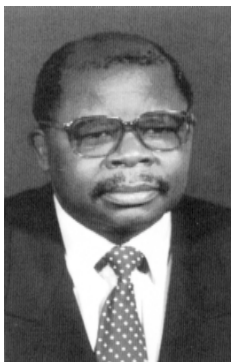




## Tanzania Banks on Results from Tourism Investment Forum



by Jerry W. Bird

### TANZANIA'S PRESIDENT THROWS OPEN THE DOORS TO FOREIGN INVESTMENT IN TANZANIAN TOURISM.

Investors at Tanzania Tourism Investment

Forum 2002 learned that Opportunities abound in Africa's newest "hot-spot" for travelers looking for adventure, wildlife, culture, diving and even luxury. Tanzania Tourism Investment Forum 2002, Africa's First -Ever, Organized by the Multilateral Investment Guarantee Agency, resonates success. Looking at the Big Picture, Arusha Tourism Conference could be a "Blueprint" for Africa's Future.

*"We have a unique tourism product mix. We must keep it unique by sustaining it. A correct balance has to be established between exploitation and conservation; and between economic interests and the social, environmental and cultural impact of human activity in tourism." President Benjamin William Mkapa, The United Republic of Tanzania*

The Tanzania Tourism Investment Forum was hosted by the Ministry of Natural Resources and Tourism, under the auspices of the Hon. Zakia Hamdani Meghji, MP; Mr. Solomon Odunga, Permanent Secretary; Mr. Saleh Pamba, Director of Tourism and Conference Coordinator; Mr. Peter Mwendu, Managing Director, Tanzania Tourist Board. The forum was organized by MIGA, Dr. Ken Kwaku, MIGA Africa; David Bridgman, Program Director, Iain Christie, task team leader; Shantal Persuad, Conference Coordinator.

ARUSHA, TANZANIA: In a ground-breaking speech, addressing the first-ever tourism investment forum in Africa organized by the Multilateral Investment Guarantee Agency (MIGA), a World Bank Group, Tanzania's President Benjamin William Mkapa, (photo above left) opened the doors to foreign investment in tourism. The Tanzania Tourism Investment Forum, hosted by the Honorable Zakia Hamdani Meghji, MP, (photo above right) Tanzania's Minister of Natural Resources and Tourism, was held at the Arusha International Conference Center, October 22-24, 2002. The public and private sector endorsement of the forum was evidenced by the participation of a cross-section of government ministers and senior representatives, including ministries of agriculture, land, public works and utilities; Tanzania Investment Centre and The Tanzania Association of Tour Operators. This was indicative of the Tanzanian government's recognition of the major role that tourism development plays in job creation and improving the country's economy. The fact that the closing address two days later was given by Zanzibar President **Amani Abeid Karume**, made it clear that Zanzibar also places the same importance to tourism development.

The Investment forum in Arusha, at Mount Kilimanjaro's doorstep, attracted more than 280 local and foreign investors from the United States, Europe, Middle and Far East and Africa, who attributed the success of the forum to a new environment of opportunity for tourism investment in Tanzania. These key policy reforms coincide with increased international tourist traffic for high end destinations.

Sandeep Khapre, Director, Marketing and Business Development, DCDM Consulting representing investor clients, in a BBC World Service radio interview about the Investment Forum, reinforced the investors' optimism about the growth of Tanzania tourism, "Tanzania is attractive to investors because it has great long term branding - the Serengeti, Ngorongoro Crater, Mt. Kilimanjaro and the Selous Game Reserve - and there is confidence in the government's stability and long-term commitment to wildlife conservation." Khapre also noted

that the investment policies are "getting better by the day."

There was particular interest in a variety of tourism ventures from the Southern Circuit of Selous Game Reserve and Ruaha National Park to Mtwara and other newly introduced tourism products (adventure tourism, birding, diving and sports fishing). The few remaining hotels in public hands are also up for privatization. Recent tourism-related foreign investments include the Holiday Inn and Golden Tulip Hotels, both in Dar es Salaam; a new lodge in Ruaha National Park; Serena Mountain Village Expansion in Arusha; major roads, Arusha to Ngorongoro and Dar es Salaam to Bagamoyo; the Rufiji River Bridge; and the Kilimanjaro and Mbeya airports. Foreign investors at the event represented Midrock, Legacy Hotels, Holiday Inn, Southern Sun, Serena Lodges and Hotels and Golden Tulip. Local Tanzanian investors included Coastal Aviation, Precision Air, Ranger Safaris, Leopard Tours, and Peacock Hotel, all of whom are expanding their operations inside the country.

### A Model for Tomorrow's Tourism.

Will Tourism Drive Tanzania's Economic Engine? Most delegates to the Investment Forum agreed when asked that "Responsible and Community-Based Tourism" is definitely an engine to drive today's economy in Tanzania and other African countries that are fortunate enough to follow its lead. What better, more practical, eco-friendly and safety-minded route is there for job creation and the possibility of poverty alleviation? The Hon. Zakia Hamdani Meghji, Tanzania's Minister for Natural Resources and Tourism made that goal a main theme, "Tourism is a major economic sector in Tanzania. It is also a sector that is destined to grow and expand further. At a conservative annual growth rate of seven percent over the next decade we would be able to reach the one-million visitors target set for the year 2010." She further stated that Tanzania has a master plan for tourism that was completed with the assistance of the European Union. And now "in order to achieve the target of visitors the industry needs proper planning and an articulate Program of Action which would detail all sets of implementation schedules... above all it needs a well-coordinated approach on promotion and marketing in our traditional markets and also finding new markets." Iain Christie, MIGA Project Manager, praised the Ministry's effort. "What the Tanzania Tourism Investment Forum does prove is that given the right conditions and meeting firm fiscal disciplines, remarkable results

are possible." He feels that at the base of Tanzania's success is the right attitude --- a burning desire to change the status quo.

### Mkapa's Four Pillars of the New Tourism

While President Benjamin William Mkapa agreed that for years, his country was under-aggressive in promoting tourism, things have turned 180 degrees in recent years. He emphasized that Tanzania now offers a wide range of multi-destination and multi-activity holidays thanks to careful planning, budgeting and inventory development. He laid out his four pillars of success as follows: (1) Tanzania has a unique product that needs to be showcased and recognized more than ever before. (2) The timing for doing so is right, and it is now. (3) Tanzania's government and its leader have a deep commitment to dialogue. (4) These forums provide an excellent opportunity for such dialogue. Today's potential for mutually rewarding investments and cooperation in the tourism sector is greater than ever before.

Speaking of the new Tourism Confederation of Tanzania, President Benjamin William Mkapa emphasized its obligation to encourage, facilitate and empower local investors in the tourism industry, not just in major hotels and lodges, but also in a whole variety of services. "We should encourage and facilitate domestic tourism among Tanzanians. This will help to expand local value-added to the tourism sector, and make the many linkages to the rest of the economy provided by tourism a potent weapon in our war on poverty," the President added.

### New Bonds of Trust

The President Benjamin William Mkapa emphasized how opportune the Tanzania Tourism Investment Forum was in its timing, "The economic reforms that we have been carrying out over the last seven years have been both resolute and consistent. Today, when we say we are ready to work with the private sector in promoting and engendering growth and development, everyone takes us seriously. We can be trusted. And we have behind us a solid track record to prove it."

"We have gone out of our way," said President Mkapa, "to create a conducive climate for investment and trade. The macro-economic fundamentals have been in place for several years now, to the commendation of International Financial Institutions and our bilateral development partners. The economic policy reforms we have undertaken have confirmed Tanzania as a market economy, with ample incentives to attract, retain and reward investments and entrepreneurship. And, all this takes place in a democratic peaceful, united and stable country." Getting closer to home, he is pleased that investments in upgrading tourism-related infrastructure have begun to bear fruits, saying, "It is true much remains to be done, and part of our challenge at this forum is to attract investments in such infrastructure.

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# Tanzania New Investment Buzz

by Karen Hoffman

## COASTAL AVIATION AND TRAVEL SERVICES

Coastal Aviation's rapidly expanding route system is "connecting the dots" of the diverse Tanzania

Tourism Product. Now travelers can more easily combine the Southern and Northern circuits, explore the spice islands and Swahili culture of Zanzibar or snorkel and dive in the coral studded Marine National Park in Mafia Island, all on the same Safari. Coastal Aviation, developed by Dar es Salaam-based Coastal Travels Ltd, pioneered scheduled flying safaris in Tanzania. Coastal Director, Nicola Colangelo, said that the company has invested USD 10.5 million in new aircraft alone. "Our flying safaris are so successful because they offer the opportunity for small parties and single persons to join an adventure which otherwise would have been a prohibitive cost." As Tanzania tourism is expanding, Coastal Aviation created new safari combinations that were never possible before. In the next two years, Coastal will invest an additional USD3 million in aircraft and USD4 million in camps and lodges.

Coastal Aviation's flight plans feature some first-time scheduled combinations including: Arusha in the Northern Circuit with Ruaha and the Selous in the South; Ruaha, Katavi and Mahale; Rubondo Island and the Serengeti; the Selous and Mafia Island. At the World Travel Market in London last November, Coastal Aviation launched an "Agent Friendly" online booking system. Coastal Account Holding Travel Agents will be able to plan and book the entire safari itinerary, as well as confirm and issue travel documents. Other agents and clients will have access to the information but will not be able to book online. [www.coastal.cc](http://www.coastal.cc).

## HOLIDAY INN DAR ES SALAAM

Southern Sun recently inaugurated the new world-class 152-room property in Dar es Salaam, the business capital of Tanzania. The only international brand hotel in the city, Holiday Inn Dar es Salaam provides the business traveler with international standards and amenities. The property represents South African-based Southern Sun's first major tourism investment on mainland Tanzania. According to Adam Fuller, the property's General Manager, "there is no doubt the market is growing, especially from the US. Corporate travel represents 90% of our business and of that, the American market accounts for 30% of our room nights."

The Holiday Inn Dar es Salaam, only 14 kms from Dar es Salaam International Airport, is situated next to the city's Botanical Gardens and within walking distance of the Central Business District and golf course. The hotel's neighbors include the diplomatic corps as well as numerous NGOs, government offices, and international corporations. The Aga Khan Hospital is also close by. The Hotel offers non-smoking rooms, ten executive



rooms, two suites and a room specially equipped for guests with physical disabilities. Accommodation on the higher floors offers stunning views across the ocean and gardens. Catering to the business traveler, in addition to a full range of amenities including a mini-safe, the rooms also have a comfortable work space, mobile phone charger and modem points. Additional facilities for corporate travelers include essential business and travel services, a meeting room accommodating up to 40 people with standard meeting equipment available, a fitness center and outdoor swimming pool. [www.sixcontinentshotels.com](http://www.sixcontinentshotels.com).

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Mark Nolting, of the Florida-based, Africa Adventure Company, and author of Africa's Top Wildlife Countries and African Safari Journal, said "now that the war in Iraq is over, we are already seeing a big upsurge in people calling in to book safaris. I believe that they are finally realizing that travel in the air as well as on the ground in Africa's top wildlife countries, such as Tanzania, is safe." "We remain very optimistic about the future of travel to Africa in general and Tanzania in particular," said Sunit Sanghrajka of Florida-based Big Five Tours & Expeditions. "A consultant, who is an economic strategist and forecaster, graphed and charted the key indicators for our business, and they all show that we are in a recovery phase. Those who invest in technology, training and people now will benefit from the good economic times ahead." Big Five has already expanded its Tanzania programs, especially in the Southern Circuit.

## NEW HOTELS IN AND AROUND ARUSHA: THE ARUSHA HOTEL

The Arusha Hotel, formerly the New Arusha Hotel, following extensive renovations is now the only five star property in Arusha. Built in early 1900's, it was the one and only hotel in Arusha. Later purchased in 1927 by an American coffee farmer called 'Kenyon Painter', The Arusha hotel has been home to many travelers on their journey from Cape to Cairo.

Located in the central shopping and business area, and only 10 minutes from the Arusha International Convention Center, the luxurious Arusha Hotel is set in three acres of lush tropical gardens. The 65 rooms, with such five star amenities as in-room safes, satellite TV, international direct dial and internet access, include suites, deluxe and executive rooms. There is a business center, two restaurants, meeting rooms, ballroom, three bars, heated swimming pool. Contact: [marketing@newarusha.com](mailto:marketing@newarusha.com)

## E UNOTO RETREAT

New luxury lodge, "E Unoto Retreat," owned by A.L.O.C (T) Ltd. opened near Lake Manyara National Park close to the town of Mto wa Mbu. A five-star facility, "Tanzania Maasai" as its theme, it is located in a secluded and natural spot in the Maasai plains overlooking Lake Miwaleni with the Great Rift escarpment hovering above. Easily accessible by road and air, approximately 120 kilometers southwest of Arusha, E Unoto Retreat is centrally located to all the famous and well-known national parks: Serengeti Plains, Ngorongoro Crater, Tarangire Park and Mount Kilimanjaro. The new property has a Maasai Camp configuration, featuring 25 spacious individual Maasai style bungalows with private verandas, including four specially designed to accommodate guests with physical disabilities. It is near a Maasai village, with authentic Maasai crafts and original works for sale.