

## **Annexes- Specific Source Data**

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References to Tourism in DTIS, Action Matrix, PRSP and IPR**

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GATS Sector Specific Commitments**

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Country Risk Briefing (Economist Intelligence Unit)**

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## **Annex 1:**

### **References to Tourism in DTIS, Action Matrix, PRSP and IPR**

#### **A- References to Tourism in DTIS**

## Benin

DTIS (December 2005)
Benin appears to have unrealized potential comparative advantage in various raw and processed tropical agricultural products, tourism, and fishing. Here too, institutional weaknesses appear to underpin the difficulties faced by these fledgling industries. p. xviii
Benin has substantial tourist attractions but little effort has gone into their development. Historic and environmental enhancement and preservation as well as marketing Benin's image in Europe receive very little attention. The government should work with private developers in identifying a tract of land on the coast within easy range of the country's most important cultural assets for hotel development. Tourist development, as for other sectors, requires attention to improving incentives and institutions, e.g., the inability to obtain secure land title. p. xviii
Unlike Hong Kong in the 1950s, Benin is primarily rural with low human capital and potential comparative advantage in tropical agricultural products, fishing, and tourism rather than manufacturing. pp. 3
Technical assistance to entrepreneurs with regard to credit, marketing, quality control, supervision of standard issues, promotion of new agriculture products, shrimps and fishing products, and tourism. Creation of a national capacity building program for entrepreneurs and managers in cooperation with the relevant ministries, e.g., agriculture, tourism, etc. pp. 70
Subsection on Tourism in Chapter 10, pp. 105-107 and some references in Chapter. 12, Section 2. pp. 119.

**Burkina Faso**

<b>DTIS (September 2007)</b>
No references to tourism

**Burundi**

DTIS (November 2003)
No references to tourism

## Ethiopia

DTIS (July 2004)
The supply side issues include Foreign Direct Investment (FDI), legal and regulatory environment, institutions and institutional issues as well as a few key and dominant sub-sectors namely, agriculture, livestock and meat, manufactures and tourism.p.11
Foreigners visiting Ethiopia are allowed to obtain cash advances on their credit cards (subject to a maximum of Birr 500) only from approved hotels. This is one factor that inhibits the growth of tourism.p.19
Yet, many sectors can benefit from FDI including textiles and garments, horticulture, tourism, leather products and light industry. Such investments can allow the country to obtain greater benefits from EBA and AGOA than at present.p.36
Chapter 12: The Tourism Sector, pp.74-78 Vol1
It will however need to discuss issues relating to the GATS agreement with respect some services such a financial services, telecommunications and tourism where there are restrictions on foreign participation. In these fields it can enter into discussions with the working party and agree to the extent and a timetable for bringing these sectors into compliance over a mutually agreed timetable. p.43 Vol2
Many sectors can benefit from FDI including textiles and garments, horticulture, tourism, leather products and light industry. However, some sectors are not open to FDI at present, despite the change in the FDI regime.p.45 Vol2
TABLE 5.4: APPROVED FDI BY SECTOR (1992/93 – 2000/01) - INVESTMENT IN MILLION BIRR In the hotel and tourism sector, only one of the eight approved projects became operational and it cost around five times of the total envisaged investment for all of the eight projects. p.51 Vol2
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.p.76 Vol2
Chapter 12: The Tourism Sector, pp.96-104 Vol2

## Lesotho

DTIS (November 2003)
In addition, 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 (see below).p.xii
Liberalize more than South Africa in key areas (e.g., tourism)p.xviii
Financial and technical assistance needed. It should be linked to commitment to future maintenance as well as take into account Lesotho's potential to attract tourism.p.xx
The I-PRSP identifies export led economic growth as an important objective for Lesotho. The recommendations presented include targeting non-traditional activities, such as tourism as the main engine of growth./ In addition, a key PRSP Technical Working Group is the Sector Working Group on Trade, Industry and Tourism chaired by the Permanent Secretary of the Ministry of Industry, Trade and Finance. p.5
Tourism is frequently identified as an industry that could produce employment opportunities in rural areas. Lesotho appears to enjoy a comparative advantage in sandstone blocks for construction purposes. It presently exports sandstone to Botswana and South Africa, in addition to supplying the domestic market.p.15
Yet, given Lesotho's enormous potential for tourism (UNDP 2000), this is rather a low level. For instance, the share of travel in Namibia's exports of goods and services was 15 percent in 1999. Considering tourism's usually significant contribution to poverty reduction (one mechanism is employment of unskilled labor), it is an important candidate for development.p.20
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).p.24
In addition, the government should make the case for a waiver from a 'double transformation' requirement. The case is strong, as Lesotho is small and its ecosystem is fragile. The development of local supply capacity might lead to huge environmental costs and undermine government's effort to develop eco-tourism as part of its strategy to alleviate poverty.p.30
SADC members also envision closer harmonization of government and economic policies. SADC members established the Regional Tourism Organization for Southern Africa (RETOSA) in 1996, and they drew up a protocol on tourism in 1998, which so 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 to establish a common region-wide visa for international tourists, called 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. Poor regional transportation infrastructure limits the potential for developing a regional tourism industry.pp.46-47
Developing export-oriented service industries is also one way to overcome the natural resource constraints that Lesotho faces. An example is 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.p.51
Recommendation 3: Increase the availability of factory shells. The LNDC in cooperation with other relevant government agencies could identify potential sites for industrial parks. (These would of course be chosen with due considerations for the government's other priorities such as tourism and environmental concerns). Site development would be tied to a committed major investor, or investors.p.71
Ministry of Tourism, Sports and Culture: Ministry still issues business licensing of hotels and lodges.p.72
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. The extent of its negative impact is difficult to measure, yet it seems to be very significant.p.73

## Madagascar

DTIS (August 2003)
Madagascar's economic evolution since the end of the 90s has been marked by the development of several sectors of activity (including fishing, free exporting companies, tourism) which could bring the fulfillment of other existing potentials in their wake, in spite of the halt caused by the 2002 crisis.p.xiv
The EPZ model could inspire new buoyant sectors geared towards exports such as the food-processing industry, the mining sector, or tourism that have the advantage of creating definite outsourcing for sectors whose activity is mainly located in rural zones, thus contributing to a relative opening up of the populations concerned and, effectively, to the reduction of poverty.p.xvi
Tourism as a driving force of development. Tourism can contribute to opening enclosed areas. With a coastal region that is particularly appropriate for seaside activities and a unique wildlife, Madagascar possesses assets that are substantial in terms of the development of tourism. This sector has the possibility of generating activities in regions that have remained inaccessible to industrial development, and could have positive effects on the least-favored segments of the population by creating dynamic links with other sectors, such as crafts and agriculture. However, at this date, tourism does not meet the expectations linked to its potential. Paradoxically, Malagasy tourism is the least developed among the Indian Ocean islands (compared to Mauritius and the Seychelles) and comes up against serious handicaps. The diversification of markets is low (60 percent of the tourists are French), the costs of international and domestic air transport remain very high, and current accommodation structures do not allow for the development of a genuine industry. Other generic factors also contribute to discouraging investors in this sector, such as 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). Finally, the lack of adequate public infrastructure (health and transportation) is another obstacle that puts Madagascar at a disadvantage compared to other destinations.p.xix
Like tourism, the mining sector has been identified in the draft Poverty Reduction Strategy Paper as one of the buoyant sectors for the reduction of poverty.p.xx
This profound desire for the Rule of Law and for good governance is manifested by sectors as a whole: tourism, common law industries, EPZs, the banking sector, etc.p.xxi
In the end, the liberalization of air transport is a precondition to making the profits that can be expected from a tourism sector policy.p.xxii
Promote tourism sector.p.xxvii
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 liberalization). According to the IMF, an increase in revenues and the increased capacity of the tourism industry have spilled over to the construction industry, which has grown at an annual average of more than 10 percent at the end of the 1990s.p.34
The situation in the tourism sector was catastrophic. a decrease in revenues, by as much as 82 percent in tourism and telecommunications;p.39
However, that will take time because the most dynamic sectors in terms of exports that also provide large numbers of jobs (tourism, textiles) cannot expect to reach their 2001 levels until the end of 2003 or even 2004.p.40
COMTRADE statistics indicate that in 2001, Madagascar's exports were dominated by textiles and clothing (39 percent), followed by agricultural and processed foods (29 percent), seafood products (17 percent) and tourism (17 percent).p.43
Footnote 6 By using per capita spending as an initial approximation of salary, it is found that even with unskilled workers in sectors in which per capita spending is high, as in textiles or tourism, the median salaries are well below the poverty threshold.p.51
Table 10 / In urban areas, household heads with jobs in the tourism, textile and service industries have the highest average per capita spending, but their skills vary depending on the sector7.p.53
Its objective is to encourage trade and regional cooperation in all possible areas such as diplomacy, economic and culture matters, and in technical sectors (environment, tourism, health, etc.).p.74
The growth of urban activities and of tourism can absorb surplus agricultural labor.p.79
The seafood industry has developed for the last ten years and may become the second biggest generator of foreign exchange after tourism.p.99
Chapter 5: Tourism Development Plan pp.123-135
Tourism grows at 10 percent per year, transportation at 8 percent and other service activities grow at 6 percent per year.p.159
Tourism growth accelerates to first 15 percent then to 20 percent (compared to a peak of 10 percent in previous scenario), the transportation sector grows at 10 percent (compared to 8 percent) and other services grow at 8 percent (compared to 6 percent in the base scenario).p.160

## Malawi

### DTIS (February 2004)

The MPRS states that the “key source of growth is agriculture, although efforts will be made to diversify, especially through micro, small and medium scale enterprises (MSMEs), into natural resources, manufacturing, tourism and small-scale mining.p.9

Nevertheless, there are also prospects for some diversification into other sectors such as groundnuts and paprika; and also textiles and clothing; and tourism. / Exploitation of tourism faces the constraints of poor transport and communications infrastructure, limited and unreliable power supplies, high levies and taxes and concerns over security and health. A detailed economic analysis of the potential of the Malawi tourist industry is required.p.56

Subsection on Tourism in Chapter 5: Selected Sectoral Issues pp.89-90

## Mali

DTIS (November 2004)
Depending on the sub-sector, varying factors hamper the attainment of Mali's comparative advantage potential (in agriculture and agro-processing, cultural industries, and tourism).p.iv
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; and strengthen OMATHO based on a review of its organization structure and operations so as to rationalize and enhance its efficiency. Support would also include training in tourism development and planning; 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.p.v
(iv) Promote the handicraft and tourism sectors through diplomatic missions abroad; p.xiv
Subsection on Tourism p.xv
These include the sectors of mining (gold, bauxite, phosphates), metallurgy (iron and steel development), chemicals (plastics, chemical fertilizers, insecticides, agricultural inputs), agriculture (sugar), services (tourism, hotels, construction, telecommunications and medical clinics), and cultural industries (music and handicrafts).p.48
Mali's image as a tourism destination, as well as on foreign direct investment, taxation revenues, royalties, and social development and well-being.p.79
Subsection on Tourism pp.82-86

# Nepal

DTIS (October 2003)
The global economic slowdown and disruptions related to the Maoist conflicts have shown the downside risks by the collapse of exports and tourism in FY 2002.p.iii
49. Tourism: With foreign exchange earnings of about \$US167 million in FY 2000 (13% of current account earnings) and a high value-added component, tourism is a key service export for Nepal. The Himalayan landscape, a wide diversity of flora and fauna, and a rich heritage of cultural and religious sites give Nepal inherent advantages. In the 1990s, tourism grew rapidly before being interrupted 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 can restrict air access. 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 the agencies involved in this sector needs improving. 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 levying businesses on a billable, tourist-numbers basis. This funding volatility restricts tourism promotion exactly at the time it is most needed.p.x
EFFICIENCY IN KEY SECTORS -TOURISM p.xvi
Manufacturing and tourism were particularly hard hit by the deteriorating security situation and the global economic slowdown.p.4
Tourism receipts were down by 29% in FY 2002 (after declining 10% a year earlier) due to internal and international security concerns. Despite these adverse developments, the current account surplus continued because of a decline in imports (resulting from a weak economy) and continued high growth of remittances from Nepalese working abroad (estimated at about US\$800 million in 2001–2002), which exceeded merchandise exports. Gross official reserves remained at slightly more than US\$1 billion, covering 6.5 months of imports at the end of 2001–2002. Traditionally, the external debt service ratio has been low—about 5-6% of current receipts—because of the highly concessional nature of external borrowing, but with the decline in exports and tourism receipts, the ratio has increased during the last two years, exceeding 7% in 2001–2002.p.5
The implementation of trade policy inevitably encompasses virtually every government office or agency concerned with the economy—from customs to environmental and consumer regulation, agriculture and industry, and tourism.p.25
Subsection on Tourism pp.101-104
In Nepal, the main sources of household income are agriculture, wages from export manufacturing (including garments and textiles), tourism and services, and remittances.p.108
Simulation exercises have been carried out in this chapter to show how changes in two broad areas, linked to trade, affect poverty: i) the effects of increased growth in the formal sector (manufacturing, textiles and tourism) on employment following the removal of impediments to growth and trade such as improved customs facilities, transport and logistics, labor market rigidities and other transaction costs; and ii) improvements, specifically in transportation infrastructure, which is a major impediment to integration into the world as well as the local markets.p.109

## Rwanda

DTIS (November 2005)
Poor roads are also a significant constraint to the development of the tourism sector.p.xi
However, this report also identifies a number of complementary sector-specific initiatives in the key sectors of coffee, tea and tourism that will be necessary for the targets of the growth strategy to be met.p.xiv
Tourism mentioned in a Table p.xix
• Rapid and extensive training for the tourism sector p.xxi
1.2 The report then moves on to look in detail at the three main traditional export sectors, coffee, tea and tourism, that will lie at the heart of poverty reduction in the immediate term. p.1
On the services side, with improved tourism and travel, exports of services increased to about \$92 million.p.5
3.1 If Rwanda is to achieve the goals of Vision 2020 in terms of economic growth and poverty reduction, then coffee, tea, and tourism will have to play a dominant role. These three sectors have historically been the three pillars of Rwanda's exports. In 2004, coffee and tea comprised 58% of total goods exports, and tourism receipts were equal to 25% of goods exports.p.15
Subsection on Tourism pp.25-27
The financial system is little diversified and relatively shallow as shown by a financial deepening ratio (measured by M2 over GDP) of 15 percent for the period 1995-2003, which compares with an average ratio of 25 percent for Sub-Saharan Africa. Banks' activities are concentrated in Kigali and in a few specific sectors such as trade, tourism, property development and manufacturing (IMF, 2004).p.43
Whilst stimulating the traditional export sectors of coffee, tea and tourism must lie at the heart of the strategy to reduce poverty, such an approach must ultimately be supported by a flourishing of non-traditional agricultural sectors and nonfarm activities to sustain growth and to diversify the economy over the long-term and to reduce reliance on crops whose prices can be subject to substantial fluctuations.p.53
The privatisation strategy has identified 77 state owned companies to be sold. These companies operate in all sectors of the economy, agro-business, banks and financial services, mining, hotels and tourism.p.54
6.48 Adjustment to the power and water supply crises will not be easy nor quick, especially in the face of high oil prices. In the short term, some export industries – tea, textiles, and tourism – will be adversely affected by the required tariff increases, as will industries serving the domestic market – transport, brewery, and public services.p.66
Some argue that African tour operators, airlines, and other tourism service providers are unfairly blocked from reaching potential foreign tourists because firms in industrial countries collude in the operation of computer reservation services and the provision of tour packages.69 p.80
Parallel strategies have been formulated for sectors identified as priorities coffee, tea, tourism and ICT. / 1. Reinforcement of existing export sectors, such as coffee, tea and tourism by boosting production and maximizing quality; p.84
Three such strategies exist for the most important export sectors, coffee, tea and tourism. / The tourism strategy is also fairly specific but only has a tentative budget and investment objectives.p.85
8.1 Whilst coffee, tea and tourism will be the main sources and exports, growth and poverty reduction in the immediate future, the development of new sectors will be crucial to reduce vulnerability to external shocks from changing commodity prices, to sustain growth in the longer-term and to provide the jobs that will be required for rural development with a growing population.p.96
8.43 Expansion of tourism offers new opportunities for horticultural producers. Horticultural produce is considered a luxury by many Rwandans and low incomes constrain demand. 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. Kenya provides an example of where a growing tourist sector boosted the demand for high-quality fruits and vegetables by hotels and restaurants, allowing Kenyans to increase their skills in horticultural production while providing a local outlet for produce. While the 70,000 increase in tourists projected by the Rwanda Tourist Strategy is modest compared to the hundreds of thousand tourists that visit Kenya, the impact on Rwanda's horticulture sector could still be very favorable. At the same time, the cargo space of increased passenger planes provides a mean of transport to key external markets for horticulture exports. However, the tourist industry cannot be the sole means of generating growth in the sector, exploiting overseas market opportunities will be crucial for broad based growth in the sector and avoiding over-reliance on tourism is important given the sensitive nature of the industry, reflecting the fickle nature of tourists, and uncertainty arising from the impact of political, social, and natural events.pp.107-108
A significant amount of the benefits of the Rwanda tourism strategy are projected to go to the handicraft sector, including related tourist souvenirs. However, the handicraft sector is plagued by a low level of capacity and weak organization which leads to problems of consistency of supply in terms of quality, quantity and timeliness.p.112
A thriving handicraft sector will also help to augment the impact of the tourism strategy.p.113

## Sierra Leone

DTIS (October 2006)
There was 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 it is going to take time to bring back both the investors and the 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 suppliers of goods and services. The impact on the rural poor will only be modest. pp. vi
Sections 30 and 31, pp. x
The time frame for this study is the next five to ten years. In this period, Sierra Leone's comparative advantage lies in a number of agricultural, agro-industrial, fishery, mining, and tourism activities. pp. 1
Section 2.25 and Table 2-3, pp. 22
The indirect effects of tourism lie somewhere in between. It is more labor-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 linkages to providers of food, fish, handicrafts, taxis, guides, and other services. There will also be significant revenues for government through tourist visas, hotel room taxes, import duties, profit taxes, and airport landing fees. pp. 26
Forest reserves are an important element in building a tourism industry in Sierra Leone, which is one of the key sectors that have been identified for export development. pp. 28
Chapter 6: TOURISM Tourism and Development. The Potential in Sierra Leone Options Challenges Priorities for Moving Forward Implementation pp. 69-75
It is important to define a strategy for the development of regional airports to enhance national territorial integration; to promote trade and industry; and for tourism development and emergency operations. Hastings Airport could function as a hub for domestic flights. pp. 89

## Tanzania

DTIS (November 2005)
The lack of adequate skills is a serious constraint for several sub-sectors, including horticulture, floriculture, and tourism operators and suppliers. This requires strengthening horticulture research and training, and involvement of the private sector in designing the curriculum of the Vocational Education Training Authority. pp. xii
There are some indications that Tanzania's largest non-traditional 'export', namely tourism, may be vulnerable to the risks associated with poor food hygiene and inadequate monitoring and inspection. For a broad array of traditional and non-traditional export(able) commodities, variable or sub-par quality has resulted in price discounts in international markets. pp. Xx
Tourism section, pp. xxv-xxvii
Exports of goods and non-factor services have played an important role in contributing to the overall growth of the economy since 1990. Two exports items, in particular, have underpinned export performance over the last decade or so: tourism and gold exports (Table 1.3). Tourism receipts rose more than 10-fold between 1990 and 1995, from US\$47m. to around US\$500m., although it has been stagnating since then. Gold exports increased 15 times between 1990 and 2003, from US\$27m. to around US\$400m. In 2003, tourism and gold were the largest and second largest export items, respectively. pp. 4
Tourism and Food Safety section, pp. 101-102
According to analysis of the Tanzanian poverty profile (Chapter 1), compared with food crop producers, households engaged in cash crop production have a 9.5 percent lower chance of poverty, in tourism a 10 percent lower chance, in fish a 3.6 percent lower chance, and in mining about a 1 percent lower chance. pp. 138
Tourism section (iii), pp. 153-158

## Uganda

<b>Concept Paper (for DTIS)</b>	
Tourism is the dominant service export item, rising 8 times between 1992/93 and 2003/04, from US\$24m. in 1992/93 to US\$197m. in 2003/04 (Figure 6). By 2003/04, tourism had surpassed both coffee and fish as the top foreign exchange earner from merchandise and services exports. pp. 9	
Figure 6, pp. 10	
Tourism is already the top foreign-exchange earner among merchandise and services exports in Uganda, although a great deal of tourism potential remains to be exploited. Uganda does not currently export ICT services or transit trade services, but there may be potential to develop these. pp. 23	
<b>DTIS (June 2006)</b>	
Tourism section, Vol. 1 pp. xix-xx	
Service exports are dominated by tourism, which rose 8 times between 1992/93 and 2003/04, from US\$24m. in 1992/93 to US\$197m. in 2003/04 (Figure 1.3). <sup>10</sup> By 2003/04, according to official statistics, tourism had surpassed both coffee and fish as the top foreign exchange earner from merchandise and services exports. Vol. 1 pp. 8	
Figure 1.3, Vol. 1 pp. 9	
Tourism and Managing Food Safety Risks, Vol. 1 pp. 71-77	
Simulations of 20 percent increase in production for coffee, cotton, fish, and tourism indicate that the impact on overall poverty would be largest in the case of coffee (a decline in the poverty incidence of around 0.2 percentage points), quite small in the case of fishing and tourism (a decline in the poverty incidence of around 0.02 and 0.01 percentage points, respectively), and negligible for cotton (Table 8.2). These results reflect the larger numbers of people engaged in coffee than in fishing and tourism. Vol. 1 pp. 119	
Section 8.6, Vol. 1 pp. 134-139	
Supplying the Tourism Sector, Vol. 2 pp. 90	
Chapter. 4, Vol. 2 pp. 96-124	

## Zambia

DTIS (October 2005)
Subsection p60-63
Zambia has the potential to realize much more export diversification with a comparative advantage in natural resource- and labor-intensive activities such as agriculture, agro-processing, tourism, textiles and garments, and light manufacturing. p.x
Tourism, as measured by volume and expenditure, increased at an annual rate of 13 percent and amounted to \$145 m during 1997-02. Following the adoption in 1997 of the tourism sector strategic action plan for 2000-2005, the tourist sector was deemed a priority. An absence of coordination between the various government agencies responsible for implementation has constrained growth. Further development of the tourism sector requires additional physical infrastructure and an improved business/investment climate. Raising awareness about the positive aspects of Zambia will counter negative perceptions based on health and security criteria. Increasing the number of tourists will increase the number of flights, which in turn will benefit those NTE that rely on air cargo.p .xii
4. Remove administrative barriers to business entry and operation, and facilitate development of high-growth sectors: -Rationalize and consolidate licenses required to operationalize tourism enterprises, -Publicize the Tourism Policy, advance development of the Tourism Master Plan -Enact the Tourism Hospitality Bill and ZNTB Bill Table 3.5 Reform priorities in Zambia, p.42-45
Tourism 3 263 5.5 thousand USD support out of Total 59 833 100. Thousand USD from IDA (WB) p.47 Table 3.5
Zambia's tourism market primarily caters to European, regional and domestic travelers. Visitors from the UK, Germany, Sweden and France comprise 25 percent of arrivals in Zambia; Australians and New Zealanders comprise another 20 percent, and North Americans an additional 14 percent. The total number of visitors to Zambia during the past year was approximately half a million. Among these arrivals, 55 percent were business travelers and 32 percent were vacationers. According to the Zambia National Tourist Board (ZNTB), the most popular attractions for vacationers in Zambia, in rank order, are game safaris, hunting/fishing, adventure trips (e.g. rafting, canoeing, bungee jumping), birding, backpacking and over-landing.p.58
Policy recommendations: <ul style="list-style-type: none"> <li>• Providing infrastructure (roads, electrification, telecommunications, solid waste management, public transportation);</li> <li>• Improving the private investment climate (providing financial credit at lower cost, making land acquisition process more flexible and fluid);</li> <li>• 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;</li> <li>• Encouraging more private investment in constructing tourist accommodations, including mid-range priced hotels to cater to a broader range of touristic clientele;</li> <li>• Complementing accommodations with shopping complexes, restaurants, recreation centers; making medical care available proximate to major tourist attractions;</li> <li>• Conducting inspections ensuring that best practices are used and international standards are adhered to (ISO 9000);</li> <li>• Assisting the ZNTB with increased funding so that it can use more sophisticated technologies in expanding its promotion programs.p.60</li> </ul>

## **Annex 1:**

### **References to Tourism in DTIS, Action Matrix, PRSP and IPR**

#### **B-References to Tourism in Action Matrix**

## Benin

Action Matrix
Action 2: Provide technical assistance to farmers in quality control, norms, standards marketing, credit, inputs, promotion of new agricultural products, shrimps, and tourism, p.13
Objective 2. Promoting Export Diversification in Agro-processing, shrimp production and tourism: Action 3: Expand tourism : - Designate a section of the coast for a hotel/resort complex in the Ouidah, Porto Novo, Abome vicinity - Open a competition for a lead developer; - Promote a voodoo and/or music festival. p.14

**Burkina Faso**

Action Matrix
No references to tourism

**Burundi**

Action Matrix
No references to tourism

## Ethiopia

Action Matrix
The DTIS prepared for Ethiopia complements the SDPRP by a) treating trade, private sector and investment issues in a more comprehensive manner, b) showing linkage between trade and poverty reduction, and c) providing specific recommendations on systemic and sectoral issues such as diversification of exports, improved market access, removal of trade constraints, reform of trade support institutions and facilitation, improvement of productivity and outputs in agriculture, livestock and meat, and manufacturing industry, as well as on development of tourism.pp.4-5
The DTIS has identified a number of constraints and issues that affect the performance of the trade sector in Ethiopia. They are related to trade policies, legal and regulatory environment, institutions, trade facilitation as well as economic sectors such as agriculture, manufacturing industry and tourism.p.6
Adequate access to credit facilities for sectors such as agriculture, manufacturing industry and tourism p.7
h) Increasing agricultural productivity and diversifying and enhancing the volume of exports from such sub-sectors as horticulture, livestock and meat, sugar, leather and textiles as well as enhancing the performance of the tourism sector.p.8
<p>XI. Tourism</p> <p>1. a) 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.</p> <p>b) Develop and impose local content requirements.</p> <p>c) Facilitate community involvement and integrate their needs in tourism planning.</p> <p>d) Assist in developing the handicraft sector to produce souvenirs and gift articles and so enhance its participation in the tourism trade. Implementing Agency/Agencies: ETC and RBoTIT</p> <p>2. Improve the tourism market intelligence system; and devise promotional strategy based on target market and improve tourism information available at hotels, airports and tourist attractions. Implementing Agency/Agencies: ETC and RBoTIT</p> <p>3. Encourage investment in training through incentives, and upgrade CTTI as a hotel management school and permit greater number of paying students. Implementing Agency/Agencies: ETC p.17</p>
Template in page 18 mentions tourism
Template in page 29-30 mentions tourism

## Lesotho

Action Matrix
Liberalize more than South Africa in key areas (e.g., tourism)p.xvii
Financial and technical assistance needed. It should be linked to commitment to future maintenance as well as take into account Lesotho's potential to attract tourism.p.xx

**Madagascar**

Action Matrix
Promote Tourism sector p.xxvii

**Malawi**

Action Matrix
No references to Tourism

**Mali**

Action Matrix
Subsection on Tourism p.xv

**Nepal**

Action Matrix
EFFICIENCY IN KEY SECTORS -TOURISM p.xvi

## Rwanda

Action Matrix
Tourism Lack of human capacity constrains investment / Rapid and extensive training for the tourism sector / X workers in tourist industry receive training p.xix

**Sierra Leone**

Action Matrix
Subsection pp. xx, xxi

**Tanzania**

Action Matrix
Subsection pp. xlvii, xlviii, xlix

**Uganda**

Action Matrix
Subsection pp. 2, xxx, xl, xlii, xliii

**Zambia**

Action Matrix
No references

## **Annex 1:**

### **References to Tourism in DTIS, Action Matrix, PRSP and IPR**

#### **C-References to Tourism in PRSP**

## Benin

### PRSP (July 2008)

15 In more general terms, the Government's efforts have focused on the following: i) cotton textiles, ii) food (seed cotton, palm oil, cashew nuts, fruit and vegetables, food products, fishing); iii) commerce and international trade, iv) construction and construction materials; v) tourism, vi) telecommunications and information and communication technologies (ICT). These pre-clusters, apart from financial services, correspond to the sectors deemed the most attractive by investors.p.13

65 The Development and Promotion of Tourism and Handicrafts programmes, have also contributed to: i) improving the institutional and regulatory framework of these sectors ii) the enhancement of tourism sites and the development of crafts. This through: i) the development of tourist sites and their access routes (Calavi loading and unloading dock), ii) the establishment of tourist villages in Savalou and Boukoubé iii) the development of the Bori pool in the Pendjari national park iv) the development of the Tanekas-kokos site and its surroundings; v) the construction of a tourist area along the "Route des Pêches"; vi) the development and promotion of ecotourism in Attodji and Aguégues; vii) the construction of a historical center, viii) the development and restoration of sites at Savi. As far as handicraft is concerned, there are: i) the establishment of chambers of trade, ii) the extension and establishment of the support bases for artisans; iii) a comprehensive census of artisans and home crafts and rehabilitation of the mini zoo and infrastructure of the Centre for the Promotion of Crafts.pp.26-27

205 As part of the building of an emerging Benin, Benin has chosen as a central pillar of its development, logistics, transport and services, and as secondary pillars cotton-textile, agrobusiness - international trade, building construction-building materials, tourism, crafts and culture, ICT. These pillars are also called secondary project clusters. They should be implemented taking into account the potential and specific advantages of different regions.p.68

## Burkina Faso

PRSP (July 2008)
<p>With regard to the culture and tourism sectors, the main activities carried out in 2006 included: (I) strengthening synergy between culture and tourism, (II) valorizing the country's ecological heritage, (III) supporting and supervising the sectors' operators, (iv) setting up an international structure for tourism and promoting tourist companies access to credit, and (v) implementing a tourist development policy. Concerning the activities achieved in 2006 to strengthen synergy between culture and tourism, an inventory of cultural sites with a tourist vocation, including 12 new inventoried sites, was carried out; the Bobo-Dioulasso SNC was organized, while studies about 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.p.28</p>
<p>In terms of support activities, the technical services in charge of tourism provided daily assistance and supervision to the sector's actors, while ONTB helped insuring their participation to international tourism fairs and exhibitions. Moreover, other actions have been carried out, including hotel infrastructures census, developing professional competencies, and sensitizing hotel managers/owners on the regulatory framework. The third edition of the Ouagadougou International Tourism and Hotel Show (SITHO), November 30 to December 3, 2006, included a workshop on tourism financing, part of the activities promoting access to credit for tourism companies. Finally, regarding the implementation of a tourism development policy, the reviving of relationships between Burkina Faso and the World Tourism Organization (WTO) made it possible to prepare a master plan for tourism development. In addition, a WTO regional conference has been organized on November 3, 2006, in Ouagadougou on the topic "tourism and the crafts industry for development", with 173 participants from 23 countries.p.29</p>
<p>In addition, the development of a draft management plan for the Nazinga ranch; the effective launching of the classified Bangr Weogo forest development activities; the creation of two corridors for the passage of elephants between Nazinga and Red Volta River in Ghana, and between Nazinga and the Kaboré Tambi national park (PNKT) for tourism purposes; and the monitoring of the 24 faunal areas given to the private sector, are all part of private sector development initiatives.p.49</p>
<p>The development of the tourist sector will include:            - the development of a master plan for tourism development. The study and the TDR (done by OMT) are available and the partners contribution is requested to finalize the financing estimated at 340 000.000 FCFA; - the implementation of the ST-EP program (Sustainable Tourism - Eliminated Poverty): It is a development program of five (05) tourist sites: Bazoulé, Koumi, Tiébélé, Oursi, and Gani financed by the ST-EP program in order to fight poverty at the local level; - the training/recycling of one hundred (100) tourist guides by ONTB, in order to learn the reception and communication techniques, for an amount of 2 647.500F p.75</p>
<p>the construction of the consular campus: Component 2: HEC, Ecole Supérieure de Commerce, and Component 3: hotel industry, tourism and catering; p.76</p>
<p>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; p.77</p>
<p>The emerging forest and faunal sectors and products include: gum Arabic, cashew nut, oil palm tree, non-woody products, ecotourism (in privately owned areas), breeding of small game, and biofuel.p.83</p>
<p>"Campus consulaire" (commerce, hotel management, tourism, restaurant business, ICT)p.122</p>
<p>Design a policy for tourism development p.126</p>

## Burundi

### PRSP (March 2009)

134. Steps have been taken to streamline indirect taxation and tax exemptions. To this end, the 2008 budget law 2008 incorporates: (i) the introduction of the tax on cable television; (ii) the creation of a hotel and tourism tax; p.36

#### Subsection: Promotion of Tourism and Crafts

182. There was some progress as regards promotion of the craft industry, but it remained insufficient in light of the objectives sought. A few artisanal units such as boilermaking shops, soap factories, bakeries, electric hullers, and motor-driven pumps could be established. In the tourism area, programs to relaunch activities could be carried out, such as those relating to the rehabilitation of the information and sales office. Other efforts involved repairing the pyramid at the source of the Nile and developing a database on tourist sites. The identification of new attractions and tourist products continued with a view to diversification and tapping the national potential and efforts to seek better links with the regional tourism circuits are in progress.p.48

2.1.8 Promote tourism and crafts mentioned in a table in p.113

**Ethiopia**

<b>PRSP (January 2006)</b>
No references to tourism.

## Lesotho

PRSP (April 2006)
i) Promote the optimal use of Lesotho's natural resources in order to add value, especially in agri-business, tourism and mining. P.xiii
h) Promote culture as a means to unify the nation, develop tourism and generate income.p.xviii
Special emphasis will be placed on supporting the development of agri-business, tourism and mining sectors in order to realise their employment potential.p.21
Clearly these ambitious goals cannot be attained through the efforts of any single ministry or organisation. A multi-sectoral effort will be launched involving trade and industry, natural resources, tourism and agriculture.p.25
Subsection "Develop and diversify the tourism product and encourage community-based income generating activities on the tourism sites" pp.33-34
Make optimal use of natural resources by developing agro business, tourism and mining in a manner that is anchored in community participation and private sector development. / Key implementing agencies: Tourism, Environment and Culture p.35
promote culture as a means to unify the nation, develop tourism and generate income.p.80
Subsection 9.3.7 Promote Culture, Develop Tourism and Generate Income pp.83-84
At the same time, Government will outsource awareness campaigns to ensure that adults are sensitised to critical issues regarding natural resource use and maintenance of cleanliness and beauty, which are fundamental if tourism is to take off.p.89
Priorisation: 1.4.2 Develop and diversify the tourism product and encourage community based income generating activities on the tourism sites.p.7 and 9
Priorisation: 1.4.2.5. 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.p.10 and 11

## Madagascar

PRSP (January 2009)
The steady growth noted these last years was mainly driven by private investments that benefit from a conducive business climate and increasingly streamlined procedures (in the area of taxation). The changes in the production structure shows that the tertiary sector has been the lever of economic growth over the last years with a significant contribution of transport, works, telecommunications (NICTs) and Tourism. However, in terms of performance, the secondary sector has made a significant leap, increasing from 3.5% in 2006 to 9.8% in 2007.p.ii
Rehabilitate, as an urgent action, the hotel facilities destroyed by cyclones Fame and Ivan in order to be ready for the next tourist season. / Initiate discussions to reinforce linkages of tourism with other sectors, especially Public Works and Transport, Environment, Telecommunications and Communications p.29
The trends in economic growth has strengthened the restructuring of the economy towards the tertiary sector, with this sector's performance increasing from 7.1% in 2006 to 7.7% in 2007, mainly because of the sub-sectors of transport, telecommunication, and tourism.p.30
Tourism recorded the least dynamic increase in production, followed by insurance and sea transportation. It may be said that the production increases in these tertiary branches testify to the increase in national production.p.30
Subsection on Improved performance of the tourism sector Increase in tourism revenues, number of tourists and direct employments generated / Table 4: Trends in the indicators of tourism p.34
The Tourism Code has been effectively revised in collaboration with the World Bank. / Tourism <ul style="list-style-type: none"> <li>• Rehabilitate, as an urgent action, the hotel facilities destroyed by cyclones Fame and Ivan in order to be ready for the next tourist season.</li> <li>• Initiate discussions to reinforce linkages of tourism with other sectors, especially Public Works and Transport, Environment, Telecommunications and Communications.p.35</li> </ul>
Performance in Tourism Increase in direct employments created and low tourism revenues pp.34-35
Establishment of the Regional Directorates of Environment, Water and Forest, and Tourism (RDEWFT) in the 22 Regions.p.37
National awareness-raising on gender: awareness raising on women's rights and on gender during thematic days such as on Women's day on March 08, Rural Women's day, Population's day, Violence Control day, or open day on tourism; p.40

# Malawi

<b>PRSP (February 2007)</b>
The key medium term outcome for water transport is improved inland shipping network that is active in local and international shipping, trade and tourism in a safe manner while protecting the environment. / The objective of the MGDS is to reduce the number and duration of blackouts, increase access to reliable, affordable electricity in rural areas and other targeted areas, improve coordination and the balance between the needs for energy and those of other high growth sectors such as tourism and mining .p.xvii
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 international 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. p.xix
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 towards sustainable development of biodiversity and the tourism industry in Malawi. p.xxi
The MEGS identified and prioritised key potential sectors that could generate growth in addition to the core agricultural sectors of tobacco, sugar and tea. These included tourism, mining, manufacturing with particular emphasis to agro-processing, cotton, textiles and garments.p.4
Thus, not only does the strategy directly consider environmental sustainability in forestry resources and fisheries, enforcement and education of environmental standards, but also it seeks to identify areas, such as eco-tourism, which have a positive spillover effect on economic sustainability;p.6
An active inland network in local and international shipping that facilitates trade and tourism in a safe manner.p.12
Improve coordination and balance between the needs for energy and the needs of other high growth sectors (such as tourism).p.13
The expected medium term outcome is to ensure an active inland shipping network in local and international shipping, and that trade and tourism are facilitated in a safe manner while protecting the environment.p.22
The objective of the MGDS is to reduce the number and duration of blackouts, increase access to reliable, affordable electricity in rural areas and other targeted areas, improve coordination and the balance between the needs for energy and those of other high growth sectors such as tourism and mining. / Ensuring provision of reliable electrification to key mining, irrigation, business, tourism, and other economic activities.p.23
Increasing the contribution of tourism to GDP from 1.8 percent to 8.0 percent by 2011. / High growth is realised in tourism, mining, and manufacturing.; / To establish Malawi as a principal and leading eco-tourism destination in Africa.p.31
In much as the economy continues to be driven by the agricultural sector, the other sectors of manufacturing, mining, tourism and agro-processing will play an important role in generating economic growth.p.33
Subsection on Tourism pp.33-34
The medium term expected outcome is to conserve, manage and develop wildlife resources to effectively contribute towards sustainable development of biodiversity and the tourism industry in Malawi. Wildlife forms a big percentage of tourism attraction. / Improving eco-tourism in protected areas; and p.39
The implementation of an efficient IT strategy should take into account emerging needs of the industry at large in, particular, the high growth sectors such as tourism and manufacturing.p.56
3. Inland shipping network is active in local and international shipping, trade and tourism in a safe manner while protecting the environment p.83
ii. Targeted electrification for mining, irrigation, business, tourism, and other economic activities that would stimulate economic growth p.84
a Tourism -- Increased number of tourist (domestic, international) -- FDI in tourism areas -- Occupancy rates of hotels i. Pricing, service, and quality of industry competitive with the region ii. Measure of the quality of parks whether managed by the public sector, private sector, or communities iii. Reach of tourism products to domestic, regional and international markets -- Establish a Monitoring system for tourist trends and services in Malawi. -- Rehabilitate targeted national parks, game reserves, and wildlife. -- Zone or demarcate all areas with tourism potential along the lake. -- Upgrade roads leading to key tourist attractions to all weather. -- Enforce regulatory framework for standards / quality of tourism. -- Create clear laws and regulation on land access for tourism development and develop guidelines.p.87
Construct targeted landing strips for tourism related areas p.98
Support the provision of up-to-date global and local tourism information (theme one sub theme one) p.99
Improved access of international travel (tourism) p.114
ii. Targeting electrification for mining, irrigation, business, tourism, and other economic activities that would stimulate p.116
References pp.129-133; 143; 168; 171; 176; 197; 221; 241; 248; 261; 264

## Mali

<b>PRSP (April 2008)</b>
The 2nd generation PRSP 2007-2011 is known as the "Growth and Poverty Reduction Strategy Paper (GPRSP)" and has two major objectives, the first of which is to promote strong annual growth of 7.0% by generating wealth and creating jobs in growth-oriented sectors of the national economy, such as rural production, the mining and energy sector, and the goods and services sector (trade, tourism, culture, and NICT.) pp. 17
In order to ensure better development of the private sector, which is the engine of economic growth, the Government on 12 January 2005 adopted the Private Sector Development Policy Letter (LPDSP) on improving the investment framework and climate, and developing growth-oriented sectors, such as mining, handicraft and tourism, and telecommunications. pp. 25
In order to tap its tourism potential, Mali has developed a cultural policy which aims at structuring the cultural heritage, so as to make it the engine of economic and social development. The Government has also updated some texts relating to the organization of the profession of travel organizers and guides; in addition, it has developed activities for the promotion of tourism. Between 2002 and 2005, Mali recorded an increase of 83% of its tourism inflow. pp. 25
The creation of wealth, which will help to reduce the poverty, will come from acceleration of economic growth. In Mali, the bases for such growth are mainly: rural production sub-sectors (agriculture, livestock, fisheries, fruits and vegetables, and agro-forestry), mining, trade, tourism, handicraft and culture. These sub-sectors, which constitute the basic elements of the national economy, should play a more important role in the achievement of food security and contribution to wealth creation. pp. 28
Concerning the other sectors (trade, handicraft, tourism and culture), efforts will be made to improve productivity levels by establishing industrial, transport and communication facilities, diversifying them and pursuing the gradual transfer of some functions to the private sector within an enabling environment for investment. pp. 29
The balance of current transactions, excluding public transfers, is expected to be an average of 7.3% of GDP, as against 8.6% between 2002 and 2005. This trend would tie in with the improvement in the balance of factor services (decline in payments as interest of debt servicing and repatriations of revenue from investments) and deficit of non-factor services as a result of dynamism of the tourism sector. The balance of current transactions, including grants, would amount to an average of 5.2% in 2007- 2011 as against 6.6% in 2002-2005. pp. 38
Section 8.2, pp. 43 / Section 9.2.3, pp. 59-60 / Section 9.2.5, 252, pp. 60 / Section 9.2.6, 259, pp. 62 / Section 10.2, 316, pp. 73 / Table 1.2, pp. 88
The Malian economy is heavily influenced by climatic conditions. Economic performance is uneven and growth proceeds by fits and starts. The basic components of the economy are the agriculture-led primary sector, the gold-led secondary sector, and the tertiary sector, which is currently seeing the start of a boom led by the transport, telecommunications, and tourism sectors. pp. 104
The current account balance, excluding official transfers, is projected to be 7.3 percent of GDP on average versus 8.6 percent between 2002 and 2005. This development is attributable to the improvement in the trade balance and in the deficit in respect of nonfactor services, spurred by the booming tourism sector. The current account balance, including grants, is, thus, forecast to be 5.2 percent on average in 2007-2011, as against 6.6 percent in 2002-2005. pp. 117
Table 40, pp. 165 / Section 5.2, 93, pp. 168 / Section 2.5, pp. 207 / Section 2.6 and 2.7, pp. 208
The preparation of a new generation PRSP is justified for the following reasons, including: limited consideration of some areas in the current version of the PRSP, in particular the environment, food security, the cotton sub-sector, HIV/AIDS control, handicraft and tourism, trade, the fight against corruption, the gender approach, and microfinance. pp. 221

## Nepal

### PRSP (May 2007)

A favorable monsoon, prudent economic policies containing inflation, recovery in tourism, and growth in trade, construction and service sectors helped to increase the GDP to 3.6 per cent in FY 2003/04. However, due to the re-intensification of the conflict and negative growth in the construction, trade, restaurant and hotels sectors, the GDP could only see 2.4 per cent growth in FY 2004/05. pp. 11

Table, pp. 97

## Rwanda

PRSP (March 2008)
<p>12. The Service Sector is fundamental for the transition towards a knowledge-based society. The GoR will exploit the country's potential comparative advantages in financial services, tourism, transport and logistics. The Financial Sector will be opened up further to foreign capital, modern and dynamic management and technologies. The GoR will promote tourism opportunities by improving tourism infrastructure and services, creating more attractions, including eco-tourism and cultural sites, encouraging private sector investment, better marketing and forming regional and international links.p.xii</p>
<p>2.5 Rwanda has experienced strong trade performance with exports growing at an average of 12.5% per year since 2001 (Appendix Figure 2). Rwanda's exports reached an estimated US\$152 million in 2006, more than twice the receipts generated in 2002. Coffee, tourism and tea have fuelled this growth, accounting for 60% of the 2005 export numbers. / 2.7 Although a non-traditional export sector for Rwanda, tourism has the potential to contribute significantly to the country's export base. Tourism receipts have exceeded expectations since the development of the National Tourism Strategy and subsequent approval by Cabinet in 2002. From a negligible base of a less than US\$5 million in 2002, tourism receipts hit US\$33 million in 2006 and are on track to exceed this figure in 2007. Not only are there more international visitors coming to Rwanda, but spend per day is also increasing, indicating a positive shift in Rwanda's base of advantage from basic to advanced factors such as service and a full destination experience.p.7</p>
<p>3.25 The case of tourism offers a model for the rest of the economy. Starting from a base of less than US \$5 million in 2002, Rwanda's Tourism Sector is expected to reach US \$100 million in revenues by 2012, representing a compounded annual growth rate of over 40%18. An estimated cumulative 280,000 jobs will be created in the process. / Restored wetlands will provide water for irrigation, and both wetlands and protected forest areas, such as Nyungwe, will promote income generation from tourism.p.39</p>
<p>4.20 Opportunities exist in all three sectors of the economy: agriculture, manufacturing and services, including tourism and financial services. Therefore, all three sectors of the economy will benefit from the three-pronged strategy of (a) systematically reducing the operational costs of business (including skilled labour costs) given their existing technology, (b) increasing the private sector's capacity to innovate, and (c) strengthening the Financial Sector.p.53</p>
<p>Table 4.4 Priority Export Actions (Tourism)p.56</p>
<p>Key curriculum areas for growth are planned to include offerings in the environment and sustainable development; logistics and supply chain management; food science, processing and manufacture; tourism, leisure and hospitality management; engineering and design.p.59</p>
<p>4.92 Tourism is another important sector for both employment and foreign exchange earnings. The Tourism Sector has grown steadily to become the second source of exports (behind coffee but ahead of tea and mining). Rwanda has a substantial advantage in the Tourism Sector which offers many investment opportunities. Taking Rwanda's advantages and limitations into account, the GoR has developed a strategy that focuses on high-end eco-tourism and invites investment into developing the sector. The strategy focuses on the primate product (Rwanda's unique selling proposition) 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. The GoR will therefore promote and develop tourism which is ecologically friendly and environmentally sustainable. It will 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, and provide for the channelling of tourism revenues towards the protection of the natural resource base. In addition, the GoR will develop and promote tourism opportunities by improving tourism infrastructure and services, creating more tourist attractions and facilities in all provinces (including eco-tourism sites), increasing the marketing of tourism and forming regional and international links.</p>
<p>4.93 An overarching concern is the broadening of leadership in the Tourism Sector. ORTPN has been a huge contributor to the sector's success but Private Sector firms and the Tourism Chamber will be encouraged to increase their participation in strategy implementation. GoR will also encourage Private Sector investment in key areas such as product development (hotels, Parc National des Volcanes (PNV) Discovery Centre, boats on Lake Kivu), joint marketing, and in cross-cutting areas such as training, access to finance and enhancing linkages with and benefits to local communities.pp.71-72</p>
<p>Finally, stronger growth and employment in key identified sectors of agriculture (i.e., coffee, tea, horticulture), manufacturing (i.e., mining, food and beverage processing, construction), and services (i.e., tourism, transport and logistics, other financial and non-financial services) will expand the exports base which is necessary to generate foreign exchange earnings for further expansion.p.73</p>
<p>Increasing population pressure on land and forest resources places biodiversity under threat with potentially adverse impacts on export revenue from tourism.p.97</p>
<p>It is crucial that Ministry of Commerce, Industry, Investment Promotion, Tourism and Cooperatives (MINICOM) works with MININFRA 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 MINEDUC and educational institutions to ensure the necessary skills development.p.121</p>
<p>Moreover, given that exports are still dominated by coffee, tea, mining and tourism, the sensitivity of the effective real exchange rate is rather limited.p.138</p>

## Sierra Leone

### PRSP (July 2008)

Even though tourism was highlighted as key to Job Creation and Growth, there were no programmes developed or implemented to promote the sector. The tourist sector therefore needs to be supported so that the potential to promote private sector is tapped. Promoting tourism will also create the opportunity of rehabilitating and preserving the country's historic land marks and sites.p.20

Following the development of the Activity Matrix, Funds have been committed by the IF Trust Fund Manager and implementation of a tourism project by the National Tourist Board has commenced.p.60

## Tanzania

### PRSP (June 2005)

The growth was mainly contributed by mineral and service exports (including earnings from tourism).p.7

Export of services, particularly tourism, increased as a result of government and other stakeholders' efforts in promoting Tanzania as a quality tourist destination.p.22

# Uganda

PRSP (May 2010)
36. The primary growth sectors consist of sectors and sub-sectors that directly produce goods and services. These include: agriculture, forestry, manufacturing, tourism, mining, oil and gas, ICT and housing development. / While there has been growth in hotels, restaurants (tourism), and communications, these are not yet significant sectors in terms of GDP.p.16
41. The share of tourism in GDP measured by the share of hotels and restaurants <sup>4</sup> in GDP was 1.1 per cent in 1988 and 1.9 per cent in 1997, rising to about 4 per cent in 2008. This represents a shift in the economic structure of the economy in terms of its GDP. Between 1988 and 1997, tourism grew by 13.1 per cent per annum on average and 3.8 per cent between 1998 and 2002, increasing to 12.5 per cent between 2004 and 2008.p.17
Improve the stock and quality of road infrastructure, including connectivity and safety within Greater Kampala metropolitan and tourism areas. / Promote and encourage construction of more hotels and restaurants in tourism areas.p.51
151. Tourism, Trade and Agriculture Infrastructure: Specific tourism infrastructure will be promoted. This includes hotels and restaurants in tourism areas. In addition tourism roads will be prioritised in the implementation of this plan. For agriculture and trade, silos, abattoirs and warehouses will be constructed to enhance value addition.p.56
169. The development strategy mainly focuses on new spending on sectors that have the greatest potential to contribute to economic growth particularly agriculture, manufacturing, energy, oil and mineral development, tourism, infrastructure, education, health, water and sanitation; and curtailing the growth in spending in non priority sectors.p.61
Growth in services will partly be driven by the public investments targeted at the energy, transport and tourism sectors.p.67
264. In addition to its contribution to ecological and energy concerns, forestry also supports the economy through forestry-related commercial products and services. These include timber products, ecotourism, arts & crafts, bee products, herbal medicine and rattan-cane. There is very little information to indicate trends in these products and services. However, ecotourism which is based on forest biodiversity is becoming a market niche for Uganda.p.104
Strategy 2: Promote Eco-tourism. Intervention Description i) Scale-up the profile of forest development within the Tourism Sector Development Strategy. ii) Invest in and promote eco tourism (forest tourism).p.109
Subsection 5.3 Tourism pp.110-117
Besides, air transport is playing an increasing role in the promotion of tourism and in regional integration.p.157
Strategy 3: Develop and maintain selected strategic roads for tourism, minerals, oil and gas and industry. Intervention Description i) Construct and maintain strategic roads leading to major tourism sites.p.160
Delivery of reliable and sufficient water to production units is a key economic infrastructural support that Government has to undertake in order to stimulate production, especially in the agricultural, tourism and industrial sectors. / With respect to wildlife conservation, providing water reservoirs creates a suitable habitat for particular wildlife species which are an asset to the tourism industry.p.169
Water infrastructure support for rural industry and tourism has not yet taken effect and will therefore, be a major area of focus in this plan period.p.170
447. The growth in the services sector has benefited largely from significant increases in transport and communication, tourism and remittances by Ugandans abroad Table 6.9.p.191
481. The Department of Co-operative Development under the Ministry of Tourism, Trade and Industry (MTTI) guides and regulates the co-operative movement. In addition, there are many other Government and non government players (Private Sector and Civil Society).p.206
The National Warehouse Survey of 2007 (Ministry of Tourism, Trade and Industry) shows that there are only 866 warehouses in the country with a total storage capacity of 450,733 metric tonnes.p.208
i) Increase the range of cooperatives through support and strengthening of other forms of co-operatives including insurance, housing, health, tourism, energy, consumer, shared services and enterprise based cooperatives p.210
574. The common programmes offered by private for profit institutions are: handicraft and industrial trade; occupations connected with computer science; secretarial and accounting; medical and health services; transport related courses; hotel management and tourism; communication; agriculture and rural development; tailoring of traditional and modern garments; driving; machine and metallurgy; home economics; nursery teacher training and cookery and bakery.p.253
The threat of fatal viral infections such as Ebola, Marburg, also SARS and avian influenza has implications beyond health and it impacts on trade, tourism and investment.p.261
The economic activities which rely on water resources include domestic water consumption, livestock watering, industrial and commercial water supply, hydropower generation, irrigated agriculture, marine transport, fisheries, waste discharge, tourism and environmental conservation.p.331
725. Non-consumptive water-use activities include hydropower generation, fisheries, tourism, marine transport, waste discharge and environmental conservation.p.332

736. Meteorological services provide real time, short term, seasonal and long term forecasts and essential parameters that are critical for civil aviation and air defence purposes; planning and management of agricultural production; water resource use and management; solar energy use; research, disaster and rescue operations; transport, trade and tourism; and for monitoring and management of environmental related diseases.p.337

744. Wetlands are an important part of national development. They support tourism especially bird watching; fisheries industry by providing conducive breeding grounds; water supply through provision of buffering capacity of fresh water and treatment of the urban waste waters; and water resources by protecting the water bodies from pollution and sedimentation.p.340

ii) Strengthen collaboration with key sectors notably tourism, agriculture, water supply and fisheries sub-sectors through harmonization of relevant Sectoral policies.p.342

863. To harness the benefits from regional and international cooperation and promote Uganda's interest abroad, Uganda's foreign policy has been designed around three main areas: (i) peace and security; (ii) regional cooperation and trade; (iii) tourism, investment and resource mobilization.p.392

Upgrade Strategic Roads for Tourism, Mining, Oil and Gas and Industry p.340

Reference to Tourism template p.402

## Zambia

<b>PRSP (August 2007)</b>
Among other economic sectors that complement this focus, either directly or through inter-linkages are infrastructure, tourism, manufacturing, mining and energy.p.ii
Subsection on Tourism pp. 106-113
Manufacturing and tourism also recorded strong growth, averaging 5.2 and 7.4 percent, respectively. The growth in manufacturing was driven by the food and beverages sub-sector while growth in the tourism was largely on account of private sector investment in the sector.p.6
In addition, although some sectors have not been explicitly highlighted for public expenditure priority, such as tourism, manufacturing and mining, these remain important sectors in driving economic growth and poverty reduction.p.25
Tourism mentioned in a template p.26
The key FNDP growth strategies shall therefore be supporting rural development, especially agriculture; encouraging stronger linkages between the resource based sectors of mining and agriculture with manufacturing, especially through upstream linkages to agro-related processing; stimulating stronger and beneficial tourism growth; and supporting the expansion of a strong and diversified export base. / Tourism is similarly expected to register stronger growth, reflecting large recent private investments. Although the FNDP does not focus on achieving pro-poor growth through mining, this sector will continue to be important for maintaining high overall growth in the country and in terms of foreign exchange earnings. The reinvestments and capitalization that has occurred in the last three years have positively transformed the sector. Large private sector investments in new and existing mines are already ongoing. This, coupled with an expected continuation of buoyant world metal prices in the short to medium term, has bolstered mining sector performance and overall economic growth prospects. Apart from tourism and mining, more investments in the energy sector are required to add capacity to the existing energy sources, especially in the light of a looming power shortfall in the Southern Africa region by 2008.p.27
c) Production of tourism, migration and population registers, and education and vital statistics reports; p.34
The FNDP recognizes that high transport costs due to road conditions, excessive telecommunication costs and an unreliable power supply have serious implications for the economy, particularly tourism, agriculture and non-traditional mining, the pillars of economic diversification.p.37
Tourism mentioned in a figure p.39
Since co-operatives are not only agriculture in nature, a broad based approach to promoting cooperatives will be adopted during the FNDP to include transportation, tourism, housing, mining, savings and credits and construction.p.48
b) Facilitate linkages in land use administration and management with ministries responsible for agriculture, tourism, environment and local government p.58
The other parties that are critical to the improvement of the land administration system include the Ministry of Local Government and Housing; the Ministry of Tourism, Environment and Natural Resources; the Ministry of Commerce, Trade and Industry; the Ministry of Agriculture and Co-operatives; the Resettlement Department in the Office of the Vice President; the Zambia Investment Centre; District Councils; civil society organizations; traditional rulers; and the public at large.p.59
Accordingly, the infrastructure sector is required to play mainly a facilitative role in the provision of socio-economic infrastructural and other services aimed at stimulating socio-economic growth, particularly in the identified four main economic growth sectors of agriculture, tourism, mining and manufacturing. / Tourism is a growing industry in Zambia whose growth and prosperity will depend on how accessible tourist resorts are to leisure seekers. 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.p.80
There will be no economic development in Zambia without improvement of infrastructure in the outlying areas of the country since the country will mainly depend on agriculture, mining and tourism industries to improve its economy. Therefore, there is need for the Government to construct roads, office blocks and houses in most districts.p.81
Air transport is the most important mode of transport in Zambia's efforts to promote tourism. The mode is very convenient, especially for international tourists.p.83
a) Wildlife Management: Recent data shows that in 2003 the Zambia Wildlife Authority earned about ZK 5.3 billion and ZK 10.4 billion in 2003, in safari hunting and tourism, Zambia Wild Life Authority (ZAWA) earned about, as opposed to ZK 344 million and ZK 3.1 billion in 2000, respectively. The five major parks important for photographic tourism were South Luangwa, Lower Zambezi, Mushi-o-Tunya, Kafue, and Kasanka. / b) Community participation in tourism: The Government through the MTENR, is facilitating tourism development through community involvement (indigenous Zambians), with emphasis on community based tourism through the establishment of the Tourism Development Credit Facility (TDCF). The programme focuses on the development of various tourism products, including conservation business, for example, game ranching, parks, botanical gardens and hunting ventures. This, however, is still in its infancy. In terms of enhanced incomes to community and employment creation, ZAWA has employed a management framework through which 35 percent of revenues from safari hunting are ploughed back into communities for community development and resource protection in the game management areas. There is, however, lack of capacity to monitor communities in the use of these funds. ... In this regard, the Government encourages private investors in the tourism and wildlife sub-sectors to contribute to the improvement of the lives of the communities in which they operate;p.96
There is generally a host of problems affecting conservation and the promotion of tourism. In support of the Government's tourism strategic objective of "contributing sustainably to the economic well being and enhanced quality of life for Zambians", the National Heritage Conservation Commission (NHCC) has continued to promote sites of interest for tourism. However, most of these sites have no management and tourism plans to guide heritage management, development and conservation.p.98
This shall be done in the context of ZAWA's current Strategic Plan which recognizes the need for promoting commercial activities through broadening the tourism revenue generating base and the creation of sustainable partnerships.p.99

c) Promote sustainable tourism development; p.101
The tourism sector also provides a key growth opportunity for Zambia.p.125
The preservation of a nation's history and cultural heritage is a major factor in the maintenance of the nation's identity and pride. The National Museums Board, National Heritage Conservation Commission, National Arts Council and Department of Cultural Services apart from contributing to the preservation of Zambia's heritage and the building up of a rich historical knowledge base for the information, education and enjoyment of present and future generations are foreign exchange earners for the country through cultural tourism products.p.176
Promotion of Museums: 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 which will revitalize the sector.p.178
c) Promote the practice and expression of culture in museums as a way of promoting ethno-tourism; d) Hold food fairs to teach people the importance of traditional foods and how it can economically be used in ethno-tourism as well as cultural preservation.p.179
To assess, develop, and allocate water resources in the four priority pillars of economic development of agriculture, tourism, environment, mining, manufacturing and energy p.187
For example, the proposed economic development drivers (agriculture and tourism) are nature based, and in order to contribute to poverty reduction, they should ensure environmental sustainability in their expansion programmes.p.304
b) Extending EIA beyond industry to other equally important sectors, such as agriculture, fisheries and tourism; p.306
The pivotal aspect in the environment sector during the FNDP is to increase the implementation capacity of the Ministry of Tourism, Environment and Natural Resources, its Departments and Statutory bodies.p.308
The Kasanka national park and Kundalila falls in Serenje as well as the Mumbwa caves have the potential to boost tourism in the province.p.328
Sustainable Natural Resource Management and Tourism p.330
Thus, the major challenge facing the province is to diversify away from mining to agriculture, forestry, tourism, non-traditional mining as well as revamping the manufacturing sector, in view of the volatility of the copper mining sector. / Therefore, the province's strategic focus over the next five years will be "Diversify the economic base from mining to agriculture, tourism, forestry and manufacturing."p.331
Promotion of Tourism Development / The vegetation is mainly Savannah woodlands and grassland, which provides a buffer for wildlife tourism and mineral deposits.p.332
Community Tourism Development / Sustainable Tourism Development / All these resources provide the province with an ideal setting for the development of a vibrant fishing and tourism industry.p.335
In view of the current socio-economic conditions in the province, the strategic focus during the FNDP period is "to develop agricultural, tourism, mining and social sectors to create wealth." Programmes shall focus primarily on infrastructure development in agriculture, tourism and mining. / Tourism Development p.336
The other major economic activities include construction, stone quarrying, wholesale and trading, tourism, transport and communication. / Among the districts in the province, Luangwa districts is faced with critical infrastructural limitations such as roads and electricity despite the district having immense potential for tourism and trade.p.338
Promotion of Tourism p.339
The province has considerable potential for growth as a tourist destination because it is endowed with abundant, untapped and unique tourism resources.p.340
Promotion of Tourism p.341
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 investments in the province. Some of the tourist attractions include Mutanda falls which is about 26 km from Solwezi; National parks which covers the northern part of the Kafue national park and the West Lunga National Park; source of the Zambezi, Kafue and Kabompo rivers; traditional ceremonies and the Chinyingi foot bridge. / The programmes that will be implemented to achieve these goals are infrastructure development in roads (tarring and feeder roads); and the construction of infrastructure to support mining activities, agriculture and tourism.p.342
Tourism Development p.343
Other economic activities include tourism, mining, quarrying, trade and industry. With regard to tourism, 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. 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. In 2006, Livingstone alone had a total of 1,938 rooms with a total bed capacity of 3,802 and a room occupancy rate of 59.1 percent. Itezhi-tezhi is the other district in which tourism has potential and needs to be promoted. Siavonga also needs new attractions and activities if it is to rejuvenate and compete favourably with Livingstone. / The main challenge that the province has is the lack of infrastructure to develop the economic sectors like agriculture and tourism. The issue of low ground water table due to droughts is yet another challenge. The strategic focus for Southern province during the FNDP period is "provision of infrastructure for the promotion of agriculture, education, tourism and health services." p.344
Western province has an abundance of unexploited potential in crop production, livestock production, forest production, citrus production, fisheries and tourism.p.347
Tourism mentioned in a table p. 345, 355, 356, 358, 360, 361, 374, 383, 384

## **Annex 1:**

### **References to Tourism in DTIS, Action Matrix, PRSP and IPR**

#### **D-References to Tourism in IPR**

<b>Investment Policy Review (2005)</b>
Le chapitre III évalue les avantages compétitifs aux niveaux national et sectoriel dont bénéficie le Bénin. La stabilité politique et macroéconomique, la position géographique stratégique, le port de Cotonou et l'accès privilégié aux marchés régionaux et internationaux de certains produits béninois représentent les atouts majeurs au niveau national. Au niveau sectoriel, les domaines qui présentent les opportunités les plus intéressantes pour les investisseurs privés sont l'agriculture et l'agroalimentaire, la production et la transformation du coton, l'exploitation des ressources minières et du pétrole, et le tourisme. Afin de mettre en valeur ce potentiel, une stratégie proactive de promotion des IED devrait être mise en oeuvre par le CPI; la structure du Centre devrait être modifiée afin d'améliorer son efficacité en termes de promotion, facilitation et suivi des investissements. P.2
Les réformes introduites par les nouvelles autorités démocratiques béninoises à la fin du régime marxiste-léniniste ont permis de rétablir les équilibres macroéconomiques, d'accélérer l'intégration du pays dans l'économie mondiale et d'améliorer le cadre de l'investissement. Ces réformes ont également été à l'origine de la privatisation de nombreuses entreprises publiques et de l'ouverture de certains secteurs (banques, tourisme, etc.). Le résultat fut une forte augmentation des flux entrants d'IED pendant la première partie des années 90. Après la chute spectaculaire de 1994, il y eut une reprise progressive des flux entrants à partir de 1995 sans toutefois atteindre les niveaux de 1991. De plus, les retombées positives des IED sur l'ensemble de l'économie ne semblent pas être significatives jusqu'à présent. p.3
Disposant de ressources naturelles limitées et d'un marché intérieur de taille réduite, le Bénin a choisi de miser sur un programme de privatisation et de libéralisation de certains secteurs afin de promouvoir les IED. L'instauration d'un climat plus favorable aux entreprises, ainsi que la création du CPI et du Centre de formalités des entreprises (CFE) ont donné rapidement des résultats encourageants. Toutefois, les réformes se sont montrées insuffisantes. Ces dernières années, le rythme effectif des privatisations s'est nettement ralenti en raison de plusieurs obstacles. En effet, si des cessions ont été enregistrées dans l'agroalimentaire, l'industrie, le tourisme et les services, certains secteurs stratégiques, notamment le coton, et les services d'utilité publique (électricité, télécommunications, port) demeurent sous contrôle de l'État, bien qu'ils soient sur la liste prioritaire des privatisations. De plus, certaines privatisations se sont déroulées de manière non transparente. P.4
Les réformes lancées au début des années 90 par les autorités béninoises ont permis le rétablissement des équilibres macroéconomiques, la libéralisation de l'économie et l'amélioration du milieu des affaires. Dans ce contexte, une politique de privatisation et d'ouverture d'importants secteurs (banques, tourisme) a été lancée afin d'améliorer la compétitivité de l'économie et d'attirer les investisseurs étrangers. P.19
Transformation industrielle; <ul style="list-style-type: none"> <li>• Développement rural (agriculture, élevage, pêche, pisciculture, foresterie);</li> <li>• Tourisme et hôtellerie;</li> <li>• Maintenance industrielle;</li> <li>• Montage électronique et mécanique; p.22</li> </ul>
Le régime spécial est applicable aux petites et moyennes entreprises qui s'engagent à effectuer un investissement minimum de 33 000 dollars (20 millions de FCFA) dans les secteurs économiques suivants : tourisme et hôtellerie ; maintenance industrielle ; production culturelle, artistique et audiovisuelle ; sauvegarde de l'environnement ; prestations de services dans les domaines de la santé, de l'éducation, des travaux publics et de l'artisanat. P.24
Au niveau sectoriel, les domaines qui présentent les possibilités les plus intéressantes pour les investisseurs privés sont l'agriculture et l'agroalimentaire, le coton et son industrie de transformation, l'exploitation des ressources minières et du pétrole ainsi que le tourisme. P.47
Le Bénin bénéficie également d'une série d'avantages compétitifs dans les secteurs suivants: agriculture, pêche et agroalimentaire, coton et industrie de transformation, exploitation des ressources minières et du pétrole et, enfin, tourisme. P.48
Opportunités Diversification des exportations : agriculture, agroalimentaire, textile, exploitation minière, industrie pétrolière et tourisme (éco-tourisme en particulier) p.50
Subsection on Tourism pp. 58-59
Un flux croissant d'IED se dirige actuellement en Afrique de l'Ouest vers ces secteurs; la position concurrentielle du Bénin pourrait cependant être ultérieurement améliorée à travers la mise en valeur des atouts dont bénéficie le pays. Le deuxième groupe, en haut et à gauche, comprend l'agriculture, l'agroalimentaire, l'écotourisme, le textile, les services portuaires et la logistique. Si le Bénin a ici une position concurrentielle forte, la demande provenant des investisseurs étrangers est actuellement plutôt faible en raison des politiques protectionnistes et des subventions au secteur agricole pratiquées par l'Union européenne et les États-Unis (pour l'agriculture et l'agroalimentaire), des problèmes de sécurité (pour l'écotourisme) et de la dimension relativement réduite du marché ouest-africain (pour les services portuaires et la logistique). / Les opérateurs ont identifié trois groupes de secteurs prioritaires (graphique III.2) : les produits agricoles, la transformation agricole, l'exploitation minière et les services financiers sont considérés comme très attractifs ; le tourisme, la logistique liée aux activités portuaires, les textiles et l'industrie pétrolière sont considérés comme assez attractifs ; quant à l'électronique et aux produits chimiques, ils sont considérés comme peu attractifs. P.60
Tourism mentioned in Tableau III.6 : Investisseurs étrangers-cibles par pays d'origine p. 74
Recommandations iii) Écotourisme : développer les capacités hôtelières et diversifier les sites d'hébergement touristique (hôtels, auberges, villages de vacances, centres de loisirs, etc.), en coopération avec le secteur privé international ; accélérer la mise à niveau des infrastructures de transport et des services d'utilité publique, à travers la coopération du secteur privé international ; mettre en valeur l'environnement, la biodiversité, le savoir traditionnel et le folklore béninois. P.77

## Burkina Faso

Investment Policy Review (2009)
<p>Services</p> <p>Le secteur tertiaire, qui représente près de 44 pour cent du PIB, est plus diversifié que le secteur industriel, mais reste fondamentalement centré sur le marché national. Les entreprises de services centrées sur l'exportation sont rares et peu importantes. Le secteur du tourisme est relativement peu développé, bien que le Gouvernement désire promouvoir le tourisme culturel et de conférences. Les investissements étrangers dans le secteur sont le plus souvent de taille relativement modeste, et le seul grand groupe hôtelier présent au Burkina Faso est le groupe Accor, mais seulement en tant que gestionnaire et pas en tant qu'investisseur. p.8</p>
<p>L'efficacité du régime fiscal burkinabè pour promouvoir les investissements nationaux et étrangers, de même que sa compétitivité au niveau régional doivent se juger à l'aune de tous les critères énoncés cidessus. Une étude comparative du poids global de la fiscalité directe d'entreprise (annexes 1 et 2) indique que le régime de base du Burkina Faso (hors incitations) est peu compétitif au niveau régional pour la majorité des secteurs économiques analysés.40 Tant la Côte d'Ivoire que le Sénégal imposent une ponction fiscale significativement inférieure sur le bénéfice des entreprises, aussi bien dans l'agro-industrie que dans la manufacture ou le tourisme. D'autres pays en Afrique (Ghana, Kenya, Rwanda) disposent d'un régime fiscal de base moins lourd pour les entreprises. De même, certains pays d'Asie qui ont réussi à développer les secteurs agro-industriels, de la manufacture ou des services ont mis en place une fiscalité directe d'entreprise plus incitative. p.40</p>
<p>5. Les agences spécialisées</p> <p>Le BUMIGEB et l'Office national du tourisme du Burkina (ONTB) ont, chacun dans leur secteur, un rôle de promotion de l'investissement. Le BUMIGEB n'a pas comme vocation première de faire la promotion de l'investissement dans le secteur minier, mais son rôle d'appui au moyen de la production, la collecte, le stockage et la diffusion de données géologiques et minières de base est essentiel. Il est un des premiers points de contact et un passage obligé pour tous les investisseurs miniers. Bien qu'une partie du BUMIGEB devrait être privatisée d'ici peu,69 la partie focalisée sur la collecte et la mise à disposition des données géologiques devrait rester dans le secteur public. C'est cette partie qui devrait continuer de jouer un rôle de promotion des investissements important dans le futur. / De son côté, l'ONTB exerce une activité extrêmement limitée de promotion des investissements étrangers dans le secteur du tourisme. Il dispose de moyens financiers restreints qui lui permettent à peine de participer à quelques foires internationales, le plus souvent sans même pouvoir obtenir un stand propre. p.70</p>
<p>Le poids global de la fiscalité directe sur les entreprises est relativement élevé au Burkina Faso. Une analyse comparative selon une méthode standardisée (annexe 2) indique non seulement que le régime fiscale burkinabè est peu compétitif par rapport à certains leaders mondiaux dans l'attraction d'IED (Inde, Malaisie, Viet Nam) dans des secteurs d'intérêt pour le Burkina Faso (agro-industrie, manufacture, tourisme, services professionnels), mais aussi que le régime de droit commun est peu compétitif par rapport à celui de concurrents immédiats en matière d'attraction d'IED dans la région UEMOA. p.105</p>
<p>Tourism mentioned in Figure A.1.3. p.106</p>

Investment Policy Review (2010)
<p>Le Burundi a du potentiel non négligeable au niveau du tourisme. En plus d'un patrimoine culturel (sites historiques, artisanat, danses traditionnelles), le Burundi dispose de plusieurs régions naturelles, offrant des paysages variés. Le pays est, en effet, parsemé de lacs et dispose déjà de certains parcs nationaux avec une faune et une flore très diversifiées. Le Burundi peut également miser sur sa position géographique stratégique dans la région des grands lacs et frontalière avec la Tanzanie. p.9</p>
<p>Au niveau de la croissance économique, le CSLP indique que le Gouvernement envisage une relance économique basée sur une croissance de 6 à 7 pour cent en moyenne annuelle et le doublement du PIB par habitant sur un intervalle de 15 ans. L'étude « Burundi 2025 » envisage même un taux de croissance de l'ordre de 9 pour cent par an. L'Etat burundais souhaite arriver à cela par un développement sectoriel avec une attention toute particulière sur les secteurs porteurs de la croissance, notamment l'agriculture, les mines, l'industrie, l'artisanat, le commerce et le tourisme. p.21</p>
<p>Le Burundi possède également un potentiel touristique inexploité. En effet, le pays dispose d'une variété de régions naturelles différentes et son emplacement stratégique pourrait en faire une étape dans les circuits touristiques régionaux. Quelques infrastructures hôtelières existent mais nécessitent souvent des rénovations. Le développement du secteur touristique fait partie des objectifs de la politique gouvernementale, notamment la restauration des sites touristiques et la création d'une école nationale du tourisme. Quelques investisseurs étrangers sont déjà présents dans l'hôtellerie mais les réformes en cours sont susceptibles d'en attirer davantage. p.25.</p>
<p>Le Burundi n'a pas été en mesure d'attirer des IED depuis la fin de la période de crise, mis à part quelques exceptions dans le secteur des télécommunications. Cependant, depuis le début des processus de privatisations et de libéralisation, des potentialités apparaissent dans la plupart des secteurs économiques du pays, notamment dans la filière café, le secteur minier, les activités de commerce et de tourisme, ainsi que le développement des infrastructures. Exploiter ces potentialités exigera néanmoins de gros efforts de réformes, accompagnés de rigueur et de patience, notamment au niveau de la sécurité, des infrastructures, du capital humain et du cadre réglementaire (analysé dans le chapitre II). p.26</p>
<p>Les activités de services ont une importance stratégique pour le Burundi et ne font pas non plus l'objet de restrictions ou d'interdiction pour les investissements étrangers. Toutefois, le Burundi n'a pris que très peu d'engagements dans le cadre de l'accord général sur le commerce des services de l'Organisation mondiale du commerce (OMC). Quant aux engagements par secteur pris par le Burundi, ils concernent les services de construction et ingénierie connexes, de distribution, de santé et services sociaux, et ceux relatifs au tourisme et aux voyages, ainsi que certains services fournis aux entreprises. Pour tous les autres services, le pays reste libre de maintenir et introduire des mesures incompatibles avec l'accès au marché ou le traitement national. De fait, à l'heure actuelle, le régime juridique ne contient pas de restrictions. Par ailleurs, aucun engagement de libéralisation de l'accès au commerce des services n'a été pris dans le cadre du processus de libéralisation entamé par la CEA. Des négociations sont toutefois en cours pour libéraliser le commerce de services à l'intérieur de l'union douanière qui sera établie d'ici la fin de 2010/17. p.28</p>
<p>Au-delà de cette question, le projet de loi doit également mieux expliciter la répartition des rôles et responsabilités entre la Commission de la concurrence et le Ministère du commerce, de l'industrie et du tourisme. Par exemple, il est nécessaire de mieux clarifier les responsabilités concernant l'identification des pratiques susceptibles de porter atteinte à la concurrence et la collecte des plaintes. p.40</p>
<p>Pour sa part, le Code de commerce établit les conditions particulières relatives à l'enregistrement des entreprises auprès du Tribunal de commerce. Pour ce processus, il n'existe pas d'outils normatifs expliquant clairement les étapes à suivre et exposant toutes les informations nécessaires, ce qui complique le processus d'enregistrement. A cette situation s'ajoute une certaine confusion sur les rôles que sont supposés jouer plusieurs autres institutions y compris celui du Ministère du commerce, de l'industrie et du tourisme. p.45</p>
<p>Bien que la protection de la propriété intellectuelle soit un élément important d'une politique de développement, elle ne constitue pas, du moins pour le moment, une préoccupation centrale parmi toutes les autres urgences auxquelles le Burundi est confronté. Néanmoins, la formation d'un petit groupe technique responsable des questions liées à la propriété intellectuelle est une nécessité. Etant donné que le Ministère du commerce, de l'industrie et du tourisme est le point de contact dans le domaine, ce groupe technique pourrait en faire partie. p.54</p>
<p>Ce chapitre élabore une stratégie, à la demande du Gouvernement, en deux volets pour attirer des IED au Burundi. Le premier volet propose quelques pistes de réflexion sur une stratégie globale d'attraction des IED dont le Burundi devrait se doter. Cette stratégie, en plus de mettre l'accent sur la consolidation du processus de paix et de stabilité politique, vise l'amélioration du climat des affaires et une intégration poussée dans la CEA. Reconnaisant les possibilités sectorielles d'investissement et le besoin de les exploiter efficacement, cette stratégie réitère l'importance de développer les infrastructures et renforcer le capital humain. En effet, bien que l'économie burundaise soit confrontée à des contraintes énormes, l'IED est susceptible de jouer un rôle de catalyseur dans des secteurs tels que les services, le tourisme, les mines, le café et la petite manufacture. Le second volet est une proposition pour la création d'une API. La structure de cette API est adaptée aux besoins et ressources du Burundi et mise en place en trois étapes successives. En tant que partie intégrante d'une stratégie plus globale, l'API aura la responsabilité d'organiser des activités concrètes pour promouvoir et attirer les IED. p.64</p>
<p>Par ailleurs, le Burundi doit également faire la promotion du lac Tanganyika, qui offre des potentialités dans divers secteurs, notamment ceux du transport, de la pêche, de l'eau et du tourisme. L'entrée du Burundi dans la CEA lui permettra de développer des projets notamment avec la Tanzanie sur ces différents aspects. p.67</p>
<p>Bien que ce rapport fasse état de nombreuses contraintes aux investissements, le Burundi possède des avantages comparatifs qu'il devrait mettre en valeur dans sa stratégie sectorielle d'attraction des IED. Parmi ceux-ci, le lac Tanganyika constitue un atout majeur en termes de transport constituant un accès stratégique à toute la région d'Afrique centrale et australe. De plus, le Burundi se situe au carrefour de différentes communautés économiques (CEA, CEEAC, CEPGL, COMESA) offrant ainsi l'accès à un vaste marché régional. Enfin, un atout non négligeable est la disponibilité d'une main d'oeuvre particulièrement bon marché comparativement aux autres pays de la sous-région. Ces différents avantages comparatifs doivent être exploités par le Burundi pour attirer des investisseurs étrangers dans les secteurs clés de son économie que sont les services, le tourisme, l'agriculture, les mines et la petite manufacture. p.72</p>
<p>b. Le tourisme</p>
<p>Le Gouvernement veut donner au secteur du tourisme une priorité élevée (CSLP, Vision 2025), car il s'agit d'une activité susceptible de</p>

<p>généraliser des emplois et des recettes en devises. Le pays possède en effet des attraits touristiques non négligeables, notamment en termes de paysages d'une grande beauté et très diversifiés. Néanmoins, il est important de renforcer davantage la situation politique et sécuritaire avant de réellement pouvoir compter sur ce secteur. Le Mozambique offre un exemple de pays post-conflit qui a réussi à relancer son économie en s'appuyant, parmi d'autres activités, sur le secteur du tourisme. Le Gouvernement a réussi à y attirer des investissements étrangers et ce malgré sa situation de pays sortant d'un conflit (encadré III.4). p.73</p>
<p>Le Burundi doit, à cet égard, publiciser la diversité de ses paysages sur un espace relativement réduit et un climat favorable. Il sera important de se distinguer également du Rwanda, qui joue sur les mêmes avantages comparatifs, notamment en valorisant la présence du lac Tanganyika. Le nouveau site de l'Office national de tourisme (<a href="http://www.burunditourisme.net">www.burunditourisme.net</a>) actuellement en construction est prometteur de constituer une source d'informations fiables et détaillées pour des voyageurs potentiels. p.74</p>
<p>Toutefois, depuis lors, le pays a réussi à s'engager sur la voie de la reconstruction et de la croissance économique. Le Gouvernement a préparé, avec l'aide de l'Organisation mondiale du tourisme, un plan stratégique de développement du secteur touristique. Ce plan a prévu de développer des infrastructures touristiques haut de gamme pour les touristes de long courrier et des infrastructures de gamme moyenne pour les visiteurs régionaux. Le secteur du tourisme a contribué au dynamisme économique du pays et a reçu des entrées assez importantes d'IED, notamment dans les cinq années suivant le conflit. Pour la période 1998-2007, les sociétés étrangères évoluant dans ce secteur employaient 13 pour cent de l'effectif total employé par des entreprises étrangères. De plus, les investissements touristiques et hôteliers ayant lieu généralement en dehors des zones économiques principales, ils contribuent à l'essor économique et à la création d'emplois dans des régions marginalisées. / Le tourisme, s'il est accompagné par des politiques adéquates et une promotion active, peut aider les pays post-conflits à attirer des investisseurs étrangers et à ainsi redresser leur situation économique. p.74 Section Encadré III.4.</p>
<p>Comme le Burundi est une destination à coût élevé et proposant des services de qualité peu compétitive, la stratégie touristique doit éviter un tourisme de masse mais plutôt se concentrer vers un tourisme de niche. Le « tourisme aventurier » par exemple attire des clients dont les attentes de confort sont moins élevées. A long terme, la stratégie pourra s'orienter vers un éco-tourisme à coût plus élevé et de meilleure qualité. La loi pourrait prévoir un label « éco-tourisme » qui serait attribué aux hôtels et sites touristiques en conformité avec certaines règles en matière de protection de l'environnement. p.74</p>
<p>2) de la promotion des IED qui offrent des services touristiques spécialisés, notamment dans l'écotourisme, ce dont le Burundi n'a pas encore l'expérience;</p> <p>3) de la promotion des IED dans les services auxiliaires au tourisme (restauration, location de voitures et de motocyclettes, équipements sportifs et récréatifs, divertissements), en vue d'augmenter leur qualité et leur diversité.</p> <p>Il est néanmoins important de ne pas confondre les rôles de l'API et de l'Office nationale du tourisme. La première a en effet pour rôle d'attirer des IED susceptibles de développer un potentiel existant et de favoriser une affluence plus élevée de touristes. La deuxième a pour but d'attirer les touristes eux-mêmes. La stratégie de tourisme doit être définie ensemble (quels touristes cibler pour quel type de tourisme) mais les méthodes d'attraction, pour l'une des IED dans le secteur touristique et pour l'autre des touristes, doivent être claires et distinctes. p.75</p>
<p>L'API de Maurice est réputée pour faire un travail de ciblage par secteur d'activité particulièrement performant. Ainsi, l'agence cible des entreprises permettant de diversifier la base industrielle du pays et celles de secteurs particulièrement porteurs de croissance, notamment le tourisme et les technologies de l'information. A cet effet, l'agence fournit des conseils spécifiques sur les potentialités d'investissement par secteur d'activité et de l'information sur mesure pour l'établissement des sociétés étrangères à Maurice. p81</p>
<p>L'entité responsable des questions liées à l'investissement au Burundi était traditionnellement le Ministère du plan. Il était à ce titre en charge de l'application du Code des investissements et le point d'entrée et de sortie pour les investisseurs, locaux et étrangers. Il était également responsable d'accorder les avantages fiscaux prévus pour les entreprises remplissant les conditions requises. Avec l'entrée en vigueur d'un nouveau Code le 1er janvier 2009, ce Ministère n'a plus la tâche d'administrer les mesures fiscales liées à l'investissement. En effet, le nouveau Code des investissements est fondé sur une approche de simplicité, d'efficacité et de séparation des réglementations, et ne contient plus d'incitations fiscales (chapitre II). En plus du travail effectué par le Ministère du plan, quelques services d'assistance sectorielle sont fournis par d'autres ministères. Par exemple, le Ministère du commerce, de l'industrie et du tourisme offre des services pour les entreprises évoluant dans le secteur industriel, tels que des études de projet et des conseils spécifiques. Ce Ministère est également responsable du programme des zones franches. p86</p>
<p>Dans ce contexte, l'API aura comme tâche principale de corriger ce déficit d'image, qui pèse actuellement sur la capacité du pays à attirer des IED. Une campagne axée sur la communauté des investisseurs pourra être lancée et mettre en avant les priorités et potentialités économiques du pays. Celles-ci incluent l'entrée du Burundi dans la CEA et les opportunités qui en découlent, ainsi que les secteurs économiques porteurs de croissance (développés dans ce chapitre). L'API devra également travailler avec l'Office nationale du tourisme, qui doit aussi s'atteler à combler le déficit d'image du Burundi, et dont les activités pourraient être mutuellement bénéfiques. p87</p>
<p>En plus de ces informations essentielles, le site devra indiquer les différents services que l'API peut procurer aux investisseurs, notamment en termes de facilitation. Il devra également afficher une adresse e-mail et un contact téléphonique pour permettre aux investisseurs de prendre un premier contact direct et d'adresser leurs requêtes. Des liens internet vers les principaux sites web d'un intérêt éventuel pour les investisseurs devront également apparaître. Ceux-ci incluent les sites de la CEA, de l'ISTEEBU, du Ministère du commerce, de l'industrie et du tourisme, et de l'Office national du tourisme. Il sera important à ce propos que le Ministère du plan et de la reconstruction développe un site internet et affiche son lien également. Enfin, l'anglais étant la langue principale de la communauté internationale des affaires, il serait opportun que les éléments de base du site soient disponibles en français et en anglais, mettant en avant l'avantage comparatif du bilinguisme au Burundi. p87</p>
<p>Il est important que l'API se concentre pleinement sur ces trois fonctions, dans un premier temps, ce qui demandera déjà des efforts considérables. En ce sens, il ne serait pas opportun, par exemple, de se lancer dans la promotion des exportations. Certains pays décident en effet de combiner la promotion des investissements et celle des exportations au sein d'une même agence. L'objectif est généralement de regrouper des compétences humaines et d'économiser des ressources financières. Des synergies entre ces fonctions peuvent avoir lieu en termes de partages de connaissances et d'identification de cibles (CNUCED, 2009c). Néanmoins, cette solution peut aussi apporter des désagréments, notamment plus de complication dans la coordination de l'agence et moins de transparence au niveau de ses activités. De plus, ces deux fonctions requièrent des compétences à la base bien différentes. D'autre part, dans le cas précis du Burundi, étant donné que la promotion des exportations est du ressort du Ministère du commerce, de l'industrie et du tourisme, cette fonction pourrait difficilement faire partie, du moins à ses débuts, de l'API, elle-même sous tutelle du Ministère du plan et de la reconstruction. p89</p>

#### Tourisme

Le Burundi possède un potentiel touristique inexploité que le Gouvernement souhaite mettre en valeur et au centre de la stratégie de développement du pays. L'expérience d'autres pays post-conflit montre que le développement du tourisme, notamment au travers de l'IED, peut contribuer à redresser la situation économique du pays et donc l'appuyer dans l'instauration d'une paix durable. Mettant de l'avant ses avantages comparatifs, le Burundi devrait essayer de s'intégrer comme une étape dans les circuits touristiques d'Afrique de l'Est. Dans ce domaine, il sera néanmoins important de bien dissocier les rôles de l'API et de l'Office nationale de tourisme.

Pour ce secteur, l'API devrait concentrer sa stratégie sur : (i) le ciblage des prestataires de services et organisateurs de voyage présents dans les pays de la CEA ; (ii) la promotion des IED qui offrent des services touristiques spécialisés, notamment dans le tourisme aventurier et l'écotourisme ; et (iii) l'attraction des IED dans les services auxiliaires au tourisme (restauration, location de véhicules, équipements sportifs et récréatifs, divertissements).p99

#### Tourisme :

(1) coopérer avec l'Office nationale du tourisme et intégrer le Burundi dans des circuits touristiques régionaux ; (2) cibler des prestataires de services et organisateurs de voyage présents dans les pays de la CEA ; (3) promouvoir des IED qui offrent des services touristiques spécialisés, notamment dans le tourisme aventurier et l'écotourisme ; et (4) attirer des IED dans les services auxiliaires au tourisme.p.106

<b>Investment Policy Review (2002)</b>
An attractive climate and an evolving tourism sector that combines antiquities with wildlife and visual beauty. P 9
< Opportunities for FDI in many areas including agro-business, manufacturing, tourism, infrastructure (in particular energy p. 21
A number of other Government agencies and private sector organizations are involved alongside EIA in delivering or contributing to Ethiopia's investment promotion effort. In the State sector, these include the Ethiopian Privatization Agency (EPA), established through Proclamation 87/1994 to privatize over 200 state enterprises accounting for some 20 per cent of GDP; the Ministry of Trade and Industry; the ministries and agencies associated with specific sectors such as mining and tourism; the Ministry of Foreign Affairs; the Development Bank of Ethiopia; and the ministries dealing with taxation remits including customs. Of these, EPA is potentially the most important as it regards FDI as an important privatization mechanism. The Regional Investment Promotion Agencies, known as investment bureaus, also have an important contribution to make in identifying, defining and promoting specific investment project opportunities and in encouraging FDI into their region. p.30
An effective investment promotion strategy requires that there is a high level of cohesion between the policy priorities and measures across the national economic development effort. The discussions with EIA 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. This is understandable given that national strategies for these areas have only just been completed or are still in their development stages and that EIA had not (by the end of 1999) prepared its own strategic development priorities. The major contribution and role of FDI in the growth of Ethiopia's private sector is recognized and accepted by the Government. However, there appears now to be a need for the BO I to convene a working group from the appropriate federal ministries and agencies (once EIA has its own initial strategy completed) to ensure mutual coherence and consistency between the various sectoral strategies and the national investment promotion effort. This is a further priority policy issue. p.34
(a) Ethiopian Privatization Agency (EPA) The EPA was formally established in 1994 and began its strategic role of reversing the post-1975 wholesale nationalization of Ethiopia's private sector. The EPA's board of directors report direct to the Prime Minister. The EPA is located in the same building as EIA which should make for effective liaison between the two agencies, although at present tends to operate in isolation. The first phase of EPA's privatization (achieved through tender sales) focused on SMEs in retail, tourism and similar sectors. It is now focussing its attention on the sale of the 115 bigger enterprises. p. 35
(b) Ethiopian Tourism Commission (ETC) The ETC was established to capitalize on the country's combination of history and wildlife by attracting international tour operators to bring free-spending. 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 inputs of investment and modern management. The potential for attracting the more affluent tourists (both leisure and business) has been proved with the opening in 1998 of the luxury Sheraton Hotel in Addis which is in league with other quality hotels in developed countries. The ETC's goal is to increase international visitors to Ethiopia from around 115,000 in 1997 to 180,000 by 2000 and to 500,000 by 2005, predominantly in higher-value tourists. Priority is being given by ETC to attracting FDI into Ethiopia's existing hotels. The Hilton in Addis Ababa was the first to be actively promoted to overseas visitors, initially from the Middle East. Other hotel chains in key tourism areas are also being promoted for inward investment, predominantly through the ETC, but also in cooperation with the EPA as some of the hotels are among the public companies being privatized. There is an on-going promotional relationship with the EIA, although tourism does not appear to be in the EIA's priority sector list. It also lacks the financial resources or skills to make the necessary efforts required to attract FDI into the tourism sector. p.35
In the immediate future, it is probable that EIA will not have the funds or the skilled personnel needed to open up representative offices in targeted FDI home countries. Consequently, the prime overseas investment promotion presence will be the Ethiopian Embassies under the direct control of the Ministry of Foreign Affairs (MFA). MFA thus has a key role to play in attracting inward investment, which is slowly being developed with an appropriate initial focus on the Middle East and Asia. All ambassadors have been instructed to give priority to promoting Ethiopia as a suitable investment location, find markets for Ethiopian exports and encourage tourism to Ethiopia. p.35/36
(g) Ethiopian Airlines (EA) As Ethiopia's most visibly successful commercial company, EA is playing a leading role in Africa's emerging air-transport sector. It is building an internationally successful businesses in training aircrew and maintenance mechanics, in flight simulator training and in assembling light aircraft for use in rural areas and agriculture. In overseas promotion of the country the company does more than any other single organization in the State or in private sectors. With an annual turnover in excess of \$280 million it is the largest State-owned corporation and one that has been continuously profitable over the last 18 years. The EA Board is aware that the company is in a unique position to play a lead role in investment promotion abroad and sees FDI and tourism as being critical sectors for Ethiopia's future. EA can and should play an important FDI support role for EIA through making its overseas offices available for investment promotion activities and providing information about investment opportunities within its own in-flight magazines and entertainment services. The relationship between EA and EIA is still weak and unstructured. Therefore, and priority must be given to building a strong partnership in FDI promotion. p.37
The Government has identified a number of economic sectors as priority FDI areas for the creation of new enterprises capable of generating exports, domestic employment and for the building inter-sectoral linkages. The agricultural-led industrial development focus of economic strategy is reflected through promotion priority that highlights the major investment opportunities available in agriculture (food & beverages, cotton, horticulture, livestock, fisheries and forestry), manufacturing industries, mining and tourism. In all these sectors short project profiles have been prepared by Federal and Regional Government agencies summarizing specific investment opportunities, sometimes including more detailed market research information. These have been presented to the review team as inward investment targeting, as have similar project profiles prepared within the privatization programme. p.42
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 which basically consisted of providing training on business management. In 1977, the Handicraft and Small Scale Industries Development Agency (HASIDA) was established to provide training mainly in management and technical skills and to serve as coordinating agency for Government policy on small enterprises. Shortage of funds and unfavourable Government policy toward the private sector in the 1980s made it extremely difficult for HASIDA to have an impact on the development of local small enterprises. p.101

(iii) The Regional Micro and Small Enterprises Development Agency (ReMSEDA)  
The identification and selection of priority target beneficiaries will be the task of each region under the responsibility of ReMSEDA. However, broad guidelines are prepared by the federal agency to assist with the selection of the target beneficiaries. They will include micro and small enterprises which:

- .. Use local resources;
- .. Have backward linkages with agriculture;
- .. Engage in import substitution and have the potential to export;
- .. Engage in activities that facilitate and promote tourism, etc. p.102

The use of Ethiopian Airlines executives, staff and resources to help promote recognition of and interest in industrial and commercial investment opportunities. This can include the dissemination of information on investment projects and opportunities in Ethiopia through inflight magazines and entertainment services. Support from the Ethiopian Tourism Commission in these activities is vital; p.109

## Lesotho

<b>Investment Policy Review (2003)</b>
<p>Lesotho is a constitutional monarchy with a democratic government situated within the borders of South Africa. The Kingdom of Lesotho achieved independence from the United Kingdom in 1966, whereupon its name was changed from Basutoland. Constitutional government was restored in 1993 after 23 years of military rule. The bicameral Parliament consists of the Senate (33 members - 22 principal chiefs and 11 other members appointed by the ruling party) and the Assembly (120 seats, 80 by direct popular vote and 40 by proportional vote). The main natural resource is water and the majority of the population is engaged in agriculture. A substantial but declining, proportion of the male labour force works in South Africa in mining. The industrial base has grown markedly in the textile and garments sector and the highlands shows considerable tourism potential. p.x</p>
<p>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. This includes for example, the South African owned Lesotho and Maseru Sun hotels and, a recent innovative alpine resort financed by Austrian investors (box I.3). p9</p>
<p>Lesotho's higher levels of aid may help to attract foreign investors, because much of it has been directed towards developing infrastructure, in addition to poverty reduction. For example, US\$55 million aid last year included one grant of US\$8.7 million from the Arab Bank for Development of Africa to develop the Maseru periurban water supply and a US\$15.24 million World Bank grant to the Maloti-Drakensberg Transfrontier Conservation and Development Project to help conserve Lesotho's natural resource base. The former could help promote urban investment in the Maseru region, while the latter may boost investment in tourism. It is not clear whether, and to what extent, the trend of decreasing aid flows will affect FDI. p13</p>
<p>On the other hand, the competitive base for apparel, the dominant activity for FDI, remains fragile and narrow, heavily dependent on trade privileges in the United States market. The capabilities that Lesotho has built up in clothing manufacturing, while significant in relation to many other African countries, are not yet sufficient to sustain FDI once trade privileges are withdrawn and Lesotho faces full competition. Moreover, the benefits of FDI have not been as large as in other countries (in South and South-East Asia) where export-oriented apparel FDI has also taken root. Local content in Lesotho is negligible. Tax revenues appear to be small. Local employees in manufacturing (but not in services like hotel or banking services) are largely confined to low-skill operations, and there is little investment in training to upgrade skills. There are practically no local spin-offs in export or subcontracting activity. Backward integration into textile production is starting but it may not be enough to ensure a competitive base once the current phase of AGOA ends and inputs cannot be sourced from the cheapest suppliers. Despite the privileges offered by AGOA, so far there has been no foreign investor interest in other labour-intensive activities. The EU is offering duty-free access to most products made in Lesotho under the Cotonou Agreement, again with no FDI response. The other main draw for manufacturing FDI, into labour intensive operations for South Africa (from South Africa and third countries), has not yet led to large amounts of inward investment, while the potential for foreign investment in services (notably tourism) and resource-based activities (mining and agricultural) remains largely untapped. p21</p>
<p>Foreign investors do not have direct access to land title. Under Lesotho's leasehold land title system only Lesotho citizens and commercial entities majority controlled by Lesotho citizens may lease land. Foreign citizens and investors may only sub-lease from Sesotho-owned 7 entities. All transactions in leases and sub-leases, including issue, transfer and mortgages require Ministerial approval. There is a feeling in Lesotho that useable land is scarce and that the land system should prevent a few, who could well include foreigners, from acquiring excessive holdings. These constitute barriers to the entry of FDI in property and infrastructure development. Indeed by 1986 the feeling was such that even naturalized citizens were disqualified from holding land leases, although this is arguably unconstitutional. Hitherto this hindrance to FDI has been relieved by the Lesotho National Development Corporation (LNDC), which develops and lets factory shells and other commercial property. In other sectors, such as tourism and the utilities, parastatals have also performed been the leading property owners. 8 Heavy state investment in industrial and commercial property to facilitate FDI is unlikely to be practical as FDI expands. Land titling issues are further discussed in Section B below. p23</p>
<p>Corporate income tax heavily favours investment in manufacturing and, to a lesser extent, commercial agriculture. Manufacturing and farming income are taxed at 15 per cent and there is no withholding tax on dividends paid to non-residents from manufacturing profits. Income in all other sectors is taxed at 35 per cent and there is a further 25 per cent withholding tax on non-resident dividends (in the absence of a double tax treaty of which Lesotho has only two). Moreover, only industrial buildings qualify for depreciation allowances for taxation – thus buildings for services, tourism, farming etc are not depreciable. Also, infrastructure such as land improvements and site services does not qualify. p27</p>
<p>Value-added tax has been legislated but not yet applied. It is welcome because as a tax on consumption it will be more investor friendly than the present sales tax. Unfortunately, the VAT law as drafted is deficient precisely in this key area. Credit for input tax is allowed only for manufacturing, construction services and (effectively) 12 for merchandising. Thus other services including business and professional services, transport, tourism and agriculture will bear the incidence of VAT in a manner similar to the current sales tax. This is a further example of bias against non-manufacturing investment. p28</p>
<p>The conclusion from these comparisons is that the general taxation regime (outside the special regimes for manufacturing and agriculture) is quite unattractive for investors. Moreover, these comparisons exclude other unattractive features of Lesotho taxation – in particular its high withholding taxes on interest and management fees. If Lesotho wishes to mount a serious campaign to attract FDI in other sectors, including tourism, business and professional services, property development, information and communications technology (ICT), it will need to provide more competitive regimes for corporate income taxation. p31</p>
<p>Other sectors: iii. Currently the fiscal regime does not encourage investment in the non-manufacturing sectors – in particular in tourism, property development and mining that require more competitive arrangements to attract investment, especially FDI. The reforms should include lower profits' tax rates, lower withholding taxes, universal tax depreciation coverage and faster tax depreciation. A full VAT system should apply. Where it can be established that SACU-level tariffs on capital assets are non-competitive there should be a facility to grant a rebate. p32</p>

In 1989 Lesotho updated its intellectual property protection law through passage of the Industrial Property Order and the Copyright Act. The legislation is comprehensive in its coverage of patents, industrial designs, trademarks and grant of copyright. The latter predates the information technology boom and there is no specific reference to computer software. The Ministry of Tourism, Sports and Culture is responsible for enforcement of copyright (reflecting the law's focus on protection of artistic works). The Deeds Registry carries out registration p41

Reference to tourism in Table II.1. Status of sectoral regulation p43

2. Reform taxation of investment 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. p48

Lesotho is at a critical juncture in its development. With declining incomes from agriculture and workers' remittances, the economy is increasingly dependent for growth, employment and export revenues on a manufacturing sector that is almost entirely foreign owned and directed at export markets. Earnings from the Lesotho Highland Water Project provide a welcome addition to revenues but cannot be expected to drive future growth. FDI will have to provide much of the impetus, in part in manufacturing but also, increasingly, in service activities like tourism and perhaps in resource-based activities. p50

Wool and mohair. Lesotho is well known for its wool and mohair. However, poor extension services and breeding practices appear to have led to a deterioration in the quality of the wool and in productivity levels (World Bank, 2002). Virtually all wool and mohair are exported in raw form due to inadequate local processing facilities. The genetic stock and management techniques used by many producers are poor. It is necessary to restock herds with quality stock and to raise the awareness of herders to good breeding practice. Tapping export markets may also require better downstream processes, designs and marketing. It should be possible to attract FDI into some of these downstream activities. The attraction of FDI into tourism should also stimulate demand for products based on wool and mohair. p53

FDI potential in services is in tourism, planned privatization of water and electricity utilities as well as increased investment by existing foreign investors, in particular in banking, hotel and telecommunication services, undertaken in response to the growing needs of the expanding economy. p53

Tourism is already high on the government agenda, and a new Tourism Board is being set up to invest in infrastructure, and to set up 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 Mphahle Dam, both part of the Lesotho Highland Water Project. There are prospects for developing tourism on a regional basis, that is, in cooperation with SADC members. However, at this time Lesotho's tourism earnings are low, around US\$16 million (under the heading "travel services", net of "personal expenditures by expatriates") in 2001, around 5 per cent of the value of exports of goods and services. In dollar terms these earnings have not changed since 1990. Tourist arrivals after reaching a peak of 416,882 visitors in 1992 fell to 307,341 in 1999. 96 per cent of visitors were from South Africa. (Central Bank of Lesotho, World Tourism Organization/UNDP). p53

There is a modest amount of FDI in hotels serving tourists and business visitors in Maseru, dominated by the Sun Hotel chain from South Africa. There is potential for further hotel expansion as the economy continues to grow and the promotion of tourism bears fruit. p54

At the same time, Lesotho's inherited endowments have not yet been fully exploited. Its natural resource base in mining and agriculture seems to have greater investment potential than has been realized by foreign (or local) enterprises. The service sector can also draw more FDI into tourism and other local market oriented services and, perhaps into export-oriented IT activities. Privatization can attract some more FDI, though the amounts will not be very large. p59

As far as FDI promotion in the narrow sense is concerned, the diverse objectives of LNDC and its need to earn a living constrain the effectiveness of IPC in its investment promotion efforts. There is confusion over the role of IPC in dealing with foreign investors, since other units of LNDC also participate in this. Moreover, IPC has the mandate to promote FDI only in the manufacturing sector: FDI in tourism or agriculture are not covered. This can dilute the effectiveness of national image building in the investment community and lead to slower development of investment promotion capabilities in Lesotho. p73

Removing hassles at the border with South Africa by helping introduce free movement of goods, services and business people and limiting controls to indispensable checks related to illegal immigration and contraband. This is important for Lesotho's competitiveness and tourism development. Much depends on the Lesotho government, but the full cooperation of the South African government is also necessary. The recently established Joint Bilateral Commission of Cooperation (JBCC) between Lesotho and South Africa provides the appropriate forum for such cooperation as well as for a review of other investment stimulating measures by South Africa (box III.4). p77

Lesotho is at a critical juncture in its development and FDI has played a central role in sustaining it by providing indispensable resources and ingredients including capital and foreign exchange, managerial and industrial skills, demand for export products and their design, access to marketing channels as well as technology. In the absence of immediate local alternatives, FDI will have to provide much of the impetus for future growth, not only in export-oriented manufacturing, but also, increasingly, in service activities like tourism and perhaps in resource-based activities. Lesotho has been successful in having built a base of export-oriented manufacturing FDI in the recent past, but this base is facing serious challenges, as it is largely dependent on time-bound trade privileges in one market. At the same time Lesotho has not yet been able to exploit fully free long-term access to other major markets. p78

In resource-based activities and services, Lesotho must better exploit existing competitive advantages and create new advantages. The most urgent need is to improve the tourism infrastructure and to analyse the potential for attracting FDI into agro-based and mining activities. Over the long term it should strengthen Internet facilities and develop the skill and institutional base to attract FDI into IT services. p78

Reform taxation of investment aimed at manufacturing and to help diversify FDI into new sectors, including tourism, property development and mining. These reforms should include the removal of the bias in corporate taxation and VAT against non-manufacturing. p80

**Madagascar**

Investment Policy Review
Report not available

**Malawi**

Investment Policy Review
Report not available

## Mali

Investment Policy Review
Report not available

# Nepal

<b>Investment Policy Review (2003)</b>
As Nepal has some niche sectors such as tourism and herbal products, potential exists for the country to attract FDI in such sectors. Even though most sectors are open to FDI and the standard of treatment has been fairly good, the FDI potential has not materialized. An overall improvement in the business climate is called for to make it more investor-friendly. p.1
Reflecting the overall pattern of sectoral distribution of FDI, four of the nine enterprises were in the tourism (hotel) industry and three were in the textiles/garments industry.p.3
Secondly, the textile and garment industry accounts for 24 per cent of total investment in all approved manufacturing FDI projects. Tourism also attracts significant FDI. It 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.p.4
The tourism sector is a good example of the important role of 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 reach their current levels without FDI. Foreign investors in this sector bring strong marketing links, particularly when part of a chain of international hotels. 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. This cannot easily be rivalled by domestic investors.p.8
The sectoral distribution, with light manufacturing and tourism as the principal recipients, suggests that the pattern of FDI largely conforms to the country's comparative advantage. 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-exchangeearning 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 the "demonstration effect" on local entrepreneurs.p.11
Those areas of sectoral regulation reviewed seem reasonably modern and appropriate. They do not put an undue regulatory burden on business by excessive regulation, although overzealous administration in the tourism sector could easily have that effect.p.28
Tourism is regulated under the Tourism Act, last amended in 1997. Almost all tourism related activities require licences and certain specialized activities, for example ascent on major mountains, require 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.p.29
Short-term. Increased FDI in areas of demonstrated potential, provided that special Investment Promotion Packages are introduced to cater for: · Tourism, especially in niche markets;p.36
Subsection FDI potential in the short-term: Tourism pp.37-41
Zandu, another leading Indian herbal products manufacturer, has established an ayurvedic clinic in Nepal. As discussed 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.p.50
(ii) 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 as set out for the tourism development certificate. To facilitate customs clearance, holders of this certificate could also opt to establish processing facilities within an export-processing zone or export-oriented unit of the type recommended for export manufacturing.p.51
2. Creating Industry Promotion Packages to attract additional FDI quickly in areas of immediate potential for Nepal: · Tourism, especially in niche markets;p.57
Most FDI has been in manufacturing and tourism and much of it is small-scale. India has been the principal source. In the latter part of the 1990s private investment from OECD countries picked up owing to FDI in hydropower generation projects.p.59
Tourism – a tax and regulatory relief package and structuring of tourism development zones aimed at upscale and niche tourist market opportunities;p.60
Tourism mentioned in Table 1. Sectoral distribution of cumulative approved foreign investment in Nepal to 2001, p.61
Nepal has only one international airport, and it has nearly reached its capacity and cannot expand its facilities. The Government is studying the possibility of a second international airport in the Terai region, which will facilitate tourism and business travel.p.65
Retail trade, focusing on food, beverages and cigarettes, accounted for another seven firms, and construction and power firms accounted for five respondents. Services firms included four in banking and finance, two in tourism, and the remainder in transport, consultancy, security and advertising.p.69
Twenty firms claimed that the size of the local market was either "important" or "very important"; and 22 firms cited a similar ranking for its growth. One of these firms was in tourism while the others were involved in construction, finance and banking, consumer goods such as soft drinks and biscuits, and paint manufacture.p.70
Tourism mentioned in Figure A.4 Frequency of five strongest elements of Nepal's business environment (self-reported), p.75

<b>Investment Policy Review (2006)</b>
<p>The Investment Policy Review of Rwanda, initiated at the request of the Government, was carried out through a fact-finding mission in June-July 2005 and is based on information current at that date. The mission received the full cooperation of the relevant ministries and agencies, in particular the Ministry of Commerce, Industry, Investment Promotion, Tourism and Cooperatives and the Rwanda Investment and Export Promotion Agency (RIEPA). The mission also had the benefit of the views of the private sector, foreign and domestic, civil society and the resident international community, particularly bilateral donors and development agencies. A preliminary version of this report was discussed with stakeholders at a national workshop in Kigali on 20 June 2006. The report was also presented to members of the Economic and Trade Committee of the Chamber of Deputies and of the Committee on Economy and Finance of the Senate. p.iii</p>
<p>Although the share of the services sector in the economy has also stagnated over past decades, it is somewhat more diversified than the industrial sector, spanning retail services, transport, finance, insurance and other core services (public administration, telecommunications and utilities). The depth and breadth of services offered domestically – be it in IT, finance, professional or back-office services – remain well below what is available even in neighbouring countries, however. Foreign investors have played a somewhat more active role in the services sector than in industry, with investments in banking, tourism, and more recently telecommunications. These investments have had positive impacts, most evidently in ICT where foreign investors are on their way to building high-quality infrastructure (section B), which is essential to the Government’s aim to promote a knowledge-based economy and key to virtually all sectors of the economy. p6</p>
<p>Net FDI inflows averaged about \$4 million a year in the 1970s. They picked up towards the end of the decade and reached an average \$17 million per year in the 1980s, as more liberal policies fostered higher real GDP growth and generated additional investment opportunities (figure I.6). The bulk of these investments was in agribusiness, banking and tourism. Some of the larger investments included the purchase of the local brewery Bralirwa by Heineken and the participation of Belgolaise (part of the Fortis Group) in Banque de Kigali. p17</p>
<p>The rapid increase in FDI in Mozambique is partly explained by the close proximity with South Africa. South African investors significantly contributed to the success of the Maputo Corridor, which quickly brought quality infrastructure (road and railway links to South Africa’s industrial heartland, connection to South Africa’s electricity grid, sea port) and developed around one main investment, the MOZAL aluminium plant. Measures to establish modern regulations in key backbone services (transport, utility, telecommunications) and to allow private investment in these sectors were also instrumental in the success of the Corridor and the attraction of FDI, however. As a result, Mozambique has attracted significant FDI inflows over the past decade, not only in resource extraction, but also in industry, agriculture, agroprocessing, banking and tourism. p19</p>
<p>Similarly, Cambodia attracted FDI inflows soon after a formal ceasefire was signed in 1991 and elections were held in 1993. Inflows focused on the wood industry, textiles, and tourism. As is recurrent in post-conflict countries, investors originated mostly from neighbouring countries, as they are likely to have a deeper understanding of the socio-political situation and investment opportunities in difficult conditions. p19</p>
<p>Reference to tourism in Table I.8. Privatization programme, 1996-2005 p22</p>
<p>Reference to tourism in Figure II.1. Comparative taxation of investment p38</p>
<p>Given Rwanda’s current situation, it should be widely defined and would encompass, at a minimum, the following skills, competences and sectors:          Entrepreneurship;          Infrastructure (utilities, telecommunications, transport): engineers, technicians, pilots, ground technicians, management, construction;          Tourism: hotel management and employees, travel agency and tour operation, ancillary services (restaurants, bars, trekking, etc.);          Agribusiness: management, technical skills, knowledge of markets and SPS;          Services sector: legal services, accounting, consulting, banking, financial management, architecture, computer programming, land surveying, ICT and IT-enabled services;          Mining: engineers, chemists, surveyors, machine operators, technicians, mechanics; Manufacturing: management, technicians, mechanics. p46</p>
<p>Some provisions on competition are contained in Law 51/2001 on the organization of domestic trade. It specifies that prices are set freely by market forces as a rule, but that the Minister of Commerce, Industry, Investment Promotion, Tourism and Cooperatives has the authority to regulate prices in three cases: (1) monopolies established in view of avoiding speculation in certain sensitive products; (2) monopolies in the production or distribution of specific products; and (3) de facto monopolies on consumer goods and services. p53</p>
<p>Vision 2020 targets an average real GDP growth rate of 8 per cent throughout the period, in order to raise GDP per capita from about \$200 currently to \$900 by 2020. Such growth rates would require, according to the strategy, gross investment rates of 23 per cent by 2010 and 30 per cent by 2020. Such rates of investment would underpin average growth rates in industry and services of 9 per cent and 12 per cent by the same dates. Vision 2020 suggests that finance, tourism and ICT will be key growth areas. p72</p>
<p>The perception of Rwanda tends to radically improve upon a first visit. Tourism could thus be leveraged to bridge the image gap (see below). P88</p>
<p>Subsection on Tourism: widen the focus pp.93-95</p>
<p>Tourism. The aim should be to widen the current focus on “high-end” tourism to include backpackers tourism, for which Rwanda has a comparative advantage. This would be consistent with attracting small foreign investors. It could be supported by providing some permits for gorilla treks to backpackers at lower prices either directly or as an incentive attached to the construction of budget accommodation. p116</p>
<p>Priority should be given to: (4) tourism, inviting companies specializing in eco-tourism and the backpacker market.p117</p>

<b>Investment Policy Review (2010)</b>
<p>Despite the challenges facing Sierra Leone, recent economic growth has been strong. After an initial post-war surge, economic growth has been sustained at an annual average of 7.6 per cent from 2003 to 2007, which is the best performance since 1980 (figure I.1). This recovery has been supported by the reactivation of the agricultural and mining sectors and, on a smaller scale, the services sector (transport, communication, trade and tourism). In a comparative context, Sierra Leone's recent growth performance has surpassed the sub-Saharan Africa average (5.7 per cent) and the average of heavily indebted poor countries (5.4 per cent). p4</p>
<p>In the 1980s, the economic structure of Sierra Leone was based mainly on domestic activities – agricultural and services sectors – and exports concentrated on few minerals. While there was a burgeoning tourism industry, the 1980s were also marked by a declining trend in the mining sector's contribution to GDP. The structure of the economy has remained relatively unchanged over the post-war period (figure I.3). Agriculture has maintained a central role in the economy followed by the service and industrial sectors respectively. The declining share of the services sector between 2002 and 2006 can be explained by a decrease in tourism and related services as a result of the drawdown of international organizations' staff as the country stabilized after the war (Woody, 2008). p5</p>
<p>e. Tourism The tourism sector has been showing signs of recovery and has already attracted some investment from Chinese sources (box I.3). The 5,000 leisure travellers registered in 2005 are far below the 1989 peak of over 13,000 (Horwath Consulting, 1990). British Airways and Brussels Airlines have started flying back to Sierra Leone with regular direct flights from London and Brussels to Freetown. This is likely to foreshadow new opportunities.<sup>17</sup> Nevertheless, the country's ability to develop its infrastructure, mainly transportation and energy, will remain key factors in boosting the sector. p18</p>
<p>Box I.3. The tourism sector in Sierra Leone pg 19</p>
<p>The top investors in Sierra Leone are the mining and telecommunications firms, whose origins are fairly diverse (figure I.9). Nigerian investment has a large presence in the banking sector but the amount of FDI is limited. As noted earlier, recent investment from China has been in light manufacturing and tourism. p20</p>
<p>Although there have been only a few FDI projects implemented in Sierra Leone, there has been significant investment in capital equipment in the mining and telecommunications sectors, which has been accompanied by a demand for skilled labour. Recent investment in light manufacturing and tourism is also creating a need for workers with a specific set of skills. Unfortunately, the education and skills of the labour force in Sierra Leone are insufficient to meet demand. Foreign firms have made efforts to solve the problem through training programmes. For example, the mobile telecommunications company Zain has attempted to boost its human resource capital through its Celtel Academy, a school focused on business administration. The mining firms that have been in the country for several years also provide training to their employees. For the most part however, companies rely on expatriates to fill highly skilled and salaried positions. p21</p>
<p>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 concerns. Effectively, the 121-acre resort project that will use wetlands near Lumley Beach has already raised questions about the potential impact on the ecosystem and the environment overall. p22</p>
<p>The effectiveness of government policies and donor programmes has been hindered by a lack of human resources, capital and capacity. This has affected the speed with which policy changes have been adopted for private sector development, FDI attraction, specific sectoral goals and regulatory reforms in areas such as telecommunications, mining, tourism and fisheries. The focus and priority the government will place on capacity- and institution-building in areas such as regulatory agencies and the judicial system will be key to the future attractiveness of Sierra Leone to investors. p24</p>
<p>The lack of infrastructure, particularly electricity and transport, poses a challenge to the attraction of foreign investors. The success of attracting FDI to other potential sectors such as tourism, manufacturing and agro-processing will depend on the government's ability to supply uninterrupted power and a reasonably well-maintained road network. In this regard, FDI in the mining sector has already contributed to some infrastructure improvements. p24</p>
<p>The Investment Promotion Act (IPA) of 2004 provides the basic legal regime for investment. Article 4 states that any investor, domestic or foreign, may invest in any legitimate form of business. The IPA does not contain any list of sector limitations to FDI entry. Article 3 notes that in addition to the IPA, there are other laws with special provisions to promote investment in tourism, fisheries, mines and minerals, banks, non-bank financial institutions and other business activities that apply to FDI entry (section on taxation). p26</p>
<p>The mission of SLIEPA focuses on providing personalized services and information to investors and exporters. SLIEPA has identified sectors – agriculture, marine resources, mining, and tourism – for strategic promotion of FDI, while export promotion deals with agriculture and marine resources. p29</p>
<p>However, while the new Companies Act allows for more modern and investment-friendly treatment, there is still room for improvement. For example, there are still six steps to register a business, involving four different entities (World Bank, 2009).<sup>27</sup> Before a business can start operations, a mandatory general business licence must be obtained from the Office of the Administrator and Registrar General. To operate in Freetown, another licence needs to be obtained from the City Council. There are also activity-specific (construction, retail, etc.) and sector-specific (tourism, telecommunications, mining, etc.) licences. In many cases they overlap (e.g. the general business licence and the licence from the City Council) and their application criteria and administration are unclear. In many cases the licensing system seems to be used more for revenue collection rather than for concrete policy purposes. Therefore, a review of the complete licence structure is needed to ease the burden and cost for business establishment. The assessment of the system should aim at maintaining those licences that are deemed necessary notably to protect: (1) health; (2) consumers and workers; (3) environment; and (4) ensure safety. Once this exercise is completed, clear and transparent guidelines should be published on the criteria and procedures to be fulfilled to obtain licences. p30</p>

The standard fiscal regime provides measures such as tax depreciation allowances with a generous rate of 40 per cent for plant and machinery, competitive depreciation rates of 10 or 15 per cent on most types of buildings and other general incentives (table II.2). Moreover, the asset base is inflation indexed. Special treatment of tax depreciation is provided for mining and, to a lesser extent, for tourism to recognize the special features of investment in these industries (table II.3). p32

Table II.3. Incentives and special industry regimes p32

Sierra Leone has specific fiscal measures (table II.3) for activities in agriculture, tourism and mining. The agriculture and tourism industry measures include corporate income tax holidays although, in tourism, the extent of the holiday is constrained by the amount invested. The mining fiscal regime was developed in the early 1990s to provide internationally competitive arrangements for that time (see section dealing with mining.) p33

Figure II.1 compares the tax burden in four sectors (agriculture, manufacturing, tourism and fisheries) in Sierra Leone with other developing countries.<sup>30</sup> The comparison is based on the tax system in place in 2008, incentives and UNCTAD's comparative tax methodology (annex 2). The discounted present value of tax is measured as a percentage of investors' cash flow (present value of tax in per cent). The higher the present value of tax (in per cent), the greater the tax burden on an investment. p33

In agriculture, Sierra Leone maintains an incentive scheme for tree crops and rice. In fisheries, neither Sierra Leone nor the other African countries that are being compared maintain incentive schemes. Furthermore, Sierra Leone is one of few countries that does not promote investment in manufacturing through sector-specific tax incentives (e.g. export processing zones). In tourism, Sierra Leone's incentive scheme compares well with the other African comparator countries but it is not as ambitious. p34

Eliminate provisions on sector laws (e.g. tourism) that give discretionary power to grant investment incentives p36

Despite the unrestricted approach of the Bank of Sierra Leone Act and the IPA on foreign exchange transactions, some sector laws are outdated and maintain provisions that condition or restrict the transfers of funds abroad (e.g. the Development of Tourism Act (1990), the Exchange Control Act (Cap. 265)). This can create confusion and uncertainty. In this regard, an overall revision of these laws would be required to avoid inconsistencies regarding legal rights on foreign exchange transactions. p38

At the moment, only minimum institutional capacity exists to deal with intellectual property issues including industrial property matters, through the Office Administrator and Registrar General's Department of the Ministry of Justice, and copyright and related rights, through the Sierra Leone Intellectual Property Organization (Ministry of Culture and Tourism). There is also broad consensus on the need to establish a small Sierra Leone Intellectual Property Office that would operate as an autonomous government agency to administer the intellectual property legislative framework and policy. There are proposals to establish an independent industrial property tribunal or create a specialized intellectual property division within the High Court to resolve disputes concerning patents, industrial designs and trademarks. p46

Among the many challenges Sierra Leone faces, the lack of educated and skilled labour ranks high. Investors have difficulty finding workers with specific skills. This is the case for example, at varying degrees, in investment projects in mining, telecommunications, light manufacturing and tourism. While there are different ways to deal with the problem, addressing the shortcomings of the regulatory framework is central. In addition to easing labour market rigidities, measures should be taken to attract workers from abroad. p54

Against this background, efforts should be made to: replace existing laws with new legislation concerning electricity, port services, land registration rights and tourism; review and update legislation regarding mining and fisheries; and create new laws for the operation of activities under privately developed transport infrastructure (e.g. mining transportation projects), commercial courts, competition and bankruptcy. pg 54 Section F p 2

As a portal, the website would act as the hub to the various private sector groups and public sector agencies (figure III.2). The content of the portal would not be limited to image-building and promotional aspects of Sierra Leone but would act as a gateway to other information on Sierra Leone. This task should be undertaken as an integrated effort, in coordination with all public entities involved (tourism, government ministries, the private sector, etc). SLIEPA should act as the coordinator and manage the portal's content. p61

Figure III.2. Illustration of the Sierra Leone Internet portal p61

The following are important source countries for FDI and are strategically important to Sierra Leone in sectors such as mining and tourism. At the same time, they present a low exposure to illegal immigration. As such, they are good candidates for the initial priority list. p65

d. Other private sector investment opportunities in infrastructure

As noted, the need for investments in infrastructure is huge. This situation requires prioritization to ensure that strategically important areas are addressed soonest. For example, to realize the potential in areas such as tourism and fisheries and to reach poverty reduction targets, there is a case for prioritizing investment promotion in the following areas where private investors would be in a position to play a useful role:

- Laboratory inspection capacity on sanitary/phytosanitary issues, including food inspection;
- Warehousing and storage buildings for agricultural products;
- Irrigation projects;
- Possible construction of a new airport or renovation of existing facilities. pp. 72-73

Establishing a competitive and effective fiscal regime. It is essential that Sierra Leone takes steps to put in place a competitive fiscal regime. In particular, the corporate income tax should be reviewed with the objective of reducing the rate to between 20 and 25 per cent for all businesses and apply a low or zero rate on export sales by agro-processing and general manufacturing industries. It is also recommended to eliminate provisions in sector laws (e.g. tourism) that give discretionary power to grant investment incentives. A consolidation of incentives in the Income Tax Act would be preferable. Sierra Leone should also engage in negotiations of DTTs with key partners and promote approval of the DTT ECOWAS Convention. Lastly, for projects of strategic importance, a special window dealing with tax issues should be established to provide efficient and effective services to large investors. p74-75

<p>Modernizing outdated regulations. It is essential that Sierra Leone undertakes an overall review of outdated laws to complete the modernization of the country's legal framework for investors. Although it is suggested that an overall review and inventory of laws be undertaken, efforts should give priority, in addition to the legal changes noted before, to: replace existing laws with new legislation concerning electricity, land registration rights and tourism; review and update legislation regarding mining and fisheries; and create new laws for commercial courts, competition and bankruptcy. p76</p>
<p>All sectors of the economy could undergo significant transformation if structural constraints to investment are adequately and forcefully addressed as suggested above. The services sector could undergo expansion through some additional investment in telecommunications, banking, tourism and commerce. The improved conditions and growth that would prevail in the domestic economy under scenario 2 would also provide new opportunities for small investment in basic manufacturing serving the domestic and regional markets. p76</p>
<p>Defining full sectoral FDI strategies is beyond the scope of this report. Important conclusions about FDI potential in certain sectors and activities, however, can be drawn based on existing priorities and strategies. Some of the priority areas for the development of investment promotion strategies are mining, commercial agriculture, fisheries and tourism. p772</p>
<p>d. Tourism  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. Under scenario 2, infrastructure improvements can be expected to reduce operating costs, but competition will continue to pose a problem. 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 tour stops. Combined with the improved conditions of scenario 2, this would trigger other investment into the sector. p81</p>
<p>There are other programmes that should be given priority if the sector is to be developed further. Simplification of tourism visas and a review of fee structures should be a top priority. The United States is often cited as a target market for tourists to West Africa; however, a visa costs \$131. The closest target to countries of strategic importance based on priority sectors for FDI, such as Canada and Switzerland.  Countries with large investment outflows or investment development programmes in Sierra Leone should also be included such as China, France, Germany, the United Kingdom and the United States, as well as the European Commission. p81</p>
<p>Box III.10. The World Bank (FIAS) project for the development of the Western Peninsula p81</p>
<p>Sierra Leone is a country of important investment opportunities, endowed with rich natural resources (including minerals, fertile land, water, fish stocks and energy), a strategic maritime location, abundant labour at relatively low cost, as well as growth potential in various sectors of the economy, including services (e.g. tourism and transport), agro-business and, as expected, mining. Since 2002, the government has made significant progress, with the support of the international community, towards achieving peace and stability and the promotion of a comprehensive reform programme. In this context, attraction of FDI has become an important element of the national development strategy. p87</p>
<p>Finally, an important area of work is the modernization of laws. Due to the war and a lack of resources prior to it, Sierra Leone is left with numerous outdated laws, some of which date back to the colonial era. Several laws have already been reconsidered since the end of the conflict. However, much more remains to be done. While this is going to be done over a long period of time, priority should be given to laws related to sectors that have been identified as potential sources of growth, such as mining, fisheries and tourism. p90</p>
<p>Sierra Leone has good investment potential in different economic activities. Short-term actions should primarily focus on the mining sector, which has traditionally attracted FDI. Longer-term actions should focus on activities, such as commercial agriculture, fisheries and tourism, that present a solid potential for attracting foreign investment and should be supported. In this regard, the report proposes the following: p91</p>
<p>Tourism. Various efforts are being made to revitalize the tourism industry, but these have been mostly unsuccessful so far due to high operating costs and strong regional competition. By finalizing 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 whole sector. In this regard, a simplification of the process to obtain tourism visas and a review of the fee structure is desirable. To cope with regional competition and trigger new investments, it is recommended to integrate Sierra Leone into a West African tour as one of the stops. Finally, a marketing programme initiated with the assistance of SLIEPA to promote Sierra Leone's image should be put in place, as well as a training programme for potential workers in the sector. p91</p>
<p>Moving the development agenda forward in Sierra Leone is a long-term process. This report has presented concrete policy recommendations to reach such an objective through the contribution of increased FDI inflows. While a solid commitment of the government is essential, it needs to be complemented by the involvement of the international community. In this context, UNCTAD can also take part in the process and parks and I2 for investments in especially difficult socio-economic regions. Tourism: In the Gambia, I1 is for hotel development, hotel upgrading, cultural tourism, upcountry tourism and eco-tourism. In Ghana, I1 is for building properties for star-rated hotels, tourist villages and tourist attractions. In Sierra Leone, I1 relates to plant and equipment acquisition, and I2 to construction activities. In Thailand, I1 is for promotion services, hotels, lodging, health care and for projects in Zone 1 (the six central provinces), and I2 is a variation of I1 for Zone 2. pp.91-92</p>
<p>Tourism mentioned in Table pg 100</p>
<p>Tourism mentioned in Table pg 102</p>

## Tanzania

<b>Investment Policy Review (2002)</b>
<p>Tanzania has made tangible progress towards establishing an open and increasingly transparent and consistent legal framework for FDI. At the same time, the continuing process of policy change has made the 1997 Investment Act increasingly dysfunctional and it needs to be replaced by a new, modern act reflecting current conditions inside and outside Tanzania. Other areas needing attention include commercial and contract law, labour laws competition law, and the review and improvement of the incentives system. Updating regulations in sectors such as fishing and tourism could facilitate FDI. The Mining Act of 1998 and accompanying incentives are an example of what good regulation can do to encourage increased FDI inflows as well as their beneficial effects. p1</p>
<p>As a short-term strategy, the Government should continue to focus on immediate FDI potential in mining, utilities and tourism. Current exploration in non-gold mineral reserves indicates that FDI will continue in mining, while FDI in utilities and other infrastructure services will depend on the follow-through of privatization efforts. Major FDI inflows in tourism are constrained by infrastructure but there are short-term opportunities nonetheless. Focused targeting of investors by both TIC and ZIPA would help realize this potential. p1</p>
<p>Tourism mentioned in Table I.2. Major foreign affiliates in Tanzania, 2001 p6</p>
<p>In the past little FDI was involved in the development of the foreign sector. However, it has recently started to make increasingly important contributions in that area. There have been various major FDI projects in gold mining for exports and the indications are that they are likely to be followed by other export-oriented investments for gold and other metals. FDI has also taken place in projects for the expansion and/or restructuring of plantation farming, such as sugar farming. 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. p23</p>
<p>Increasing FDI inflows reversed also the negative impact of the two most important FDI-related financial flows on the balance of payments (BoP), which occurred in the first half of the 1990s (1990-1994) when profit remittances on FDI (\$151 million) exceeded FDI inflows (\$82 million) by a factor of two (figure I.8). In 1995-1998 inflows amounted to \$630 million, while profit remittances were \$170 million. It is impossible to assess the full impact of FDI on BoP, because data on the transactions of foreign affiliates and the indirect impact of FDI on domestic firms and consumers are not available. But one can recognize the contribution of foreign affiliates in increasing gold exports as well as the inflow of hard currency from tourism. p26</p>
<p>When discussing the implications of FDI for overall productivity, growth, employment, and so forth, one should bear in mind that the share of industries with FDI in the economy is still small. The mining sector's share in GDP, although growing rapidly, is still very small – over 2 per cent in 1999 (it is much smaller in total employment). The share of financial services in GDP is only 4 per cent and that of tourism 7 per cent. p26</p>
<p>Owing to increased FDI inflows, the qualitative impact of FDI on the economy has also become noticeable, especially in the sectors where FDI is concentrated. In mining FDI has served as an engine of growth and increased gold exports. In banking it has contributed to the modernization of the sector. Foreign investors have restructured privatized enterprises, increasing their competitiveness. They have typically contributed to the transfer of technology and skills. Although FDI impact is strongest in industries where it is concentrated, it has implications for the entire economy. Noticeable overall impacts include: (a) a contribution of FDI to the external inflow of resources (15 per cent in 1998); (b) a change from a negative to a positive contribution of the balance between FDI inflows and profit remittances to the balance of payments; (c) the contribution of foreign affiliates in increasing overall exports and the inflow of hard currency from tourism; (d) an increased share of FDI in capital formation and thus growth; and (e) the diversification of the economy away from agriculture towards mining and services. p28</p>
<p>In Zanzibar, the basic legislation covering FDI is contained in the Investment Promotion Act 1986 passed by the Zanzibar House of Representatives, which was enacted during a period when, as in mainland Tanzania, the local economy was centrally planned. In 1992, the so-called Zanzibar Declaration began the process of opening up and putting greater reliance on the private sector, both local and foreign. The Zanzibar Investment Promotion Agency (ZIPA) was established the same year. Subsequent legislation has established the Free Economic Zones and the Tourism Commission, which works closely with ZIPA to attract FDI to develop the tourism sector. In 1999, the Government of Zanzibar adopted a Zanzibar Vision 2020, which includes a commitment to building an investment climate that will further encourage FDI. It is expected that the 1986 Act will shortly be revised. p29</p>
<p>Tourism mentioned in Box II.1. The evolution of investment priorities p30</p>
<p>Tourism mentioned in Box. II.3. Application and authorization procedures p32</p>
<p>Tourism mentioned in Table II.2. Taxation p41</p>
<p>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. The current regulation for environmental protection is the National Environment Act of 1983, administered by the Ministry of Parks and Natural Resources. This legislation needs to be revised. It is now standard practice for major FDI projects in Tanzania to undertake Environmental Impact Assessment (EIA) studies in advance of their construction, and these are a precondition for construction and planning permits. 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. p45</p>
<p>(c) Tourism and hotels</p> <p>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. The emergence of Arusha as a significant new international airport in Northern Tanzania is an indication of the significant economic potential of tourism for the economy. 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. p47</p>

<p>Laws and regulations from the time of the centrally planned economy should be replaced with laws and regulations compatible with the requirements of the market economy and Tanzania's competitiveness. These include in particular employment and labour laws, commercial and contract law (including a new companies act) and tourism and fishing industry regulations. pp.51-52</p>
<p>Investment incentives offered to both foreign and local investors should be reviewed and replaced by a simple and transparent system. The possible impact of the exclusion of FDI projects below thresholds determined by the 1997 Act on the inflow of FDI into manufacturing, agriculture and tourism should be examined. Should Tanzania decide to keep the thresholds, they should be lowered to levels competitive with those of other African countries. Provisions in the 1997 Act concerning additional non-specified incentives for strategic or major investments may lead to arbitrariness and discrimination among investors and should be reviewed. There is, however, no need to review incentives in the mining sector, which have proved to be instrumental in attracting FDI into this sector. p52</p>
<p>There is no definitive prioritization of sectors for development in Tanzania. However, the minerals and natural resources, agriculture and agribusiness and tourism sectors are recognized as being of major significance. P57</p>
<p>Box III.3 CDC Group PLC: the evolving role of a long-established United Kingdom investor Tanzania has large offshore natural gas and oilfield reserves that are being developed; CDC is involved in a project to build a pipeline to Dar-es-Salaam. The total project cost is \$400 million, of which CDC has a \$20 million stake. CDC also invests through private investment venture capital funds, one of which is the Tanzania Venture Capital Fund. The Fund, of which CDC is one of seven partner-investors, was established in 1993 with a capital of \$7.7 million. By its closure in 1998 its capital had been fully invested in 20 indigenous businesses, of which 14 were start-ups in tourism, trucking, horticulture etc. Its successor, the Fedha Fund, was launched in 1998 with a \$13 million capital, about half of which has now been invested. Lack of experience of the local private sector is often cited as the principal hindrance to success. p59</p>
<p>(c) Tourism  Along with mining, tourism is the fastest growing sector in the economy. It generates an estimated annual earnings of \$733 million and contributes about 16 per cent to GDP. 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. In Zanzibar, tourism accounts for around 80 per cent of all services earnings. 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. p61</p>
<p>There are, however, numerous constraints on the development of the industry. Most obviously, the inadequate infrastructure is a barrier, especially in terms of roads, telecommunications, water supply and hotel accommodation, as well as service infrastructure (FIAS, 1999). Resolution of these constraints will generate major growth opportunities, including opportunities for FDI in hotels, financial facilities and other tourist-related services. Improvements are occurring, such as the leasing of the Kilimanjaro International Airport, which allows for international flights to fly directly in and out of the northern tourist circuit. An added benefit from tourism development is that it could indirectly improve the investment climate, and is a form of image building. Business executives can form positive investment attitudes from visits to a country for tourism. p61</p>
<p>Tourism is the key sector in Zanzibar and the potential for expansion and for FDI is significant. Zanzibar could further exploit a combination of beach and cultural attractions to the profitable luxury end of the tourism market. Awareness of Zanzibar internationally is quite high, as reflected in the strapline of the TIC promotional video – "The land of Kilimanjaro and Zanzibar." Amongst other challenges, however, has been the political unrest in Zanzibar at the end of 2000. While its effect has been geographically contained and relatively short-term, measures should be taken to ensure that it does not resurface. Security, along with natural attractions, is an important requirement for successful tourism p61</p>
<p>There is a need to review the national tourism strategy. The 10-year Tourism Master Plan, launched in 1996, has the broad aim of promoting low-volume, high-yield tourism. This concept was aimed at preserving the game parks. For the purpose of maximizing the economic benefits and opportunities derived from tourism, there has been proposals that the national parks be catalysts for tourism, with the coast being used for larger-volume but well-planned tourism. Hotel development planning is critical in this regard to safeguard the beaches and surrounding environment on which tourism depends. On the other hand, there are indications that Zanzibar is facing some of the negative effects of tourism, namely increased cost of living, drugs and breakdown in family relationships. Within the tourism strategy, the role of Dar-es-Salaam as a tourist as well as a business centre needs to be reviewed. There is also a marketing issue in tourism since Tanzania (although not Zanzibar) is still a little-known destination with a negative image from the past. Effective marketing of the tourism "product" is required, and mainland Tanzania and Zanzibar should pursue an integrated approach to tourism attraction and development. pp61-62</p>
<p>Tanzania's major strengths and weaknesses in attracting FDI are summarized in table III.6. Tanzania is particularly well placed in respect of potential for resource-seeking FDI because of its minerals, oil and gas reserves. By comparison, the preconditions are not yet fully in place to permit Tanzania to capitalize upon its considerable agricultural resources and tourism attractions. The limited market size means that only relatively small-scale market seeking (manufacturing) FDI can be anticipated in the near future, although there are encouraging signs in respect of services as companies follow their customers (often entering through privatization). The recent reestablishment of the EAC could produce major market-related benefits, but, as with SADC, this is a longer-term prospect. In the short term, Tanzania could face problems in adjusting to competition from Kenya. The significant FDI potential is linked to the privatization of utilities and transportation enterprises. The efficiency with which the privatization programme has been implemented is likely to have a major positive effect on investors' perceptions of Tanzania. p63</p>
<p>Tourism mentioned in Table III.6. FDI potential in Tanzania: strengths and weaknesses p64</p>
<p>Given the poor road system and the size of the country, air transport has a potentially important role in improving transportation and communications. Tanzania has three international airports – Dar es Salaam, Kilimanjaro and Zanzibar – as well as 21 main aerodromes, which service 14 foreign airlines as well as 20 local aviation companies. The improvements in Kilimanjaro International Airport following the concession agreement with Mott Macdonald (United Kingdom) might act as a model for other airports. But other forms of private participation, including foreign, need to be considered in order to upgrade the airport infrastructure, which is critical for other areas of development including tourism. pp69-70</p>

Southern African Development Community. Signed in August 1992, the SADC Treaty currently covers Angola, Botswana, the Democratic Republic of the Congo, Lesotho, Malawi, Mauritius, Mozambique, Namibia, the Seychelles, South Africa, Swaziland, the United Republic of Tanzania, Zambia and Zimbabwe. Its goals are basically the same as those of the defunct Southern African Development Coordination Conference (SADCC) which it replaced – namely, to promote regional trade and integration, to boost the region's general economic independence, and to mobilize support for national and regional projects. 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. The SADC Trade Protocol, which came into effect in September 2000, aims to remove tariff and non-tariff trade barriers in the region within eight years. However, to date only South Africa has made concrete commitments. p73

Laws and regulations from the time of the centrally planned economy should be replaced by laws and regulations compatible with the requirements of the market economy and Tanzania's competitiveness. These include in particular employment and labour laws, commercial and contract law (including a new companies Act) and tourism and fishing industry regulations, as well as a new arbitration Act. p89

Integrating human resource development into programmes for the support of priority sectors (including those with FDI potential, particularly mining, tourism and even banking). This means determining the skill needs of priority sectors, and developing funding systems for training, in partnership with the private sector. /

Developing sectoral programmes in, for example, energy and minerals, agribusiness and tourism not only to improve their attractiveness to foreign investors but also to encourage linkages with local enterprises, including technological linkages. These sectors are of fundamental importance for FDI attraction, but the conditions are not in place to fully exploit their potential. Tourism is the easiest to develop in the short term, and should be the initial emphasis.p92

Through these interventions, communities living adjacent to natural resources continue to enjoy the benefits such as fuel wood, fishing, eco-tourism, and hunting.p.30

## Uganda

Investment Policy Review (2000)
<p>The privatization programme, started in November 1992, has provided impetus to FDI in Uganda. It has progressed relatively rapidly, and by June 1998, about 70 per cent of the projects earmarked had been divested. These projects were mainly in the agribusiness, manufacturing, tourism (e.g. hotels) and trade sectors. In August 1998 the programme was temporarily suspended over allegations of mismanagement and improprieties but has since resumed with the Government now disposed to apply the principles of best practice. An indication is the recent announcement that the Government intends to divest itself of its controlling share in Uganda Telecom Ltd. through an open competitive tender in which the financial adviser will be the International Finance Corporation, a member of the World Bank Group. The choice of such a financial adviser should assure confidence in the integrity of the process. p4</p>
<p>Tourism mentioned in Table 4.—FDI by sector, 1991 to 1998 p6</p>
<p>Activity at lower-tier Ugandan airports is far too low to consider them as candidates for any form of FDI. 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. This is a specialized subject beyond the scope of this report. p38</p>
<p>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. P54</p>
<p>The most important single factor is market size and the prospects for market growth, with purchasing power as a constant qualification. 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 realized from low labour costs. Only in particular subsectors like special-interest tourism was it generally felt that access to natural resources outweighed such disadvantages. p57</p>

<b>Investment Policy Review (2006)</b>
<p>Zambia has also underutilized rural resources, including unspoiled wilderness areas for tourism, which, if properly exploited, could help attract considerable amounts of FDI. Export potential is also enhanced by regional trading arrangements and privileged market access opportunities granted by developed countries. / With the opening up of the Zambian economy in the 1990s, FDI inflows increased considerably reaching \$334 million in 2004. This was largely explained by the implementation of an ambitious privatization programme (1994-2001), investments in copper and cobalt extraction, and greenfield investments in the agricultural sector, in particular horticulture and floriculture production, and in tourism. The immediate challenge for Zambia will be to increase and sustain FDI inflows beyond recent levels, and to reap greater benefits from FDI for diversification, industrialization and development. p.1</p>
<p>The second largest sector for FDI is the services sector, more specifically banking, communications and tourism. There are six international banks operating in Zambia, including Barclays, Standard Chartered, Stanbic and Citibank. FDI in telecommunications services is more recent and concentrated in mobile telephony, with licenses granted to Telecel (which was acquired by MTN in late 2005) and Celtel, which was acquired by Kuwait's MTC Group in 2005. The tourism industry has also attracted more foreign investors in recent years, especially in the development of game parks and in sites around the Victoria Falls area. The latter saw the opening of the Sun International resort in 2001 built at an estimated cost of \$45.6 million on 46 hectares. Foreign investors are also present in the country's three big international hotel chains, namely, Intercontinental, Taj Group of hotels and Holiday Inn, which were acquired through privatization.p.7</p>
<p>Zimbabwe has also been a source of recent investment, in agriculture and tourism. However, this is due more to Zimbabwe's worsening business climate than Zambia's attractiveness as an investment destination. Outside mining, British investment is present in tourism, services, and manufacturing. South African investors have displayed most interest in recent years in services, particularly in tourism, retail trade and banking. Figure I.2 shows the country of origin of approved investments between 2000 and 2002.p.8</p>
<p>Tourism mentioned in Table I.3. Profile of major privatizations with foreign participation, p.9</p>
<p>In addition to capital, FDI inflows in the past decade have brought some technology and knowhow. FDI has also contributed modestly to diversifying exports and modernizing services, notably in telecommunications and tourism. / FDI's strongest impact has been in transferring skills and knowledge in the horticulture and tourism sectors. / There has also been greenfield FDI in other industries, providing employment opportunities. These industries are labour-intensive and include tourism, horticulture, and the growing of sugar, coffee and tobacco. Jobs in the tourism sector, for example, doubled from 5,909 in 1995 to 11,892 in 2000.5 By the end of 2003, they had reached 16,000.6 p.10</p>
<p>Export revenues from tourism have been rising sharply, from \$47 million in 1995 to \$149 million in 2003. The government estimates that these revenues grew by 12.1 percent year-on-year in 2005 and 6.4 percent in 2004. Key to this has been the rapid expansion of facilities such as lodges, guesthouses and camping sites, including the opening of two luxury hotels in the region of Victoria Falls, the rehabilitation of Livingstone airport and the opening of the Tourism Development Credit Facility in 2004. p.12</p>
<p>Action plans have also been approved for the Ministry of Tourism, Environment and Natural Resources to streamline licensing requirements and for the Ministry of Commerce, Trade and Industry to tackle administrative barriers. Reference is made to pertinent PSD measures in the discussion below. p.20</p>
<p>Tourism mentioned in Box II.2. Comparative taxation of selected sectors p.23</p>
<p>Nevertheless, investors complain 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 (see Box II.3). The number of licenses, the time required to obtain them, the discretion given to the authorities in their decision-making process, the requirement for annual renewal, the associated and often uncoordinated inspections, and the cost of fees add up to being a significant impediment to many foreign investors.18 p.32</p>
<p>Box II.3. The tourism sector: requirements for entry of FDI p.33</p>
<p>The task force urged the Government to "accelerate efforts to diversify the Zambian economy as a matter of urgency by implementing, in calendar year 2002-3, the necessary policy changes and public investments" and also recommended the preparation of a National Economic Diversification Programme. Such a programme was subsequently prepared and inspired the Private Sector Development Programme (discussed in Chapter II). Activities identified as priorities included agriculture, agro-processing and tourism. / There has been some diversification of Zambia's economy, which, in particular, reduced its dependence on copper. The share of copper in exports fell from 90% in 1969 to 52% in 2004. But this has happened owing to both the expansion of non-copper activities (notably agriculture, manufacturing and services such as trading and tourism) and the initial drastic decline of the copper industry (Chapter I). Yet, with the significant increase in copper prices since 2004 and with the support of FDI, copper exports are growing again. p.37</p>
<p>However, 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.</p>
<p>Tourism still represents a major potential growth industry for Zambia, in spite of its recent rapid growth, with tourism revenues rising from \$35 million in 1990 to \$578 million in 2003. 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. Zambia has 19 National Parks and 34 Game Management Areas (GMAs) covering 33 percent of the country, but only 5 percent has been developed for tourism. The country also has over 35 percent of the water resource in Southern Africa and the world famous Victoria Falls is located within its borders. As a democratic country with a history of political stability and peace, Zambia is in a position to meet the growing demand for specialized tourism such as adventure tourism. It has the 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. Recent growth of tourism has been largely due to a rapid increase in private investment. FDI has created new tourism facilities in the Livingstone District, attracting an international clientele. Since the mid-1990s practically all publicly-owned tourism lodges and four major hotels in the country have been privatized. p.43</p>
<p>Major tourist attractions, however, are in rural areas, which lack adequate access roads, electricity, telecommunication facilities and airline connections to main tourism markets. If these constraints are eased or removed, the growth potential for Zambia's tourism industry is estimated at doubling its recent direct and indirect contributions to domestic value-added and employment.p.44</p>
<p>Air transport is vital for several non-traditional exports, notably horticulture, floriculture and tourism. However, horticulture and floriculture producers interviewed, indicated that insufficient cargo connections to Europe have hampered their investment expansion plans and put them at a disadvantage compared to competitors like Kenya. The high cost of aviation fuel (see Table III.1) has been an important factor</p>

in increasing cargo prices and leading to several carriers, such as Das Air, British Airways World Cargo and Mk Airlines withdrawing their services from Zambia.p.49

A preliminary examination would suggest that the bulk of its work should be in sectors for which investors are not fully aware of the opportunities available. These are agroprocessing and tourism. In this area, ZDA should research, identify and target new investors, build a positive image of the country, facilitate investors and help them clear the regulatory hurdles. However, image-building campaigns should only start once the operating environment improves. Any earlier and it would ring hollow.p.59

FDI potential extends also to services – notably tourism, financial and infrastructure services – agriculture (including agro-processing) and manufacturing, including copper products. In the latter two sectors it is greatly enhanced by Zambia's privileged market access in the region and to large markets in developed countries, including the EU, United States and Japan. p.61