

Tourist time for Tanzania

With oodles of sun, sea, sand and safari, Tanzania is a holidaymakers' dream. No wonder **Trevor Ward** is taking a look at prospects in store for east Africa's prize destination



One of Africa's rising stars, Tanzania has economic growth of a healthy six to seven percent, a working democracy, and – tourism investors take note – the best safari and beach products in east Africa.

Holidaymakers are on the up. Since 2000, tourist arrivals have risen 30%, to just under 650,000 in 2006. About a quarter head for the island paradise of Zanzibar, which hopes for 500,000 visitors in 2013.

Investors from the Middle East have already dipped their toe in the gently lapping waters, making several headline investments in recent years.

One of the first major entrants to the market was the UAE's Albwardy Group, which is the owner of the Kilimanjaro Hotel in Dar es Salaam, and the Zamani in Zanzibar, both operated by Kempinski. Dubai-based Kingdom Hotel Investments was next to take the plunge, purchasing the Mövenpick Hotel in Dar es Salaam, and soon after entering into a US \$20 million joint venture investment with Kuwait's IFA, also in Zanzibar. Now Istithmar has docked on the island, announcing a \$150m resort there.

The famous Mt Meru Hotel in Arusha is now in private hands, and a joint venture between local and South African investors is poised to undertake a complete renovation, along with an expansion of the number of rooms and the conference facilities, in the coming months. Albwardy purchased the former Hotel 77 in the privatisation process, for redevelopment as a mid-scale hotel, and other investors are known to

be looking at this market.

Constraints to future tourism growth are air access and hotel capacity. Figures show that of the total visitors in 2006, 56% arrived by air, 41% by road, and the remainder by rail and sea. The potential arrival of SAA, Emirates and Qatar airlines into the Zanzibar and Arusha markets will ease the lack of transport, which should in turn promote further investment in hotel accommodation.

The Tanzanian government has also given permission for further building in the Serengeti, with a planned expansion from the present 940 beds to 4,500. Ten times the size of Kenya's Masai Mara Park, the government believes that this expansion is sustainable, and essential if the increased demand for safari tourism is to be met. Albwardy already has an investment there, again with Kempinski as managers.

Meetings of minds, and holidays

Few countries can boast the combination of excellent conference facilities as well as the opportunity for pre- and post-conference trips to world class leisure destinations such as Zanzibar and the Serengeti.

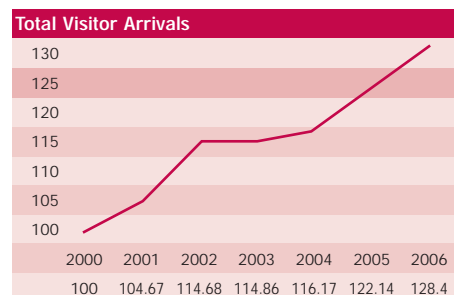
With more than 10% of visitors arriving on business, Tanzania has a tremendous opportunity for conference tourism, with excellent facilities in the northern city of Arusha, the gateway to the Northern Circuit, whose national parks an estimated three-quarters of tourists visit.

There is an international airport with daily flights from the Netherlands, Ethiopia and Kenya,

and the Arusha International Conference Centre has already hosted many international events. Next year it will host the 8th Leon Sullivan Summit on economic and social development in June. **A**

International tourist arrivals and receipts		
	Arrivals	Receipts (US \$m)
2000	501,669	739.1
2001	525,000	725.0
2002	575,000	730.0
2003	576,000	731.0
2004	582,807	746.0
2005	612,754	823.1
2006	644,124	862.0

Source: MNRT, Tourism Department



The chart shows the indexed growth in visitor arrivals in Tanzania, using the year 2000 as 100.

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