

THE IMPACT OF ZIMBABWE TOURISM AUTHORITY INITIATIVES ON TOURIST ARRIVALS IN ZIMBAWE (2008 – 2009)

Roseline T. Karambakuwa, Tonald Shonhiwa, Lydia Murombo, Fungai N Mauchi, Norah R.Gopo, Webster Denhere, Felex Tafirei, Anna Chingarande and Victoria Mudavanhu
Bindura University of Science Education

ABSTRACT

Zimbabwe faced a decline in tourist arrivals in 2008 due to political instability, economic recession and negative media publicity. In 2009, a Government of National Unity (GNU) was formed and a multi currency system was introduced. This study analyses the impact of Zimbabwe Tourism Authority initiatives on tourist arrivals for the period 2008 to 2009. Fifty questionnaires were distributed to a sample of six stratified tourism stakeholders, including the Zimbabwe Tourism Authority. Secondary data analysis complimented the questionnaires. The study found out that tourist arrivals declined in Zimbabwe during the period 2008 and ZTA initiatives did not have much impact on tourist arrivals during that period. Initiatives by ZTA had a positive impact on arrival of tourists in Zimbabwe in 2009 after the formation of the Government of National Unity (GNU) and introduction of a multi currency system.

Keywords: Tourism, Zimbabwe Tourism Authority, Economy

INTRODUCTION

Tourism in Zimbabwe

Tourism was amongst the fastest growing sectors of the economy in Zimbabwe contributing significantly to Gross Domestic Product (GDP) during the period 1980 to 2000. The highest growth rate was in 1995 when Zimbabwe hosted the All Africa Games which saw a 35% increase in tourist arrivals. However, the years 2002 to 2008 saw tourist arrivals dwindling in Zimbabwe (Machipisa, 2001). This was mainly due to political instability, negative publicity towards the country and the economic recession that the country experienced. In addition, these problems made it difficult to access funding from the multilateral and bilateral institutions leading to shortage of funds to revive and refurbish facilities. Despite this, in 2008, tourism was the third largest foreign exchange earner in Zimbabwe after tobacco and gold (Zimbabwe Tourism Authority, 2009).

The formation of the Government of National Unity (GNU) in February 2009 had an immediate positive effect on the tourism sector as travel warnings against Zimbabwe were lifted and the political stability and economic stability were restored.

Zimbabwe is a peaceful country with a very low crime rate. The government of Zimbabwe's Look - East Policy helped increase tourists from Asian countries. More so, the government, on the other hand, has offered the tourism sector support through exemption of duty on equipment used in the industry to promote growth.

Zimbabwe is host to one of the Seven Wonders of the World, the Victoria Falls. Other attractions include wildlife, Lake Kariba, the Eastern Highlands, Great Zimbabwe ruins and a favourable warm climate. This explains why tourism has historically been an important sector in the Zimbabwean economy. The industry currently employs a significant percentage of the working population. Zimbabwe Tourism Authority (ZTA) is a corporate body responsible for tourism promotion, planning, research and development and the enforcement of expected tourism standards.

Tourism in Africa

The tourism sector is already a growing contributor to GDP and exports in more than half of all African countries (Christie and Crompton 2001) making tourism an important sector in most developing economies. Tourism is a major source of foreign currency and its labour intensive nature makes a huge contribution to employment creation. As such, tourism has been identified as a key sector for the achievement of shared economic growth and poverty alleviation in Africa (World Bank, 2006). However, the major obstacles to tourist arrivals in Africa are insufficient air transport, a deficiency in facilities and accommodation, perceptions, poverty, disease and conflict (Kester 2003). Political stability and political relations influences the image of destinations in tourist-generating regions (Hall and O'Sullivan, 1996).

Christie and Crompton (2001) also argued that the greatest obstacle to Africa's tourism sector's growth is its lack of price and quality competitiveness and airfares on scheduled flights in Africa are among the highest in the world. The World Tourism Organisation's 'Tourism 2020 Vision' recognises that the tourism potential of African countries is significant, but that there are serious obstacles that need to be addressed if the potential is to be realised. Studies by Poirier (1997) show that typical developed country indicators such as income in the country of origin, cost of travel and prices are less significant for the decision to travel. Any analysis of the demand for African tourism should thus focus on the developing-country aspects of tourism demand.

Macro Environment and Tourism

Tourism's economic significance gives the industry greater respect amongst the business community, public officials and the public in general. This often translates into decisions or public policies that are favourable to tourism. Community support is important for tourism as it is an activity that affects the entire community. Tourism businesses depend extensively on each other as well as on other businesses, government and residents of the local community. Economic benefits and costs of tourism reach virtually everyone in the region in one way or another. Economic impact analysis provides tangible estimates of these economic interdependencies and a better understanding of the role and importance of tourism in a region's economy (Sinclair and Stabler 1997).

The most direct effects of tourism occur within the primary tourism sectors in the form of lodgings, restaurants, transportation, amusements, and retail trade. The secondary effect of tourism include changes in sales, income, tax revenues and employment in a region resulting from tourism activity (Crouch 1996). Technology plays an essential role in the tourism industry of a country. For instance, the internet plays an increasingly important role in tourism through marketing, information and online booking and electronic commerce, and has significantly increased competition between tourist destinations. Internet bookings and information on the internet makes a destination more easily accessible.

The potential political risk of a country is not always a constraint of international tourists as they might have acceptable tolerance of political insecurity in a case where the attractiveness of the destination is greater than political insecurity. Pleasure travellers and business travellers would be different in their sensitivity to the political risk than business traveller does (Christie and Crompton, 2001). However, the temporary impact of terrorism, international war, or civil war is significant factors that can dramatically decrease the number of international tourists (Ioannides, 1999; Wall, 1996; Bar-On, 1996; Mansfield, 1999).

Micro Environment and Tourism

Tourism products are monopolistic since there is no identical tourism destination in the world. In addition, they are non-transferable, not shippable and perishable meaning that tourism products are consumed at the point of production. The tourist products experienced are fixed, which involves the consumer travelling to the product and the simultaneous consumption as the tourist's experience.

There are many financial, perceptual, social and environment factors that could be used to explain international tourism flows (Coshall 2000). Tourism is important for economic development through its effects on employment, exports, stimulation of infrastructure provision, generation of tax income and the promotion of world peace (Eilat and Einav 2004). When a developing country's currency is overvalued, it becomes an expensive place to visit and tourism declines. Infrastructure and facilities in a county can negatively affect both relative prices and the quality of products. Tourism to African countries is based on the demand system for differentiated products. Thus, different African countries can be treated as supplying different tourist products.

The demand by an international tourist to travel to a particular country or destination tends to depend positively on income and expenditure in the country of origin and negatively on relative tourism product prices, which are affected by travel costs (Eilat and Einav 2004). Thus, the price of tourism, the income of the country of origin, and taste formation emerge as critical determinants of international tourism demand. International tourism demand follows the law of demand as an increase in price reduces international tourism demand. The price of tourism includes the cost of commodities consumed by tourists in the destination country and the cost of access to tourism facilities and transport cost among other variables.

The responsiveness of tourism to price changes can either be elastic or inelastic. Price responsiveness is destination specific, and generally varies by income category as confirmed by Crouch's (1994) finding that Northern Europe destinations are price elastic while the Mediterranean region destinations are price inelastic. Crouch (1996) attributes this to high prices in highly

developed countries compared to the other regions. This is further confirmed by Eilat and Einav (2004) who found that the price elasticity is unit and significant for high Gross National Product (GNP) countries but insignificant for low GNP countries.

The responsiveness of demand for international travel varies, depending on the nationality of the tourist and the specific destination involved (Witt and Witt 1995). Thus, elasticity of demand for international tourism varies by country of origin and country of destination. The demand for tourism is therefore a function of the tourist's country of origin, since cultural differences affect travel behaviour.

STATEMENT OF THE PROBLEM

The Zimbabwe tourism industry faced a decline in tourist arrivals and receipts between the years of 2008 to 2009 emanating from the negative media publicity, political instability and economic recession. The research seeks to find the impact of Zimbabwe Tourism Authority initiatives in promoting the growth of tourist arrivals in Zimbabwe during the period of 2008 to 2009.

JUSTIFICATION OF THE STUDY

The study benefits the tourism industry in Zimbabwe, such as the local tour operators through giving guidelines that promote arrivals of tourists. It also assists the ZTA in implementing new initiatives towards tourism promotion and to consider the impact of the initiatives in the tourism sector. Policy formulators can use the findings of the study to implement sustainable policies and initiatives. The study assists both shareholders and stakeholders in the tourism sector to come up with strategies that boost the tourism industry in Zimbabwe.

RESEARCH OBJECTIVES

1. To explore the impact of Zimbabwe Tourism Authority initiatives and policies on tourist arrivals from 2008 - 2009.
2. To find out the factors that have an adverse effect on tourism industry in Zimbabwe.
3. To assess the competitiveness of Zimbabwe's tourism industry locally and regionally.

RESEARCH METHODOLOGY

The estimated population consisted of 100 tourism stakeholders. The sample size of 40 stakeholders was used. This study used questionnaires and key informant interviews. The sampling method used for this research was stratified random sampling. The population was stratified into hotels, Ministry of Tourism and Hospitality Management, travel agents, Zimbabwe Council of Tourism and Zimbabwe Tourism Authority. Secondary data was useful in forming the background of the research and creating a framework for conducting other qualitative methods. Data on tourist arrival trends and tourist spending receipts in Zimbabwe which revealed information such as the growth of tourist arrivals for the period under study was used. Excel package was used to analyse data, which was presented using pie charts and graphs.

RESEARCH FINDINGS AND ANALYSIS

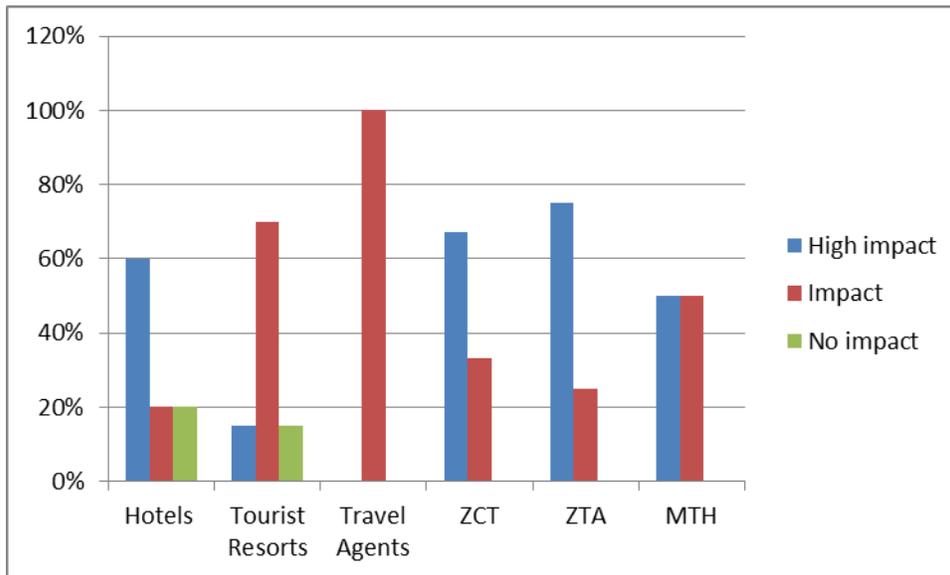


Figure 1: The impact of ZTA initiatives on tourist arrivals in 2009, as perceived by players in the tourism sector.

THE IMPACT OF ZIMBABWE TOURISM AUTHORITY INITIATIVES ON TOURIST ARRIVALS

The data in Figure 1, which was collected from different stakeholders in the tourism industry in Zimbabwe indicated that ZTA initiatives increased tourist arrivals by 53% in Zimbabwe for the period 2009. ZTA helped in re-appraising the negative image of the country as a destination by marketing and perception management, contributing to improving tourist arrivals in Zimbabwe. ZTA, through various stakeholders managed to promote Zimbabwe tourism industry through the hosting of international celebrities who would then become Zimbabwe's tourism ambassadors to their countries of origin. ZTA initiated an offer to the tourism sector support through lobbying government to exempt duty on equipment used in the tourism industry so as to ensure growth on tourist arrivals. It also lobbied government to implement price controls on tourist accommodation in hotels and lodges during the period. This made accommodation for tourists affordable and competitive in the African region.

The authority offers information on travel arrangements in the country, tourist facilities in the country, the best possible holiday options, restrictions on travelling and best transport mode to use and timetable of flights. The ZTA ensured that facilities such as hotels and lodges for tourists met international standards and do not compromise tourists.

EFFECTS OF VARIOUS FACTORS ON TOURIST ARRIVALS IN ZIMBABWE

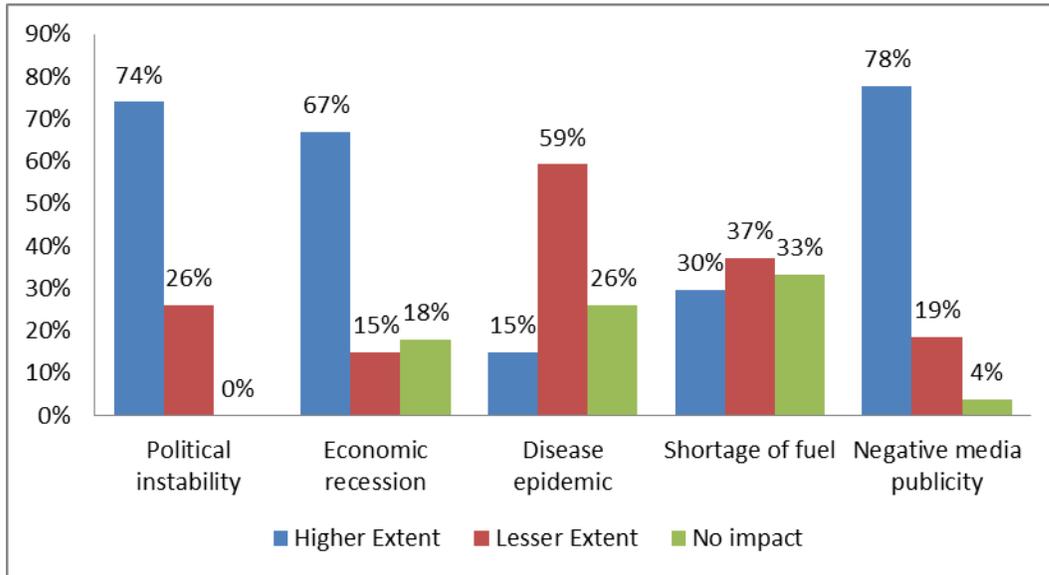


Figure 2: Factors that had adverse effect on tourist arrivals in Zimbabwe, as perceived by tourism stakeholders.

Figure 2 shows effects of various factors on tourist arrivals as perceived by tourism players in Zimbabwe. According to the tourism players, political instability, economic recession and negative media publicity had a negative impact on tourist arrivals. This was also confirmed by the studies by Tan et al (2002). The researchers found out that there is need for investment in the tourism industry to boost tourist arrivals in Zimbabwe. The vast number of investment opportunities includes investing in accommodation, tour operations, and development of new resorts, air services and restaurants. Other areas that require investment and have a potential impact on tourist arrivals are technological advancement and infrastructural development.

PERCEPTION ON ZIMBABWE'S TOURISM COMPETITIVENESS

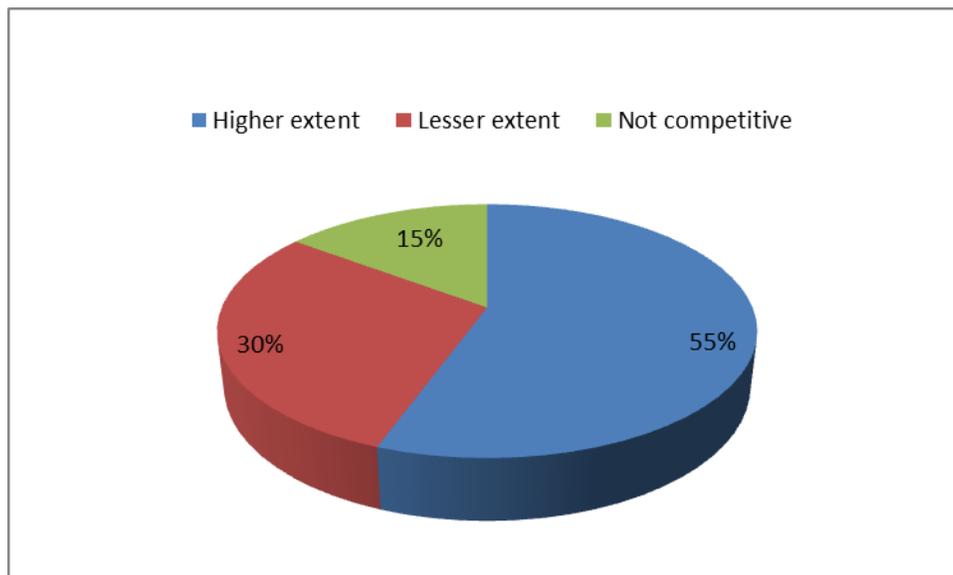


Figure 3: Zimbabwe's tourism competitiveness in SADC.

Zimbabwe tourism industry is competitive in the Southern Africa Development Community region. This could be attributed to the good bilateral and multi-lateral relations that exist between Zimbabwe and SADC countries. In addition, being a landlocked country, Zimbabwe is also easily accessible for tourists from SADC countries.

Industry players attribute the growth in tourist arrivals to a variety of reasons; mainly political stability after the formation of the coalition government, stable prices and a return to international best practices in the sector. The government, on the other hand, has offered the sector support through exemption of duty on equipment used in the industry, to underpin growth. Furthermore, ZTA promoted high standards in the tourist industry through the promotion of high standards, human resources development and the promotion of tourist facilities development. This resulted in an increase in tourist arrivals in 2009. In addition, the ZTA raised awareness campaigns on the benefits of tourism in Zimbabwe. It made recommendations to the Ministry of Tourism and Hospitality Management on any matter affecting tourism which resulted in an increase of tourist arrivals.

TOURISM CONTRIBUTION TO SUSTAINABLE DEVELOPMENT IN ZIMBABWE

Tourism flourishes where the natural capital stocks are conserved. In Zimbabwe, it is a statutory requirement that any tourism activity carried out should be done with minimum disturbance to the environment. Tourist destinations in Zimbabwe like the Victoria falls, Hwange national park are managed with minimum disturbance to the biodiversity and the flora and fauna. Where resource are harvested like in trophy hunting this is done in such a way that the resources are able to regenerate themselves thus making a contribution to sustainable development for the greater benefit of future generations.

An increase in tourist arrivals enhances economic growth in a number of ways. Zimbabwe is a developing country with high unemployment rate, so when there is an increase in demand for tourist related facilities and services, employment is generated. When more people are employed in Zimbabwe, GDP per capita increases so will income and consumption. With more consumption, there will be the multiplier effect in the economy which leads to growth and development. There would also be improvement in terms of education and health provision, the key ingredients to sustainable development.

Tourism generates income for Zimbabwe, as whole, as tourists spend money in the country. This income is instrumental in the sustainable development of Zimbabwe.

Regional development can be brought by tourism in Zimbabwe. For example, the upgrading of infrastructure where tourism activities are high helps promote development. Tourism also promotes growth of the service industry as well the goods industry. Small businesses such as sellers of crafts are also promoted by tourism. Tourism is important for economic development through its effects on employment, exports, stimulation of infrastructure provision, generation of tax income and the promotion of world peace (Eilat and Einav 2004).

CONCLUSIONS

The study found out that tourist arrivals overall declined in Zimbabwe during the period 2008 and ZTA initiatives did not have much impact on tourist arrivals during this period. Political instability, economic recession and negative media publicity had an adverse effect on tourist arrivals in Zimbabwe for the period 2008. However, the initiatives by ZTA had a positive impact on arrival of tourists in Zimbabwe in 2009, after the formation of the Government of National Unity (GNU) and the introduction of a multi currency system. There are other stakeholders such as hotels, tourist resorts, travel agents, the Ministry of Tourism and Hospitality and Zimbabwe Council of Tourism that have positively impacted on tourist arrivals. These stakeholders offer goods and services essential for tourists that cannot be provided by ZTA.

REFERENCES

- Bar-On, R., R., (1996). Measuring the effects on tourism of violence and of promotion following violent acts, In P. Abraham & M. Yoel (Eds.), *Tourism. crime and international security issues*. New York: John Wiley & Sons.
- Christie, I., T., and Crompton, D., E., (2001). *Tourism in Africa: Africa Region Working Paper Series, 12*. Washington DC: World Bank.
- Coshall, J., (2000). Spectral analysis of international tourism flows, *Annals of Tourism Research*, Vol 27, No 3, pp 577–589.
- Crouch, G. I. (1994). The Study of International Tourism: A Survey of Practise: *Journal of Travel Research*, Vol 32, pp 41-55.
- Crouch, G., I., (1996). Demand elasticities in international marketing: A meta-analytical application to tourism: *Journal of Business Research*, 36, 117-136.
- Williams, D., A., and Spencer, A., (2008). Advertising and tourist arrivals: Evidence from Jamaica.

Retrieved from <http://www.palgravejournals.com/thr/journal/v10/n4/pdf/thr201013a.pdf>

- Dolan E., G., and Lindsey D., E., (1998). *Economics*, (5th Edition). Saunders College Publishing.
- Dunn, R., M., and Mutti, J., H., (2004). *International Economics*, 6th Edition. Routledge.
- Eilat, Y., and Einav, L., (2004). Determinants of international tourism: A three-dimensional panel data analysis. *Applied Economics*. John Wiley & Sons, New York.
- Figment, J., (2008). Zimbabwe Declares Health Emergency over Cholera. Retrieved from http://www.novinite.com/view_news.php?id=99506
- Vellas, F., (2007). Retrieved from http://www.unctad.org/sections/wcmu/docs/Uxii_ditc_tncdb_038_en.pdf
- Hall, M., and O'Sullivan, V., (1996). Tourism, political stability and violence. In P. Abraham & M, Yoel (Eds.), *Tourism crime and international security issues*. John Wiley & Sons, New York.
- Ioannides, D., (1999). Political instability, war and tourism in Cyprus: Effects, management, and prospects for recovery: *Journal of Travel Research*. Vol 8, pp 51-56.
- Kester, J., G., C., (2003). International tourism in Africa: *Tourism Economics*, Vol 9, No 2, pp 203–221.
- Machipisa, L., (2001). Sun sets on Zimbabwe tourism. Retrieved from <http://news.bbc.co.uk/1/hi/world/africa/12202218.stm>.
- Mansfeld, Y., (1999). Cycles of war, terror, and peace: Determinants and management of crisis and recovery of the Israeli tourism industry: *Journal of Travel Research*, 38, 3036
- Ndlela, D., (2008). Zimbabwe: Hotels Defy Government Crisis escalators. Retrieved from <http://www.bizcommunity.com/Article/238/12/28322.html>
- Poirier, R., A., (1997). Political risk analysis and tourism: *Annals of Tourism Research*, Vol 24, No 3, pp 675–686.
- Sinclair, M., T., and Stabler, M., (1997). *The Economics of tourism*, Routledge, New York.
- Tan, A., Y., Mccahon, C., and Miller, J., (2002). Modeling tourist flows to Indonesia and Malaysia: *Journal of Travel and Tourism Marketing*. Vol 13 (1/2), 63-84.
- United Nations World Tourism Organisation (UNWTO), (2006). *Tourism Trends*, 2005 Edition. UNWTO: New York.
- Wall, G., (1996). Terrorism and tourism: An overview and an Irish example. In Abraham, P., and Yoel, M (Eds.), *Tourism, crime and international security issues*. New York: John Wiley & Sons.
- Witt, S., F., and Witt, C., A., (1995). Forecasting tourism demand: a review of empirical research: *International Journal of Forecasting*, Vol 11, pp 447–475.
- Zimbabwe Tourism Authority, (2008). Sanganai/ Hlanganani Tourism Expo Review: *Tourism Expo Journal*, Vol 8, pp 4-6
- Zimbabwe Tourism Authority, (2009). *Zimbabwe Tourism Statistics and Economic Indicator Highlights*.

ABOUT THE AUTHORS:

Roseline T. Karambakuwa: Economics Department, Bindura University of Science Education.

Tonald Shonhiwa : Bindura University of Science Education.

Lydia Murombo: Bindura University of Science Education.

Fungai N Mauchi: Banking and Finance, Department, Bindura University of Science Education.

Norah R.Gopo: Intelligence and Security Department, Bindura University of Science Education.

Webster Denhere: Economics Department, Bindura University of Science Education.

Felex Tafirei: Economics Department, Bindura University of Science Education.

Anna Chingarande: Economics Department, Bindura University of Science Education.

Victoria Mudavanhu: Economics Department, Bindura University of Science Education.