

Place and Tourism Promotion: Urban Regeneration?

Place and Tourism Promotion:
Urban Regeneration?

By

Edmund Christopher Matotay

**CAMBRIDGE
SCHOLARS**

P U B L I S H I N G

Place and Tourism Promotion: Urban Regeneration?,
by Edmund Christopher Matotay

This book first published 2010

Cambridge Scholars Publishing

12 Back Chapman Street, Newcastle upon Tyne, NE6 2XX, UK

British Library Cataloguing in Publication Data
A catalogue record for this book is available from the British Library

Copyright © 2010 by Edmund Christopher Matotay

All rights for this book reserved. No part of this book may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior permission of the copyright owner.

ISBN (10): 1-4438-2153-5, ISBN (13): 978-1-4438-2153-7

To my Father the late Mr Christopher Siimay Matotay

TABLE OF CONTENTS

List of Figures.....	ix
List of Abbreviations	xi
Acknowledgements	xiii
Chapter One.....	1
Introduction	
Chapter Two	13
Tourism in Tanzania	
Chapter Three	33
Place Marketing, Selling Cities and Place Promotion	
Chapter Four	49
Data and Method	
Chapter Five	55
Analysis of the Perspectives on Place Marketing in Arusha	
Chapter Six	65
Qualitative Analysis of Results	
Chapter Seven.....	75
Results Analysis of Strategies and Impacts	
Chapter Eight.....	103
Quantitative Data Analysis and Discussions	
Chapter Nine.....	119
Discussion	

Conclusion..... 127

Appendix 1 131

Interview Guide

Appendix 2 133

Questionnaires

References 137

LIST OF FIGURES

- Figure 1 A Map of Tanzania showing a location of Arusha and its national parks
- Figure 2 The Great Rift Valley as it crosses the continent through Northern Tanzania
- Figure 3 Oldonyo Lengai an active volcano in Ngorongoro
- Figure 4 Statistics and sell of live animals (1995/01)
- Figure 5 Number of Tourist Hunters
- Figure 6 New Arusha Hotels and Promotion of Arusha
- Figure 7 John Mulholland Commercial on the Territory
- Figure 8 Different Captions of Adverts promoting Arusha, its nature and amenities
- Figure 9 Estimated Direct Employment in the Tourism Sector (2000)
- Figure 10 Visits to the National Parks: All Nationalities
- Figure 11 All Visits to the National Parks Tanzania
- Figure 12 International Visits
- Figure 13 Revenues Collected by the National Parks
- Figure 14 Numbers of Tourists and Foreign Exchange Earnings (1990-2003)
- Figure 15 Accommodations, Hotel bed nights, Employment & earnings in Tanzania
- Figure 16 Hotels Bed nights and Utilizations by Residency
- Figure 17 Numbers of Visitors to the Cultural Tourism Centers 2000-2001
- Figure 18 Arusha National Park Revenues and Budget
- Figure 19 Kilimanjaro National Park, Revenues and Budget
- Figure 20 Lake Manyara National Park, Revenues and Budget
- Figure 21 Serengeti National Park, Revenues and Budget
- Figure 22 Tarangire National Park, Revenues and Budget
- Figure 23 Hotels Percentage's Bed nights in the Northern Circuit
- Figure 24 Northern Wildlife Areas: Arusha and Hotels Located in the Parks
- Figure 25 Elements that Promotes Arusha
- Figure 26 Importance of Tourism in Arusha
- Figure 27 Needs to Promote Tourism
- Figure 28 Targets and Customers
- Figure 29 Satisfaction with Business
- Figure 30 Business Stability
- Figure 31 Tourism Business Trend
- Figure 32 Moral Obligations to Contribute
- Figure 33 Does your business Contribute
- Figure 34 Profit

LIST OF ABBREVIATIONS

AICC	Arusha International Conference Centre
AWF	Association of Wildlife Fund
DIA	Dar es Salaam International Airport
EAC	East African Community
ESAMI	East Southern African Management Institute
FC	Football Club
GDP	Gross Domestic Product
IMF	International Monetary Fund
JICA	Japan International Corporation Agency
KIA	Kilimanjaro International Airport
Kili	Kilimanjaro
NBS	National Bureau of Statistics
MoTNR	Ministry of Tourism and Natural Resources
NCA	Ngorongoro Conservation Area
NGO's	Non-Governmental Organisation
11/9	September 11, refers to the attacks on New York City on the 11 th of September
SPSS	Statistical Packages for Social Science
TANAPA	Tanzania National Park Authority
TATO	Tanzania Association of Tourist Operators
TRA	Tanzania Revenue Authority
Tshs	Tanzania Shillings
TTB	Tanzania Tourist Board
UK	United Kingdom
UN/ICTR	United Nations International Criminal Court for Rwanda Genocide
UNESCO	United Nations Educational, Scientific and Cultural Organisations
UN	United Nations
US/A	United States of America
USD	United States Dollar
WB	World Bank
WTO	World Tourism Organisation
WWF	World Wildlife Fund

ACKNOWLEDGEMENTS

I wish to thank all the people who were part of the success of the publication of this book. Thanks go to Prof. Hans Kjetil Lysgaard, Prof. Idar Magne Holme, for their guidance during my academic stay at the University of Agder. Many thanks also go the Royal Norwegian Government, through Statens Lanekassen for sponsoring my studies in Norway that has resulted into the publication of this book. My publisher, CSP, and the entire team, who tirelessly have been working with me to see this book is published, I thank you

I am also grateful that during information gathering for this book, a great support was also extended by Ms. Imakulata Diyamett and Mr. Willy Lyimo of Ngorongoro Conservation area and Tanzania Tourist Board respectively..

Special thanks however, goes to my parents and guardians, my Mother Mrs. Salome Matotay, Prof. J. T. Nagu (PhD) of Mzumbe University, Tanzania, Hon. Dr Mary Nagu (PhD) of the Ministry of Industry, Trade and Marketing, Sixbert Qamdiye (MBA) and the family of the Ministry of Finance, and the family: my brothers and sisters who have supported me all the years through with great love and compassion to attain my higher education and a publication of this book.

Heartfelt thanks also go to my wife Josephine M. Duway, my children Vania-Liv Edmund Christopher and Gaven Edmund Christopher, for their love and support during entire preparation of this book.

Special and good friends, those who in one way or another were part of my life moments, good and bad, I salute and thank you so much: for you have always given me what others couldn't provide. And for those who in many ways, have been part of my education and career pathways, and then the publication of this book, but are not mentioned here, please receive my big heart-out thanks and God bless.

CHAPTER ONE

INTRODUCTION

1.1. Purpose and Motivation

Place promotion is one of the key issues in the contemporary strategic development of cities around the world. In a desired fashion the city of Arusha in Tanzania is engaging in great extent to sell its image through attractive sceneries and some institutions, to the world in order to attract tourists, new jobs and residents. Major national parks located in the region, five star hotels around the city and flag institutions like Arusha International Conference Centre (hereinafter referred to as AICC), Arusha Natural Museum and the Arusha Declaration Monument actively stand as symbols to sell the city to the world.

A survey done by Tanzania Revenue Authorities (TRA)¹ and the Bank of Tanzania² show that the city of Arusha has been successful in attracting good number of tourists in recent years. The city has also been successful in attracting conference tourists, safari tourists to the national parks and the booming five stars hotels around the city. This survey also put Arusha amongst the most prominent revenue sources in the country. Recently, and as was the case for a series of years, Arusha is ranked second in the revenue collections in Tanzania. All this is possible because Arusha attracts more tourists than any region and town in East and Central Africa.

Looking at the above information, there was an interest then to conduct a study on tourism in Arusha as a place and a region in Tanzania and to publish the results. The overall interest of this study is to explore the relationship between the town of Arusha and the whole issue of tourism.

Around the globe there are relations between cities and things that make these cities attractive, popular or productive. Some elements exist, like

¹ www.tra.go.tz.

² www.bot-tz.org.

attractive scenery, or events that promote cities. The result is that these cities become well known and at the later stage economic implications are derived. Due to some economic challenges and hardship some cities, try harder to re-invent, re-discover, build and develop some areas to be attractive so that they can promote their cities and then after become revenue sources.

The use of different strategies to promote cities around the world has yielded fruitful results. There are no exceptions in the case of Arusha,. This town, (as will be shown later) has all that it takes to make it popular. It also has it all in terms of elements and strategies to promote and reinvent itself. This book then explores and investigates types of place promotion strategies that are used in Arusha. Shown above, this book will derive socio-economic implications and impacts of the strategies on tourism especially in Arusha and the entire northern tourist circuit of Tanzania.

1.2. Arusha Region: Environments, Activities, People and Culture³

Arusha Region covers a large portion of northern Tanzania. It was the Largest Region in Tanzania mainland before it was divided into two Regions - Arusha and Manyara - in 2002. The region shares a common border with Kenya in the north, with Kilimanjaro to the East and Tanga Regions and to the west, with Shinyanga and Mara Regions. It has a population of more than 1,000,000 people (2002 census).

In terms of the weather conditions, the Arusha region enjoys very good weather (temperate) with annual average temperature ranging from 21 c to 24 c. It has two rainy seasons - short (November - January) and long (March - June). The region is home to a number of different ethnic groups with a variety of life styles but they share the same politeness, respect and modesty, which is quite visible in the general character of Tanzania's traditional society. This includes the Maasai from Masai Steppes, Hadzape from areas around Lake Eyasi, Barbag from Hanang, Iraqw/Wambulu from Mbulu and the Waarusha & Wameru from the slopes of Mt. Meru. Other tribes include the Chagga and Pare who are native to the neighboring region of Kilimanjaro.

Arusha is also famous in agricultural and mining activities. These

³ Tanzania Tourist Board (TTB).

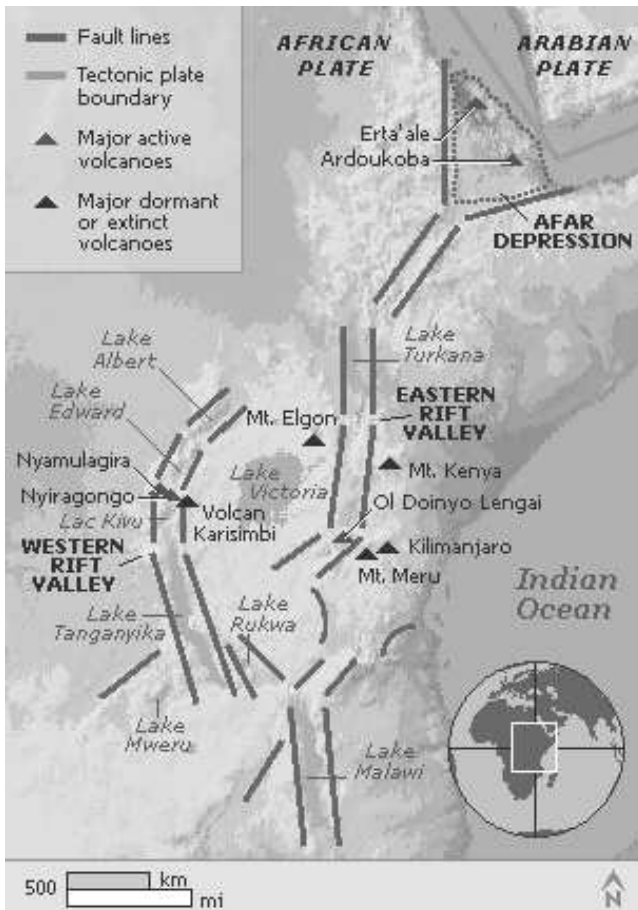
activities earn the region a handsome income. Wheat, maize and bean farming are more famous in Arusha than other regions in Tanzania. Apart from these activities there are also manufacturing industries (though they are not as big as the tourism and mining sector).

Figure 1 A Map of Tanzania showing a location of Arusha and its surrounding national parks



Arusha and the whole northern circuit landscape is shaped by the Great Rift Valley (see figure 2 below) that stretches almost 6500 km from the Dead Sea in the north of Africa to Beira on the coast Mozambique in the south. The division of tectonic plates formed the Valley millions of years ago. These plates comprised of the African and Eurasian landmasses. Over the course of millennia these movements resulted in escarpments, ravines, lakes and volcanoes that mark most of the Arusha region's topography today.

Figure 2. The Great Rift Valley as it crosses the continent through northern Tanzania (Arusha is located exactly between Mt. Kilimanjaro and Meru) towards Southern part of Africa in the Mozambican coast, Lake Nyasa and parts of Zambia.



1.3. Tourism in Arusha Region

Tourism is the fastest growing economic activity here. The region is world famous for its natural heritage, and four national parks, including Kilimanjaro National park, one conservation area (Ngorongoro), one game reserve and 13 game controlled areas. Arusha is also a central point in Africa between Cape Town and Cairo. Tourism is one of the most important sectors to the economy of this region contributing about 20% of the region's GDP. The region has the most dynamic tourism in Tanzania. It is the centre of the northern tourism circuit. Types of tourists coming to Arusha are categorized by their activities - wildlife safaris, mountain climbing, hunting, meetings/conferences, tourism and cultural tourism.

Popular destinations in the northern tourism circuit are:

Famous National Parks:

Lake Manyara National Park
Tarangire National Park
Serengeti National Park and
Arusha National Park
Kilimanjaro National Park

Five Star Hotels:

Mount Meru Hotel
Impala Hotel
Hotel New Arusha
Hotel 77
New Safari Hotel
Ilboru Safari Lodge
Serena Hotels
Ngorongoro Wildlife Lodge
Sopa Lodge
Great landmarks
Ngorongoro Crater
Olduvai Gorge
Ngurdoto Lodge

Mountains:

Mt Kilimanjaro (5895m)
Mt. Meru (4566m)

Mt. Hanang (3417m)

Mt. Oldonyo Lengai (2878m)- Volcanic Active Mountain

Mt. Longido (2629m)

Mt. Liliondo (2500m)

Soda Lakes:

Lake Natron

Lake Manyara

Lake Eyasi - (these Lakes are the home of huge flocks of flamingos.)

Oldonyo Lengai (picture 3), the "Mount of God" in Maasai language, recently erupted in 1966 and 2007. This mountain is near Lake Natron and Ngorongoro Crater some 100 kilometers northwest of Arusha and is the only active volcano in Tanzania.

Figure 3. Oldonyo Lengai



1.4. The City of Arusha "The Geneva of Africa"

The city of Arusha has created a major local and global recognition and reputation. This is evident to the statement by the former US President Bill Clinton who characterized it with the image and role of Geneva to Europe and the world, and so the branded it a "Geneva of Africa". The reason for this is that Arusha is well known all over the world due to its distinctive attributes, namely the hosting of major international conferences, congresses and meetings including peace talks. It's also known for its lovely and peaceful weather, great attractive modern and reputable hotels

and of great importance, the national unprecedented wildlife national parks and the great scenery of mounts Meru and Kilimanjaro just around the reach of the city.

Located in northern Tanzania, exactly in between Cape Town and Cairo, the city of Arusha is one of the major tourist destinations in Tanzania. This city lies at the southern slopes and catchments of Mount Meru (4566m above sea level) at an altitude of 1450m that ensures a temperate climate throughout the year despite its vicinity to the equator.

Arusha is about 48 km from the- Kilimanjaro International Airport (KIA) which makes it well connected with the rest of Tanzania, East and Central Africa, and the world at large. Arusha is a gateway to the world famous National Parks and conservations areas of Tanzania: to the west lies the Serengeti with its seemingly endless plains and vast numbers of wildebeests, zebra, gazelle and attendant carnivores. En route to Serengeti, the Gregory Rift towers over the Lake Manyara. Next come the wonders of Ngorongoro Conservation Area, with its famous crater, and Olduvai Gorge that begrudgingly reveals its prehistoric secret. Tarangire National Park, with the largest concentration of elephants in the northern Tanzania, lies to the southwest, just off a good tarmac road to the Tanzanian political capital of Dodoma. To the East is Africa's highest mountain, Kilimanjaro, which rears from the Maasai Steppe to the 5895metres (19, 650 feet) at its snow-capped summit.

Towering over Arusha town is a Mount Meru, dusted with snow from November to January. The 4565 metre (15,064 feet) Mount Meru is almost as high as Europe's highest mountain, the more publicized Mont Blanc, at 4807 metres (15,863 feet).⁴

The region is a home of the great and famous International Conference Centre in Eastern, Central and Southern Africa famously known as AICC, which has conference rooms of up to 1000 people.⁵ The centre has managed to attract between 10,000 to 14,000 conference delegates per year for the last 10 years. AICC was a former and recent headquarters of the East Africa Community (EAC) Secretariat, a tripartite body revived by Kenya, Tanzania and Uganda. In addition it hosts various international, governmental and non-governmental organisations such as the Headquarters

⁴ Tanzania; Travel and Tourism Directory, 2005.

⁵ The AICC Echo; A Quarterly Magazine of the Arusha International Conference Centre.

of the UN International Criminal Court for Rwanda Genocide (ICTR) and Serena Group of Hotels. AICC has been for quite some time the headquarters of the Burundi Peace Negotiation, which in 1998 marked the famous signing of the peace deal, whereby the supreme negotiator former South Africa President Nelson Mandela invited all African and world leaders including former US President Bill Clinton to AICC to witness the signing ceremonies.

The city of Arusha is also a hometown for the East and Southern African Management Institute (ESAMI) and the famous Natural Museum, which situated just close to AICC⁶. The city of Arusha is also known for it was a place where Ujamaa (Socialist) policy was declared by the ruling government in 1967. To celebrate this policy, the ruling party has erected a famous Monument in Arusha called in Swahili (Mnara wa Azimio la Arusha) the "Monument of the Arusha Declaration". This monument has for long time been used to represent the image of Arusha, in the way that London Bridge, the Eiffel Tower and the Sydney Opera House do to London, Paris and Sydney respectively. For almost three decades Ujamaa has been Tanzania's development policy until it collapsed in early 1980s due to pressure from Bretton Woods institutions such as the IMF and the World Bank. But the Monument to the dead policy still stands today, and it continues to represent the image of Arusha and is one of many tourist attractions in Arusha. Therefore, with all these resources, attractions, offices and opportunities, the capital town of this region (Arusha) has become a gateway to tourist activities in Tanzania's northern tourism circuit.

One tourist guide called Tanzania Authentic Africa⁷ concluded its presentation of the Northern Tourist Circuit with this beautiful phrase:

Few places in the world conjure up such rich images as the magnificent peaks, valleys and plains of Northern Tanzania. The highest mountains...the widest lakes, the most abundant and varied wildlife-everything is here. Whether it's the contented roar of a big cat across the water at dusk, the timid face of an antelope calf seen through the rushes, or the sheer beauty of a thousand flamingos taking flight- the magic of this untamed earthly paradise will leave memories you will never forget.

⁶ Researchers Version.

⁷ Tanzania; Authentic Africa: Selling Tanzania, 2004.

1.5. Main Issues Examined and Addressed

From the above introduction and the purpose of this book, it is obvious that the city of Arusha is located at the helm of the well-known elements of place promotion. These include famous national parks, the best hotels and flag institutions. The promotion of these elements, in other world cities or places, is taken as strategies for place promotion. Regarding that phenomenon, then, the purpose of the study that has resulted into this book is to determine types of place promotion strategies applied in Arusha. The exploration of the impacts of these strategies to the tourist industry in Arusha and Tanzania has also been done. These are all significant social phenomena that merit study and establish practical issues and concerns that are addressed in this report.

This study is conducted by the use of mixed social sciences research methods.⁸ . The first task was the design of qualitative research; i.e. to explore and generate data on the strategies used on promotions of the city of Arusha. The sample data were taken from authorities of the city or regional authorities concerned with the marketing and promotion of tourism, and mentioned elements of place promotions in Arusha.

The second task was the development of quantitative research, where the researcher wanted also to generate data from all sizes of tourist businesses in Arusha. Questionnaires were distributed to fifty selected businesses with the aim of matching data from qualitative research - especially on impacts of place promotion strategies on tourism, investments, employment, technology transfer etc.

Objectively this study wanted to know what are the:

I: Main place marketing strategies used in Arusha

II: Reasons for the place marketing strategies

III: Targets for those strategies

IV: Impacts or usefulness of those strategies to tourism in particular

The four objectives above have produced the following two research questions. These are;

⁸ Detailed Presentations of Methodology is in Data and Methods.

A: What are the place promotions strategies used in Arusha in order to increase tourism?

B: What are the impacts of the place promotions approach and its strategies to tourism?

This study is also deemed to be significant due to the following reasons.

1. This study will be relevant to the Arusha region authorities to strategically see the advantages brought by the use of place promotion approaches to attraction of tourists in Arusha.
2. To the academicians, this study will ignite a new strategic area of national research as the issue of place marketing and promotion has not been not explored in Tanzania;
3. The study will be useful to stakeholders of the areas under study to see and appreciate the effects of place promotion strategies of the city of Arusha;

1.6 Guide to the Book

This report has a total of nine chapters. Each chapter represents its own purpose, meaning and objectives. Chapter one of the report is the introduction. In this chapter we see a declaration of the purpose and motivation of the study, a general brief introduction to the region of Arusha, and the city of Arusha as related to tourism. Chapter one included also the research questions and objectives of the study.

In chapter two we see tourism in Tanzania presented in a careful, detailed perspective. We will examine literatures concerning tourism in Tanzania, exploring the significance, and demography of tourism. It is in this chapter on tourism in northern Tanzania where Arusha is located is presented. All tourism assets found within the region are shown in this chapter.

Related literatures and several theories on place promotions are presented in Chapter three. Empirical works from different corners of the world are brought into hand to relate them with the purpose and objectives of the study. Several examples of the means, strategies and impacts used in place promotions are explored in this chapter. This chapter ends with the an analysis of the relevance and implications of this knowledge to Arusha. Brief connection in this part make a link from what happens on the other side of the world to what happens in Arusha.

Chapter four is the presentation of the data and methods of the study. This is the cornerstone of the study. A well-explained, concrete and simple methodology is crucial for study success. In this part the researcher presents the methods used on the ground during data collection.

Chapter five of this report is dedicated to the analysis and discussion of the place marketing in Arusha. Related examples are driven to show how historically the city strived to market itself through the use of several elements like famous hotels, its nature, available social amenities, symbols and structures. A linkage between the past and the present is presented at the end of the chapter.

Qualitative data analysis of the results is presented in chapter six of this study. These results come out of the questions that reflected research questions and the objectives of the study. Detailed analysis can be observed in that chapter.

Chapter seven is a continuation of the analysis of the results from the chapter six. It is done in an independent chapter in order to analyse results that reflect the research questions of the study. Major issues like the strategies used and the impacts are presented in this chapter. Discussions of the data that shows impacts are presented in detail and discussed in this chapter.

Chapter eight of this work is the presentation of the analysis of the quantitative results. Baseline information from the study is shown, especially from the quantitative data collection. Descriptions and discussion of the findings are done in this chapter also. Several results are given a meaning, implications and linkage to the research objectives of this study.

In chapter nine the researcher is bringing together the whole work. Here, the researcher discusses the results overall and try to answer the research questions. All the objectives of the study are mirrored in this part. The two research questions which are the heart and soul of this work are partly answered here in detail. At the end of the chapter, the researcher concludes the work and then draws out challenges and lessons brought by the study.

CHAPTER TWO

TOURISM IN TANZANIA

Thousands of visitors from around the world choose Tanzania each year as the destination for their African safari. Serengeti National Park at the door of the beautiful city of Arusha is indubitably the most famous of the country's national parks: the annual wildebeest migration attracting thousands of visitors every year. For the sheer African magic, the Ngorongoro Crater-often called the "8th Natural Wonder of the World"- is a must-see. Deep within the ancient calderas, herds of gazelle roam beside sated lions; endangered black Rhino and elusive cheetah are often spotted through the early morning mist.¹

Still, the big-name parks aren't all the country has to offer. The elephants of Tarangire National Parks and the rare tree-climbing lions of Lake Manyara also reward the discerning traveller. On the Indian Ocean shore, the Saadani Game Reserve is the most recently protected area to receive international attention. Famed for its views of elephants playing in the ocean surf, Saadani and other lesser-known national parks offer equally rewarding experiences for guests willing to wander off the beaten track.

But the magic of safari isn't all Tanzania has to offer. Sandy beaches and Swahili cultures along the Indian Ocean coast are also a main attraction for visitors who want to end their experience in African the bush with some well-earned relaxation, Zanzibar style. For the more intrepid adventures, a climb to the rooftop of Africa, Mt Kilimanjaro, is the highlight of a safari itinerary. Long treks through the Ngorongoro Conservation Area, through the magical Gol Mountains or up to the active volcano of Oldonyo Lengai, are a fantastic way to experience little-visited parts of the country in a new way.

Tanzania has a wealth of diverse groups that make up its national community. Hunter-gatherer tribes and fierce Maasai coexist in the

¹ Tourism in Tanzania; Investment for Growth and Diversification, 2004.

northern wilderness, and lesser-known peoples like Wandorobo and the Iraqw also make up the collage of the country. Cultural tourism has become a popular choice for many visitors to Tanzania, with different programmes and itineraries on offer around the country. From day hikes on the slopes of Mt Meru in Arusha, to the honey collecting of Usambara, discovering local cultures is a highlight of any visitor to Tanzania.

2.1. Significance, Characteristics and Demography of Tourism in Tanzania

According to statistics compiled by the National Bureau of Statistics and the Tourism Division, Tanzania earned US Dollar 740 and 725 million in foreign exchange from international tourism in 2000 and 2001 respectively, compared with US Dollar 259 million in 1995. Earnings in 2001 seem to fall by 15 millions USD due to the effects of the events of September 11. Balance of payments statistics compiled by the Bank of Tanzania indicate that the receipts on the travel account amounted to some 25% of total exports of goods and services in 1998/99. In 1995, the tourism sector was estimated to have contributed 7.5% of GDP, but rose to over 12% in 2001. Direct employment in tourism was estimated at 29,000 people in 2000, of which 20,040 were employed in hotels and lodges

Demand

According to official statistics, Tanzania received just over 525,000 foreign visitors in 2001, compared with 295,312 in 1995 with an annual average increase of 9.7% and nearly 80% overall. The number of foreign visitors who stated that the purpose of their visit was "holiday or recreation" amounted to 341,329 in 2001 compared with 198,499 in 1995, an annual average rate of growth of 9.5% and 72% overall. The statistics suggest that the number of visitors from Europe have grown rapidly and from the USA more slowly. European visitors amounted to 31% of all visitors in 2001 and those from the USA for 6%. Within Europe, the main source of markets in 2001 was: the UK (34,125), Germany (21,190), France (16,990) and Sweden (16,610), an order that has been unchanged in recent years.

Tour Operators Views about Tanzania

Over 90% of the European tour operators reported² that the demand for travel to East and Central Africa had increased in the past two years.

² National Bureau of Statistics and the Tourism Division.

Nearly half reported an increase in demand for holidays in Tanzania. Currently Tanzania and Kenya are the most popular destinations in the region, with the 50% of the tour operators ranking Kenya first and 38% ranking Tanzania first. Over half of the USA tour operators reported that business has increase by 66% on average during the past two years, as a result of growing interest in eco-tourism holidays, increased security efforts in the region and increased marketing by individual tour companies and the Tanzania Tourist Board (TTB)

Tanzania, Kenya and Botswana are the most popular tourist destinations in the region. The Europeans stated that packages combining beach and safari destinations have the greatest growth potential, while only one-third of the US tour operators agreed that their clients valued the combined package more highly than a stand-alone safari package (possibly as part of the multi-country circuit). The Europeans noted that the resort market is highly competitive and Tanzania would have to increase its standards of service and international promotional activities to gain significant market share.

Supply

In 2001, Tanzania had some 10,325 rooms in 329 establishments, compared to 6,935 rooms in 210 establishments in 1995. But of these, the number of rooms for international standards had risen to about 4000 compared with at most 2,300 rooms in 1995.

Zanzibar had 42 hotels on the island in 2000, with a total of some 940 beds. The largest hotel had 92 beds, with other having fewer than 10 per establishments. Only four hotels in the island charged 100 USD or more for a double-room. Pemba, another island of Zanzibar had some 47 beds in 4 hotels on the island. The largest and the best known has 20 beds and publishes an all-inclusive rack rate of 480 USD (double) per night.

Characteristics of Tourism Demand in Tanzania

The tourism division estimated that 582,807 tourists visited Tanzania in 2004 compared to 576,198 in 2003. In the year 2000 there were slightly less than 502,000 tourists; compared with 295,000 in 1995, a growth of 70% over the 5 years period.³ Although the overall number of visitors is down compared with 1999 (627,325), the decrease occurred mainly among

³ Integrated Tourism Master Plan for Tanzania; Strategy and Action Plan Update, 2002 & Tourism Statistical Bulletin 2004.

transits and those coming for other purposes (personal visits, study).

Lengthy of stay, occupancies and expenditures

Tanzania is fortunate in that the tour season is quite long throughout the country, though there are some variations between destinations. The average length of stay is estimated at 8 days on the mainland and it has been rising; the average expenditure per tourist per day was 172.58 USD in 2001, rising steadily from 122 USD in 1995. In the northern circuit occupancies are currently of the order of 75-80% - that leaves little or no rooms for expansion in the number of tourists-certainly in the peak and high seasons. This situation has caused the government to encourage investments in the southern circuit. Occupancy rates in the southern circuit are of the order of 409.45%, reflecting seasonality, difficult of access and higher prices. Occupancies in luxury hotels in Dar es Salaam are of the order of 45-50%, with relatively high tariffs (100USD).

Where do the Tourists Come From?

Visitor arrivals and recent trends in the main market areas are shown in Figure 12. Africans (includes Tanzanian nationals resident abroad) accounted for approximately 40.5 percent of total arrivals in 2001, followed by the Europeans (30%) and Americans (9%)

Visitor arrivals from the main markets have increased during the past five years, but visitors from Europe and North America have predominated. US originating traffic has grown slowly throughout the period from about 23,000 to 31,000 (7% down on 2000) while traffic from Northern and Western Europe has grown from about 85,000 to 118,000 tourist arrivals (compared to 2000 a fall of 9%).

Within Europe the main sources of market are Britain, Scandinavia, Italy, Germany and France, which together accounted for just over 70% of the total European arrivals in the 2000. The secondary markets are Switzerland, the Benelux and Spain, together accounting for further 19% of arrivals. At least on the northern circuit, a local tour operator and a hotel manager mention increases in Japanese tourists in recent years; the official statistics show fluctuations in Japanese arrivals between 6000 and 9600 during the past five years⁴

⁴ Tourism in Tanzania: Investment for Growth and Diversification, 2004.