

**The First Ordinary Session of the African Union Specialized Technical Committee
on Transport, Intercontinental and Interregional Infrastructures, Energy and
Tourism**

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THEME: Financing Infrastructure in Africa

Enhancing Africa's Tourism Competitiveness

I. Background

1. Globally, the tourism industry has sustained impressive growth rates over the past seven decades both in terms of tourist arrivals and tourism receipts. From only 25 million arrivals in 1950, the industry now plays host to over 1 billion international tourist arrivals, accounts for almost 10% of the global Gross Domestic Product (GDP) and 9.8% of total employment¹. As a result of the industry's propensity to generate immense economic activity, more and more countries globally, including an increasing number of Member States in African, are now turning to the sector to address their respective development priorities. Consequently, the tourism industry in Africa has continued register steady growth rates and is projected to grow a rate of 5% over the next decade. The industry is also currently valued at over USD 197 billion or about 8% of the continent's GDP and accounts for 7.1% of the total workforce².
2. These facts, notwithstanding, when compared to the rest of the world, tourism development has been somewhat sluggish despite the immense opportunities that exist, such that the continent's tourism global share has been, is still and is projected to remain small. For example, Africa only accounts for 3% of the USD 7.6 trillion current global value of the tourism industry. Moreover, with a global market share of 4.6% and 3.2% share of international tourism receipts in 2005, compared to 4.5% market share and 2.4% international tourism receipts in 2015, the continent's global share of the tourism industry has actually fallen in the last 10 years³. This could be attributed to the general lack competitiveness across the continent (with a few exceptions⁴) that has meant that Africa is not able to realise its full tourism potential. In fact, a study on Africa's tourism competitiveness suggests given the increased global competition, failure to address issues related to destination competitiveness in a *proactive and innovative manner* could have serious implications for the sector in future.⁵

II. Overview of Africa's Tourism Competitiveness

3. The World Economic Forum's (WEF) Travel and Tourism Competitiveness Index (TTCI) which is published biennially provides one of the best tools with which to gauge the competitiveness of tourism industry in Africa.

¹ See WTTC reports on global tourism - <http://www.wttc.org/research/economic-research/economic-impact-analysis/regional-reports/>

² See WTTC 2016 report on Africa - <http://www.wttc.org/-/media/files/reports/economic-impact-research/regions-2016/africa2016.pdf>

³ See UNWTO Tourism Highlights - <http://mkt.unwto.org/publication/unwto-tourism-highlights-2016-edition>

⁴ There few countries in the continent that have very competitive tourism sectors

⁵ Heath, E (2002). Towards a Model to Enhance Africa's Tourism Competitiveness. *Journal of Public Administration*. 37 (3) 327-353

The TTCI measures *the set of factors and policies that enable the sustainable development of the travel and tourism sector, which in turn contributes to the development and competitiveness of the country*⁶. The index comprises four sub-indices i.e. Enabling Environment, Policy and Enabling Conditions, Infrastructure and Natural and Cultural Resources. The sub-indices further comprise a set of pillars (14 in totals) each with a specific set of indicators (90 in total). Member States have been consistently ranked poorly by the index with the current exception of South Africa (at position 48) which is ranked amongst the top 50 most competitive destinations of the world. In fact of the 20 least competitive destinations, 16 are from Africa. This general low ranking of the continent is attributable to a number of issues including, security-related concerns, lack of skills, poor standards, infrastructure issues and lack of a conducive policy environment. The table below shows the ranking for the current 10 most competitive destinations in Africa since 2007.

Table 1: WEF TTCI ranking 2015-2007

		Global TTCI Ranking				
		2015	2013	2011	2009	2007
1	South Africa	48	64	66	91	62
2	Seychelles	54	38	-	-	-
3	Mauritius	56	58	53	40	39
4	Morocco	62	71	78	75	-
5	Namibia	70	91	84	82	73
6	Kenya	78	96	103	97	98
7	Tunisia	79	-	47	44	34
8	Egypt	83	85	75	64	58
9	Cape Verde	86	87	89	-	-
10	Botswana	88	94	91	79	70

Source: WEF TTCI 2007-2015

- From the table above, it is evidently clear that even for the most competitive destinations in Africa, there are serious competitive concerns and countries do not appear to be significantly improving their respective competitiveness perhaps with the exception of Kenya and South Africa. In fact countries that were ranked highly in 2007 e.g. Mauritius, Tunisia and Egypt, have now slipped in ranking. The prevailing scenario in Africa could, therefore, be attributed to the possibility that the rest of world is doing more to address the competitiveness-related issues or that there aren't enough concerted efforts within the continent to address these issues or both. Regardless, of whichever holds true, it is crucial that urgent measures are put in place so that the continent is able to maximise opportunities emerging from tourism development, given the immense opportunities that exist.

⁶ See WEF 2015 Travel and Tourism Competitiveness Index

III. Key Challenges

5. A major challenge to addressing the competitiveness issue has been the general lack of prioritisation of the tourism sector amongst Member States in Africa. In fact, very few countries have fully fledged tourism ministries, while in others, the sector has been combined with other sectors mostly transport and natural resources or as a department/directorate under a parent ministry. This has, therefore, meant that appropriate attention has not accorded to the sector, despite the fact in some countries tourism is a key a driver of both economic growth and development. Hence, whereas the rest of the world, especially the emerging destinations of Asia and Middle East, continue to invest heavily in their respective tourism sectors, which has greatly improved their competitiveness, this has generally not been the case in Africa. Thus, any efforts to enhance tourism competitiveness in Africa will clearly require the prioritisation of the sector.

IV. Key Issues for Discussions with STC Experts

On the basis of the foregoing, the main issues to be discussed will include:

6. **Prioritisation of the tourism sector in Africa** - as highlighted above, this will be crucial for the success of any efforts to address the competitiveness issue in Africa. The discussions will focus on the key issues impeding the prioritisation of the sector with a view to proposing recommendations that could be adopted at the national, regional and continental level.
7. **Identification of key competitiveness issues** - this will be necessary to enable the identification and ranking of key challenges at the national, regional and continental levels. For instance issues relating to security may require regional and/or continental reflection, whereas issues relating to product development may require a national approach.
8. **Mapping of key competitiveness issues** - following the identification of and ranking of key issues, it will be necessary that these are mapped within the African continent given that priorities may have geographical dynamics in the sense that what may be pressing issue in West Africa, may not be the same in East or Southern Africa.
9. **Exploration of potential interventions** - in line with the above, potential interventions at national, regional and continental levels will also be discussed. This will enable a debate on the best way forward to addressing the competitiveness issue in Africa from which key recommendations could be derived that could form the basis for a potential strategy.

V. Policy Recommendations

- 10.** It is anticipated that the tourism STC experts will discuss in depth the key issues affecting tourism competitiveness in Africa from which a consensus of the key recommendations will be derived. These recommendations will further contain actionable points that will, therefore, provide the necessary input for the Ministerial Declaration

