TANZANIA TOURISM SECTOR SURVEY

The 2004 International Visitors' Exit Survey Report

Dar es Salaam, December 2006

First Report, 2004
Second Report, 2006
Cover Picture: Udzungwa Water Falls

CONTENTS

Chapter 4

FOREWORD

We are delighted to introduce the 2004 Tanzania Tourism Sector Survey (TTSS) Report produced by the multi-institutional committee comprising the Ministry of Natural Resources and Tourism (MNRT), Bank of Tanzania (BOT), National Bureau of Statistics (NBS), Immigration Department and the Zanzibar Commission for Tourism (ZCT). The report follows the maiden report of 2001.

The primary objective of the survey was to collect up-to-date tourist expenditure information for use in the ''Tourist Expenditure Model" developed in 2001. The Model was developed for use as a tool for estimation of international tourism receipts needed in the compilation of, *inter alia*, National Accounts (NA) and Balance of Payments (BoP) statistics. These statistics are used by the public and private sectors for policy formulation and strategic business planning, respectively.

The two surveys have revealed impressive growth performance of the tourism industry, evidenced by a substantial increase in earnings from international visitors. In addition, the surveys have depicted the dominance of Europe and North America as Tanzania's main 'traditional' tourism markets. Just as in the 2001 survey, most visitors were impressed with the country's natural endowments which places Tanzania as one of unique tourist destinations. However, a number of visitors indicated the need for diversification of tourism products, including the opening up of the Southern Circuit, and further improvement of the tourism infrastructure. Generally, the survey provided useful information that pointed out the great potential of the industry, which the country can exploit.

It is our sincere hope that policy makers, investors, academicians and other stakeholders will make use of the report for informed decision-making so as to achieve rapid and sustainable growth in the tourism industry. The report further offers a challenge to the stakeholders to engage in concerted efforts to realize the potential of this sector.

HON. Prof. JUMANNE ABDALLAH MAGHEMBE (MP)
MINISTER
MINISTRY OF NATURAL RESOURCES AND TOURISM

DAUDI T. S. BALLALI
GOVERNOR
BANK OF TANZANIA

ACKNOWLEDGEMENT

The TTSS committee and management of participating institutions (MNRT, BOT, Immigration Department, NBS and ZCT) wish to acknowledge the continued support from the management of KIA, NAMANGA border's post, ZAA and J.K. Nyerere International Airport (JKNIA) for facilitating the team of enumerators at the time of conducting the surveys at these Entry/Exit points.

We would also like to thank representatives of Tanzania Tourist Board, Ministry of Trade, Industry, Marketing and Tourism in Zanzibar, Planning Economy and Empowerment and Tourism Confederation whose inputs were essential in giving the survey a proper focus.

We are equally indebted to the tourists' themselves for being very willing to volunteer in the interviews; we believe that their understanding and cooperation is a key in determining reliability of the survey results.

It might not be possible to exhaust the list of every individual whose contribution has been useful to this exercise, but we wish to thank you all for making this effort a success.

EXECUTIVE SUMMARY

THE RATIONALE

In recent years, tourism has been one of the sectors that has been growing fast in Tanzania. In order to have reliable information on its contribution to the economy, in 2001 the Ministry of Natural Resources and Tourism (MNRT), Bank of Tanzania (BOT), National Bureau of Statistics (NBS), Immigration Department and Zanzibar Commission for Tourism (ZCT) decided to carry out the Tourism Sector Survey. One of the recommendations made in the 2001 survey report was to carry out shorter surveys on an annual basis in order to obtain up-to-date price information. The annual survey was carried out between September and October 2004 in order to obtain new price information for estimating tourist earnings in 2004.

The survey was carried out at four exit points, namely Dar es Salaam International Airport (DIA) which is currently known as J. K. Nyerere International Airport (JKNIA), Kilimanjaro International Airport (KIA), Namanga (NAM) and Zanzibar Airport (ZAA).

OBJECTIVES OF THE SURVEY

- To provide an up-to-date price information for estimating tourist expenditure in Tanzania in order to improve compilation of the National Accounts and Balance of Payments (BOP) statistics.

- To collect information for tourism promotion and macro-economic policy formulation.

SURVEY IMPLEMENTATION

The Steering and Technical Committees that managed the comprehensive survey conducted in 2001 continued to manage this survey. However, unlike in the previous survey whereby questionnaires were filled in by respondents, the 2004 survey was interview based. A total of 12 interviewers who were drawn from participating institutions undertook the fieldwork.

Main Findings of the Survey

The survey covered a total of 2,826 interviewees who responded on behalf of 5,381 international visitors.

The Survey Results Were Used in the Tourist Expenditure Model to Estimate Tourist Earnings for 2004. Important components of the model include length of stay, number of visitor arrivals and average expenditure per person per night.

Average Expenditure

The overall average expenditure for a package tour for the top fifteen countries (source markets) of holiday visitors was US$ 188 per person per night, whereas for a non-package tour, the overall average expenditure was US$ 119 per person per night.

Length of Stay

The average length of stay for tourists visiting the United Republic of Tanzania was about 12 nights, whereas the average length of stay within Tanzania mainland was 11 nights and for Zanzibar was 7 nights.

Tanzania Earned US$ 746,016,731 From Tourism Activities in 2004

Using the expenditure model with updated price information, namely the average expenditure per person per night obtained during the survey, the model estimates that Tanzania received US$ 746,016,731 from tourism activities in 2004, of which Zanzibar ‘s estimated earnings were US$ 71,284,780.

Major Source Markets of Tourists in Tanzania

The top ten markets are listed (in descending order) as follows:

1. United Kingdom
2. United States of America
3. Netherlands
4. Germany
5. South Africa
6. France
7. Spain
8. Australia
9. Canada
10. Switzerland

Majority of Visitors Were on a Package Arrangement

Visitors who travelled on a ‘package’ arrangement accounted for 65 percent, whereas ‘non-package’ visitors accounted for 35 percent. However, looking at ‘purposes of visit’, the majority of business visitors (92 percent) came under a ‘non-package’ arrangement, while the majority of holiday visitors (61 percent) came under a ‘package arrangement’. The most significant package combination was the one with all items included, namely; accommodation, international transport, internal transport and sightseeing.

Visitors to Tanzania Came Mainly for ‘Leisure and Holiday’ Purposes

The largest proportion of all visitors (87 percent) came to

Tanzania for leisure and holiday purposes. This was followed by those who came for business purposes (8 percent), other purposes (4 percent) with those who came to visit friends and relatives (VFR) accounting for 1 percent.

J. K. Nyerere International Airport (JKNIA) Was the Leading Departure Point

Out of the total recorded visitors during the survey, 37 percent departed via JKNIA, followed by Kilimanjaro International Airport (KIA) which recorded 27 percent of the visitors.

Purpose of Visit and Age Groups

Most business visitors were aged 36 – 55 years, whereas the majority of holidaymakers, Visiting Friends and Relatives (VFR) and other visitors were aged 18 – 35 years. Most visitors from Japan and the United States were senior citizens (55+) while the majority of visitors from Spain and France were young (age group 18 – 35). Most visitors (over 95 percent) from Israel, Switzerland and Spain came for holidays, while a significant proportion of business visitors came from South Africa and Canada. With regard to VFR, Germany and Canada led by having more visitors.

Most Visitors Were Impressed By Tanzania As One of the Unique Tourist Destinations

The majority of visitors were satisfied with the services rendered by the tourist establishments, the beauty of the country and the friendliness of Tanzanians.

CONCLUSION AND RECOMMENDATIONS

Conclusion

This report summarizes the findings of the International Visitors' Exit Survey that was conducted for two weeks between September and October 2004. The survey had the following objectives:

- To provide up-to-date price information for estimating tourist expenditure in Tanzania in order to improve the compilation of the National Accounts and Balance of Payments (BOP) statistics.

- To collect information for tourism promotion and macro-economic policy formulation.

The survey has been successful as it has met its objectives. Using the survey results, the expenditure model that was developed in the 2001 International Visitors' Exit Survey was updated with new price information that enabled estimation of the country's tourist earnings for 2004. Likewise, key information which is vital for promotion and marketing was collected.

Recommendations

- **Ministry of Natural Resources and Tourism**
  - ❑ The Ministry of Natural Resources and Tourism together with the Zanzibar Commission for Tourism should sustain the existing source markets and explore new markets in Asia, the Middle East and South America. As a way of stepping up effective promotion of Tanzania as a tourist destination, the Government should increase budgetary allocation to boost the promotion efforts.

  - ❑ Given the dominance of the package tour arrangement in the tourism industry and the limited local participation in arranging packages from the source markets, the Government in collaboration with Tanzania Tourist Board (TTB) and Tanzania

Association of Tour Operators (TATO), should organise training that will improve the negotiating skills of local service providers.

- The Government should encourage tourist establishments to accept the use of international payment facilities such as credit cards.

- In order to increase the number of business visitors, conference tourism should be developed and promoted. Moreover, conference organisers should ensure that prepared programmes incorporate shopping and sight seeing schedules.

- The Government should continue with the current efforts of improving the infrastructure, particularly roads leading to tourist attraction areas and airports.

- **Tanzania Tourist Board**
  - In order to enhance promotion, TTB should lead a co-ordinated strategy through our diplomatic missions. Also, in collaboration with the Tourism Confederation of Tanzania (TCT), it should establish more tourist information centres with up-to-date information at all strategic places, including major entry points.

- **Immigration Department**
  - Due to the importance of immigration statistics for estimation of tourist earnings in Tanzania, the Government should provide the Immigration Department with adequate financial resources for the production of the statistics. These funds should be allocated for data processing, purchase of computers, transportation of cards from entry points to the

processing centre and capacity building.

- ❑ The Immigration Department should strengthen its Statistics Unit by allocating more staff and provide logistical support to facilitate timely delivery of the cards from all entry points.

- **Private Sector**
    - ❑ Given the fact that the majority of tourists are young people (18- 35 years), tour organisers should promote services that attract this group, such as water sports, discotheques, local sports and social programmes.

LIST OF TABLES AND FIGURES

1

INTRODUCTION

The tourism industry in Tanzania has grown substantially in the last decade. This is evidenced by the increase in the number of tourist arrivals, averaging 9 percent. Given the growing importance of this industry, in 2001 the Bank of Tanzania (BOT), the National Bureau of Statistics (NBS), the Ministry of Natural Resources and Tourism (MNRT), Immigration Department and Zanzibar Commission for Tourism (ZCT) decided to conduct two surveys, namely, the International Visitors' Exit Survey and Survey of Tourism Establishments. These surveys, whose report has been published, were aimed at improving the availability and credibility of tourism statistics.

The report came up with a number recommendations geared towards sustainable development of the tourism industry in Tanzania. One of the recommendations of the report was to conduct annual surveys aimed at ensuring that tourist expenditure estimation is done with up-to-date price information. In 2004, the International Visitors' Exit Survey was conducted for two weeks during the peak season. The survey was carried out at four exit points, namely J. K. Nyerere International Airport (JKNIA), Kilimanjaro International Airport (KIA), Namanga (NAM) and Zanzibar Airport (ZAA).

In order to focus effectively on tourist expenditure, the questionnaire that was used in 2001 was shortened by reducing the number of questions from 23 to 12. In addition, only English language was used, compared with the five languages, i.e. English, French, Germany, Italian and Spanish, that were used in the previous survey. Unlike in the previous survey, whereby respondents filled in the questionnaires, the 2004 survey was interview based. A total of 12 interviewers were drawn from participating institutions to conduct the survey.

OBJECTIVES OF THE SURVEY

- To provide an up-to-date price information for estimating tourist expenditure in Tanzania in order to improve compilation of the National Accounts and Balance of Payments (BOP) statistics.

- To collect information for tourism promotion and macro-economic policy formulation.

SURVEY MANAGEMENT

The Tanzania Tourism Sector Survey is managed and implemented by the Steering and Technical Committees, whose members are drawn from the five participating institutions namely, the Bank of Tanzania (BOT), the National Bureau of Statistics (NBS), the Ministry of Natural Resources and Tourism (MNRT), Immigration Department and Zanzibar Commission for Tourism (ZCT).

SURVEY METHODOLOGY

Target population

The target population of the 2004 international visitors' survey was the international visitors to Tanzania, whereby a person is considered an international visitor if he/she travels to a country other than that of his/her usual residence, but outside his/her usual environment for a period not exceeding twelve months and whose main purpose for visiting is other than an activity remunerated from within the country visited.

Sample size

The survey was designed to capture about 1 percent of 576,198 visitors who were recorded in 2003. It recorded 2,826 respondents who represented 5,381 visitors. This sample is considered to be sufficient enough to provide updated price information on tourists' expenditure. In this particular survey, the aim was to collect visitor characteristics and specifically their expenditure patterns.

Survey timing

The survey was conducted for two weeks from 27th September to 10th October 2004.

Interview venue

Since the survey aimed at obtaining data on, *inter alia,* expenditure and length of stay, it was necessary that it was carried out at departure points. The survey was conducted at four major departure points, namely J. K. Nyerere International Airport (JKNIA), Kilimanjaro International Airport (KIA), Zanzibar Airport (ZAA) and Namanga border.

Description of the Questionnaire

The questionnaire used had the following parts: visitor profiles, travel behaviour, expenditure patterns and visitor comments. *(Appendix)*

Questions 1 and 2 aimed at establishing visitor profiles (nationality, country of residence and age group).

Questions 3 to 6 sought to obtain travel behaviour, namely purpose of visit, type of tour (package/non-package), items in the package and nights spent.

Questions 7 to 11 were structured to capture expenditure of visitors and cost of the package tour associated with Tanzania. In addition, the questions asked for details on the amount of money that was spent in Tanzania.

Question 12 was aimed at obtaining comments from the visitors on their perception of Tanzania's tourism industry.

Tourist Expenditure Model

The main objective of the survey was to provide up-to-date price information for estimating tourist expenditure in Tanzania using the expenditure model developed during the comprehensive visitors' exit survey conducted in 2001.

The model is depicted in the following equation:

$$E_v = (E_P \times V_P \times T) + (E_{NP} \times V_{NP} \times T)$$

Whereby:

E_v = Total tourist expenditure in Tanzania

E_P = Average package tour expenditure, per visitor per night derived from the survey

E_{NP} = Average Non-package tour expenditure, per visitor per night derived from the survey

V_P = Number of arrivals under **package** arrangement (The arrivals as captured by the Immigration Department, adjusted to package visitors by purpose of visit using survey results)

V_{NP} = Number of arrivals under **Non-package** arrangement (The arrivals as captured by the Immigration Department, adjusted to non-package visitors by purpose of visit using survey patterns)

T = Average length of stay as computed from the computerised immigration statistics.

The Simplified Model

Country of Residence	Purpose of Visit	Number of Arrivals		Avg. length of stay	Avg. expenditure per visitor per night		Total expenditure [(3a)*(4)*(5)]+ [(3b)*(4)*(6)]
					Package	Non Package	
(1)	(2)	Package (3a)	Non-package (3 b)	(4)	(5)	(6)	(7)
	Business						
	Holiday						
	VFR						
	Other						

Procedure and assumptions used for the estimation of tourist expenditure for 2004;

- The 2001 tourist expenditure model was updated with new average expenditure per person per night as collected in the 2004 survey.

- Calculation of average package tour expenditure involved the deduction of the estimated cost of the international fare to Tanzania and the commission earned by the travel agent in the source market. Information on the cost of international transport from source markets was updated using current information gathered from international carriers that bring tourists to Tanzania.

- It was assumed that 10 percent of the value of the package is retained by the travel agent abroad to meet overhead costs and commission. The assumption was based on a study on Tourism Earnings in Tanzania that was conducted in 2000.

- Immigration data on arrivals by purpose of visit were distributed according to package and non-package arrangements using the travel arrangement ratios as established in the survey.

- To be able to estimate annual tourist expenditure, survey results were applied to the total number of tourist arrivals as recorded by the Immigration Department. It is worth noting that given the homogeneity of visitors' characteristics, information collected during the two-week survey is statistically significant to represent the total population.

- Immigration data provides the separate number of tourist arrivals/departures for Zanzibar that enables estimation of tourist expenditure for Zanzibar

2

PRESENTATION OF THE SURVEY RESULTS

This chapter presents key results as compiled from the questionnaires that were administered during the peak tourist season in which the total number of respondents was 2,826. Overall, the interviewees responded on behalf of 5,381 visitors.

Country of Residence

The survey recorded 5,381 visitors from 80 countries and the results show that the United Kingdom had the highest number of arrivals accounting for about 17.2 percent of total visitors captured in the survey. It was followed by the United States of America at 13.9 percent while the Netherlands ranked third with 13.0 percent. Table 2.1(a) depicts the top 15 source market countries representing 86.3 percent of all the visitors.

In examining Tanzania Mainland, **Table 2.1 (b)** shows that a total of 4,830 visitors from 78 countries were captured during the survey. The results show that the United Kingdom ranked first with 16.4 percent, followed by the United States of America, 15.2 percent, and the Netherlands ranked third with 13.6 percent. The results further show the top 15 source market countries representing 85.7 percent of all visitors recorded during the survey.

Table 2.1 (a) Top 15 Source Markets to the United Republic of Tanzania

S/N	Country of Residence	Number of Visitors	% of Total
1.	United Kingdom	927	17.2
2.	United States of America	747	13.9
3.	Netherlands	697	13.0
4.	Germany	410	7.6
5.	South Africa	297	5.5
6.	France	272	5.1
7.	Spain	261	4.9
8.	Australia	184	3.4
9.	Canada	176	3.3
10.	Switzerland	171	3.2
11.	Norway	126	2.3
12.	Israel	105	2.0
13.	Japan	91	1.7
14.	Belgium	89	1.7
15.	Italy	83	1.5
16.	Others	745	13.7
	Total	**5,381**	**100.0**

Table 2.1 (b): Top 15 Source Markets to Tanzania Mainland

S/N	Country of Residence	Number of Visitors	% of Total
1.	United Kingdom	794	16.4
2.	United States of America	736	15.2
3.	Netherlands	659	13.6
4.	Germany	383	7.9
5.	France	257	5.3
6.	Spain	219	4.5
7.	Canada	174	3.6
8.	Australia	173	3.6
9.	Switzerland	166	3.4
10.	South Africa	160	3.3
11.	Norway	115	2.4
12.	Japan	91	1.9
13.	Israel	88	1.8
14.	Belgium	69	1.4
15.	Italy	68	1.4
16.	Others	678	14.3
	Total	**4,830**	**100.0**

On the other hand, 2,482 visitors from 57 countries visited Zanzibar. The top 15 countries dominated the market by 87.5 percent. The United Kingdom took the lead with 18.5 percent, followed by the Netherlands with 16.4 percent. It is worth noting that Italy, the potential source market for tourism in Zanzibar, had few visitors who accounted for only 1.9 percent of total visitors to Zanzibar during the survey period. This was mainly attributed to the language barrier, because, unlike in the 2001 survey, the questionnaire did not include the Italian language. In order to rectify this problem, in future surveys, arrangements will be made to have enumerators who speak the main international languages

Table 2.1 (c): Top 15 Source Markets to Zanzibar

S/N	Country of Residence	Number of Visitors	% of Total
1.	United Kingdom	459	18.5
2.	Netherlands	408	16.4
3.	Germany	202	8.1
4.	United States of America	195	7.9
5.	South Africa	179	7.2
6.	Spain	149	6.0
7.	France	122	4.9
8.	Australia	83	3.3
9.	Norway	75	3.0
10.	Belgium	55	2.2
11.	Canada	55	2.2
12.	Switzerland	54	2.2
13.	Italy	48	1.9
14.	Sweden	46	1.9
15	Austria	42	1.7
16.	Others	310	12.5
	Total	**2,482**	**100.0**

The table below shows that 1,931 people (36 percent) visited Tanzania mainland together with Zanzibar out of the 5,381 people who visited the United Republic of Tanzania. Overall, the Netherlands led by 19.2 percent while the United Kingdom ranked second with 16.9 percent followed by the United States of America (9.5 percent).

Table 2.1(d): Top 15 Source Markets to Tanzania Mainland Together with Zanzibar

S/N	Country of Residence	Number of Visitors	% of Total
1.	Netherlands	370	19.2
2.	United Kingdom	326	16.9
3.	United States of America	184	9.5
4.	Germany	175	9.1
5.	France	107	5.5
6.	Spain	107	5.5
7.	Australia	72	3.7
8.	Norway	64	3.3
9.	Canada	53	2.7
10.	Switzerland	49	2.5
11.	South Africa	42	2.2
12.	Austria	38	2.0
13.	Sweden	38	2.0
14.	Belgium	35	1.8
15.	Italy	33	1.7
16.	Others	238	12.4
	Total	**1,931**	**100.0**

Age Group

Table 2.2 indicates percentage distribution of respondents by age group in which the majority of visitors belonged to the age categories of "18 – 35" and "36 – 55" with a combined percentage of 80.5 of the total respondents.

Table 2.2: Number of Interviewees By Age Group

Age Group (Years)	Number of Respondents	% of Total
Below 18	15	0.5
18 - 35	1,176	41.6
36 - 55	1,099	38.9
Above 55	536	19.0
Total	**2,826**	**100.0**

Gender

More than half (53.8 percent) of the visitors were males compared to female visitors (46.2 percent) as shown in the table below.

Table 2.3: Visitors By Sex

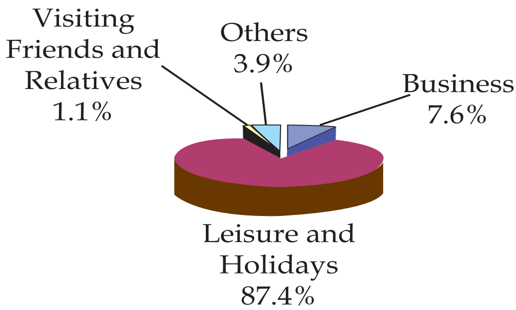
Sex	Number of Visitors	% of Total
Males	2,894	53.8
Females	2,487	46.2
Total	**5,381**	**100.0**

Purposes of Visit to Tanzania

The survey results show that most of the visitors (87.3 percent) came to Tanzania for Leisure and Holidays, followed by those on Business and Visiting Friends and Relatives, 7.6 percent and 1.1 percent, respectively (Fig 2.1).

The results can be presented in a Pie Chart as follows.

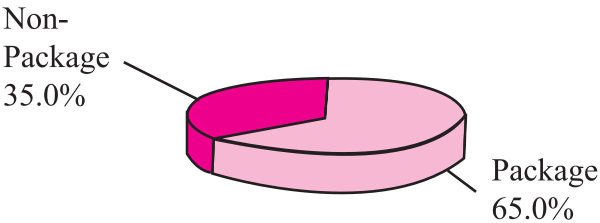
Fig. 2.1: Purposes of Visit to Tanzania



Travel Arrangements

The survey results show that 65.0 percent of all visitors travelled on a package tour, whereas those on a non-package arrangement amounted to 35.0 percent of all visitors.

Fig. 2.2: Number of Interviewees by Travel Arrangement



An attempt has been made to identify items that were included in the package tours. The results in **Table 2.4** show that about 74.4 percent of package tour visitors had all items, namely, accommodation, international transport, internal transport and sightseeing, included in their package. A package without "international transport" was second in prominence. The survey results further reveal that 99.2 percent of visitors had accommodation included in their package.

Table 2.4: Main Package Item Combinations

S/No.	Accommodation	International Transport	Internal Transport	Sightseeing	Visitors	%of Total
1	Y	Y	Y	Y	2,543	74.4
2	Y	N	Y	Y	562	16.5
3	Y	Y	Y	N	142	4.2
4	Y	Y	N	N	60	1.8
5	Y	N	N	Y	48	1.4
6	Y	Y	N	Y	24	0.7
7	Y	N	N	N	11	0.3
8	N	Y	Y	Y	22	0.6
9	N	N	Y	Y	4	0.1
Total					**3,416**	**100.0**

Duration of Trip in the United Republic of Tanzania

Table 2.5 indicates that 96.8 percent of the visitors coming to the United Republic of Tanzania stayed for not more than 28 days. The majority of visitors fell within the '8 – 28' nights category, representing 61.7 percent followed by those in the '4 – 7' nights category, representing 29.2 percent. The '1 – 3' nights group accounted for 5.9 percent, whereas those who spent 29 nights or more accounted for only 3.2 percent.

Table 2.5: Visitors By Nights Spent in the United Republic of Tanzania

S/No.	Nights Spent	Number of Visitors	Percent
1	1 – 3 nights	315	5.9
2	4 – 7 nights	1,572	29.2
3	8 – 28 nights	3,319	61.7
4	29 – 91 nights	158	2.9
5	92 – 365 nights	17	0.3
Total		**5,381**	**100.0**

Comments by Visitors

Most of the visitors (82.8 percent) indicated to have been satisfied with the services that were offered by the tourism establishments, the beauty of the country and the friendliness of Tanzanians. Details of the visitors' comments are depicted in table 2.6.

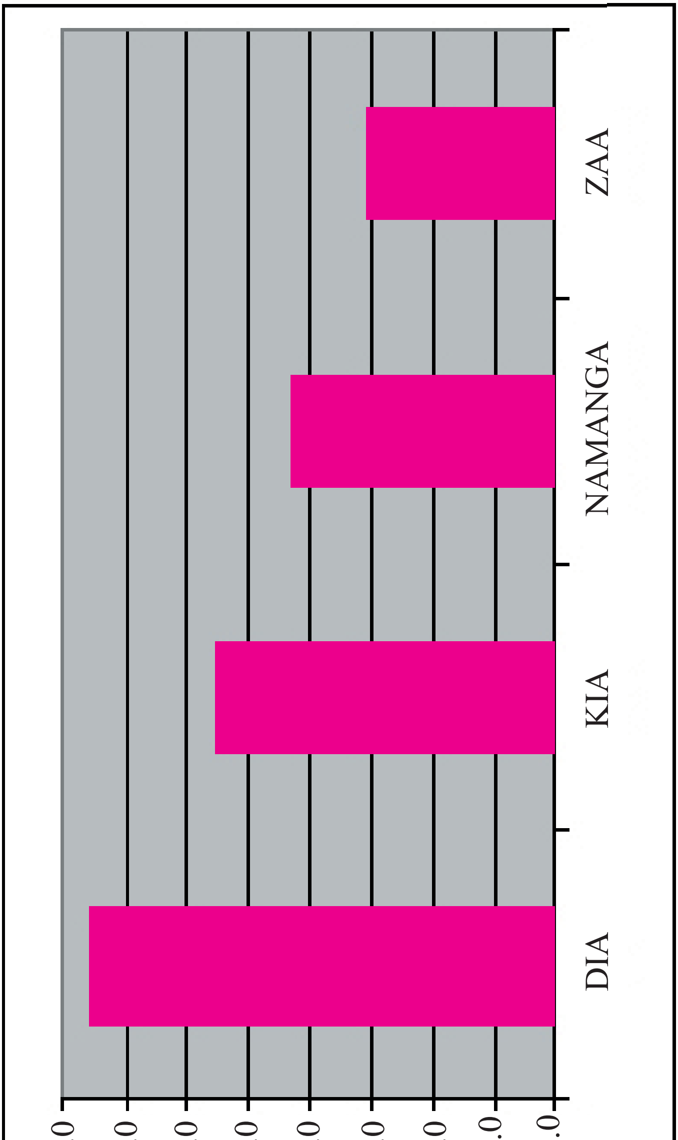
Table 2.6: Visitors' Comments

Comment	Visitors	Percent
Good Service	2038	37.1
Wonderful Country	1,342	24.4
Friendly People	1,174	21.3
Improve infrastructure	246	4.5
Poor toilet facilities in parks/camps/ streets	189	3.4
Improve financial transactions in Hotels/parks	132	2.4
Slow/poor customer service	119	2.2
Flycatchers/vendors are annoying	96	1.7
Slow airport procedures	65	1.2
Improve security	53	1.0
Lack of information on tourist attractions	24	0.4
Too many tips demanded	24	0.4
Total	**5,502**	**100.0**

Departure Points

Figure 2.3 shows that, of the total recorded visitors, 37.3 percent departed via J. K. Nyerere International Airport (JKNIA), whereas 27.0 percent departed via Kilimanjaro International Airport (KIA). About 20.7 percent departed via Namanga, while 15.0 percent left the country via Zanzibar Airport (ZAA).

Figure 2.3: Visitors By Departure Points



ANALYSIS OF THE RESULTS 3

INTRODUCTION

In this chapter, an analysis of the results is made by focusing on the visitor profiles, travel behaviour and expenditure patterns. Also, an estimation of tourist expenditure for 2004 is made. As in the previous survey of 2001, the analysis is limited to visitors from the top 15 source markets who stayed in the country for 28 nights or less. This is because, as depicted in Table 2.1(a), visitors from the top 15 source markets constituted about 86.3 percent of all visitors while those who stayed for 28 nights or less accounted for 96.8 percent as shown in Table 2.6.

Visitors by Sex

Table 3.1 shows that out of 4,636 visitors from the top 15 countries, 2,457 were males, accounting for 53 percent of the total visitors and the remaining 2,179 were females (47 percent). The results further reveal that all countries, with the exception of the Netherlands, Norway, Israel and Japan, showed the same pattern of male dominance in their travel arrangements. The results further show that there were more male visitors from the United Kingdom and the United States of America who came for holidays and business, unlike the Netherlands, where female visitors who came for leisure and holidays dominated.

Table 3.1: Proportion of Visitors by Country of Residence and Sex

S/N	Country of Residence	Male	Female	Total visitors
1	United Kingdom	533	395	928
2	United States of America	381	365	746
3	Netherlands	318	375	693
4	Germany	242	168	410
5	South Africa	170	127	297
6	France	142	130	272
7	Spain	140	123	263
8	Australia	94	91	185
9	Canada	90	86	176
10	Switzerland	96	75	171
11	Norway	61	65	126
12	Israel	52	53	105
13	Japan	41	50	91
14	Belgium	51	38	89
15	Italy	46	38	84
	Total	**2,457**	**2,179**	**4,636**
	% of Total	**53.0**	**47.0**	

Visitor Profiles

The survey results portrayed a number of visitor profiles. Among important attributes to examine are visitors' age compositions, purpose of visits and visitors' countries of usual residence (source markets).

Visitors' Age Composition and Purpose of Visit

Table 3.2 shows the purpose of visit by age groups of interviewees. Whereas the majority of business visitors were aged 36-55 years, most visitors who came for leisure and holidays were in the 18-35 age group.

Table 3.2: Interviewees by Purpose of Visit and Age Group

Purpose of Visit	Age group	% of Total	Number of Interviewees
Business	< 18	0.3	1
	18-35	30.8	98
	36-55	55.0	175
	55+	13.8	44
	Sub-Total	100	318
Leisure & Holidays	< 18	0.5	12
	18-35	42.6	998
	36-55	37.2	873
	55+	19.7	462
	Sub-Total	100	2,345
Visiting Friends and Relatives	< 18	1.5	2
	18-35	49.6	65
	36-55	30.5	40
	55+	18.3	24
	Sub-Total	100	131
Others	18-35	46.9	15
	36-55	34.4	11
	55+	18.8	6
	Sub-Total	**100**	**32**

Table 3.3 indicates that the majority of respondents were aged between 18 and 55 years (the economically active age group) with a combined percentage of about 80 percent. Japan, the United States of America and Australia recorded the highest proportion of senior citizen visitors (55+) who accounted for about 55 percent, 37 percent and 30 percent, respectively. The visitors from Spain and South Africa took the lead in the'18-35' and '36-55'age groups, respectively. Using this

information, tourism stakeholders are urged to make more focused marketing strategies. For countries that recorded highest senior citizens, particularly Japan, the United States of America and Australia, efforts should be geared towards attracting much younger visitors (between the age of 18 - 55). On the other hand, for countries like Italy, Spain, France and South Africa, strategies should be set to encourage aged visitors (55 +). The overall marketing policy should be to get diversified age groups in all countries. This calls for a holistic approach in maintaining the existing market while expanding to new markets.

Table 3.3: Interviewees by Country of Residence and Age Groups

S/N	Country	Age group				
		% of <18	% of 18-35	% of 36-55	% of 55+	Total interviewees
1	United Kingdom	0.0	44.5	38.9	16.6	524
2	USA	0.7	23.8	38.2	37.3	416
3	Netherlands	0.7	47.7	38.4	13.2	302
4	Germany	0.5	53.2	32.7	13.7	205
5	France	0.0	56.4	36.2	7.4	137
6	South Africa	0.0	31.4	60.6	8.0	149
7	Australia	0.0	33.6	36.0	30.4	114
8	Spain	0.0	62.3	30.7	7.0	125
9	Canada	0.0	34.0	41.7	24.3	103
10	Switzerland	1.3	42.9	41.6	14.3	77
11	Norway	1.5	24.6	44.6	29.2	65
12	Japan	0.0	28.3	16.7	55.0	57
13	Israel	3.5	47.4	24.6	24.6	60
14	Belgium	0.0	51.7	34.5	13.8	29
15	Italy	0.0	44.0	52.0	4.0	50
	AVERAGE	**0.5**	**41.7**	**37.8**	**19.9**	**2413**

Purpose of Visit

The survey results as depicted in Table 3.4 show that in all 15 countries, the majority of the visitors (90.0 percent) came for holidays. The countries that dominated in bringing in more visitors for leisure and holidays in 2004 include Israel (98.1 percent), Switzerland (97.1 percent) and Spain (94.7 percent). On the other hand, visitors who came for business accounted for 6.0 percent of visitors captured in the survey. South Africa had the highest proportion of business visitors accounting for 16.2 percent of all the visitors. As for visitors who came to visit friends and relatives, Germany and Canada had 11.0 percent and 6.8 percent, respectively.

Both the 2001 and 2004 survey results underline the importance of leisure and holiday visitors to the Tanzanian tourism industry. Similarly, the survey results continue to depict the small share of business visitors. In view of these developments, the tourism stakeholders should ensure that expectations of holiday makers are met by, among other things, further improvement of services offered to holiday makers. In addition, deliberate measures should be taken to develop and promote conference tourism.

Table 3.5 shows the percentage distribution of departing visitors by point of departure. Among the four major departure points, JKNIA handled about 37.6 percent of all visitors from the top 15 source market countries, followed by KIA, NAM and ZAA by 24.9, 23.3 and 14.3 percent, respectively. The majority of visitors from Belgium, Germany and Norway used JKNIA, while most of the visitors from USA and Canada used KIA. On the other hand, visitors from Japan and Australia used NAM, whereas, visitors from South Africa and Italy mainly used Zanzibar Airport.

Table 3.4 Purposes of visit to the United Republic of Tanzania in Percentage

Country/Purpose	UK	USA	Netherlands	Germany	South Africa	France	Spain	Australia	Canada	Switzerland	Norway	Israel	Japan	Belgium	Italy
Business	5.8	5.8	2.7	5.6	16.2	7.4	2.7	8.1	9.7	0.6	7.9	1.0	6.6	1.1	8.3
Holiday	89.4	90.8	94.5	82.2	81.5	92.6	94.7	87.6	83.0	97.1	85.7	98.1	93.4	93.3	86.9
Others	0.3	0.8	0.4	1.2	1.0	0.0	2.3	0.0	0.6	0.0	4.0	0.0	0.0	0.0	1.2
VFR	4.4	2.7	2.3	11.0	1.3	0.0	0.4	4.3	6.8	2.3	2.4	1.0	0.0	5.6	3.6
Total (%)	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

The observed pattern shows that JKNIA takes the lead essentially because of being located in the major commercial city of the country. Besides visitors who come for leisure and holidays, the airport also handles visitors who come for business. The rest of the departure points handled mainly leisure and holidaymakers.

Table 3.5: Country of Residence by Departure Point in Percentage

S/N	COUNTRY	DIA (%)	KIA (%)	NAM (%)	ZAA (%)	Total Visitors
1	United Kingdom	36.0	22.0	19.3	22.7	928
2	USA	21.6	52.0	20.5	5.9	746
3	Netherlands	46.9	16.5	21.9	14.7	693
4	Germany	58.0	23.9	12.7	5.4	410
6	South Africa	27.9	24.9	2.0	45.1	297
5	France	36.4	21.3	30.9	11.4	272
8	Spain	39.9	16.7	21.7	21.7	263
7	Australia	25.9	7.0	56.8	10.3	185
9	Canada	25.6	43.8	23.9	6.8	176
10	Switzerland	50.3	33.3	10.5	5.8	171
11	Norway	55.6	14.3	16.7	13.5	126
13	Israel	30.5	25.7	36.2	7.6	105
12	Japan	7.7	19.8	69.2	3.3	91
14	Belgium	60.7	22.5	3.4	13.5	89
15	Italy	40.5	29.8	3.6	26.2	84
	Average	**37.6**	**24.9**	**23.3**	**14.3**	

Travel Arrangements

Table 3.6 shows that most visitors preferred the package travel arrangement to the non-package one, particularly visitors from the Netherlands, Spain, Japan, the United States of America and France. Among the top 15 source markets, Norway had the majority of visitors who used the non-package travel arrangement. On average, the package travel arrangement accounted for a significant 65.0 percent. This is partly explained by the fact that, the package arrangement simplifies decision-making and reduces uncertainties on the part of the visitor.

Table 3.6: Proportion of Visitors by country of Residence and Travel Arrangement

S/N	Country of Residence	Travel Arrangement		
		% of Non Package	% of Package	Total Visitors
1	United Kingdom	31.6	68.4	928
2	United States of America	25.9	74.1	746
3	Netherlands	21.6	78.4	693
4	Germany	43.9	56.1	410
5	South Africa	38.0	62.0	297
6	France	26.8	73.2	272
7	Spain	21.7	78.3	263
8	Australia	27.6	72.4	185
9	Canada	29.5	70.5	176
10	Switzerland	40.9	59.1	171
11	Norway	58.7	41.3	126
12	Israel	43.8	56.2	105
13	Japan	23.1	76.9	91
14	Belgium	40.4	59.6	89
15	Italy	44.0	56.0	84
	Average	**35.0**	**65.0**	

Most of the payments made under the package tour arrangement are pre-paid in the visitors' home country before travelling. In that regard, the agreement is reached between the local tour operator and visitor's travel agent in the source country in relation to cost, mode of payment and programme of the package. This arrangement is a common phenomenon in international tourism. Despite the prevailing assumption that destination countries tend to lose out when payments are made in the visitor's country, it is presumed that funds are remitted to the destination country to cater for payment of services provided and business expansion.

Table 3.7 shows that most visitors on business, VFR and other purposes tended to travel on a non-package arrangement. On the other hand, the majority of holidaymakers came under the package tour arrangement. The same pattern had been observed in the comprehensive survey of 2001.

Table 3.7: Proportion of Visitors by Travel Arrangement and Purpose of Visit

Travel Arrangement	Purpose of Visit (%)			
	Business	Leisure and Holidays	VFR	Other
Package Tour	2.9	73.6	5.2	15.3
Non Package	97.1	26.4	94.8	84.7
Total (%)	100	100	100	100
Total Visitors	**410**	**4,702**	**210**	**59**

Average Length of Stay

The survey results depict three categories of length of stay in the United Republic of Tanzania, Tanzania Mainland and Zanzibar.

Table 3.8 portrays visitors' average length of stay in the United Republic of Tanzania during the peak tourist season. The visitors from Belgium had the highest combined average length of stay of 15 nights, followed by Australia, Canada, and Italy which had a combined average of 14 nights each. Likewise, Belgium had the highest average length of stay under a non-package tour of 17 nights, followed by Italy with 15 nights. Under the package arrangement, the highest average length of stay was 14 nights, recorded by the United States America, Netherlands, Australia and Canada.

For the top 15 countries, the average length of stay for a non-package and package tour was 13 and 12 nights, respectively. The combined average length of stay for the United Republic of Tanzania was 12 nights.

Table 3.8: Average Length of Stay of Visitors to the United Republic of Tanzania

	Country	Non-Package Visitors' country average	Package Visitors' country average	Combined country Average
1	United Kingdom	14	13	13
2	USA	13	14	13
3	Netherlands	13	14	13
4	Germany	14	13	13
5	South Africa	10	9	9
6	France	11	11	11
7	Spain	10	11	11
8	Australia	14	14	14
9	Canada	13	14	14
10	Switzerland	12	13	13
11	Norway	13	12	13
12	Israel	14	7	11
13	Japan	7	6	7
14	Belgium	17	12	15
15	Italy	15	12	14
	Average	**13**	**12**	**12**

Comparing these results with the 2001 survey results, the highest combined average length of stay increased from 14 nights recorded by Germany to 15 nights recorded by Belgium. Likewise, under the non package tour, the highest average length of stay increased from 15 nights recorded by Italy, Germany, Belgium and Sweden to 17 nights registered by Belgium. Under the package tour, the highest average length of stay in the United Republic of Tanzania increased from 12 nights recorded by Germany and Norway to 14 nights recorded by USA, the Netherlands, Canada and Australia.

In considering the top 15 source markets, the average length of stay for a non-package tour remained the same at 13 nights, while the package visitors' average length of stay increased from 10 to 12 nights. The combined average for the 15 countries increased from 11 to 12 nights. Generally, these results indicate that the length of stay, particularly under the package tour, increased in 2004 compared with 2001. This is partly due to the improvement in tourist services and the availability of more tourist products.

Table 3.9 presents the average length of stay for visitors who visited Tanzania Mainland. The highest combined average length of stay was 13 nights recorded by the United Kingdom, the Netherlands, Germany and Belgium. Under the non-package tour, the highest average length of stay was 16 nights by Belgium followed by 14 nights recorded by the United Kingdom and Germany. Under the package tour, the average length of stay was 13 nights recorded by the United States of America followed by 12 nights recorded by the Netherlands, Germany and Canada.

For the top 15 source markets, the average length of stay was 11 nights and 10 nights for the non-package and package tour, respectively.

Table 3.9: Average Length of Stay of Visitors to Tanzania Mainland

	Country	Non-Package Visitors' country average	Package Visitors' country average	Combined country Average
1	United Kingdom	14	11	13
2	USA	12	13	12
3	Netherlands	13	12	13
4	Germany	14	12	13
5	France	9	9	9
6	Spain	8	9	8
7	Canada	11	12	12
8	Australia	12	11	11
9	Switzerland	10	10	10
10	South Africa	9	7	8
11	Norway	9	10	9
12	Japan	7	6	6
13	Israel	11	7	9
14	Belgium	16	10	13
15	Italy	13	9	11
	Average	**11**	**10**	**11**

Table 3.10 presents the average length of stay for visitors who toured Zanzibar during the peak tourist season. The combined country average for Zanzibar is 7 nights. Likewise, visitors under the package travel arrangement recorded an average of 7 nights, while non-package visitors spent an average of 8 nights. The survey results further show that visitors from the United Kingdom and the Netherlands spent the highest average of 10 nights under the package arrangement, while the lowest average length of stay was 5 nights, recorded by visitors from Austria. On the other hand, Italy had an average of 7 nights.

Regarding non-package visitors, the United Kingdom had the highest average of 13 nights, while the lowest average length of stay was 4 nights, recorded by visitors from Norway. As in the previous survey, the length of stay in Zanzibar in the 2004 survey was lower compared with that of Tanzania Mainland. This is mainly attributable to the difference in the size of the Mainland compared with that of the Island.

Expenditure Analysis

This analysis forms the basis for estimating total visitor expenditure, where the expenditure model was used. The model's input includes average visitor expenditure per country of residence, the purpose of the visit and average length of stay, also by country.

The results show that the highest average package expenditure per night was recorded by visitors from Switzerland (US$ 265), followed by the United States of America (US$ 254). This is in line with the high income level in these countries.

Table 3.10: Average Length of Stay of Visitors to Zanzibar

	Country	Non-Package Visitors' country average	Package Visitors' country average	Combined country Average
1	United Kingdom	13	10	12
2	Netherlands	9	10	9
3	Germany	11	8	10
4	USA	6	6	6
5	South Africa	6	7	6
6	Spain	7	6	6
7	France	8	5	7
8	Australia	7	6	6
9	Norway	4	7	6
10	Belgium	6	7	6
11	Canada	5	6	6
12	Switzerland	8	4	6
13	Italy	10	7	9
14	Sweden	8	7	8
15	Austria	9	5	7
	Average	**8**	**7**	**7**

For the non-package visitors, the highest average expenditure per night per person was US$ 190 recorded by Spain, followed by South Africa with US$ 169. As in the 2001 survey, the average expenditure for the package visitors was higher than the non-package visitors. For the top 15 source markets, the average expenditure per night per person for the package visitor was US$ 188, while it was US$ 119 for the non-package visitor. This is explained by the fact that a package is an organised programme with more certainty, as one knows in advance what to expect. The certainty justifies a premium, so that in most cases well-to-do holiday travellers prefer package arrangements.

Expenditure analysis is done on the basis of whether a tourist is on a non-package or package arrangement. The package cost includes a round trip ticket to the destination and some other items, such as, accommodation, ground transportation, park fees and some meals. Also, the package cost includes overhead costs of the wholesaler that markets and sells the package abroad. Accordingly, to arrive at the amount that ideally accrues to Tanzania, the estimated costs of the flight, commission and overheads of a wholesaler were deducted from the total package cost. It is expected that the remaining portion of the package cost is transferred (immediately or later) to a tour operator in Tanzania, so as to meet the cost of the goods and services that the visitor consumes while in Tanzania. Also, a package visitor pays for some of his/her expenses directly in Tanzania, e.g. purchase of souvenirs, drinks, etc.

Table 3.11:Average Holiday Visitor's Expenditure Per Night: (Top 15 Source Markets)

	Country	Average Package Expenditure (US$)	Average Non-Package (US$)
1	United Kingdom	213	116
2	USA	254	140
3	Netherlands	157	91
4	Germany	162	76
5	South Africa	170	169
6	France	236	74
7	Spain	207	190
8	Australia	170	116
9	Canada	210	136
10	Switzerland	265	124
11	Norway	174	113
12	Israel	177	95
13	Japan	108	98
14	Belgium	124	128
15	Italy	190	111
	Average	187.8	118.5

Estimation of Tourist Receipts to Tanzania, 2004

Using the survey results, specifically the average expenditure and the package/ non-package visitor proportions for each purpose of visit, together with tourist arrivals for 2004 from the Immigration Department, it was possible to estimate tourist receipts for the year. The model estimates that Tanzania received US$ 746,016,731 from tourism activities in 2004, out of which Zanzibar earned US$ 71,284,780.

Comments By Visitors

Most of the visitors were impressed with Tanzania as one of the unique tourist destinations. About 83 percent of the total visitors were satisfied with the good service rendered by tourist establishments, the beauty of the country and the friendliness of Tanzanians.

It is worth noting that since the last survey there have been marked improvements in services and tourism products. For example, a number of new hotels of international standard and tour operators have been established. Moreover, roads leading to the tourist attractions like Mikumi, Ngorongoro and Bagamoyo have been rehabilitated. Also, a tarmac road has been constructed from Dar es Salaam through Mkapa Bridge to Mtwara, thereby opening up the southern tourist circuit.

Moreover, the Ministry of Natural Resources and Tourism (MNRT) and other stakeholders have developed an interim curriculum, which is currently being used by Tourism Training Institutes in the country. This has resulted in the improvement of tourism service delivery. On the other hand, the Zanzibar Commission for Tourism (ZCT) has introduced Tourism Auxiliary Police to ensure the safety of tourists.

Furthermore, there has been development in the diversification of tourism products. For example, beach tourism has been developed in Zanzibar, Bagamoyo, Mafia, Kilwa and Mtwara. Other tourism products that have been promoted include Eco-tourism and Cultural tourism.

Despite the above developments, some visitors indicated that there is a need for further improvements in the infrastructure, public facilities, e.g. toilets in parks/camps/streets and financial transactions. Although there has been an improvement in financial transactions attributable to the liberalisation of the financial sector, a number of tourists still complained that it was difficult to use credit cards in some of the hotels.

CONCLUSION AND RECOMMEND 4

CONCLUSION

This report concludes the International Visitors' Exit Survey that was conducted for two weeks during the tourist peak season (July to September). The survey had the following objectives:

- To provide up-to-date price information for estimating tourist expenditure in Tanzania in order to improve the compilation of the National Accounts and Balance of Payments statistics (BOP).

- To collect information for tourism promotion and macro-economic policy formulation.

The survey has been a success as it has met both its objectives. Using the model that was developed in the 2001 International Visitors' Exit Survey, and updated price information obtained from the 2004 survey, it is estimated that Tanzania's tourist earnings for 2004 were US$ 746,016,731, out of which, Zanzibar's earnings were estimated to be US$ 71,284,780.

Recommendations

- **Ministry of Natural Resources and Tourism**
  - ❑ The Ministry of Natural Resources and Tourism together with the Zanzibar Commission for Tourism

should sustain the existing source markets and explore new markets in Asia, the Middle East and South America. As a way of stepping-up effective promotion of Tanzania as a tourist destination, the Government should increase the budgetary allocation to boost the promotion efforts.

- Given the dominance of the package tour arrangement in the tourism industry and difficulties in ascertaining the earnings accruing from this arrangement, the Government in collaboration with TTB and Tanzania Association of Tour Operators (TATO) should step up efforts in establishing systems that will avail market information. In addition, it should also organize training that will improve negotiation skills of local service providers.

- In order to increase the number of business visitors, conference tourism should be developed and promoted. Moreover, conference organisers should ensure that prepared programmes incorporate enough shopping and sight seeing schedules.

- The Government should encourage tourist establishments to accept the use of international payment facilities such as credit cards.

- The Government should continue with the current efforts of improving the infrastructure, particularly roads leading to tourist attraction areas and airports.

- **Tanzania Tourist Board**
  - In order to enhance promotion, TTB should lead a co-ordinated strategy through our diplomatic missions. Also, in collaboration with the Tourism Confederation

of Tanzania (TCT), it should establish more tourist information centres with up-to-date information to all strategic places including major entry points.

- **Private Sector**
    - Given the fact that the majority of tourists are young people (aged 18- 35 years), tour organisers should promote services that attract this group, such as water sports, discotheques, local sports and social programmes.

- **Immigration Department**
    - Due to the importance of immigration statistics for estimating tourist earnings in Tanzania, the Government should provide the Immigration Department with adequate financial resources for the production of statistics. These funds should be allocated for data processing, purchase of computers, transportation of cards from entry points to the processing centre and capacity building.

    - The Immigration Department should strengthen its Statistics Unit by allocating more staff and provide logistical support to facilitate timely delivery of the cards from all entry points.

APPENDIX

INTERNATIONAL VISITORS' SURVEY

INTRODUCTION

We hope that your stay in Tanzania was a pleasant one and a rewarding experience. Before you leave, we kindly request you to respond to this questionnaire as accurately as you can. The information you give will help us improve and develop our tourism industry. The Ministry of Natural Resources and Tourism, the National Bureau of Statistics, the Bank of Tanzania, the Immigration Department and the Zanzibar Commission for Tourism are jointly carrying out this survey.

FOR OFFICIAL USE:

CODE NUMBER: ....

NAME OF ENUMERATOR: ....

DATE:...............................SIGNATURE:..........................

INTERNATIONAL VISITORS' EXIT SURVEY

1. Nationality ……………………….Country of usual residence ……………………
2. Age Group *(tick)*

< 18	18 – 35	36 – 55	55+
[ ]	[ ]	[ ]	[ ]

3. Main purpose of visit to Tanzania
   - Business [ ]
   - Leisure and Holidays [ ]
   - Visiting Friends and Relatives [ ]
   - Other (please specify)................................ [ ]
4. Did you use package tour?
   - Yes [ ]
   - No [ ]

   If 'NO' go to question 8.
5. Items included in your package tour *(tick)*
   - International transport [ ]
   - Accommodation [ ]
   - Internal transportation [ ]
   - Sightseeing/excursion/game activities [ ]
   - Other (please specify) .... [ ]
6. Total number of nights in the package tour INCLUDING nights spent in other countries .... [ ]
7. Total cost of the package tour:
   Currency .... [ ]

8. Number of nights spent in:
   Zanzibar ☐ Tanzania Mainland ☐

9. Number of people in your group including children and yourself whose expenditure is on one account.
   Females ☐ Males ☐

10. How much money in total did you spend in Tanzania during this trip?*(please give your best estimate in case you do not remember exact figures)*
    Currency...

11. Please give breakdown of your expenditure in Tanzania on the following;

    Accommodation:
    Currency ....
    (include food and drinks paid as part of accommodation)

    Transportation *(include organised tour):*
    Currency...

    Shopping:
    Currency...

    Others *(please specify)*............................
    Currency...

12. Your comments and/or recommendations on services rendered to you. ....
....
....

Thank you for your co-operation and for choosing Tanzania as your destination. Have a pleasant journey.