



THE REPUBLIC OF UGANDA

MINISTRY OF TOURISM TRADE AND INDUSTRY

Report on the Tour Operators

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1.0 Background

Uganda is endowed with plenty natural and cultural resources which form the basis for a potentially very lucrative tourism industry; creating employment and generating income not only in urban centers but also in rural areas. Furthermore, through sustainable tourism development, the country will be better able to protect its rich biodiversity and cultural heritage.

Although tourism is one of Uganda's key services both in terms of employment and forex earnings, quantifying its total contribution in the country's economy is not easy to do. UBOS tourism statistics show evidence of growth of Uganda's tourism industry in the recent past. The sustained increase in the number of visitors, Tour and travel operators as well as accommodation facilities over the past two decades confirms this growth. It has been a while since the last surveys were done on expenditure and motivation, accommodation, employment, attractions, migration, and earnings and owing to the recent developments, the existing data was no longer reliable. The resultant information gap necessitated that the Ministry carries out a tour operators survey as a starting point to build a Tourism satellite account.

The survey was carried out to capture the basic indicators within the tour operations as part of the National Statistical System (NSS). These indicators will feed into the tourism satellite account with a view to quantifying the contribution of the tourism industry in the national economy. The indicators are also to help the ministry design appropriate responses in promoting tourism both domestically and internationally. It is hoped that more research will be carried out on other related activities that are aimed at consolidating the Tourism satellite account.

1.1 Objectives of the Survey

The survey was designed to:

- i. Establish a benchmark of the standards of tour operators in the country;
- ii. Evaluate the level of compliancy to the standard requirements for tour operators;

- iii. Build rapport for future collaboration with tour operators in implementation of the Tourist Satellite Account (TSA).
- iv. Establish the picture of tour receipts

2.0 Survey Methodology

The survey involved conducting direct (face to face) interviews with all registered tour operators and travel agents operating in Entebbe, Jinja and Kampala.

Data was collected using a questionnaire (appendix 1 below) administered by Ministry and UBOS staff. Revisits and e-mail interaction follow-up methods were used to confirm the information filled in a few cases where the technique of self administration was inevitably applied. The survey was conducted between May and June 2008.

3.0 Findings

3.1 Number of Tourists by year

Figure 1: Number of Tourists

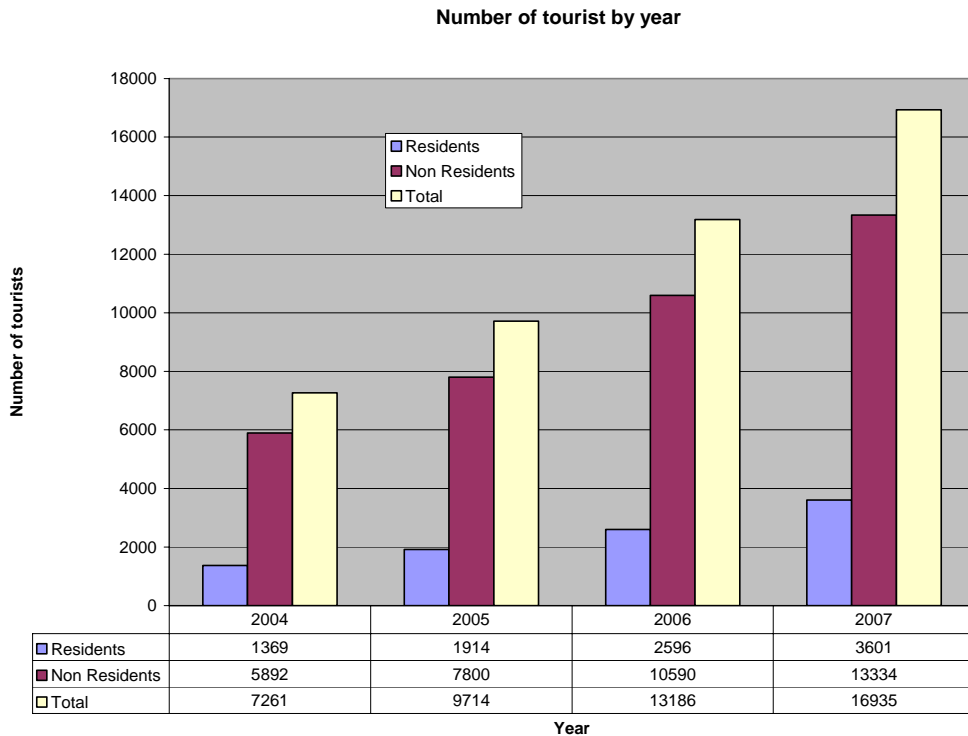


Figure 1 above shows that the number of travelers handled by tour operators has been increasing since 2004. In 2005 the number of travelers increased by 34%, 36% in 2006 and 28% in 2007 respectively. Of the total number of travelers, 19% of travelers were residents in 2004, compared to 20% in 2005, 20% in 2006 and 21% in 2007. This implies that domestic tourism is also picking up.

3.2 Source of Tourist by country

The majority of travelers (31% and 30% in 2006 and 2007 respectively) came from USA followed by UK (26% and 29% in 2006 and 2007 respectively), Netherlands (14% and 12% in 2006 and 2007 respectively) and Germany (6% and 8% in 2006 and 2007 respectively) in that order.

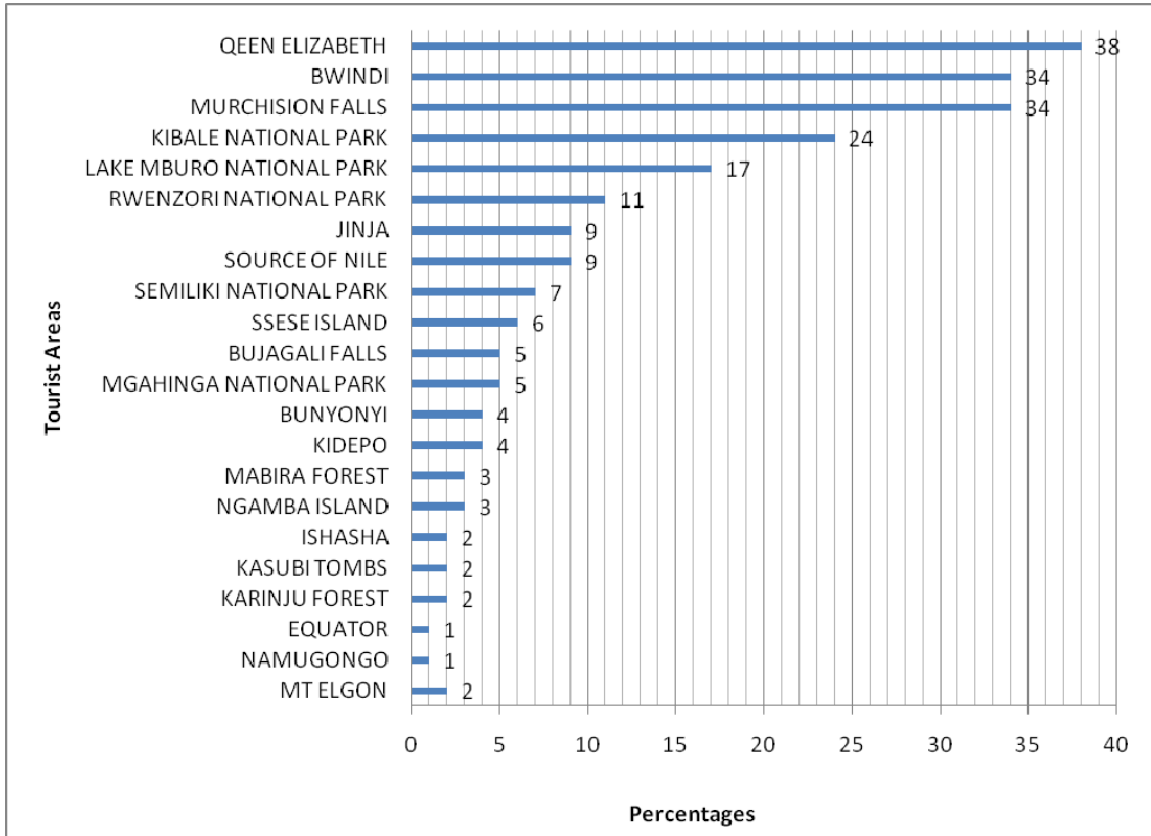
Table 1: Source of Tourists by country of origin

Country	2006	%	2007	%
AUSTRALIA	273	2.6	393	2.9
BELGIUM	212	2.0	162	1.2
BRAZIL	32	0.3	66	0.5
CAMMEROON	0	0.0	8	0.1
CANADA	151	1.4	276	2.1
DENMARK	135	1.3	149	1.1
FRANCE	109	1.0	109	0.8
GERMANY	661	6.2	1025	7.7
INDIA	19	0.2	0	0.0
ITALY	148	1.4	135	1.0
JAPAN	555	5.2	592	4.4
KENYA	74	0.7	93	0.7
NETHERLANDS	1454	13.7	1538	11.5
NEWZEALAND	3	0.0	8	0.1
NIGERIA	0	0.0	19	0.1
NORWAY	0	0.0	0	0.0
POLLAND	221	2.1	72	0.5
RUSSIA	16	0.2	0	0.0
SOUTH AFRICA	10	0.1	11	0.1
SPAIN	379	3.6	462	3.5
CHINA	58	0.5	112	0.8
SWEDEN	0	0.0	13	0.1
SWITZLAND	3	0.0	3	0.0
UGANDA	0	0.0	3	0.0
UK	61	0.6	159	1.2
USA	2709	25.6	3897	29.2
ZECH REPUBLIC	3294	31.1	4006	30.0
ZIMBABWE	3	0.0	13	0.1
Total	10590	0.1	13334	0.1

3.3 Most preferred tourist areas in Uganda

Figure 2 below shows that most tourists preferred to visit Queen Elizabeth followed by Bwindi, Murchison falls, Kibaale National park, Lake Mburo national park and Rwenzori National park in that order. Overall, the above 6 tourist areas attracted 71% of the tourists during the period 2004-07.

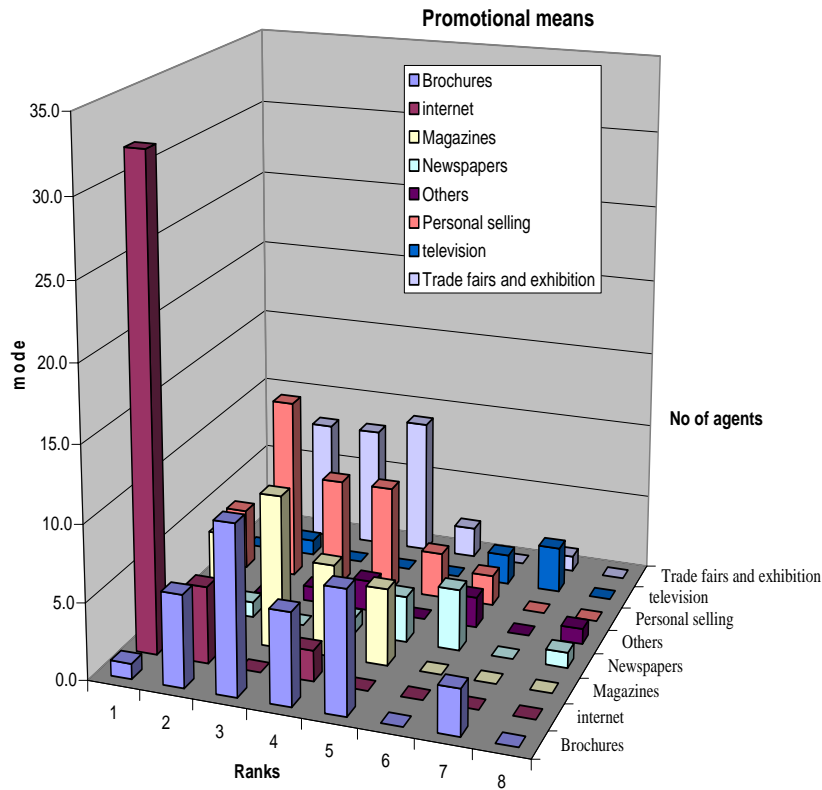
Figure 2: Most preferred tourist areas



3.4 Promotional means used by tourist operators

The chart below shows the promotional means used in marketing their enterprises. The results reveal that internet was the most commonly used mode of promotion. Out of 39 responses with rank number 1, 32 respondents (82%) ranked internet as their number one. This is evidence that most of the enterprises have websites. Personal selling (by word of mouth) ranked number two followed by brochures and trade fairs and exhibitions respectively.

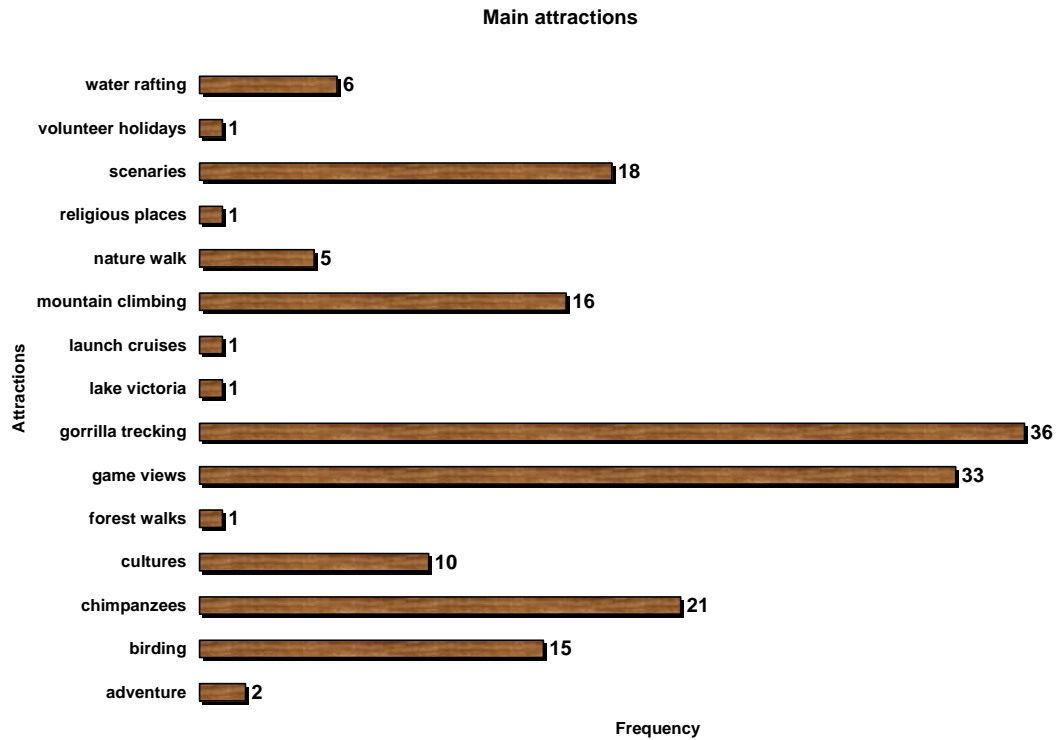
Figure 3: Promotional means used by tourist operators



3.5 Main attractions according to tourists

Respondents were asked about the main attractions based on their clients' perspective. The responses are summarized in the chart below from which Gorilla tracking and game views emerged the most preferred attractions. The other preferred attractions were Chimpanzees, sceneries, mountain climbing and birding.

Figure 4: Main attractions



3.6 Other things enjoyed by the clients about Uganda

The table below shows that the biggest proportion of tourists enjoy the hospitality and culture of Ugandans. Tourists also like Uganda’s food and climate/weather.

Table 2: Other things enjoyed by the clients about Uganda

Attraction	Frequency
Hospitality	27
Culture	20
Fresh food	12
Climate	11
Weather	9
Sceneries	6
Art and crafts	5
Religious sites	5
Security	5
Historical sites and monuments	5

Attraction	Frequency
Vegetation	4
Fishing	3
Accommodation	2
Game drives	2
Cheap products	2
Kampala city tours	2
Sunset	2
Agriculture	1
Community	1
Drinks[Nile special]	1
Eco-tourism	1
Good roads	1
Guides	1
Landscape	1
Night life	1
Political stability	1
Quad biking	1
Rare species	1
Shopping	1
Social interaction	1
Swamps	1
Theaters	1
Traditional sites	1
Tropical fruits	1
Unique products	1
Water bodies	1
Zoo	1
Others	17
Total	159

3.7 Employment

On average each tour operator was found to be employing about 16 people although with an uneven distribution among the various operators. Most of the guides were certificate holders (42%) while those who had degrees and diplomas were 23% and 33 % respectively.

3.8 Obstacles faced by clients

The poor state of Uganda's roads was reported the biggest challenge faced by tourists (22%). Another significant obstacle faced by the tourists was accommodation (13%) in

terms of insufficient accommodation in the parks, limited choice of accommodation facilities¹, low standards and poor services. Other tourists reported staff (10%) challenges in form of unprofessional conduct.

Table 3: Obstacles faced by the clients

General problem	Specific problems	No of cases	%ages
Poor roads	Poor nature of the roads	30	22
Accommodation related	<ul style="list-style-type: none"> • insufficient accommodation in the parks • limited options of accommodation facilities • poor services from some hotels 	17	13
Non professional staff conduct	<ul style="list-style-type: none"> • Lack of identification especially uniforms and name tags for drivers • Shortage of staff • under qualified personnel • poor customer care at some hotels • poor driving by the drivers 	18	14
Insecurity	political instability in the neighboring countries	10	7
Gorilla permits	<ul style="list-style-type: none"> • mode of payment using credit cards • monopoly of gorilla permits • Scarcity of gorilla permits 	9	7
Connecting flights	Insufficient in flight charter services	3	2
Little faith in the Banking system	Tourists uncomfortable -of sending money electronically	6	4
Diseases	Malaria, Ebola	5	4
few animals in the parks	few animals in the parks	3	2
Inadequate information on sites and attractions	inadequate information on sites and attractions	3	2
Language barrier	language barrier	5	4
long distance drives	long distance drives	4	3
Expensive products	<ul style="list-style-type: none"> • expensive air charters • High prices in the hotel • expensive tickets for parks • high transport costs 	6	4

¹ A high proportion of the available accommodation facilities in the national parks only caters for high income tourists

Taxes	<ul style="list-style-type: none"> • High taxes, tariff changes[not consistent, getting a visa is hard, 	4	3
Marketing and product development	<ul style="list-style-type: none"> • Low advertisement • internet problem • low levels of product development 	5	4
Others	Traffic jam, transport connections especially track packers, travel advisory, Uganda is not being on the tourist map, poor state of vehicles	8	6

3.9 Obstacles faced by the tour operators

One of the objectives was to identify obstacles that tour operators face in their day to day activities. Tour operators face quite a number of challenges but the key ones include inflationary prices, fluctuating exchange rates, inadequate funding for trade fares,,low publicity, high hotel price rates coupled with poor accommodation standards. Other notable challenges include poor roads, insufficient gorilla permits, and inadequate working capital.

Table 4: Obstacles faced by the tour operators

Obstacles by the Tour operators	Number of cases
High taxes, high and fluctuating dollar exchange rates	19
little information by marketing bodies, low publicity	16
Influx of unqualified operators, high staff turn over, travel advisory against visiting Uganda	15
Hotel price rate are high, poor accommodation standards, no special rates for locals in some hotels, inadequate accommodation facilities, fluctuations in hotel rates	12
Limited gorilla permits, un even distribution of permits,	16
Inadequate working and investment capital	9
Poor roads	9
Competition from other tourism destinations	5
Stiff competition from other operators	6
Internet break down and telephone communication	5
High cost of safari vehicles, high fuel prices, inadequate transport equipment	5
Funds transfer issues, credit cards clearing is only in Uganda shillings, no on line booking	4
Power failure	3
Getting a visa is hard	2
Un trained guides	2
Low quality of tourism products, products not well developed	2

Language barrier	2
Total	132

3.10 Earnings by tour operators

Earnings from 47 tour operators amounted UGX 31.12bn

4.0 Recommendations

Consequent to the analysis of field data, the following recommendations are suggested to improve tourism services delivery:

- i. The roads leading to tourist areas need to be improved as well as strengthening of air charters to national parks and other tourist attractions;
- ii. Government should provide more funding for tourism development and marketing. This should address infrastructural needs and standards as a matter of priority;
- iii. More gorillas should be habituated to increase the number of permits;
- iv. In order to widen the tourism revenues, other attractions such as culture and traditional places need to be developed further for tourism purposes;
- v. It is imperative that the number and variety of accommodation facilities in national parks be increased ;
- vi. Training and retraining of hotel staff should be carried out to improve hotel services delivery. In addition, Government should implement hotel grading and regular inspections to enhance accommodation and hotel standards;
- vii. A deliberate effort should be made to train tour guides in guiding, customer care and international languages to mention but a few. A public-private partnership arrangement might be more effective to deliver the training;
- viii. Government should develop and implement an effective incentive regime that will ease importation of tourist vehicles. A tax waiver could be explored among other options;
- ix. Government should engage the mass media in promoting tourism; and
- x. Effective stakeholder consultation is important before any decisions are taken by government.