

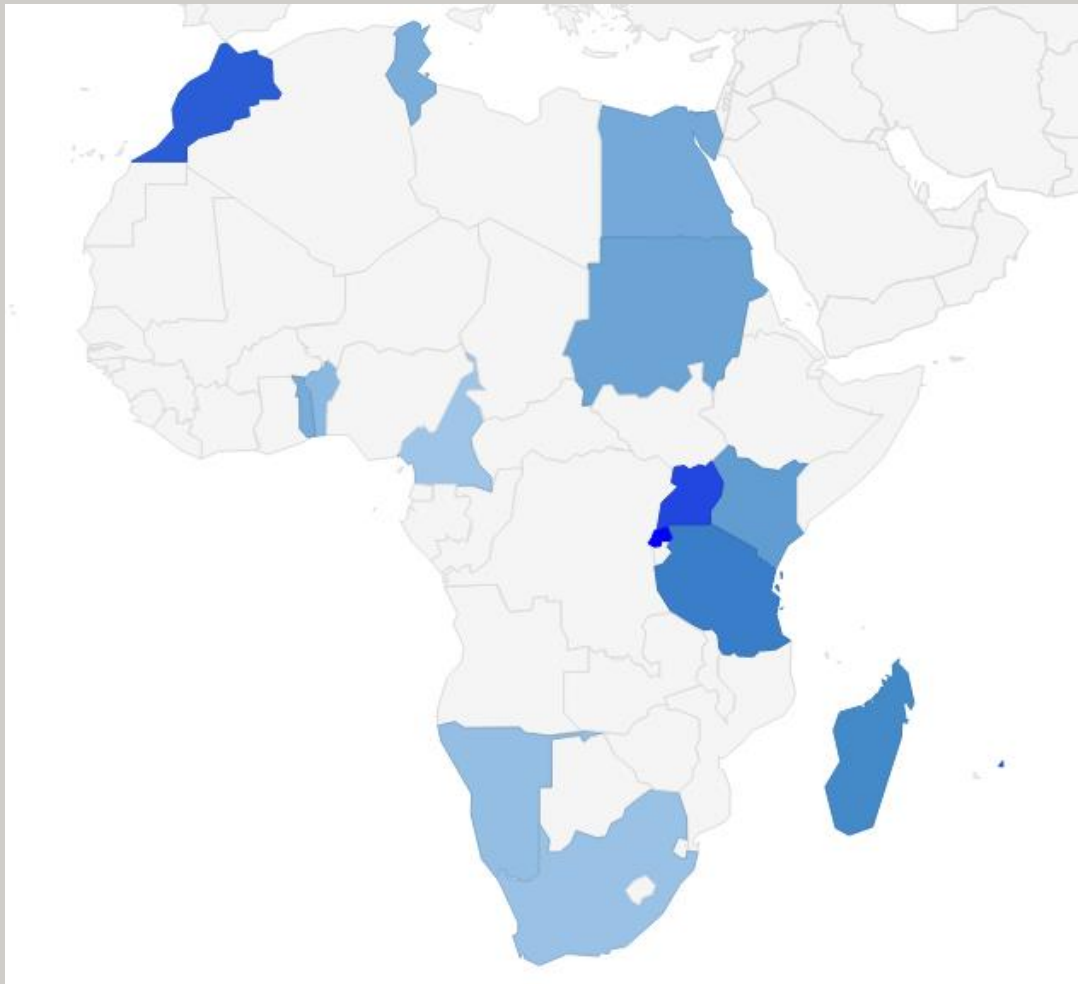
AFRICA & TOURISM GLOBAL VALUE CHAINS

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CONTEXTUALIZING AFRICAN TOURISM

Tourism Receipts as % of Total Exports, 2014



Global average

→ **5.7%**

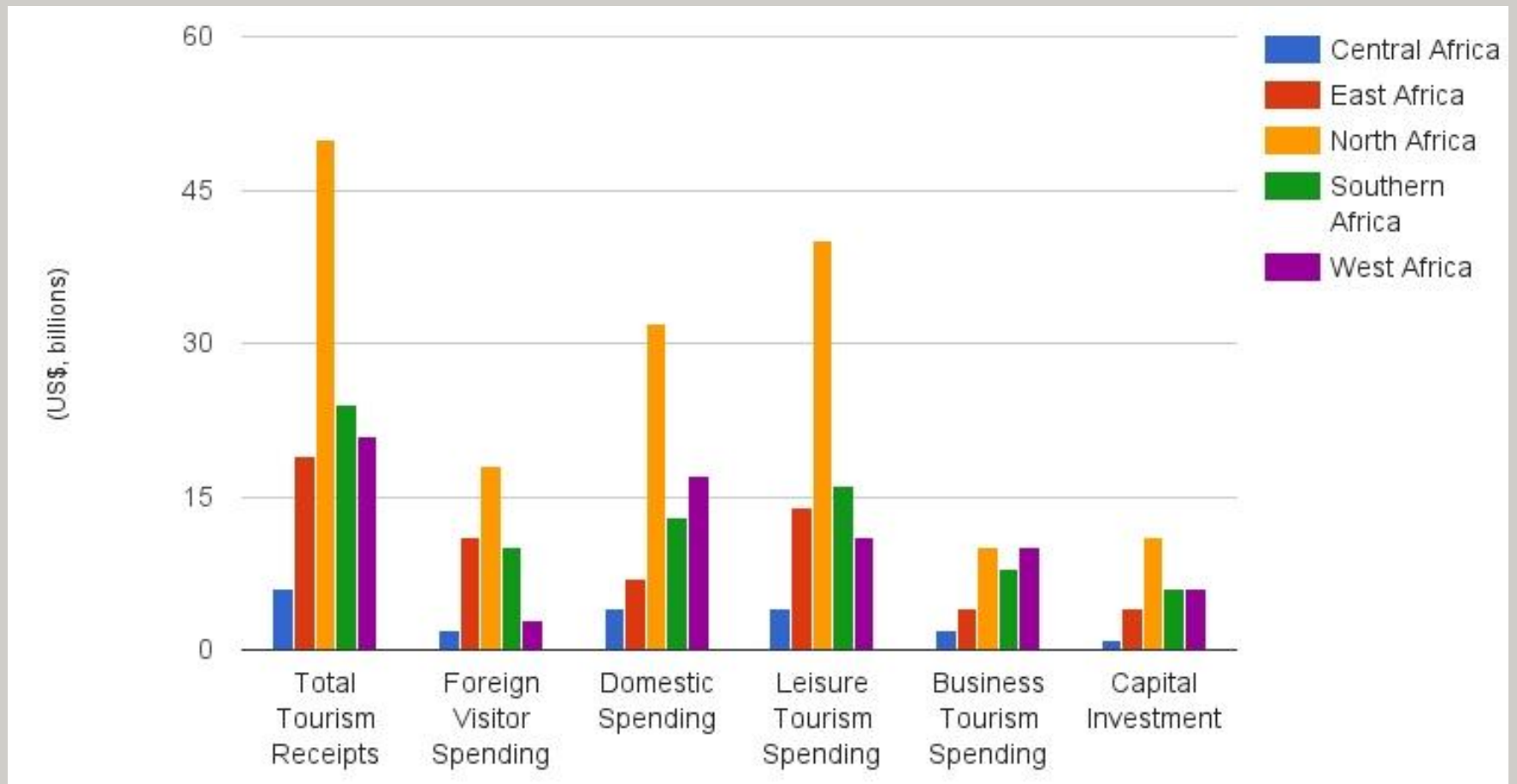
African average

→ **8.0%**

16 countries
(shaded) exceed
African average,
including Rwanda
(34%), Uganda (27%)
& Morocco (25%)

CONTEXTUALIZING AFRICAN TOURISM

Tourism Profiles in African Regions in 2015

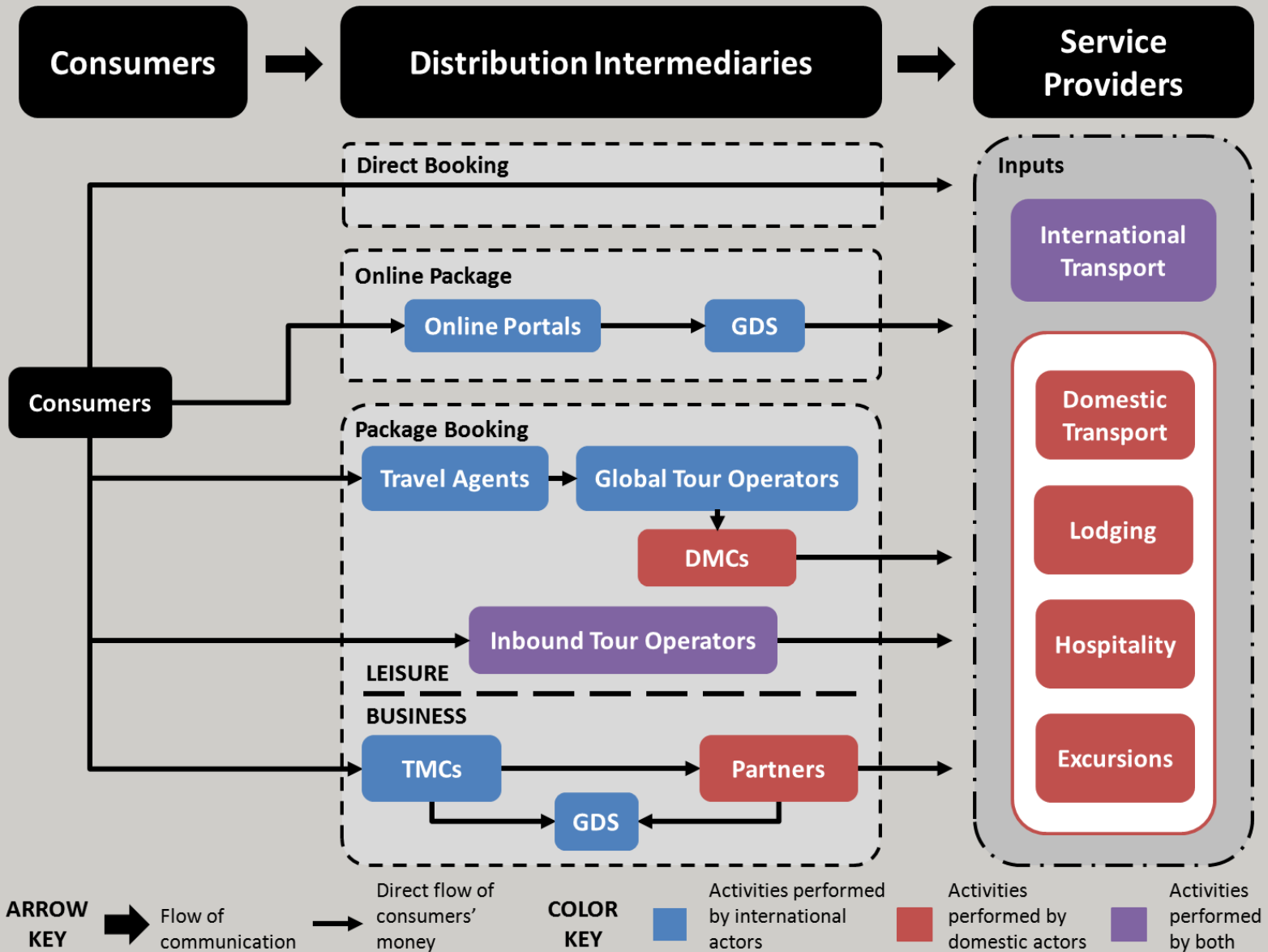


Source: World Travel & Tourism Council

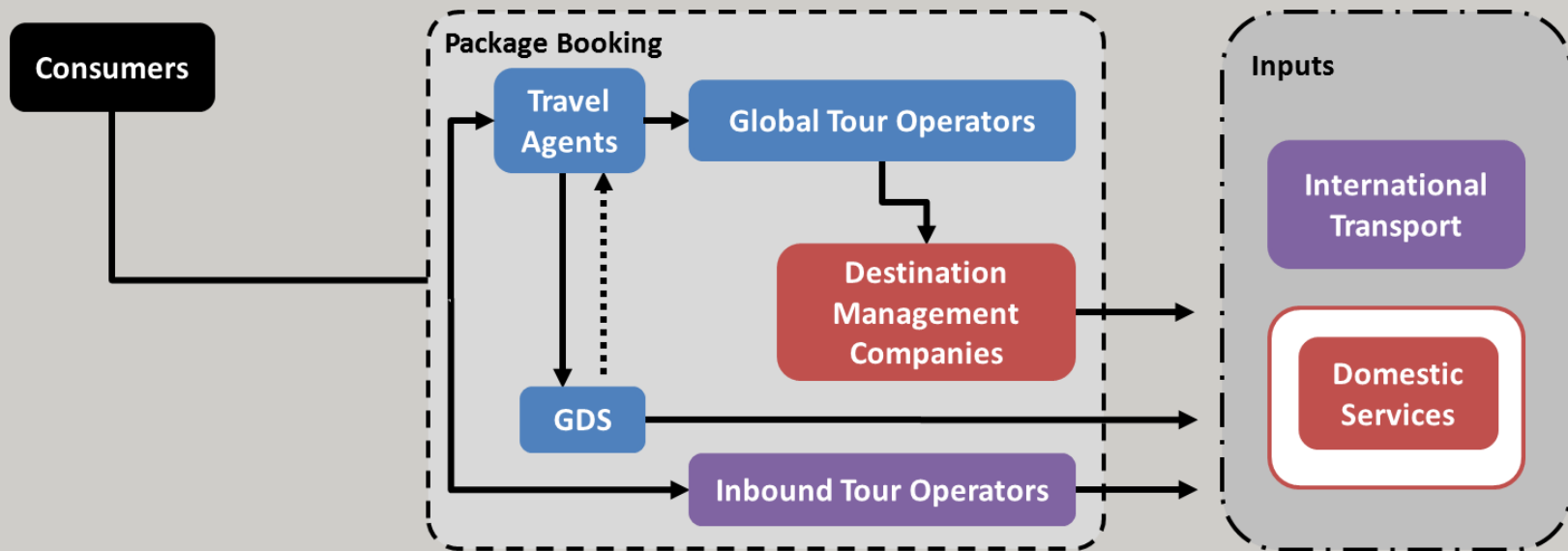
GLOBAL TOURISM INDUSTRY

- Industry can be divided into two categories:
leisure & business
- Leisure accounted for 77% of the US\$4.7 trillion spent on tourism in 2014
- Each category features three distinct groups of actors:
 - **Consumers**
 - **Distribution intermediaries**
 - **Service providers**
- There are important differences in the identity and value-addition propositions of these actors in leisure & business tourism value chains

TOURISM GVCs



I. DURABILITY OF PACKAGE BOOKING



Why is package booking so strong in Africa?

- Emphasis on itinerary-based travel
- General unfamiliarity with continent
- Concerns about ability of inbound operators to deliver quality products
- Challenges associated with organizing domestic transport and other services independently

2. ELEVATED POSITION OF GLOBAL FIRMS

Foreign Visitor Spending in African Tourism in 2015

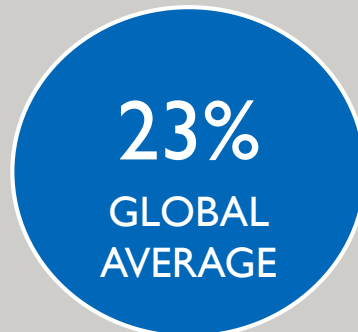
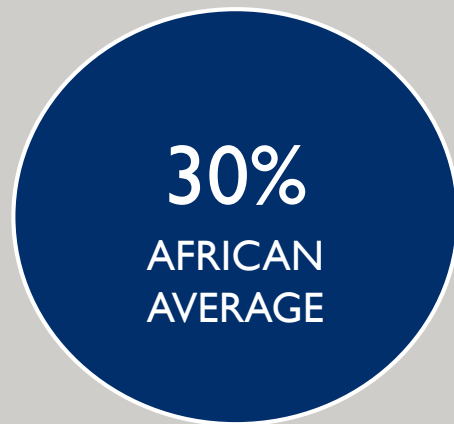
Region	Total Tourism Spending (US\$, millions)	Foreign Visitor Spending (US\$, millions)	Foreign Visitor Percentage
East Africa	19,227	11,761	61.2%
Southern Africa	24,871	10,922	43.9%
North Africa	50,499	18,045	35.7%
Central Africa	6,662	2,027	30.4%
West Africa	21,208	3,366	15.9%
WORLD	4,715,010	1,296,996	27.7%

Source: World Travel & Tourism Council

- Africa's reliance on foreign travelers has implications for composition of value chain
- **Smaller share of local customers = stronger presence of global lead firms**
- Three broad categories of global tour operators active in Africa:
 - African specialists with high-value, low-volume products (& Beyond, Wilderness Safaris)
 - Global luxury brands with African packages (Cox & Kings, Abercrombie & Kent)
 - Mid-tier providers with small baskets of African tours (Thomas Cook, Collette)

3. IMPORTANCE OF BUSINESS TOURISM

- Business tourism represented **highest share of total tourism revenue for Africa** of any region in world in 2015



West Africa

→ 48%

Central Africa

→ 39%

Southern Africa

→ 35%

3. IMPORTANCE OF BUSINESS TOURISM

Largest Shares of Business Tourism Revenue in 2015

Rank	Country	Business Tourism Share	Domestic Spending Share	Total Business Revenue (US\$, mil)	Capital Investments (US\$, mil)	Region
1.	Lesotho	89.5%	86.1%	200	47	Africa
2.	Guinea	80.6%	99.4%	187	19	Africa
3.	Central African Republic	79.6%	84.9%	66	8	Africa
4.	Swaziland	78.2%	92.4%	95	16	Africa
5.	Mali	78.0%	78.3%	582	108	Africa
6.	Sierra Leone	74.5%	73.6%	107	28	Africa
7.	Malawi	74.3%	90.4%	293	35	Africa
8.	Tonga	71.5%	7.8%	36	14	Asia Pacific
9.	Republic of Congo	64.1%	81.7%	206	176	Africa
10.	Niger	63.6%	72.2%	129	43	Africa
11.	Burundi	62.1%	97.5%	73	8	Africa
12.	Zambia	60.4%	48.3%	707	105	Africa
13.	Mozambique	60.0%	76.8%	506	182	Africa
14.	Senegal	57.2%	63.8%	768	125	Africa
15.	Rwanda	56.9%	22.8%	251	175	Africa
—	WORLD	23.4%	72.3%	1,106,800	774,700	—

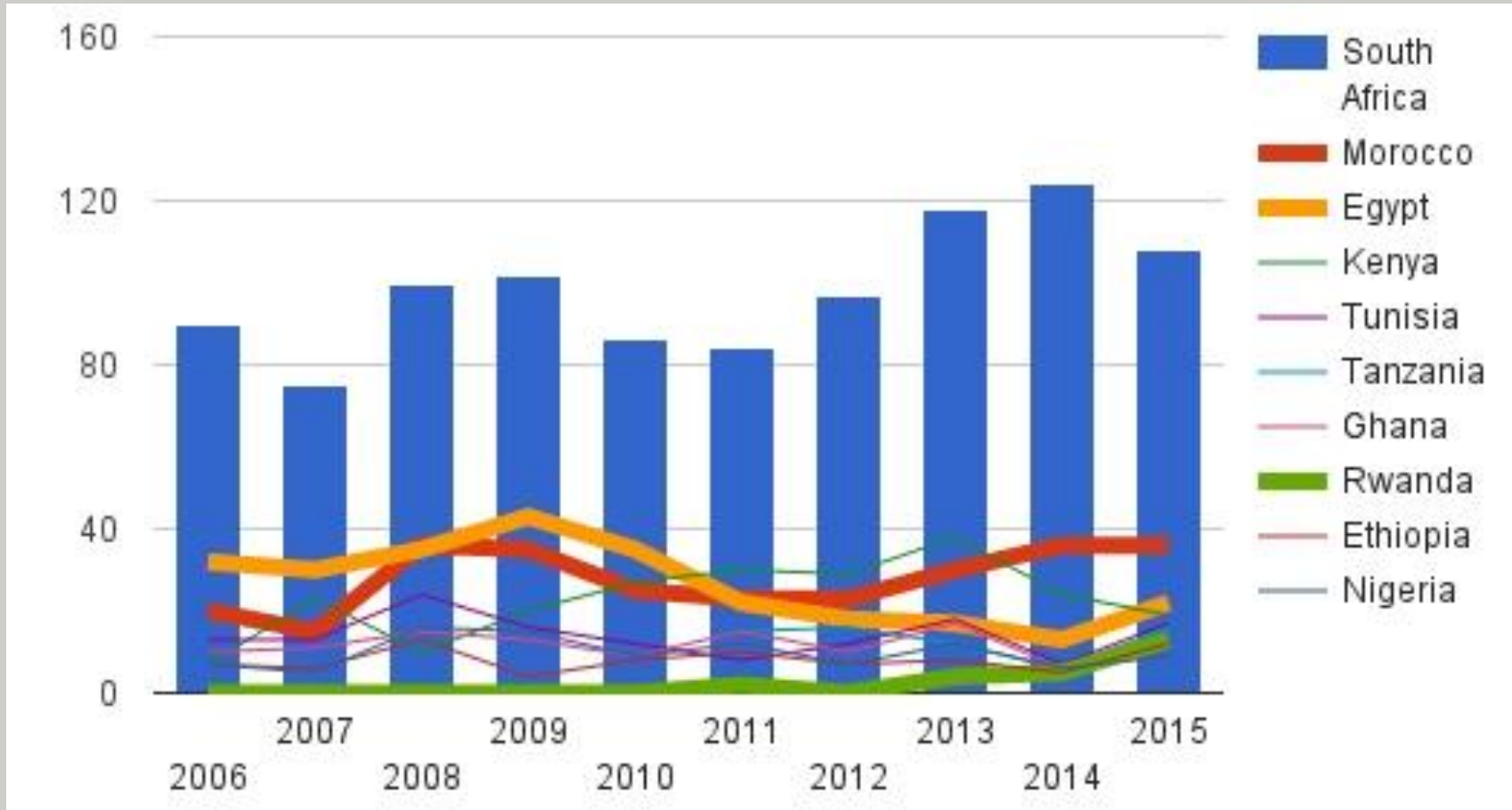
Source: World Travel & Tourism Council

OPPORTUNITIES IN NORTH AFRICA

- **Profile:** Largest African market as measured by visitors, overall spending, leisure tourism spending, capital investments
- **Possible Growth Opportunities:** 1. Boost regional/international leisure demand; 2. Increase business tourism
- **Policy steps:** Increase promotion & institutionalization (tourism boards and convention bureaus)

MICE OPPORTUNITIES

International Association Meetings in Africa, 2005-2014



Source: International Congress and Convention Association

OPPORTUNITIES IN EAST AFRICA

- **Profile:** Safari products that are highly reliant on foreign visitors
- **Possible Growth Opportunities:** 1. Continue upgrading into luxury tourism GVCs; 2. Increase domestic consumption
- **Policy steps:** 1. Encourage skills training at UNWTO.TedQual certified schools; 2. Address infrastructure (air & road) 3. Review investment & concession policies to eliminate bottlenecks; 4. Facilitate product upgrading

THANK YOU!



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