recommendations focus on the following:

- Providing infrastructure (roads, electrification, telecommunications, solid waste management and public transportation);
- Improving the private investment climate (providing financial credit at lower cost, making land acquisition process more flexible and fluid);
- Attracting foreign investment into the tourism sector (foreign companies have marketing links, experience, technology, etc.) by simultaneously promoting the unique attractions of the country and reassuring foreign developers of the stable and rewarding features of doing business in Zambia;
- Encouraging more private investment in constructing tourist accommodations, including mid-range priced hotels to cater to a broader range of touristic clientele;
- Complementing accommodations with shopping complexes, restaurants, recreation centres;
- Making medical care available proximate to major tourist attractions;
- Conducting inspections ensuring that best practices are used and international standards are adhered to (ISO 9000); and
- Supporting the Zambia National Tourist Board (ZNTB) with increased funding so that it can use more sophisticated technologies in expanding its promotion programs.

Action Matrix:¹²⁸

There are no direct references to tourism for investment.

PRSP:¹²⁹

The report has a subsection on tourism. Tourism is a growing industry in Zambia whose growth and prosperity will depend on how accessible tourist resorts are to leisure seekers.

The major tourist attractions include Victoria Falls, wildlife and bird viewing in Musi-O-Tunya, Kafue and Lochinvar National Park as well as Kariba Dam in Siavonga. North-Western province has abundant tourism potential and investment facilities such as lodges and campsites. These facilities would make the place ideal for visits by both local and foreign tourists. The tourism industry offers opportunities for investment in the province.

Poor tourism infrastructure such as poor access roads to and within national parks continues to be a major challenge in the tourism sector. The tourism sector in the province has recorded an increase in arrivals, bed capacity, employment and income.

¹²⁸ Zambia's Action Matrix, Diagnostic Trade Integration Study ("DTIS"), October 2005. Available at: www.enhancedif.org/EN%20web%20pages/Where%20we%20work/Zambia.htm.

¹²⁹ Zambia's Poverty Reduction Strategy Paper ("PRSP"), August 2007. Available at: www.imf.org/external/pubs/ft/scr/2007/cr07276.pdf.

Transport also provides mobility and improves the quality of life for communities by providing access to education and health amenities and expanding options for work. The existence of museums has contributed to diversification of cultural products. The revival of traditional ceremonies in many parts of Zambia will further improve cultural tourism product diversification. **There is therefore, need to devise strategies to revitalize the sector.**

The tourism sector has continued to face a number of challenges over the years:

- Tourism infrastructure is largely underdeveloped;
- Suffers from a limited product base;
- Inadequate marketing of Zambia as a tourist destination;
- Inadequate resources for the industry's long-term development;
- Lack of interest and limited participation among local communities;
- Inadequate environmental management;
- A dearth of well trained human resource in the tourism sector due to inadequate resources and training facilities; and
- Zambia is generally perceived as a high cost destination. The high costs are attributed to various factors, such as limited international carriers and domestic flight connections; limited hotel accommodation; and inadequate dependable health facilities.

The role of the Government shall continue to be that of:

- Facilitating tourism development;
- Formulating and implementing tourism-related policies;
- Enacting legislation to consolidate legislative developments;
- Eliminating conflicts or overlaps within and outside the sector;
- Promoting sustainable tourism development; and
- Introducing appropriate administrative structures necessary for the implementation of the policies.

Investment Policy Review (UNCTAD):¹³⁰

The report contains a short subsection referred to the tourism sector. The following issues are addressed:

- The second largest sector for FDI is the services sector, more specifically banking, communications and tourism.
- The tourism industry has attracted an increasing number of foreign investors in recent years, especially in the development of game parks and in sites around the Victoria Falls area. Foreign investors are also present in the country's three big international hotel chains, namely, the Intercontinental, Taj Group of hotels and Holiday Inn, which were acquired through privatisation.
- Zambia has also underutilised rural resources, including unspoiled wilderness areas for tourism, which, if properly exploited, could help attract considerable FDI.
- FDI's strongest impact has been in transferring skills and knowledge in the horticulture and tourism sectors. Greenfield FDI has provided employment opportunities in industries like tourism, horticulture, and the growing of sugar, coffee and tobacco.
- Export revenues from tourism have been rising sharply: key to this has been the rapid expansion of facilities such as lodges, guesthouses and camping sites, including the opening of two luxury

¹³⁰ Zambia's Investment Policy Review (UNCTAD), 2006, Available at: www.unctad.org/en/docs/iteipc200614_en.pdf.

hotels in the region of Victoria Falls, the rehabilitation of Livingstone airport and the opening of the Tourism Development Credit Facility in 2004.

- Investors indicate that for certain sectors, such as tourism, a large number of licenses do need to be obtained. These involve a number of different authorities for the same business proposal.
- There has been some diversification of Zambia's economy, which, in particular, reduced its dependence on copper. This has happened owing to both the expansion of non-copper activities (notably agriculture, manufacturing and services such as trading and tourism).
- Zambia's comparative advantage and access to markets may not be enough to attract export-oriented FDI, especially in manufacturing and services such as tourism, where the competition among countries is particularly intense. FDI can help.
- Tourism still represents a major potential growth industry for Zambia, despite its recent rapid growth.
- Zambia's image as a tourist destination is far from fully tapped. Zambia's attractiveness lies in its diversity, which includes: an accessible wildlife; a varied and impressive scenery; unspoilt wilderness areas; abundant water resources; a rich cultural and natural heritage sites; sunny and hot climate.
- The country has potential to develop special interests activities such as white-water rafting, hiking and fishing. These are upscale tourism activities, often generating high returns per tourist.
- Major tourist attractions are in rural areas, lacking adequate access roads, electricity, telecommunication facilities and airline connections to main tourism markets. If these constraints are eased or removed, it is estimated that the growth potential for Zambia's tourism industry could double its recent direct and indirect contributions to domestic value-added and employment.
- Air transport is vital for several non-traditional exports, notably horticulture, floriculture and tourism.
- FDI potential extends also to services – notably tourism, financial and infrastructure services – agriculture (including agro-processing) and manufacturing, including copper products.

GATS / Specific Commitments: Sector 09.Tourism and Travel Related Services

Tourism and Travel Related Services are liberalised, with no limitations in modes 1, 2 and 3 (cross-border supply; consumption abroad; commercial presence). Hence, foreign services suppliers in this sector face no limitations on:

- Offering their services in Zambia without being present within its territory (mode 1);
- Offering their services to Zambia citizens who travel to foreign countries (mode 2); and
- Establishing a "commercial presence" in which the service is supplied by setting up a business or professional establishment, such as a subsidiary corporation or a branch or representative office (mode 3).

In contrast, mode 4 (presence of natural persons) is "unbound" except as indicated in the horizontal section and therefore Zambia retains regulatory freedom under this heading.

Zambia's horizontal commitments establish that the presence of natural persons (mode 4) is unbound except "for measures concerning the entry and temporary stay of natural persons employed in management and expert jobs for the implementation of foreign investment. The employment of such persons shall be agreed upon by the contracting parties and approved by the Ministry of Home Affairs. Enterprises must also provide for training in higher skills for Zambians to enable them to assume specialised roles."

For a more detailed analysis of the specific sector commitments please refer to Annex 3.

Sector Commitments in “Tourism and Travel Related Services” and “Recreational and Sporting activities”

GATS Sectors and Sub-Sectors	MA	NT	GATS Sectors and Sub-Sectors	MA	NT
9. TOURISM AND TRAVEL RELATED SERVICES			10. RECREATIONAL, CULTURAL AND SPORTING SERVICES		
A. Hotels and restaurants (incl. catering) (CPC 641-643)	X	X	A. Entertainment services (including theatre, live bands and circus services) (CPC 9619)		
B. Travel agencies and tour operators services (CPC 7471)	X	X	B. News agency services (CPC 962)		
C. Tourist guides services (CPC 7472)	X	X	C. Libraries, archives, museums and other cultural services (CPC 963)		
D. Other	X	X	D. Sporting and other recreational services (CPC 964)		
			E. Other		

Source: WTO Services Database (<http://tsdb.wto.org/default.aspx>).

Institutional arrangements supporting tourism:

Ministry of Tourism, Environment and Natural Resources: www.mtenr.gov.zm/

Zambia Tourist Board: www.zambiatourism.com/

Hotel and Tourism Training Institute – no link available

Tourism Associations:

Livingstone Tourism Association: www.livingstonetourism.com/

Country strategy:

Southern African Regional Poverty Network (SARPN):

www.sarpn.org.za/CountryPovertyPapers/Zambia/Strategy/chapter7.pdf

Building the Tourism mega-cluster: What works and what doesn't. Tourism Clustering: The Zambian Experience (Ministry of Tourism and Natural Resources and International Trade Centre): www.intracen.org/wedf/ef2005/tourism_mega_cluster_papers/zambia_Paper.pdf

National Climate Change Response Strategy 2010 (Ministry of Tourism and Natural Resources) www.nccrs-zambia.com/docs/Zambia%20Final%20NCCR%20Strategy.pdf (includes a subsection on Tourism)

Zambia Economic and Poverty Impact of Nature-based Tourism (World Bank): www.aec.msu.edu/fs2/zambia/resources/433730ESW0P09610Box334066B01PUBLIC1.pdf

Regional Strategy:

- *Within COMESA:*

Tourism is part of the Investment Development Integration Agenda: <http://about.comesa.int/lang-en/overview/comesa-strategy>.

- *Within SADC:*

SADC has established a Protocol on Tourism (www.sadc.int/index/browse/page/160#3). Tourism is also listed under the SADC Regional Indicative Strategic Development Plan.¹³¹

¹³¹ See www.sadc.int/index/browse/page/104 p.30.

RTAs/FTAs:¹³²

Common Market for Eastern and Southern Africa (COMESA)
Global System of Trade Preferences among Developing Countries (GSTP)
Southern African Development Community (SADC)



Regional Initiatives within SADC:

Regional Tourism Organization for Southern Africa (RETOSA): www.retosa.co.za/home

Transfrontier Conservation Area (TFCA): www.boundlessinvest.com

Community Based Tourism (CBTs): www.community-tourism-africa.com

The Tourist Visa (UNIVISA): <http://retosa.co.za/sites/retosa.co.za/files/UNIVISA-net-passport.pdf>

¹³² WTO Regional Trade Agreements Database.

Part Three

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WTO Regional Trade Agreements Database: <http://rtais.wto.org/UI/PublicMaintainRTAHome.aspx>

WTO Services Database: <http://tsdb.wto.org/default.aspx>

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Annexes - Specific Source Data

**Annex 1:
References to Tourism in DTIS, Action Matrix, PRSP and IPR**

**A-References to Tourism in DTIS
B-References to Tourism in Action Matrix
C-References to Tourism in PRSP
D-References to Tourism in IPR**

**Annex 2:
GATS Sector Specific Commitments**

**Annex 3:
Sector Commitments in “Tourism and Travel Related Services” according to the
UN CPC Classification**

**Annex 4:
Country Risk Briefing (Economist Intelligence Unit)**

**Annex 5:
UNDP Human Development Index (HDI)**