

# NAMIBIA TOURISM BEYOND 2010: THE NEED FOR A PARADIGM SHIFT

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AT HAN CONGRESS, 25 NOVEMBER 2010

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As many of you might be aware I have at several occasions highlighted the importance of the tourism and hospitality sector in our Nation's quest for higher economic growth and job creation. I am therefore delighted to share with you today some of the specific, albeit tentative plans that the National Planning Commission has in store to unleash the full potential of this sector. At the outset I would like to make it clear that these plans are tentative and still subject to broad consultations with various stakeholders, including the Ministry of Environment and Tourism, the Namibia Tourism Board, Industry Associations, and other important role player like yourselves. In this connection, feedback from our interactions here today will also be factored into our planning process. I would also like to stress that while the National Planning Commission is responsible for overall planning and monitoring and evaluation, ultimate execution of plans will be the responsibility of an array of role players. In the tourism and hospitality sector for instance, entities like yourselves will play a key role in implementation and ultimate success of our common plans and our common vision, Vision 2030.

Let me now outline some of the specific intervention plans that the National Planning Commission has in mind for the tourism and hospitality sector. In our view reforms and interventions in four areas are necessary to unleash the full potential of the tourism and hospitality sector. These reform measures suggest a paradigm shift in the way we have approach tourism before. We need to think bigger, better and act with a sense of greater urgency than before.

**First and foremost we must change our strategic approach towards tourism, from what I call a niche strategic focus towards a blended strategic focus.** The current strategic focus of tourism centres too much around a small high end niche market, mainly the European market, while neglecting the mass market and domestic tourism. This approach has been advocated for mainly because of environmental concerns; it is argued that Namibia has a sensitive environment and

can only sustain a small number of tourists every year. It is also argued that niche high end tourist spend more money and are less sensitive to exogenous shocks in their travel arrangements. The current global economic crisis has shown that this premise does not necessarily hold. While tourist arrivals did not decline during 2009 as anticipated, the marginal increase compared to previous years has been much slower. Moreover, if tourism could be spread throughout the year, it will put less pressure on the fragile environment. Namibian tourism should be marketed as an all year event. Hence we are proposing a blended tourism strategy that will continue to focus on attracting high end tourist spenders to Namibia, but with some elements of mass tourism and promotion of domestic tourism.

We must challenge the notion that mass tourism will destroy the environment. I believe that a blended strategy that also caters for mass tourism and promotion of environmentally sound policies are not mutually exclusive. One thing is for certain and that is that for tourism to gain its rightful place, more tourists will have to come to Namibia. We should, therefore, set a target of how many tourists we would like to see coming to Namibia say by the year 2020. According to the Tourism Satellite account a permanent job is created for every 12 tourist that visits Namibia. Imagine therefore what the impact would be if we could double the amount of tourist visiting Namibia from just below 1 million in 2009 to 2 million by 2010. You can do the math for yourselves. Some of our competitor countries in Africa and East Asia such as South Africa, Morocco, Malaysia and Thailand attract much more tourist than Namibia.

**Second, we must significantly increase the marketing of Namibia as a tourist and business destination to the rest of the world.** One of the main reasons cited for the relative low number of tourist arrivals in Namibia compared to competitor nations is the fact that Namibia is not very visible to the ordinary tourist. Namibia is largely marketed by “word of mouth” to a small tourist segment. We spend very little, in fact in my opinion virtually nothing, on international marketing compared to competitor nations. More over the prime focus of our international marketing remains primarily the German and South African markets. Recently, however, tourist arrivals from other European countries have started to pickup. To attract more tourists, Namibia will have to change its marketing approach. To avoid seasonality, Namibia should be marketed to countries that do not have the same vacation period as the

traditional source of our tourists. In particular, the higher income countries in South and East Asia and the Americas should be targeted. This will ensure that there is a steady stream of tourists throughout the year. Second, Namibia should be marketed as a destination through various media, and there must be a continuous presence of Namibia in the international arena. While Embassies and High Commissions could be used to market Namibia abroad, promotion efforts of all stakeholders such as FENATA, the Namibian Tourism Board, the Ministry of Environment and Tourism, Air Namibia, the private sector and other stakeholders should be supported and coordinated.

Our competitors are spending much more on marketing than we do. Marketing efforts under the MCA will increase our visibility in the American market, but much more needs to be done. We understand that one of the reasons why certain international carriers do not fly into Namibia is low volumes of tourists visiting Namibia. However, when the fruit of marketing takes effect, there will be passengers to warrant other air carriers to fly to Namibia. In this regard, we understand that there are already commercial agreements in place between British, Italians, German and Brussels airlines, to fly in to Namibia but they do not come, because there are not enough passengers for the planes to warrant their flying in. LTU, for example, flies currently two times a week to Namibia due to low volumes of passengers. However, these flights will increase depending on the number of passengers. Moreover, operations of Air Namibia could also be expanded, which is necessary to create economies of scale for the national airline to operate on a profitable basis. Marketing tourism will be beneficial not only for the tourism sector, but also other economic sector such as mining and manufacturing and could potentially boost Namibia's image as a business friendly destination provided that certain reforms aimed at improving our investment climate are carried out. This in turn will lead to more capital inflows in Namibia which will be required to finance a scaled up investment plan.

**Third, while Namibia has sufficient infrastructure to accommodate current tourist arrivals, bottlenecks are experienced during peak seasons.** However, if Namibia wants to double the number of tourist arrivals by 2020, it will have to upgrade some existing tourist infrastructure. First and foremost, we will have to upgrade the Hosea Kutako International Airport. Currently, this airport, which serves as the gateway for our international tourist does not have sufficient capacity to

handle more than one large plane at the same time. Consideration to upgrade some of the other smaller airports, at the coast and in the North should also be given. To speed up checking-in procedures, advanced machines for self check-in and drop-in bags should be installed at the international airport. Due to the long distance to be covered, we should also encourage a culture of flying within the domestic market. In this regard, we should be looking into measures aimed at improving the affordability of air travel within the country. At the coast we should develop the harbour front as a cruise centre to provide tourism facilities for the people on transit at the Walvis Bay port. This could easily be tied in with the current expansion plans of the Port of Walvis Bay which are in an advance stage. In addition, there is a need to offer constant supply of electricity, water and waste management in order to make sure visitors have all the services they need and their stay should be made comfortable and memorable to ensure they come back and tell other friends, colleagues and families to come to Namibia.

**Last but not least we must make Namibia a more tourist friendly destination.**

Although Namibia is one of the safest tourist destinations in the world, the same cannot be said about friendliness. It is my understanding that Namibia is perceived as quite a tourist unfriendly destination, starting with the experience of tourists at immigration points to other points in the supply chain. I believe this is something that can be changed easily. In my view it is mainly linked to a lack of a proper service culture, which in turn is linked to skills development. In this connection, it is proposed to create high level of skills in the tourism sector through training. The shortfall is due to the slowness and quality of the education and skills development institutions to catch up with the current acceleration of economic growth. Development of tourism skills should be a public private sector partnership. Special incentives should be provided to private tour operators to develop their necessary skills. Special attention should be given to improve on services rendered to tourists by immigration officials to be friendlier to our foreign tourists. Safety and security of tourist should be guaranteed as much as possible, through for instance providing additional police patrols where tourists assemble. Visa applications to Namibia especially for tourist from high income countries should be streamlined.

In conclusion ladies and gentleman,

The tourism sector has been growing rapidly and Namibia has been rated as the fourth fastest growing country in tourism in the world. As I noted before, for every 12 tourist that visits Namibia a permanent job is created. I would therefore like to propose that Namibia should have a grand goal to double the amount number of tourist arrivals between 2011 and 2020. Provided the accompanying interventions to achieve this goal are undertaken, projections made by the Bank of Namibia shows that if the number of tourist arrivals double, the tourism and hospitality sector will create an additional average growth of 1.46 percent per annum while an additional 107 thousand direct and indirect jobs could be created over a 10 year period.

Some of the proposed interventions will be costly, but we believe that they are necessary. The cost of not promoting the tourism sector is slower economic growth and higher unemployment, which in the long run is more costly than what is required of us to intervene now.