DISCUSSION DRAFT

DEVELOPING TOURISM IN BOTSWANA : PROGRESS AND CHALLENGES[1]

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3 EXECUTIVE SUMMARY

A Case for Tourism in Botswana

Apart from its diamonds, Botswana's major competitive advantage is its diverse and abundant wildlife and natural resources, including the renowned Okavango Delta and Chobe River Plains in the North to the Kalahari Desert in the South. These resources are sought after by international tourists and compliment the global trends towards greater environmental awareness and the need to experience nature in its pristine state.

Tourism has played a very significant role in the national economy and society, accounting in 2002 for an estimated share of 5% of GDP or about 8% of non-mining GDP. By comparison, the sector is already more important to Botswana than it is to many well known tourist destinations, such as South Africa. In addition, tourism in Botswana has a substantial potential for further growth. Given the country's current dependency on mining and the increasing pressure on employment creation, tourism is particularly well suited as a priority sector for economic diversification. Industry participants, both in Botswana and abroad, agree that:

- The country's unique and abundant natural resources provide it with an immediate advantage in the tourism sector;
- The sector is based on personal service and is employment intensive;
- Basic hospitality skills are not difficult to acquire and with pro-active training the local workforce could become actively involved in the industry since tourism provides career and employment opportunities across the spectrum, from semi-skilled to highly skilled management levels;
- Barriers to entry are relatively low and emerging tourism entrepreneurs require limited capital to enter the industry;
- Should the industry be managed effectively, economic leakages could be contained and most tourism products and services could be supplied locally;
- The benefits of tourism could be spread widely at a variety of geographical locations, with the result that foreign tourist expenditure accrues directly to a multitude of local service providers rather than being captured by a limited number of producers through a rigid distribution chain, as is the case in mining and often in manufacturing.

However, the industry is highly competitive as travel and tourism are discretionary expenditure items and travelers are constantly confronted by a wide range of tourism opportunities at destinations across the globe. The ever increasing network of global air services provides travelers with easy access to most parts of the world. Many destinations have recognized the potential of tourism and are vying aggressively for the growing global tourism market.

Sustainable tourism growth will require a firm commitment, substantial investment and strategic leadership from the government, so as to improve it competitiveness in the global tourism arena.

Why it is opportune to consider a fresh approach

The analysis indicates that Botswana tourism arrival figures have been declining during the past three years, especially from lucrative overseas tourism markets. The implications of such declines for job-creation, economic growth and foreign exchange earning are substantial, especially since the trend is most marked in the high revenue holiday travel segment of the market.

Various reasons could be cited for this declining trend, among others:

- Global events such as 11/9, SARS and the Iraq War have stifled global travel and global tourism has not performed well during the past three years;
- The poor economic conditions in key markets, e.g. the weakening US Dollar and slow economic recovery in Germany;
- The political instability in neighbouring Zimbabwe, which is closely linked to Botswana and is part of a regional travel circuit that includes Victoria Falls, Chobe, Okavango, Namibia and Cape Town.
- The focus on "low volume-high cost" tourism, which has contributed to a perception in the marketplace that Botswana is an expensive tourism destination.

Botswana should take urgent steps to defend its market share and reverse the declining market trend from further impacting on employment and economic growth. It has already been proven that "business as usual" will not do the job.

According to the World Tourism Organization (WTO) signs of a global tourism recovery are evident and it is expected that tourism arrivals will start picking up during the next year or two. Botswana should be poised to capitalize on the tourism growth that will result from, among others:

- The expected global tourism and economic recovery;
- The development and promotion of a network of transfrontier conservation areas in Southern Africa;
- The expected improvement in the situation in Zimbabwe within the next few years;

- The World Soccer Cup to be hosted in South Africa in 2010.

Key Issues to be addressed

Strategic Vision There is an urgent need for a clear, market driven tourism strategy that directs the future marketing and development of key tourism attractions towards greater diversification and market expansion. Such a strategy may imply substantial government investment (e.g. road development and upgrading, airstrip improvements, provision of accommodation in parks, etc.) to make tourism areas and attractions more accessible and appealing to a wider range of potential tourist segments. It should be noted that such a strategy in no way implies the dilution of the wilderness brand or any action that may detract from the exclusive, remote wilderness experience available in Botswana. By effectively planning, zoning and managing parks and wildlife management areas -- in accordance with market requirements -- a substantial spectrum of visitors could be attracted and satisfied.

Current frameworks and practices in tourism do not fit into a focused competitive strategy that provides the basis, unique positioning and critical requirements as cornerstones for a winning, sustainable tourism industry in Botswana. The existing approach is primarily supply driven and does not give due recognition to demand trends, market scope and variations of various market segments. The importance of a market-oriented approach to tourism development is increasingly recognized as the global tourism marketplace matures and tourism consumers become increasingly more selective, with many travel choices on offer and competition among tourism destinations constantly on the rise. Such a market-oriented approach is particularly relevant in view of recent global events that have led to a slow down in global travel and increased competition among destinations.

The current state of affairs in tourism may be indicative of the benign neglect that the industry has experienced in the past. So far, the Government has not given the tourism sector the priority and resources it would require to successfully reach its full potential in terms of employment generation and economic diversification.

Infrastructure at Top Tourist Attractions The Chobe and Moremi Parks are the principal national tourism attractions, which together account for more than 90% of the primary market segments. But an adherence to the low volume / high value approach to tourism, coupled with limited budgetary allocations, have led to an under-investment in essential facilities and infrastructure development. Mounting pressure is being placed on the existing and limited infrastructure of these parks (and in particular Chobe) by the increase in day visitors and guests of the fast developing lodge industry located around the parks in Kasane and Maun. This issue is of particular concern since Botswana's overall tourism growth, as well as the economic development of the northern region, is largely dependent on the ability of these key Parks to accommodate and sustain growth in the number of visitors.

Demand for Botswana's wildlife tourism products has increased substantially during the past 10 years, both as a result of a greater awareness of Botswana as a destination and the major growth of the Southern Africa tourism circuit. As a result tourism in and around Kasane and Maun has shown rapid growth. The tourism demand in these areas has resulted in significant increases in accommodation and other facilities, all of which are dependent upon the parks and wildlife areas for their existence and growth. As an example the number of available bed-nights in Kasane grew by 61% between 1998 and 2003.

These developments have placed major pressures on the parks infrastructure, as many visitors to Chobe and to a lesser extent Moremi stay in Kasane and Maun outside of the Parks and enter the Parks as day visitors, requiring an optimal wildlife experience within a limited time space. Large proportions of these day trippers are from market segments other than the off-road, self travel camping market and do not have access to 4-wheel drive vehicles. They make use of mobile tour operators who ferry them into the parks for morning, afternoon or day trips. As a result specific areas such as the Chobe riverfront section and limited areas of Moremi face major pressure during specific periods of the year and times of the day. The number of day visitors brought into the Chobe National Park rose by 360% between 1998 and 2003, from 4 333 to 15587.

It is apparent that the parks infrastructure in the major parks has not been planned and/or adapted to accommodate the changing market trends. The sustainable expansion of tourism will be largely dependent upon effective visitor management and the provision of infrastructure and facilities to accommodate these pressures. This is particularly relevant to the Chobe National Park, since it receives almost two-thirds of Botswana's parks visitors and the majority of day visitors.

Air Transport Air access is of critical importance to Botswana's future tourism growth. Of particular importance is the ability to attract the high yield overseas markets and to develop a wide range of secondary tourist attractions throughout the country. The majority of overseas travelers wish to access the country by air, mostly through connections through South Africa, and the availability and cost of flights have a major influence over their travel choices and itineraries. As of now, however, almost all of the industry participants consider Air Botswana's monopoly in Botswana's air transport, and the resulting high air fares and limited availability, as a major constraint for tourism development.

Air Botswana is Botswana's only designated scheduled airline, with the Botswana Government as sole shareholder. The skies over Botswana are managed through a series of bilateral agreements with countries who receive Air Botswana flights or whose airlines provide flights to Botswana. Currently no airline flies directly between Botswana and any overseas destination and overseas visitors to Botswana have to enter Southern Africa through Namibia, Zimbabwe or South Africa.

The bilateral agreement with South Africa has an important influence over air access, frequencies and prices to Botswana, as South Africa is the major entry point to the region for overseas visitors. Until recently the bilateral agreement provided for a single airline designated airline of each country to fly between the two destinations and allowed a single entry point for each country. This meant that, in the case of South Africa only SA Express could fly between South Africa and Botswana and only enter the country at Gaborone, while only Air Botswana (which in any case is the only designated airline in Botswana) could fly between Botswana and South Africa and only enter via Johannesburg. This agreement provided these two airlines with the total air transport market between South Africa and Botswana. Furthermore, Air Botswana is also the only designated airline to fly internal routes within Botswana. The result has been limited airline capacity on the route, high prices and all visitors having to connect to Botswana in Johannesburg and back to South Africa via Gaborone.

Within the country, access to secondary tourist attractions, including the Central Kalahari, the Western Delta, the Pans and the Kgalagadi, remains under-developed and restricted, confined to small scale chartered flights, often offered as part of all inclusive tour packages. In spite of the availability of a large number of airfields located around the country, air transport distribution networks with internal "hub and spoke" arrangements for independent travelers have not become a reality.

Range of Tourism Products Other than the Okavango Delta and the Chobe River Plains, the rest of the attractions in the country remain under-developed or unknown and thus do not attract a large number of visitors. There is considerable scope for enhancing and enriching the visitor's experience. The cultural heritage attractions, for instance, are currently value-adders to the wildlife experience. Nonetheless, there are some unique cultural attractions that could be offered as primary attractors. The most unique cultural resource is the San / Basara lifestyle and heritage, which is globally unique and valued. The Batswana culture and lifestyle could complement the wildlife experience and add a further dimension to the tourism visit, but it is not well developed as yet and would be a complementary rather than a primary attraction. Other resources such as the urban shopping and conference facilities on offer in Gaborone are important attractions for the local and regional tourism market segments that demand urban experiences and entertainment.

The lesser frequented and lesser known conservation areas such as the Central Kalahari National Park, the Kgalagadi Transfrontier Park, the Makgadigadi and Nxai Pans, etc. offer excellent scope for broadening the range of experiences to the Southern and Central parts of the country and some innovative proposals in this regard are contained the Draft Tourism Development Framework (2001).

Service Quality Given Botswana's goal of promoting a high quality and high value brand in tourism, the service quality which permeates all aspects of a visitor's experience is of crucial importance. Most of the industry leaders interviewed, however, have cited the lack of a well-trained and motivated service labor force as a major impediment to tourism growth. While the availability and quality of skills training for the tourism sector has improved during recent years and various practical and vocational hospitality and guide training courses are offered by technical colleges, industry leaders have been unanimous in their verdict that the quality of skills produced and applicability of the training remain inadequate. Private operators have indicated that they would be able to provide more jobs to local residents if they had access to a well trained and equipped work force.

The Way Forward

Strategic Positioning Botswana's African wilderness status and icons are clearly the brand assets that differentiate the destination from its competitors. These assets have huge emotional appeal to the growing global tourism market that is increasingly in search of enriching experiences by exploring new horizons. The Okavango Delta, the elephants of the Chobe and the San culture are highly marketable brand icons that contribute to the mystique and celebrity status of the destination. Among the implications for exploiting this brand positioning are:

> The true "wilderness" experience and resources should be protected at all costs. Visitor pressures are mounting in areas such as Chobe and Moremi and unless these are subjected to proactive planning and controls the industry could loose its wilderness advantage. This could achieved by the public and private sectors agreeing on an holistic tourism development strategy that diversifies the natural resource base and infrastructure so as to accommodate various market segments, without detracting from the quality of their experiences. This may entail appropriate zoning of conservation and wildlife management areas into high density, moderate density and remote wilderness zones and providing the required infrastructure to accommodate the requirements of a variety of

"wilderness-seeking" market segments. A one-size-fits-all strategy could dilute the brand value and tourism potential of the country.

The Department of Tourism and the newly appointed Botswana Tourist Board should develop a strong, differentiated brand positioning that is supported by the private sector and that communicates a clear and strong brand essence, brand values and emotional pull, with an underlying wilderness theme that communicates the message of visitors "being touched by the un-touched". The brand message(s) and brand personality of the destination should be clearly communicated through visual marketing materials, public relations and media messages.

The destination should capitalize on its central location within the region and its proximity to South Africa, which could provide visitors to the sub-continent with a unique blend of true wilderness, spectacular scenic beauty, cosmopolitan city and beach resort experiences within easy reach on each other. The recently introduced direct flights between Cape Town and Maun bode well for this vision and should be promoted as best possible.

Destination Marketing With a strategic position firmly in place, there is a need for a clear marketing strategy that will direct the future marketing focus of the Tourism Board and will inform Botswana's overall tourism policy and development thrust. The marketing strategy should preferably be a component of an overall competitive strategy and should clearly define the various target market segments with regard to their profiles, preferences and their tourism decision and purchasing patterns. It should furthermore clarify Botswana's brand essence and personality and how such a brand should be applied and projected. Based on the profiles and preferences of target markets the strategy should propose an appropriate marketing mix (i.e. which experiences/products to be marketed to which target markets, through which promotional methods and via which channels) and provide an implementation framework with cost and budget estimates over a three-year period.

The Board should invest in a portfolio of high quality marketing materials that visually reflect the brand and that speak to the needs of the various target markets. These should include an overall "teaser" marketing brochure; a travel map that indicates the road conditions, air routes, attractions and relevant contact details and a travel guide that contains information on places, routes and experiences. The materials should form the basis of any marketing drive and should be commissioned and directed by the Tourist Board, possibly in collaboration with the private sector. Various other special interest theme brochures (e.g. birding, culture, archaeology, etc.), video/DVD materials could be added in time. The current Internet Page should be upgraded to reflect the brand identity and marketing strategy.

The independent, self drive component of the international tourism market is growing continuously and the Botswana tourism sector should develop the required infrastructure and marketing packages to capitalize on this segment of the market. By using the main travel routes as "spines" and developing travel "loop" options of varying duration and length around them, including the lesser know areas and attractions, the country will become increasingly popular with independent travelers. Various thematic experiences such wilderness and wildlife, local cultural interactions, heritage and ecotourism niche experiences (e.g. birding, archaeology, fishing and outdoor activities) could be packaged as part of the independent travel routes. The development of this market segment will also allow opportunities to rent out equipment and for community entrepreneurs to provide services and activities along the routes.

Should the Board agree to advance a strategy that is aimed at the independent traveler who is keen to explore and like to make their own arrangements, it would be important to upgrade and add to the existing tourism information infrastructure. While tourism information offices exist at the major airports and tourism towns, these are poorly equipped, stocked and branded and are in urgent need of improvement. In view of the recent introduction of direct flights between the tourist areas of Maun and Cape Town it would be advisable for Botswana to establish a marketing and information office in Cape Town, which is a major tourism entry point to Southern Africa, particularly for the South Africa-Botswana tourism circuit.

Upgrading the Top Attractions Both the Okavango Delta and the Chobe River Plains are national treasures that warrant the stewardship of best leadership and managerial talents the country can afford.

The Chobe area is in urgent need of a Public-Private-Community tourism initiative that will bind the Government, Private Operators and the Local Community into agreements and commitments towards the long term, sustainable management of tourism and wildlife in the area. Such an initiative should be based on an acceptable and agreed tourism development plan for the area, which is in accordance with market requirements and contains a clear tourism vision, positioning and development framework for the area. The plan should also address Chobe's location and positioning in the regional context, being located at the juncture of 4 Southern African countries and the tourism opportunities and threats associated with this location. It should also look into avenues of improving access and facilities for self-drive tourists.

It is believed that at the time of writing this report the Department of Tourism was about to commission a management plan for the Okavango Delta. While it is not clear whether this plan will incorporate the Moremi Game Reserve, the initiative should be commended and its speedy completion and implementation supported. In addition to management proposals for the core Delta area, such a development plan should ideally consider:

- The role and positioning of the Maun area (including the core Delta, the panhandle, Moremi and areas to the West such as Tsodilo Hills) within the overall tourism strategy of Botswana;

- The impact of future visitor growth on the Moremi Reserve and specific development proposals for the sustainable visitor management of the Reserve. Similar to Chobe, such proposals could include visitor zoning, according to which certain areas of the Moremi are opened up and developed to accommodate higher numbers of day visitors; proposals for tented visitor accommodation inside the park, etc.

- The potential of Maun as a major entry point and distribution hub for visitors to areas other than the Delta, e.g. the Central Kalahari, the Makgadigadi and Nxai Pans, the areas to the west of the Delta, the Savuti and Chobe area, etc.

- The development requirements in Maun and the areas mentioned above in order to make them more easily accessible and user friendly.

Given the need to spread Botswana's tourism appeal across a wider spectrum of market segments (in particular the self-drive market) the possibility of upgrading some of the gravel access roads to and within the parks (e.g. from Maun to Moremi, between Chobe and Moremi and within certain, specially zoned sections of the parks) so as to allow easier access for self-drive travelers, should be investigated. The potential impact of such road improvements should be thoroughly investigated and the appropriate roads should be selected with great care so as not to dilute the wilderness brand. Such upgrades should be accompanied by infrastructure improvements in the selected high density areas of the parks so as to accommodate increased visitor flows in a sustainable manner.

The proposed Kazungula Bridge that will connect Botswana, Zambia and Zimbabwe through a singular access point will be a major asset for the region and it should be pursued with urgency, as it will greatly improve the attractiveness of a regional travel circuit that offers some of the best wildlife and wilderness experiences in the world.

In addition, tourist safety and overall cleanliness of the main holiday tourism centers (particularly Maun and Kasane) should be addressed.

Improving Air Access The agreement with South Africa towards open skies should be welcomed and is of critical importance to the successful expansion of the tourism industry. Improved service levels, flight frequencies and price reductions will only become a reality when greater competition is allowed on air routes into Botswana. Flight costs between overseas destinations such as Europe and the USA and South Africa are a major cost component and additional high airline costs to Botswana place the Botswana tourism circuit out of reach for a large section of travelers. Every effort should be made to reduce flights costs and improve the availability of seats from various points in South Africa and Botswana. Progress made with the phased agreement towards open skies between the two countries should be closely monitored, so as to ensure that it gets implemented within the agreed time frames, if not sooner.

Airports are vital links in the tourism value chain, but their success is dependent upon the synergy they achieve with other elements in the value chain. The expansion of runways and airport facilities in towns such as Maun and Kasane will not be sustainable unless the national parks and conservation areas that provide the real reason for visitors to fly to these centers are improved and upgraded to accommodate the larger number of customers ferried in through the airports.

Large airplanes are a major source of noise and air pollution and proper environmental impact assessments should be conducted before final decisions are taken regarding the location and scope of expansions. This point is particularly relevant to Kasane, where the flight path to the current airport location is across the Chobe National Park. The impact on the wildlife and the overall nature experience of large jet aircraft flying across the park may be severe and may be detrimental to efforts in promoting the wilderness brand.

The successful diversification of tourism towards the lesser frequented tourism areas of the Central Kalahari, the Western Delta, the Pans and the Kgalagadi will be substantially enhanced through affordable and easy air access. The Botswana Government owns a large network of airfields located across the country and the improved utilization of these airstrips towards facilitating the spreading of visitors to lesser frequented areas should be investigated. The possibility of these airstrips being utilized as sub-stations for feeder routes from distribution hubs in Maun and Kasane could improve the fast and effective movement of tourists across the country. It would also tie in well with the proposals contained in the Tourism Development Framework and could provide flexible travel options for the independent traveler.

The implementation of an internal "hub and spoke" distribution strategy will require a well coordinate effort between the transport and parks authorities, so as to ensure that the parks and wildlife attractions are geared to receiving the increasing number of visitors. The potential role of Air Botswana as an internal tourism feeder airline from hubs such as Maun and Kasane to a variety of smaller airstrips across the country should also be investigated. It may be appropriate the launch a pilot program in association with private operators and Air Botswana to test the feasibility of such a system.

Broadening the Range of Tourism Products It is recommended that the Government should embark on a cultural tourism development initiative that will research and identify cultural tourism opportunities to be implemented by local communities. It will require a concerted intervention by the Government in partnership with private operators and local community leaders. A special program could be launched to manage and fund applications and provide training to local citizens who wish to pursue them. Two specific areas of opportunity could be considered:

- The development of cultural attractions and experiences in proximity to major tourism zones such as Gaborone, Kasane and Maun. These could include organized tourism visits to local residential areas and interaction with locals; local restaurants and catering; local craft markets where tourists are able to purchase and bargain for goods; visits to traditional villages; specially developed cultural villages that are operated by locals and where tourists are able to experience and participate in local culture such as music, dancing, storytelling, dress codes, etc. These attractions could add much value to the overall tourism experience and provide local communities with opportunities to participate in tourism. Such developments are currently lacking and could add character and value to towns such as Maun and Kasane as tourism distribution hubs.

- The development of the San cultural heritage. The ancient San culture and heritage is one of the most unique but sensitive cultural phenomena in the world. The San interpretation of the natural wilderness and their ancient traditions such as their rock art offer a potentially unparalleled tourism experience. Areas such as Tsodilo Hills and the Central Kalahari offer potentially exceptional experiences in this regard. It is recognized that tourism may have significant social impacts on isolated local communities and the development of San culture for tourism purposes should be well researched and carefully managed, in association with the relevant communities.

Improving Service Quality Botswana's high quality wilderness brand will only succeed in the long run if it is based on excellent service quality and a culture of true hospitality. Consideration should be given to the establishment of a dedicated hospitality and tourism college for the country and the feasibility of such a facility should be investigated. Such a college should be aimed at attracting and producing the highest quality of students that have the potential to grow into management positions in the industry. It could be operated as a working hotel or lodge in which case it should be benchmarked against and/or affiliated to the best of similar facilities worldwide. The curriculum could contain a blend of global hospitality and tourism requirements and skills that are particularly relevant to the local industry, e.g. environmental management, off-road driving, wilderness guiding, etc.

In addition, there is a need for grading system for hospitality enterprises, as required by the Tourism Act (1992). Given Botswana's wilderness brand it may be appropriate to investigate a unique tourism grading system that draws on international best practice but gives special recognition to environmental and wilderness quality of products on offer. Various private operators (e.g. Wilderness Safaris) have introduced their own, unique classification systems to differentiate their product and these could possibly contribute to a suitable national tourism standards system that compliments the brand.

Establishing partnerships The recent announcement of the first National Tourism Board is a step in the right direction, allowing for a more flexible operating environment and for external parties to advise on the tourism direction of the country.

Actions and policies implemented in Botswana's Parks and Conservation Areas will always have a major, determining influence over the future tourism prospects of the country and it is therefore crucial that the DWNP should be an active and key partner in the formulation and implementation of the national tourism strategy, the DWNP and the Botswana Tourism Board should consult each other on a regular basis and the Government should manage its budget allocation and investment in the DOT and the DWNP as a holistic package, within a commonly agreed tourism development strategy so as to promote maximum synergy between tourism and conservation.

The conclusion of a formal partnership agreement should be considered between the Government and the Private Sector (through HATAB), which could include funding cooperation through a dedicated Tourism and Conservation Management Fund, funded through realistic levies charged at all tourism points such as parks, mobile tour operators, hospitality establishments, etc.

The planned network of Transfrontier Conservation Areas as promoted by the Peace Parks Foundation (the Kgalagadi Transfrontier Park between Botswana and South Africa is the first of these) has the potential to establish the largest circuit of interlinked wilderness areas in the world and Botswana should ensure that it capitalizes as best possible on this development. This will require the establishment of a strong, differentiating brand positioning in the region, the proactive development of air routes and competitive air access and the implementation of a seamless and hassle-free emigration system.

The establishment of local tourism associations is recommended, which are affiliated to HATAB and where local businesses can obtain membership and collaborate with the public sector on issues such as cleaning up and beautification of tourism towns, safety, infrastructural issues, community awareness and tourism information provision and reservations.

1 INTRODUCTION

1.1 Background

Botswana has identified tourism as one of the key sectors that could help diversify the economy beyond diamond mining in the last two National Development Plans. The Government has pursued low-volume-high-cost tourism. This is elaborated in the Botswana Tourism Master Plan (2000) and the Botswana National Ecotourism Strategy (2002).

Apart from the outstanding wildlife and wilderness in the north of Botswana, the country offers undiversified natural tourist attractions. The limited level of development of the tourism sector suggests that there may be under-utilized potential.

Preliminary investigations and Visitor Surveys have revealed supply side constraints that could impinge efforts to expand the tourism sector. Such identified barriers include high costs; poor service levels; immigration and customs constraints at some border posts; poor airport facilities and services; lack of direct flights from Maun and Kasane; the perceived lack of tourist information facilities, etc. Inadequate facilities in tourists areas (national parks and game reserves), such as public camp sites with toilet facilities, and shortages of observation hides, picnic sites and game viewing roads, is also an apparent weakness for the tourism sector. Poor services are sometimes provided because of a lack of training and service skills are limited in all areas e.g. crafts, supervisory, management and guiding.

1.2 Scope and Objectives

The overall objective of this study is to review current tourism policy and potential in Botswana and to provide actionable recommendations.

More specifically the consultant is tasked to conduct the following tasks:

(a) Sector Update

- Provide a brief sector update, including production levels, prices and domestic and inward investment. Assess data availability in light of the new Tourism Satellite Account (designed as a new instrument in measuring the relative importance of tourism).

(b) Demand and regulations

- Assess the impact and effectiveness of the marketing strategy for Botswana tourism.
- Assess factors inhibiting movement of people / tourists: customs / visas,

etc, into the region and into Botswana.

- Prices: to what extent have currency fluctuations and levels had an impact on demand? To what extent have pricing policy / practice had an impact on demand? Provide cost-comparisons over time with South Africa's regional competitors.

- How compatible and sustainable is the concept of high value low volume tourism with growth in this sector? How viable is an integrated strategy of low value high volume from the point of view of natural resource conservation and management?

- How beneficial and desirable is it to market and sell tourism packages as a region (SADC) than as country? Is it possible to develop strategies on the basis of regional products based on commonly accepted services? What has been the progress in implementing the SADC tourism protocol in Botswana, in particular in developing regionally comparable and accurate standards?

- What are the experiences of other countries which relied on scenic beauty and cultural tourism? In particular, provide recommendations on how to increase the duration of visits to Botswana.

- What is the role for domestic tourism?

(c) Domestic policy environment

  - Assess any major constraints in the domestic business environment for tourism companies.
  - Examine the impact of existing incentives offered to inward investors and producers and provide regional comparisons.

(d) Supply and competitiveness:

- Use available data and interview information to build up a (possibly preliminary) picture of the main cost items and the supply and value chain for tourism companies

- Infrastructure: How adequate are transport networks and services and tourism facilities?

- How could Botswana diversify its tourism products - including beyond seasonal products?

- Manpower: What are the options available for manpower development to develop Tourism as a career option for citizens? What are the parameters on the basis of which a comprehensive tourism training plan can be developed and implemented in collaboration with specialized institutions in other countries?

– Natural Resources:

  - Land use: To what extent is land use a constraint to tourism? What is the most appropriate institutional framework to reduce conflict over land use between humans and wild life? Is there a trade-off between conservation and sustainable growth?

  - Assess access policy to wildlife resources. Is there a conflict between allowing private citizen access alongside 'exclusive' private operators? Provide guidance based on the experience of private reserves in South Africa. Are there conflicts between indigenous communities and tourism?

(e) Tourism Impacts

– Assess the impact on the poverty reduction and the labor market of tourism development. What is the impact on local communities and linkages to other sectors of the economy?

(f) Provide detailed and actionable policy options, including recommendations for further analysis, technical assistance and next steps.

1.3 Methodology

The study was commissioned by the World Bank in association with The Botswana Institute for Development and Policy Analysis (BIDPA). The following methods were applied:

– Desktop analysis of available policy and strategy documents, tourism statistics and other research information supplied by BIDPA, the Botswana Department of Tourism, other government departments in Botswana, private businesses, etc. (see List of References);

– A field visit during the period 1 – 10 November 2004, including visits to Gaborone, Maun and Kasane;

- Structured questionnaire interviews with private sector tourism operators in Botswana and South Africa (see Annexure A);
- Personal interviews with senior officials in various relevant government departments and statutory agencies (see Annexure B).

1.4 Acknowledgements

The study team would like to thank BIDPA for their extremely efficient assistance and arrangements in ensuring the success of this study.

2. TOURISM WITHIN THE BROADER ECONOMIC CONTEXT

2.1 Economic Overview

During the past 30 years Botswana has emerged as one of the most impressive performers in Africa. Among others the country:

- Has the fourth largest Gross Domestic Product (GDP) in Southern Africa;
- Has the highest GDP per capita in Southern Africa;
- Has shown the highest annual GDP growth in Southern Africa during the past few years;
- Is economically stable, with a manageable and declining inflation rate, low external debt, a stable and strong exchange rate, a healthy balance of payments and excellent sovereign credit ratings;
- Is ranked the highest of any African country and 30th out of 133 rated countries on Transparency International's anti-corruption index.

However, the economy is poorly diversified and is heavily dependent on the mining sector, with Mining (mainly diamonds) constituting an estimated 36% of the GDP in 2001/2 and Government Services a further 16.9%. During this period Manufacturing represented only approximately 4.5% of GDP and Trade, Hotels and Restaurants 11.7%. Diamonds represented more than 83% of all classified exports during 2002 (The Economist Intelligence Unit Ltd., 2004).

While diamond mining has been the primary source of Botswana's economic welfare and the export value of diamonds has doubled between 1998 and 2002, the economic dependence on diamonds and the poorly diversified economy has major implications for sustainable, long term economic and social prosperity.

- Diamonds and other minerals are finite resources and increased diamond production is dependent upon the constant identification and development of new diamond deposits;
- The high economic dependence on diamonds makes the economy vulnerable to diamond price and demand fluctuations, as was evident during 2000/2001;
- Most importantly, diamond mining is not labour intensive and despite its major contribution to GDP it accounts for less than 5% of formal employment, resulting in a growing public sector employment burden with government institutions accounting for

43% of all formal employment in 2002. Unemployment is rising and was recorded at 20% during the 2001 census.

As a result the country has been investigating opportunities for economic diversification and employment creation. Among others the following factors should be taken into account in devising such as strategy:

- Botswana is prone to periods of severe drought and while livestock farming remains important to the rural economy and is the mainstay of Botswana's traditional and modern agricultural sectors, most of the agricultural sector could be considered marginal, with the result that economically active workforce has migrated to urban areas in large numbers;

- Government efforts and incentives to expand and diversify the manufacturing sector should be acknowledged; however growth has been slow and the sector accounts for only about 5% of GDP. The small size of the domestic market, shortage of serviced land, high rentals, utility and transport costs and relatively low labour productivity are barriers to expansion. The potential for developing a sustainable competitive advantage in manufacturing is questionable, given the market and labour advantages of competitors.

- Growth of the construction sector is dependent upon government expenditure and it is unlikely to become the catalyst for diversified growth; rather it could be a major employment creator and economic value adder on the back of other sectors.

- Financial Services has the potential to boost diversified growth and the government has done much during recent years to support the sector, but it requires a sophisticated telecommunications infrastructure, which currently lags behind required international standards.

2.2 The Tourism Sector in Relation to the Economy

Apart from its mineral resources Botswana's major comparative advantage is its diverse and abundant wildlife and natural resources. These range from the Kalahari Desert in the South to the world famous Okavango Delta and Chobe River Plains to the North. The Government has set aside more than 17% of all available land for National Parks and wildlife sanctuaries and a further 22% as wildlife management areas. These resources are sought after by tourists globally and strongly compliment the global tourism trend towards greater environmental awareness and the need to experience nature in its original state.

The tourism sector holds major potential for sustainable economic growth and job creation. During the period 1998 to 2002 the overall GDP grew at an average annual rate of 4.25 percent, while tourism arrivals grew from 794 544 to 1 036 558 at an average rate of 6.7 percent during the same period.

An economic impact study published by the Botswana Tourism Department in 1998 revealed that Tourism contributed between 3.2% and 4.5% to the GDP in 1997, depending on the method used for the calculation.

	Expenditure Approach	**Output Approach**
Tourism as % of GDP	4.5	3.2
Tourism as % of non-Mining GDP	7.0	5.0

Source: Department of Tourism, 1998

The economic impact study further assumed that tourism's share of total employment was the same as its share of GDP (estimated at about 4.5 percent), and that the total number of jobs generated by the re-defined tourism sector would be expected to be around 9,900 persons in 1997. This included both primary and secondary employment.

The majority of these jobs were provided in the Accommodation sector, followed by Social and Personal Services (which includes safari lodges), Wholesale and Retail Trade, and Transport. According to the CSO Labour Force Survey, the total number of persons employed in the Hotels sub-sector amounted to 3,318 in March 1997, of whom 1,557 were males and 1,761 were females. For responding establishments, the average number of employees per room was 1.69.

Comparing the figure of 3,318 persons employed in the accommodation sector (as given by the Labour Force Survey) to the estimated 9,900 employed in the overall tourism sector, the economic impact study estimated that 1.98 additional jobs were generated for each job in the accommodation sector.

Since tourism arrivals have increased at higher rates than the overall economic growth rate during the past six years, it is estimated that the sector's contribution to GDP has grown to more than 4.5%.

The Botswana Tourism Master Plan (2000) estimates that in 1997 travel accounted for P495 million representing 4.5% of total exports of goods and services. This made it the third largest exporter after diamonds (P7,654 million) and vehicles (P748 million). According to Visitor Arrival Statistics (Department of Tourism, 2004) tourism arrivals grew from 642584 in 1997 to 1 036 558 in 2002, an increase of 61%. If this growth factor is applied to the export amount it would bring tourism exports to P796 million in 2002. This represents 5.3% of total exports, which amounted to P14 983 million in 2002 (Economist Intelligence Unit, 2004). Given the demise of the vehicle manufacturing and export industry this made tourism the second largest export sector behind diamonds (P12 479 million of diamonds exported in 2002), followed by Copper-nickel (P482 m), Meat (P277 m) and Soda Ash (P268 m).

However, it is difficult to provide accurate economic impact figures for tourism, as the sector impacts across the economy and is not a separate item in the Standard Industrial Classification system. As such it is not clearly recorded in the national accounts. The World Tourism Organization (WTO) has devised a Tourism Satellite Accounting (TSA) system for tourism that extracts the value of tourism from the various sectors of the economy. The WTO is currently working with the Botswana Government (Department of Tourism) to devise such a TSA for Botswana. This will in time provide a more accurate reflection of Botswana's tourism contribution to the economy.

Nevertheless the relative importance of tourism to the Botswana economy and society becomes apparent when the Botswana tourism industry is benchmarked against the South African tourism industry, using the available figures from various studies and analysis, such as the economic impact study mentioned above. The following ratios indicate that tourism already plays a very significant role in the national economy and society when compared to South Africa, with high visitor to population ratios and a major contribution to GDP.

Indicator	**Botswana**	**South Africa**
Tourism as % of GDP	3.2% - 4.5%	3% - 3.5%
Population per Visitor (2001)	1.6	7.7
Population per Holiday Visitor (2001)	5.4	19.4

Sources: Botswana Department of Tourism (1998; 2004); SA Tourism (2002); World Travel and Tourism Council (2002)

There is no doubt that the sector has substantial expansion potential and that, given the dependence on mining and the rising unemployment levels in the country tourism is particularly well suited as a priority sector towards diversifying the Botswana economy, since:

- The country's unique and abundant natural resources provide it with an immediate advantage in the tourism sector;
- Barriers to entry are relatively low and emerging tourism entrepreneurs require limited capital to enter the industry;
- The sector is based on personal service and is employment intensive;
- Basic hospitality skills are not difficult to acquire and with pro-active training the local workforce could become actively involved in the industry;
- Should the industry be managed effectively, economic leakages could be contained and most tourism products and services could be supplied locally;
- The benefits of tourism could be spread widely as many tourism market segments spend money at a variety of geographical locations, with the result that foreign tourist expenditure accrues directly to a multitude of local service providers rather than being captured by a limited number of producers through a rigid distribution chain, as is the case in mining and often in manufacturing.

3 TOURISM POLICY AND LEGISLATIVE FRAMEWORKS

Given the generally accepted slogan that tourism should be “Government led and private sector driven” the Government has the responsibility of providing an environment that is conducive for private entrepreneurs to develop and expand their businesses. The Botswana Government’s tourism strategy is guided by various policy and statutory frameworks, of which the following are the most important:

Policy and Strategic Frameworks:

- Botswana Tourism Master Plan, 2000; (final Report);
- Tourism Development Framework, 2001 (Draft);
- Botswana National Ecotourism Strategy, 2002 (Final Report).

Statutes:

- Botswana Tourism Act, 1992;
- Botswana Tourism Regulations, 1996.

The following section provides a brief overview of the highlights contained in these documents.

3.1 Botswana Tourism Master Plan

The document is the result of an intensive planning process that stretched over two-and-a-half-years between 1997 and 2000 and provides a policy framework for tourism growth into the future. The Master Plan SWOT analysis identifies the following critical factors for future tourism development:

- Strengths - Wildlife and wilderness; Political and economic stability; Friendliness of people; Good physical infrastructure.
- Weaknesses – “Infancy” state of tourism development; Limited tourism awareness; Bureaucratic procedures; Weak tourism organization.
- Opportunities – Product diversification; Involvement of rural communities; Increase of industry standards; Development of domestic tourism.
- Threats – Unbalanced development; Negative socio-cultural impact; Regional political instability; Negative environmental impact.

The plan states various development objectives, including:

- Generation of employment for Batswana, particularly in rural and remote areas;
- Stimulation of the provision of other services and strengthening linkages with the broader economy;
- Increase of foreign exchange earnings;
- Enhancement of Government revenues;
- Improvement of the quality of life for the population through the provision of educational and recreational opportunities;
- Creation and improvement of a favourable image to the outside world.

It proposes four main strategic policy guidelines to address these objectives, namely:

- *Product diversification*: the document recognizes that any substantial development of tourism in Botswana requires the expansion of its product base, either by increasing existing capacities and/or adding new components. Various ideas are proposed, including the development of the parks in the centre and south of the country and the promotion of ecotourism (catchall category that includes natural aspects [scenery, geology, fauna, flora, etc.] and cultural, historical and archaeological appeal) that could be packaged as special interest experiences and themes.
- *Community/citizen participation*: the plan indicates that the diversification of the product base in rural and remote areas will support the active participation of communities in tourism, thus creating possibilities for employment and income. It will also open up opportunities Batswana to increase their participation in the productive ownership and management of SMME tourism enterprises.
- *Private/Public Sector Partnership*: according to the Master Plan the most significant tool for the strengthening of collaboration and partnership between the public and private sectors is the establishment of a national Tourist Board. Similar bodies exist in most destinations and their most important task is tourism marketing – however, the Board's activities could also include training, product development and voluntary grading.
- *Ecological/economic sustainability*: the document emphasizes the fact that a sound ecology is critical to the economic sustainability of

Botswana's tourism industry. Because tourism has a tendency to destroy or at least endanger its own assets, the protection and conservation of its natural environment is imperative.

The Master Plan evaluates a number of tourism development options, including low volume/high price; medium volume/high price; high volume/mixed price and modified high volume/mixed price. It concludes that a modified high volume/mixed price model would be the most appropriate, preferred option and that it would require the following actions:

- Maintain existing DWNP carrying capacity formulae in Protected Areas;
- Attract a mix of High Price/Medium Price/Low Price tourists to Protected Areas e.g. high price in Chobe and Moremi, medium/low price elsewhere including self-drive campers, overland groups and domestic tourists;
- Attract more visitors out of season;
- Maximise product and geographical diversification throughout the country to reduce dependence on wildlife-bases tourism, including tourism circuits around Gaborone;
- Develop special interest and ecotourism, including speciality tours – culture, history, archaeology, birding, etc.
- Exploit business opportunities for the tourism sector afforded by the Trans Kgalagadi Highway;
- Develop urban tourism: sport, music festivals/shows, conferences, school trips, etc.
- Develop Cultural and community based tourism;
- Develop domestic and intra-regional tourism.

The document briefly addresses marketing and makes specific proposals regarding tourism training and raising awareness. It concludes with institutional proposals for tourism advancement.

While the Botswana Tourism Master Plan provides a good overall direction for future tourism development in Botswana, it lacks a market orientation and practical implementation programmes. Therefore, the market viability and practical feasibility of proposals are not clear and it is difficult to assess the progress made since its publication.

3.2 Botswana Tourism Development Framework

The Tourism Development Framework (TDF) formed part of a WTO/UNDP

Support for Tourism Development Programme, set up to assist the Botswana Department of Tourism in implementing the Botswana Tourism Master Plan. The TDF is exclusively focused on continued product development and diversification of tourism in the Southern Areas of Botswana namely Ghanzi, Kgalagadi, the Central Districts and Gaborone. The document includes a range of innovative, long term proposals to expand tourism in the most underdeveloped tourism areas of the country. It focuses on 5 specific tourism development areas (Gaborone and surrounds; the East; The Pans; Central Kalahari and Southern Kalahari) and proposes specific concepts for these areas. In addition, five cross-cutting concepts are proposed to link these areas up, namely a network of tourism centres, the Kalahari Wilderness Trail; clustering of attractions into significant tourism zones and the establishment of ecological corridors to ease the movement of wildlife between protected areas. The proposed development concepts for each of the proposed development areas are as follows

Gaborone and Surrounds	Gaborone Discovery Trail Gaborone Mall Urban Design and Tourism Plan Gaborone Dam Tourism Development Plan
The East	The Tuli Block and Surrounds The Tswapong Region Francistown Discovery Trail
The Pans	Integrated Management Plan for the Pans Gweta Tourism Centre Site Development Zones The Kalahari Wilderness Trail Ecological Corridors
Central Kalahari	The Kalahari Wilderness Trail Site Development Zones Tourism Centres Ecological Corridors Road Development Tourism Awareness Recording Indigenous Knowledge
Southern Kalahari	The Kalahari Wilderness Trail

	Site Development Zones Tourism Centre Road Development Tourism Awareness

While the proposals contained in the document are innovative, future oriented and creative, the document i) does not take due cognisance of market demand patterns and the potential of the marketplace to sustain the proposals and ii) was formulated in isolation of the status and potential of the main Northern tourism areas of the Okavango and Chobe. Given the interrelatedness of tourism it would not be advisable to focus on the development of the Southern areas in isolation of the main tourism areas to the North.

3.3 Botswana National Ecotourism Strategy

Botswana has developed a National Eco-Tourism Strategy (NES) that views Eco-tourism as an enhanced travel package to Botswana's historical, cultural and natural environments, with the aim of enjoying and learning, and in so doing promoting the financial development of the local host communities, whilst sustaining the natural environment and developing the tourist industry. The Department of Tourism thus sees Eco-tourism as minimising the strain and disagreements caused by the complicated interaction between the tourism industry, visitors, the environment and local communities. Botswana National Eco-Tourism Strategy aims at ensuring tourism planning and management that:

- Minimises negative social, cultural and environmental impacts;
- Maximises the involvement in, and economic benefits to, host communities;
- Maximises revenues for re-investment in conservation;
- Educates both the visitor and the local people as to the importance of conserving natural and cultural resources; and
- Delivers a quality experience to tourists

The NES states 8 core objectives and a large number of actions that underpin these. The Objectives are:

- To ensure that the planning, development and management of tourism in Botswana is consistent with the concept of sustainability;
- To facilitate the development of economically-viable and affectively-managed ecotourism enterprises;

- To increase the number of Batswana meaningfully involved in, and benefiting from, the tourism industry;
- To promote marketing initiatives which support the sustainable development and diversification of the tourism industry in Botswana;
- To enhance the understanding of the concept of ecotourism among all stakeholder groups, and to raise awareness of the costs, benefits, opportunities and implications of ecotourism development for each;
- To facilitate the development of tourism infrastructure that minimizes negative impacts, maximizes the benefits of ecotourism and is sensitive to target market expectations;
- To promote consistently high quality ecotourism standards throughout the country's tourism industry in line with international target market expectations;
- To facilitate the development of Botswana's ecotourism industry through improved inter- and intra-sectoral co-ordination and collaboration.

While the document is based on sound principles and contains more that 20 sub-objectives and more than 120 specific action proposals, limited evidence could be found of the practical and programmed implementation of the ideas contained in the document.

3.4 The Tourism Act (1992) and Tourism Regulations (1996)

The Tourism Act provides for regulating the tourism industry with a view to promoting its development and well-being. It a) makes provision for the licensing of tourism enterprises and sets out the procedures in respect of applications for licenses, power of inspection, appeals, etc.; b) defines categories of tourism enterprises; c) makes provision for the introduction of a grading system for tourism enterprises; d) establishes a Tourist Industry Licensing Board; e) makes provision for the possible introduction of a training levy and the establishment of a National Advisory Council on Tourism.

The Tourism Regulations (1996) established the National Council on Tourism, specifies the requirements for a tourism license and hotel grading and lays down the license fees and training levies. The exact status of these documents is somewhat unclear as the regulations have since been amended to exempt certain categories of enterprises from licenses and to put the grading system on hold. Also, the new National Tourist Board has been appointed since.

In conclusion:

The Botswana Government has produced a range of high quality policy statement and development frameworks during the past decade. These frameworks have assisted in guiding the fledgling tourism industry forward and have generally been based on sound principles that have acknowledged the environmental value and vulnerability of the resource base.

However, the tourism policy environment and frameworks demonstrate a number of shortcomings of which the following are considered the most important:

- They are slanted towards a supply driven approach to tourism development and do not give due recognition to demand trends, market scope and demand variations of various market segments. The importance of a market oriented approach to tourism development is increasingly recognized as the global tourism marketplace matures and tourism consumers become more selective, with many travel choices on offer and competition among tourism destinations constantly increasing. Such an approach is particularly relevant in view of recent global events that have led to a slow down in global travel and increased competition among destinations.

- They do not fit seamlessly into a focused competitive strategy that provides the basis, unique positioning and critical requirements as cornerstones of winning, sustainable tourism industry in Botswana;

- While the various frameworks provide some excellent proposals these are not part of a clearly defined and prioritized implementation plan, with the result that it is difficult to gauge and monitor the success of the policies and strategies contained in them;

- While it is recognized that this study does not constitute an in-depth investigation and that it may not have taken into account all the available facts and information, the impression gained is that the Government has not given the tourism sector the priority and resources it would require to successfully implement the proposals and strategies contained in these tourism policy frameworks.

4 ASSESSMENT OF BOTSWANA'S TOURISM PERFORMANCE

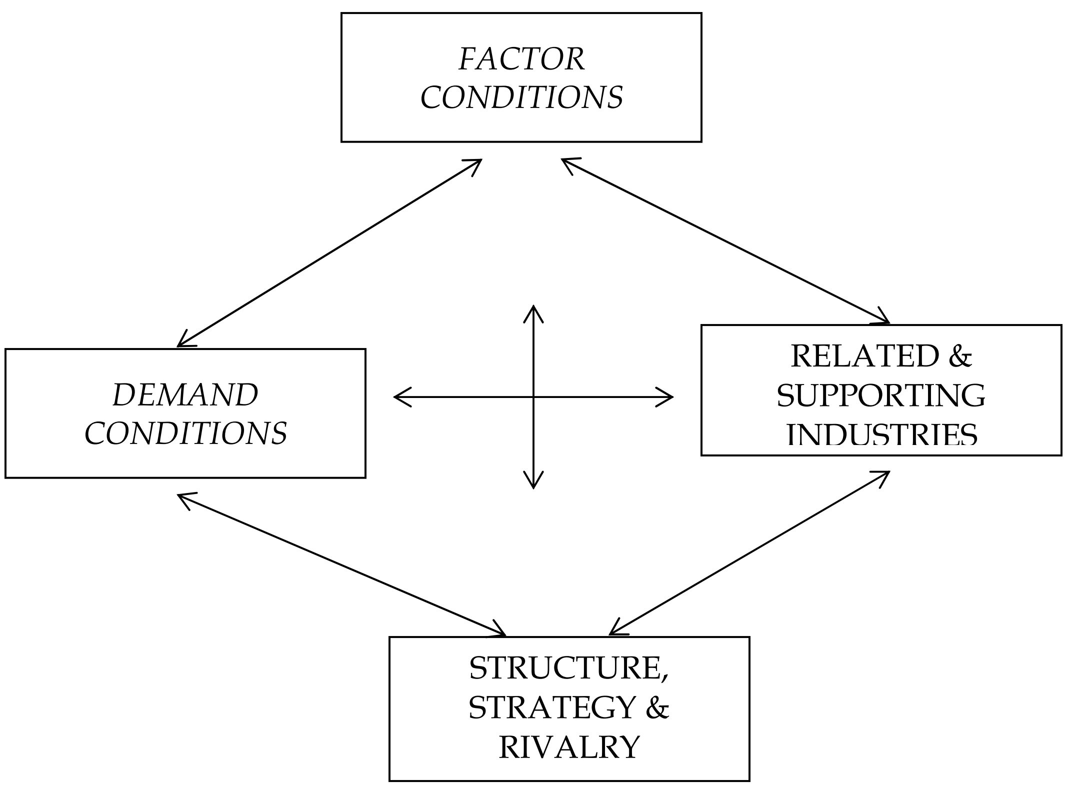
Botswana's performance and competitiveness as a tourism destination is assessed below, using Porter's national diamond as framework (see figure below). The key components of destination competitiveness are:

i) Tourism demand conditions, e.g. tourism growth trends, visitor patterns, market segments attracted and scope for expansion, etc.;

ii) Tourism Factor (supply) conditions, e.g. natural and cultural resources/attractions, man made attractions/activities, human resources and service levels and intangible resources such as brand identity and perception, safety and health perceptions, destination culture and acceptance of visitors, etc.

iii) Related and supportive industries, e.g. hospitality services, travel services, infrastructure providers, transportation services, conservation, security services, etc.

iv) Industry structure, strategy and rivalry, e.g. institutional alignment, price competitiveness, diversity of facilities and services, quality and standards, competitive maturity, technological astuteness, etc.



4.1 Tourism demand

Tourism is highly demand driven and the following section provides an overview of current and historical tourism trends.

4.1.1 Trends in global tourist arrivals and receipts

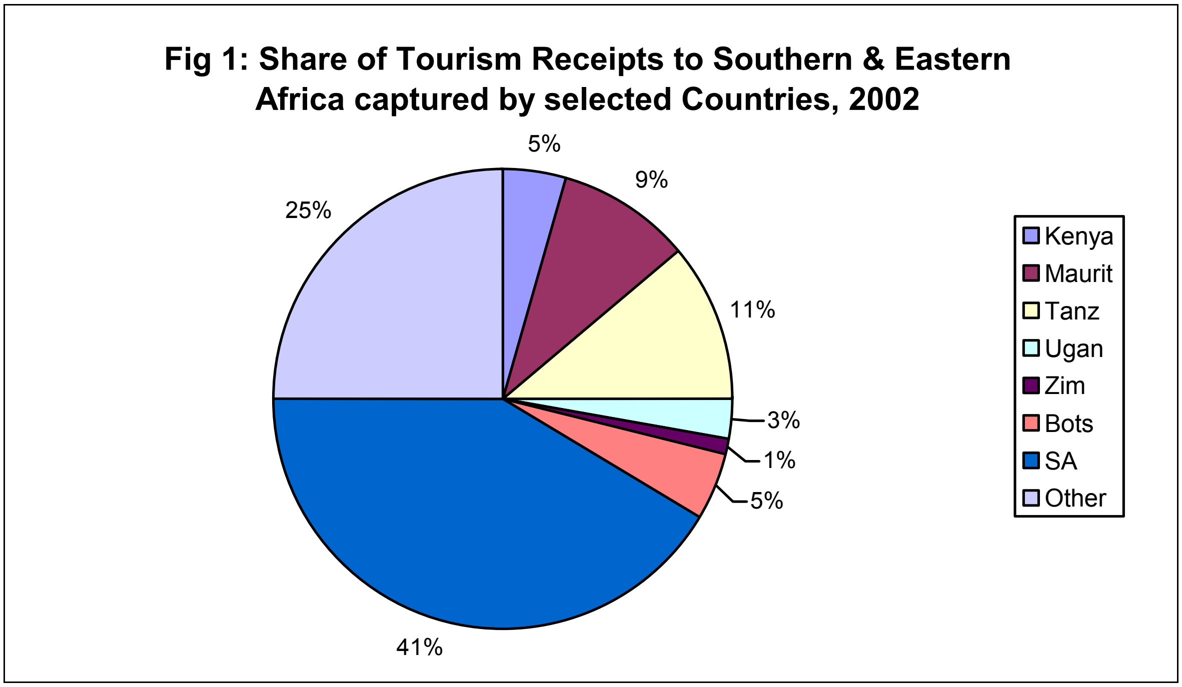
During 2002 global tourism receipts amounted to US$474.2 billion, making tourism the world's largest export industry (WTO, 2004). These receipts were divided as follows:

Europe	US$ 240.5 billion	50.7%
Asia and the Pacific	US$ 94.7 billion	20.0%
Americas	US$ 114.3 billion	24.1%
Africa	US$ 11.8 billion	2.5%
Middle East	US$ 13.0 billion	2.7%

Tourism receipts within Africa were divided as follows:

North Africa	US$3.8 billion	32.2%
West Africa	US$1.3billion	11.0%
Central Africa	US$0.12 billion	1.0%
East Africa	US$3.1 billion	26.3%
Southern Africa	US$3.5 billion	29.7%

Together, Eastern and Southern African countries received 56% of all tourism receipts to Africa and approximately 1.4% of global tourism receipts. The share of tourism receipts to Eastern and Southern Africa is divided as follows among the various countries in the region (WTO, 2004):

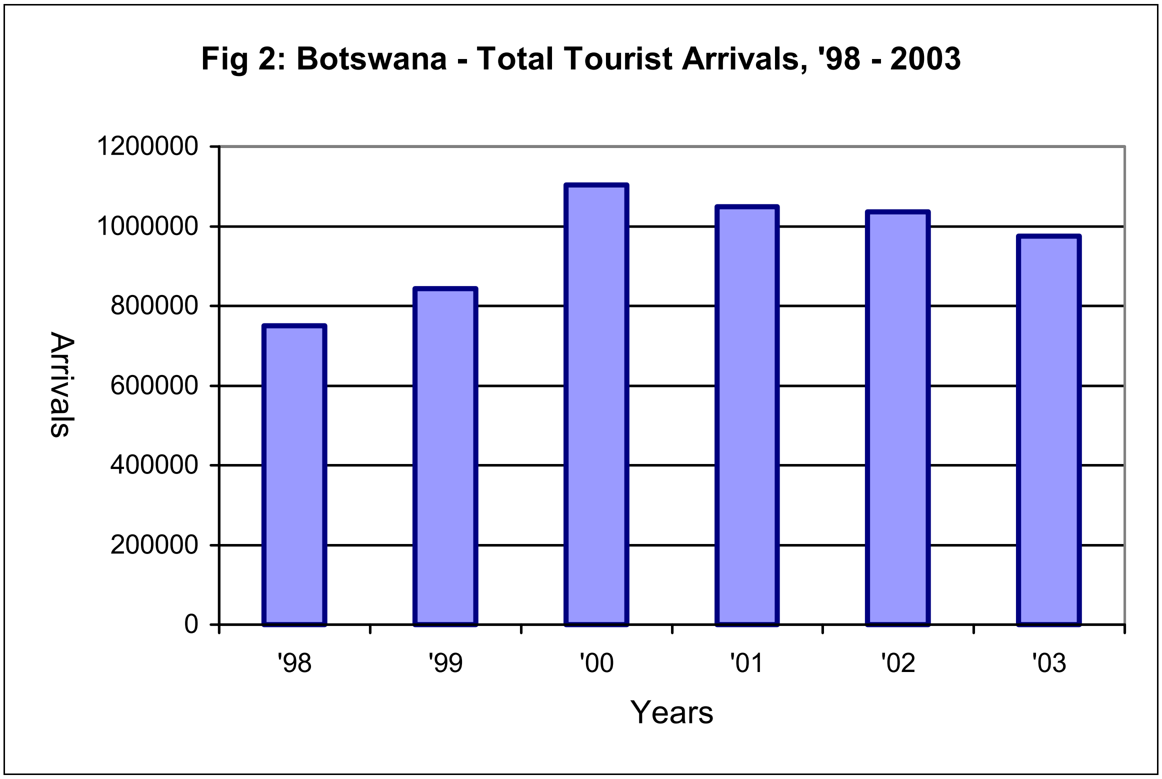


Source: World Tourism Organization, 2003

The graph indicates that South Africa is the largest tourism earner in the region with 41% of receipts followed by Tanzania (11%), Mauritius (9%) and Botswana and Kenya (5% each).

4.1.2 Trends in Botswana foreign tourism arrivals and receipts

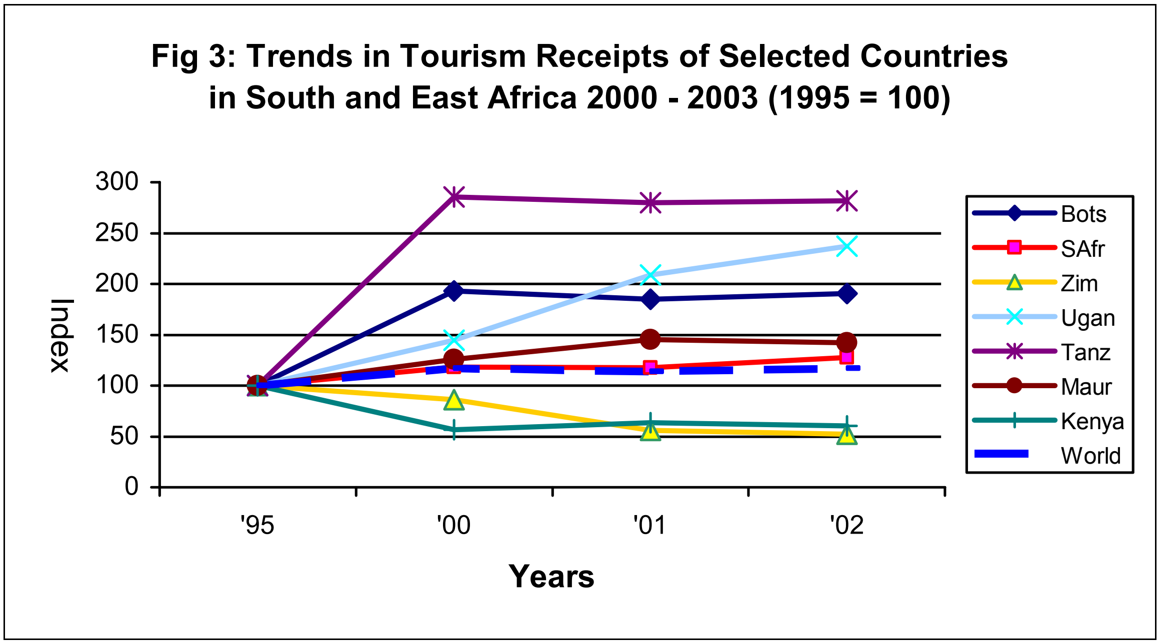
Figure 2 provides an indication of how tourism arrivals to Botswana have fluctuated during the 5 year period between 1998 and 2003. The significant growth in tourist arrivals during the late 1990's is clearly evident, but the consistent decline since 2000 is of serious concern.



Source: Botswana Department of Tourism, 2004

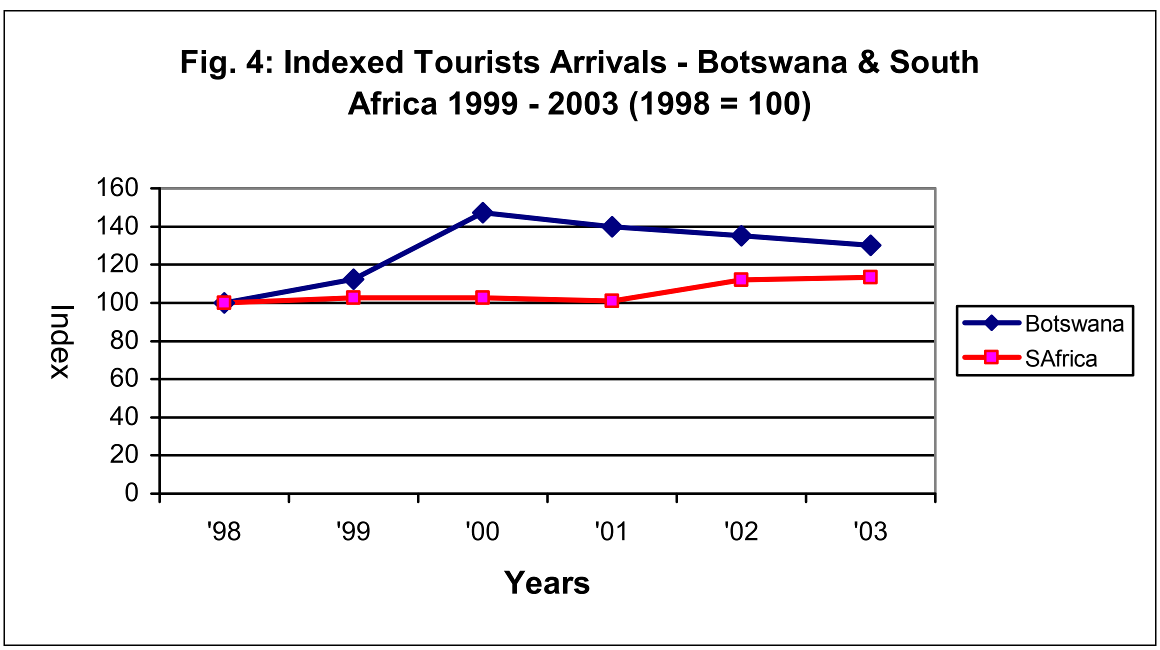
Comparisons (Figure 3) with various countries in Southern and Eastern Africa indicate that most destinations in the area have experienced limited growth or even moderate declines since 2000. The graph indicates that these growth trends are in accordance with global tourism trends, which have recently been in negative territory for the first time since the early 1980's. This trend is mainly the result of global events such as 11/9, SARS, global conflicts, etc.

The inverse growth relationship between the primary Wildlife destinations (Kenya-Tanzania and Zimbabwe-Botswana) is evident from the graph – between 1995 and 2000 Botswana and Tanzania grew significantly, while their respective neighbours, Zimbabwe and Kenya declined substantially. Since 2000 most of the selected destinations, (except Zimbabwe that had been declining significantly), have showed moderate declines or moderate growth trends, with Uganda being the exception with significant growth during this period, coming from a low base.



Source: World Tourism Organization, 2003

When comparing the above mentioned trend to that of South Africa, Figure 4 shows that, after Botswana's tourism growth had substantially outstripped that of South Africa between 1998 and 2000, it has been in decline since, while the South African industry has shown substantial growth in 2001/2 and moderate growth in 2002/3. This disparity in growth should be of some concern, as Botswana is closely related to South Africa and should be able to capitalize on South Africa's tourism successes.



Source: Botswana Department of Tourism, 2004 and SA Tourism, 2004

4.1.3 *Purpose of visit*

In order to analyse the above mentioned trends it is important to distinguish between the types of travelers that are included in the definition of a tourist. Three broad categories could be distinguished, namely:

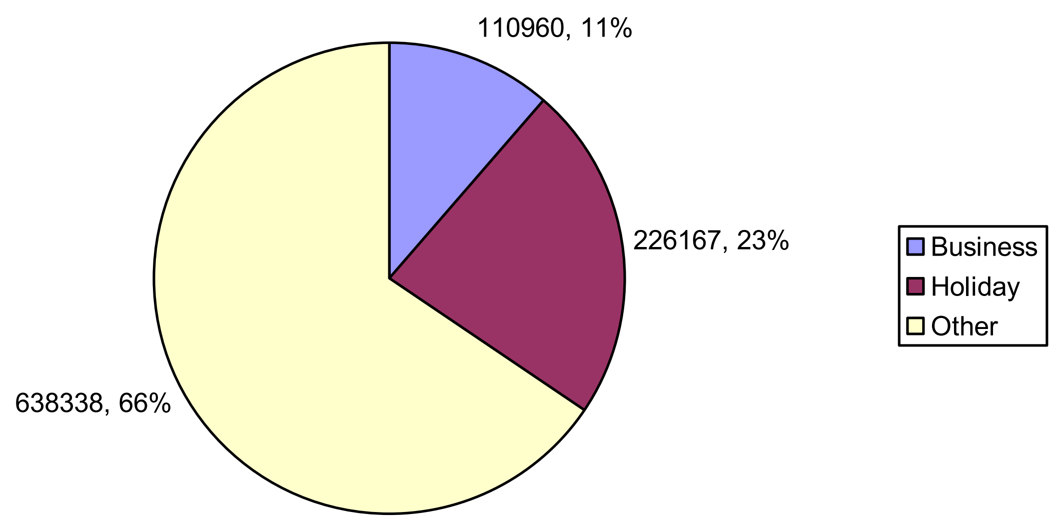
i) Business Travelers – those who enter the country primarily for business and work related purposes;

ii) Holiday Travelers – those who enter the country primarily to have a holiday and experience the various tourism attractions on offer;

iii) Other Visitors – those who enter the country primarily for visiting friends and relatives (VFR).

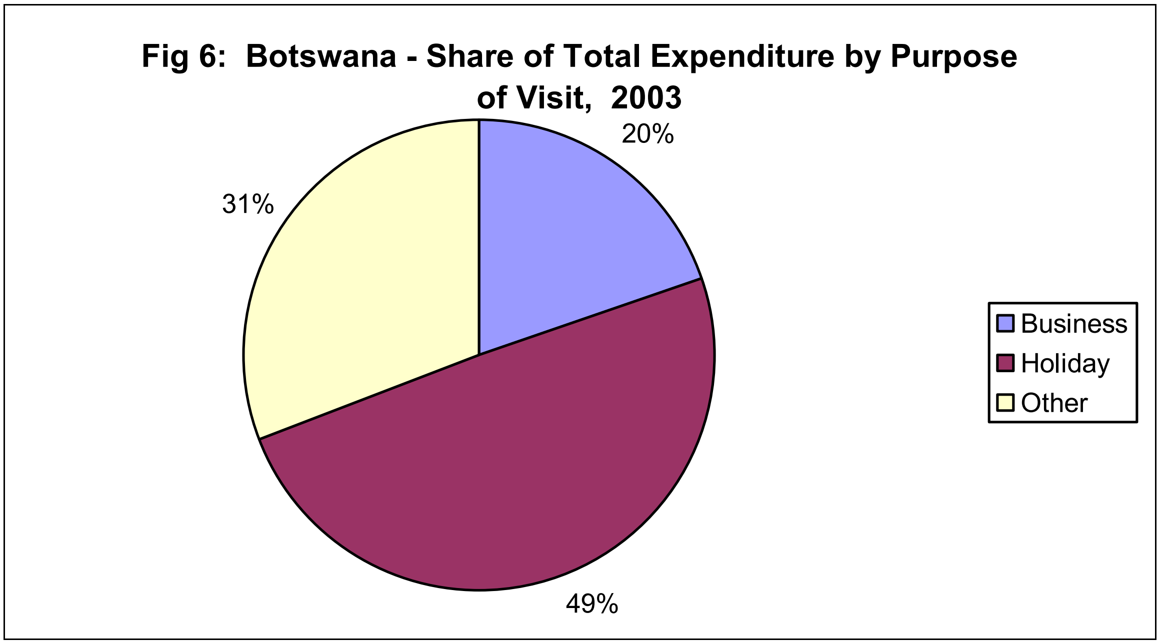
Figure 5 below indicates that Other (VFR) Visitors comprise a major proportion (66%) of tourist arrivals, with Holiday Travelers making up 23% and Business Travelers 11%.

Fig 5: Botswana - Share of Arrivals Purpose of Visit, 2003



Source: Botswana Department of Tourism, 2004

However, further analysis of the value (number of visitors x spend per visitor) of each type of traveler (Figure 6) indicates that holiday travelers contribute almost 50% of total tourism expenditure, with VFR Travelers contributing 31% and Business Travelers 20%. The yield per Holiday Traveler and Business Traveler attracted is thus substantially greater than that of VFR Travelers.



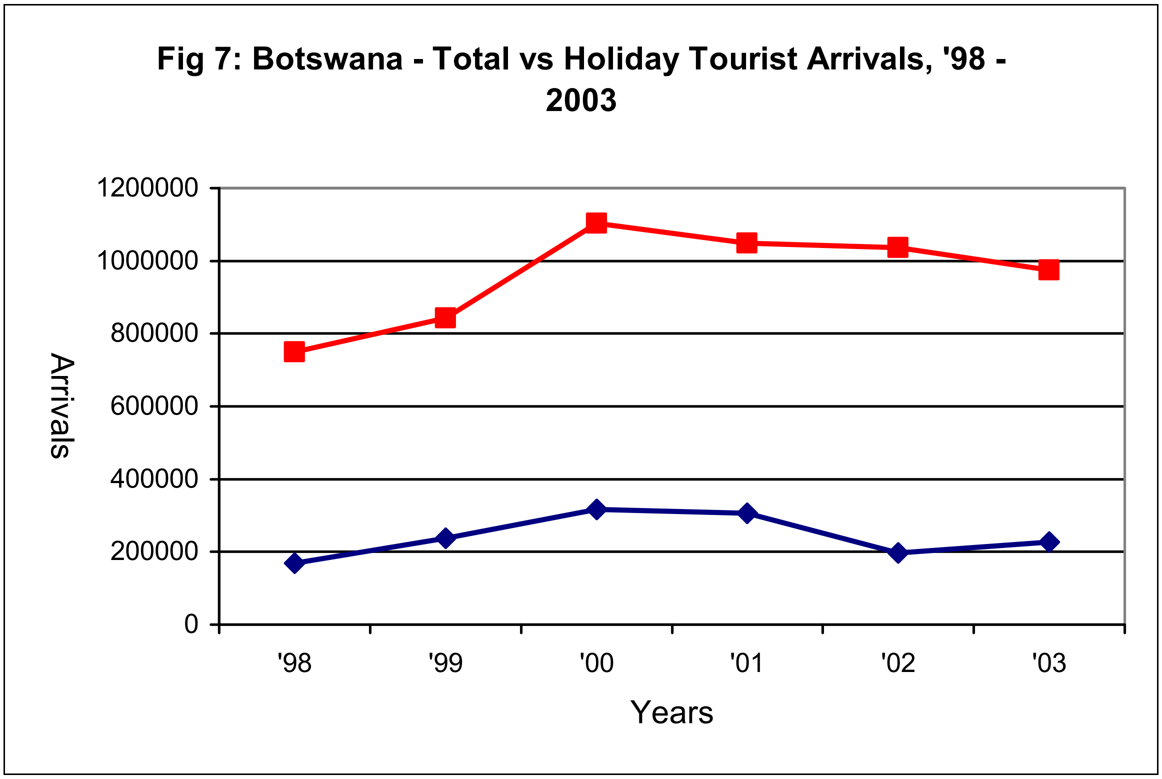
Source: Botswana Department of Tourism, 2004

However, the value of the VFR market, especially the potential of this market segment to spread the benefits of tourism widely, should not be underestimated. While VFR Visitors spend only 13.7% of their total expenditure on accommodation, compared to the 52.1% for Holiday Travelers and 48.1% for Business Travelers, they spend proportionally more on food and drink (21.5% compared to 12.8% and 13.7% of Holiday and Business Travelers) and Shopping (22.8% compared to 9.4% and 5.9% of Holiday and Business Travelers).

While Business and VFR Travelers are important components of the tourism sector and contribute significantly to tourism revenues, their growth potential is largely dependent upon external factors (e.g. economic conditions) and their demand elasticity is low.

The greatest potential for significant, managed tourism growth is in the Holiday Travel market, where the global scope for expansion is large, the yield per visitor is substantial and there is substantial flexibility in demand.

It is of concern that, as indicated in Figure 7, the holiday tourism market declined significantly between 2000 and 2003. While the total tourism market deteriorated during this period, the decline in the holiday tourism market was particularly significant.

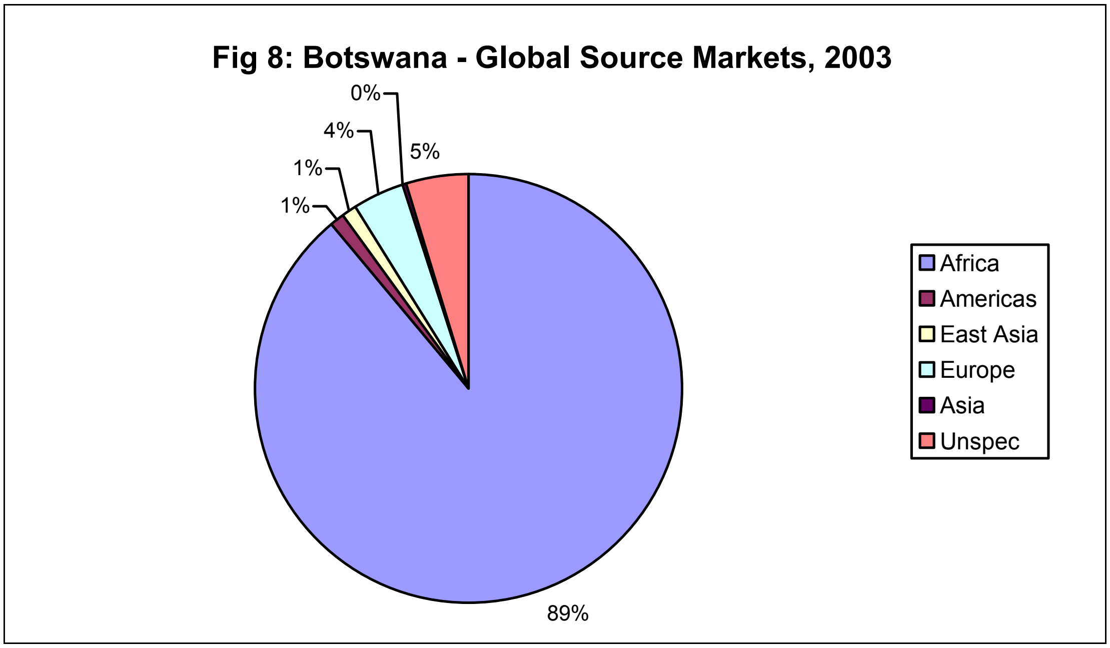


Source: Botswana Department of Tourism, 2004

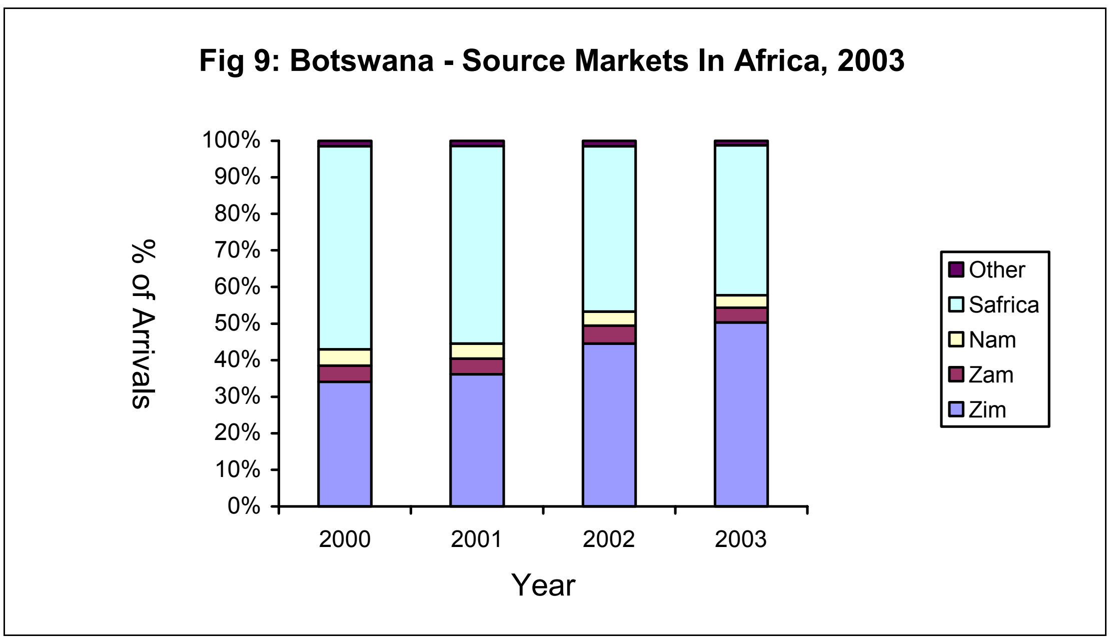
4.1.4 Source Markets and Spend

Figure 8 indicates that in 2003 almost 90% of visitors to Botswana were from Africa, with a further 5% of visitors classified as "unspecified". The rest (6%) were from overseas, with 4% (39 433) from Europe, approximately 1% (12 827) from the America's and approximately 1% (10 312) from Asia.

Figure 9 shows that visitor numbers from Africa in 2003 were dominated by Zimbabwe (435 940, more than 50%) and South Africa (354 984, almost 41%). The graph also indicates the decline in South African arrivals, from almost 56% (507610) to 41% (354 984), and the concurrent increase in arrivals from Zimbabwe from 34% (311 451) to 50% (435 940) during the period 2000 – 2003. One possible cause of the decline in South African visitors could be the virtual demise of the Zimbabwean tourism industry during the same period, with the traditional regional travel circuit SA-Botswana-Zimbabwe-SA being disrupted by political conflicts in Zimbabwe and the ensuing major decline in the tourism industry.

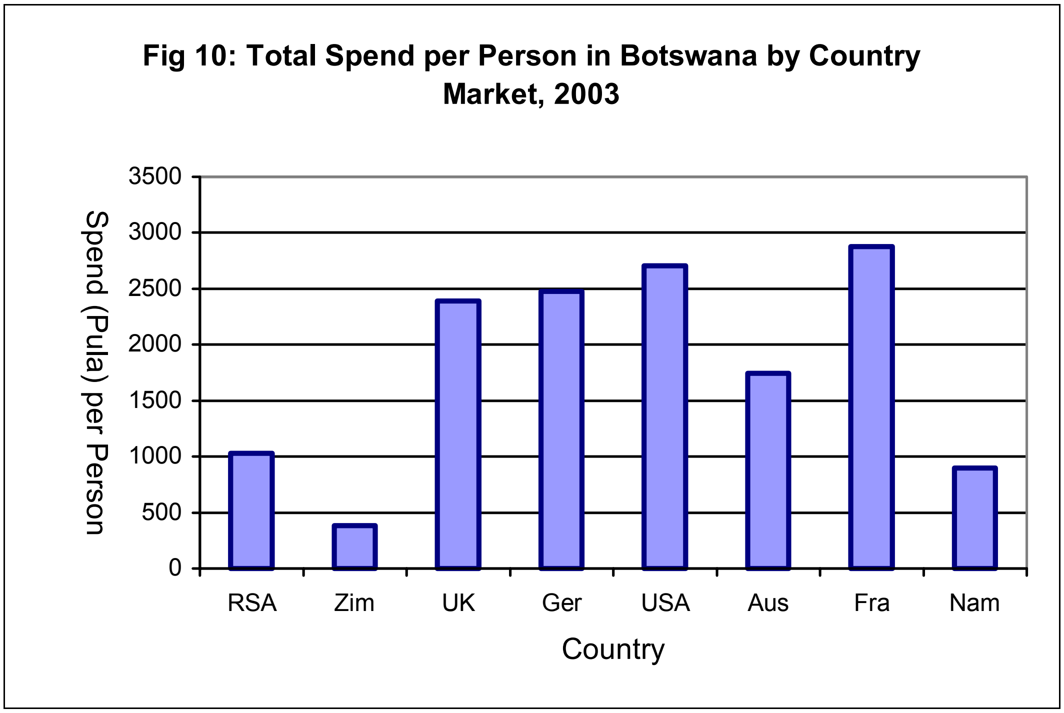


Source: Botswana Department of Tourism, 2004

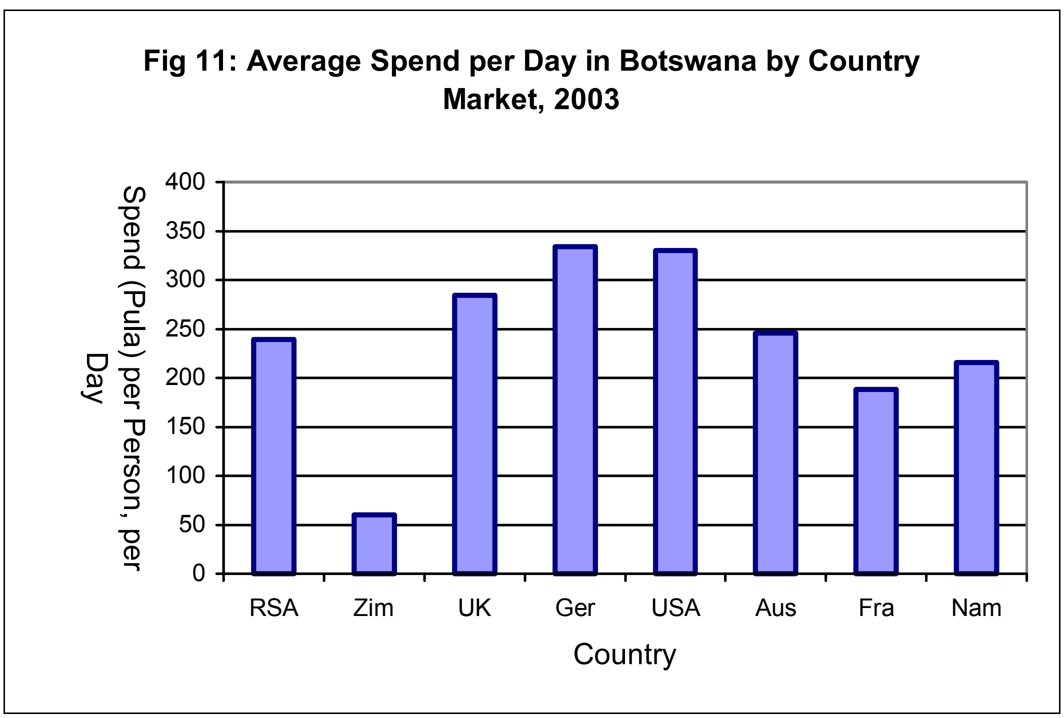


Source: Botswana Department of Tourism, 2004

The significance of the overseas and South African markets becomes apparent when visitor spending within Botswana is analysed. Figure 10 shows that overseas visitors spend between 2 and 3 times more per visit in Botswana than regional South African and Namibian visitor and between 4,5 and 7 times more than visitors from Zimbabwe. A similar pattern is evident when expenditure per day is analysed (Figure 11), except that South Africa and Namibia show a surprisingly competitive spend per person per day relative to overseas visitors.



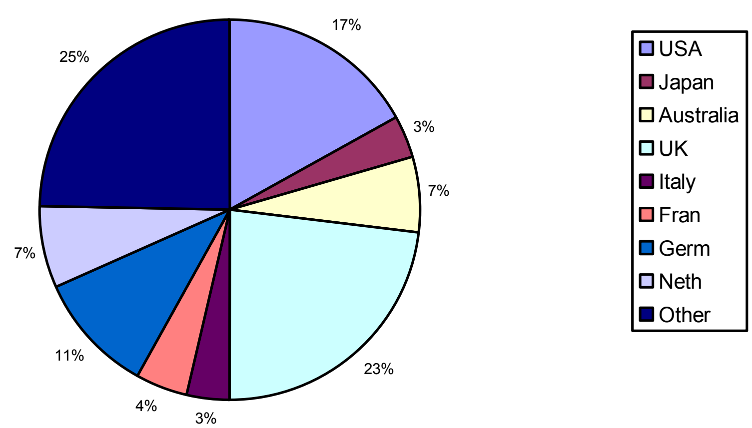
Source: Botswana Department of Tourism, 2004



Source: Botswana Department of Tourism, 2004

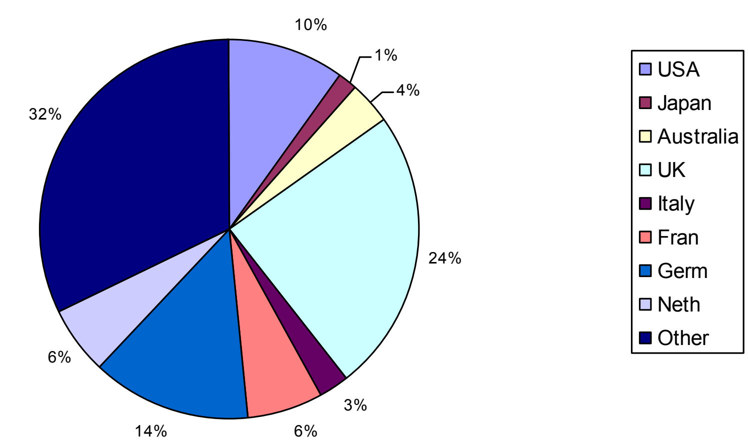
The composition of the overseas visitor market is presented in Figure 12. The figure indicates that the USA and the UK comprised approximately 40% of all arrivals in 2003, with Germany, the Netherlands, France and Italy holding a further 25% of total market share. When compared to the overseas markets of South Africa, Figure 13 shows that South Africa displayed a similar market pattern, except for the fact that it was less exposed to the USA as a dominant market and had a greater market share in Europe, particularly the UK, Germany and France. The higher exposure to the USA market may partly explain the tourism arrivals and receipt losses suffered by Botswana during the period 2000 – 2003, as the global USA travel market had slowed substantially following the events of 11/9 and the US Dollar had weakened relative to other currencies.

Fig 12: Botswana - Overseas Source Countries, 2003



Source: Botswana Department of Tourism, 2004

Fig 13: South Africa - Overseas Source Countries, 2003



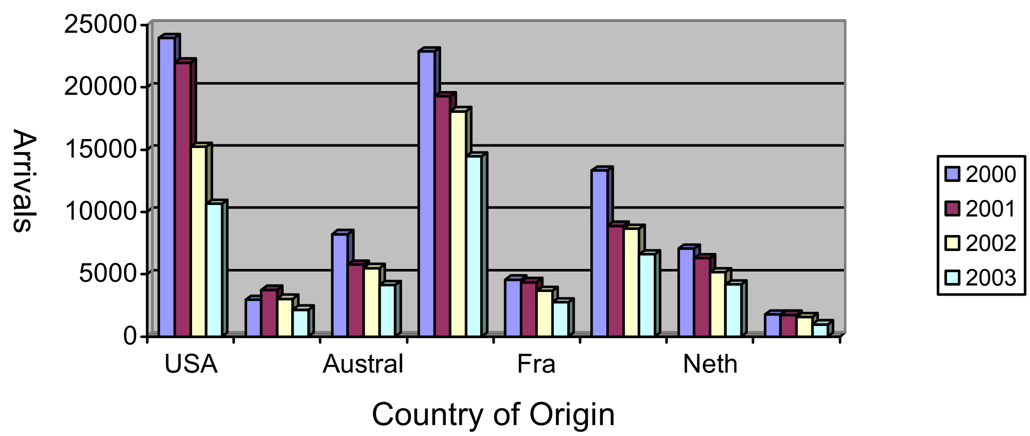
Source: SA Tourism, 2004

Of major concern is the fact that, in addition to the real decline in visitor arrivals to Botswana during 2000 – 2003, the proportion of overseas, high spending arrivals reduced from 10% of all arrivals in 2000 to 6% in 2003. Figure 14 indicates the continuous decline in tourism arrivals from all major overseas source markets, with the USA market being affected most and suffering the greatest and most significant market losses.

The impact of these trends on the traditional holiday tourism areas of the Okavango and Chobe should not be underestimated, as the majority (between 65% and 90%, depending on the source country) of overseas visitors visited Botswana for holiday purposes.

It is clear that the political events in Zimbabwe have had a negative effect on the regional tourism circuit, since tour operators are increasingly excluding Zimbabwe from tour packages and that this "break" in the traditional circuit is having a negative effect on Botswana.

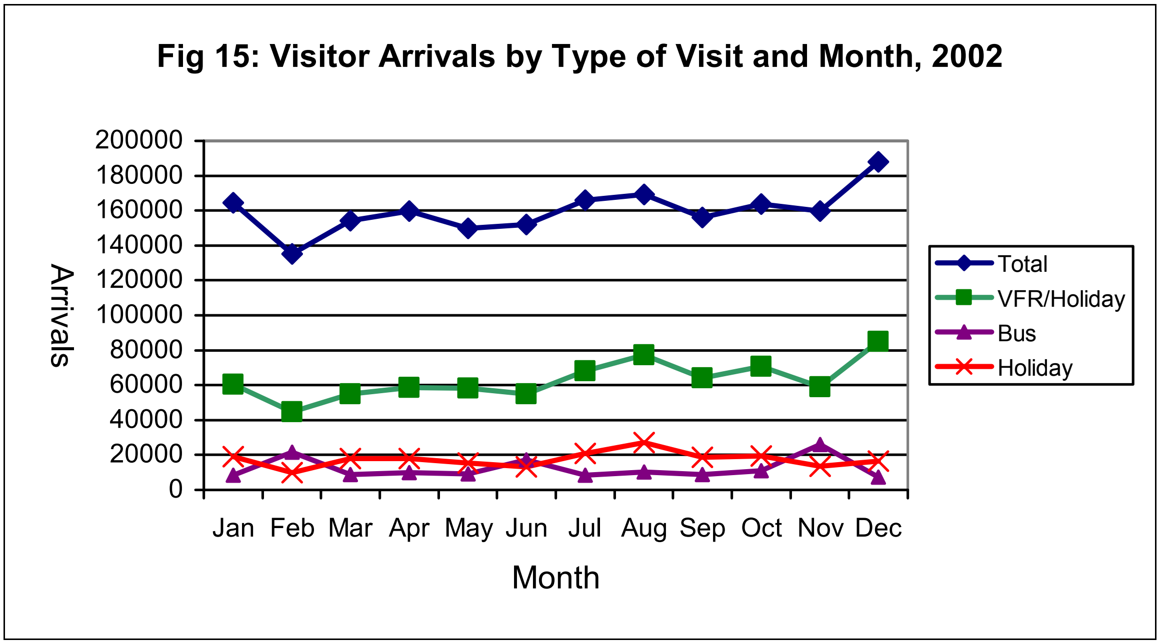
Fig 14: Botswana - Overseas Tourist Arrivals by Selected Country of Residence, 2000 - 2003



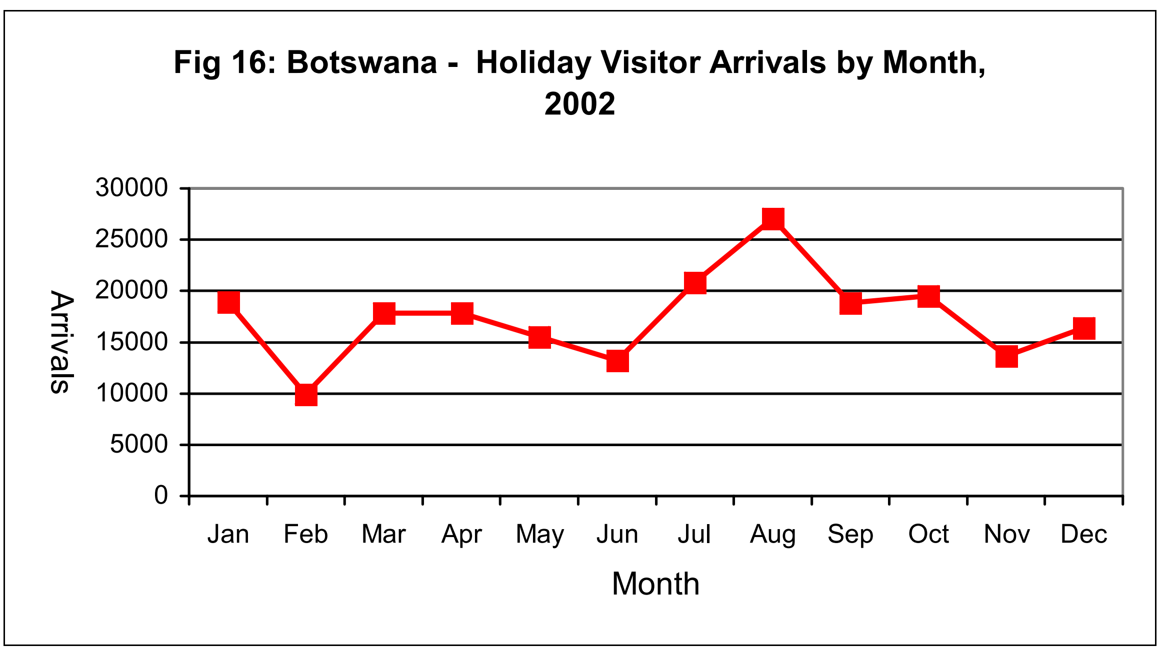
Source: Botswana Department of Tourism, 2004

4.1.5 Seasonal Trends

Figure 15 demonstrates the variations in visitor arrivals during the year 2002. The graph shows that visitor arrivals were higher during the period July to October than during the rest of the year. The significant seasonality in the Holiday Travel segment is clearly evident from Figure 16, with more than 41% of holiday arrivals occurring between July and October and holiday arrivals doubling between June and August. Using August as a benchmark for holiday tourism capacity it means that the Holiday Travel sector operated at between 60% and 65% of the August capacity for the largest part of the year 2002. While this trend could be somewhat mitigated by Business Travel movement, areas such as the Okavango and Chobe are largely reliant upon the holiday tourism market and holiday visitor fluctuations pose substantial challenges to the annual sustainability of the industry.



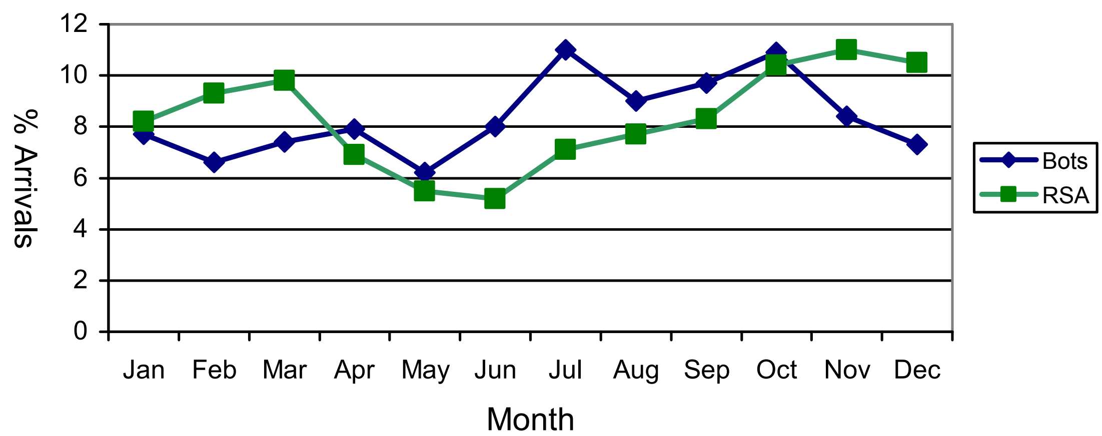
Source: Central Statistical Office, 2003



Source: Central Statistical Office, 2003

Taking into account South Africa's large tourism market share in the region and the potential synergies and tourism complementarity between the two countries, it is interesting to note in Figure 17 that the seasonal arrival trends in the key overseas markets of the two countries are almost directly converse, with South Africa's high season (November to March) coinciding with Botswana's low season and Botswana's high season (June to September) coinciding with South Africa's international low season.

Fig 17: Visitor Arrivals of Key Overseas Tourist Markets by Month, Botswana & RSA, 2002



* Key Markets = USA, UK, Germany, Netherlands, Australia

Sources: Central Statistical Office, 2003 and SA Tourism, 2003

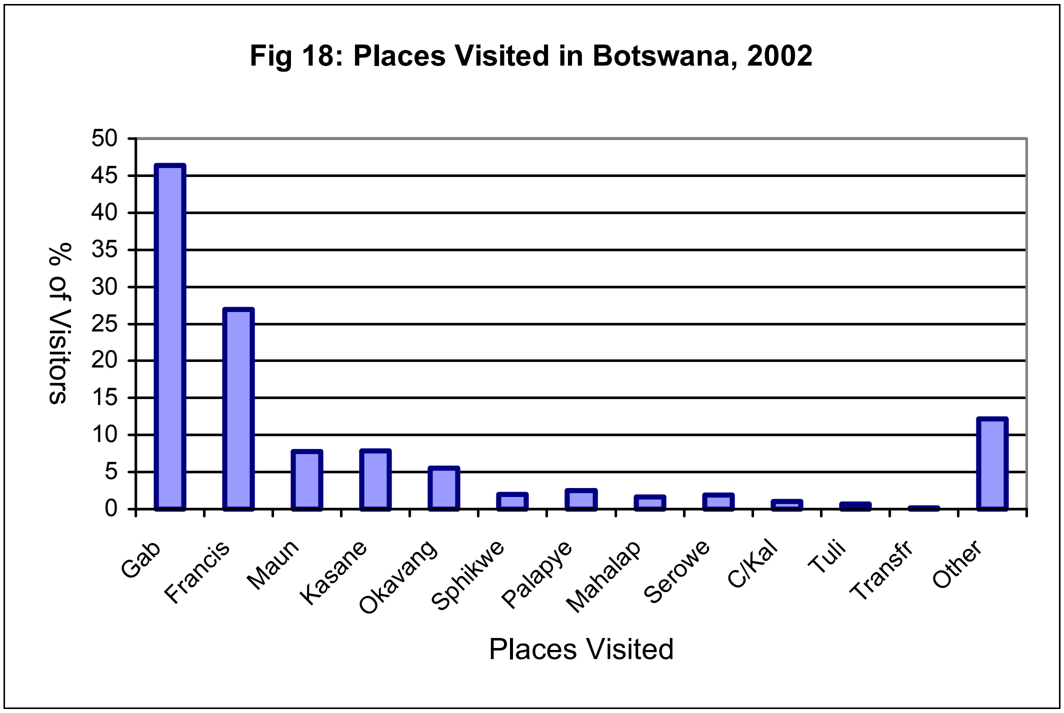
While, at first glance the comparison may indicate limitations for the two countries to capitalize on each others' tourism arrival trends, the pattern also suggests a major potential for joint packaging and collaboration between the two countries in order to counter-balance their seasonal variations. This could provide major cost advantages in the marketplace, with the South African experience (e.g. Cape Town) packaged jointly with Botswana at a reduced rate during Botswana's high cost season, and visa versa.

The South African domestic holiday market is generally very seasonal, with almost 35% of all holiday trips occurring during December and further travel activity being fairly spread during the months of April and July, with just more than 10% of all domestic holiday trips occurring during each of these two months. Therefore, it is expected that Botswana's appeal to the traditional South Africa family holiday market would remain limited and that the marketing strategy should identify South African market segments for which the Botswana product has special appeal, e.g. the high spend, self-drive exploration market.

4.1.6 Areas visited

The Botswana Department of Tourism's annual visitor survey conducted among a sample of 3 083 visitors in 2002 provides valuable information regarding visitor preferences and patterns.

Figure 18 indicates that Gaborone and Francistown were the most visited places in Botswana, accounting for more than 73% of all arrivals. The predominant tourism areas of Maun(7.8%), Kasane/Chobe (7.9%), Okavango (5.5%), Central Kalahari /Khutse (1%) and the Transfrontier Park (0.2%) collectively accounted for a further 22% of areas visited.



Source: Botswana Department of Tourism, 2002

While the survey findings do not stratify the areas visited according to the purpose of the visit or source market, the results correlate well with the Purpose of Visit results presented in Figure 5, which indicate that approximately 23% of visitors came for holiday purposes. This reinforces the view that Maun/Okavango and Kasane/Chobe attract more than 90% of all Holiday Visitors to Botswana and that these two areas are the key drivers of Holiday Travel performance. The Central Kalahari, Kgalagadi and other areas such as the Makgadigadi and Nxai Pans, Tsodilo Hills, etc. are visited by a small percentage of visitors.

4.1.7 Domestic market

Given the growth in per capita income of the Batswana during the past decade the Botswana domestic market could provide some opportunities for tourism growth. No market research is available about the Botswana domestic travel market, but some insights into the power and significance of domestic travel could be gained by studying the results of a survey conducted into the South Africa domestic tourism market by SA Tourism during 2003. The study indicated that, using the classic definition of a tourist, (i.e. including travel for Holiday, Visiting Friends and Relatives (VFR), Business, Medical or Religious purposes) the South African domestic tourism market was worth Rand 47 billion (approximately US$ 8 billion) in 2003. Holiday travel contributed approximately Rand 20 billion. While most of the traditional holiday travel demand came from the higher LSM groups, the study identified a number of segments that had significant potential for expanding the holiday travel market, e.g. the "Young and Upcoming"; "Independent Young Couples and Friends"; "Striving Families"; "Well off homely couples"; "Home-based low income couples", "Basic needs older families" and "Golden Active Explorers". Obviously, many of these segments prefer experiences that are very different to those frequented by the average international traveler, such as shopping, nightlife, entertainment, casinos, etc. As a consequence and in order to mobilize some of these segments SA Tourism launched it "Sho't Left" domestic travel campaign in 2004, promoting opportunities for greater travel participation by South Africans.

Based on the South African research results it is estimated that the Botswana domestic tourism market could be worth around Pula 1,2 billion with holiday travel contributing a potential Pula 0,5 billion. While these estimates are very broad and not based on scientific market research they demonstrate the potential of the local market. In addition to the economic value of the domestic market several other factors could be sighted in support of a domestic tourism drive, namely:

- It could expose Batswana to the cultural and natural treasures and beauty of their country, thereby instilling a national pride and attaching a national value to the environment and cultural heritage;
- It could stimulate demand for new tourism products and experiences, e.g. urban tourism around Gaborone and other urban areas, which could catalyse the diversification of the local tourism industry;
- By being tourists themselves it could create a greater understanding and affinity among local people for the

value and requirements of the foreign tourism market, thereby elevating the value and importance attached to employment opportunities and service levels in tourism.

4.1.8 Conferencing and Incentives market

Information about the Meetings, Incentives, Conventions and Exhibitions (MICE) market is very limited and it is clear that the tourism authorities have not concentrated on this segment. Tourism marketing collateral pays scant attention to MICE opportunities and there is no dedicated capacity in the tourism organization to deal with this market segment. The MICE segment is globally recognized as highly lucrative.

Botswana's central location and its ability to combine conferencing in Gaborone, Maun and Kasane with wildlife/wilderness experiences, allows it to develop unique conferencing and incentive packages. Since conferencing requires a specialized marketing effort the potential and marketing requirements of this sector should be further investigated and pursued.

4.1.9 Market positioning and focus

Botswana's tourism positioning has traditionally been focused on low volume/low impact/high value tourism, in support of its ecologically sensitive resource base and its wilderness brand. This positioning has largely been driven by the development strategy of the parks and land authorities, rather than a clearly defined tourism strategy.

The Tourism Master Plan (2000) evaluated 4 strategic positioning options, namely: Option A: Low Volume/High Price; Option B: Medium Volume/High Price; Option C: High Volume/Mixed Price; and Option D: Modified High Volume/Mixed Price.

The Master Plan proposes Option D as the most appropriate strategy, which is based on the following principles:

- Maintain existing DWNP carrying capacity formulae in Protected Areas;
- Attract a mixture of High Price/Medium/Price/Low Price tourists to Protected areas e.g. High Price in Chobe and Moremi; medium/low price elsewhere, including self-drive campers, overland groups and domestic tourists;
- Attract more visitors out of season;

- Maximise product and geographical diversification throughout the country to reduce dependence on wildlife tourism, including tourism circuits around Gaborone;
- Develop special interest and ecotourism, including speciality tours in non-developed areas – culture, history, archaeology, birds, etc.;
- Exploit tourism business opportunities afforded by the Trans-Kgalagadi Highway;
- Develop urban tourism: sport, music festivals/shows, conferences, school trips, etc.
- Develop cultural and community-based tourism;
- Develop domestic and intra-regional tourism.

However, there is little evidence that the proposals contained in the Master Plan have been taken seriously by the authorities and the industry and as such Botswana's positioning remains largely driven by the "low volume/high value approach". The proposals contained in the Master Plan are furthermore considered problematic as:

- They are based on a product led approach and do not adequately take cognizance of the scope and requirements of various market segments and market forces;
- They do not suggest any modification of approach followed by the DWNP in managing its Parks and Protected Areas as the key tourism resource bases and tourism drivers of the country. The proposals to increase tourism volumes through the diversification of "secondary" tourism attractions such as cultural tourism, urban tourism and niche markets will remain marginal while Botswana's key attractions and Unique Selling Features (parks and protected areas) are managed on a "one size fits all", low-volume basis.

The traditional "low-volume/high value" approach followed has achieved various successes for tourism in Botswana, in that:

- It has achieved the sustainable management of sensitive, high value ecological areas such as the Okavango Delta and other sensitive ecosystems;
- It has derived substantial value and revenues from these sensitive resources through high value development concessions;
- It has provided opportunities for local communities in and around concession areas to share in the profits derived from such high value tourism; and
- It has done much to promote Botswana's wilderness tourism brand.

However, this undifferentiated approach has also had some significant negative implications for Botswana's tourism industry. Among others:

- The focused "low volume/high price" approach has restricted Botswana's tourism appeal to a limited number of potential tourism market segments and has virtually placed a ceiling on tourism growth. Since it is managed by restricting key tourism areas to 4-wheel drive and air access it largely appeals to the regional (South African) 4x4 market, the packaged overland youth market and the fully packaged fly-in luxury end of the market. It is not geared to accommodate the growing international independent, self-drive component of the market that straddles many special interest groups and independent explorer segments;

- The leakage factor is generally high for the market segments attracted by the strategy. The high end lodge experiences are fully packaged and aimed at the very top end of the international market. These products are largely pre-booked and paid and since a large proportion of supplies, equipment and management skills used by the lodges are imported, a limited share of the overall revenues (except concession fees and wages) accrue to the Botswana economy. Similarly the regional 4x4 market comes fully equipped with the bulk of supplies and camping equipment purchased in their home countries (mainly South Africa). Since Botswana's parks do not provide facilities and services other than camping sites the economic spin-offs are limited;

- The fully packaged tourism products are aimed at the high cost end of the market and are costly compared to the average tourism experience. Since the private industry that operate the luxury lodges and mobile camps do an excellent job of marketing their products through their well-established marketing networks, these products have, to a large extent, become the "face" of Botswana's international tourism industry. As a result there is a widespread perception that Botswana is an expensive holiday destination that is only accessible to the high-income tourism market.

- While the luxury lodge market is employment intensive and provides high staff to guest ratios, the employment expansion potential of the strategy is stifled by the limits on tourism volumes. Employment generated by the 4x4 camping segment is generally low.

- Entrepreneurial and business ownership opportunities associated with tourism are limited. Since the experiences demanded by these market segments are fully inclusive or self-equipped holidays, visitor expenditure on a variety of local goods and supplies such as guest houses, restaurants, transport services and locally supplied food and beverages is limited and so are the business opportunities associated with such experiences.

- The approach has not kept pace with the changing trends and requirements of the marketplace and the "one size fits all" approach has led to mounting visitor pressures and conflicts in areas where visitor volumes have risen through market demand, e.g. in the Chobe (and to and extent the Moremi) areas. These unmanaged pressures could dilute the quality and impact of the visitor experience and could seriously tarnish Botswana's wilderness brand.

In summary, there is an urgent need for a clear, market driven tourism strategy that is based on effective market segmentation principles and that directs the future marketing and development of key resources such as Parks, conservation areas and other valuable tourism attractions towards greater diversification and market expansion. Such a strategy may imply substantial government investment (e.g. road development and upgrading, airstrip improvements, provision of accommodation in parks, etc.) to make tourism areas and attractions more accessible and appealing to a wider range of potential tourist segments. It should be noted that this recommendation in no way implies the dilution of the wilderness brand or any action that may detract from the exclusive, remote wilderness experience on offer in Botswana. It should, however, be recognized that "wilderness" is a relative concept, which to some market segments means a well managed game-viewing experience in the company of other visitors, while for others it means traveling or staying alone in virtually untouched natural surrounds. By planning, zoning and managing Parks and wildlife management areas effectively and in accordance with market requirements a substantial spectrum of visitors could be attracted and satisfied.

The independent, self drive component of the international tourism market is growing continuously and the Botswana tourism sector should develop the required infrastructure and marketing packages to capitalize on this segment of the market. By using the main travel routes as "spines" and developing travel "loop" options of varying duration and length around them that could include the lesser know areas and attractions, the country will become increasingly popular with independent travelers. Various thematic experiences such wilderness and wildlife, local cultural interactions, heritage and ecotourism niche experiences (e.g. birding, archaeology, fishing and outdoor activities) could be packaged as part of the independent travel routes. The development of this market segment will also allow opportunities to rent out equipment and for community entrepreneurs to provide services and activities along the routes.

4.2 Tourism Supply

The tourism resource base comprises attractions (natural, cultural and man-made), human resources (labour, skills, entrepreneurship) and intangible resources (positioning/brand value, safety, reputation, etc.).

4.2.1 Attractions

4.2.1.1 <u>General Overview</u>

Botswana's key tourism comparative advantage is its unique wilderness habitats and wildlife sanctuaries that include the Kalahari Desert, The Okavango Delta, the Chobe River area and the Makgadigadi and Nxai Pans. The country has a

Attractions	Unique/ Excep-tional	Average	Relative Scale of Contribution to Tourism	Comment
Natural Tourist magnets				
Okavango/Moremi	X		Major	Globally Unique Ecosystem
Chobe	X		Major	Excellent Wildlife Experience
Central and Southern Kalahari	X		Medium	Remote Wilderness
The Pans	X		Limited	Remote Wilderness
Leisure				
Shopping, crafts, etc.		X	Limited	Limited development
Music, nightlife, entertainment		X	Limited	Local recreation
Eco				
Wilderness Experiences – Okavango, Kalahari, Pans	X		Major	Ranging from wetland to Kalahari wilderness
Birdlife	X		Medium	Wilderness birders paradise
Parks/Conservation facilities	X		Major	Major scope
Scenic beauty				
Topography/scenery		X	Limited	Limited topographical diversity
Vistas & sunsets	X		Major	Some of the best
Outdoor active				
Hiking		X	Limited	Limited hiking trails
Golf		X	Limited	Very few golf courses
Fishing		X	Limited	Chobe River & Upper Delta
Adventure		X	Limited	Limited development
Heritage/Culture				
Cultural diversity		X	Limited	Limited depth/diversity
Batswana heritage/lifestyle		X	Limited	Underdeveloped/exposed
Museums/history/architecture		X	Limited	Few sites, poorly developed
Ancient culture –San, rock art, fossil sites, etc.	X		Medium	Various sites & interactive experiences
Food				
Unique tastes and flavours		X	Limited	Local cuisine not well developed & exposed
Affordable, quality, cuisine		X	Limited	Limited "local" restaurants
Affordability & access				
Easy, independent travel		X	Limited	Limited self-drive infrastructure
Affordability		X	Limited	Cost perception improving
Convention facilities		X	Medium	Mainly Gaborone
Events		X	Limited	Few substantial events

major advantage in that much of its unique natural environment is under conservation, with National Parks and Reserves comprising 17% of available land and a further 22% having been classified as Wildlife Management areas (see Annexure C, Department of Wildlife and National Parks Map of DWNP stations and conservation areas). The results of the Visitor Survey of areas visited (see 3.1.6) confirm the attractiveness of the major wildlife and wilderness areas, with more than 90% of holiday travelers visiting the Maun/Okavango and Kasane/Chobe areas.

The following overview and assessment of Botswana's tourism assets provides a basic evaluation of Botswana's tangible resources base. It confirms the fact that Botswana's attractions are vested in the ecological and wilderness experience.

This implies that the overall growth potential of the tourism industry (including culture and heritage attractions located in rural areas) is largely dependent upon the sustained health and well-being of the natural resource base and in particular the major park areas.

While the cultural heritage attractions are largely value-adders to the wildlife experience, there are some unique cultural attractions that could be offered as primary attractors. The most unique cultural resource is the San/Basara lifestyle and heritage, which is globally unique and valued. The Batswana culture and lifestyle could complement the wildlife experience and add a further dimension to the tourism visit, but it is not well developed as yet and could be regarded as a complementary rather than a primary attraction.

Other resources such as the urban shopping and conference facilities on offer in Gaborone are important attractions for the local and regional tourism market segments that demand urban experiences and entertainment.

4.2.1.2 National Parks and Reserves

The Department of Wildlife and National Parks (DWNP) is the custodian of most of Botswana's unique tourism assets, as most wilderness areas are classified as National Parks, Game Reserves or Wildlife Management areas (i.e. community or State land areas with substantial wildlife resources). The DWNP has direct control over the National Parks and Game Reserves and conservation jurisdiction over Wildlife Management areas. The Department is a critical player in the tourism value chain and its actions, strategies and performance have a determining influence over the future performance and scope of Botswana's tourism industry.

Visitor trends in Parks and Reserves

Annexure D provides and detailed analysis of fee-paying visitor numbers and patterns in the various National Parks and Reserves, as supplied by the Department of Wildlife and National Parks. The major tourism role of the Parks and Reserves is evident from these figures. During 2003 a total of 139 302 paying visitor entered the parks. Based on the visitor arrivals figures presented in Figure 5, the parks were visited by more than 60% of holiday travelers to Botswana in 2003.

Figure 19 indicates the share of visitor numbers of the various parks in 2003. Chobe National Park received the major share (64%) of all parks visitors and Moremi was the second most visited park with 27% of all visitors. These 2 parks attracted more than 90% of all parks visitors.

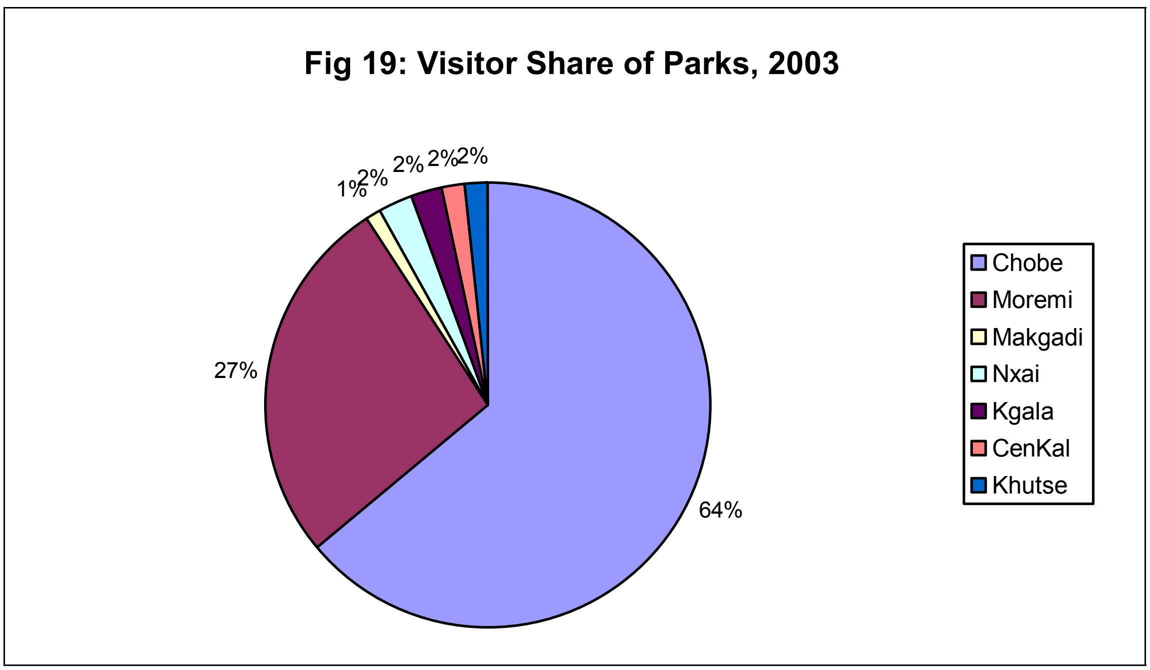


Figure 20 demonstrates that lodges/camps located outside of park and mobile tour operators supplied more than 72% of visitors to Chobe Park, while these two categories account for less than 50% of visitors to Moremi, the rest being private visitors (28.5%) and Lodges inside the Reserve (23.1%). In all other parks private visitors made up the majority of park entries.

The results presented in Annexure D indicate that day visitors accounted for more than 65% of all visitors to Chobe, compared to the 36% day visitor figure for Moremi and 6% day visitor figure for the Southern Parks.

Not only do these figures highlight the important role of the Chobe and Moremi Parks as national tourism attractions, but also the pressure placed on the infrastructure of these parks (and in particular Chobe) by increases in day visitors and guests of the fast developing lodge industry located around the parks, particularly in Kasane and Maun. It would be fair to state that Botswana's overall tourism growth and particularly the economic growth of the surrounding regions is largely dependent on the ability of these key Parks to accommodate and sustain growth in visitor numbers.

The Southern Parks do not as yet attract substantial tourism numbers and are largely frequented by private visitors. The reason for this could be the limited access and remoteness of these areas and the fact that they are not yet part of the popular travel circuit.

Fig 20: Paying Visitors to Parks and Reserves, by Travel Type 2003

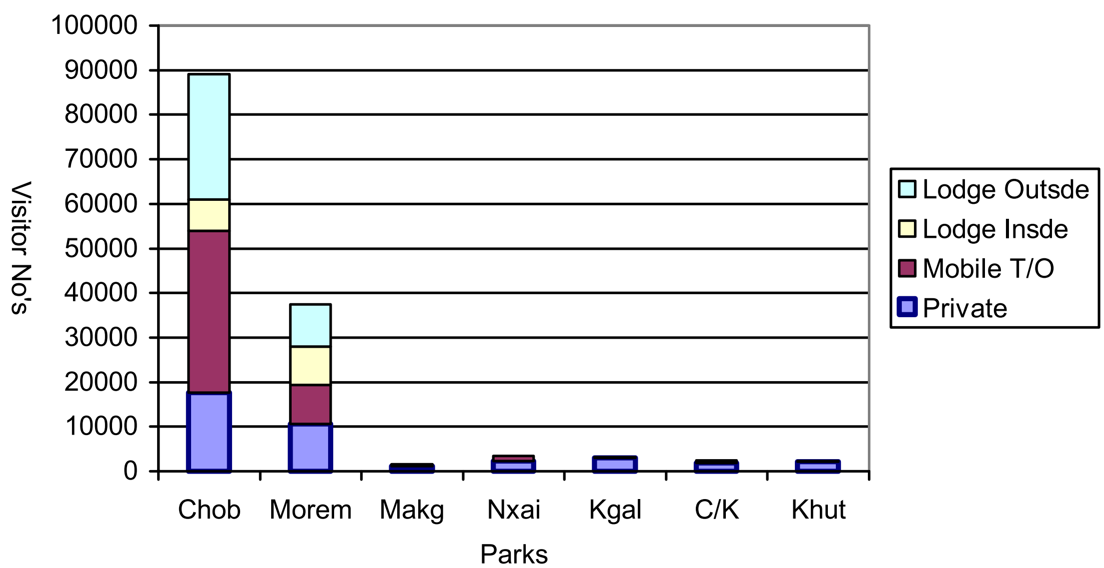
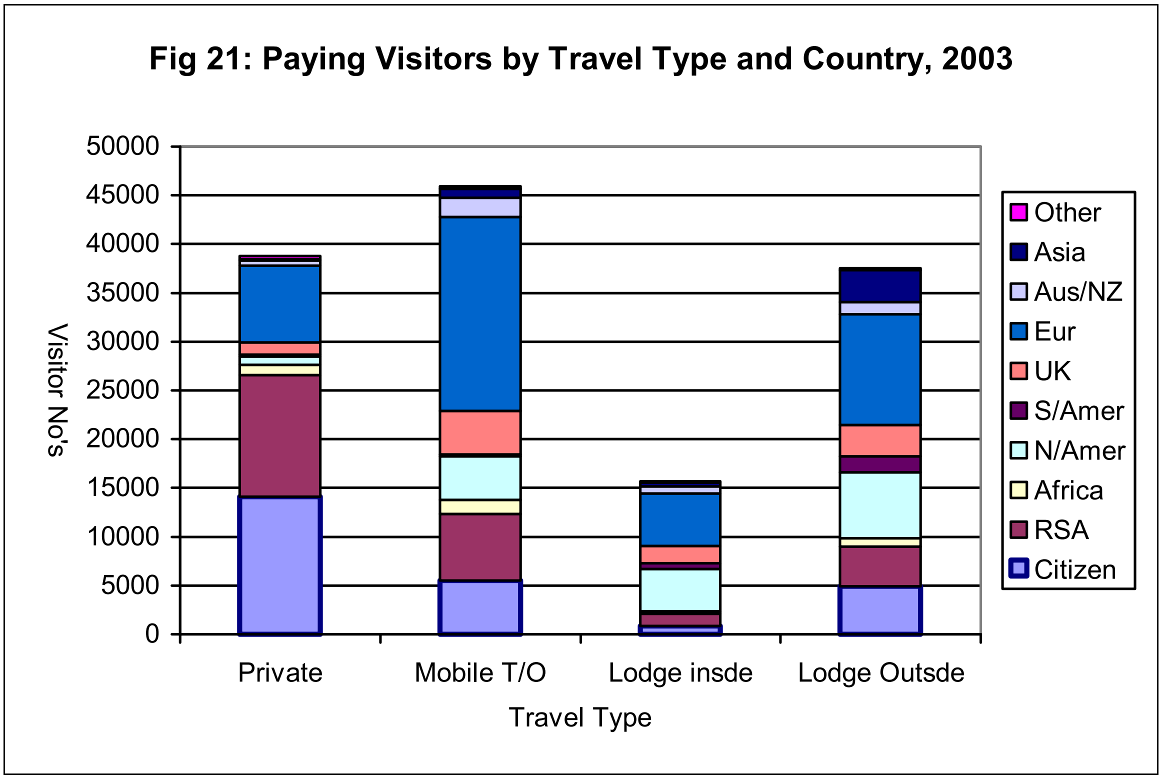


Figure 21 indicates that overseas visitors made up the largest share of parks visitors who entered on packaged visits (mobile tour operators and lodges inside and outside of parks), while Botswana Citizens and South African visitors comprised the largest share of private travelers, which implies that they made their own arrangements.

The largest proportion of visitors who entered the Parks through mobile tour operators were from the UK and the rest of Europe, while lodges inside parks depended largely on the USA, UK and European markets.

The figures substantiate the finding that most overseas visitors make use of packaged travel to Botswana and that the independent travel market is not yet well developed for international visitors. South Africans and Botswana Citizens/Residents make up the bulk of self-drive, independent visitors to Parks.



An analysis of Park Revenues indicates that, as with visitor numbers, Chobe and Moremi accounted for almost 87% of all park revenues in 2003. However, Moremi was a proportionally better revenue earner, attracting 27% of all visitor entries but 38% of all revenues. Chobe attracted 64% of visitor entries but earned only 48% of revenues. The difference could be ascribed to the high day-visitation in Chobe (where 66% of private visitors and 87% of mobile tour operator visitors are day trippers) compared to Moremi (where 36% of private visitors and 19% of mobile tour operator visitors are day trippers).

The Department has largely adopted a "low volume-low impact" approach to visitor management in order to sustain its wilderness brand, through various mechanisms, including:

- Maintaining a limited road network that largely consists of basic tracks which are only accessible by 4-track vehicles;

- Substantial and regularly adapted park entry fees, with premiums payable by foreign visitors and heavy overland vehicles;

- Providing only limited numbers of camping sites and a few concessioned lodge developments in Parks and Reserves, with no fixed self-catering or serviced accommodation managed by the Department.

The following table provides a summary of camping facilities in the National Parks and Reserves:

Park	No Campsites
Central Kalahari	25 campsites at 10 locations
Chobe/Savuti	20 campsites at 3 locations
Kgalagadi	32 Campsites at 12 locations
Khutse	18 Campsites at 3 locations
Makagadigadi Pans	7 Campsites at 2 locations
Nxai Pan	10 Campsites at 3 locations
Moremi	28 Campsites at 4 locations
Total	140 campsites at 37 locations

As a general rule each campsite may accommodate a maximum of 6 persons (3 sites may accommodate 12 persons), bringing the maximum number of overnight visitors in Parks and Reserves to approximately 850 persons per night.

The Tourism Master Plan (2000) indicated that in 2001 there were 2 064 bed places available within Protected Areas in a range of accommodation, including permanent lodges (e.g. Chobe Game Lodge), non-permanent lodges, mobile (HATAB) camp sites, public campgrounds, wilderness camp sites, observation hides and educational group camp ground. The total number of permitted bed places was 3 804, leaving substantial scope for further development.

DWNP Management approach

While the intention of the parks authorities is to manage tourism impacts and volumes through the limited development of facilities and infrastructure in their Parks, this approach could contain some inherent conflicts between Botswana's conservation and tourism goals if it is not managed in full synergy with the tourism industry and in accordance with a cohesive, tourism orientated strategy.

The "low-volume/low-impact" approach is a suitable and appropriate model for the remote park areas such as the Central Kalahari, Kgalagadi and Pans, but some concerning trends of over concentration and negative visitor impacts are developing in Chobe and Moremi (which attract 90% of all parks visitors). The following factors may have contributed to these trends:

- Demand for Botswana's wildlife tourism products has increased substantially during the past 10 years, both as a result of a greater awareness of Botswana as a destination and the major growth of the Southern Africa tourism circuit. As a result tourism in and around Kasane and Maun has shown major growth. The tourism demand in these areas has resulted in significant increases in accommodation and other facilities, all of which are dependent upon the parks and wildlife areas for their existence and growth. As an example the number of available bed nights in Kasane grew by 61% between 1998 and 2003 (DWNP, 2004).

- These developments have placed major pressures on the parks infrastructure, as many visitors to Chobe (see Annexure D) and to a lesser extent Moremi stay in Kasane and Maun outside of the Parks and enter the Parks as day visitors, requiring an optimal wildlife experience within a limited time space.

- Large proportions of these day trippers are from market segments other than the off-road, self travel camping market and do not have access to 4-wheel drive vehicles. They make use of mobile tour operators who ferry them into the parks for morning, afternoon or day trips. As a result specific areas such as the Chobe riverfront section and limited areas of Moremi face major pressure during specific periods of the year and times of the day. The number of day visitors brought into the Chobe National Park rose by 360% between 1998 and 2003, from 4 333 to 15587 (DWNP, 2004).

- It is apparent that the parks infrastructure in the major parks has not been planned and/or adapted to accommodate the changing market trends and

The sustainable expansion of tourism is largely dependent upon effective visitor management and the provision of infrastructure and facilities to accommodate these pressures. This is particularly relevant to the Chobe National Park, since it receives almost two-thirds of Botswana's parks visitors and the majority of day visitors.

The Chobe National Park

The DWNP has formulated a comprehensive draft management plan for the Chobe Park (DWNP, 2001). The Management Plan makes a number of practical suggestions to increase the carrying capacity of the High Density Tourism Zone (HDTZ) of Chobe Rover Front area and limit visitor pressures in the area. Concerning road traffic, proposals include the implementation and enforcement of appropriate acceptable limits for vehicle entry (which will change as infrastructure is improved); provision of a service track to remove the Chobe Game lodge transit traffic from high value tourism areas; development of stretch and viewing points within the park; demolition and habitat rehabilitation of various defunct and derelict infrastructures; development of a third entrance gate at Nantanga with a new access road; opening an area set aside for guided walks; upgrading of existing dams; building of hides; construction of proposed primary tourism tracks (some hard surface) and alignment/realignment and opening of secondary tourism tracks. Various recommendations are also made to address boat access and entry limits, staffing, law enforcement and monitoring.

While the plan is well-researched and contains practical recommendations, it does not address the tourism challenges comprehensively as:

- It is not framed within the context of an overall tourism development strategy for Botswana that clearly indicates the future tourism positioning of the country, identifies target market segments and their requirements and recommends tourism development actions in order to sustain the positioning and match visitor expectations in the long run.

- It focuses on the Chobe National Park only, while the mounting visitor pressures are the result of tourism development in the Kasane/Kazungula district as a whole and a comprehensive development plan would be required for the area in order to guide tourism development and visitor management forward holistically.

- It is confined to the Chobe River Front area and does not address the potential of the Park in its totality, e.g. the potential for providing self-catering or tented accommodation and infrastructure at various underutilized areas inside the park;

- Few of the recommendations contained in the report appear to have been advanced and overcrowding remains a problem.

In order to advance the recommendations regarding visitor carrying capacities (earlier attempts were made in the past to implement the recommendations but these were met with opposition from the industry), the DWNP has recently made new proposals to the Ministry, based on a poll conducted among tourism industry operators, for implementation by 1 April 2005 (not yet officially adopted), namely to:

- Regulate the entry into the Chobe River front area of the Chobe National Park on a "first come, first served" basis with the allowable number of vehicles for each gate set at the limits proposed in the Chobe River Front Management Plan. The proposal indicates that self-drive (private) visitors may be exempt from this principle ;
- To introduce and agree an enforceable code of conduct for safari operators, amongst others stipulating a maximum number of vehicles and a maximum time of stay at any of the important sightings;

Some other issues emphasizes in the proposal document are:

- The need for an overall tourism development plan for the Kasane/Kazungula area, with a moratorium on accommodation development in the area pending the finalization of the plan;
- The need to subject the proposed expansion of the Kasane airport to a rigorous environmental impact assessment so as to ensure that it does not impact negatively on visitor experiences;
- The conversion of Forest Reserves (currently under forestry management) to Wildlife Management areas as these reserves are important corridors for elephants and are of great value to the wildlife and tourism sectors.

While the proposals contained in the report attempt to progress a sustainable approach to visitor management, they may lead to conflicts and negative competition within the industry as operators will no doubt compete aggressively for access on a "first come- first served" basis.

It is clear that the Chobe area is in urgent need of a Public-Private-Community tourism initiative that will bind the Government, Private Operators and the Local Community into agreements and commitments towards the long term, sustainable management of tourism and wildlife in the area. Such an initiative should be based on an acceptable and agreed tourism development plan for the area, which is in accordance with market requirements and contains a clear tourism vision, positioning and development framework for the area. The plan should also address Chobe's location and positioning in the regional context, being located at the juncture of 4 Southern African countries and the tourism opportunities and threats associated with this location. It should also look into avenues of improving access and facilities for self-drive tourists.

The Moremi Game Reserve and Okavango Delta

The Okavango Delta is arguably the most important icon and Unique Selling Feature for tourism in Botswana. In addition the Delta and surrounding Wildlife Management Areas are a valuable resource base for local communities that live in the area and whose potential income streams are largely linked to the tourism and hunting industries. The environmentally sensitive combination of the Moremi Reserve and the various Wildlife Management areas of the delta make this area an extremely valuable resource that should be managed with the greatest of care and concern.

The low-volume, high value approach has to date worked well for the area. The Delta and surrounding areas are concessioned under strict conditions to communities and/or private lodge operators for photographic safari purposes and developments are largely limited to small, up-market lodges (see 3.2.1.3 below). There is common agreement among industry and government leaders that these concession areas have largely reached their development limits and that the Delta has been saturated of concessions.

However, demand for the Delta's tourism resources is not only confined to the lodge concessions. In recent years access to Maun has improved and the town has expanded significantly. Many private non-lodge visitors use Maun as their entry point to the Delta and mainly access the Delta through mobile tour operators or through private visits to the Moremi Reserve. This trend is placing increasing pressures on the Delta as a whole and the Moremi Reserve in particular. It is expected that the newly introduced flights between Cape Town and Maun will not only increase business for the private lodge operators in the Delta, but will also increase visitation by self-drive, independent visitors who would want to use Maun as a base/entry point and explore Botswana from there.

It is believed that at the time of writing this report the Department of Tourism was about to commission a management plan for the Okavango Delta. While it is not clear whether this plan will incorporate the Moremi Game Reserve the initiative should be commended and its speedy completion and implementation supported. In addition to management proposals for the core Delta area such a development plan should ideally consider:

- The role and positioning of the Maun area (including the core Delta, the panhadle, Moremi and areas to the West such as Tsodilo Hills) within the overall tourism strategy of Botswana;
- The impact of future visitor growth on the Moremi Reserve and specific development proposals for the sustainable visitor management of the

Reserve. Similar to Chobe, such proposals could include visitor zoning, according to which certain areas of the Moremi are opened up and developed to accommodate higher numbers of day visitors; proposals for tented visitor accommodation inside the park, etc.

- The potential of Maun as a major entry point and distribution hub for visitors to areas other than the Delta, e.g. the Central Kalahari, the Makgadigadi and Nxai Pans, the areas to the west of the Delta, the Savuti and Chobe area, etc.

- The development requirements in Maun and the areas mentioned above in order to make them more easily accessible and user friendly.

Other Parks

There is no doubt that the other parks such as the Central Kalahari, Kgalagadi, the Pans, etc. hold major potential for tourism development. The Draft Tourism Development Framework (Department of Tourism, 2001) contains innovative and practical proposals to link these areas into a tourism circuit by using concepts such as a network of visitor centres, the Kalahari Wilderness Trail, specific site development zones and specific road improvements. These proposals are visionary, but practical and are supported.

While the parks other than Chobe and Moremi comprise a relatively small share of the overall tourism market, there is no doubt that demand for the "remote wilderness" experiences they offer will increase on the back of successful market expansion in the main areas of Maun and Kasane. The proposals contained in the Draft Tourism Development Framework provide a good framework for the overall expansion of these areas.

Park fees

The fact that park entry fees are relatively high support the high value attached to Botswana's wildlife resources and the high value brand of the destination. A point that was raised during the field visit was the substantial permit premiums paid by heavy overland-vehicles. Industry operators felt that such vehicles relieved the pressure on park volumes as they carried many visitors in a single vehicle and that they were penalized rather than incentivised by the vehicle entry premiums they had to pay.

4.2.1.3 Wildlife Management Areas and Concessions

In addition to the National Parks and Reserves a large part of the country's natural resource base (approximately 22%) is managed through Wildlife Management Areas, which are largely tribal land areas for which usage rights are allocated under the Tribal Land Act (1970, reviewed 1993). The Tribal Land Act is managed by 12 Land Boards located across the country, which function under the policy directives of the Ministry of Land and Housing. Such rights are provided as either Customary Land Grants for residential or agricultural purposes on a 99-year leasehold basis, or as Common Law Grants for commercial business purposes, normally as 50 year renewable leases with title deeds registered for the improvements on the land.

In Wildlife Management Areas such Customary Land Grants could be allocated for photographic and/or hunting safari purposes on a 15-year, right of first refusal concession basis, for which various conditions apply. Concessions could either be granted to private entrepreneurs or to the communities who occupy the land. These communities could manage the land themselves or sub-lease it on a negotiated basis to private operators. Various conditions are negotiated upfront, such as concession fees, local community benefits, local employment ratios, environmental management measures, lodge design principles, etc. and concessionaires are evaluated during the course of their concession term with regard to the fulfillment of these conditions and overall management practices.

This system appears to be very successful and has resulted in major investments by a range of private lodge operators, ensuring that the Okavango and surrounding wildlife management areas offer some of the highest quality, low impact wildlife and wilderness experiences in the world. It has also catalysed a number of community tourism ventures and partnerships between private lodge operators and communities, which have redistributed tourism benefits and job opportunities to local communities in these rural areas.

Various private operators indicated during the personal interviews that they felt the 15-year concession period did not provide them with adequate security of tenure. According to them it roughly took 5 years for facilities and operations to become market ready (planning, development, operational training, market entry, etc.), that they then had 5 years of normal returns before having to refurbish and upgrade their investments. They felt that, unless they had security of tenure into the future the danger existed that operators would run out their concession periods with deteriorating infrastructure and facilities, since they were not sure of another concession term and sustainable returns.

This point was raised with the Department of Lands who are responsible for the policy. They indicated that the general mandate to the Government was not to lock in foreign investors unconditionally for 50-year leases, as this would effectively amount to foreign ownership. The Department felt that the system was fair and that they had already made it more lenient by changing from a renegotiation every 5 years to a straight 15-year lease. The right of first refusal provided investors with the opportunity to exercise the principle of "surrender and renewal" i.e. the surrender their concessions after say 10 or 12 years and obtain a further 15 year concession on a right of first refusal basis. The Department indicated that they had an open door policy and that HATAB was welcome to further discuss the matter with them.

While the Government's defense of relatively short concession agreements has some merit, developers will apply very different revenue and costs structure, requiring more immediate cash flows in order to derive positive Net Present Values over a short business time horizon of 15 years, than they would if they are provided with a longer investment horizon, e.g. 25 years. This leaves limited scope for visionary community empowerment and local economic empowerment. As a result the number and quality of bids would most probably improve if concession periods are increased.

Our view is that it would be sensible to conduct a thorough assessment of the investment approach that could be followed with longer concession horizons of e.g. 25 or 30 years, compared to the current horizons and that consideration should be given to striking more solid concession agreements over longer time frames. Conditions for such longer concessions may include transfer of an agreed proportion of ownership and management to local citizens over a certain period of time and capacity building initiatives so as to select and fast track the most suitable community members to take on such shareholding and management.

In summary, the concession system is well placed to address and manage the challenges of sustaining low-impact, high volume tourism in Botswana's most sensitive Wildlife Management Areas, while building the high-quality Wilderness brand and allowing local communities the opportunity to benefit from tourism. Through consistent improvements and longer concession periods the model could in time be applied to other remote wilderness areas and national parks such as the Central Kalahari and Kgalagadi.

4.2.1.4 Culture and Heritage attractions

As indicated in the overview wildlife and wilderness are Botswana's major tourism products and the cultural experience could add substantial value to the Wildlife experience. The value of the culture-nature combination is demonstrated by the popularity of cultural performances at luxury lodges, e.g. singing and dancing.

Cultural tourism is poorly developed in Botswana and could be further enhanced. Two specific areas of opportunity could be mentioned, namely:

- The development of cultural attractions and experiences in proximity to major tourism zones such as Gaborone, Kasane and Maun. These could include organized tourism visits to local residential areas and interaction with locals; local restaurants and catering; local craft markets where tourists are able to purchase and bargain for goods; visits to traditional villages; specially developed cultural villages that are operated by locals and where tourists are able to experience and participate in local culture such as music, dancing, storytelling, dress codes, etc. These attractions could add much value to the overall tourism experience and provide local communities with opportunities to participate in tourism. Such developments are currently lacking and could add character and value to towns such as Maun and Kasane as tourism distribution hubs.

The expansion and development of such cultural experiences will require a concerted intervention by the Government in partnership with private operators and local community leaders. A special cultural development programme could be launched to identify such opportunities, manage and fund applications and provide training to local citizens who wish to pursue them.

- The development of the San cultural heritage. The ancient San culture and heritage is one of the most unique but sensitive cultural phenomena in the world. The San interpretation of the natural wilderness and their ancient traditions such as their rock art offer a potentially unparalleled tourism experience. Areas such as Tsodilo Hills and the Central Kalahari offer potentially exceptional experiences in this regard. It is recognized that tourism may have significant social impacts on isolated local communities and the development of San culture for tourism purposes should be well researched and carefully managed, in association with the relevant communities.

It is recommended that the Government should embark on a cultural tourism development programme that will research and identify cultural tourism opportunities and initiate development programmes in this regard.

4.2.1.5 Conference facilities

As indicated earlier in the report the conferencing and incentive markets are globally acknowledged as some of the most lucrative, high yield tourism sectors. Gaborone offers some high quality conference facilities, among others the Gaborone International Conventions Centre (Grand Palm) and the Botswana

International Exhibition Centre. These facilities lay the basis for a growing focus on the MICE market segment.

4.2.1.6 <u>*Shopping and entertainment*</u>

Gaborone offers some of the best quality shopping facilities in Southern Africa and given its central location it has the potential to attract a significant proportion of the Southern African shopping market.

Consideration should be given to investigate its retail price competitiveness compared to other urban areas such as Johannesburg and to devise shopping incentives for citizens of the Southern Africa Development Community. The staging of entertainment and special festivals in the City could act as further draw-cards for the shopping market.

Consideration should also be given to highlighting Botswana's status as a global diamond producer and to develop a diamond and jewelry retail sector where international customers will be able to buy diamond jewelry "at the source", possibly at preferential prices in order to capitalize on Botswana's image as a leading diamond producer.

4.2.2 Human Resources

Direct employment in the tourism sector is estimated at between 10 000 and 15000 employees, i.e. between 3% and 4% of the formally employed labour force. Given the recent development and growth of tourism the local Batswana do not have a professional hospitality tradition and a culture of service quality and excellence is not inherent to the local population.

Most of the industry leaders interviewed cited the lack of a well-trained and motivated tourism labour force as a major impediment to tourism growth (see Annexure A). While the availability and quality of skills training for the tourism sector has improved during recent years and various practical and vocational hospitality and guide training courses are offered by technical colleges, industry leaders were unanimous in their verdict that these courses were not adequately outcomes-based and that the quality of skills produced and applicability of the training were inadequate. Private operators indicated that they would be able to improve their local employment levels if they had access to a well trained and equipped labour pool.

Given Botswana's goal to promote a high quality, high value tourism brand, there is an urgent need for a comprehensive tourism training strategy and plan for the tourism sector. Such a plan should be based on a detailed assessment of current and potential skills requirements in the sector and the ability of the current training facilities and qualifications system to cater for such requirements. A training plan should be devised to fill the gap between the skills demand and supply. The plan should identify the need for appropriate training courses and plan for the provision of these. It should be strongly outcomes-based and should include a consistent accreditation system for training courses offered in the tourism field. The qualifications system should allow for a staggered process of improving qualifications throughout the tourism career.

Consideration should also be given to the establishment of a dedicated hospitality and tourism college in support of the training plan and the feasibility of such a facility should be investigated. The college should be aimed at attracting and producing the highest quality of students who have the potential to grow into management positions in the industry. It should preferably be operated as a working hotel or lodge and should be benchmarked against and/or affiliated to the best of similar facilities worldwide. The curriculum could contain a blend of global hospitality and tourism requirements and skills that are particularly relevant to the local industry, e.g. environmental management, ecotourism, wilderness guiding, etc.

The introduction of tourism as a subject at school level should also be investigated and pursued. While it may be difficult to introduce a hospitality and tourism culture among older citizens, it will be easier and more rewarding to nurture a new generation of Batswana with a passion for hospitality and tourism.

SOME GUIDELINES FOR ESTABLISHING A TOURISM TRAINING COLLEGE

- Develop a consensus among the stakeholders that the school should be designed, established and operated by qualified individuals or organizations in the private or academic sector;
- The tourism training strategy should explicitly identify the training school as a public-private sector partnership venture;
- There is legitimate ground for Government support or assistance for such training activities. The support may be provided in the form of (investment and operating) grants to be awarded on the basis of an open competitive bidding;
- Proposals (both technical and financial) should be invited from the general public, as well competent organizations, such as Cornell University, University of Pretoria Tourism Department, Utali College in Kenya or the Cape Technicon Hotel School in Cape Town or the Cape Town, where the study programs on the hospitality industry are held in high esteem;
- The grant awards should be given to the group with an accepted technical proposal and the lowest amount of assistance requested (so-called "minimum subsidy" bidding.)

This approach may also make it possible for the Government and Private Sector to partner and to consolidate current state and private sector training resources, such as those operated by Wilderness Safaris and other operators.

4.2.3 Intangible assets

The destination's intangible resource based includes its brand reputation and value, safety perceptions in the marketplace, service quality, etc. These factors are often undervalued while, in most instances, they are critical to the tourism success of the destination.

4.2.3.1 *Brand Botswana*

It is clear that Botswana's major tourism asset is its incredible wildlife resources. Similar wildlife experiences are only to be found in Southern and Eastern Africa and as such Botswana's potential competitors are located within the region. The table below provides a basic comparison of the competitive strengths and weaknesses of various competing wildlife destinations in the region.

Country	Key Brand Assets
Botswana	Owns some of the world's last remote wilderness areas, e.g. Kalahari, Okavango, Chobe, etc. Africa's elephant "capital" Limited risk - well-developed road and air infrastructure, safe, well organized Easily accessible due to proximity to South Africa as the tourism entry point to Southern Africa
South Africa	Provides a variety of experiences, including game viewing, scenic beauty, indulgence and city life Well established tourism infrastructure, marketing distribution network, ease of access and independent travel opportunities Peaceful political transition has strong emotional appeal
Kenya	Combination of coastal resort and open plains wildlife, with good game viewing guaranteed Established as an "Out-of-Africa" brand in the USA and Europe Cultural appeal of the colourful Masai and their lifestyle
Zimbabwe	Combination of Victoria Falls as an icon within the Southern Africa Tourism circuit and good game viewing

	Traditional image of hospitality, safety and good service (heavily tarnished by recent events in the country) Adventure activities and image
Tanzania	Open plains of Serengeti guarantees excellent wildlife viewing and variety Celebrity appeal of wildlife migration, well publicized Emerging destination with novelty appeal

From this brief analysis is apparent that Botswana is faced by stiff competition in the rest of the region when it comes to wildlife and safari experiences. What gives it the edge, however, is its unique combination of true "wilderness" experiences (mainly due to its extensive conservation and parks areas and the wilderness brands of the Okavango, Kalahari, etc.) and relative ease of access from major markets (mainly due to its well developed infrastructure, good organization and proximity to South Africa as the entry hub for Southern Africa).

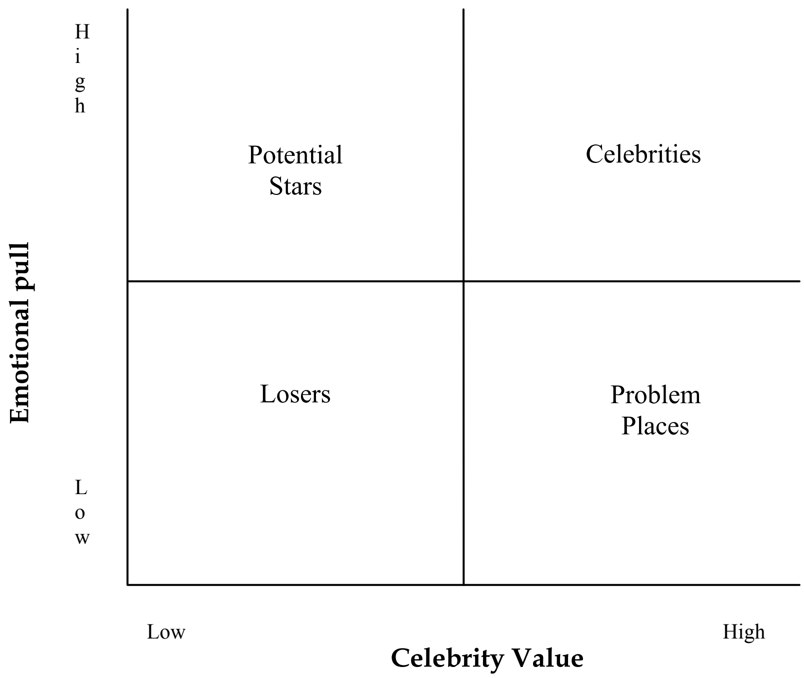
This wilderness brand positioning has been used to good effect by private operators (e.g. Okavango Wilderness Safaris, Desert and Delta, CC Africa, etc.) and the private, exclusive lodge industry has seemingly flourished on the back of it. While the generic marketing collateral produced and distributed by the Department of Tourism strongly promotes the country's wildlife and natural resources it does not display or project a clear brand identity. The advertisements displayed in DOT publications mainly use "Africa's best kept secret" as a positioning statement.

Given the increasing competition form destinations across the globe and within Southern and Eastern Africa, the importance of a strong and differentiated brand identity and essence cannot be over-emphasised.

According to Morgan and Pritchard (2002) brand winners are those places which are rich in emotional meaning, have great conversation value and hold high anticipation for foreign tourists. They present the destination celebrity matrix as follows:

Botswana's brand assets provide it with a high degree of emotional power, especially in view of the global environmental awareness, the emotions around elephants and other species and the mystique of ancient cultures such as the San. It is believed that the country has huge celebrity potential as a wilderness destination, given the extent of remote wilderness, the phenomenon of the Okavango Delta and the abundance of wildlife in areas such as Chobe and Moremi.

This celebrity value has not yet been fully explored and promoted and it has largely been up to the private sector operators, some who have won global accolades for the experience they offer to promote the wilderness brand. Morgan and Pritchard (2002) state that destinations which do have high emotional pull but currently have limited celebrity value hold huge untapped potential and could be tomorrow's winner destination brands. The challenge for their marketers is to craft identities which convey and build on their emotional appeal and which turn them into places with high celebrity value.



Botswana's African wilderness status and icons are clearly the brand assets that differentiate the destination from its competitors. These assets have huge emotional appeal to the growing global tourism market that is increasingly in search of enriching experiences by exploring new horizons. The Okavango Delta, the elephants of the Chobe and the San culture are highly marketable brand icons that contribute to the mystique and celebrity status of the destination. Some implications for exploiting this brand positioning are:

- The true "wilderness" experience and resources should be protected at all costs. Visitor pressures are mounting in areas such as Chobe and Moremi and unless these are subjected to proactive planning and controls the industry could loose its wilderness brand advantage. This could achieved by the public and private sectors agreeing on an holistic tourism development strategy that diversifies the natural resource base and infrastructure so as to accommodate various market segments, without detracting from the quality of their experiences. Such a strategy may entail appropriate zoning of conservation and wildlife management areas into high density, moderate density and remote wilderness zones and providing the required infrastructure to accommodate the requirements of a variety of "wilderness-seeking" market segments. A one-size-fits-all strategy could dilute the brand value and tourism potential of the country.

- The Department of Tourism and the newly appointed Botswana Tourist Board should develop a strong, differentiated brand positioning that is supported by the private sector and that communicates a clear and strong brand essence, brand values and emotional pull, with an underlying wilderness theme that communicates the message of visitors "being touched by the un-touched". The brand message(s) and brand personality of the destination should be clearly communicated through visual marketing materials, public relations and media messages.

- The destination should capitalize on its central location within the region and its proximity to South Africa, which could provide visitors to the sub-continent with a unique blend of true wilderness, spectacular scenic beauty, cosmopolitan city and beach resort experiences within easy reach on each other. The recently introduced direct flights between Cape Town and Maun bode well for this vision and should be promoted as best possible.

4.2.3.2 <u>Safety and aesthetics</u>

Botswana has a major advantage in that it is widely recognized for being a safe destination, intolerant to corruption and well organized. This reputation should be valued and protected as best possible. The recent growth and expansion in towns such as Maun and Kasane has unfortunately resulted in some incidents of tourism theft and poor waste management, with litter not being removed regularly and these towns taking on a "dirty" ambience. These trends are not supportive of the overall band identity of the destination and could detract from the environmental and wilderness value offered.

Tourism safety and overall cleanliness of the main holiday tourism centres (particularly Maun and Kasane) should be addressed as a matter of urgency.

4.2.3.3 <u>Service standards and culture</u>

As indicated in the section dealing with Human Resources tourism is not a traditional pillar of the Botswana economy and as such a culture of service excellence has not effectively developed.

Botswana's high quality wilderness brand will only succeed in the long run if it is based on excellent service quality and a culture of true hospitality. Therefore, the proposals regarding a dedicated hospitality training college and introducing tourism awareness programmes at schools level, contained in section 3.2.2 should be further pursued.

While the Tourism Act (1992) provides for the establishment of a mandatory grading system for hospitality enterprises such a system has not yet been implemented. Given Botswana's wilderness brand it may be appropriate to investigate a unique tourism grading system that draws on international best practice but gives special recognition to environmental and wilderness quality of products on offer. Various private operators (e.g. Wilderness Safaris) have introduced their own, unique classification systems to differentiate their product and these could possibly contribute to a suitable national tourism standards system that compliments the brand.

4.3 Related and supporting industries

The primary tourism value chain is dependent upon a range of related and supporting industries for its effective functioning. The following are the most important.

4.3.1 Accommodation

The table below provides estimated figures regarding accommodation capacity in the main tourism centres of Botswana in 2003, compared to 1998. The figures indicate that the supply of tourism accommodation has increased substantially between 1998 and 2003, from 2 376 rooms to 3 707 rooms, a growth of 60%. This is substantially higher than the growth in visitor arrivals of just more than 30% during the corresponding period.

This disproportionate supply in tourism accommodation could be the result of increased investment in accommodation facilities during the late 1990's and early 2000 when tourism was in a strong growth cycle and visitor arrival had increased by approximately 47% between 1998 and 2000. Unfortunately tourism arrivals have been declining since 2000 and this has led to tourism accommodation increases having outstripped visitor growth.

Supply of tourism accommodation by main centres, 1998 and 2003

<table>
<tr><th rowspan="2">AREA</th><th colspan="2">1998</th><th colspan="4">2003</th><th rowspan="2">% Change '98 – '03</th></tr>
<tr><th>Rooms</th><th>% of Total</th><th>Rooms</th><th>% of Total</th><th>No establ.</th><th>% of Total</th></tr>
<tr><td>Gaborone</td><td>895</td><td>37.7</td><td>1 065</td><td>28.7</td><td>33</td><td>14.6</td><td>19</td></tr>
<tr><td>Other towns/areas</td><td>475</td><td>20.0</td><td>1078</td><td>29.1</td><td>74</td><td>32.7</td><td>127</td></tr>
</table>

Maun/Okavango	494	20.8	706	19.0	73	32.3	43
Francistown	201	8.4	414	11.2	19	8.4	106
Kasane/Chobe	245	10.3	374	10.1	19	8.4	53
Tuli Block	66	2.8	69	1.9	8	3.5	5
Total	**2 376**	**100**	**3 707**	**100**	**226**	**100**	**56**

Source: Department of Tourism, 2001 and 2004

The variations in market requirements are clearly evident from the results. Whereas the average number of rooms per establishment is in the order of 32 in Gaborone, 22 in Francistown and 19 in Kasane/Chobe, it is much lower at 14 in other rural towns and less than 10 in Maun/Okavango, which offers a more exclusive tourism product. The overall increase in rooms in "other towns/areas" and the relatively limited average room numbers per establishment in these areas, imply that the growth in accommodation supply in these areas may have resulted from an increase in smaller, owner-managed establishments.

While the accommodation supply in Gaborone has shown only limited growth, the increases in supply have been most marked in other "non-holiday" centres such as Francistown, Mogoditshane, Palapye, etc. Although the growth in supply in the main tourism centres namely Maun/Okavango and Kasane/Chobe has outstripped market growth, it has been more in line with the holiday market growth of 34% during this period.

Categories of tourism licenses issued:

- A – Operations that offer facilities only on site, e.g. hotels, motels, guest houses and apartments – grew by 21% p.a. from 49 to 128. Accounted for 25% of all licenses issues in 2003, compared to 24% in 1998.
- B – Operations that offer facilities on and off site, e.g. tourist camps, lodges, caravans, hunting camps and tented tourist camps – grew by an average 20% p.a. from 77 to 194. Accounted for 38% of all licenses issues in 2003, compared to 38% in 1998.
- C - Operations that offer facilities off site only, such as safari or tour operators, and any enterprise that receives and transports travelers and guests – grew by an average of 21% p.a. from 54 in 1998 to 140 in 2003. Accounted for 28% of all licenses issues in 2003, compared to 27% in 1998.
- D – Operations that act as agents only, such as travel agents – grew by an average of 14% p.a. from 22 in 1998 to 43 in 2003. Accounted for 9% of all licenses issues in 2003, compared to 11% in 1998.

Ownership structure of licenses issued:

- Citizen owned: Accounted for 40% of licenses issued in 2003, compared to 23% in 1998.
- Joint Venture: Accounted for 27% of licenses issued in 2003, compared to 37% in 1998.
- Non-citizen: Accounted for 33% of licenses issued in 2003, compared to 40% in 1998.

In terms of the Tourism Act (1992) tourism enterprises are only allowed to operate if they are issued with operating licenses and existing licensees have to renew their licenses annually, except if they are exempt from doing so by the relevant Minister. The licensing figures provided by the Department of Tourism indicate that, whilst the proportionate issuing of category types has remained consistent during the past 5 years, the ownership structure has changed significantly with citizen-owned licenses increasing by 17% from 23% to 40%, Joint Venture licenses decreasing from 37% to 27% and non-citizen applications decreasing from 40% to 33% of licenses issued. These trends indicate that the government's effort to promote and grow tourism ownership among Botswana citizens has been shown positive results.

4.3.2 *Transport modes and infrastructure*

The provision of adequate and appropriate transport infrastructure is a vital component on the value chain. Botswana is a vast country and distances between tourism centres and attractions are substantial. The potential growth of the tourism industry is largely dependent upon the government's ability to provide appropriate access to the various tourism attractions.

Rail infrastructure is limited to the route between Lobatse and Francistown and as such has limited potential to serve as a catalyst for the country's tourism industry. The main modes of tourism transport are by road and air and these are crucial components and links in the tourism value chain.

4.3.2.1 Road transport

A high quality road network connects Botswana's main centres and the country can be crossed in both a north-south and east-west direction via tarred roads. The county is connected with its neighbours by more than 20 border posts and is very accessible from all directions.

Access to many of the main tourism attractions is limited to gravel roads which are mostly only navigable by means of 4-wheel drive vehicles. These include access roads to most of Botswana's national parks, all roads within the parks and reserves and many connecting roads between the main attractions such as the road between Maun and Kasane.

While the undeveloped road system has been applied as a control mechanism to limit access to conservation areas and to maintain the wilderness character of the destination it has largely limited Botswana's product range to packaged tours and trips and to the fully equipped self-drive 4-wheel drive journey. The substantial increases in day visitors to the Chobe Park from Kasane, which can be reached by tarred road from Victoria Falls and Livingstone , provides and indication of the pent-up demand for access to the Park by the broader travel market that requires greater flexibility and wishes to include Botswana as part of a wider regional travel package.

Given the need to spread Botswana's tourism appeal across a wider spectrum of market segments (in particular the self-drive market) the possibility of upgrading some of the gravel access roads to and within the parks (e.g. from Maun to Moremi, between Chobe and Moremi and within particular zones of the parks) so as to allow easier access for self-drive travelers, should be investigated. The potential impact of such road improvements should be thoroughly investigated and the appropriate roads should be selected with great care so as not to dilute the wilderness brand. Such upgrades should be accompanies by infrastructure improvements in the selected high density areas of the parks so as to accommodate increased visitor flows in a sustainable manner.

The proposed Kazungula bridge that will connect Botswana, Zambia and Zimbabwe through a singular access point will be a major asset for the region and it should be urgently pursued, as it will improve the attractiveness of a regional travel circuit that offers some of the best wildlife and wilderness experiences in the world.

4.3.2.2 Air transport

Air access is of critical importance to Botswana's future tourism growth, particularly its ability to attract the high yield overseas markets. The majority of overseas travelers wish to access the country by air, mostly through connections through South Africa, and the availability and cost of flights have a major influence over their travel choices and itineraries.

Almost all of the private operators interviewed cited the fact that Air Botswana has a monopoly over airline routes into the Botswana as a major constraint for tourism development (see survey results, Annexure A).

Air Botswana is Botswana's only designated scheduled airline, with the Botswana Government as sole shareholder. The skies over Botswana are managed through a series of bilateral agreements with countries who receive Air Botswana flights or whose airlines provide flights to Botswana. Currently no airline flies directly between Botswana and any overseas destination and overseas visitors to Botswana have to enter Southern Africa through Namibia, Zimbabwe or South Africa.

The bilateral agreement with South Africa has an important influence over air access, frequencies and prices to Botswana, as South Africa is the major entry point to the region for overseas visitors. Until recently the bilateral agreement provided for a single designated airline of each country to fly between the two destinations and allowed a single entry point for each country. This meant that, in the case of South Africa only SA Express could fly between South Africa and Botswana and only enter the country at Gaborone, while only Air Botswana (which in any case is the only designated airline in Botswana) could fly between Botswana and South Africa and only enter via Johannesburg.

This agreement provided these two airlines with the sole rights to the air transport market between South Africa and Botswana, with Air Botswana also being the only designated airline to fly internal routes within Botswana. The result has been limited airline capacity on the route, high prices and all visitors having to connect to Botswana in Johannesburg and back to South Africa via Gaborone.

During the recent bilateral negotiations early in 2004 the traditional agreement was adapted significantly and the bilateral agreement concluded that:

- A phased approach would be followed towards and open-skies, multi-designated aviation regime over the next three years;

- Each country would be allowed three entry points, paving the way for Air Botswana to introduce the very important Cape Town-Maun Route in addition to the Johannesburg-Gaborone Route.

- New routes to any destination in Botswana could be introduced from any point in South Africa other than Cape Town and Johannesburg;

- All restrictions to be lifted on seat capacity and cargo.

The movement and agreement towards open skies should be welcomed and is of critical importance to the successful expansion of the tourism industry. Improved service levels, flight frequencies and price reductions will only become a reality when greater competition is allowed on air routes into Botswana. Flight costs between overseas destinations such as Europe and the USA and South

Africa are a major cost component and additional high airline costs to Botswana place the Botswana tourism circuit out of reach for a large section of travelers. Every effort should be made to reduce flights costs and improve the availability of seats from various points in South Africa and Botswana. Progress made with the phased agreement towards open skies should be closely monitored, so as to ensure that it gets implemented within the agreed time frames, if not sooner.

Concerning airport infrastructure, the National Development Plan 9 prioritises the development and improvement of the Sir Seretse Khama Airport (Gaborone), Maun Airport and Kasane Airport in order to capitalize on the World Soccer Cup that will be played in South Africa in 2010. Proposed improvement include the expansion of the Sir Seretse Khama Airport terminal building, the building of a new, 3,7 km long runway and the upgrading of the terminal building at Maun Airport to accommodate Boeing 767 aircraft and the extension of Kasane airport runway to also accommodate Boeing 767 planes.

While plans to improve airport infrastructure should be welcomed and will no doubt benefit the tourism industry, the following issues should be considered in planning these improvements:

- Airports are vital links in the tourism value chain, but their success is dependent upon the synergy they achieve with other elements in the value chain. The expansion of runways and airport facilities in towns such as Maun and Kasane will not be sustainable unless the national parks and conservation areas that provide the main reason for visitors to fly to these centres are improved and upgraded to accommodate the larger number of customers ferried in through the airports.

- Large airplanes are a major source of noise and air pollution and proper environmental impact assessments should be conducted before final decisions are taken regarding the location and scope of expansions. This point is particularly relevant to Kasane, where the flight path to the current airport location is across the Chobe National Park. The impact on the wildlife and the overall nature experience of large jet aircraft flying across the park may be severe and may have a detrimental effect on efforts to promote and sustain the wilderness brand.

- The successful diversification of tourism towards the lesser frequented tourism areas of the Central Kalahari, the Western Delta, the Pans and the Kgalagadi will be substantially enhanced through affordable and easy air access. The Botswana Government owns a large network of airfields located across the country and the improved utilization of these airstrips towards facilitating the spreading of visitors to lesser frequented areas should be investigated. The possibility of these airstrips being utilized as sub-stations for feeder routes from distribution hubs in Maun and Kasane could improve the fast and effective movement of tourists across the country. It would also tie in well with the proposals contained in the Tourism Development Framework and could provide flexible travel options for the independent traveler. While various private operators already offer charter flights from Maun to remote tourism locations such as the Kalahari, these normally form part of fully inclusive packages and occur on a small, uncoordinated scale. The implementation of such an internal "hub and spoke" distribution strategy will require a well coordinate effort between the transport and parks authorities, so as to ensure that the parks and wildlife attractions are geared to receiving the increasing number of visitors. The potential role of Air Botswana as an internal tourism feeder airline from hubs such as Maun and Kasane to a variety of smaller airstrips across the country should also be investigated. It may be appropriate the launch a pilot programme in association with private operators and Air Botswana to test the feasibility of such a system.

4.3.3 Emigration and customs

Botswana's central location in Southern Africa and the fact that it borders four countries places it at the centre of the Southern Africa tourism circuit. The Kasane/Chobe areas has a particularly significant advantage, being located at the meeting point of 4 countries – Botswana, Namibia, Zambia and Zimbabwe. This location potentially allows visitors a unique opportunity to experience some of Africa's most exceptional natural attractions within a short period of time.

However, the absence of a coordinated and tourist friendly emigration and customs system at the various entry points could result in major frustrations and lengthy delays and could impact negatively on the visitor experience. For example, the various countries all have different emigration and customs requirements and tax regimes, with the result that visitors have to go through a variety of differing procedures in order to move between the different countries. This makes a quick round trip between Botswana, Zimbabwe and Zambia a major exercise with the visitor having to pass through six border control points, often having to wait in long queues, paying a variety of steep entry taxes and wasting valuable time.

This "nuisance" cost has a major impact on the number of one specific category of tourists: day travelers or very short-term visitors. It hurts tourism revenue by cutting the number of people who manage to get into Botswana, but not significantly affecting the length of their stay. If the nuisance cost is reduced, more day tourists will be able to get in and bring more revenue to Botswana. Furthermore, the cumbersome emigration processes may also affect Botswana's ability to attract longer-stay regional holiday travelers, who are generally "time-poor" and would not like to waste valuable travel time at entry points between countries.

Since slow progress has been made with implementing a universal Southern Africa regional visa as proposed and accepted by SADC and this seems a long way off, a special effort should be made to improve ease of access between the four countries mentioned above. The introduction of a single, special tourist visa that could be approved and purchased in advance of the visit at a foreign office of any of the four countries and that will provide access to all four countries should be urgently investigated. The latest technology could be employed to avoid abuse and fraud and the fees generated could be distributed according to an agreed formula among the participating countries. A special service could be introduced at the various emigration points to process tourists who are in possession of the visa.

4.3.4 Backward linkages

The relationship between the tourism industry and other sectors of the economy is difficult to quantify without having the benefit of a fully functional satellite accounting system. However, based on interviews with tourism operators it is clear that a large proportion of tourism supplies and goods are imported and that the leakage factor is relatively high.

Since tourism could provide major opportunities for providers in the agricultural, manufacturing, construction and various other sectors a detailed analysis should be conducted of such requirements and opportunities in Botswana's tourism sector. The results could guide and direct private businesses and government agencies towards investing in "local content" tourism programmes and projects.

4.4 Industry structure, strategy and rivalry

The optimal performance of the tourism system largely depends upon the level of strategic management, cooperation and competitive ability within the local tourism industry. Such internal factors include marketing, coordination of effort, partnerships, pricing policies, etc.

4.4.1 Strategic direction

The various policies and strategies mentioned in this document provide good foundations and principles for future tourism growth. However, they are largely supply driven and do not adequately consider the competitive environment and the requirements and variations in the marketplace. Furthermore it is doubted whether the proposals and directives contained in these documents are the outcomes of a truly collaborative effort that has the support, backing and commitment of the public and private sector. Judging by the severe tourism budget restrictions it is not clear whether the Government as yet regards the advancement of the tourism sector as a priority.

It is clear that, in order to succeed into the future the Botswana tourism industry is in need of an aggressive competitive strategy that has the backing of a healthy partnership between the government and the private sector. Such a strategy should clarify the desired positioning of the country in relation to its competitors, research and target the most lucrative market segments in pursuit of the positioning and identify the critical levers of tourism development and investment in order to achieve the desired position and satisfy the requirements of target markets.

The tourism efforts of all related government departments (e.g. DWNP. Transport, etc.) should be based on and complement the strategy. The strategy should be publicly endorsed at the highest level by government and business leaders.

4.4.2 Destination marketing

The Botswana Department of Tourism was until recently responsible for all aspects of tourism development, regulation and promotion. While industry leaders acknowledge the work that has been done by the department to promote Botswana as a destination they are critical of the limited resources that the Government has allocated for promoting the destination. It would be fair to state that, given the limited resources and capacity the promotion of "Brand Botswana" as a global destination of choice has suffered during the past few years and marketing has been largely left to the private sector. The recent appointment of the first Botswana Tourist Board bodes well for destination marketing. In particular, the following aspects relating to destination marketing require the urgent attention of the Board:

- There is a need for a well-researched, clear marketing strategy that will direct the future marketing focus of the Board and will inform Botswana's overall tourism policy and development thrust. The marketing strategy should preferably be a component of an overall competitive strategy and should clearly define the various target market segments with regard to their profiles, preferences and purchasing patterns. It should furthermore clarify Botswana's brand essence and personality and how such a brand should be applied and projected. Based on the profiles and preferences of target markets the strategy should propose an appropriate marketing mix (i.e. which experiences/products to be marketed to which target markets, through which promotional methods and channels) and provide an implementation framework with cost and budget estimates over a three-year period.

- The Board should invest in a portfolio of high quality marketing materials that visually reflect the brand and that speak to the needs of the various target markets. These should include an overall "teaser" marketing brochure; a travel map that indicates the road conditions, air routes, attractions and relevant contact details and a travel guide that contains information on places, routes and experiences. These materials should form the basis of any marketing drive and should be commissioned and directed by the Tourist Board, possibly in collaboration with the private sector. Various other special interest theme brochures (e.g. birding, culture, archaeology, etc.), video/DVD materials, etc. could be added in time. The current Internet Page should be upgraded to reflect the brand identity and marketing strategy.

- Should the Board wish to progress a strategy that is aimed at independent travelers who are keen to explore and like to make their own arrangements, it would be important to upgrade and add to the existing tourism information infrastructure. While tourism information offices exist at the major airports and tourism towns, these are poorly equipped, stocked and branded and are in urgent need of improvement. In view of the recent introduction of direct flights between the tourist areas of Maun and Cape Town it would be advisable for Botswana to establish a marketing and information office in Cape Town, which is a major tourism entry point to Southern Africa, particularly for the South Africa-Botswana tourism circuit.

IS THERE A TRADE-OFF BETWEEN MARKETING BOTSWANA AS AN INDEPENDENT DESTINATION OR AS PART OF A REGIONAL PACKAGE?

We believe that there is no trade off, as a good marketing strategy would identify particular market segments and then package the product accordingly for marketing purposes. From a generic marketing point of view it would make sense for Botswana to establish a differentiated brand foundation on which it could promote its total product offering, otherwise it will just remain "Chobe" or "The Okavango" in the eyes of the market. This does not imply that it should not be packaged and sold in a regional context (as is already being done by many operators), but the danger of only being sold as part of a regional circuit is that external regional events that break the circuit (such as the demise of the Zimbabwean tourism industry) could have a hugely negative impact on all the regional destinations that form part of the circuit. South Africa is a case in point – the fact that it is a brand in its own right as well as a partner in the regional context allows it to capitalize on both, without being overly dependent on external factors. We believe that the recent Botswana arrival trends have exposed its vulnerability as a regional circuit point – amongst others this has led to a decline in arrivals and over concentrations of visitors at Chobe, which is a major visitor point on the regional circuit, while other parts of the country have remained largely marginalized from a tourism perspective.

4.4.3 *Price competitiveness*

A basic analysis of tourism prices reveals that, on average, Botswana is positioned at the higher end of the tourism pricing scale. This is mainly the result of the strength of the Pula relative to other currencies and the relative remoteness of most tourism areas, resulting in a high percentage of supplies being imported to remote tourism areas of the country which adds to transport and distribution costs.

In addition to real cost factors there exists a perception in the marketplace that Botswana is a high cost, expensive destination. As the saying goes "perception equals reality" and this perception could have a detrimental impact on the tourism growth potential of the country. One of the reasons for this perception may be the fact that the government has invested very limited resources in destination marketing and that this task has been largely left to the private sector. The exclusive lodge operators at the upper end of the price spectrum have excellent marketing infrastructures and networks and in the absence of a balanced national marketing effort that promotes a wide spectrum of tourism experiences and services, these operators have a major influence on market perceptions regarding the image and product range of the country. Since they are priced at the upper end of the price spectrum and are largely priced in US Dollars and other foreign currencies their marketing initiatives tend to re-enforce this exclusive, high cost perception.

Further investigation indicates that tourists are able to select tourism services from a range of price categories, from the budget to the high cost end of the spectrum. Given the quality of the wildlife and nature experience it is believed that the average tourism basket represents good value for money. By promoting the wider spectrum of tourism experiences and a variety of cost categories the country could shed its "expensive" image.

While it is important to promote the wider spectrum of price and quality choices offered in the country it is believed that the promotional focus should be on "value for money" rather than price. In order to retain its value the Botswana wilderness experience should come at a premium and the destination should avoid competing on a "cheap" pricing basis.

A basic analysis of the tourism price factors reveals that, while hospitality, communication, entertainment and entrance costs are largely market related, transportation is a major cost item that has a major influence on the cost of a holiday to Botswana. The high flight costs between South Africa and Botswana (on average around R 3 000 (US$ 500) return with no internal transport costs or taxes included) add substantially to the overall cost of a visit as these costs are in addition to the overseas flight leg. The costs do not compare favourably to long distance internal flight costs in South Africa (e.g. average flight costs between Cape Town and Johannesburg are around R1 500).

Since the hospitality industry increasingly operates on a yield management basis using different price structures at any given time, depending on demand, it is difficult to conduct a superficial comparison of hospitality costs in Botswana compared to competitors. Such a comparison will require a more in-depth investigation into the various price components and price factors in the hospitality value chain.

Other items that add to the relatively high cost levels are the inaccessibility of parks for vehicles other than 4-wheel drive trucks and the multiple of taxes that apply when combining Zimbabwe and Botswana in a regional travel package. When entering Zimbabwe from Botswana, for example, four fees are payable by foreigners namely a visa fee, a vehicle permit fee, a carbon tax and third party insurance fee. To make matters worse these are paid at different locations at the border post and require separate documentation to be completed.

As previously mentioned the park entry premiums paid by heavy overland vehicles is a cost item that add to the costs of the overland market.

4.4.4 Tourism organization and cooperation

Tourism in Botswana is largely directed by a few key parties, namely the government Department of Tourism (DOT) in the Ministry of Environment, Wildlife and Tourism, the government Department of Wildlife and National Parks (DWNP) within the same Ministry and the private sector Hotel and Tourism Association of Botswana (HATAB). Various other government departments (e.g. Lands and Land Boards, Transport, Emigration, etc.), private sector organizations (e.g. Botswana Confederation of Commerce, Industry and Manpower [BOCCIM], Travel Agents Association of Botswana, etc.) and NGO's are stakeholders in the tourism sector, but the three parties mentioned above are directly involved in the promotion and development of the industry.

4.4.4.1 National level

The Department of Tourism has traditionally been responsible for all aspects of tourism development and promotion, including policymaking and planning, marketing, research and development implementation, training and regulatory matters. While the Department has made good progress in some areas during recent years its impact has been limited by various factors, among others:

- Lack of adequate funding and capacity – the DOT has a tiny budget that leaves it with very little scope for programme implementation once overheads have been taken care of;

- Lack of a clear competitive and marketing strategy, with the result that limited resources are not always focused in accordance with a coordinated plan of action;

- Operating with a bureaucratic environment by being part of the government machinery and not always being able to timeously and effectively respond to market needs;

- Having to play the roles of "referee and player", by having to regulate the industry while simultaneously being involved in promoting it.

The recent announcement of the first National Tourism Board is a step in the right direction, allowing for a more flexible operating environment and for external parties to advise on the tourism direction of the country. The credibility and success of the Board will largely depend on its representivity and knowledge of the industry, its ability to become functional and operational as soon as possible, the extent of resources and capacity allocated to it and its ability to play a strategic leadership role in advancing tourism into the future.

The Department of Wildlife and National Parks is responsible for all aspects of wildlife and visitor management in Botswana's parks, reserves and wildlife management areas. The Department plays a crucial role in the development and management of tourism and its actions have a determining influence on the overall tourism direction of the country. One of the dilemmas faced by Botswana's tourism sector during the past decades is that the sector has largely developed on the back of a parks and conservation strategy which has not always taken cognizance of tourism market trends and preferences and has been confined to the development of conservation areas. Tourism clearly requires a broader development strategy that is market oriented and incorporates the wider geographic landscape of the country.

Actions and policies implemented in Botswana's Parks and Conservation Areas will always have a major, determining influence over the future tourism prospects of the country and it is therefore crucial that:

- The DWNP should be an active and key partner in the formulation and implementation of the national tourism strategy;

- The DWNP should be closely aligned to the Botswana Tourism Board and these two parties should consult each other on a regular basis with regard to development programmes, marketing actions, regulations and controls, etc.

- The Government should allocated and manage its budget allocation and investment in the DOT and the DWNP as a holistic package, within a commonly agreed tourism development strategy so as to promote maximum synergy between tourism and conservation.

As the main private sector organization HATAB represents the interest of a wide spectrum of industry sub-sectors, including airlines, air charters, lodges/camps, mobile safaris, tour operators, hotels, services, restaurants, hunting, etc. The body is consulted and has influence over government policies and acts as a conduit between the government and the private sector. The CEO of HATAB has been appointed on the recently launched national Tourism Board.

While relations between the private sector and the government are good, there is no formalized partnership agreement between the two parties. Since the tourism success of emerging destinations is reliant upon the active participation and joint visioning of the government and the private sector a formal partnership agreement should be considered, with both parties committing themselves to the implementation of a jointly agreed national tourism strategy that will guide tourism development over the next decade.

Such a formal partnership could include funding cooperation and in this regard the establishment of a dedicated Tourism and Conservation Management Fund should be considered, to be funded through realistic levies charges at all tourism points such as parks, mobile tour operators, hospitality establishments, etc. (A tourism bed levy is currently being charged, but it is small and only applicable to accommodation enterprises).

4.4.4.2 Regional level

Botswana's central location in the region places it in a unique position to link its tourism experiences to those of its neighbours, thereby creating a world-class tourism circuit that offers the best of wilderness, coastlines, cities and globally renowned natural wonders such as the Namib Desert, Okavango Delta, Victoria Falls, Table Mountain, etc.

The planned network of Transfrontier Conservation Areas as promoted by the Peace Parks Foundation (the Kgalagadi Transfrontier Park between Botswana and South Africa is the first of these) has the potential to establish the largest circuit of interlinked wilderness areas in the world and Botswana should ensure that it capitalizes as best possible on this development.

THE NOTION OF DEDICATED TOURISM AND CONSERVATION FUNDS

Raising special tourist or bed levies is common practice in many tourism destinations. The management of such funds varies among destinations. In some destinations these levies are dedicated to tourism management programmes, while in other areas tourism taxes and levies are allocated to the fiscus for general use. While the tourism industry has always been campaigning for hypothecated taxes/levies, many governments are not in favour of dedicated funds as these are seen to impact negatively on fiscal control. However, we believe that tourism levies are destructive cost barriers unless they accrue to a special fund for the promotion and development of tourism. In South Africa, for example, an exit tourist levy is charged on the air ticket, and while the tourism industry argued for it to be allocated to a dedicated tourism fund the Ministry of Finance was of a different view – a compromise was reached with the funds accruing to the fiscus, but the government increasing the tourism budget significantly in return, based on an agreed business plan that includes tourism development and marketing programmes.

Concerning "Conservations Fees", where conservation authorities are government departments such as in Botswana, all income accrues to the government coffers and the department is allocated its normal annual budget for operational purposes. We believe that this arrangement could be a constraint to tourism growth in Botswana, as it perpetuates the view that conservation is a sole function of the government and that a conservative, non-entrepreneurial approach may be followed in managing the conservation mandate. There is no reason for civil service managers to consider expanded tourism development in parks if they are not required to do so in terms of their management mandate and if all funds generated accrue to the fiscus. Some officials have even indicated that they prefer the current arrangement as the entrance and park fees generated were a small portion of their overall budget and that they were afraid that their government budget allocation would be reduced if they earned park revenues.

The best conservation and tourism synergies are based on agency models where the Conservation authorities are statutory agencies who are financed through a formula that is based on a combination of government budget allocations and their own income streams. This approach would force the conservation authorities to adopt both a conservation mandate and a tourism development approach in order to sustain their operations. The South African National Parks Board and most of the provincial conservation agencies in South Africa are good examples of this model – these agencies have an excellent conservation track record, while at the same time managing their own tourism development and entrance fee policies, often on a public-private sector partnership basis.

While the government budget covers salaries and overhead expenses, funds generated are spent on various capital items, including infrastructure, tourism facility improvements, marketing, etc.

In order to effectively capitalize on the potential value that could be derived from such regional cooperation the following factors would be of importance:

- Botswana should establish and protect a strong, differentiating brand positioning in the region, which it should promote aggressively so as to avoid losing its unique destination identity and becoming merely an “add on” for other destinations;

- The proactive development of air routes and competitive air access should be progressed as a matter of urgency, as the country’s ability to capitalize on regional tourism flows will increasingly depend on regular, affordable air access to its tourism attractions. Such air route development should include internal feeder routes to service the lesser-known attractions once tourists are inside the country;

- The implementation of a seamless and hassle-free emigration system (see proposal for a special tourism visa) should be advanced as a matter of urgency. Regional tourism promotion will not succeed unless tourists are able to cross borders between tourism attractions in a fast and efficient manner.

The SADC tourism structures, including the public-private Regional Tourism Organization of Southern Africa (Retosa) could play a vital role in creating marketing synergies at a regional level between the various wildlife tourism destinations in Southern Africa, to activate emigration initiatives such a phased single tourism visa, to promote liberalized air traffic policies within the region and to canvas for the adoption of consistent and compatible regional tourism standards.

4.4.4.3 Local level

The Department of Tourism has regional offices in Maun and Kasane, but there are no local tourism associations in any of the tourism towns in Botswana. While the majority of tourism businesses are affiliated to HATAB and HATAB fulfills an important role in promoting public/private sector cooperation, businesses are not organized at a local level and there are no recognized forums for private and public sector co collaborate at a local level.

The establishment of local tourism associations in the main tourism centres is recommended, which are affiliated to HATAB and where local businesses can obtain membership and collaborate with the public sector on issues such as cleaning up and beautification of tourism towns, safety, infrastructural issues, community awareness and tourism information provision and reservations.

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ANNEXURE A: RESULTS OF STRUCTURED INTERVIEWS WITH PRIVATE STAKEHOLDERS

Question	Responses	No
1. In your opinion, how would you consider the growth potential of tourism in Botswana (not only in the area(s) where you operate)	(a) No more scope for growth and expansion	0
	(b) Limited scope for growth and expansion	5
	(c) Major scope for growth and expansion	10
2. If scope for expansion and growth: From which market areas?; what types of tourists?; what type of products and experiences could be expanded?; which areas in Botswana could be targeted for further tourism expansion?	Cultural Experiences, Walking with Bushmen, Craft, Village experience, Local B&B's	9
	Focus on independent (self-drive) and slightly lower cost segments, equipment & facilities, properly managed	9
	Central Kalahari Area, Kgalagadi, Makagadigadi	8
	Park expansion through proper Management & Zoning of Parks and provision for self-catering segment	5
	Increase flights – limitations & prices curbing growth	5
	Develop and open up new areas e.g. to the West of the Delta panhandle (Gumare)	5
	Market effectively to fill capacity during slower season, thereby increasing tourism revenues	2
	Develop Maun as a staging point	2
	Transfrontier Parks	1
	Meeting Place of 4 Countries	1
	Facilities in Parks to cater for overlanders and self-drive tourists, tourist camps	1
	Mobile Safari Business	1
	Stop-over facilities between main centres	1
	Improving Service Levels	1
	Develop New Markets Asia, S/America, E/Europe	1
	Possible golf circuit with Vic Falls	1
	Horseback Safaris	1

3. How effective would you rate the marketing of Botswana as a tourism destination?	(a) Poor (b) Fair (c) Excellent	8 7 0
4. How could the marketing of the destination be improved?	Improved Funding to expand destination marketing – (e.g. dedicated Marketing & Parks Management Fund) Market Botswana as a Wilderness brand, not only Delta Establish strong private/public partnership and coordination, with local tourism offices affiliated to HATAB and travel trade education Counter market perception of seasonality Improved representation on Tourism Board Develop proper marketing strategy & segmentation Proper tourism information offices Greater focus on internet marketing and easy booking systems for independent travel market Marketing support for SMME's	6 4 4 2 2 2 2 1
5. Are there any factors that inhibit the movement of tourists and businesspeople into the country? Please mention the most important ones.	Lack of affordable airline access/flights expensive – Air Botswana monopoly Airport Limitations Too many taxes at entry points Service at Emigration Points (Zim) poor = Establish regional tourist visa High entry costs to parks for overlander companies	13 4 3 1 2 1
6. What is your view of tourism prices in Botswana – have prices had an influence on tourism growth and if yes, what could be done to improve the situation?	Low Volume Tourism policy has created expensive perception in marketplace Supplies expensive – imported Air prices exorbitant Relatively good value for money US$ pricing has influenced + and -	3 1 3 2 3

7. How to you regard the role of the travel channel (particularly in- and outbound tour operators) in the tourism sector	(a) Tour operators have a stronghold over the industry and manipulate demand, prices and local profits (b) Tour operators are a vital part of the travel chain and generally fulfill this role in a transparent and competitive manner	4 6
8. What would you consider as the best option for future tourism growth in Botswana:	a) Low volume, high cost tourism b) A mixture of low volume/high cost and higher volume/lower cost tourism, depending on the area and resources c) A greater focus on high volume/lower cost tourism?	2 13 0
9. How important is it to market and sell Botswana as part of the regional, Southern Africa tourism circuit?	Very Important, meeting place of 4 countries – Circuit CT – Nam – Vic Falls – Maun, CT Both regional and destination marketing important, depending on market segment targeted	7 5
10. If important, what could be done to improve such regional marketing and movement?	Improve access and air links between countries A coordinated joint marketing strategy – public-private with support for Retosa Regional Tourist Visa Reduce multitude of entry taxes, rather 1 fee & redistribute Develop an integrated circuit with various self-travel options	4 3 1 1 1
11. What could be done and what products could be developed to improve seasonality in the tourism sector?	Special Package deals during low season & shoulder periods, low season rates Package Cape Town – Maun Route to offset seasonality Counter market perception that Botswana is closed during rainy season Air liberalization Open up other areas than Delta that are more year-round Pattern changing – shoulder season improving	7 4 2 1 1 1
12. What would you	Improve Park Management & self-catering accommodation in certain areas and keep other areas	6

consider the most pressing infrastructure requirements and improvements to grow tourism in Botswana?	wilderness with high fees Clean up towns (Maun, Kasane) Improve Hospital facility (Kasane) Slow Email & Internet Greater focus on safety (Maun) Kazangulu Bridge Expand Airports Poor information & signage Road and Airport Infrastructure to open up Kalahari, Kgalagadi areas	 5 4 4 4 2 2 2 2
13. How would you rate the service quality in the tourism sector?	(a) Poor (b) Fair (c) Excellent	6 8 0
14. How would you rate the skills levels of the average available worker in the tourism sector?	(a) Poor (b) Fair (c) Excellent	13 2 0
15. How would you rate the (a) availability and (b) quality of skills training programmes for tourism workers?	Availability Quality (a) Poor (b) Fair (c) Excellent	 7 12 5 0
16. What could be done to improve service quality and local hospitality and tourism skills?	Multipurpose but dedicated Tourism & Hospitality College, working hotel & guide school Guide training is poor – focus on driving skills, boat operating, language, skills Implement mentorship model with established operators to instill skills and service culture Short courses	9 3 2 1
17. How do you rate the government's policies and leadership in the tourism sector?	(a) Poor (limited leadership and inconsistent tourism policies) (b) Fair (doing its best to guide tourism forward strategically) (c) Excellent (doing a good job of growing tourism towards a positive future)	4 9 1

18. In your view, what are the three most important things that the government could do to encourage sustainable tourism growth and development?	Improve air access Improve Park Management & entry conditions Dedicated Training School & focus on education Effective Public/Private Tourism Board and Strategy Improve Airports More aggressive marketing Clean Up Area (waste) Assistance scheme for developing management & entrepreneurial skills Improve Hospital (Kasane)	9 4 4 4 3 2 2 2 1
19. What could be done to improve the participation and tourism benefits to local communities?	Provide greater security of tenure (longer than 15 years) & reduce costs to private developers to make ventures more sustainable, but make it conditional to training up of management and a planned exit strategy for local owners to take over Proper system of practical training, controls & monitoring of management – pool of locally trained people Start at School level to develop a new generation who love wildlife and embrace entrepreneurship Improve Relations and Develop Trust Expand concession model to other areas by investing in infrastructure e.g. Central Kalahari	9 3 2 1 2
20. What mechanisms/ organizations do you rely on for collaboration within Botswana's Tourism industry?	HATAB Govt – Land Boards Local tourism associations and chambers	

ANNEXURE B: LIST OF PERSONS INTERVIEWED AND CONSULTED

Public Sector (Meetings and consultations)

Mr J Baatshwana, Principal Officer, Agribusiness and Services Division, Botswana Development Corporation

Mr J Broekhuis, Assistant Director, Botswana Department of Wildlife and National Parks

Mr L Dikobe, Programme Specialist, Energy and Environment, United Nations Development Programme

Mr I Dimbungu, Acting Director, Small Business Promotion Agency

Dr Fidzani, Director, Botswana Institute for Development Policy Analysis

Ms T Lesetlhe, Principal Tourism Officer, Research and Statistics, Botswana Department of Tourism

Mr L Lisenda, Associate Researcher, Botswana Institute for Development Policy Analysis

Ms Majelante, Director, Department of Statistics

Mr Mojafe, Director, Department of Labour

Mr Monagen, Director, Department of Lands

Mr K Mosupukwa, Director of Civil Aviation

Mr Mpofu, Regional Director, Kasane Land Board

Ms G Nkhumane, Head of Migration and Visa, Department of Immigration

Mr S Obuseng, Economist, United Nations Development Programme

Prof P Pillai, Senior Research Fellow, Botswana Institute for Development Policy Analysis

Mr U Tapela, Principal Commercial Officer, Small Business Promotion Agency, Ministry of Trade and Industry

Mr W Tema, Deputy Director, Botswana Department of Tourism

Mr Theophillus, Deputy Director, Botswana Department of Wildlife and National Parks

Private Sector (structured interviews)

Mr P Bauer, International Sales Manager, CC Africa

Mr C Bell, MD, Wilderness Safaris

Mr G Butt, Director, Drifters Adventure Tours

Ms H Carr-Heartley, Kasane Business Council

Mr G Fareri, General Manager, Into Africa Mowana Safaris, Kasane

Mr D Flatt, Director, Desert & Delta Safaris and The Booking Company, Maun

Ms C Jones, Manager, Okavango Tours and Safaris, Maun

Mr C Kruger, Director, Wilderness Safaris

Mr E Leaver, Owner, Audi Camp

Ms M Masole, Owner, Madua's Guest House, Maun

Mr O Merafhe, CEO, Hotel and Tourism Association of Botswana

Mr W Mokgatlhe, CEO, Air Botswana

Mr P Nkokou, Business Development Manager, Air Botswana

Ms Y Potts, Maun Lodge, Maun

Mr G Soutter, General Manager, Chobe Marina Lodge, Kasane

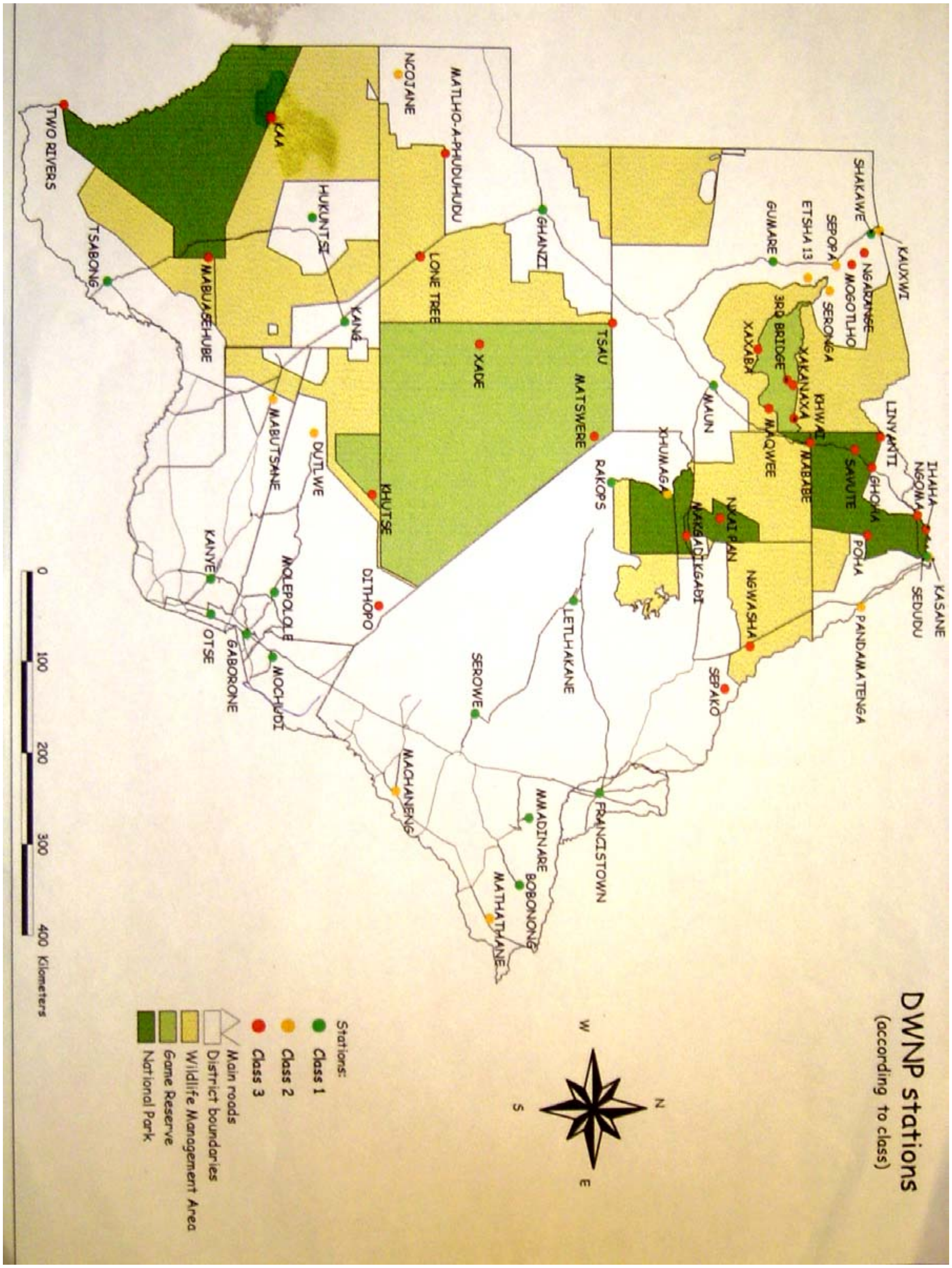
Mr T Soutter, General Manager, Mowana Safari Lodge, Kasane

Mr B Tsheole, Manager, Water Lilly Lodge, Kasane

Ms E Wescob, MD, Bathuse Travel and Tours, Maun

Mr G Williams, Kasane Business Council

ANNEXURE C: MAP OF NATIONAL PARKS, GAME RESERVES AND WILDLIFE MANAGEMENT AREAS



ANNEXURE D: VISITOR STATISTICS FOR NATIONAL PARKS/RESERVES

Visitor Numbers and Patterns in and around National Parks/Reserves

	NORTHERN PARKS					SOUTHERN PARKS				TOT
	CHOBE	**MOREM**	**MAK**	**NXAI**	**SUB**	**KGAL**	**C/K**	**KHUT**	**SUB**	
No. & % PRIVATE	**17 629 19.8**	**10 659 28.5**	**1 212 78.8**	**2 288 67.3**	**31 788 24.2**	**3 035 98.2**	**1 907 76.7**	**2 108 91.4**	**6 953 89.3**	**38 838 27.9**
- %Day	65.9	35.8	35.9	32.8	52.3	6.1	4.6	12.6	6.3	44.2
- %O/Night	34.1	64.2	64.1	67.2	47.7	93.9	95.4	87.4	93.7	55.8
- %Citiz/Res	42.3	31.4	28.1	43.9	38.2	12.3	19.1	60.0	28.8	36.4
- %RSA	25.4	34.5	32.4	27.3	28.8	68.2	35.4	25.6	47.2	32.0
- %Rest Afr	3.3	2.4	2.1	3.0	3.0	1.4	2.7	1.4	1.8	2.7
- %N/Amer	2.9	2.4	1.7	1.0	2.6	1.0	1.4	0.6	1.0	2.3
- %S/Am	0.4	0.6	0.2	0	0.4	0.9	0.1	0.0	0.4	0.4
- %UK	3.8	2.9	2.9	5.2	3.5	1.8	3.9	1.7	2.4	3.3
- %Europe	20.3	23.1	23.3	18.4	21.2	10.2	33.4	10.1	16.7	20.3
- %Aus/NZ	1.2	2.1	1.0	0.8	1.5	0.2	1.6	0.5	0.7	1.3
- %Asia	0.2	0.6	0	0	0.3	0.0	0.0	0.1	0.0	0.3
- %Other	0.2	0.1	8.3	0.4	0.5	4.6	1.8	0.0	2.5	0.8
No. & % MOBILE T/OPS	**36 270 40.7**	**8 650 23.1**	**327 21.2**	**1 112 32.7**	**46 359 35.3**	**56 1.8**	**580 23.3**	**199 8.6**	**835 10.7**	**47 194 33.9**
- %Day	87.5	19.1	53.2	8.0	72.7	0.0	2.2	85.4	21.9	71.7
- %O/Night	12.5	80.9	46.8	92.0	27.3	100.0	97.8	14.6	78.1	28.3
- %Citiz/Res	9.1	20.5	18.7	17.5	11.5	26.8	9.3	70.6	25.3	11.7
- %RSA	16.2	9.3	11.3	4.2	14.6	1.8	3.4	3.0	3.2	14.4
- %Rest Afr	0.5	1.6	2.8	0	3.1	0.0	2.1	0.5	1.6	3.1
- %N/Amer	10.1	7.5	4.6	7.2	9.5	0.0	11.0	1.5	8.0	9.5
- %S/Am	3.3	1.8	4.6	2.7	3.0	0.0	1.4	-	1.0	3.0
- %UK	9.2	9.3	9.2	18.1	9.5	10.7	9.3	17.6	11.4	9.5
- %Europe	41.0	46.1	48.0	46.5	42.1	58.9	59.8	6.5	47.1	42.2
- %Aus/NZ	4.7	2.5	0.6	2.6	4.2	0.0	0.9	-	0.6	4.1
- %Asia	2.3	1.1	0	0.1	2.0	0.0	0.5	-	0.4	2.0
- %Other	0.5	0.2	0.3	0	0.4	0.0	2.2	4.5	2.6	0.5
No. & % FIXED LODGE INSIDE	**7 056 7.9**	**8 623 23.1**	**-**	**-**	**15 679 11.9**	**-**	**-**	**-**	**-**	**15 679 11.3**
- %Citiz/Res	5.7	5.3	-	-	5.4	-	-	-	-	5.4
- %RSA	6.4	8.8	-	-	7.8	-	-	-	-	7.8
- %Rest Afr	0.2	1.7	-	-	1.7	-	-	-	-	1.7
- %N/Amer	17.4	36.0	-	-	27.7	-	-	-	-	27.7
- %S/Am	7.2	1.0	-	-	3.8	-	-	-	-	3.8
- %UK	9.7	12.9	-	-	11.4	-	-	-	-	11.4
- %Europe	43.8	26.4	-	-	34.2	-	-	-	-	34.2
- %Aus/NZ	1.9	6.6	-	-	4.5	-	-	-	-	4.5
- %Asia	5.1	0.9	-	-	2.8	-	-	-	-	2.8
- %Other	1.2	0.4	-	-	0.7	-		-	-	0.7
No. FIXED LODGE OUTSIDE	**28 145 31.6**	**9 446 25.3**	**-**	**-**	**37 591 28.6**	**-**	**-**	**-**	**-**	**37 591 27.0**
- %Citiz/Res	13.5	12.1	-	-	13.1	-	-	-	-	13.1
- %RSA	11.3	9.4	-	-	10.8	-	-	-	-	10.8
- %Rest Afr	2.9	0.8	-	-	2.3	-	-	-	-	2.3
- %N/Amer	16.8	21.7	-	-	18.0	-	-	-	-	18.0
- %S/Am	5.1	2.4	-	-	4.4	-	-	-	-	4.4
- %UK	8.0	9.8	-	-	8.5	-	-	-	-	8.5
- %Europe	26.7	40.2	-	-	30.1	-	-	-	-	30.1
- %Aus/NZ	3.5	3.0	-	-	3.4	-	-	-	-	3.4
- %Asia	11.6	0.5	-	-	8.8	-	-	-	-	8.8
- %Other	0.6	0.2	-	-	0.5	-	-	-	-	0.5
TOTAL PAYING	**89 100**	**37 378**	**1 539**	**3 400**	**131 417**	**3 091**	**2 487**	**2 307**	**7 788**	**139 302**
% of PAYING	**64**	**26.8**	**1.1**	**2.4**	**94.3**	**2.2**	**1.8**	**1.7**	**5.7**	**100**

Park Revenues Generated in and around National Parks/Reserves

	NORTHERN PARKS					SOUTHERN PARKS				TOT
	CHOBE	MOREM	MAK	NXAI	SUB	KGAL	C/K	KHUT	SUB	
Revenue by User Type										
Private	2 042 290	2 732 269	154 719	270 022	**5 199 301**	275 654	626 215	363 080	**1 264 949**	**6 464 250**
	22.6	38.9	77.0	58.0	**31.1**	53.9	75.2	88.4	**72.1**	**35.0**
Mobile	3 830 027	1 671 323	31 155	156 535	**5 689 040**	4 626	122 765	9 025	**136 416**	**5 825 456**
	42.5	23.8	15.5	33.6	**34.0**	0.9	14.7	2.2	**7.8**	**31.5**
Fixed	2 831 145	2 154 306	0	0	**4 985 451**	-	-	-	**-**	**4 985 451**
	31.4	30.7	0	0	**29.8**					**27.0**
PARRO	316 295	464 730	15 015	39 175	**835 215**	231 340	84 105	38 600	**354 045**	**1 189 260**
	3.5	6.6	7.5	8.4	**5.0**	45.2	10.1	9.4	**20.2**	**6.4**
TOTAL	**9 019 758**	**7 022 628**	**200 889**	**465 732**	**16 709007**	**511 620**	**833 085**	**410 705**	**1 755 410**	**18 464 417**
	100.0	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Revenue by Fee Type										
Entry	7 730 683	5 495 723	146 632	320 507	**13 693 546**	161 551	573 500	279 200	**1 014 251**	**14 707 797**
	85.7	78.3	73.0	68.8	**82.0**	31.6	68.8	67.9	**57.8**	**79.7**
Camping	370 865	539 774	16 212	61 580	**988 431**	101 433	75 760	43 760	**220 953**	**1 209 384**
	4.1	7.7	8.1	13.2	**5.9**	19.8	9.1	10.7	**12.6**	**6.5**
Vehicle	516 945	488 110	23 030	44 470	**1 072 555**	15 346	99 720	49 145	**164 211**	**1 236 766**
	5.7	7.0	11.5	9.5	**6.4**	3.0	12.0	12.0	**9.4**	**6.7**
Boat	5 620	240	0	0	**5 860**	-	-	-	**-**	**5 860**
	0.1	3.4	0	0	**0.1**					**0.1**
A/Craft	12 850	34 050	0	0	**46 900**	1 950	-	-	**1950**	**48 850**
	0.2	0.5	0	0	**0.3**	0.4			**0.1**	**0.3**
Other	66 500	0	0	0	**66 500**	-	-	-	**-**	**66 500**
	0.7	0	0	0	**0.4**					**0.4**
PARRO	316 295	464 730	15 015	39 175	**835 215**	269 940	84 105	38 600	**354 045**	**1 189 260**
	3.5	6.6	7.5	8.4	**5.0**	52.8	10.1	9.4	**20.2**	**6.4**
TOTAL	**9 019 758**	**7 022 628**	**200 889**	**465 732**	**16 709007**	**511 620**	**833 085**	**410 705**	**1 755 410**	**18 464 417**
	100.0	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**		**100.0**	**100.0**	**100.0**
% Revenues	**48.8**	**38.0**	**1.1**	**2.5**	**90.5**	**2.8**	**4.5**	**2.2**	**9.5**	**100.0**