Analysis of the Tourism Value Chain in Zambia

Final Report

November 2018

Prepared for:

CBI Netherlands

Submitted by

Acorn Tourism Consulting Ltd

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ACCRONYMS

CSR	Corporate Social Responsibility
DNPW	Department of National Parks and Wildlife
EU	European Union
GMA	Game Management Area
KAZA	Kavango Zambezi
KKIA	Kenneth Kwanda International Airport
LTA	Livingstone Tourist Association
NP	National Park
MoTA	Ministry of Tourism and Arts
MOU	Memorandum of Understanding
NHCC	National Heritage Conservation Commission
PMU	Project Management Unit
PUM	PUM Netherlands Senior Experts
RETOSA	Regional Tourism Organisation of Southern Africa
SADC	South African Development Community
SEO	Search Engine Optimisation
SME	Small and Medium sized Enterprises
TAP	Technical Assistance Programme
TCZ	Tourism Council of Zambia
TDA	Tourism Development Area
TEVETA	Technical Education, Vocational and Entrepreneurship Training Authority
UNWTO	United Nations World Tourism Organisation
ZATEX	Zambia Tourism Exposition
ZATO	Zambia Association of Tour Operators
ZITHS	Zambia Institute for Tourism and Hospitality Studies
ZMK	Zambia kwacha
ZTA	Zambia Tourism Agency
ZTMP	Zambia Tourism Master Plan

MANAGEMENT SUMMARY

Zambia's appeal to the European leisure visitor is based on its natural resources, including its unspoiled and varied landscape. In addition to the iconic Victoria Falls, Zambia has a wealth of rivers, lakes and waterfalls, as well as a rich and unique flora and fauna. These elements, combined with the country's interesting cultural traditions, make Zambia a strong adventure and safari destination. Zambia is considered to be a safe and stable country with hospitable people. Zambia has the potential to appeal to the growing adventure, safari and eco-tourism segments from Europe, including the community-based tourism, birding, hiking and wilderness niches, and the main outdoor activity markets from Germany, the UK, the Netherlands, France and Scandinavia.

The Zambia Tourism Master Plan 2018-2038 (ZTMP), which provides the Ministry of Tourism and Arts (MoTA) with the blueprint for national tourism growth, is currently awaiting approval by the Zambian cabinet. The ZTMP reports that while there is significant scope for Zambia to increase its market share in tourism from Europe, the country is not capitalising on this opportunity. International arrivals grew between 2010 and 2016, but leisure tourists declined from 31% to 26% in the same period. In 2016, Zambia received fewer arrivals (956,000) than all of its neighbours, except for Malawi, Angola and the Democratic Republic of Congo. Europe, which is Zambia's second largest source region[1], generates only 9% of those arrivals (88,300). The main European source markets are the UK (44%), followed by Germany (9%), the Netherlands and France (both 5%).

Zambia is primarily marketed as an 'add-on' to a southern Africa tour, consequently the average length of a leisure trip is only four nights. Leisure tourism relies heavily on Victoria Falls. Zambia's holiday tourism sector, including tour operators and accommodation, is focused around Livingstone and the Southern Province. The ZTMP vision is to spread leisure tourism to other areas through phased development.

The key obstacles that restrict Zambian small and medium-sized enterprises from expanding sales to the European market are:

1. Marketing issues

a. Limited diversity of products that meet European consumer expectations, due to inadequate market intelligence amongst tour operators and suppliers
b. Limited variety of accommodation, in particular a lack of 3 and 4-star establishments
c. Poorly marketed cultural activities, especially community-owned and community-led tourism experiences
d. Only a limited range of destinations across Zambia that are connected and packaged
e. Lack of offer during the 'green' or wet season
f. Livingstone, with Victoria Falls, is losing its competitive position to Zimbabwe
g. Lusaka is dependent on business and meetings, incentives, conferences, and exhibitions (MICE), having a very limited leisure offer
h. Customer service of poor and inconsistent quality, shortage of skilled workers and poor training
i. Low competitiveness on price due to high taxes, few direct flights from source markets and expensive internal flights. The short safari season forces players to generate profit within its six months' duration, and pushes staff into unemployment for the remainder of the year
j. Weak brand positioning and destination marketing: low awareness of Zambia in outbound markets
k. Marketing activity in Europe is led by high-end safari lodges that have long-standing relationships with European tour operators, leading to a perception of Zambia as an expensive destination

[1] Arrivals from Africa account for 78% of all arrivals

l. Access to European marketplace: only a few inbound tour operators are active in this market

2. Sustainability problems

a. Limited sustainability practices with few accredited businesses and lack of community-owned and community-led activities
b. Local communities, which are critical to wildlife conservation, currently receive limited direct benefit from non-consumptive tourism

3. Enabling Environment

a. Lack of collaborative working
b. Weak public and private sector institutions
c. Low level of skills in the Ministry of Tourism and Arts (MoTA) to implement and monitor the ZTMP
d. Decentralisation of tourism development to weak regional administrations lacking tourism expertise
e. Poor system for tourism data collection and distribution
f. Poor regulations and enforcement
g. Limited ability to deliver management plans for national parks and game management areas

The table below lists key opportunities for CBI to help strengthen Zambia's tourism value chain and maximise the potential for SMEs to expand exports to Europe, pairing them with specific activities and indicating which of the obstacles from the above list they can tackle.

Opportunity	Activity	Rationale and *Obstacles Tackled* (OT)
Support growth by focusing on innovative, market-led product development and strengthen travel and trade export promotion	• Offer training and export readiness coaching to: ○ Incoming tour operators ○ Zambian owned mid-range lodges ○ SMEs capable of developing and exporting suitable products ○ Include participants from Kafue NP, Northern Circuit, South Luangwa NP and elsewhere, if demand is sufficient • Create online export training materials	• Expand diversity of products to attract targeted market segments • Increase number of inbound tour operators and suppliers with expertise to access European markets • Add value beyond scope of the programme *OT: 1a, b, c, d, k, l*
Initiate development of the Northern Overland Touring Circuit	• Use participatory process to create a Northern Circuit destination website to target Ecotourists and Intrepid Explorer segments (as defined by ZTMP)	• Encourage collaborative destination development in lesser known areas *OT: 1a, b, c, d, e 3a, b, d*
Improve service quality across sector	• Partner with PUM and national hospitality training institution to develop a national training concept, including developing a national curriculum and trainers' formation • Train small businesses in accommodation, food and drink	• Create the structure for a well-trained hospitality workforce and improve the quality of customer experience *OT: 1a, h, l*
Enhance sustainable practices across sector	• Travelife certification for incoming operators and suppliers • Train assessors with local partner • Form working group in South Luangwa NP to: ○ Increase accredited businesses ○ Develop entrepreneurship in game management area (GMA) communities	• Increase the number of suppliers that meet requirements of European trade • Develop sustainable practices to underpin UNWTO declaration of South Luangwa as the world's first Sustainable Wildlife Park • Improve direct community benefits from non-consumptive tourism *OT: 2a,b, 3a, d, g*

	to create experiences that meet visitor expectations	
Establish collaborative destination development	• Form a working group with members of government, businesses and the community to support development of Livingstone as Zambia's primary entry hub and create a Livingstone identity, a destination management organisation, and a strategy and action plan to include extension trips to Kafue NP.	• Create a common vision, strong leadership and collaborative working ways to enable Livingstone, which is currently struggling to be competitive, to become Zambia's international tourism entry hub OT: 1a, b, c, d, e, f, h, I, j 2a, 3a, b, c, d, e, f
Raise demand for destination Zambia	Technical assistance to support Zambia Tourism Agency (ZTA): • Develop Zambia's brand positioning • Develop digital marketing capacity • Review ZATEX B2B trade show	• Increase awareness and demand for Zambia on European source markets • Facilitate access to European buyers *OT: 1j*
Strengthen sector management	Technical assistance to: • Strengthen national private sector trade association TCZ • Develop MoTA skills to set up a ZTMP Project Management Unit • Improve system of tourism statistics	• Strengthen private and public management of tourism and facilitate implementation of the ZTMP *OT: 3a, b, c, e*

1. INTRODUCTION

The CBI funded an export coaching programme (ECP) in Zambia from 2013 to 2017. To build on the achievements of this programme and the publication of the Zambia Tourism Master Plan 2018–38, the CBI produced a business case in July 2018 that recommended investing in a second programme. It has commissioned this analysis of Zambia's Tourism Value Chain to be informed about the opportunities to further support a more competitive and sustainable value chain in Zambia and increase SME tourism exports to Europe.

This report presents the existing evidence that describes demand for tourism to Zambia and the structure and governance of Zambia's tourism value chain.

The analysis of existing documentation was supported by a field trip in September 2018 to undertake consultations with stakeholders in Lusaka, Livingstone and South Luangwa (Mfuwe town) including representatives from the Ministry of Tourism and Arts, the Zambia Tourism Agency, The Tourism Council for Zambia, the Zambia Institute of Tourism and Hospitality, PUM, Green Tourism, the Livingstone Tourism Association, members of the Community Resource Board, inbound tour operators who participated in the previous CBI programme, lodge owners and other SME tourism businesses.

In October, the findings of the draft report were presented at two stakeholder validation workshops, one in Lusaka and a second one in Livingstone. Feedback from these workshops has been incorporated into the final version of the report, which considers the opportunities and constraints of the sector, as well as opportunities for CBI intervention.

2. EU TOURISM MARKETS AND ZAMBIA'S COMPETITIVE POSITION

2.1 Export Market Demand and Trends

2.1.1 Introduction: A Note on the Demand Measurement

The tourism performance information contained in this report is based primarily on statistics collected by the Zambia Immigration Department, therefore some data limitations should be noted upfront. These include:

- The Immigration Department's physical discontinuation of entry declaration form No. 1 in 2012 has had a negative impact upon the scope of data collection.
- Form No. 1's replacement has currently no compatible electronic data capture systems.
- Electronic data collection does not provide MoTA with visitor purpose of visit, country of residence or gender and moving averages of earlier data are now used instead.
- It is uncertain how returning residents, same-day visitors and transit visitors are treated in the collection and compilation procedures.
- Accommodation sector data collection response rate is variable around the country and accommodation sector data is limited in scope.
- There is limited data collected regarding visitor expenditure.
- There is limited data collected regarding domestic tourism.
- It is uncertain how consistently UNWTO standard visitor definitions and classifications are used in collection and compilation procedures.

2.1.2 Zambia's Tourism Economy

According to Zambia's MoTA data[2], direct earnings from tourism grew from ZMK 2,271 million in 2012 to ZMK 4,408 million in 2015. In US dollars, though, this represents a decline from $441 million US dollars to $401 million US dollars due to depreciation of the Zambian currency, the kwacha. The direct contribution that these earnings make to the Zambian GDP has grown from 2.4% in 2012 to 3.1% in 2015, according to the World Travel and Tourism Council (WTTC)[3].

This compares favourably with similar rates of growth in Mozambique and Tanzania, more modest rates of growth in Malawi and Namibia and modest decline in Botswana and Zimbabwe over the same period. MoTA figures[4] also indicate that direct employment in tourism grew 0.7% between 2014 and 2015, from 57,003 to 57,384 persons.

2.1.3 International Tourist Arrivals

[2] MoTA, 2015 Tourism Statistical Digest
[3] WTTC Travel and Tourism Economic Impact Report for Zambia 2017
[4] MoTA 2015 Tourism Statistical Digest

The Competitor Context

South Africa is the leading regional tourism destination, receiving 41% of arrivals to countries in the Regional Tourism Organisation of Southern Africa (RETOSA) and the Southern African Development Community (SADC). Botswana and Zimbabwe continually vie for second place with 9% of arrivals, but far behind South Africa. Figure 2.1 presents the tourist arrivals figures and trends for Zambia and its neighbours. The steady strengthening of both Namibia and Tanzania's positions is evident: 41% and 46% growth in arrivals respectively over five years. Zambia has seen almost 14% growth in visitor arrivals over the same five years but its overall share of total arrivals among RETOSA and SADC countries combined has remained static at around 4%, just above Malawi, which has the smallest market share at 3.7%.

International Tourism

Overall Arrivals

International tourist arrivals in Zambia increased from 815,000 to 956,000 between 2010 and 2016[5], growing 17.3% over the period. Growth rates have however fluctuated year-on-year throughout the period. Between 2011 and 2012 and between 2014 and 2015, they declined by almost 7% and 2% respectively, while over the last three years the average rate of growth has been modest, at under 1%. Reasons for slow growth may be a reflection of negative perceptions created by requirements for yellow fever certificates for visitors traveling between Zambia and South Africa and the outbreak of Ebola in West Africa.

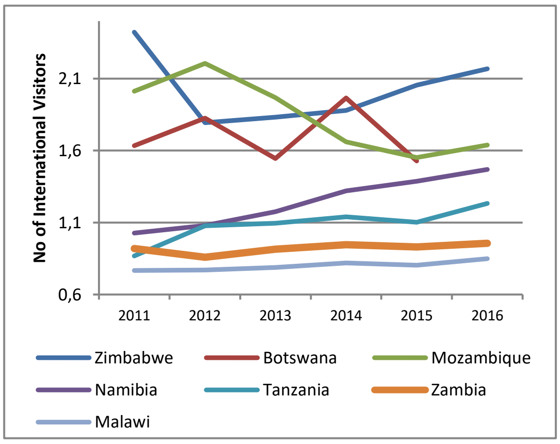
Source Markets

In common with all the other SADC countries, Zambia draws the largest percentage of its tourist arrivals from the rest of Africa, which accounted for 78% of the total in 2016. Europe provided the second largest number of arrivals at 9.2%, as shown in Figure 2.2. Africa and Europe have both seen modest growth in their market shares between 2012 and 2016, at the expense of Asia, whose share dropped from 11% in 2012 to 7% in 2016, reflecting a weakening in arrivals from China and a strengthening of arrivals from the US and the UK. Fluctuations in arrivals from China reflect changes in business and investment rather than leisure tourism conditions.

Figure 2.3 indicates that Zambia's top-20 international markets accounted for 84% of arrivals for all purposes in 2016 and that four African markets, namely Tanzania (24%), Zimbabwe (22%), DRC Congo (10%) and South Africa (10%), accounted for two-thirds of international arrivals. Regarding overseas markets, the US and the UK are by far the leading markets, with a share of around 4% of arrivals each, as shown in Figure 3.4, followed by China and India (around 2% each) and Germany, Japan, Canada, the Netherlands, France and Italy.

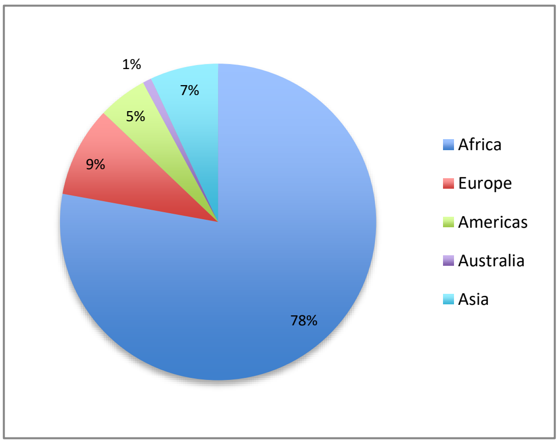
[5] MoTA International Tourists Arrivals Statistics Summary 2017

Fig. 2.1: Trends in arrivals, Zambia and neighbours



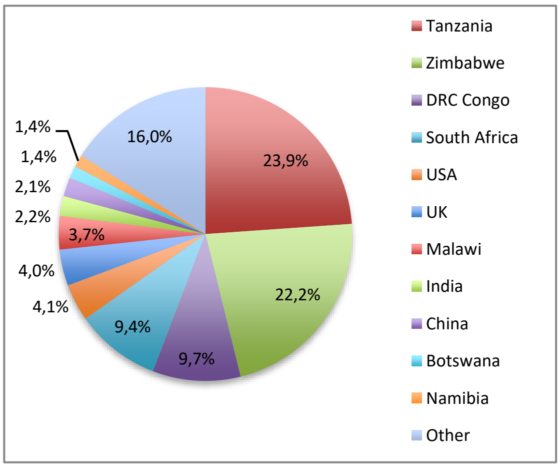
UNWTO Barometer, 2018

Fig. 2.2: Arrivals by source region



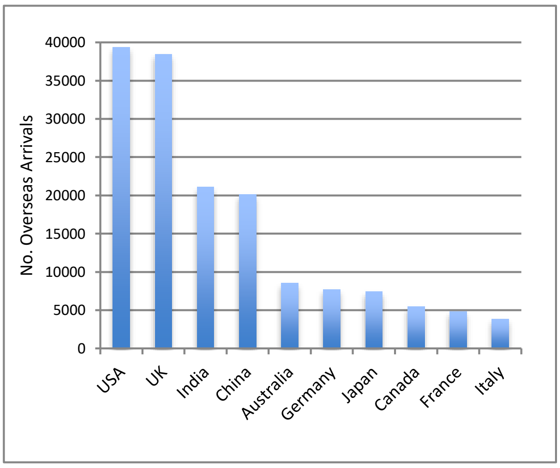
MoTA Statistical Bulletin, 2016

Fig. 2.3: Top 20 markets overall



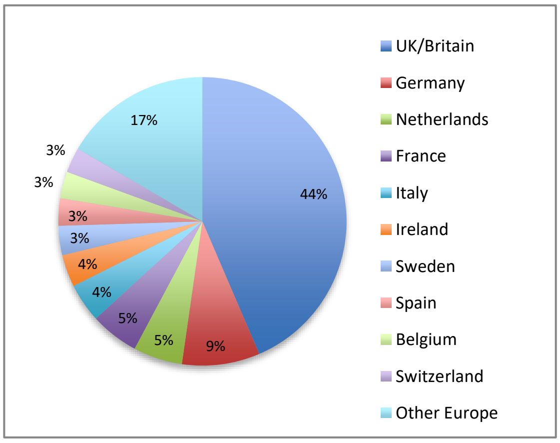
Analysis of border arrival statistics, 2016

Fig. 2.4: Top 10 overseas markets



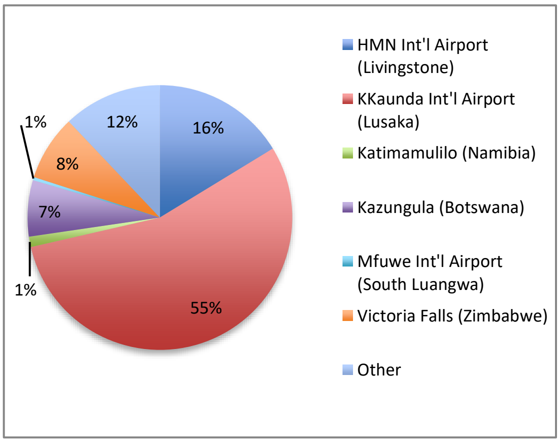
MoTA Statistical Bulletin, 2016

Fig. 2.5: Top 10 European markets



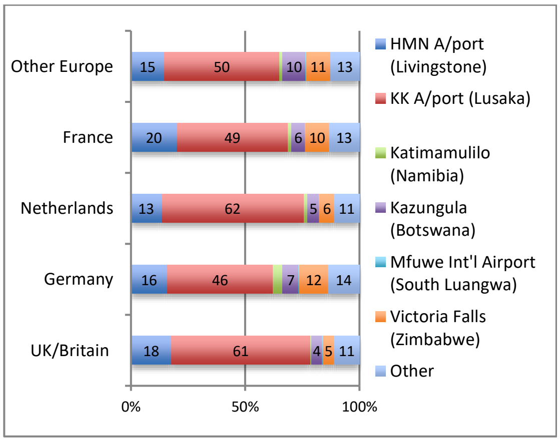
Analysis of border arrival statistics, 2016

Fig. 2.6: Visitors from Europe by border post



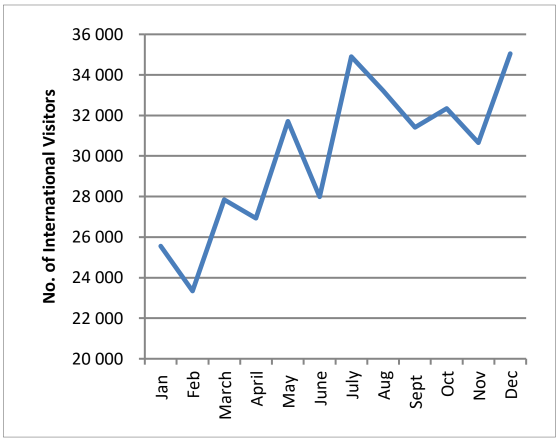
Analysis of border arrival statistics, 2016

Fig. 2.7: Top European markets by border post



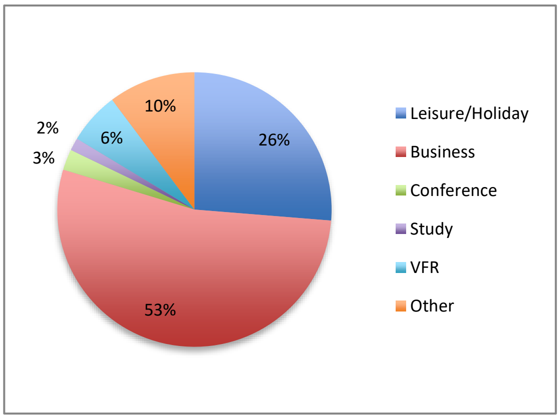
Analysis of border arrival statistics, 2016

Fig. 2.8: International arrivals by month



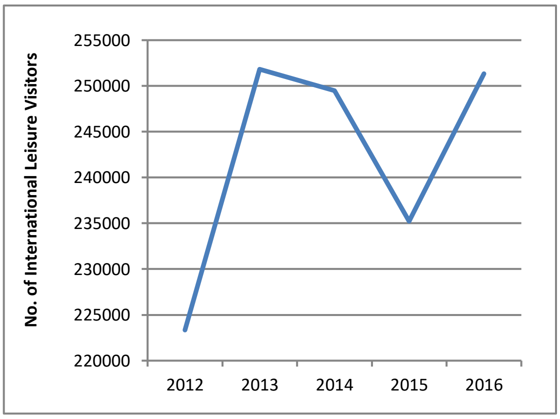
Analysis of border arrival statistics, 2016

Fig. 2.9: Purpose of visit



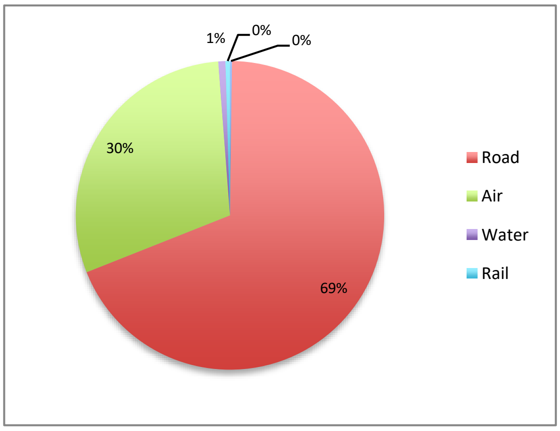
MoTA Statistical Bulletin, 2016

Fig. 2.10: Trend in leisure tourism arrivals



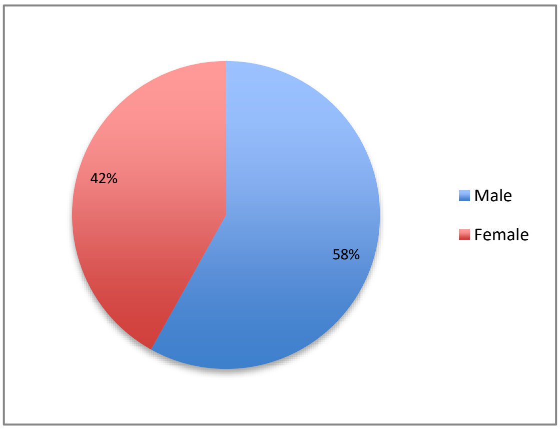
MoTA Statistical Bulletin, 2016

Fig. 2.11: Mode of travel to Zambia



MoTA Statistical Bulletin, 2016

Fig. 2.12: Gender of international visitors



MoTA Statistical Bulletin, 2016

In terms of arrivals from Europe, which sent 88,333 visitors to Zambia in 2016, Figure 2.5 indicates that the top-five markets, namely the UK, Germany, the Netherlands, France and Italy combined account for 80% of arrivals from Europe. The UK and Ireland combined contribute no less than 48% of arrivals from Europe, while Germany alone has a 9% share of European arrivals to Zambia.

Travel Mode, Purpose and Entry Points

In view of the dominance of Africa as the main source of visitor arrivals and the importance of neighbouring countries in particular, it is unsurprising to note that arrival by road also dominates the means of transport used by visitors to Zambia: 69% of arrivals in 2016. Air transport comes second (30%), while water and rail transport account for the balance (1% of arrivals)[6].

Figure 2.9 indicates arrivals by purpose of visit. It shows that business is consistently the largest category with 510,851 or 53% of arrivals in 2016, while leisure or holiday came second place with 251,336 or 26% of arrivals. The remainder is made up of conferencing with 3%, study with 2%, visiting friends and relatives (VFR) with 6% and 'other' with 10% of arrivals.

The share of business visitors has remained constant at 53% of arrivals since 2010, while that of holiday visitors has declined from 31% to 26% of arrivals since 2010. VFR arrivals have fallen from 8% of the total to 6%. The share of arrivals for conferencing (2%), study (1.5%) and other purposes (7%) has grown steadily from small bases. These changes should be treated with caution due to inconsistencies in data collection, as mentioned above.

Figure 2.10 indicates that the number of visitors entering for leisure or holiday purposes has fluctuated over the past five years between around 225,000 and 250,000. Again, this data should be treated with caution as purpose of visit is not measured by the Immigration Department.

Destinations Visited

An analysis of international visitor numbers entering through Zambia's various border posts provides some clues regarding visitor flows from Europe. As can be seen from Figure 2.7, between 85% and 90% of visitors from Europe enter through 6 of Zambia's 47 ports of entry.

Of these, Kenneth Kaunda International Airport (KKIA) in Lusaka receives 61% of the visitors coming from the UK, Zambia's main European market. Between 46% of the German and 62% of the Dutch visitors also arrive at KKIA. The high percentages of British and Dutch visitors arriving at KKIA are probably related to the fact that these countries have strong business links with Zambia and that the majority of arrivals through KKIA are business travellers.

[6] MoTA International Tourists Arrivals Statistics Summary 2017

In addition to KKIA, three other border posts receive the bulk of the remaining arrivals from Europe. These three, namely Harry Mwanga Nkumbula International Airport (Livingstone, Victoria Falls), Kazungula Border Post (Botswana, Chobe) and Victoria Falls (Zimbabwe, Victoria Falls) account for a further 25% to 35% of arrivals to Zambia, which probably comprises the majority of leisure visitors from Europe. These findings illustrate the concentration of leisure tourism to Zambia in the KAZA (Kavango-Zambezi) area.

The findings are further substantiated by accommodation capacity concentrations. Lusaka Province and Southern Province, which includes Livingstone, account for almost two thirds of licensed accommodation in Zambia. The respective business and tourism importance of these provinces draws the greater part of all visitor arrivals. The large majority of leisure-focused accommodation establishments are located in Southern Province and in Livingstone, in particular.

Developing and spreading international leisure tourism to other areas in Zambia is a key vision of the recently launched Zambia Tourism Master Plan (ZTMP), the strategy being to cascade tourism growth in a phased manner, using Livingstone as the flagship destination.

Seasonality and Length of Stay

Figure 2.8 shows that there is a substantial degree of seasonality in the Zambian tourism industry. Zambia receives fewer visitors in the rainy season from December to April, while levels of arrivals increase in the dryer months from May to November, when Victoria Falls is also usually in full flow.

Business travel to Zambia, which is largely disconnected from weather, masks the greater weather dependence and seasonality in the arrivals figures of those coming particularly because of wildlife, or for safari and holiday purposes. Most safari businesses and lodge owners only operate between mid-May and mid-November, which corresponds to a six-month season, whilst hotels and guest houses in urban centres generally operate year-round. The limited network of all-weather roads in parks contributes to seasonality in the safari industry.

The average length of stay in 2015[7] was four days, having slipped back from six days in 2012 and 2013. The substantial change in average length of stay is most probably caused by changes in business travel, attributable to the decline in economic growth since 2015. From a leisure tourism perspective, the short length of stay compared to neighbouring destinations such as South Africa (9.2 days in 2016[8]) is a major cause for concern, as it demonstrates the fact that Zambia is largely an 'add-on' option for leisure visitors, rather than a primary destination.

[7] MoTA International Tourists Arrivals Statistics Summary 2017

[8] Republic of South Africa, Department of Tourism, 2017

Profiles of European Tourists

Extension visitors

One of Zambia's biggest challenges is that it relies very heavily on Victoria Falls as an add-on or extension destination for international leisure travellers to Southern Africa. A small proportion of visitors from overseas visit Zambia as their main destination. A 2012 survey conducted by The Journey with 62 international tour operators in Southern Africa's key source markets (of which almost 70% were from Europe) reported that 82% of their passengers visited Livingstone for 2–4 days as an extension to their primary itinerary, while only 12% visited Livingstone as their main destination. Given that Livingstone is by far the most visited leisure tourism destination in Zambia, this figure could be largely extrapolated to Zambia as a country and indicates the reason for the short average duration of stay and low revenue per visitor.

Not much is known about the demographics of these 'extension' visitors, other than the fact they include a mixture of age and income groups, since there are a number of backpacker and 'overlanding' establishments in Livingstone in addition to a variety of exclusive lodges and hotels.

Zambia as a primary destination

A 2017 EU Market Scan conducted for CBI in 2017[9] reviewed 25 tour operator brochures of tours to Zambia, Ethiopia and Senegal. The research indicates an untapped potential interest amongst EU markets in visiting Zambia as a standalone destination, particularly in the Netherlands, Scandinavia, the UK and France.

Table 1: Nature of 25 tour operator packages analysed to Zambia

ZAMBIA	UK	Netherlands	Belgium	Germany	Scandinavia	France
Itinerary and duration						
Single destination packages	27	9	3	3	6	1
% Single destination packages	39%	56%	18%	14%	50%	33%
Total days of whole itinerary	12	19,5	15	14,8	13	14
Country specific days in Zambia	8	9,3	3	5,6	6,7	9
Packages that include others (%)	50%	50%	100%	88%	33%	50%
Others include	Malawi	Malawi, Zanzibar	South Africa, Namibia,	Malawi, Zanzibar, RSA,	Zimbabwe, Malawi, Tanzania,	Malawi

[9] Van Hee (M), 2017: EU Market Scan Tourism to Ethiopia, Senegal and Zambia (Draft)

			Botswana	Namibia, Botswana	Zanzibar	
Tour price (excluding intercontinental flight)	4294	4467	2233	5759	5504	4298
Price/day (€)[10]	394	309	160	436	566	325

As part of the EU Market Scan, 12 European tour operators that offer Zambia as a primary destination were interviewed, regarding their experiences and perceptions of Senegal, Ethiopia and Zambia. According to these interviews, Zambian inclusive packages are on average the most expensive at €365/day, followed by Ethiopia packages at €194/day and €132/day for Senegal packages. A key reason for the high package cost is the number of flights in Zambian packages, as Zambia is mostly combined with two destinations or more, including South Africa, Botswana, Namibia, Tanzania and Zimbabwe.

A key challenge identified by the travel trade is that Zambia is perceived as a rather expensive safari destination due to a lack of self-drive possibilities, with expensive accommodation facilities. In addition to the high cost of internal flights, this perception also reflects the lack of mid-range accommodation facilities used by international tour operators in key destinations like Livingstone, South Luangwa and Lower Zambezi, combined with higher VAT and service tax than apply in Botswana or Zimbabwe.

The country is primarily positioned as an eco-tourism and safari destination, having Victoria Falls as one of the must-do's, while cultural as well as community experiences, although available, are not frequently promoted. Among the tour operators analysed, 67% only offer safari, ecotourism and adventure tourism in Zambia, out of the UK, Belgium, Germany and Scandinavia.

Dutch and French packages have started to explore other attractions of Zambia besides nature tourism, including community-based tourism and cultural heritage. While the French prefer to visit the cultural heritage sites, the Dutch are interested in visiting and staying with locals.

Package tours to Zambia are focused on age 50+ travellers who have above-average purchasing power, looking more for safari trips compared with the younger, more adventurous target group. [11]

[10] Price differences are affected by the nature and extent of services (e.g. ground transportation, accommodation, internal flights, etc.) included in packages

[11] Author's Note: This does not apply to backpacker and overland travel to Livingstone, where younger travellers can enjoy various adventure activities.

Tour operators indicated that, due to the many undiscovered and undeveloped destinations, Zambia has a strong growth potential in both the more independent travel and eco-tourism segments, the latter including birding, community-based tourism, waterfalls, hiking etc.

There is potential for Zambia to appeal to the growing adventure, safari, and eco-tourism segments from Europe, including community-based tourism, birding, hiking and wilderness niches, for visitors coming from the main European outdoor activity markets in Germany, the UK, the Netherlands, France and Scandinavia.

2.1.4 Domestic Tourism

Domestic tourism by Zambian nationals and resident expats has limited coverage in the MoTA Annual Tourism Statistical Digest. The Digest focuses on data sourced from the Department of National Parks and Wildlife (DNPW) and the National Heritage Conservation Commission (NHCC), which show that, in 2016, domestic visitors accounted for 116,260 (69%) of visitors to Victoria Falls, 41,772 (39%) visitors to the five major national parks and 69,170 (90%) visitors to national museums. These numbers include all age groups as well as school excursions. Zambia has a differential entry-price system that makes it affordable for locals to visit national parks and heritage sites.

It should be noted that daily expenditure and length of stay per domestic visitor is much lower than for foreign visitors and that growth in volumes of domestic travellers does not translate into equivalent growth in tourism revenues.

The household income of the average Zambian remains under pressure, leaving little available for discretionary options like travel and holidays. Although many do travel to visit friends and family, some also travel for religious purposes and a significant number are also travelling for business and meetings purposes. However, since much of this movement is not utilising the officially licensed accommodation sector, its scale and value is not identifiable by existing data collection procedures.

2.2 Zambia's Competitiveness

2.2.1 Overall Destination Competitiveness

The World Economic Forum's Travel and Tourism Competitiveness Report[12] evaluates Zambia's tourism competitiveness in relation to competitors in the region as follows:

- Zambia's strongest competitiveness position is environmental sustainability, where it is placed 33rd out of all 136 nations and leads all the other countries in Southern Africa. Allied

[12] World Economic Forum Travel and Tourism Competitiveness Report, 2017

to this is its competitiveness in terms of natural resources (World Heritage natural sites, total known species and total protected areas) where it ranks 46th, similar to Namibia (40th) and Botswana (50th), but much poorer than South Africa (23rd). However, it ranks only 119th for cultural resources (World Heritage cultural sites and oral or intangible cultural heritage expressions) compared with South Africa (19th) and Botswana (106th). Various authentic and cultural festivals are staged annually in Zambia, but cultural experiences such as dancing, music and art generally lack professional management and cultural villages developed by the government (some in partnership with local communities) have largely failed due to poor management and marketing.

- The business environment (52nd) is somewhat conducive but business environments in South Africa in particular (21st), Botswana (30th) and Namibia (38th) are more so, although Zimbabwe is much worse (134th) in this respect.
- Zambia, in 107th place for prioritisation of travel and tourism (by government) compares poorly with South Africa (59th), Namibia (61st) and Botswana (70th) but ranks higher (83rd) for international openness (visa requirements, regional trade agreements) than Botswana (118th), South Africa (110th) and Namibia (92nd).
- Zambia, in 79th place, has a comparatively poor ranking for price competitiveness (a composite of air ticket and airport related charges, hotel prices, fuel prices and heavy tourism taxation), particularly when compared to Botswana (13th) and Namibia (30th) but also with South Africa (43rd) and Zimbabwe (53rd).
- Zambia also compares poorly across three infrastructure indicators: air transport (117th), ground and port infrastructure (113th) and tourist service infrastructure (114th) i.e. hotel supply and quality, major car rental companies present and the numbers of automatic teller machines (ATMs), compared with South Africa (46th, 59th and 59th), Namibia (58th, 66th and 73rd) and Botswana (87th, 89th, and 84th).

2.2.2 Comparative Advantages

Comparing Zambia's inherent resources and market position with competitors in the region, the recently launched Zambia Tourism Master Plan[13] identifies the following comparative advantages and disadvantages:

- South Africa (nine world heritage sites), Tanzania (seven world heritage sites) and Zimbabwe (five world heritage sites) are better positioned in terms of unique 'bucket-list' sites to visit.
- Botswana, Tanzania and South Africa offer the Big 5 and more varied wildlife and safari experiences.
- Most destinations are on par with Zambia for cultural uniqueness.

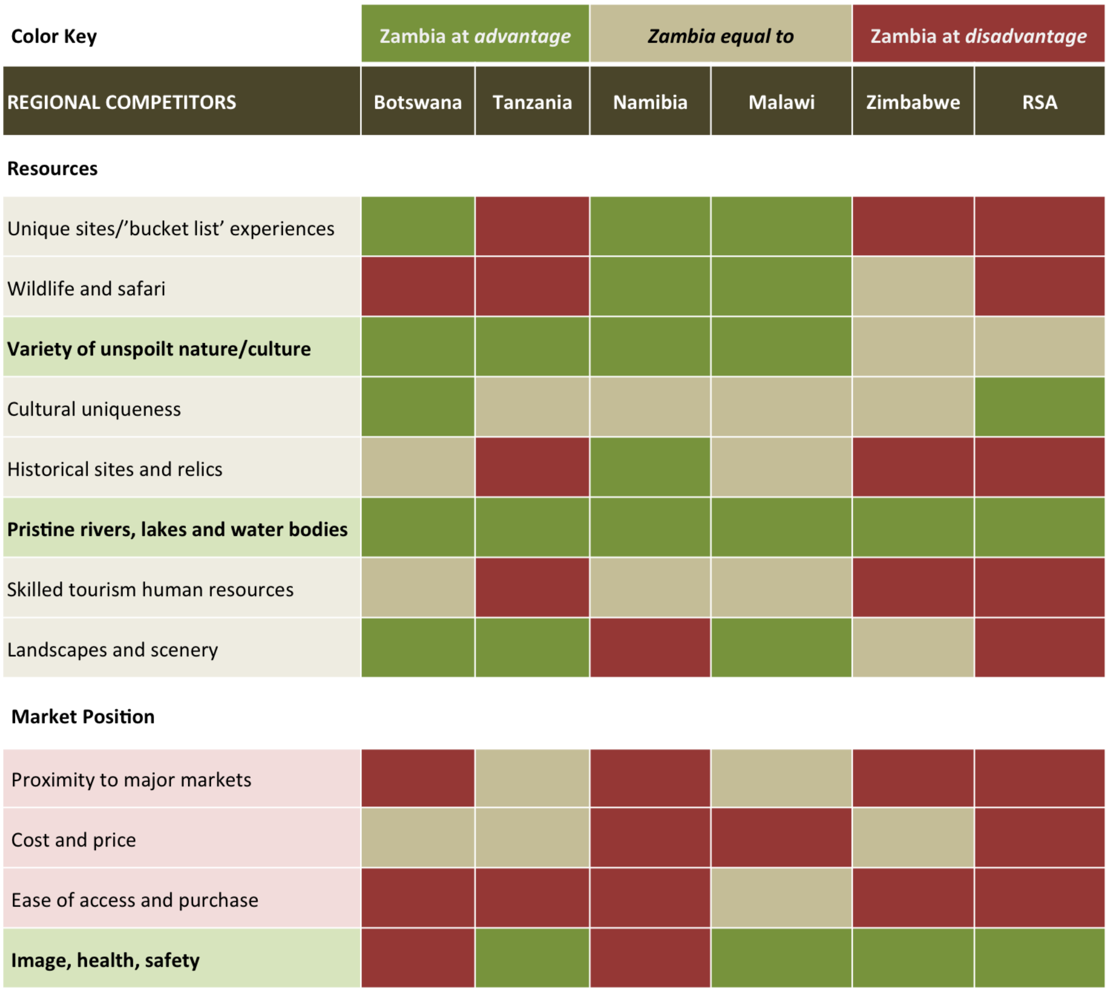
[13] Ministry of Tourism and Arts, 2017: Zambia Tourism Master Plan, Final Report

- Tanzania, Zimbabwe and South Africa offer a greater variety and quality of historical sites and general scenery.
- Zambia is at a disadvantage regarding proximity to major markets, cost of travel and ease of access.

However:

- Zambia has more major African lakes (Kariba, Tanganyika, Mweru, Bangweulu), major rivers (Zambezi, Luangwa, Kafue, Luapula, Chambeshi) and large water bodies (Victoria Falls and other waterfalls, Bangweulu Wetlands, Kafue Flats, Liuwa Plains, etc.) than any other country in the region. It also has water bodies with unique biospheres that sustain Africa's prolific fauna and flora and inspire unique cultural traditions, such as the famous Kuomboka ceremony of the Lozi people.
- As a result, Zambia offers a greater variety of unspoiled natural and cultural experiences than most destinations in the region. These include the many superb waterfalls in the north, the range of undeveloped national parks, cultural ceremonies and dancing that are not yet on the tourist map. Plus, it has a reputation for very good safari guiding.
- In addition, the country has a stable image, is safe for travellers and the people are exceptionally receptive and hospitable.

Fig. 2.13: Zambia's comparative advantages and disadvantages in the region[14]



Source: Zambia Tourism Master Plan

Based on the recognition that Zambia's tourism uniqueness is vested in its many iconic African water bodies, the tourism strategy builds its differentiation on the most important and well-known of these, the Zambezi River. The ZTMP states that Zambia will be positioned[15] as the *Home of the Zambezi*, conveying a sense of ownership of Africa's rivers, lakes and water bodies, strongly speaking to the diversity of experiences on offer and appealing to a wide variety of market segments.

2.2.3 Key Challenges in the Destination Value Chain

[14] 'Proximity to major markets' is defined as the distance and time required to travel to Zambia from key leisure tourism entry points to Southern Africa such as South Africa (as the largest receiver of tourists in Southern Africa and a key entry point to the region), Namibia as well as from key markets in Europe and the US.

[15] Positioning should not be confused with a brand slogan, as it is a strategic phrase that encapsulates the basis on which Zambia is differentiated from competitors. A brand slogan could be formulated to express the positioning with suitable market appeal.

The Situation Analysis Report[16] that preceded the formulation of the Zambia Tourism Master Plan identifies the following important challenges facing tourism growth.

Perception of Zambia being an expensive destination

In addition to the various cost factors mentioned above, the EU Market Scan cites the high cost of travel to Zambia as the most important growth barrier identified by operators. The ZTMP identifies various factors that contribute to the high cost structure in the industry. These include:

- Bureaucratic business procedures and red tape such as cumbersome business licensing, which place a major burden on an industry that primarily comprises medium-sized and smaller businesses. Time consuming and costly border formalities, fragmentation of business licenses and procedural delays in registering property and securing electricity supplies for new ventures are other factors.
- High costs of borrowing from the banking sector.
- Heavy tourism taxation, including:
    - VAT at 16% compared to Botswana (12%), South Africa (15%) and Zimbabwe (15%), applied to all accommodation and activities related to expenditures, while in Zimbabwe, tourist activities are not subject to VAT at all;
    - 1.5% Tourism Levy plus 0.5% Training Levy;
    - 10% Mandatory Service Charge on all accommodation expenditure;
    - Visa Charges levied on visitors from its largest visitor markets (UK, USA, etc.) while Botswana and South Africa provide visa-free access to their largest visitor markets.
    - High vehicle entry charges;
    - Customs and excise duties.
- Lack of suitable investment incentives for the sector to stimulate development in underdeveloped areas.

High airfares, especially on domestic routes

A comparison of airfares from London and Johannesburg to Lusaka and Livingstone[17] shows that airfares from London to Lusaka compare favourably to other capital cities in the region, except for the highly competitive and more affordable London-Johannesburg route. However, airfares from both London and Johannesburg to Livingstone are substantially higher compared to fares from these destinations to Victoria Falls in Zimbabwe. This is a cause for concern given the position of Livingstone as Zambia's main leisure tourism entry point to Zambia.

An indicative comparison of return domestic ticket prices for selected tourism locations in Southern Africa shows that air travel within Zambia is more expensive than in competitors' destinations. While making comparisons based on ticket prices is difficult because of the influence of numerous factors (e.g. ownership of the airline, efficiency of aircraft being used, market size and characteristics, fuel pricing, aviation and passenger taxation, etc.), visitors do

[16] Zambia Strategic Tourism Development Plan, 2018-2027, Situation Analysis
[17] www.expedia.com, for travel 13 August 2017 (departure) and 19 August 2017 (return)

not consider these factors when comparing airfares and holiday costs. Scheduled domestic air services are operated by only one airline in Zambia: Proflight, a private company set up 26 years ago, a short while before Zambia Airways, the national airline, ceased operations[18]. Proflight has survived a challenging operational environment over the years. The airline connects Lusaka with the main business centres around the country (Ndola, Solwezi, Kasama, Kalaba and Livingstone) and also serves the vital safari and wildlife destinations of Lower Zambezi and South Luangwa. Proflight also operates services to Lilongwe in Malawi and Durban in South Africa and has its own air charter company, Procharter.

Limited range of tourism accommodation

The pricing structure of accommodation establishments in the key centres of Lusaka and Livingstone provides an indication of the structure of the industry and the divide between SMEs and well-established tourism brands.

The below assessment of tourism accommodation prices on Booking.com on 25 July 2018 in Lusaka (90 establishments), Livingstone (60 establishments) and Cape Town (520 establishments) reflects the limited volume of mid-priced accommodation in Livingstone compared to the relatively high proportion of budget and high-end accommodation.

Price range (USD)	In **Lusaka**, which relies heavily on business tourism	In **Livingstone,** which relies heavily on leisure tourism	In **Cape Town**, which relies heavily on leisure tourism
Below $80	57%	**73%**	48%
$80-$159	31%	**6%**	38%
$160 +	12%	**20%**	14%

While this analysis does not reflect the size of the accommodation sector in room numbers, it does serve to indicate the tendency of quality and ownership of accommodation establishments in Zambia's leisure tourism capital. In Livingstone, the large majority of accommodation establishments fall in the price range below $80 per room per night and only 6% of establishments fall in the 'tourist' price category between the 'affordable' (below $80) accommodation range and the 'upmarket' (above $160) range, which comprises 20% of establishments. In Lusaka and Cape Town the 'tourist' class (between $80 and $160) mid-category comprises between 30% and 40% accommodation establishments respectively.

Closer scrutiny reveals that the majority of 'budget' accommodation businesses in Livingstone are owned by Zambian citizens who have converted their homes in Livingstone town into bed-and-breakfast establishments and guest houses (called 'lodges' in Zambia).

[18] Zambia Airways is expected to restart operations in 2019 following investment by Ethiopian Airlines.

By contrast, the majority of ‘upmarket’ safari lodges are located along the Zambezi River and are owned by white Zambian families, ex-Zimbabwean or South African foreign investors.

Through the years, the Zambian SMEs have struggled to enter the foreign tourist market, which has been the mainstay of the more upmarket segment for many years. The operators in this niche tend to undertake their own marketing activities in the European markets and have direct relationships with outbound European tour operators.

According to these SMEs, there is little evidence that market demand has improved over time and all indications point to supply outstripping demand in this ‘affordable’ segment of the market.

In other key destinations, such as South Luangwa National Park and Lower Zambezi National Park, the majority of businesses fall in the ‘upmarket’ category, except for a few foreigner-owned backpacker establishments in South Luangwa (Mfuwe town).

Inconsistent quality of facilities and service levels

The majority of accommodation businesses at the mid to affordable segment of the market and in lesser-known tourism destinations are owned and operated by new entrants to tourism. Naturally, they are not part of any accommodation chains. Such entrepreneurs need to be empowered to improve quality of facilities and service levels in areas like room features and designs, visitor hygiene, overall service levels, basic accounting, online marketing and especially catering and food preparation. They also need a good understanding of their target markets so they can differentiate their offer and develop their products to meet the expectations of relevant market segments.

Limited market access for the ground handler and inbound tour operator sector

As discussed above, international leisure tourism is currently underdeveloped and occurs mainly at a few tourism nodes, namely Livingstone, South Luangwa and to a lesser extent at Lower Zambezi and Kafue National Parks. In these destinations well-established, mostly high-end lodge operators own the majority of accommodation establishments that market to European tourists. These lodge owners mostly have long-standing relationships with international outbound tour operators and do not need an intermediary to package itineraries or provide ground-handling services.

As a result, local tour operators currently do most of their business as local transport and shuttle providers to ferry visitors between airports, lodges and attractions, having limited opportunities for packaging group touring and travel itineraries for free independent travellers (FIT).

The capacity of these inbound tour operators needs to be strengthened so that they can differentiate their offer to consumers by packaging the more off-the-beaten-track experiences in lesser-developed parts of the country and service the growth of the:

> i) Higher-value touring segment, comprised of mature adventurous travellers who are more risk averse than the lower value backpacker segments and want their trips pre-arranged and guided;
> ii) Low-budget tours for independent travellers, if suitable mid-range accommodation is available.

The barriers to entry that need to be addressed for these local tour operators include the bureaucracy involved in obtaining operating licences, high costs and import duties of vehicles, access to funding, skills gaps and market access.

Insufficient destination marketing

ZTA's marketing programme has fluctuated substantially in terms of focus and execution during the past three to four years. To achieve the country's ambitious tourism growth objectives, the Zambia Tourism Master Plan 2018–38 (see Section 2.3 below) recommends a clearly defined and focused marketing strategy. Improved marketing effectiveness will require, among others:

- Sufficient and consistent marketing funding. ZTA is poorly funded and funding fluctuates substantially from year to year
- Skilled marketing staff and international representation
- Strong public-private marketing partnership and joint marketing planning
- Improved digital and online marketing approach and tools
- Improved market intelligence

Limited skilled Zambian workers

According to the MoTA 2015 Tourism Statistical Digest, the hospitality industry employs 57,384 persons, 40% of whom are based in Livingstone, Southern Province, 33% are based in Lusaka Province, 11% based in Eastern Province, 5% in Central Province, 3% in the Copperbelt and the balance spread around the remaining provinces.

Not surprisingly, the distribution of Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA) accredited institutions is also led by Southern and Lusaka provinces with two thirds of the supply, followed by Copperbelt with 26% and the remainder spread amongst the other provinces. It is likely that the distribution of institutions providing specialist hospitality and tourism training reflects this overall pattern and thus leaves several provinces distant from Lusaka or Livingstone with weak training provision. Longer-term tourism growth will require an expanded pool of skilled hospitality and tourism staff and the following challenges will have to be addressed.

- Increasing the extent of skills training supply: The number of specialised hospitality and tourism training facilities is limited and concentrated mainly around Livingstone and Lusaka.
- Ensuring that tourism training supply matches demand and industry needs: Training institutions do not necessarily offer the type and quality of training required by the industry and private operators do not always value the type and quality of manpower produced by such institutions.
- Improving the quality of tourism skills training facilities, staff and curricula: Specialised institutions like the Zambia Institute for Tourism and Hospitality Studies (ZITHS) and the Livingstone Institute of Business and Engineering Studies (LIBES) are poorly equipped and face a shortage of qualified trainers. Facilities are in urgent need of refurbishment and staff members require improvement and retraining. The hospitality and travel curricula offered at such institutions are not kept up to date and in line with the latest trends and technologies in these fields. In short, there is a need to develop tourism training centres of excellence in line with the MoTA's policy directives.

2.3 Strategic Context: Plans for the Zambian Tourism Sector

The Ministry of Tourism and Arts formulated the Zambia Tourism Master Plan 2018-2038 (ZTMP) in 2017, with technical assistance funded by the European Union. The Master Plan is currently in the process of being ratified by the Zambian cabinet.

The situation analysis that informed the ZTMP identified the following five key drivers and associated delivery elements for unlocking future tourism growth over the next 20 years. These are:

- A clear vision and direction for tourism
- Improved access to and in the country
- Expanded supply capacity
- Effective promotion
- Improved tourism management

The ZTMP provides a clear vision, growth targets, strategies, spatial priorities and specific actions for future tourism growth.

The following vision from the ZTMP captures the ambitions of the Zambian tourism industry towards 2038 (Vision 2038 hereafter):

Zambia will rank among the most visited holiday destinations in Africa and the country will be a regional conference hub with a high quality, diversified and sustainable tourism industry, with tourism making a major contribution to the economic and social well-being of Zambians.

A two-scenario approach was adopted in projecting future tourism growth. On the one hand a 'business-as-usual' or low-growth choice was examined and compared with a visionary or high growth choice, which assumes that the government will fully adopt the recommendations put forward in the National Tourism Master Plan. The scenario choice will have major implications for Zambia's tourism economy. The differences in outcomes between the 'business-as-usual' scenario and the visionary growth scenarios are large, including an additional $3 billion a year in international tourist revenues and more than 25,000 additional hotel rooms.

Implementation of the assumptions in the visionary growth scenario and the adoption of Vision 2038 will provide an enabling environment for measurable growth objectives to be achieved by 2038, including:

- increasing international arrivals from 0.98 million in 2018 to 2.61 million in 2038;
- increasing the average length of stay of leisure travellers from 4 days in 2018 to 6 days in 2038;
- significantly reducing tourism seasonality;
- increasing international tourism receipts from $562.9 million in 2018 to $3,802.4 million in 2038;
- creating approximately 163,000 new direct and indirect employment opportunities[19].

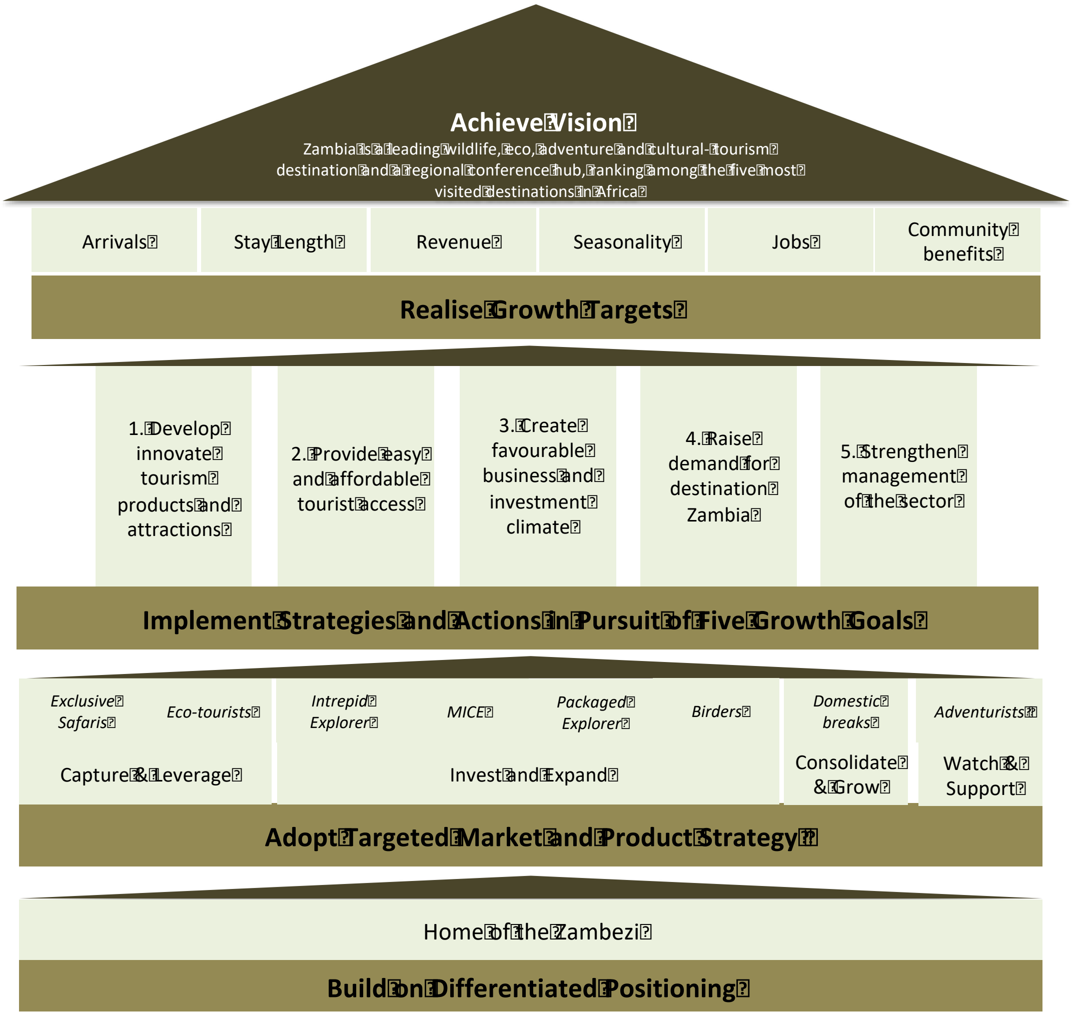
As key development principles, tourism development in Zambia towards 2038 will strive to be sustainable, build on public-private-community partnerships, be inclusive of the broader society, be well-planned, designed and managed and focus on quality.

Based on the findings of the situation analysis, achieving the targeted growth will require concerted strategies and actions to address the major growth factors and the following goals are set in this regard:

1. Developing suitable tourism products in line with clearly defined spatial structure plan
2. Providing easy and affordable tourist access
3. Creating a favourable business and investment climate
4. Raising demand for destination Zambia
5. Strengthening the management of the sector

[19] Based on the international rule of thumb that every 30 additional tourists attracted create one direct and two indirect job opportunities

The future strategic direction can be summarised as follows:



Source: Zambia Tourism Master Plan

Regarding the advancement of SME exports, the following strategies and actions are of particular relevance:

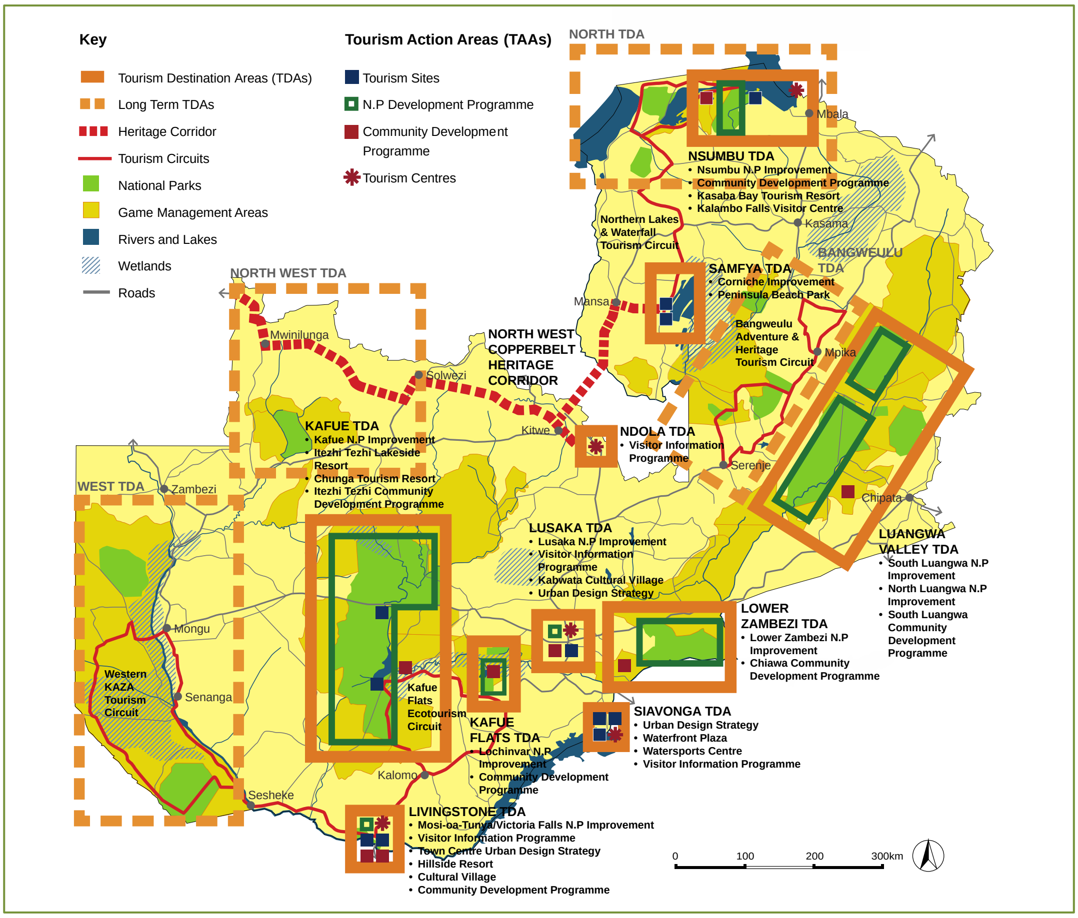
Goal 3: To create a favourable business and investment climate

Strategies	Actions
Improving land tenure and encouraging investment in tourism priority zones	Promulgate and implement a transparent and consistent concessions policy for nature tourism areas
	Provide VAT relief for products required to activate priority tourism development areas
	Remove VAT and import duties on dedicated tourism vehicles and equipment
Reducing investor cost and bureaucracy of doing business	Improve public-private connection on tourism development constraints, ensure implementation and follow through with decisions
	Engage the local financial sector to foster an improved understanding of tourism financing opportunities
	Improve tourism functionality at one-stop-shop business centres
	Reduce the number of licences required from tourism businesses and simplify the licensing process
Improving law enforcement and protection of wildlife and other natural and cultural resources	Increase Department of National Parks and Wildlife (DNPW) financing and capacity for nature law enforcement, especially anti-poaching
	Further strengthen public-private partnerships in conservation and law enforcement
Improving community benefits from non-consumptive tourism	Encourage entrepreneurship in local communities
Upgrading quality standards	Implement a relevant and practical classification and grading system
	Develop a register of professional skills providers for advice to first-time tourism sector investors
Developing tourism human resources	Increase the extent of skills training supply
	Improve skills and service levels in the workplace
	Launch an indigenous Zambian tourism entrepreneurship growth programme
Strengthening travel trade marketing	Build capacity of inbound Zambian tour and accommodation operators for entering international markets

2.4 Potential for New Products and Regions

The ZTMP makes explicit proposals for geographical expansion of tourism products. These proposals are contained in a structure plan, which identifies Tourism Development Areas (TDAs) and Tourism Action Areas (TAAs) for each TDA. These include:

- Prepare and develop Lusaka as Zambia's MICE hub, including: Lusaka Urban Design Strategy, Lusaka Visitor Information Programme, rehabilitation of Kabwata Cultural Village and improvement of Lusaka NP.
- Develop Livingstone as Zambia's international tourism entry hub, including: Livingstone visitor information programme, Livingstone town centre urban design strategy, improvement of Mosi-oa-Tunya NP and Victoria Falls World Heritage Site, Livingstone hillside resort development, Maramba cultural village redevelopment and Livingstone community development programme.
- Develop Kafue NP and Lake Itezhi Tezhi as a larger scale international safari centre and resort hub, including: Kafue NP infrastructure improvement, Itezhi Tezhi lakeside resort, Chunga tourism resort and Itezhi Tezhi community development programme.
- Strengthen and expand tourism in Luangwa Valley, including South Luangwa NP infrastructure improvement, North Luangwa NP infrastructure improvement, South Luangwa NP expansion programme and South Luangwa community development programmes.
- Ensure sustainable tourism development in Lower Zambezi including Lower Zambezi NP infrastructure improvement and Chiawa GMA community development programme.
- Package and promote Samfya and Bangweulu including Samfya corniche improvement, Samfya peninsula Beach Park and Bangweulu adventure and heritage tourism circuit.
- Strengthen Siavonga as a domestic resort hub including Siavonga urban design strategy, Siavonga waterfront plaza, Siavonga water sports centre and Siavonga visitor information programme.
- Strengthen and expand tourism in Nsumbu and the North, including improving Nsumbu NP, Nsumbu community development programme, Kasaba Bay tourism resort and Northern Lakes and Waterfalls tourism circuit.
- Develop and package Kafue Flats tourism offer, including Lochinvar NP improvement, Kafue Flats GMA community development programme and the Kafue Flats ecotourism circuit.
- Improve tourism packaging and capacity in the Copperbelt and develop a North West-Copperbelt community heritage tourism corridor, including Ndola visitor information programme as part of the community heritage corridor.
- Develop and package Western KAZA tourism circuit.



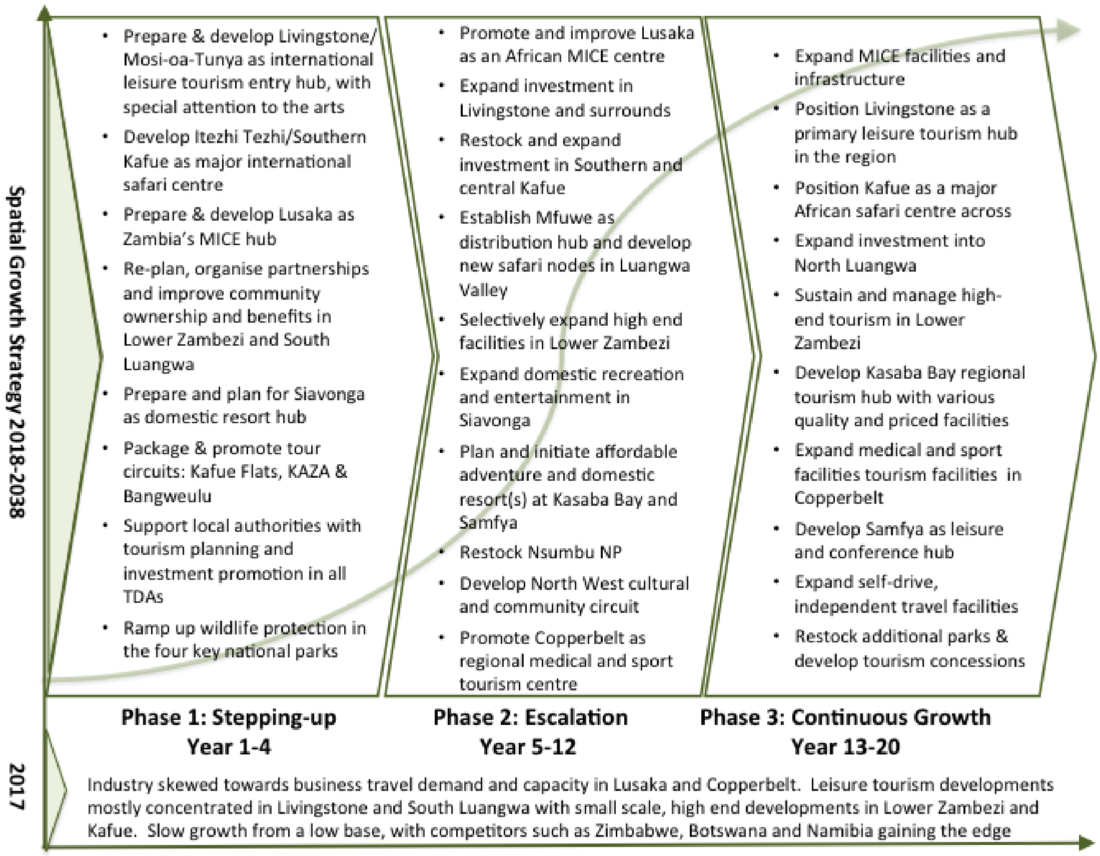
Source: Zambia Tourism Master Plan

The plan proposes a phased approach in addressing these opportunities, as follows:

- Phase 1 Stepping-up (years 1–4): Preparing the ground and initiating a portfolio of tourism developments in TDAs that offer short-term expansion opportunities for ensuring a step-change in tourism arrivals. During this phase, marketing will focus on attracting visitors mainly to take up existing spare capacity. Growth in tourism arrivals is expected to rise, albeit at a moderate rate while new investments in infrastructure and facilities are being constructed and various growth barriers are being addressed.
- Phase 2 Escalation (years 5–12): Capitalising on the investments and expansions made during phase 1 and other aspects of the plan such as improved air and road access, promotion, training, etc., have been addressed. Rapid growth and investment expansion are expected during this phase.
- Phase 3 Continuous growth (years 13–20): Continuing the growth momentum achieved during phases 1 and 2, when tourism should be well-established and the main tourism areas should provide a range of core attractions to attract a variety of market segments. Zambia will be positioned as a leading African MICE and leisure tourism

destination. While the growth in arrivals is expected to stabilise, Zambia is expected to continue outperforming other destinations in the sub-region.

Specific projects proposed for the various phases are as follows:



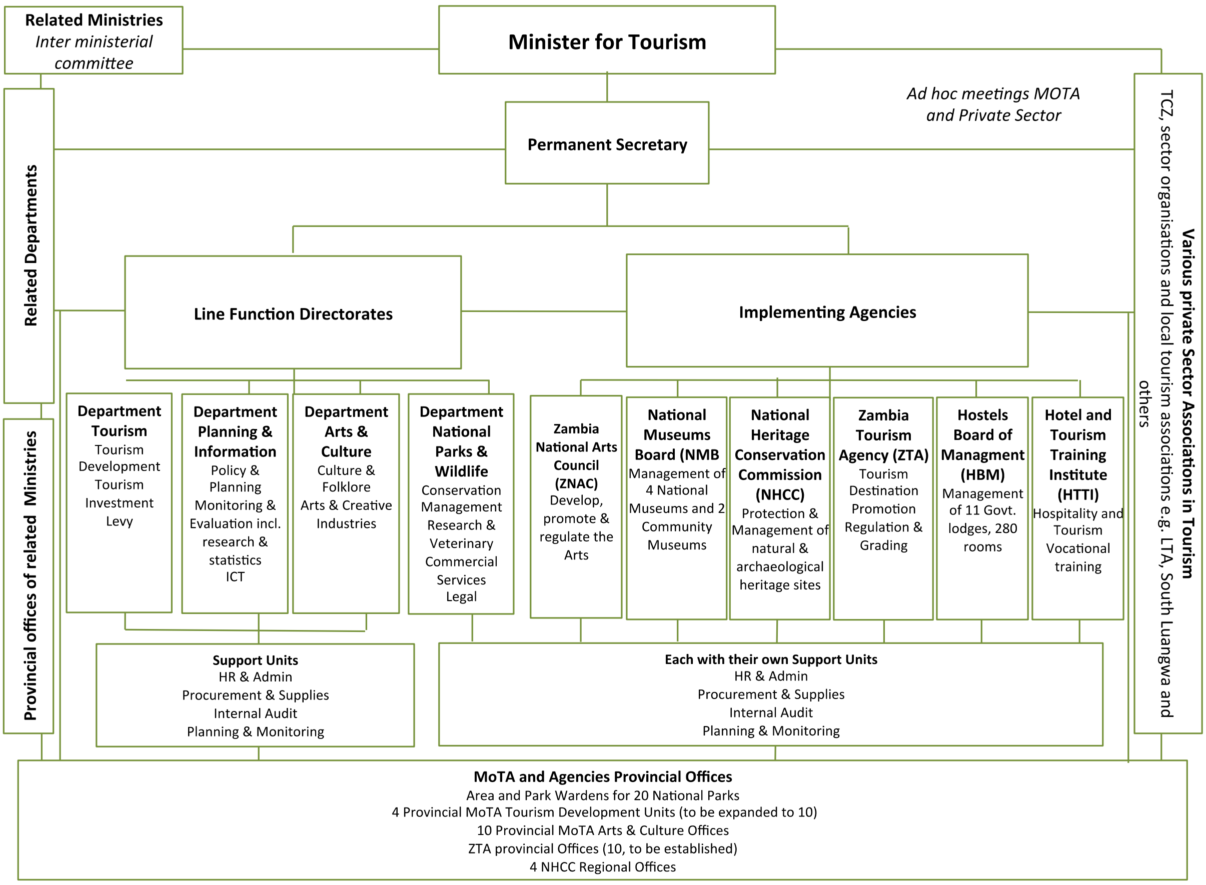
Source: Zambia Tourism Master Plan

3. ZAMBIA'S TOURISM VALUE CHAIN

3.1 Structure and Governance of the Value Chain

3.1.1 Government Organisations

Tourism development in Zambia is managed and controlled by a wide range of government bodies, as presented in the below overview organogram of MoTA, its agencies, related ministries and private partners:



Source: Zambia Tourism Master Plan

In addition to the Office of the Minister and Deputy Minister, the ministry is divided into three broad institutional categories, namely:

- Four line-function departments.
- Six statutory implementing agencies.

- Provincial and regional level offices of line functions and agencies, which range in numbers from four regional offices for some functions to ten provincial offices for others.

Four organs of the ministry have tourism promotion and development as their core mandates, while various components of the ministry have tourism as an important function linked to their core mandates. These can be summarised as follows:

Tourism development and promotion as core mandate	
Directorate of Tourism	Tourism policy formulation, legislation and planning. Promoting investment in tourism, facilitating and implementing international treaties and protocols, enforcing code of tourism ethics, facilitating tourism training and promoting indigenous. micro and small enterprises, conducting research and product diversification in tourism. Administering the Tourism Development Fund and Levy. Facilitating the decentralization of tourism to local authorities.
Zambia Tourism Agency (ZTA, previously Zambia Tourism Board)	Promoting destination Zambia internationally and domestically and stimulating sustainable tourism development. Administering and implementing tourism licensing and quality assurance.
Hotel and Tourism Training Institute (HTTI)	Conducting tourism and hospitality vocational skills training.
Hostels Board of Management (HBM)	Operating 11 government-owned accommodation establishments throughout Zambia, representing about 280 rooms.

Tourism development and promotion as a key function linked to core mandate	
Department of National Parks and Wildlife (DNPW)	Core mandate: conserving and protecting Zambia's national parks, game management areas and the wildlife and resources within
National Heritage Conservation Commission (NHCC)	Core mandate: protecting natural, cultural, archaeological and other heritage sites and relics, including many sites which are key tourism assets
Department of Arts and Culture	Core mandate: safeguarding, developing and promoting Zambia's folklore, tangible and intangible cultural heritage through two divisions, namely the Arts and Creative Industries Section and the Culture and Folklore Section
National Arts Council (NAC)	Core mandate: facilitating the development, promotion and nurturing of all forms of amateur and professional arts to a level of excellence and to promote the arts into an integral part of the lives of people in Zambia

National Museums Board (NMB)	Core mandate: responsible for the management and development of four national museums, including important natural and cultural collections in the key tourism centres of Lusaka, Livingstone, Ndola and Mbala and supporting two community museums in Choma and Mongu	
Tourism development and promotion as a support function linked to core mandate		
Ministry of Home Affairs	–	Facilitating ease of immigration and visa processes
Ministry of Transport	–	Planning and providing road access to tourism attractions
	–	Planning and facilitating air access to and within Zambia
Ministry of Local Government and Housing	–	Ensuring integrated socio-economic planning and management at district level, including tourism
Ministry of National Development Planning	–	Positioning and including tourism in national development plans
Ministry of Higher Education and Training	–	Advancement and quality assurance of tourism and hospitality training at schools, vocational and higher education levels
Ministry of Finance	–	Budget allocation for tourism development and promotion
	–	Management of tourism tax regime
Ministry of Chief and Traditional Affairs	–	Facilitating awareness and participation in tourism among traditional authorities
Ministry of Lands, Natural Resources and Environmental Protection	–	Formulating and managing land policies affecting tourism
	–	Formulating and enforcing environmental planning and impact management.

Source: Zambia Tourism Master Plan

The tourism function is increasingly being devolved to provincial and local government levels.

Provincial level: The Department of Tourism, Department of Arts and Culture, NHCC and DNPW all have some form of representation at provincial level. Under the emerging decentralisation policy, the provincial representation will be strengthened. The Department of Tourism expects to increase its regional representation from four regional offices to 10 provincial offices. The ZTA expects to set up four regional offices to strengthen its presence on the ground.

Local government level: The district and municipal authorities are responsible for tourism development and management on the ground in cities, towns and regions. At this level, tourism is an integral component of the development plans of local authorities, where it is treated as one of the economic sectors in a local economy. However, few local authorities have formulated and approved plans and tourism often does not receive the recognition it deserves at local level.

3.1.2 Private Sector Organisations

The private sector is represented by the Tourism Council of Zambia (TCZ) comprising a range of national and local level hospitality and tourism associations, including:

- Hotel and Catering Association
- Professional Hunters Association
- Safari Hunters Association
- Travel Agents Association of Zambia
- Wildlife Producers Association
- Livingstone Tourist Association
- Lower Zambezi Operators
- Luangwa Safari Association
- Luapula Tourism Association
- Zambia Association of Tour Operators

The aims of the TCZ and its members are primarily to act as consolidated voices for communicating with the government on issues that affect their sectors.

3.1.3 International Donor and Training Organisations

During the course of this study only two international agencies were identified as being active in the tourism sector.

PUM Netherlands Senior Experts

PUM Netherlands Senior Experts is a volunteer organisation committed to the sustainable development of small and medium-size enterprises in developing countries and emerging markets. PUM has representatives based in Zambia and works with individual businesses including hotels and lodges, primarily in the Livingstone area, and also in Lusaka, Solwezi and Kitwe.

For applicants, the training focuses on entrepreneurship, covering which markets to choose, housekeeping, management, hospitality and communications. It is difficult for the Zambian supplier to reach the international market as most visitors come for just a few days to Victoria Falls as part of a trip to Namibia or Botswana. Therefore, Zambian-owned hotels and lodges are currently focused more on the domestic market and conferences.

In Livingstone, PUM is working with the Livingstone Tourist Association and an expert visited in August 2018 to support the association on how to choose their markets. During the same trip, the expert also investigated how PUM can help the tourist industry to implement corporate social responsibility into their business.

In Lusaka, PUM works with the Development Bank of Zambia. Clients of the bank that are not able to pay back their bank loans get advice from PUM about how to make their business more efficient and effective. In general, the advice focuses on: choosing a defined market, targeting that market, delivering good hospitality, modernize marketing, including using social media.

Private Enterprise Programme Zambia

The Private Enterprise Programme Zambia (PEPZ) works with the Zambian private sector to support profitable business growth. In the tourism and hospitality sector, PEPZ focuses on supporting exports in the handicraft market. PEPZ is also active in Livingstone working with stakeholders to develop the arts, culture and heritage sector to improve the offer and create new jobs.

3.2 Governance Challenges

The following governance challenges inhibit the tourism sector management and expansion and are of particular relevance to CBI's interests and potential support:

- Limited implementation and monitoring of plans: There is currently no effective institutional driver of tourism implementation in the MoTA. For the Master Plan to succeed the ministry will have to elevate the role of planning implementation and monitoring significantly.

- Lack of inter-governmental tourism integration and coordination: Tourism coordination with and among other relevant government departments such as transport, immigration, lands, provincial and local governments, etc., is virtually non-existent and there does not seem to be a common vision for tourism growth among the various ministries.

- Weak public-private partnerships: Collaboration and communication between public and private sectors is weak, leading to fragmented destination management and marketing, duplication of efforts and poor communication of the destination brand and what it offers. There is no sustainable forum for facilitating an active and balanced partnership between public and private sectors in implementing the tourism strategy. Weak private sector cohesion in most provinces and districts further discourages public-private partnerships.

- Limited tourism skills and capacity across government tiers: MoTA and its national and provincial agencies suffer from limited tourism skills and financial capacity. Specialised tourism leadership is much needed at national level and securing equipped and skilled staff at provincial level is a crucial success factor for devolving the tourism function.

3.3 Sustainability of the Tourism Value Chain

3.3.1 Sustainable Tourism Development Objectives

Internationally, Zambia's strongest competitive position is environmental sustainability, leading all other countries in Southern Africa in the 2017 Travel and Tourism Competitiveness Report. The country's tourism positioning is squarely based on its authentic natural and cultural resources. This means that environmental and socio-cultural sustainability is a key success factor for tourism to flourish and for Zambia to retain its competitive position.

Zambia's tourism policy, as set out in the MoTA's National Tourism Policy 2015, embraces sustainable tourism development principles. The Ministry and ZTA are taking steps to address issues related to sustainability but there are considerable challenges involved in the delivery and enforcement of the policy's objectives.

3.3.2 Corporate Social Responsibility Issues

Waste Management and Sustainability Accreditation

At the policy level, the Tourism and Hospitality Act 2015 stipulates that the Ministry of Tourism should 'facilitate the increased use of sustainable waste disposal and bio-degradable packaging'. In practice, there is little evidence of this taking place. For Zambia to proclaim its status as sustainable tourism destination, sustainability practices within the industry will need to be fully supported. Tourism operators will need to align their operating practices with sustainable tourism guidelines in areas such as sustainable energy, water and waste management practices, supply chain management in favour of local procurement, pollution reduction, etc.

While many of the top-end lodges in Zambia have to some extent adopted sustainability practices in response to market pressures and in building their safari brands, the majority of businesses do not follow recognised, holistic sustainability practices. None of the globally acknowledged sustainability rating systems have been formally adopted or endorsed by industry nor government.

In 2016 CBI presented the introductory Travelife sustainable-tourism training course in Zambia, aimed specifically at the Export Coaching Programme companies but with staff of ZTA and the MoTA also attending the event. The following six tour operators qualified under the EU Travelife programme for tourism sustainability and received their certificates either electronically or at a presentation at the World Tourism Market in London.

- Going Places Tours & Travel (Partner)
- Sigo Adventure Tours (Partner)
- Savannah Southern Safaris (Partner)

- Winning Travel & Tours Zambia (Partner)
- Bantu Pathfinders (Partner)
- Luciano Tours & Travel (Partner)

Two lodges in Livingstone, namely Zig Zag Lodge and Limbo Lodge have completed the process but will have to be physically audited in the future by the authorities.

Destination sustainability schemes and practices

There are currently no destination level sustainability schemes. In 2017, the ZTA acquired the responsibility for tourism quality and standards assurance and has at various occasions expressed a keen interest in promoting sustainable tourism. The ZTA has requested CBI to support the implementation of sustainable tourism criteria and practices. At the end of 2017, ZTA and CBI agreed to consider sustainable tourism management as a focus area, should CBI extend its programme in Zambia. In 2018, ZTA started to set up an accommodation grading scheme, but the current scheme doesn't include specific sustainability accreditation.

A variety of tourism sustainability schemes are being used by Zambia's neighbouring destinations. In Zimbabwe, there are several Green Tourism accredited businesses and Fair Trade Travel certification is used in eight other regional countries (Botswana, Kenya, Madagascar, Mozambique, Namibia, Seychelles, Tanzania, South Africa), some of which also have their own sustainability accreditation schemes.

The risk to Zambia of not developing sustainably accredited businesses is that its positioning as a destination based on its natural and cultural resources could become uncompetitive compared to neighbouring destinations.

Preservation of biodiversity

Zambia's tourism sector is highly dependent on the preservation of wildlife and the biodiversity that sustains it. Conservation and preservation of natural resources and cultural traditions are a guiding principle of the National Tourism Policy and there is a specific objective to promote responsible sustainable environmental practises in the tourism industry. The Ministry of Lands, Natural Resources and Environmental Protection and the Zambia Wildlife Authority are part of the policy's implementation framework and the need to restock the National Parks is a central element of the ZTMP. While the policy and planning structure recognises the importance of preserving biodiversity, the resources to implement the policies are limited.

The tourism policy supports both consumptive (hunting) and non-consumptive (photographic) tourism. Although hunting tourism has been made illegal in some of Zambia's neighbouring countries, including Botswana, and is generally vilified by the international community and Western media, the issues related to sustainability and local communities are not straightforward and should not be over simplified.

The key role of local communities in managing and conserving wildlife is recognised by the authorities and the importance of joint management of Game Management Areas (GMAs) with local communities is critical. However, a significant threat to tourism sustainability in Zambia revolves around environmental and social sustainability in and around national parks and conservation areas. Communities living in GMAs around these parks mostly have tenuous relationships with both tourism operators and wildlife in their areas. The Community Resource Boards (CRBs) get a share of profits from hunting licenses and they also share in meat of animals hunted for trophies. In contrast, other than employment opportunities they get few direct benefits from photographic tourism. As a result, conflicts between hunting and tourism have escalated and poaching remains a threat around the parks and conservation areas. To aggravate matters, few of the national parks and even fewer of the GMAs have drafted formal management plans, and those that have plans do not have the resources to implement them. Unregulated residential land allocations by traditional leaders and haphazard residential spread also aggravate human-animal conflicts.

These issues are relevant nationally, however in South Luangwa National Park, which has been declared by the UNWTO as the world's first Sustainable Wildlife Park, the lack of sustainable practices to support the designation are particularly pertinent.

The future development of tourism, and the preservation of the wildlife and biodiversity on which it is based, needs to recognise these risks and prioritise the need to find ways in which local communities can gain direct benefit from non-consumptive and photographic tourism.

Rights of indigenous people

Zambia's seven main ethnic languages are Bemba, Nyanja, Tonga, Lozi, Luanda, Luvale and Kaonde, however 73 indigenous African ethno-linguistic groups have been identified, reflecting the numerous groups of indigenous peoples. Although certain minorities in Zambia have occasionally faced stress and outright discrimination, this has never been on a scale and depth of brutality seen in neighbouring countries and most national policies and programmes have gone some way towards taking legitimate interests of minorities into account. [20]

In relation to the development of sustainable tourism, the land rights of indigenous peoples is a key issue. As discussed in the section Preservation of Biodiversity above, these issues are focused around the ownership and management of land in the Game Management Areas.

Terms of employment*: working hours and contracts, salary and reward*

The Minimum Wages and Conditions of Employment Act specifies working conditions such as a maximum 48-hour workweek, minimum wages for different categories including in tourism jobs

[20] Minority Rights Group International https://minorityrights.org/country/zambia/

such as cleaners, handyman, watchman or guard and receptionist. Under the Employment Act, both written and oral contracts are binding but a contract must be handed to an employee within one month of commencing a contract.

Although legal standards exist, the nature of the tourism industry often leads to irregular working arrangements. For example, the current seasonal nature of the tourism sector. A high proportion of safari lodges closes during the rainy season, meaning that a large number of staff employed by these businesses and those providing supporting services, have to find alternative employment during five to six months of the year. In areas where there is very little or no alternative employment, for example in the GMAs, this creates the risk of income being generated from wildlife poaching.

Child labour

About 1.25 million boys and girls in Zambia were working in 2005, when the Zambia Central Statistical Office (CSO) published a Labour Force Survey. The Child Labour Information Kit for the Media in Zambia produced by the International Labour Organisation (ILO) in 2011, quoted the results of that survey more recently. These 1.25 million children represent 30.8 percent of the Zambian population aged 5–17. Over 700,000 of them were doing hazardous work. The survey revealed that child labour is common in the informal economy, particularly in agriculture, forestry and fishing, as well as small-scale mining. Tourism and hospitality was not specifically identified as a sector having a high prevalence rate of child labour.

Gender Discrimination

World Bank Development Indicators (2015) for education show that women in Zambia had on average seven years of schooling compared to eight years on average for men. The OECD's Social Institutions and Gender Index (SIGI) 2014 edition[21], however, lists Zambia as having very high levels of discrimination against women in social institutions, as well as restricted access to resources and assets. Also according to the SIGI, Zambia has one of the highest child marriage rates in the world: 31% of women aged 20–24 years married by the age of 18, with little to no change in the national prevalence rate since 2002[22].

The Zambian Ministry of Gender says the government 'is committed to protecting and promoting women's rights, curbing gender-based violence and reducing gender inequalities by making progressive changes to legislation to strengthen the protective environment. It aims to prioritise the advancement of women and strengthen their capacity to influence decision-making at the highest level on matters pertaining to gender equity and equality.'

[21] https://www.wikigender.org/countries/sub-saharan-africa/gender-equality-in-zambia/

[22] Based on 2007 Demographic and Health Survey and the 2010 Census.

Under the tourism policy the government's Gender In Development Division (GIDD) and the Ministry of Tourism intend to cooperate to ensure that gender policy objectives are taken account of in the tourism sector.

Managerial opportunities in tourism companies are open to women and there are women in senior posts in the Ministry of Tourism. While some women do own and manage tourism businesses, the vast majority of tourism business owners are men and there are very few, if any, women guides.

3.3.3 Summary of Sustainability Risks for SMEs Exporting to the EU Market

If the limited number of suppliers that have sustainability accredited business practices does not increase, this could limit the ability of inbound tour operators to package tours for outbound European tour operators that require proof of sustainability practices across the supply chain.

In addition, the lack of properly marketed community-owned and community-led activities limits the growth of 'authentic experiences' being requested by the European market segments that Zambia has the potential to attract. These visitors increasingly want to know that their expenditures reach local communities. This is particularly relevant for the local communities who live in the GMAs and are critical to wildlife conservation, but who currently receive limited direct benefit from non-consumptive tourism.

4. OPPORTUNITIES AND OBSTACLES IN THE VALUE CHAIN REGARDING TOUIRSM FROM EU MARKETS TO ZAMBIA

4.1 Key Opportunities for Zambian SMEs

The tourism sector developments proposed in the ZTMP should create a large range of opportunities for SMEs. Many of the proposed developments, however, involve significant investment and may not be completed in the next four to five years, i.e. during the timeframe of the proposed CBI programme. The current trends in the European market demand for niche adventure and ecotourism products and authentic experiences, combined with the longer-term ZTMP recommendations, create opportunities that SMEs can capitalise on in the short term.

The following opportunities exist for Zambian SMEs:

i) Expanding the mid-price accommodation sector

There seems to be an opportunity for smaller accommodation and tour operating entrepreneurs to take one next step in expanding their share of the mid-price, foreign tourist market. On an individual basis, they may be able to upgrade their facilities, service levels and marketing capacity. However, taking this opportunity may require forging joint ventures or partnerships with existing mainstream operators — for example, providing services to and hosting guests of established safari lodge and hotel operators who want authentic local experiences.

ii) Expanding and promoting a diversified product offer

The following product development opportunities for SMEs could be pursued and should be developed in ways that meet the expectations of European tourists.

- Improved road access to the Kafue National Park would open the opportunity to offer a combined round-trip itinerary for the Victoria Falls-safari or Lusaka-safari experience, including visits to the Kafue Flats wetlands, Choma museum and cultural interactions along the way.
- Packaging and promoting off-the-beaten-track itineraries for more adventurous travellers to lesser-developed, authentic attractions in Zambia, especially those in the north of the country, such as Lake Tanganyika, Kalambo Falls, Bangweulu Wetlands, the Lumangwe and Kabwelume waterfalls and among others.
- Offering a combination of authentic, interactive cultural engagements with safari, capitalising on the links and networks that lodge owners and operators have with traditional leaders and local communities.
- Offering niche experiences involving birding, archaeology and rock art, fresh water diving, kayaking, fishing, wilderness experiences, etc., including those that can be enjoyed in the green season.

iii) Increased participation in the MICE Market

In Lusaka and potentially in Livingstone and other larger urban centres, MICE tourism offers opportunities for emerging tour operators to provide transport services during major events and to package pre- and post-tours for delegates. Since it's the government that produces most of these events in Zambia, government ministries can be instrumental in adopting preferential policies for using qualified SME as service providers. There are also potential opportunities for professional conference organiser (PCO) services for a suitable candidate.

Nevertheless, due to the current lack of direct flights from European markets, the greatest opportunity to expand the MICE market in the short term is likely to come from the regional African markets rather than from Europe.

4.2 Obstacles for Zambian SMEs

To enable Zambian SMEs to capitalise on the opportunities, the following obstacles need to be addressed.

i) *Low overall growth in leisure arrivals*

An analysis of foreign tourist arrivals to Zambia shows that leisure tourism has largely stagnated during the past few years. This has created a highly competitive environment with supply largely outstripping demand and favouring those businesses with capital reserves, historical market access and experience in servicing overseas travellers.

ii) Gaps in entrepreneurial and management skills

Many of the SME owners come from non-commercial backgrounds and were previously government employees, teachers, etc. They have limited experience in operating and capitalising on growing business opportunities and often lack professionalism. While a number of entrepreneurs have the potential to grow as entrepreneurs, not all of the existing business owners are expected to succeed in the overseas market space.

iii) Limited access to foreign markets

This is a major challenge facing these businesses. The traditional tourism distribution channel in Zambia is structured mainly along packaged, high-revenue lines, offering high-end safari and packaged extension experiences, using accommodation and air services with lucrative commission structures. While more flexible, semi-independent and independent travel has been growing, particularly with the improved air travel access to Livingstone and the emergence of online booking systems, few local SMEs have managed to effectively capitalise of these market opportunities due to technology inefficiencies and limited industry networks and negotiations skills.

iv) Limited knowledge and understanding of expectations of international travellers

The majority of SMEs have limited knowledge and exposure to the expectations and travel patterns of well-travelled international travellers, including travellers from Europe. Fulfilling traveller expectations related to quality of facilities and services, customer service and interaction, food preparation, hygiene and other standards are prerequisites for SMEs to compete with established businesses. With online rating systems increasingly becoming the primary tools by which international travellers select suppliers and services, SMEs need to be even more up to date on market needs and expectations.

v) Insufficient access to and costly capital

The financial sector in Zambia has not embraced the tourism sector and considers tourism financing risky. Lenders charge high interest rates and are reluctant to finance emerging tourism businesses. As a result, few entrepreneurs are able to sufficiently capitalise their ventures upfront, lacking funds to invest in quality infrastructure, vehicles, technology systems, staff, etc.

4.3 The Enabling Environment: Public Sector Opportunities and Constraints

The ZTMP describes significant opportunities and benefits that investment in the development of Zambia's tourism sector could create for the country's economy. To capitalise on these opportunities, address the substantial level of market failure in Zambia's tourism value chain and creating a market-friendly environment for SMEs, the government has to play a proactive role in addressing various opportunities and shortcomings relating to access, infrastructure, business conditions, conservation, destination marketing, etc. The public sector is, unfortunately, characterised by limited human and financial capacity.

The Ministry of Tourism and Arts (which also includes the DNPW) is currently inadequately equipped to spearhead the catalytic tourism interventions required to elevate tourism in line with the vision and growth targets in the ZTMP. While tourism has been made a priority area in the 7th National Development Plan, related ministries that have key roles to play in advancing tourism have not adopted it as a focus area in their polices and operations, while regulation and enforcement is weak. This includes related files such as home affairs, transport, local government and housing, trade, higher education and training, chief and traditional affairs, lands and natural resources and environmental protection. Similarly, provincial and district level administrations, which are increasingly becoming the custodians of tourism development at local level, have very little experience and knowledge of tourism.

Among the most urgent institutional improvements recommended in the ZTMP are:

i. Elevate the status of tourism within government by establishing a Presidential Tourism Council to ensure all ministries align their policies and programmes with tourism.

ii. Establish a Project Management Unit (PMU) within the MoTA, reporting directly to the Permanent Secretary, to ensure implementation of various strategies and plans.

iii. Establish a Technical Assistance Programme (TAP) within the PMU to support the ministry in driving implementation of the ZTMP.

iv. Strengthen provincial and local government tourism capacity, as tourism development will increasingly depend on district and provincial level implementation.

v. Establish a robust tourism statistics and intelligence system to collect, collate, analyse and disseminate accurate information, improving the quality and reliability of tourism statistics and research to enable the tourism sector to be more efficiently managed and marketed.

vi. Strengthen Zambia's brand and marketing capacity to raise demand for Destination Zambia and grow visitor arrivals.

vii. Increase collaborative work across government departments as well as amongst the public sector, the private sector and the local communities.

viii. Strengthen the ability of the ministry and the DNPW to produce and deliver national park and GMA management plans in cooperation with local communities.

The vision of the ZTMP is to spread leisure tourism across the country, shifting the emphasis away from Victoria Falls and Livingstone, with the aim of selling Zambia primarily as a standalone destination rather than an add-on to a Southern African tour.

To achieve that, destinations across Zambia will need to be connected and packaged. Regional administrations will need to develop collaborative destination management skills that bring together public, private and community stakeholders to create a common vision and co-ordinated action plans.

Despite being Zambia's primary destination for international leisure tourists, Livingstone has become uncompetitive compared to neighbouring destinations, in particular the town of Victoria Falls in Zimbabwe. By taking the lead in collaborative destination development, Livingstone would not only address this competition problem, but would also become an example for the development of other regional destinations across Zambia.

Similarly, South Luangwa National Park has the opportunity to build on its UNWTO designation as the world's first Sustainable Wildlife Park, by working collaboratively to promote sustainable accreditation and support entrepreneurship amongst local communities so they can create authentic experiences for European tourists.

5. WHAT CBI CAN DO TO SUPPORT A MORE COMPETITIVE AND SUSTAINABLE VALUE CHAIN IN ZAMBIA

The table below presents key opportunities for CBI to help create a more competitive and sustainable value chain, maximise the potential for SMEs to expand exports to Europe and address the obstacles in Zambia's tourism.

<table>
<tr><th colspan="2">1. Focus on innovative market-led product development and strengthen travel trade export promotion</th></tr>
<tr><td>How?</td><td>• Train and coach export readiness to:
o Incoming tour operators
o Zambian owned mid-range lodges
o Other SMEs capable of developing and exporting suitable products
o Stakeholders from Kafue NP, Northern Circuit, South Luangwa NP and elsewhere, if there is sufficient demand
• Create online export training materials</td></tr>
<tr><td>Why?</td><td>To support growth by:
• Expanding the diversity of products to attract target market segments
• Increasing the number of inbound tour operators and suppliers with expertise to access European markets
• Adding value beyond the scope of the programme
• Addressing the following obstacles:
o Limited diversity of product that meets European consumer expectations, due to inadequate market intelligence amongst tour operators and suppliers
o Limited variety of accommodation, particular a lack of 3 and 4-star establishments
o Poorly marketed cultural activities, in particular community-owned and community-led tourism experiences
o Limited range of destinations across Zambia that are connected and packaged
o Predominance of marketing activity by high-end safari lodges leading to a perception of Zambia as an expensive destination
o Limited access to European market place for SMEs with only a few inbound tour operators being active in this market</td></tr>
<tr><td>Expected results</td><td>• 15–20 SMEs participate in the Export Coaching Programme
• Increased number of SME tour operators selling Zambian tours and products that appeal to the EU target markets
• Increased demand for suitable products and services from local Zambian SMEs and from less developed regions
• Generating more volume and variety of online content about Zambia's tourism products on operators' and suppliers' websites as well as social media channels, thus providing EU consumers with increased access to information to stimulate Zambia as a destination of choice. This is particularly important in Zambia due to the limited marketing money available for promoting the country as a national destination.</td></tr>
<tr><th colspan="2">2. Initiate development of Northern Overland Touring Circuit</th></tr>
</table>

How?	• Use a participatory process to create a Northern Circuit destination website to target the ecotourist and intrepid explorer segments, as defined by the ZTMP
Why?	• Connect and package new Zambian destinations • To encourage collaborative destination development in lesser known areas • Encourage collaborative working • To improve access to market intelligence and increase the diversity of products that attract Europeans • Increase availability of market-ready, mid-range accommodation • Increase availability of community-owned and community-led tourism experiences • Stimulate development of products for the green or wet season that appeal to European niche markets • Strengthen regional public and private sector tourism institutions
Expected Results	• Creation of a website that promotes the Northern Circuit and increases awareness of the northern region amongst European visitors • Stimulate increased visitors and investment in product development in the northern region • Inbound tour operators start to include the northern circuit on their itineraries

3. Improve service quality across sector	
How?	• Partner with PUM and national hospitality training institution to develop a national training concept, to include the development of a national curriculum and a system for trainer formation • Specialised training for small accommodation, food and drink businesses
Why?	• Create the structure for developing a well-trained hospitality workforce and improve the quality of the customer experience • Improve industry training to address the inconsistency and the poor quality of customer service • Increase the number of skilled workers
Expected Results	• Increase the number of products and services that meet the standards expected by European consumers

4. Enhance sustainable practices across sector	

How?	• Travelife certification training for incoming operators and suppliers as part of the Export Coaching Programme
	• Train assessors, with local partners
	• Establish a working group in South Luangwa NP to:
	    o Increase the number of accredited businesses
	    o Develop entrepreneurship in GMA communities to create experiences that meet visitor expectations

Why?	• To build on Zambia's strong international and regional competitive position on environmental sustainability • To increase the number of suppliers that meet the sustainability requirements of European trade • To develop sustainable practices to underpin the UNWTO declaration of South Luangwa as the world's first Sustainable Wildlife Park • To support the ZTMP phase 1 goals to re-plan, organize partnerships and improve community ownership and benefits in South Luangwa • To encourage entrepreneurship and the potential to improve direct community benefits from non-consumptive tourism

Expected Results	• Increased number of inbound tour operators and SME suppliers with sustainability accreditation, particularly in South Luangwa National Park
	• Working group or partner established in South Luangwa National Park to
	    o work with businesses to gain sustainability accreditation
	    o work with communities to create experiences and activities that attract European visitors

5. Establish collaborative destination development	
How?	• Form a working group made of public sector, private sector and community stakeholders to support the development of Livingstone and Mosi-oa-tunya as Zambia's primary entry hub; create a Livingstone identity, an ambassador group and a strategy and action plan to include the area's cultural history and extension trips to Kafue National Park.
Why?	• Create a common vision and collaborative working environment to enable Livingstone, which is currently struggling to be competitive, to become Zambia's international tourism entry hub • Improve regional administration capacity for managing tourism development at local level • Strengthen the identity, positioning and marketing of Livingstone • Increase product diversity and packaging of itineraries to Livingstone and wider area to increase lengths of stay • Increase awareness of Livingstone's cultural heritage history and increase cultural activities available to visitors • To support priority projects for phase 1 of the ZTMP, which includes preparing and developing Livingstone as an international tourism entry hub, with special attention to the arts
Expected Results	• Having a partner, such as PEPZambia, identified to facilitate establishing a destination development working group • A multi-stakeholder ambassador group established with a common vision for Livingstone's development • A deliverable action plan, based on public-private-community stakeholder consultation, which can be used to guide the area's future development and to approach funding organisations

6. Improve marketing to raise demand for Destination Zambia	

How?	• Technical assistance to support ZTA:
	  ○ Develop Zambia's brand positioning
	  ○ Improve digital marketing capacity
	• Review ZATEX B2B trade show

Why?	• Zambia's current brand positioning and destination marketing is weak, consequently there is low awareness of Zambia in outbound European markets • There is considerable potential to increase untapped demand for Zambia from European source markets • Digital marketing provides the most cost-effective way to reach the target market segments • ZATEX has the potential to facilitate access to European buyers for Zambian SMEs, particularly those that cannot attend European trade shows
Expected Results	• ZTA's dedicated digital marketing team delivers targeted campaigns to the EU market segments that will be most attracted by Zambia's tourism assets • ZATEX is managed by an external specialist agency and will focus on attracting domestic and regional travel trade, as well as tour operators that include Zambia in packages promoted to EU markets

7. Strengthen management of the tourism sector	

How?	Technical assistance to:
	  ○ Strengthen the national private sector trade association TCZ
	  ○ Develop MoTA skills to set up a ZTMP Project Management Unit (PMU)
	  ○ Improve system of tourism statistics

Why?	• Strengthen private and public management of tourism and facilitate implementation of the ZTMP • Private sector associations are led by TCZ, which does not have the capacity to effectively represent the private sector before the government and lobby for the needs of the industry • The MoTA does not have the skills required to implement and monitor the ZTMP • The current system of tourism data collection and distribution is poor and urgently needs improvement to provide robust data and inform the management of the sector
Expected Results	• TCZ has the capacity to effectively represent the tourism sector and the private-sector stakeholder groups before the government and lobby for the interests of the sector • MoTA gains sufficient expertise to establish the PMU to coordinate the delivery of the ZTMP • An assessment and scoping study has been undertaken to identify the structure and actions required to implement a robust tourism statistics system and MoTA staff have been trained to implement actions