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TRAVEL

Who Benefits From the Billions of Africa's Tourism Revenue?

Opinion and Comment by R. S. Mracky, Editorial Board of The Times and Managing Director Africa Consult Group

With all my other involvements, I am a member of the International Board of Directors of the Africa Travel Association; the principal organization tasked with promotion and cross-development of overseas, regional and domestic tourism of Africa. "ATA" as the association is known throughout Africa works in conjunction with the African Union Commission in assisting the 54 member AU nations in the development and placing their destinations into the international milieu of tourism and more importantly developing their tourism sector as a dynamic economic development force in support of their GNP.

In that position I am frequently asked how does tourism benefit "us" – that coming from almost all quarters, the highest sectors of government down to the people on the streets and African villages. The first part of the answer is fairly easy; from the 50 million 2010 international arrivals, overseas tourism receipts provided Africa with \$31.6 billion. This is a substantial figure surpassing all the aid and grants that we read about in the business and consumer media that Africa receives from the World Bank, IMF and all other government level money sources.

So who benefits from these, mostly foreign currency billions? Principally it is the governments, the hotels, the resorts, the airlines, the tour operators, the transportation companies, and their employees; in fact tourism is one of the largest employers in Africa.

This tourism money goes, in great measure to the tourism labor force at the destinations, and it multiplies. That is the multiple factor

of tourism – each dollar in most cases is multiplied 3 to 4 times. What that means is that the first person that get paid, spend it with person number 2, for lets say new shoes, that person then spends the dollar they received with the next person, paying for or buying something, and of course goes around till it ultimately ends up with the government once again, whether through local taxes, or spent on government type costs.

That is about how most "experts" answer the question of "how and who" of tourism income.

However, there are many more sectors and companies that benefit from overseas tourism to Africa. These are typically identified as having nothing to do with tourism – upon closer look a great portion of their revenue comes from the tourism industry and this is revenue that is not counted in the national tourism income.

Take a look at the automotive industry; almost every car brand from the American, Japanese, Korean and now Chinese and Russian car companies primarily sells their Africa inventories to the local tourism companies, with the other part going to the government sectors, with the shiny, new ministerial cars. I must note that they do promote in Africa with millions of dollars, but in most cases it is to increase their military sales, a market segment that is not too supportive of tourism.

Next are the beer companies, both domestic and international. We can make a case that when the overseas tourists get to Africa

they are thirsty, drink beer, and lots of it. The companies benefit greatly from the tourist thirst.

There is more. Coca-Cola and Pepsi Cola realize a substantial portion of their world income from tourists, Africa is no exception. Unilever, Nestles, Kraft, all international food companies benefit from the incoming tourist trade.

I wish to share an interesting "aside". In the early 1970s The Gambia had a developing tourism industry with most visitors coming in from the UK – great inflow of hard currency for a newly independent country. BUT a problem developed, the UK tourists wanted or needed what they were used to at home in their vacation hotel bathrooms – the soft, nice toilet paper and of course the nice Kleenex tissue. The only place to get that, at that time was the UK or the US and that meant paying with hard currency. The Gambia Central Bank was letting out all the foreign currency that the UK tourists were bringing in, and a serious "tourism" problem had to be solved.

But I deviate, back to who benefits from tourism both directly and indirectly.

Then there are the mobile telephone companies – the call volume in today's tourism world is incredible, and it includes the Internet and that is fees and roaming charges that come in a great measure from the tourists. Then there are the cable connections with CNN, MSNBC, El Jazeera – mostly watched in hotel rooms by foreign tourists and the rates the hotels pay are

not counted as part of tourism revenue or an area to support?

Now the crux of this recitation: the direct, well known part of the "who" is fairly well defined, but the second the seeming "invisible" or "unconnected" portion is the one we need to take an issue with. Although their bottom lines are enhanced to a great extent by the foreign tourists, those companies do not consider it of importance to support tourism.

For instance the domestic beer company will sponsor a football match or team, correctly so, to spur the local consumption of their beer, but not a single one, in any country of Africa is sponsoring their national tourism industry and promoting their destination to the overseas tourism markets.

And that is true with the car companies, and even the airspace companies like Boeing and Euro Airbus. Interestingly they are totally dependent on their growth in Africa on the international, long-haul tourism markets, however these two international major tourism beneficiaries do not, in any way support the development and promotion of tourism to Africa, and their claim that they do, via marketing allocations in the sales invoices, that money (and that is in millions) never sees the light of day in the promotion of foreign and overseas tourism to Africa.

I hope that it will change - Africa would greatly benefit if all those who benefit from overseas tourism would accept it and become a supporting part of the industry.

And that is the way it is... ■

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Sustainability Must Be Central to Africa's Tourism Strategy

Comments by R.S.Mracky – Member of the Africa Travel Association International Board of Directors and the Managing Director of Africa Consult Group

In the Africa Travel Association's (ATA) new position with the African Union (AU) and the responsibility alliance with the African Union Commission, ATA needs to dramatically increase its attention to and leadership in sustainability of Africa's progress of which tourism is an important economic part, plus provide the ATA membership the means of being recognized as being in the forefront of Africa's sustainable development. Making "sustainable tourism" concept as a strong incentive for membership and association with the ATA efforts.

To define what "sustainable tourism" means is not easy, however to place it within the all-encompassing future of Africa it becomes a strong motivator and easier to understand concept.

The Brundtland Commission of the United Nations of March 1987 defined sustainability as

"development that meets the needs of the present without compromising the ability of future generations to meet their own needs". However, in most current international and national efforts, *sustainability* has been used more in the sense of human sustainability coupled with ecosystems preservation. Realizing the economic importance of tourism to the GNP of African Union member nations, the need exists to address sustainability in Africa's tourism growth and expansion. Each country's tourism strategy should be designed to expand with meaningful benefits to the civil society without impairing the ecosystems of the destination and

communicate their efforts and results to the traveling public.

An informal survey of ATA members, including tourism ministers, national tourism boards, found that while about 60% believed sustainability and ecosystems of tourism are strategically important, fewer than a 25% reported doing anything about it, and only very few making it a part of their destination or service positioning efforts.

This needs to be contrasted with 75% of marketing and communications executives, the "experts" of marketing and positioning, surveyed by the American Marketing Association and Fleishman-Hillard in April 2009, who found that the "expert's" concern for their corporate and client reputations was driving their sustainability initiatives – and 75% should be the minimum percentage for Africa

Following up on ATA's Africa Eco-Tourism Manifesto, adopted by the attending Ministers of Tourism and the representatives of Africa's travel and tour industry groups in 1992, during ATA's Eco Symposium, ATA's efforts need to be directed to facilitate the ecological, economic and social aspects of Africa's tourism development and communicate the efforts to the international travel market.

In terms of eco-positioning a destination, New Zealand and its National Tourism Board with their "100% Pure" campaign is an excellent example of capturing the psychological needs of today's travelers with the destination's social and environmental "good works." The

"100% Pure" residual affect has been extremely successful and one that New Zealand is now building upon. New Zealand, just as most Africa destinations, is a very long-haul leisure destination with great amount of competitive pressure from Australia, the Pacific Islands, Asia; and their eco-centric campaign positioned the country as an eco-friendly destination that practices sustainable tourism development.

Thus, we know, or to put it into marketing context, the market test associating a destination with sustainable eco-centric attributes has been successful and in terms of actual ROI brings in the tourist traffic.

Africa's tourism industry to take advantage of such a positioning needs to begin by understanding exactly why there is a need to engage in sustainability for a comprehensive and organic tourism strategy to be productive – a task for ATA/AUC outreach program.

There are three basic drivers of sustainability initiatives: regulatory requirements, market incentives to go beyond those regulatory requirements and new market/competitive opportunities.

Some initiatives are not a matter of choice. For example, regulations for the emission of greenhouse gases; or to avoid or control oil spills, polluted air and water, especially beaches become principal eco-centric concerns. Further, public opinion or perception of a destination's eco-sensitive policies and/or their responses to public pressure from activists can definitely become either a negative or

positive market and development ingredient.

Five-step approach to applying sustainability to Africa's tourism are: set the goal, make the plan, and carefully identify what could go wrong, have contingency plans for each eventuality and, finally, implement the plan, plus make sure that marketing communications are engaged to communicate the destination's social and environmental accomplishments.

Eco-centric reputation (and achievements) is critical for long-term viability, nevertheless profitability, both because sustainability has become part of the public's eco-centric consciousness.

Recent research by the Canada-based Network for Business Sustainability found that consumers are typically willing to pay 10% more for products or services when they are eco-sustainable. Clearly, this issue matters to people – the traveling public.

The world of sustainability is very dynamic and promises to remain so for years. Sizable opportunities are sure to keep growing for destinations that fully engage with sustainability—and risks are sure to keep growing for ones that do not.

The destinations that realize operational, financial and reputational benefits and lead the way are those that will adopt sustainable, environment-driven agendas within their national tourism development strategies.

ATA together with AUC need to take the lead position and assist in articulating and communicating Africa's sustainable eco-centric credentials to the world travel and tourism marketplace. ■

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