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First edition September 2013

East Africa News

EMIRATES INAUGURAL FLIGHT TO STOCKHOLM READY TO TAKE OFF

(Posted 04th September 2013)



As this article is uploaded will the check in for Emirates' inaugural flight from Dubai to Stockholm come to a close, getting the inaugural flight ready to take off at 07.15 a.m. UAE time or 06.15 a.m. East African time.

The new route will from today be served daily with a B777-300ER, the airline's largest twin jet aircraft, bringing Emirates' number of destinations to now 134, to be followed on October 01st by number 135, being Clark International, the former US Clark Air Force base in the Philippines.

The route to Sweden will allow Swedes to now fly nonstop to Dubai, and with more than 15.000 of them visiting the Emirate on holiday last year, the demand will undoubtedly be there to sustain the operation. Cargo shipments too are important as over 200 Swedish companies have over the years established offices and factories in Dubai and more than 4.000 Swede nationals live there as expatriates.

Best wishes for Happy Landings to the inaugural flight, which from today onwards will also offer East African travellers another choice of how to reach Scandinavia in general and Sweden in particular. Earlier this week did Emirates launch a week long special fares offer across their Eastern African markets, yet more reason to celebrate. Champagne anyone??? Visit www.emirates.com for more details.

EMIRATES KICKS OFF SALES PROMOTION ACROSS EASTERN AFRICA

(Posted 03rd September 2013)



Emirates, Dubai's award winning national airline, has earlier this week kicked off a regional sales campaign covering Uganda, Kenya, Tanzania and Ethiopia, aimed to attract passengers with through competitive fares and a bag of goodies thrown in for good measure like stay over packages.

Available for this week only and then again for a longer period between 15th September until 10th April next year, passengers will have a range of options, to travel in economy, business class or to occupy, out of Dubai on selected flights and aircraft, one of Emirates' spectacular First Class Suites.

Additional baggage allowances like 30 KG in economy, 40 KG in business and 50 KG in first class give those passengers a bonus who stay over in Dubai for a quick spot of shopping before either flying on or flying home. Emirates flies once a day to Entebbe, once a day to Addis Ababa and twice daily to Nairobi and Dar es Salaam, using a mix of aircraft from the Airbus A330 to the B777.

Visit your local Emirates office for more details, or your favourite travel agent or check in with them via www.emirates.com – Go Fly with Hello Tomorrow!

Uganda News

UGANDA TOURISM EXPO SET FOR END SEPTEMBER

(Posted 08th September 2013)



Uganda's annual '**Tourism Expo**' is scheduled to take place later this month, with the opening night on the 27th September preceding the main exhibition which is scheduled from 28th to 30th September.

The location, strategically chosen as the Sheraton Gardens, is bound to attract scores of visitors again, who will be able to see the range of tourism attractions now available on the market.

Uganda has in recent years established herself as a key adventure destination, offering adrenaline junkies, hikers and mountain bikers a range of options, from paragliding to acrobatic flying, from white water rafting over grade 5 rapids to bungee jumps over the River Nile, from nature hikes across Uganda's spectacular scenery and landscapes in the South West of the country to the country's signature activity, gorilla tracking.

The organizers, in a media release sent to this correspondent yesterday emphasized: '*According to the Ministry of Tourism, Wildlife & Heritage sector statistical abstract 2012 a total of 1,151,356 tourists were registered in 2011 indicating a 21.6% increase from 945,899 in 2010.*

However the abstract still goes ahead to emphasize that there was a 36.8% increase in the number of visitors from Europe and a 29% increase in number of visitors from Africa. The visitors to National Parks since 2007 have registered an increasing trend with 2011 having a 9.4% increase from 2010. Foreign non-residents dominated the visitors to National Parks for the year 2011 with 42% followed by students at 25%.

The tourism expo will showcase a wide variety of Uganda's best tourism products, attracting visitors and media from all over the world. This event will double as a platform for creating and building awareness around the exhibitors' products and services but also promote Ugandan tourism and will attract over 15,000 visitors'.

Entrance fees for the event were set at 5,000 Uganda Shillings, worth the cost to learn more about the tourism attractions in **Uganda, the Pearl of Africa**.

TURKISH AIRLINES SET TO GO FROM FIVE TO SIX TO DAILY

(Posted 07th September 2013)



Turkish Airlines has confirmed that they are now set to move from their present 5 flights a week to 6, come 27th of October, before moving to daily flights on 14th of November.

The airline presently flies 5 times a week from Istanbul to Entebbe via Kigali and growing demand, combined with the availability of additional new aircraft, has influenced the airline's decision to go daily before the end of the year. *'Ugandan travelers today expect a choice of daily flights to be flexible when leaving or returning. Turkish has recognized that trend and they will surely reap the benefits from the market. It also shows how airlines now value the Ugandan market because only the other day did BA also announce they will add a fourth flights. But ultimately it is daily what matters to my clients and those airlines flying only three or four times just are at a disadvantage'* commented a regular source from within the travel agency fraternity.

Turkish is a member of Star Alliance and has in recent years emerged from stealth mode, under which they grew into one of the world's largest airlines to more actively and publicly promote their services. The airline now flies to some 40 domestic destinations and nearly 200 international destinations rivaling if not outdoing many of the legacy carriers. Turkish has a special interest in Africa where by next year they intend to serve 40 destinations across the continent.

The present hub at the Ataturk International Airport will in a few years move to a brand new and substantially larger airport where the Turkish national airline can then fully accommodate their fleet and in particular provide the all important state of the art facilities for their fastest market segment, transit passengers, who fly with them from their point of origin to their final destination.

BRITISH AIRWAYS ANNOUNCES ADDITIONAL FLIGHT FOR ENTEBBE

(Posted 06th September 2013)



British Airways yesterday announced an additional frequency to Uganda to offer four weekly flights effective from 30 March 2014. The new Uganda schedule will see flights depart Terminal 5 on Tuesdays, Thursdays, Fridays and Sundays at 12:20 hrs and arrive in Entebbe at 22:50 hrs the same day. The return flights on Mondays, Wednesdays, Fridays and Saturdays will depart Entebbe at 01:00 hrs and arrive at Terminal 5 at 07:50 hrs, which will give customers a full day in London or plenty of time to make connections to other onwards flights to Europe and beyond.

The schedule will be amended to offer better connections to other international services through Terminal 5. In a related development is the airline meanwhile growing its African frequencies, improving connectivity through London Heathrow and introducing its latest products.

In West Africa it will increase its daily services to Ghana by three a week from 27 October using Boeing B767's to complement the existing Boeing B777 flights, bringing the total number of weekly services up to 10. From summer 2014, a larger four-cabin Boeing B747-400 aircraft will replace one of the current Boeing B777's currently on the route. It will also add a fourth weekly service to Sierra Leone and Liberia. North African services have been bolstered by a fourth weekly flight to Tripoli.

South African customers are already able to make bookings for the Airbus A380, the airline's largest and most modern aircraft, which begins flying to Johannesburg on 12 February. This will be British Airways' third A380 route after Los Angeles and Hong Kong.

Services to Cape Town will double from the current daily service to a double-daily operation over the busy South African summer season. British Airways is the only airline which flies directly from Cape Town to London year round.

The airline is reportedly also investing in its lounges and by the end of the year the Cape Town and Johannesburg facilities will be upgraded to reflect the customer experience at in the Terraces lounges in the award-winning Terminal 5.

Ian Petrie, the airline's Regional Manager Africa and former country manager in Uganda and Kenya, added his voice when he said: ***'We continue to consider the continent as an important growth market and the acquisition of bmi, our fleet renewal programme and Terminal 5 have enabled us to grow frequencies, introduce new products and provide more convenient connections for our African customers'***.

No information could be obtained if British Airways is considering a return to Dar es Salaam from where it pulled out some time ago inspite of high passenger loads on their flights from London, leaving Tanzanians with no nonstop connection to the United Kingdom at all. Additionally it is understood that services to Lusaka and Tunis will also be discontinued. Watch this space for breaking and regular aviation news from Eastern Africa.

UGANDA SIGNS NEW OPEN SKY BILATERAL WITH QATAR

(Posted 06th September 2013)



Uganda has signed a far reaching new bilateral air services agreement with Qatar last week, though the information was only confirmed earlier yesterday. The new deal will give Qatar Airways literally unlimited access for their flights via Entebbe to onward destinations within Africa (subject to third country regulatory approvals) but also within Uganda itself.

The updated agreement covers both passenger and cargo services. Putting pen to paper in Doha last week were Uganda's Commissioner for Air Transport in the Ministry of Works and Transport and the Vice Chairman of the Qatar Civil Aviation Authority Ebrahim Abdulqader Al-Janahi.

Qatar Airways presently flies daily to Entebbe, and on to Kigali with full traffic rights, using one of their new Airbus A320 aircraft which offers inflight connectivity and operates in a two class configuration.

News have also been confirmed that the airline's CEO Akbar Al Baker has during a press conference in Chengdu / China on the occasion of their inaugural flight to their latest destination, told the media that the opening of the new mega airport in Doha, to be known as Hamad International Airport, will be postponed until at the earliest late this year or more likely early next year due to contractor delays in meeting various deadlines. Watch this space for regular and breaking news from Eastern Africa's aviation scene.

SHERATON MOVES TO THE ENTEBBE SAILING CLUB THIS WEEKEND

(Posted 04th September 2013)



The Sheraton Kampala this weekend is organizing, and catering, two events at the Entebbe Sailing Club. Under the theme ***'Do something fishy for the weekend'*** the hotel will stage a Caribbean Dinner at the shores of Lake Victoria in the tranquil settings of the club house and club gardens on Saturday night while on Sunday sponsoring an all day fishing competition, lunch needless to say included.

While Entebbe Sailing Club members have a cost advantage of 10,000 Uganda Shillings per meal, guests and those interested are welcome nevertheless, but advance bookings for tables is strictly recommended as the event will surely be a sellout.

Only last weekend did the hotel stage the annual classic car show in the Sheraton Kampala gardens after successfully organizing a series of food events at their main restaurant over the past weeks.

The place to be this weekend is surely the Entebbe Sailing Club, sine moi sadly who will be further down south on assignment.

Kenya News

NATIONAL TREASURY ADVERTISES JKIA HOTEL PROJECT AND SECOND NYALI BRIDGE

Posted 05th September 2013)



Kenya's national treasury has earlier this week publicly advertised some major infrastructure projects, among them the planned hotel at the Jomo Kenyatta International Airport and a second bridge from the island of Mombasa to the northern mainland.

Both projects, as well as others listed, are to be undertaken in a public private partnership to reduce the cost for the government and to speed up project implementation. The first stage will be consultancy services before the projects can take off and eventually mature.

The second bridge in Mombasa has for long been overdue to create another traffic outlet and reduce the traffic jams though there are some issues now over the route of the access roads to and from a new bridge location as much of the land in the access area of the old pontoon bridge has since been sold, title deeds issues, buildings erected including the Tamarind Village, a high end apartment, condominium and resort complex.

Owners in the potential path of access roads and bridge heads have already vowed to take the matter to court, signaling a potential delay for the new bridge of several years.

In regard of the proposed hotel at JKIA it could in the short time available not be ascertained if this is the same project which Kenya Airways has indicated of pursuing, as the national airline too wants to build their own hotel at or near the airport. Watch this space.

MOHAMMED HERSI LEAVES THE WHITESANDS RESORT AND SPA

(Posted 05th September 2013)



(Mohammed Hersi with President Uhuru Kenyatta on the opening of the 2nd East African Infrastructure Summit)

News emerged yesterday afternoon that Mohammed Hersi, General Manager of the Whitesands Beach Resort and Spa and Regional Manager Coast for Sarova Hotels, also overseeing the two safari lodges Taita Hills and Salt Lick, was after 10 years at the helm of the Whitesands, and being to a large part responsible for the remarkable transformation of the resort into a true 5 star property, leaving to take up a new appointment.

Hersi has since taking over the Whitesands gained a reputation as a no nonsense man, gifted in his interaction with staff, leading them by example and through inspiration, a major factor in the repositioning of the Whitesands during the past decade to the pinnacle of the hospitality industry.

As an industry captain Hersi now serves as Chairman of the Mombasa and Coast Tourist Association, the main trade association where all Kenya coast stakeholders are coming together. There he has been an outspoken and ardent defender of the tourism sectors' interests vis a vis government, ever keen to have the industry's viewpoints heard and understood by the powers that be and seeking solutions to the sector's challenges rather than just bemoaning circumstances the industry has to cope with.

Mohammed Hersi will be joining the Heritage Hotels as Chief Executive Officer effective 15th of September and while his staff and loyal clients from the Whitesands will undoubtedly be sad to see him go it will certainly be a warm welcome for him at his new work place. From myself all the best wishes on this occasion – I will for sure miss this familiar face on my next return to the Whitesands Beach Resort and look forward to meeting at his new place of work in not too distant a future.

VAT DECISION ROBS CONSERVATION OF MUCH NEEDED FUNDS

(Posted 05th September 2013)



In order to soften the massive blow the Kenyan government has dealt the country's tourism industry by introducing a 16 percent VAT charge on a range of previously exempt tourism services, have some operators announced some short term relief for their clients by reducing tariffs in order to cushion the major rise in cost now underway for safari services across the country.

Ol Pejeta was as usual swift in getting out of the starting blocks by announcing a temporary reduction in entrance fees to the conservancy, when Richard Vigne, CEO of the conservancy and ranch, sent out this information yesterday afternoon:



Update on New VAT Act, The Imposition of VAT on Conservancy Entrance Fees

Dear Friend,

Further to our correspondence of Monday, September 2nd, 2013, we have re-confirmed with the tax authorities that VAT is now payable against sales of Conservancy entrance fees and that VAT became chargeable on the 2nd September 2013.

In the opinion of numerous tax advisors and the KRA this applies to entrance fees to the National Parks, Game Reserves, Private and Community Conservancies with no exception.

The Ol Pejeta Conservancy is simply not in a position to simply absorb the cost of VAT on entrance fees, and we have very little input tax that we can claim against output VAT levied on entrance fees.

However, during this period of confusion, and in acknowledgement that our tourism partners and the tour operators using our accommodation facilities have already billed their clients, **we are prepared to offer an immediate discount on entrance fees for overnight stays for overseas clients** as follows:

- From USD 70 per adult to USD 65 per adult per entry and overnight stay
- From USD 35 per child to USD 32.50 per child per night entry and overnight stay

These discounted rates will continue to attract VAT and the offer will extend to 1st November 2013, whereupon we regret that our rates will revert to current published tariffs against which VAT at 16% will be levied.

We hope very much that this assists during this transition period.

Your Sincerely,



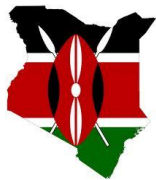
Richard Vigne
Chief Executive Officer

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Some of the more outspoken regulars who contribute facts, opinions and feedback, have sharply condemned the Kenya government and in particular parliament for having passed the bill in its present format, and spared no criticism for President Kenyatta either for assenting to the bill and make it a law, as in the words of one '*they are now robbing conservation of funds. Ol Pejeta is a good example. They are lowering entrance tariffs to as you say cushion the impact but it takes away money which was budgeted for conservation. This government should not wonder what it has coming now. It is time to take the gloves off and take them to task. What they publicly say about tourism and conservation is different from their actions. They should cut the bloated civil service. They should cut wastage in government expenditure. Kenyans are not paying taxes to eternally feed fat cat politicians and give them millionaire life styles. Whatever good plans this government has is being spoiled by such action. We are all in this together like it or not and this move on taxes does not, absolutely not support tourism or create an environment in which tourism can grow. We all know the coast is struggling and that is a very important element in our industry. You said south coast occupancies are down to some 35 or so percent compared with 65 two years ago? It is time for our industry captains to tell the president and the minister some hard facts whether they like it or not. If we don't act now we might lose another year and our competition does not sleep. South Africa will be laughing about our foolishness to add VAT to tourism services while we shoot ourselves in the foot*'. Time as usual will tell and the answers, if KTB is getting the extra 3 billion the president promised or if the government will review its VAT policy, considering that tourism is an invisible export, will be featuring right here, so watch this space.

VAT IMPLEMENTATION PILES YET MORE WORRIES ON TOURISM SECTOR

(Posted 04th September 2013)



Only a day after the shock news began to circulate that the Kenya Revenue Authority insisted with immediate effect to levy a 16 percent VAT on park and conservancy fees, has the tourism sector gotten yet more of the same as Serena Hotels published an announcement about the same happening to game drives offered in the parks as part of their air safari packages.

VAT Act 2013 - Introduction of VAT on game drives

Following the introduction of 16% VAT on game drives as per the VAT Act 2013 and the implementation of the same by the government as with effect from 2nd September 2013, we would like to inform our esteemed business suppliers that Serena Hotels will levy the 16% VAT on game drives – thus the air and ground packages prices as well as game drives prices (non package arrangements) have been reviewed as with effect from 2nd September 2013.

We appreciate your understanding and thank you for your continued business support.

Other companies issued similar notices to their clients, resulting in a mini tsunami of invectives being thrown at the Kenyan government and the Kenya Revenue Authority over the fork tongued double standards now becoming clear. *'You cannot tell us that our Vision 2030 has tourism as a main cornerstone and then do this. You cannot tell us that you want 5 million visitors and then do this. You cannot tell us in public speeches one thing and then do another like this. Earlier this week have coast hoteliers raised the alarm over their continued low occupancies. Word is out that Indian Ocean Beach Club may have to close down for lack of enough business. Our government tells us one thing and does another, just like previous governments did. This sector needs incentives for airlines to fly to Kenya. It needs an open sky policy in particular for Mombasa. It needs preferential funding with reduced interest rates to access loans to refurbish our resorts, upgrade and modernize them. What our sector does not need is to make it more expensive for visitors by 16 percent with that VAT nonsense. Tourism is an invisible export. Exports are under government policy free of VAT. They speak with forked tongues. The only outcome of this will be a life and death struggle for our sector. If that is how those two want to achieve their double digit economic growth, they are very sadly mistaken. If tourism's bottom drops out again, their card house will come down on them'* wrote a regular contributor after literally screaming down the phone in an initial contact when discussing this latest setback for Kenya's tourism industry.

'We had as a sector made representations to government and to parliament about the impact of the budget proposals but it seems those people were deaf on both ears. We gave them facts and figures and our projections what impact VAT would have on the sector. While some apparently just ignored it, I think others may simply lack the capacity to understand such impact studies and the consequences. Overseas tour operators are already up in arms over the sudden increases in cost. It is not what we expected from this government. They have just removed the fuel tank from a locomotive for economic growth and if in a year they start crying it will be over milk they spilled themselves' added another source closely associated with one of the sector's leading trade associations. The sad fact though remains that several key tourism products have now been subjected to VAT, raising the cost of such packages by 16 percent and only time will tell how this ultimately pans out, if the market is good and ready to accept and absorb such increases or if it will impact on demand and reduce visitor numbers even further. Watch this space.

VAT ON PARK FEES MAKES TOUR PACKAGES EVEN MORE EXPENSIVE

(Posted 03rd September 2013)



Kenya's tourism stakeholders are coming to terms with the insistence by the Kenya Revenue Authority to demand payment of 16 percent VAT on park and reserve fees, once again raising the cost of safari vacations at a time when the industry faces continued challenges. A mail received overnight from the Ol Pejeta Conservancy, an organization committed to wildlife conservation at a huge cost, speaks volumes about what struggle must have been going on behind the scenes to have KRA halt that move while lobbying parliament to scrap all new tax measures which could make visits to Kenya less competitive. Besides, as equally seen in Uganda, where upcountry accommodation in lodges lost the VAT exemption at the start of this financial year, contracts entered into with overseas tour operators ordinarily are longer term and bind a local safari operator to honour quoted rates, shielding tourists from sudden price increases against which consumer legislation in particular in Europe provide protection. Subsequently do the big league operators in Europe compel their local partners to sign relevant documents to the effect of keeping tariffs, once quoted, for the duration, leading in this particular case to sustained losses as the tax has to be absorbed and paid to prevent the wrath of the tax man. The mood among some regular contributors was distinctly turning ugly, as it did in Uganda too, blaming governments of not investing enough in tourism marketing and providing incentives to airlines to fly in particular to the Kenya coast while at the same time increasing the cost burden by introducing VAT payments for services long exempted. *'When I hear government mouthpieces talk of improving competitiveness it sounds like a broken record. Where is the competitiveness in this tax measure. It increases the cost for tourists and even the option to claim back VAT on departure as many other countries do does not exist. And the worst, no prior consultations on the impact of such measures but just wait until the cry babies in government start to lament that there is a downturn and how come. A big disappointment for sure'* ranted one source after seeing the mail attachment received from Ol Pejeta.

Well time will tell just how great an impact this decision will have and who in the end will pay the bill. Watch this space!



VALUE ADDED TAX (VAT) ON ENTRY FEES

Dear Friend,

The Kenya Revenue Authority (KRA) has confirmed that 16% VAT on park fees will be effective from the **2nd September 2013**.

Given the unexpectedly speedy implementation of the new Act as per the directions of the Cabinet Secretary, Ol Pejeta has had no choice but to levy VAT against all sales of Conservancy fees. We realize the implications for our conservation and tourism partners and visitors, but we must follow the law.

We are currently evaluating the implications for our 2014 rates and will come back in due course when we are ready.

If you have any questions regarding this announcement, please do not hesitate to contact us directly at info@olpejetaconservancy.org.

Regards,

Richard Vigne
Chief Executive Officer

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KENYA COAST STRUGGLING TO REGAIN MARKET SHARE AND RAISE OCCUPANCIES

(Posted 02nd September 2013)



South coast hoteliers are pondering their next move, after the August occupancies have remained depressed across the board and hard decision now need to be made by some resorts where occupancies are even further below average. August is ordinarily part of the high season, when the European school holidays are in full swing, but compared with 2011, the last year when Kenya tourism still went full steam ahead and achieved record breaking results vis a vis revenues and arrivals, occupancies at the South Coast are now down to a mere 35 percent, according to a regular source, taking the data from some 20 resorts, while two years ago this figure stood at 63 percent. Key stakeholders attribute the drop to the past government's failure to counter negative publicity and anti travel advisories, when the writing was on the wall as early as October and November last year. ***'That was the time action was needed to go and show flag in our key markets. What the minister at the time however did was strutting about***

and talking of equaling the 2011 results, which we knew even then was a lot of hog wash. That was the time to invest in marketing, in giving incentives to airlines to fly to Kenya, to fly directly to Mombasa. Instead, Qatar Airways got the long end of the stick and withdrew plans to fly to the coast via Dar es Salaam. Brussels Airlines had planned a flight and shelved it too. 1Time from South Africa withdrew and then went bust altogether. Air Berlin gave notice to withdraw. The arrival of Turkish was not enough to make up for those losses of charters and planned new flights and today, in August 2013, we simply do not have enough flights to bring in the clients to fill our beds. KTB now needs to work on recovery marketing instead of having been facilitated last year and early this year with funds to go out and blitz the markets. Instead, the minister started his pointless fights with KTB and that too had an impact on their ability to be on the spot. That said, a blame game is not sorting out our challenges. We need more airlines, scheduled airlines to fly to the coast from abroad. We need more charters to come back to Mombasa. Right now there is a big reduction in air traffic to Mombasa and we have to start by finding airlines willing to fly and tour operators ready to back them up with seat guarantees. In Egypt right now there is an exodus taking place even from Sharm el Sheikh. I am not saying we decampaign our brothers there but at least we can tell the tour operators that we in Mombasa are ready to step up and accommodate those tourists who have cancelled their Egypt plans. Perhaps we can persuade them to come to Kenya’ said a regular Mombasa based source when discussing the downturn in tourist numbers.

Meanwhile have the Kenya Tourism Board also been consulting with hoteliers and other stakeholders to define ways and means to counter this worrying trend, more so as word is now out that at least one resort at Diani will be closing down soon as a result of not being able to generate enough revenue to stay open.

Other observations shared with this correspondent also speak of the urgent need to review the products offered at Kenya’s coastal resorts, where a handful of innovative resorts are doing reasonably well, both South and North of Mombasa while most others reportedly continue to do the ‘*same old same old*’ as one other source put it like ‘*20 years ago when you were still here at the coast*’.

Notably has only one brand new larger resort opened in recent years, the Swahili Beach Hotel, while according to information some 7 resorts remain closed, or else average occupancies might be even lower. Yet, in stark contrast have the owners of the Leopard Beach Resort and Spa spent significant capital to launch their ‘Residences’ later this year, with some 28 2 and 3 bedroom villas adding more capacity, confident that their market appeal will help them to actually fill them sufficiently to generate a decent RoI.

Meanwhile though are tourism stakeholders putting their heads together with government to ensure that the sector can be revived and that the projected figures of arrivals, as expressed by both President Kenyatta and Deputy President Ruto can be achieved, as the form an integral part of their economic programme for double digit growth during their first term of office. Next big stop for global tourism promotion will be the World Travel Market in London but there are several other trade fairs and opportunities to showcase Kenya as a leading beach and safari destination until then which KTB and the private sector are now eyeing with the view to either exhibit or participate in. Watch this space for regular and breaking news from Eastern Africa’s tourism industry.

Tanzania News

PRECISION AIR SEEKS FINANCIAL TURNAROUND THROUGH DEEP CUTS IN COST

(Posted 08th September 2013)



Precision Air’s management and board have outlined measures aimed at reversing the record financial loss of around 30 billion Tanzania Shillings by embarking on the road of sharp cost cutting which may see as many as 20 percent of the work force being made redundant.

The restructuring, already announced weeks ago and reported here at the time, was apparently reaffirmed and endorsed by the board and has already resulted in a reduction of overheads by almost a third. International routes served in the past with leased B737-300 aircraft have all been suspended, like Lubumbashi and Lusaka, while it appears that the Tanzania Civil Aviation has taken Precision’s designated carrier status for the Johannesburg route back and handed it to FastJet which will on 27th September commence operations with three flights a week using their Airbus A319 aircraft.

Precision Air, according to sources close to the airline, will meanwhile assess all their domestic routes and where demand exists add more flights to destinations within Tanzania while still eyeing new opportunities like Pemba.

Towards that end will their fleet of ATR 42 and ATR 72 aircraft allow them to operate into some of the fields now being modernized by the Tanzania Airport Authority but unsuitable for jet aircraft. ***‘I don’t think they will want to get back into jet operations any time soon. That was Kioko’s dream and it turned into a financial nightmare for them. Their partnership with Kenya Airways should allow them to effectively offer destinations beyond their present route network but of course via Nairobi. For now they surely must concentrate on solving their problems to get a handle on their cost which has ballooned over the past 2 years. Once they have that sorted out they will be out of turbulence’*** contributed the Dar es Salaam based aviation source. Watch this space for breaking and regular news from Eastern Africa’s vibrant aviation scene.

PRECISION AIR SUFFERS UNPRECEDENTED LOSS

(Posted 05th September 2013)



Precision Air of Tanzania, the only publicly quoted Tanzanian airline company on the Dar es Salaam stock exchange, has reportedly posted a loss of just under 31 billion Tanzania Shillings, compared to a profit of just under 2 billion Tanzania Shillings in the previous financial year.

A source close to the airline attributed much of the loss to the cost involved in the use of leased B737-300’s, which in particular on the route to Johannesburg piled up losses in addition to high maintenance costs. These aircraft have however since been retired from the Precision Air fleet and were returned to the lessors to cut cost, using only their fleet of ATR aircraft for domestic and regional flights. At the same time the source insisted that while the cost of financing the acquisition of brand new ATR 42 and ATR 72 aircraft was substantial, the cost savings by using state of the art turbo prop aircraft were equally substantial vis a vis fuel consumption and lower maintenance cost during the cause of the operation.

Much blame is now being heaped on the former CEO for being over ambitious but also on the board for sanctioning such expansion plans at the time without requiring management to provide a worst case scenario and not only optimistic forecasts. The source, understandably not wishing to be named, then added that the fundamentals of flying the ATR fleet were overall positive as it allowed to serve parts of the country jets could not reach and that while there was an issue with the cash flow, no surprise there considering the loss on the bottom line, the medium term forecast remained positive, as long as they shareholders could agree on a bailout plan to get bridging fund on line. Other sources commented that it was unlikely that Precision would any time soon wish to return to jet aircraft operations or open up routes which require a lot of up front financial involvement but focus on streamlining their network, trimming cost and optimizing their schedules including the greater use of codeshared operations to Kenya and beyond with partner Kenya Airways.

Watch this space for regular and breaking news from Eastern Africa’s vibrant aviation scene.

Rwanda News

RWANDA’S TOURISM INCOME RISES BY 11 PERCENT

(Posted 06th September 2013)



Data released in Kigali yesterday show a continued and sustained growth of the country’s tourism sector. During the first half of 2013 the tourism industry’s revenues grew by 11 percent while tourist numbers rose by 14 percent compared to the record breaking year 2012.

Rica Rwigamba, Head of the Tourism and Conservation Department at the Rwanda Development Board said yesterday in Kigali: ***‘The increase in tourism revenues and visitor numbers are important in driving economic growth and generating opportunities that will improve the lives of Rwandans. In addition, we will continue to prioritise visitor safety and security in our parks and other tourist destinations’*** the latter comment aimed to once

again dispel unfounded fears over visitor safety in the country, suggestions about which are reportedly fueled by foreign sources either envious, unfriendly or outright hostile towards Rwanda.

Meanwhile has Nyungwe Forest National Park, aka The Enchanted Forest, made it into the top 7 nominations for the upcoming World Travel Awards, competing with the likes of Kidepo Valley National Park in Uganda, the Masai Mara Game Reserve in Kenya, the Serengeti National Park in Tanzania, the Krueger National Park in South Africa, the Etosha National Park in Namibia and the Kalahari in Botswana. Rwandan tourism stakeholders and officials are keenly awaiting the outcome of the vote and are confident that Nyungwe, a unique biodiversity hotspot which last year won the British Guild of Travel Writers Global Award, can go all the way.

The winners of the World Travel Awards for Africa will be named at a Gala ceremony in Kenya's capital Nairobi in mid October.

IT IS OPEN SKIES NOW BETWEEN RWANDA AND BURUNDI

(Posted 02nd September 2013)



Burundi and Rwanda last week signed a new bilateral air services agreement, replacing one which dated back into the 1970's, which no longer served the needs of today's requirements for airlines from the two countries.

Similar to recent new BASA's signed with the Republic of South Sudan – RwandAir is due to commence commercial flights from Kigali to Juba on the 21st September according to the latest information available – and with Lesotho and Swaziland, the new deal with Burundi has lifted all restrictions on air traffic between Bujumbura and Kigali, in terms of frequencies as well as in terms of aircraft type used.

RwandAir is connecting to Bujumbura and many travellers from Burundi now transit in Kigali for their onward flights into the region, the continent or further abroad, making up for the present lack of direct flights from international airlines.

While Burundi's national airline Air Burundi has not been operating for some time, has RwandAir gone to great lengths to make sure the neighbours are well connected and more flights are now expected to be added under the new aviation deal.

RwandAir, fully backed by the Rwandan government, has been on a determined expansion drive over the past years, more than doubling passenger numbers with a fleet now comprising two each state of the art B 737-700 and B737-800 models, two new Bombardier CRJ900's NextGen and one leased Bombardier Dash 8-100, which will be returned to the lessors ASL in Kenya when an ordered brand new two class Bombardier Q400 is delivered in a few months time. It is widely expected that next year RwandAir might convert two options for a further two CRJ900's into firm orders as they continue to grow their network, now comprising Kamembe on the domestic front, Entebbe, Nairobi, Mombasa, Kilimanjaro, Dar es Salaam, Bujumbura and soon to come Juba in the East African region and Brazzaville, Libreville, Lagos and Accra in West Africa, soon to be followed by Lome and Abidjan. In addition does RwandAir fly to Johannesburg and to Dubai, while eyeing more destinations in southern Africa. Watch this space for regular and breaking news from Eastern Africa's vibrant aviation scene.

THE STORY OF JACKIE M. GATERA OF 'LA BAMBOU GORILLA LODGE'

(Posted 01st September 2013)



(Jacky, seen here with Mt. Sabinyo in the background)

Recent trips to the ***Land of a Thousand Hills*** once again brought me face to face with the many developments which have marked Rwanda's march towards economic progress over the past years. New hotels and resorts have sprung up across the country, new tourism attractions have been developed and launched and notably it was the Rwandans themselves driving this agenda and tapping into a fast growing market to create wealth, prosperity and jobs.

Mrs. Jacky Gatera caught my eye when spending time in Musanze, formerly known as Ruhengeri, the launch pad for tracking the mountain gorillas and golden monkeys which can be found in the forests of the 5 volcanoes making up the magnificent backdrop in the distance beyond the town. She was introduced to me by another tourism icon, New Dawn Associates' Anny Batamuliza, during the course of a familiarization tour by the Ereka Group, which NDA is part of, for East African tour and safari operators and the media.

Jacky, like many others, returned to her motherland in 1994 and, before becoming an entrepreneur, worked with such companies as Total Fuel, BTC, ACDI and even Rwanda Telecom. As president of the Women's Association she engaged the group in making furniture to give members an opportunity to earn incomes for their families.

Jacky's dream though was to start her own business and what better sector of the economy to choose than tourism, which has grown in leaps and bounds in recent years.

In May 2009 did Jacky start her project in earnest, using savings as well as loan capital to embark on the construction of the '***Le Bambou Gorilla Lodge***'. When she had completed the construction in June 2010, she was able to offer 9 twin and double rooms and one family cottage, set in what I would call an '*organically grown garden*' where local shrubs and flowers attract many bird species, giving their bird song performance to the guests at dawn and throughout the day. Jacky manages the lodge herself, together with her staff, most of them recruited from the Musanze area. She also acts as a tour guide when requested to take her guests to the other parks of Rwanda, Nyungwe Forest and Akagera, or to Congo Nile trail which hugs the scenic shores of Lake Kivu as it makes its way up and down the hills from Cyangugu via Kibuye to Gisenyi.

One percent of the revenue the lodge makes goes to the Women's Association according to Jacky who when asked said this regular donation is '***to help the women of Rwanda, the children of Rwanda, help families and help my country Rwanda***'. That spirit also is manifested in her private life where, married with four kids of her own, she adopted another three orphans, to bring them up, educate them and give them a chance for a good life ahead of them. Jacky has joined the ranks of the likes of Rosette Rugamba, Rica Rwigamba, Gaudence Rusingizandekwe of Hotel Muhabura, Mme. Odette of Paradis Malahide, managerial cadres risen through the ranks like Evelyn Karamagi and many unnamed others, who have and continue to make an impact on Rwanda's tourism industry. They are the best examples of the equality which the New Rwanda has brought to her women folks and of how a country does develop faster and further when equal opportunities are availed. Tales from Rwanda, truthfully told. Until we meet again during one of my future trips to '***The Land of a Thousand Hills***'.

La Reunion News

VANILLA ISLANDS TOURISM DELEGATIONS SET FOR MEETING IN LA REUNION

(Posted 07th September 2013)



Tourism Ministers and their delegations from the Vanilla Island Group are heading to the Indian Ocean island of La Reunion this week for the scheduled meeting to discuss among other agenda items the geographical expansion of the marketing cooperative, aimed at making the organization more inclusive and adding more 'weight' to it.

The meeting will be joined by UNWTO Secretary General Dr. Taleb Rifai who is travelling to La Reunion tomorrow to chair the organization's Conference on Sustainable Development of Tourism in Islands, for which a host of tourism officials and gurus are expected to congregate on La Reunion.

Both the Vanilla Island grouping and UNWTO are keen to set an agenda for the coming years to promote sustainability in tourism while at the same time more actively engaging with airlines, the main mode of travel to and in between the islands. One regular source from the Seychelles in fact pointed out that '***... one of the key issues the***

Vanilla islands will have to discuss is how best to bring in the big global cruise lines on board and convince them that cruise itineraries to and among the Indian Ocean island countries is probably one of the best new trends they can set and then follow. Like with Caribbean cruises, the Indian Ocean islands offer an enormous variety of different ecosystems and different cultures, spanning from the islands off the African coast to the Maldives and Sri Lanka. You see volcanic islands, granite islands, coral islands, atolls, they are all different from each other. There are big islands like Madagascar where tourists can explore the national parks and see the lemurs or small islands like we have in the Seychelles. Cruise lines can now safely return to these Indian Ocean waters since new security measures have been put into place and our part of the ocean is still strongly patrolled by the naval coalition. Hosting cruise ships in our harbours for a day or a night is a huge bonus for our economies. All the main islands have airports and flights connecting them to Europe, directly or through the waypoints of the Gulf, and a cruise ship is the best bet right now to let tourists see the islands because air connections are still difficult. Visitors can fly into one island and board their cruise ship and fly out of a different point when the segment they booked has been completed. It can be a win win situation for everyone involved’.

Mr. Didier Robert, President du Conseil Regional de La Reunion, Mr. Jean Max Rakotomamonjy, Madagascar Minister of Tourism, Mr. Alain St.Ange, Seychelles Minister for Tourism and Culture, Mr. Jean Sebastien Nicolas from the Parc National of Guadeloupe, Mrs. Caroline Batiza from the Parc Regional of Martinique and Mr. Glenn Phillips from the South African National Parks will all address the UNWTO sessions on the question of sustainable tourism development.

Airlines and a host of other tourism experts will also be addressing the conference on the question of long term economic development of tourism and how best to position transport as a means to develop tourism. The panel of speakers will be coming from as far away as Fiji, Thailand, Australia, Mayotte, Azores, Tanzania, Indonesia, Kenya, Greece, Mauritius, Mozambique and Sri Lanka among others. Minister Rolph Payet of the Seychelles will be delivering a special address to this conference on the subject of the **Blue Economy**. Watch this space for live updates from both meetings during next week as well as travel reports after exploring La Reunion’s tourism attractions.

Mauritius News

NEW AIRPORT TERMINAL IN MAURITIUS OFFICIALLY HANDED OVER

(Posted 04th August 2013)



Mauritius’ international airport Sir Seewoosagur Ramgoolam has just taken ‘*delivery*’ of their brand new terminal building, which will double the capacity of the airport with an overall capacity of up to 4.5 million passengers a year. The new terminal offers an added 8 aircraft parking positions one of them able to handle the giant Airbus A380 aircraft, which Emirates now uses for one of their two daily flights from Dubai.

The arrival area on the ground floor level, according to information received from Port Louis, will feature 6 baggage delivery systems, aka carousels and after the customs check point offices for tour operators, car hire firms and other service providers. The upper level will house the check in area for airlines, with over 50 fully automated check in desk locations, followed by security, immigration and then over 4.000 square metres of duty free shops.

Built with sustainability in mind the roof has been designed to harvest rain water and has nearly 300 solar panels installed to supplement the new terminal’s electricity supply and heat water.



Building of the new facility took three years at a cost of about 270 million Euros and built by the China State Construction Corporation is now thought to be Mauritius' largest building ever constructed.

Once put into use, expected after some final trial runs, by mid September, the new terminal will be managed by a joint venture company formed between AML, the Airports of Mauritius company and Airports of Paris Management.

Tourism sources on the island have warmly welcomed the handover and expressed their hope that the new terminal will be filled with life, i.e. aircraft movements, towards which end the tourism private sector continues to lobby for the Mauritius government to permit more airlines to fly to Port Louis to reverse the recent trend of shrinking passenger numbers.

Seychelles News

AND THE PRICIEST OF THEM ALL IS: *SEYCHELLES' NORTH ISLAND*

(Posted 07th September 2013)



A recent survey, seeking to once and for all determine the world's most expensive property, has revealed the Seychelles' famous *North Island* has topped the chart. Famous for long and made more famous yet when two years ago the Duke and Duchess of Cambridge came to the exclusive island resort for their honeymoon, North Island came in with an average cost per nights of US Dollars 5.843, followed by Fiji's Laucala Resort at US Dollars 5.040. The rest of the top ten still command impressive rates, as the breakdown shows:

3. Khwai River Lodge, Botswana - \$4060
4. Savute Elephant Camp, Botswana - \$4020
5. Eagle Island Camp, Botswana - \$3970
6. Singita Grumeti Reserves, Tanzania - \$3570
7. King Pacific Lodge, Canada - \$3249
8. Mnemba Island Lodge, Tanzania - \$3100
9. Hotel Cala di Volpe, Italy - \$2939
10. Queen Charlotte Lodge, Canada - \$280

Notably are 6 of the top ten properties located in Africa, a surprise for many but not for those closely involved in tourism on the continent, where a determined drive towards top quality has managed to attract the rich and famous, the who is who in business, commerce and the performing arts to often small, isolated but absolutely luxurious resorts and safari lodges.

According to information sourced from Mahe did another Seychelles' resort, the MAIA, come in as number 15 at US Dollars 2.238, incidentally a resort where this author has stayed twice before and can therefore confirm that it is worth every dollar, and then some.

Well done Seychelles for making it to the top of the top ... *Seychelles, another world.*

AIR SEYCHELLES REMAINS IN PROFIT TERRITORY

(Posted 05th September 2013)



When Air Seychelles a few months ago announced a profit of 1 million US Dollars, heads turned and people sat up to take notice just how miraculous a turnaround has been achieved by the company since Etihad, the national airline of Abu Dhabi came on board as a 40 percent shareholder.

A complete fleet overhaul, disposing of 5 ageing B767 aircraft and introducing two state of the art Airbus A330's, a major cost rationalization programme, where the synergy effects of the cooperation with Etihad were made fully to bear, together with a drastic cut in routes to concentrate on the core business, paid off handsomely.

Aircraft maintenance and crew training were largely moved to the Etihad facilities in Abu Dhabi, providing state of the art services as well as cost savings, and concentrating on flights to Abu Dhabi in codeshare with Etihad opened a range of destinations previously unattainable by the 'old' Air Seychelles, using partners like Air Berlin and Czech Airlines, both also members of the Etihad 'stable'. Some 23 destinations are now served through codeshares including such faraway places Melbourne and Sidney

'Air Seychelles now reaches more destinations and more markets today than it did before when the airline operated their own flights to London, Paris, Milan and Singapore on the long haul routes. Those destinations are now served, and in fact many many more, by Etihad and Air Berlin, all feeding into our nonstop flights between Mahe and Abu Dhabi. In fact Air Seychelles operates presently 3 flights a week to Hong Kong via Abu Dhabi in which Etihad codeshares. Flights to Johannesburg were increased and because of the cooperation with SAA the wider regional and the domestic market in South Africa have opened up. Today Air Seychelles is leaner, is more cost effective. Instead of going out of business the airline has secured a future and once more is a corner stone in Brand Seychelles' said a regular source while the airline itself made more information available yesterday on its achievements over the past few months.

A media release from Air Seychelles gave this overview:

HALF YEAR HIGHLIGHTS

- On track for second year of profitability
- Introduction of second Airbus A330-200
- Launch of services to Hong Kong
- Significant expansion of other international services
- 146, 980 passengers on domestic and international networks
- New codeshare partnerships with airberlin, South African Airways, Czech Airlines
- Expansion of codeshare agreement with equity partner Etihad Airways
- Significant advancement in Skytrax rankings

Air Seychelles CEO Cramer Ball commented on the airline's achievements: *'We achieved triple digit growth in the second quarter of 2013 -- a tremendous result and further evidence of the success of our strategy. At the beginning of the year, we committed to the further development of our network through organic growth and partnerships and we have delivered on that promise. Today, thanks to our new codeshare partnerships and the expansion of our codeshare agreement with Etihad Airways, Air Seychelles now proudly flies to four continents. We are realizing significant returns on these relationships, with a 34 per cent contribution to our total revenue in the second quarter. We are creating a solid foundation for the future of our airline, Seychelles tourism and our home economy, and we are on track for a second year of profitability. This has been a transformative year for Air Seychelles. Our recent Skytrax ranking is a testament to the hard work and dedication of our team. The new rankings have served as a catalyst to progress further in our mission to be the best airline in the Indian Ocean. We are aiming higher now – for a four-star Skytrax rating – which will put Air Seychelles on the same level as some of the world's most renowned airlines'*.

The Chairman of Air Seychelles, who is also the Minister for Home Affairs and Transport Joel Morgan added his own voice when saying: *'The half-year performance of our national airline has exceeded expectations. As a result of its equity partnership with Etihad Airways and the codeshare agreements with other airlines, Air Seychelles has increased its global presence, resulting in record growth for Seychelles tourism. Tourist arrivals on Air Seychelles have more than doubled, increasing by 131 per cent from a year ago, and the excellent*

feedback we have received from our guests' experiences confirms that we are on track to achieving the goal of becoming the best airline in the region. Since December last year, we have modernised and signed 15 Air Service Agreements, including Hong Kong, Australia, the Czech Republic, Kuwait, South Africa, and just last week, Vietnam. Dozens more agreements are in the pipeline and these will provide greater air access and codeshare opportunities for Air Seychelles going forward, fulfilling our Ministry's mission to continually improve air access to Seychelles'.

Air Seychelles was established in 1978 and began long-haul service in 1983. The airline currently offers international flights to Abu Dhabi, Hong Kong, Johannesburg and Mauritius. Air Seychelles also offers more than 200 domestic scheduled flights a week throughout the archipelago, as well as domestic charter services. As the national airline of the Republic of Seychelles, Air Seychelles is a pillar of tourism, the island nation's strongest and growing economic sector. For more information visit www.airseychelles.com.

EDEN ISLAND GETS OWN CASINO

(Posted 03rd September 2013)



The Seychelles' man made marina, resort and residential island, Eden Island, now has another feather in its cap after the opening last weekend of Eden Casino.

Eden Island www.edenisland.sc has made the proverbial waves across the Seychelles when the idea was first floated, attracted a fair amount of opposition and, after complying with a range of regulatory requirements as a result of a details EIA eventually took shape. Today it is used as a template to build similar resort and marina complexes across other Indian Ocean islands but also on the African mainland, where for instance Mombasa's English Point Marina and Resort is seen as being inspired by the success of the Seychelles example.

Developed in stages have residents and businesses moved on to the artificial island, but no one today would be for the wiser to even doubt that Eden would not originally have been a natural island, so convincing are the beaches which have been created.

Eden is also the main focal point for regattas organized by the Seychelles, drawing crowds of spectators and competitors to the archipelago every time.

The opening of the new casino, now the largest in the islands, marks the continued efforts by Eden's management to add more services and attractions for residents and guests, many of whom now come to Victoria to hire a yacht or sailboat, moored outside their villa or residence, be it rented for a few weeks or owned and then enjoy the freedom of the seas around the archipelago.

The new venture is entirely Seychellois owned, a further testament to government's efforts to empower citizens to claim a share of the growing tourism cake, create jobs and take greater charge of the country's economy. Guest of Honour was the Minister for Finance, Trade and Investment Pierre Laport who opened the complex last Saturday night in the presence of other government officials, Eden Island residents and invited guests.

Something new to discover for regular visitors to the archipelago and may Lady's Luck shine on you.

AND no news this week from further down south as Gill Staden is away for a few days after covering the UNWTO General Assembly in Livingstone and Victoria Falls – more news next week.