



# **MINISTRY OF TOURISM, WILDLIFE AND ANTIQUITIES**

**PRESENTATION BY THE MINISTER  
TO ECONOMIC GROWTH FORUM ON BUDGET FY2019/20**

# TOURISM IN UGANDA



# The position of tourism industry in Uganda

- ✓ Tourism is recognized under Vision 2040 and the NDP II as a **key Primary growth Sector** with great potential to boost and accelerate Uganda's transformation agenda.
  - This is owed to Uganda's exceptional endowment with diverse nature based, faith based, culture and wildlife heritage, eco-tourism and MICE (Meetings, Incentives, Conferences and Events) attractions.
- ✓ Currently, Tourism is the leading **foreign exchange earner** for Uganda generating **US\$1.453bn** and contributing **UGX 6.8 trillion of Uganda's GDP** (7.3% of GDP) in 2017 followed by **remittances from Ugandans working abroad of about \$1.2b (about sh4.5trillion) in 2017.**
- ✓ The sector was responsible for **6.3%** of total employment (605,500 jobs), while tourist arrivals grew from **539,000 in 2006 to 1.4 million in 2017.**



# The position of tourism industry in Uganda

## Cont'd

- ✓ In addition, Tourism promotes **trade and investment** and significantly contributes to the development of other sectors of the economy, such as construction, manufacturing, retail and financial services.
- ✓ In Uganda, the sector has therefore been robust over the past years and has successfully grown in terms of;
  - ❖ **Visitor arrivals,**
  - ❖ **Conference business, and**
  - ❖ ***Investments in the tourist accommodation facilities;***

and it is increasingly becoming a key **source of livelihood**, helping and supporting families and **local economies**.



# Transformative power of tourism in Uganda's economy

- ✓ In the key high-yield tourist markets, the average total expenditure of **leisure tourists** on a pre-booked tour package is estimated at USD 1,200 per capita, excluding air fares and that of business tourists at USD 900.
- ✓ According to the World Bank survey for Uganda in 2013
  - ❖ Attracting 100,000 additional leisure tourists would add **11 percent** to exports and 1.6 percent to GDP;
  - ❖ Persuading a tourist to spend one additional night in Uganda would add **7 percent to exports** and **1.0 percent to GDP**.
  - ❖ 8 percent annual growth in leisure and conference tourists would generate an **additional USD 220** million in receipts per annum.

These facts make a compelling case to attract tourists, make them stay longer and spend more in the country and drive its growth.





# Uganda's tourism potential

✓ Uganda is the Pearl of Africa; it is a country gifted by nature. Uganda is endowed with exceptional range of natural and cultural tourism assets and attractions

For example;

- ❖ Uganda has more than 50% of the world's remaining population of mountain gorillas,
- ❖ Over 1,060 species of birds, constituting 11% of the global population of bird species,
- ❖ 345 species of mammals, 86 species of amphibians,
- ❖ 142 species of reptiles,
- ❖ 1,249 species of butterflies,
- ❖ Over 600 species of fish and
- ❖ Over 5,406 species of flora. No other country has such assets.



# Uganda's tourism potential

## Cont'd

- ✓ Uganda is also home to the source of River Nile, the longest river in the world, flowing Northwards, Mt Rwenzori, the legendary mountains of the moon, the only mountain in the world with snow glaciers at the equator.
- ✓ Lake Victoria is the largest freshwater lake in Africa, with a surface area of about 68,800 sq. km shared between Kenya (6%), Uganda (45%) and Tanzania (49%). The catchment area of the lake covers 180,959 sq. km, 15.9% of this is constituted by Uganda.
- ✓ Biodiversity is one of the most important contributors to increased tourist arrivals in the country and the investment in the hospitality industry.



# Uganda's tourism potential

## Cont'd

- ✓ Uganda's comprehensive National Planning Frameworks emphasize water based tourism including water sports on navigable lakes and rivers and redevelopment of the Source of the River Nile into a world-class tourist attraction site and turn it into a modern international and domestic tourism center as priorities.
- ✓ The country has 10 National Parks, 12 Wildlife Reserves, 10 Wildlife Sanctuaries, 5 Community Wildlife Management Areas and 506 Central Forest Reserves each with unique endowments.
- ✓ Uganda's rich culture is unique and something to explore, from the captivating dances to exquisite cuisines in the different parts of the country, as well as the friendly and hospitable people.





# Trends in tourist arrivals in East Africa

- ✓ The total arrivals to the above four East African States has stagnated at about 5 million annually since 2012.
- ✓ In 2016, Kenya has the highest (1.34 million) and Tanzania had the least number (1.28 million).
- ✓ Uganda's tourist arrivals increased from 1.197 million in 2012 to **1.32 million in 2016 then to 1.4 million in 2017**. This is still very low compared to the targeted **4 million arrivals** by 2020.



# Trends in tourist arrivals in East Africa Cont'd

	Country	2012 (‘000)	2016(‘000)	Change	%ge change
1	Kenya	1,711	1,340	(371)	-21.7%
2	Uganda	1,197	1,323	126	10.5%
3	Rwanda	1,061	1,307	246	23.2%
4	Tanzania	1,077	1,284	207	19.2%
	TOTAL	5,046	5,254	208	4.1%

## **•Change in tourist arrivals 2012-2016**

For 2016, of which:

- Leisure tourists in Kenya -71.9%
  - Leisure tourists in Uganda- 17.9%
  - Leisure tourists in Tanzania- 73%
  - Leisure tourists in Randa- 4.4%
- (WTTC 2016)**

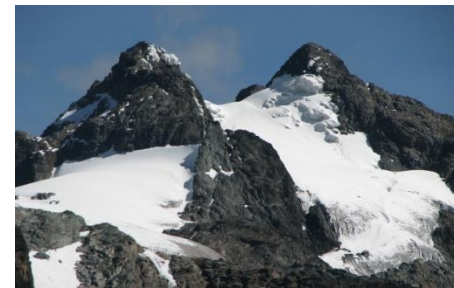
# Determinants of Uganda's Tourism sector relative to East Africa

- ✓ Tourism is a fragile Sector, sensitive to safety, disease outbreaks, security as well as negative publicity stability of Uganda as a country has yielded a dividend to steady tourism growth
- ✓ **The unique diverse attractions like** the unique mountain gorillas. Visitors all over the world flow into the country to take part in gorilla safaris in Bwindi and Mgahinga National Parks.
- ✓ **Uganda's National Parks** like the famous Murchison falls, Queen Elizabeth. Other rich attractions include sanctuaries like Ngamba Island known for chimpanzees, Ziwa Rhino sanctuary, and bird sports like the Bigodi sanctuary among others.
- ✓ Uganda's **diverse culture and heritage** is also a major fascination in her tourism growth. Examples are unique traditional music, drama and dance, etc.



# Determinants of Uganda's Tourism sector relative to East Africa

- Market and research in Uganda's tourism industry has also been a vital factor. Through UTB, Government established a strategy to increase the country's tourist arrivals. The board recruited three MDR firms namely; PHG consulting for the North American market, Kamageo in the UK and Ireland and KPRN for the German market in Europe, three additional firms are to be contracted for China, Japan and Gulf States.
- Liberalized macroeconomic environment that allows visitors to easily access services such as foreign exchange. The other key business incentive is the 100 percent profit repatriation policy.
- Investment in infrastructure that has improved accessibility, connectivity and utility of the attractions available in the country: with prospects to revive the national carrier.
- The conducive climate makes Uganda an all year round destination to visit.



# Roles of East African Regional Value Chain

- ✓ The Visiting friends & relatives (VFR) market segment: Most regional neighbors are connected by common history & ancestry promotes exchange visits helping VFR grow
- ✓ Uganda has a comparative advantage in agriculture making it a food basket that promotes a lot in cross border trade.
- ✓ The centrality of Uganda makes it a connective point to its neighbors. Uganda is uniquely located at the heart of Sub-Saharan Africa within the east African Region. This land linked position gives the country a strategic commanding base for regional tourism.





# Roles of East African Regional Value Chain

- There are regional policy initiatives that have aided the movement of people such as borderless border initiative, EAC single Entry visa and the single network which has helped communication
- Shared marketing platforms ratified through the East African Community tourism and wildlife protocol
- Tour packages spanning multiple countries in the region
- Use of National IDs to cross borders instead of passports.
- Peace and security among neighbors promotes movement of people, goods and services
- Standardization of regulations and policies e.g. common classification of hotels



# Organizational structure of the sector

- ✓ Tourism has now been established as a stand alone sector
- ✓ The Ministry is made up of 3 Technical Departments;
  - ❖ *Tourism Development*
  - ❖ *Wildlife Conservation*
  - ❖ *Museums and Monuments and*
- ✓ One support Department, Finance and Administration

## MTWA Affiliated Agencies

- ❑ Uganda Wildlife Authority (UWA),
- ❑ Uganda Tourism Board (UTB),
- ❑ The Hotel and Tourism Training Institute (HTTI)
- ❑ Uganda Wildlife Research and Training Institute (UWRTI)
- ❑ Uganda Wildlife Education Center (UWEC),



# Organizational structure of the sector Cont'd

## Other Institutions/Umbrella Associations

- ✓ Uganda Tourism Association (UTA)
- ✓ The Uganda Hotel Owners Association (**UHOA**)
- ✓ Hotel and Catering Association of Uganda (**HCAU**)
- ✓ The Uganda Community Tourism Association (**UCOTA**)
- ✓ The Uganda Safari Guides Association (**USAGA**)

- ✓ Uganda Travel Agents Association (**TUGATA**)
- ✓ The Association of Uganda Tour Operators (**AUTO**)
- ✓ Ngamba Island Chimpanzee Sanctuary and Wildlife Conservation Trust (CSWCT)
- ✓ Rhino Fund /Rhino Breeding Sanctuary
- ✓ The Bwindi –Mgahinga Conservation Trust (BMCT)

# Reforms to improve Performance of the Sector

- Regionalizing tourism development, promotion and management by establishing regional tourism development offices and capacity building.
- Rationalization of the Agencies under the ministry defining their mandate and roles
- Establishing a sustainable tourism development observatory (Tourism Statistics) for regular, reliable and consistent tourism data collection, analysis and dissemination to stakeholders
- Implement a sustainable source of funding for the tourism sector



# Reforms to improve Performance of the Sector Cont'd

- Improve tourism and hospitality service delivery by strengthening the private sector umbrella association through support to their strategic plan implementation
- Taking regional infrastructure development e.g. standard gauge way program, open sky policy on flights, etc
- Standardization and enhancement of HR capacity building
- Trans boundary management of resources





## Key Public investments that should be prioritized to bolster growth of the sector

- Construction of 1,200 kms of identified tourism roads (roads outside of the park areas that facilitate access to and between parks and other tourist sites)
- Upgrade of upcountry aerodromes/airfields including Kisoro, Kidepo, Pakuba, Mbarara, Arua, Gulu, Kasese and Jinja to create opportunity for new arrival points for tourists and bring them closer to the principal tourist attraction sites
- Establishment of Cable Car System and Ancillary Facilities in the Rwenzori Mountains National Park.



# Key Public investments that should be prioritized to bolster growth of the sector

## Cont'd

- Provision of Reliable and cost effective energy supply to tourist attractions and facilities;

Fast track connection of these areas to the national grid

- ❖ ***Murchison Falls:*** Paraa, Mubako, Chobe, Kichumbanyobo Gate, Wankwar gate, Sambiya River Lodge
- ❖ ***Queen Elizabeth:*** Bukorwe, Katokye Gate, Ishasha ,Katunguru Gate, Kabatoro Gate, Kasenyi Gate, Kikorongo Gate, Jacana Safari Lodge
- ❖ ***Bwindi/Mgahinga Area:*** Buhoma and Ruhija, Nkuringo, Rushaga, Ntebeko
- ❖ ***Kibale area:*** Kanyanchu, Mainaro, Sebitoli, Karugutu
- ❖ ***Lake Mburo:*** Rwonyo, Sanga Gate, Education Centre
- ❖ ***Kidepo:*** extend electricity to Apoka lodge



# Key Public investments that should be prioritized to bolster growth of the sector

- Improved Telecommunication Infrastructure
- Upgrade the training facilities and institutional capacity of Uganda Hotel and Tourism Training Institute other tourism and raining institutions in the country to improve the quality of labour force in the industry. The proposed CEDP II will undertake some of the interventions to improve capacity in the Sector
- Wildlife conservation to Address human-wildlife conflicts by strengthening boundaries of protected areas, improving stakeholder engagement to reduce poaching, encroachment and environmental degradation, mitigating the impact of climate change



# Key Public investments that should be prioritized to bolster growth of the sector

- Develop the museums and cultural heritage sites (e.g. Dolwe Island rock art, Fort Patiko) and ensuring their nomination to the UNESCO world heritage list
- Development of Marine Tourism and the L. Victoria tourism circuit
- Strengthening of MICE (Meetings, Incentives, Conferences and Events) industry. Government plans to establish a convention centre
- Provision of low-cost accommodation in conservation areas
- Restocking and translocation of wildlife to create species variety in Conservation Areas



# Key Public investments that should be prioritized to bolster growth of the sector

- Improved Rail Transport Services.
- Enhanced tourism destination marketing
- Invest in and promote sports to enhance the marketing of Uganda when our sportsmen and sportswomen excel
- Establishing a Tourism Management Information System and undertaking regular research to facilitate planning
- Improved Water Transport Services on Uganda's various lakes and rivers. Lake Victoria offers the potential to incorporate additional water transport services that could offer both self-contained trips and water transport linkage





# Proposed Specific policy interventions for integrating Uganda's tourism into the Global Value Chains

- Promotion of international hotel chains e.g. programs on concessions
- Promotion of efficient **online-service**, including e-payment functionality to enable visitors access and buy products from a distance
- Develop **online visibility strategy** taking into account value chain players at all nodes i.e. **Selection and booking; International transport; Visa, entry and clearance; Domestic transport; Accommodation; Food; Attractions** and Shopping, entertainment and amenities.
- Streamline tour operation business through licensing, standardization, inspection and self regulation through AUTO



# Proposed Specific policy interventions for integrating Uganda's tourism into the Global Value Chains Cont'd

- Expansion of capacity (facilities and services) at Entebbe International Airport to enable efficient operations.
- Easing access to more international airlines
- Encourage joint ventures between private sector and host communities
- Inspection and classification of accommodation providers



# Proposed Specific policy interventions for integrating Uganda's tourism into the Global Value Chains Cont'd

- Travel facilitation e.g. single entry visa entry, Open sky policy
- Improving attractions management(Safety and security, signage, environmental management)
- Promote PPPs in attractions management for enhanced participation



# Thank you for Listening

