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Challenges of Linking Tourism and the Local Economy in and around Bahir Dar

Getaneh Addis

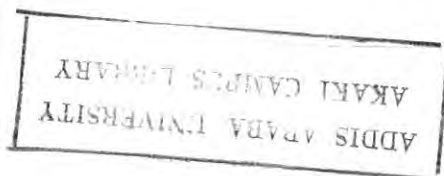
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This is to certify that the thesis prepared by Getaneh Addis, entitled: *Challenges of Linking Tourism and the Local Economy in and around Bahir Dar* and submitted in partial fulfillment of the requirements for the Degree of Master of Arts (Tourism and Development) complies with the regulations of the University and meets the accepted standards with respect to originality and quality.

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ABSTRACT

Challenges of Linking Tourism and the Local Economy in and around Bahir Dar

Getaneh Addis

Addis Ababa University, 2012

Linking tourism and the local economy is one of the strategies to increase the economic benefits of tourism to a certain destination and to distribute the revenue from tourism to the local community. However, because of various challenges, it has now become difficult to link tourism and the local economy in and around Bahir Dar. This research was conducted with the main objective of assessing the challenges which affect the linkages of tourism and the local economy in and around Bahir Dar. The research design for the study is descriptive. The research instruments used for gathering qualitative data were interviews, informal discussion, document analysis and personal observation; the quantitative one was gathered through questionnaires. A total of 78 subjects (60 for interview and 18 for questionnaire) were selected. Data gathered through qualitative methods were narrated; and the one through questionnaires were tabulated and described in frequencies and percentages. The local products available in and around Bahir Dar include agricultural products, souvenirs, manpower, transport service, traditional night clubs, textile, etc. The challenges which affect the supply of local products for the tourism industry were related to low production capacity, lack of organization of locals and poor quality of products in the study area. In addition, absence of standard facilities and services such as food and drink outlets at some sites and failing to develop potential attractions and activities is another challenge to link tourism and the local economy. Hotels, lodges and restaurants in the town could not get sufficient local agricultural products. These establishments, with the exception of few, don't participate in neighborhood partnerships that can benefit the local economy. In order to create and increase the linkages between tourism and the local economy, there is a need to increase local production in terms of quality and quantity, expand tourist facilities and attractions and focus on local products by tourism businesses.

Key Words

Tourism, challenges, local products, local economy, Bahir Dar

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Abbreviations and Acronyms

ADA	Amhara Development Association
ANRS	Amhara National Regional State
ANRSCTB	Amhara National Regional State Culture and Tourism Bureau
ANRSCTPDB	Amhara National Regional State Culture, Tourism and Parks Development Bureau
CTLSAO	Culture, Tourism, Labor and Social Affairs Office
Br	Birr
EC	Ethiopian Calendar
ETB	Ethiopian Birr
ET fruit	Ethiopian Fruit
FO	Front Office
GDP	Gross Domestic Product
LDCs	Less Developed Countries
LTTE	Lake Tana Transport Enterprise
m	meter
MoCT	Ministry of Culture and Tourism
SMEs	Small and Micro Enterprises
SNNPR	Southern Nations, Nationalities and Peoples Region
SNV	Netherlands Development Organization
TIC	Tourist Information Center
TVET	Technical and Vocational Education and Training
UNWTO	United Nations World Tourism Organization
WTO	World Tourism Organization

Netela-is like Yager bahil gaby but it is reserved for and worn by women.

Yager bahil gaby- is a towel-like cloth made locally from cotton worn by men usually at festivals and during cold times.

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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

“If you want to go fast, go alone... if you want to go far, go together.....” anonymous

The tourism industry is composed of businesses that are interconnected to each other. According to WTO (1997: 17), “the travel and tourism industry is a group of economic activities which combined makes it the world’s largest industry, the number one generator of jobs, one of the world’s biggest exports, and a major stimulus for investment and growth”.

According to UNWTO Tourism Highlights (2011), as an internationally traded service, inbound tourism has become one of the world’s major trade categories. The overall export income generated by inbound tourism, including passenger transport, exceeded US\$ 1 trillion in 2010, or close to US\$ 3 billion a day. Tourism exports account for as much as 30% of the world’s exports of commercial services and 6% of overall exports of goods and services. Globally, as an export category, tourism ranks fourth after fuels, chemicals and automotive products. In addition to this, for many developing countries, tourism is one of the main sources of foreign exchange income and the number one export category, creating much needed employment and opportunities for development.

Tourism is a multi-sectoral economic activity. It touches almost every economic activity in a destination and, if utilized well, this linkage can bring significant economic benefits and help alleviate poverty. In addition to the direct income it generates, tourism can serve as a catalyst for the development of other economic sectors (through its indirect and induced effects). Tourism, however, is not flush with cash, but it has enormous purchasing power, requirements for inputs and staffing (Ashley et al., 2006).

Local economic development approach is very important for a certain destination as it can create balanced development, utilizing local resources including manpower for the development of the area. Mitchell and Faal (2008: 1) stated that “Using a local economic

development approach [to tourism] reflects the concern to combine growth with redistribution”. When tourism is linked with the local economy, the revenue from tourism can circulate within the area and the multiplier effects will increase.

According to Owour et al. (2009), for tourism to be beneficial in terms of income generation, economic growth, poverty reduction and improving rural livelihoods, it has to be linked to local economies such as agriculture and micro and small scale enterprises. On the other hand, as stated by Meyer et al. (2004), tourism operations generally source their food, materials and services from wherever is cheapest, most reliable, most easily accessible, and of assured quality. Often this means from distant large suppliers and not from local small enterprises or from poor entrepreneurs. This can lead to leakage of tourism revenue outside of the destination area.

There are studies in Africa which indicate that there is little attention being given for tourism and failing to integrate it with other sectors. According to Mitchell and Ashley (2006: 1), many African governments either do not take tourism seriously or fail to make the link between tourism and poverty reduction – or both, and tourism ministries miss out on the potential to link national development strategies with tourism. A study conducted on some African countries revealed that there does not appear to be any clear relationship between the type of tourism and the efficacy with which benefits reach the poor. Rather, the critical factor appears to be the extent of direct, indirect and dynamic linkages between the tourist sector and the economy around the destination (Mitchell and Coles, 2009).

Mann conducted a study on Ethiopian tourism and concluded that “Currently, the supply chains throughout the sector afford very little opportunity for benefits from tourism to disperse into the broader economy” (Mann, 2006: 9). This reveals the fact that there is weak linkage between tourism and the local economy. The study also found that there is low level of discretionary spending by tourists in Ethiopia, which is up to five times less than neighboring countries.

Another study by Mitchell and Coles (2009) conducted in Addis Ababa, Arba Minch, Aksum and Lalibela revealed that handicrafts have varying degree of impacts, and at

some of the destinations, it has little value added effects. For example, the study indicated that in Lalibela, there is hardly any local production and 90% of the items on sale are procured from Addis Ababa, while in Axum 90% of the produce on sale is made locally. In addition, in Arba Minch, many producers are active in weaving and pottery, yet the majority produces for domestic non-tourist markets, resulting in a very low income derived from sales to tourists.

According to MoCT (2010), tourism is one of the major sectors for foreign exchange earnings. In 2009, foreign exchange earnings from tourism were ETB 2.9 billion as compared to ETB 1.9 billion in 2008, registering a growth rate of 46.3% in 2009 over 2008. However, this should not mean that there are no missed opportunities from tourism that we could have utilized. Often, such national figures won't clearly show how tourism is benefiting the local economy. They are simply aggregates of tourist receipts.

In the year 2002 EC, international and domestic tourist arrivals to the Amhara region were estimated at 83,000 and 700,000, respectively. The total tourism receipt for the region was around ETB 200 million. Tourism employment was, at the same time, estimated to 10, 330 job opportunities, and was forecasted to reach 80,000 jobs in the year 2007 EC (ANRSCTB, 2003: 11). Bahir Dar is one of the major tourist sites in the historic route in Ethiopia and thousands of tourists flock to the site each year. There are both natural and cultural attractions, the famous ones being Lake Tana and its centuries old monasteries, Tis Abay Falls, the open air market, various religious festivals, etc.

Those studies conducted in Ethiopia are important springboards to conduct research on the challenges of linking tourism and the local economy in Bahir Dar. However, they were conducted mainly on pro-poor tourism strategies and focused mainly at World Heritage Sites such as Lalibela and Aksum, and there is little/no comprehensive study of the linkages between tourism and the local economy in Bahir Dar. In addition, the studies have found varying degrees of linkages of tourism and the local economy in each of the destinations.

Furthermore, the studies conducted in these major tourist destinations of Ethiopia were about assessing the pro-poor impacts of tourism, are action researches than academic

ones and were undertaken within short periods of time recommending that there is a need to spend more time in each destination focusing on how the different parts fit together. Hence, there is a need to conduct a comprehensive study in and around Bahir Dar to identify the challenges of linking tourism and the local economy.

1.2 Statement of the Problem

There is always one common saying in Ethiopia: tourists are going back home with their money. This can be attributed to a number of factors, including the poor linkages between tourism and the local economy and poor quality of the tourism products and services. There is no way Bahir Dar will escape from this suggestion. One of the strategies to increase tourist spending at a destination is to create linkages between tourism and the local economy and hence increase local benefits and the products tourists can purchase. In doing so, it is possible to increase the economic impacts of tourism and also help alleviate poverty as the poor can get employment and market opportunities to sell their products.

The main businesses that work in the tourism industry in Bahir Dar include accommodation establishments, restaurants, cafeterias, bars and traditional nightclubs, recreational centers, souvenir shops, transport companies, tour guides, etc.

There are also other numerous economic activities in and around Bahir Dar such as agriculture and manufacturing. These economic sectors can be an important source of supplies for the tourism businesses in Bahir Dar. In addition, they can also make direct sales to tourists and get income from tourism. In a country where about 84% of the population lives in the rural area, much is expected in the linkage between tourism and agriculture. There is a need to use the potential and increase local economic benefits. At some of the attraction sites, there are very few things to sell and tourists visit and go without any purchase. Because of various challenges that hinder the linkages between tourism and the local economy, the benefits from tourism are not fully utilized.

As a result, identifying the challenges and finding solutions to enhance the linkages between tourism and other economic activities in and around Bahir Dar will play an important role in bringing increased economic benefits and helping alleviate poverty.

This research paper will assess the challenges of linking tourism and the local economy in and around Bahir Dar and come up with possible solutions and recommendations that can help enhance these linkages.

1.3 Objective of the Study

General Objective

The general objective of this research is to assess the challenges of linking tourism and the local economy in and around Bahir Dar.

Specific Objectives

The specific objectives of the study are to:

- ♣ Assess the major local products that the tourism industry uses.
- ♣ Identify the challenges faced by the local economy to supply products to the tourism industry.
- ♣ Identify factors that affect the tourism industry to use/purchase local products and employ local people.

1.4 Scope and Limitations of the Study

The scope of this study was in the town of Bahir Dar and the immediate rural kebeles surrounding the town. It also included Lake Tana monasteries and Tis Abay area as these are major tourist attractions. The focus was mainly on the backward linkages of tourism, that is, tourism on the demand side and other local economic activities on the supply side. Challenges related to employment of locals in the tourism businesses, especially in hotels and other 'larger' tourism businesses were studied. In addition, local product supplied to tourism businesses in this research refers mainly about agricultural products, manufacturing products and handicrafts made locally.

Because of the time and money constraints, the study did not include such linkages as construction of accommodation establishments and other tourism businesses with locally available materials and resources. In addition, as non-probability sampling methodology is used, there will be a room for some bias as the researcher cannot have complete information about the subjects.

1.5 Significance of the Study

This study will have significant contribution for a number of parties. Planners and policy makers in tourism and other economic sectors such as agriculture will find it as an important input. It will also help tourism businesses and other suppliers to identify challenges and strategies for enhancing linkages. In addition to this, for other researchers, it can serve as springboard to conduct further research in the area.

1.6 Organization of the study

This study is divided into five chapters. The first chapter deals with background of the study, statement of the problem, objectives of the study, scope and limitations and significance of the study. The second chapter presents review of related literature from various journals, books, thesis, and other documents and studies conducted. It also contains the conceptual framework of the study. The third chapter is about the research methodology used in this study. It describes about the research design, data sources, subjects of the study and sampling techniques, data collection procedures and data analysis methods employed for the research. Chapter four deals with data presentation, results and discussion. The final chapter, chapter five, presents summary of the research and conclusions and recommendations of the study.

CHAPTER TWO

LITERATURE REVIEW

This chapter discusses the views of scholars and researchers in the area of tourism and its economic impacts, with emphasis on local economic development, challenges of linking tourism and the local economy and strategies to enhance linkages, with experience from various parts of the world.

2.1 The Economic Impact of Tourism

There is no doubt that tourism plays an important role for economic development of destinations. According to Sharpley (2002: 14), “throughout the world, the most compelling reason for pursuing tourism as a development strategy is its alleged positive contribution to the local or national economy”.

Capo and Valle (2008) argue that, in the main tourism destinations, the increase in the number of tourists has been parallel to the increase in the Gross Domestic Product (GDP), giving place to a greater growth in employment and wealth than in a lot of economies that do not specialize in tourism. Although the increase in tourist arrivals will lead to increase in GDP, the increase will not always be in a proportional manner at all destinations. This is because there are a number of factors that will affect this including leakages, cheap prices and poor quality of products.

Unlike other economic sectors, where the product is transported to the buyer, in tourism, the buyer (the tourist in this case) travels to the product. As a result of this, there are a number of benefits the destination can get out of this, as the tourists will spend for transportation, accommodation, entertainment, food and beverage, entrance fee, etc. These are the direct benefits of tourism. There are also other businesses and economic sectors that supply to the tourism businesses and hence get benefit out of the tourism industry.

One of the major economic impacts of tourism is that it brings the redistribution of income. It brings about the redistribution of income, dividing the world into tourist

generating and receiving countries, regions and destinations (Mihali, 2002). Discretionary income is one of the pre-requisites for travelling and tourists will spend this money at destinations, resulting in the redistribution of income. The expenditure of travelers becomes income for the host destination. As Mihali (2002) has stated, tourism also leads to the redistribution of income between sectors and companies within the economy; the latter resulting from the fact that tourism consumption differs from personal consumption. For example, part of the money that tourists spend in hotels will be used to purchase the necessary supplies (from other sectors such as agriculture, manufacturing, etc).

Economic studies help us better understand the size and structure of the tourism industry in a given region and its linkages to other sectors of the economy. Such understandings are helpful in identifying potential partners for the tourism industry as well as in targeting industries as part of regional economic development strategies (Stynes, 1998).

2.1.1 Positive Economic Impacts of Tourism

The positive economic impacts of tourism are diverse. The most common ones often cited in literature and observed at destinations include employment opportunities, income generation, government revenue and balance of payments. Tourism brings direct and secondary effects (through the multiplier effect, tourism affects most sectors of the economy in a destination or country). Multipliers capture the secondary economic effects (indirect and induced) of tourism activity and represent the economic interdependencies between sectors within a particular region's economy (Stynes, 1998).

The effects of tourism on the economy can be divided into three categories: direct, indirect, and induced economic effects (Mann, 2006). Indirect and induced effects are sometimes collectively called secondary effects. The total economic impact of tourism is the sum of direct, indirect, and induced effects within a given destination.

A. Direct Effects: these are the direct impacts of tourism which happens, for example, when a tourist purchases food and beverage, pays for hotel rooms, etc. Tourism expenditure initially accrues to the 'first-round' tourism recipients, such as

accommodation establishments, restaurants and other direct tourism businesses. This is known as the direct effect of tourism consumption and is equal to the amount of tourism consumption (tourism receipts) in the host country (Mihali, 2002).

B. Indirect Effects: This covers successive rounds of inter-business transactions which result from the direct expenditure, such as purchases of goods by hoteliers from local suppliers and purchases from wholesalers (Mann, 2006). Because these first-round tourism recipients use the income from tourism to make additional purchases from other sectors within the host economy to support their business, tourism consumption not only benefits the direct producer of tourism services, but also the tourism sector's suppliers, the suppliers' suppliers, and so on (Mihali, 2002).

C. Induced effects: According to Stynes (1998), induced effects are the changes in economic activity resulting from household spending of income earned directly or indirectly as a result of tourism spending. As Mihali (2002) stated, this is the increasing consumer spending resulting from increased personal income of the local population, due to tourism expenditure. For example, tourism industry employees use their wages for the purchase of goods and services and generate induced income.

By means of indirect and induced effects, changes in tourist spending can impact virtually every sector of the economy in one way or another. The magnitude of secondary effects depends on the propensity of businesses and households in the region to purchase goods and services from local suppliers (Stynes, 1998). This may in turn depend on the availability of adequate and quality supplies at fair price. Most of the time, secondary effects will be higher in developed economies as this condition can be fulfilled.

2.1.2 Negative Economic Impacts of Tourism

Although tourism has an important positive impact, there are also negative impacts associated with it. One of these is increased prices of goods and services for the local community. International tourists bring additional financial resources into the host country and, if the supply of goods and services cannot adapt to the increased effective demand, the general price level rises, leading to inflation (Mihali, 2002). Tourism has inflationary effects because tourists are inclined to spend higher than the local people.

This high spending may result from three aspects. Tourists are usually well to do people and will not be price sensitive. In addition, because tourists will stay for a short period of time, they will pay higher prices. Finally, although some tourists will have little income, they will save before the trip (take credit) and will have money to spend at the destination.

The seasonality nature of the tourism industry will create idle resources and a number of businesses will have reduced income and sometimes even they will stop working. In addition to this, jobs in tourism are seasonal and of low wages.

2.2 The Economic Impact of Tourism in Less Developed Countries (LDCs)

Tourism has been an integral component of economic development strategies in developing nations since the 1960s (Torres and Momsen, 2004). It injects foreign currency to the economies in Less Developing Countries. A study conducted in Africa revealed that 10% increase in the spending of international tourists leads to a 0.4 percent increase in the GDP per capita income in Sub-Saharan Africa (Fayissa, Nsiah and Tadasse, 2007).

Tourism is usually considered to be an important economic activity in Less Developing Countries. This is because tourism is labor intensive; LDCs have natural and cultural attractions that are 'appealing' for tourists; relative low initial capital is required to start tourism businesses, etc. In addition to this, in tourism, it is the tourist who travels to the product (destination), and there is no expense for transportation. Rather, the tourist pays for transportation, bringing additional income for the destination. Tourism is usually considered as the invisible export as a destination is selling its products to the tourist travelling to the area.

Among the characteristics of tourism in LDCs is low volume of arrivals and receipts, and one of the reasons for low receipts can be because tourists to developing countries are spending less (relative to visits to developed nations) (Dieke, 2005). This lowness also differs from country to country.

2.3 The Linkage Approach

“Local linkages’ is shorthand for a variety of ways in which well established businesses can build economic links with micro-entrepreneurs, small enterprises and residents in their local economy” (Ashley and Mitchell, 2006: 1). In tourism, this may for example be a hotel purchasing local agricultural products, using locally produced furniture and other furnishings, sourcing locally manufactured goods, employing local people, etc. Strengthening linkages is a way to create ‘win-win’ situations through harnessing the power of private businesses for the benefit of local development. It is a ‘win-win’ situation because the private businesses should get profits and at the same time create opportunities for local businesses to supply products.

2.3.1 Why Linkages are so important

Private businesses, large and small, have a critical role to play in poverty reduction. Optimizing opportunities to stimulating local economies depends not only on how much business is transacted, but also how it is done-linkage (Ashley and Mitchell, 2006). If a linkages approach is not explicitly adopted, it is too easy for a hotel to purchase only the essentials locally, and otherwise depend on already familiar distant suppliers, while local entrepreneurs remain unaware of how to exploit the market and expertise that arrives on their doorstep. Hence, a major opportunity for local economic development is missed.

Nowadays, one of the major concerns of tourism development is about wide distribution of benefits of tourism among the local community. An important strategy to achieve this is the linkages approach-creating linkages between tourism and other sectors of the local economy. The pilots’ experience in South Africa shows that there are many different ways for businesses to build local linkages, and that though the initial transaction costs are high; such strategies can make long term business sense (Ashley, 2006).

Tourist destinations that do not promote high multipliers and levels of linkages will not produce substantial economic development and may even foster resentment of the industry amongst local residents (Cohen 1982, in Lacher and Nepal, 2010). This is because other sectors won’t get market opportunities to sell their products to tourism businesses or directly to tourists. Hence, they will feel that the development of tourism in



the area is not beneficial and will not support any development ideas. The absence of linkages leads to a limited impact on the local economy (Hemmati and Koehler 2000, cited in Lacher and Nepal, 2010). Especially, this will influence the effort of Less Developing Countries in their effort to eliminate poverty.

According to Torres and Momsen (2004), most tourism researchers and planners do recognize that linking tourism demand for food to local agricultural production represents an approach to stimulating local agricultural production, channeling tourism industry benefits to farmers and reducing economic leakages, that translates well to almost any global circumstance. Local farmers will get additional markets for their products. Linking local agriculture to tourism permits destinations to retain a greater share of tourism benefits and reduces leakages – particularly with respect to foreign imports. With food expenditures representing approximately one-third of daily tourist expenditures at destinations (Be'lisle, 1983; Gomes, 1993; Telfer and Wall, 1996; Torres, 2003, in Torres and Momsen, 2004), explicitly linking the two sectors clearly provides an important opportunity for farmers to improve their lot.

Linkage approach can help tourism companies in a number of ways. According to Ashley et al., (2007), the benefits of tourism to companies or businesses include enhancing customer satisfaction, building the brand and improving marketing capacity, decreasing operating costs, increasing access to financing and collaborating more effectively with government.

2.3.2 Challenges of Creating and Enhancing Linkages

A. Challenges of Creating Linkages for Tourism Businesses: Creating linkages with local economies for tourism businesses is not devoid of challenges. According to Ashley et al. (2007), the major challenges for the tourism businesses to create linkages include the following:

♣ *Tourism is a fiercely competitive, specialized, rapidly evolving commercial sector.* It is composed of a diversity of large companies and a plethora of small owner-operated enterprises functioning on tight profit margins. Neither is flush with cash nor privy to shareholder enthusiasm for prioritizing development over profit. As a result, it

will be difficult for tourism businesses to create linkages with the local economy unless it is profitable for them.

♣ ***Economic impact is a relatively small, piece of the corporate social responsibility agenda.*** When the social responsibility of a company is evaluated by investment analysts, a company can score very well based on labor practices, environment and philanthropic donations while doing little to expand economic opportunity in the surrounding local economies. This form of evaluation (evaluation of environmental and social policies, stakeholder engagement practices, public reporting and external assurance) makes it less likely that companies will see economic opportunity as a key part of their agendas, even though these (the above evaluations) may in fact be one of the greatest contributions they can make to the countries and communities where they operate.

♣ ***Companies face operational constraints in local employment and procurement.*** Even when tourism companies make explicit commitments to expanding economic opportunity, their efforts can run up against operational constraints, such as lack of local capacity. Hiring locally, for example, can be challenging if residents lack essential qualifications such as literacy. In procurement, tourism companies, like any others, need reliable, high quality, low cost goods and services. These will fall short of the requirements of tourism businesses. Tourism is a highly competitive business and tourists want products of high quality.

♣ ***External pressure is limited.*** External pressure from local communities, civil society groups, governments, consumers and investors to put pressures on companies to minimize their negative impacts and increase positive ones is very less. The external pressure will make them to expand market opportunities for the local suppliers but this is usually limited.

♣ ***Highly competitive value chains limit incentives and opportunities to enhance development impacts.*** In countries where tour operators play a key role, those running on business models of tiny margins per passenger plus high volume often put pressure on hotels to provide low cost options. This can make it difficult for hoteliers to allocate resources for supporting local economic development activities.

As Ashley et al. (2007) stated, “The crux of the matter is how to combine commercial reality with enhanced development impact: how can tourism companies adapt their business practices in ways that make long term commercial sense and deliver greater benefits to the local economies their guests visit”.

B. Challenges of creating linkages in the local economy: Generally, the challenges that affect the linkages between tourism and the local economy (especially tourism and agriculture) have been identified by a number of researchers and scholars (Torres and Momsen, 2004; Mitchell and Faal, 2008; Lacher and Nepal, 2010). These challenges are divided into three categories and presented as follows:

A. Supply related factors: factors that affect the supply of local products to tourism industry include poor local growing conditions, lack of local production of types of food demanded by tourists, price of local products is too high, local farmers do not want to change traditional production techniques, inconsistent quality of products, poor economies of scale, undercapitalization of local industries and failure to produce quality products

B. Demand related factors: factors related to tourism industry’s demand for local products include tourists’ fear of illness from food, tourists’ desire for cheap products, seasonal variation in demand, chefs’ desire for more sanitary products, chefs’ inexperience with local food and tourists’ preference to high quality.

C. Market and intermediary related factors: marketing and intermediary related factors that influence the linkages between tourism and the local economy include locals’ inexperience in marketing, locals’ failure to co-operate with one another, locals’ inability to create strategic alliances with tourism industry, predatory intermediaries, inability to compete with larger suppliers, poor local infrastructure results in difficult transportation, failure to promote local food, mistrust and lack of communication/information exchange between farmers, suppliers and tourism industry.

2.3.3 Strengthening Linkages of Tourism with the Local Economy

The tourism supply chains need to extend far into the local economy - not just benefiting tour operators, hoteliers and transport companies, but involving many workers and entrepreneurs from different sectors (Ashley, 2006).

Strengthening linkages between the tourism sector and local economy has the greatest direct impact on poverty reduction (Mitchell and Faal, 2008). It also spreads the benefits of tourism further, throughout the economy and is not just retained within the sector. Linkages are often difficult to establish, to start and maintain, however, long-term benefits are more sustainable, once a scheme is up and running. Government should encourage linkage strategies that cut across sectors, in order to strengthen policy linkages that can support linkages across sectors, so there is a reduced dependency on imports and a wider spread of economic benefits.

What matters is not the type or size of tourism, but how the tourism economy is structured, how supply chains work, how far linkages extend into different parts of the local economy, and how tourists spend their money when they arrive (Ashley, 2006). Improving the quality of goods and services, targeting the tourist market and raising tourists' awareness about what goods and services are available outside of their hotels are important ways of strengthening linkages. Government can support the strengthening of linkages through creating incentives to change business practices of established operator and by supporting small and medium enterprise (Mitchell and Faal, 2008).

The most direct impact on the poorest in developing countries is through strengthening linkages between agriculture and tourism, as often about 30% of tourist expenditure is accounted for by food and beverages (Meyer, 2006, in Mitchell and Faal, 2008).

2.3.4 Strategies to Create and Enhance Linkages

There are a number of strategies that can help create and enhance linkages of tourism with the local economies. Local ownerships, availability of capital, local employment and linking local industries are important factors to be considered to reduce leakages, and thereby increase linkages (Lacher and Nepal, 2010).

Tourism companies can enhance their benefits to local communities, while also enhancing customer satisfaction, by consciously developing inclusive business models—going beyond philanthropy to explicitly use their value chains to create and expand local economic opportunities (Ashley, 2007). As Ashley has stated, such approaches require senior level leadership and commitment, and include comprehensive local employment practices and business linkages between hotels and local enterprises in tourism and other markets, whether in the formal or informal sector.

Furthermore, Ashley (2007) argues that in many cases, inclusive business models need to be supplemented by other strategies that overcome local market failures and lack of capacity. These include efforts to develop human capital, build local institutional capacity and improve broader enabling environment. As has been mentioned earlier, one of the challenges for tourism businesses to procure locally is operational constraints. It is difficult to get the required supply, both in terms of quality and quantity. The government has a role to play produce qualified manpower necessary for the industry. It should also create fertile grounds for this linkage.

2.4 Conceptual Framework

According to the studies and literatures examined (Torres and Momsen, 2004; Mitchell and Faal, 2008; Lacher and Nepal, 2010), there are a number of factors affecting the linkages between tourism and the local economy. These include supply related factors, demand related factors and marketing and intermediary related factors. Their relationship is illustrated in figure 2.1.

As shown in the figure, there are various factors affecting the linkages between tourism and the local economy. Supply related factors are problems in the local economy that affect production of local products to be supplied for tourism. Because of these factors, it is difficult to supply local products for the tourism industry. On the other hand, demand related problems are problems related to demand of tourism industry towards the local products. Marketing and intermediary related factors affect the linkage between tourism

and the local economy. These factors are related to marketing problems and problems of suppliers and intermediaries.

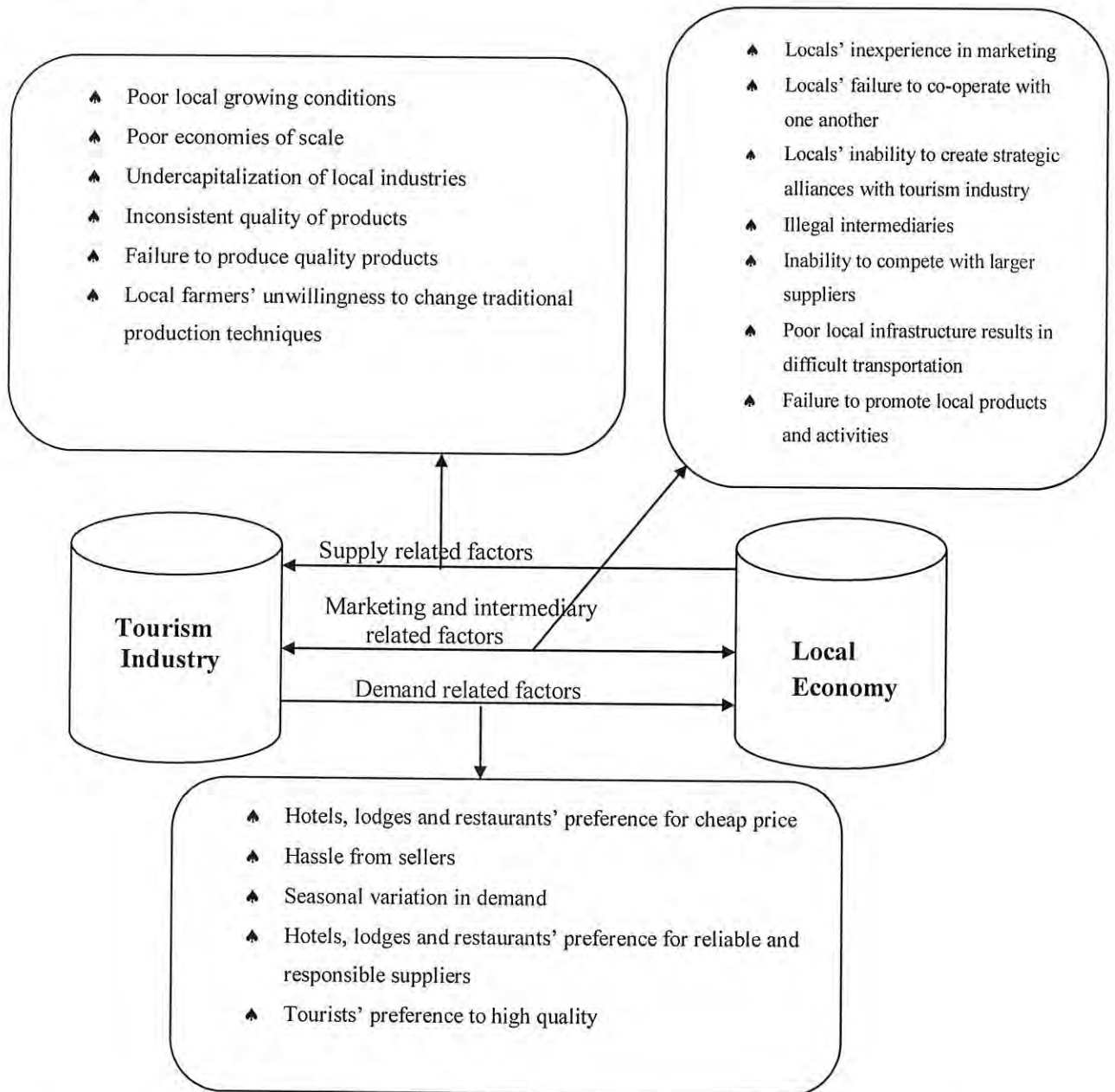


Figure 2.1: Conceptual Framework (Source: Adapted from Torres and Momsen, 2004; Mitchell and Faal, 2008; Lacher and Nepal, 2010)

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Description of the study area

3.1.1 Bahir Dar Town

Bahir Dar is located on a flat terrain at the southern shore of Lake Tana, the largest inland water body in Ethiopia. It is explained that Bahir Dar is named so because of its location on the shore of the lake (Kignit, 2010). The average elevation of the town is 1830 meters above sea level, and its latitudinal and longitudinal location is $11^{\circ}36'$ north of the equator and $37^{\circ}25'$ east of the prime meridian, respectively. The town has a tropical type climate with an average annual temperature and rainfall of 17.5 degree Celsius and 1,521 millimeters, respectively (Kignit, 2010). According to the census conducted in 2001EC, the total population of the town was estimated to be 246, 380.



Fig 3.1 Location of Bahir Dar (Source: Getinet Fetene, 2005)



Fig 3.2 Tourist attractions on Lake Tana (Source: Getinet Fetene, 2005)

During the pre-twentieth century, Bahir Dar was to serve as a center of caravan trade, administrative center and place of Christian workshop and learning. Even its establishment and growth is associated with its geographical, economic, social, political and religious importance in the north western Ethiopia (Kignit, 2010).

It is believed that Bahir Dar was initially founded in the fourteenth century, and its former name was Bahir Dar Kidane Mihiret. But later in the seventeenth century, its name was changed to Bahir Dar Giyorgis. Bahir Dar as a town was established in 1915 when the church of St. Giyorgis was built. The town has got its current name during the period of Italian administration in the 1930s.



Fig 3.3: Sky view of Bahir Dar Town (Source: Abraham Marye et al., 2011)

Because of its strategic position and accelerated growth, in the 1950s, Bahir Dar was allowed to serve as the economic and administrative center of north western Ethiopia. As a result of this, a study for a better master plan was undertaken and a comprehensive master plan was prepared in 1962 by a team of German planning experts led by professor Mat Guther. Therefore, based on the new master plan, the detailed abstract was begun to be implemented with the initiatives of Fitawurari Habte Maryam Wolde Kidane, the newly appointed head of Bahir Dar Municipality. As a result of this, institutionalization of the municipality, the establishment of social service centers, planting of palm trees along the main roads that has increased the beauty of the town were started. Furthermore, the committee for the development of the town exerted much effort in the building of a church, a palace and recreational centers, and the construction of infrastructure. Therefore, these successful attempts added with its natural beauty, made Bahir Dar to be one of the most important tourist destinations in the region (Kignit, 2010).

In 1987, Bahir Dar became the capital city of Western Gojjam Administrative Zone, and its function as an administrative center continued being a political center of the Amhara National Regional State since 1991. There are a growing number of banks, insurance companies, government offices, tour and travel agencies, souvenir sellers, hotels, restaurants, pensions, etc. The center for Western Gojjam Administrative Zone was transferred from Bahir Dar to Finote Selam in 2004EC, and now Bahir Dar is the center for Amhara National Regional State only.

Bahir Dar is an important stopover for tourists from Addis Ababa after a journey of 578 kilometers. The town has regular daily flight of Ethiopian Airlines at the airport of Ginbot Haya. There are 9 kebeles under the administration of Bahir Dar town. In addition, Bahir Dar Zuria Woreda has 32 kebeles under its administration. In general, the study was undertaken on these areas, with high emphasis on kebeles of the town administration and attraction sites.

3.1.2 Attractions in and around Bahir Dar

The main tourist attractions which are found in and around Bahir Dar and frequently visited include the open air market, Bezawit Hilltop, Agelgil tera, Tis Abay fall and the Lake Tana monasteries.

Bezawit Hilltop offers an excellent view of Bahir Dar from a little distance. While Bezawit hilltop is found 5 kilometers on the eastern edge of the town, it is possible to reach the hill on foot, vehicles or a bike. On the hill top is found Bezawit palace which was built by Emperor Haile Selassie in 1967. Taking a partial view of the winding journey of the spectacular Blue Nile and the hippopotamuses delighted through the splashing of water in the river and other bird varieties is too delightful (Kignit, 2010).

The other site visited in the town is 'Agelgil tera' where one can get such local souvenirs related to basketry, semi finished leather, pottery and weavery products, and other souvenirs. Tourists also visit the local market in Bahir Dar town.



Fig 3.4: Agelgil tera (left) and the local market in Bahir Dar town

Tis Abay (Blue Nile Fall)

The spectacular Blue Nile Fall locally known as ‘Tis Isat’ (Smoke of Fire’) is found nearby Tis Abay town which is around 35 kilometers east of Bahir Dar. Dropping over a sheer chasm of 400 meters wide and 40-50 meters deep, the Blue Nile Fall is one of the most dramatic and stunning spectacles. The cascading water that plunges down the chasm produces a continuous spray of water droplets and mist that make the area look as if it were covered with smoke. The thundering cascade, the subsequent rain bows that shift and shimmer across the gorge and the green scenery are sources of exceptional pleasure. However, recently the volume of water has dramatically decreased (except during summer) because of dams constructed for electric power generation and irrigation.

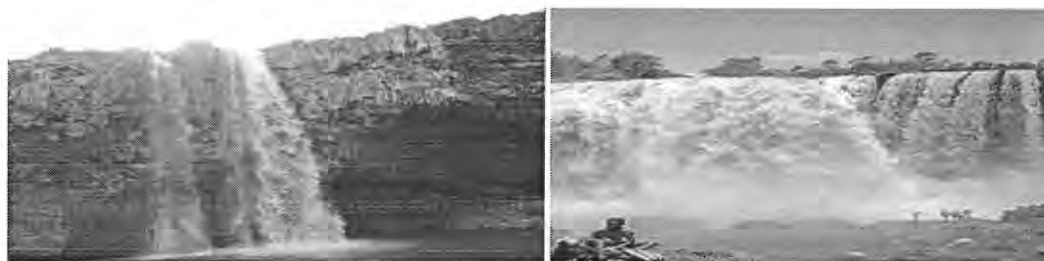


Fig 3.5: The Blue Nile Fall present and former condition (right, photo by Getinet Fetene, 2005)

There is a vehicle road from Bahir Dar to Tis Abay town. And from the town there are two ways to reach the fall. The first is traveling 1.5 kilometers by car and walking for 20 minutes from the parking lot through a footpath of upward and downward slopes. At the foot of the hill is located Alata Bridge that is said to be built in the 17th century during the reign of Emperor Susenyos. It is believed to be the first bridge built over the Blue Nile.

The other alternative is to cross the river by the locally made boats and motor boats. This requires visitors to first cross the market place north- west of the town and reach the river. Reaching the bottom of the falls in this way takes 30-40 minutes. Both alternatives can be used for the return trip.

Currently, the Blue Nile Falls and the vicinity are being given legal recognition under the name- the Blue Nile Natural Park. To serve the alarmingly increasing number of

domestic and foreign tourists, and to provide information service, an organized tourist information center is established at Tis Abay town.

Lake Tana Monasteries

Lake Tana is the biggest lake in Ethiopia. Covering an area of 3600 square kilometers, Lake Tana is the home of several monasteries which follow the Orthodox Christian religion. Some of these monasteries are more than 700 years old and are repositories of the invaluable historical heritages collected from different corners of the country and skeletal remains of the medieval Ethiopian emperors. Hence, it is possible to say that these monasteries are museums of the Ethiopian Orthodox Tewahido Church.



Fig 3.6: Left to right: Debre Maryam, Azwa Maryam, Ura Kidane Mihiret

Zege Monasteries

Zege is a peninsula situated in the south- west edge of Lake Tana. When it is seen from nearby, it looks like a big bird resting with its wings spread. While Zege is 15 kilometers far from Bahir Dar, it takes an hour and half to travel by boat and an estimated 2 hours overland.

Scattered on the Zege peninsula, there are 7 churches. They are: Mehal Zege Giyorgis (George of central Zege), Abune Betre Mariam, Azewa Mariam, Ura kidane Mihiret, Debre Selassie (Abbey of the Trinity), Yiganda Abune Tekle Haymanot and Firie Mariam. Except Debre Selassie and Yiganda Abune Tekle Haymanot, the other monasteries have ports which can provide landings to small boats.

Deq Island Monasteries

Deq is the largest island in Lake Tana. It is located 37 kilometers north of Bahir Dar and takes about 3 hours by boat. The island was previously known as ‘Sebat Debir Ager’ (Place of Seven Churches) as the churches had been seven, but later they made eight including Mihila Kidane Mihret. These churches are: Daga Estifanos- the nearest monastery to Bahir Dar, Narga Selassie, Kidist Arsema, Kota Mariam, Ze Ibd Iyesus, Joga Yohannes, Gadna Giyorgis, and Mihla Kidane Mihret.

Debre Maryam, Entons Eyesus and Kibran Gabriel

These are the other monasteries found on Lake Tana and are the closest monasteries for Bahir Dar. Debre Maryam is found around the outlet of Abay: where Abay and Lake Tana separate. It can be reached on foot and by boat. Debre Maryam is the closest monastery for Bahir Dar. This Island is located in the southern region of Lake Tana about 5 km far from Bahir Dar town. Here the monastery of Debre Maryam is founded during the reign of Amade Tsion (r.1314-1344) by Abune Tadewos. Monasteries of Entons Eyesus and Kibran Gabriel are found on the way to Zege monasteries.

Housing at Zege: By the early 20thC people in Zege monasteries developed a new and unique style of housing, called Esate Kela. It was purposefully designed to defend fire and other hazards. The materials needed for the construction were wood, stone, grass, mud and straws. The roof is made in such a way that straight and hard woods were selected and perfectly fitted to each other to enable them carry the burden of mud and stone it carries. Concrete like construction is made over the wooden roof which would serve as a protecting roof against fire and other disasters to protect properties below the first floor called Medir Bet.



Fig 3.7: Esate kela, traditional house at Zege, (source: Abraham Marye et al., 2011)

3.2 Research Design

The research design for this study is descriptive. It took the case of Bahir Dar and assessed the challenges of linking tourism and the local economy. Descriptive research design was selected because the main aim of this research was to describe the existing realities which challenge the linkages between tourism and the local economy.

3.3 Data Sources

Both primary and secondary data were used in this study. Primary data were obtained through interviews, questionnaires and personal observations. Secondary data were obtained from books, journals and documents and reports of ANRSCTPDB, CTLSAO of the town and Lake Tana Transport Enterprise.

3.4 Subjects of the Study

The subjects of this study included officials from ANRS Culture, Tourism and Parks Development Bureau, Bahir Dar Town CTLSAO, Bahir Dar Town Administration Agriculture Extension Bureau, Bahir Dar Zuria Woreda Agriculture Bureau, Agricultural Extension Experts at kebele level, Marketing Officer from Bahir Dar Textile factory, Monastery Administrators, Tourist Information Centers, Managers and Chefs of accommodation establishments, Restaurant Managers/Chefs, Managers of Traditional Night Clubs, Owners of Souvenir Shops, Producers of souvenirs, Local Transport Associations (both boats and taxis), Car and Boat Rentals, local travel agencies, Fishery Associations, Wholesalers of Fruits and Vegetables, Farmers' Association/model farmers and Tour Guides.

3.5 Sampling Techniques and Sample Size

To select the necessary sample size, the researcher has used both probability and non-probability sampling techniques.

3.5.1 Probability Sampling

There are a total of 115 souvenir sellers in and around Bahir Dar (56 at Zege, 51 at Bahir Dar town and 8 at Tis Abay). Sample was drawn based on Gomm's (2008) formula, $n=$

$N/1+N(\alpha^2)$; Where, n = Expected Sample Size, N = Population Size and α = Level of Confidence Interval 0.05 or 95 % level of confidence. Through this calculation, the researcher found 89 samples.

However, with some exception at Bahir Dar, the sellers at other sites have almost similar products. As a result, the researcher randomly selected 20 souvenir sellers and clustered into three based on location: Bahir Dar town, Zege and Tis Abay. By considering the variety in souvenirs, the researcher selected 12 from Bahir Dar, 5 from Zege and 3 from Tis Abay. When distributing the questionnaire, the researcher stratified them into those selling clothing related; basketry, semi finished leather and pottery related; and those having various souvenirs, mostly brought from outside Bahir Dar. The first two are mainly selling local products.

3.5.2 Non-probability Sampling

Various types of non-probability sampling were used in this study.

Purposive Sampling: The following subjects were selected purposively: Officials from ANRS Culture, Tourism and Parks Development Bureau-one was from tourism services professional aid, business licensing and rating office and another one from tourism development-based on their duties, experience, knowledge and interest; an official from Bahir Dar Town CTLSAO; a marketing official from Bahir Dar Textile Factory; accommodation establishment managers; managers of traditional night clubs which are rated as good places for tourists; monastery administrators from Lake Tana Monasteries; taxi and boat associations; marketing manager from Lake Tana Transport Enterprise; travel agency, car rental company and car and boat hire; fishery associations; agricultural experts from Bahir Dar town administration agriculture extension bureau (from animal, plant, fishery experts); agricultural experts from Bahir Dar Zuria woreda agriculture bureau (from plant and animal related) and tourist information centers- in Bahir Dar and at Tis Abay.

In addition, purposive sampling was also used to select hotels, lodges and restaurants for questionnaire survey. Based on the information received from Bahir Dar Town Culture, Tourism, Labor and Social Affairs Office (CTLSAO), there are 9 hotels, 2 lodges and 1

restaurant which are 'standard' for serving tourists. On the basis of their willingness and reputation, the researcher selected 5 hotels, 1 lodge and 1 restaurant for the questionnaire survey. The researcher believes that this is sufficient as there is interview question prepared for hotel and lodge managers which will supplement the data gathered through questionnaire. The interview also included two other hotels not included in the questionnaire survey.

Convenience Sampling: Convenience sampling was used to select agricultural extension experts- from plant and animal related- based on data from the Agriculture bureau and from areas where agricultural products are of high potential. It was also used to select model farmers and farmers' association-from kebeles based on their proximity to Bahir Dar and their agricultural productivity and potential.

Snowball sampling: In addition, snowball sampling was used to select samples from souvenir producers located in Bahir Dar and at Zege-through snowball and based on convenience. Variety was considered here, such as basketry, wood work, painting, sculpture, etc.

Total sample size selected through both probability and non probability sampling is summarized in Table 3.1 below:



Table 3.1: Sample size for the study

S.No.	Subjects	Samples selected		Remark
		Quantitative	Qualitative	
1.	ANRS Culture, Tourism and Parks Development Bureau	Not Selected	2 experts	
2.	Bahir Dar Town CTLSAO	Not Selected	1 expert	
3.	Bahir Dar Town Agriculture Extension Bureau	Not Selected	3 experts	
4.	Bahir Dar Zuria Woreda Agriculture Extension Bureau	Not Selected	2 experts	
5.	Agriculture extension experts from kebeles	Not Selected	2	
6.	Tourist Information Center	Not Selected	2 experts	1 at Bahir Dar town and 1 at Tis Abay
7.	Hotel Managers/FO	Not Selected	6	
8.	Lodge Managers/FO	Not Selected	2	
9.	Hotel Chefs/purchases	5	Not Selected	
10.	Lodge Food Beverage control	1	Not Selected	
11.	Restaurant chefs	1	Not Selected	
12.	Travel agencies	Not Selected	1	
13.	Car and boat hire	Not Selected	2	
14.	Car rentals	Not Selected	1	
15.	Taxi association	Not Selected	1	
16.	Boat association	Not Selected	4	2 associations and 2 boat captains
17.	Lake Tana Transport Enterprise	Not Selected	2	
18.	Farmers	Not Selected	5	
19.	Monastery Administrators (Lake Tana)	Not Selected	3	
20.	Fishery Associations	Not Selected	2	
21.	Souvenir Producers	Not Selected	6	
22.	Souvenir sellers	11	Not Selected	Variety in place and product considered
23.	Traditional night clubs	Not Selected	2	
24.	Wholesalers of fruits and vegetables	Not Selected	2	
25.	Bahir Dar Textile Factory	Not Selected	1	
26.	Tour Guides	Not Selected	8	
Sub Total		18	60	
Total sample size (quantitative + qualitative)		<u>78</u>		

3.6 Data Collection Instruments

Qualitative and quantitative data required for this study were collected from both primary and secondary sources through various instruments. These included Interviews, Questionnaires, Document Analysis, Informal Discussions and Personal Observations during the field visit and data collection. Questionnaires were prepared for chefs in hotels, a lodge and a restaurant and souvenir shops. Questionnaires for souvenir sellers were translated to into Amharic and distributed.

Semi-structured interviews were prepared to gather data from the following subjects: officials of ANRS Culture, Tourism and Parks Development Bureau, Bahir Dar Town Tourism and Culture Office, Bahir Dar Town Administration Agriculture Extension Bureau, Bahir Dar Zuria Woreda Agriculture Bureau, Agricultural Extension Experts at kebele level, Marketing Officer of Bahir Dar Textile factory, Monastery Administrators, Tourist Information Centers, Managers of accommodation establishments, Managers of Traditional Night Clubs, Owners of Souvenir Shops, Producers of souvenirs, Local Transport Associations (both boats and taxis), Car and Boat Rentals, local travel agencies, Fishery Associations, Wholesalers of Fruits and Vegetables, Farmers' Association/farmers and Tour Guides. Interview questions for Monastery Administrators, Producers of souvenirs, Local Transport Associations, Managers of Traditional Night Clubs, Fishery Associations and farmers/Farmers' Associations were translated into Amharic.

In addition to these instruments, the researcher also undertook document analysis from ANRS Culture Tourism and Parks' Development Bureau, CTLSAO and Lake Tana Transport Enterprise and other relevant areas. The researcher also conducted informal discussion for Tour guides at Zege and Tis Abay, wholesalers of fruits and vegetables (plus one model farmer), agriculture extension experts, and farmers' association. The final data collection instrument employed was personal observations by the researcher. This was used in Tis Abay, Lake Tana Monasteries and other areas in Bahir Dar during the stay for data collection.

3.7 Data Collection Procedures

After assessment and evaluation of prefeasibility study through intensive review of related literature to frame the scope of the study and preparation of research instruments, the next step was data collection. First, the researcher travelled to the CTLSAO of Bahir Dar town administration to inform them about the activities and to get help in identifying the location, number and other necessary information about the subjects and select the samples. Data related to types of local products available in the area were gathered. Photographs were used to help supplement the data collection.

3.8 Data Analysis Methods

The data (both qualitative and quantitative) collected through the various instruments were analyzed using a number of techniques. Both qualitative and quantitative approaches were used. Qualitative data gathered through interviews, document analysis and personal observations were analyzed through narrations and descriptions. Quantitative data gathered through document analysis and questionnaires were analyzed through frequencies, percentages, mean, bar and line graphs, and pie charts.

CHAPTER FOUR

DATA PRESENTATION, RESULTS AND DISCUSSION

4.1 Characteristics of Respondents

4.1.1 Characteristics of Interviewees

As Table 4.1 shows, there were a total of 60 interview subjects for the research. 50 of the interviewees (83.3%) were males and the remaining 10 interviewees (16.7%) were females. The majority of respondents in the interview (31 interviewees or 52%) were in the age bracket of 18-28. 16 of interviewees (27%) were in the age bracket of 29-39. Those in the age range of 40-50, 51-61 and, above 61 were 6 interviewees (10%), 5 interviewees (8%) and 2 interviewees (3%), respectively.

Table 4.1 Characteristics of interviewees

Variables	Categories of respondents	Frequency	Percentage (%)
Sex	M	50	83.3
	F	10	16.7
Total		60	100
Age range	18-28	31	52
	29-39	16	27
	40-50	6	10
	51-61	5	8
	≥62	2	3
Total		60	100
Educational background	Below 8	5	8.8
	8-10	10	17.5
	12 complete	4	7
	10+3	5	8.8
	12+1 - 12+4	7	12.3
	Diploma	4	7
	Degree	22	38.6
Total		57	100
Address	Bahir Dar town	43	72
	Lake Tana Monasteries	8	13
	Tis Abay	5	8
	Bahir Dar Zuria woreda	4	7
Total		60	100

In terms of location, the largest numbers of interviewees were from Bahir Dar town. This is because there are large number of tourist facilities and services available here, and so do the subjects. As such, 43 respondents (72%) were from the town of Bahir Dar; 8 interviewees (13%) from Lake Tana Monasteries (Zege peninsula and Debre Maryam); 5 interviewees (8%) from Tis Abay; and 4 interviewees (7%) from Bahir Dar Zuria Woreda.

4.1.2 Characteristics of Questionnaire Respondents

As can be seen in Table 4.2, most of the respondents (85.7%) were males. In relation to educational background, all of them were 10+3 and above. The majority of them (42.8%) have degrees. In terms of occupation, most of the respondents (57.1%) were chefs, which were followed by purchasers (28.6%).

Table 4.2: Characteristics of questionnaire respondents in hotels, restaurants and lodges

Variables	Categories of respondents	Frequency	Percentage (%)
Sex	M	6	85.7
	F	1	14.3
Total		7	100
Age range	18-28	5	71.4
	29-39	2	28.6
	40-50	-	-
	51-61	-	-
	≥62	-	-
Total		7	100
Educational background	Below 8		
	8-10		
	12 complete		
	10+3	1	14.3
	12+1 - 12+4	2	28.6
	Diploma	1	14.3
	Degree	3	42.8
Total		7	100
Occupation/job	Chef	4	57.1
	purchaser	2	28.6
	F&B controller	1	14.3
Total		7	100

As shown in Table 4.3, from the total of 11 respondents, 7(63.7%) were females and the remaining 4 (36.3%) were males. The majority of them (63.7%) were in the age bracket

of 18-28. Most of the respondents (around 73%) completed grades 8-12. Finally, respondents were selected proportionally from the three locations. As a result, the majority of respondents (63.7%) were from Bahir Dar town. The researcher selected a total of 20 respondents from the three sites (12 from Bahir Dar, 5 from Zege and 3 from Tis Abay). But, the researcher was able to collect data from only 11 respondents, due to non response of the subjects.

Table 4.3: Characteristics of questionnaire respondents (souvenir sellers)

Variables	Categories of respondents	Frequency	Percentage (%)
Sex	M	4	36.3
	F	7	63.7
Total		11	100
Age range	18-28	7	63.7
	29-39	2	18.2
	40-50	2	18.2
	51-61		
	≥62		
Total		11	100
Educational background	Below 8	2	18.2
	8-10	5	45.5
	12 complete	3	27.3
	10+3		
	12+1 - 12+4		
	Diploma	1	9
Total		11	100
Address	Bahir Dar	7	63.7
	Zege	3	27.3
	Tis Abay	1	9
Total		11	100

4.2 Tourism and the Local Economy in and around Bahir Dar

In the discussion on agricultural products, Bahir Dar town administration and Bahir Dar Zuria woreda will be used as two main regions for studying the linkages. In relation to tourism and related activities, Bahir Dar town, Lake Tana Monasteries (mainly Zege peninsula and Debre Maryam) and Tis Abay are the three main focus areas as they are the main sites visited by tourists.

4.2.1 Existing and Potential Local Products available for the Tourism Industry in and around Bahir Dar

4.2.1.1 Agricultural products in and around Bahir Dar

This part discusses agricultural products (both animal farm related and fruits and vegetables) available in kebeles of Bahir Dar town administration and in Bahir Dar Zuria woreda. There are 9 kebeles under Bahir Dar town administration agriculture extension bureau. There are also 32 kebeles in Bahir Dar Zuria woreda.

A. Fruits and vegetables

According to a study conducted by Ethiopian Horticultural Development Agency (2011), the most potential horticultural production regions in Ethiopia include the regional states of Oromiya, Amhara, Tigray and SNNPR. From Amhara region, the main potential areas identified were Lake Tana catchment areas (Bahir Dar Zuria, West Gojjam and South Gondar).

Bahir Dar town administration: The kebeles under Bahir Dar town administration can grow various fruits and vegetables. The major fruits that grow in most of the kebeles include avocado, orange, papaya and mango. Most of them also grow such vegetables as tomato, cabbage, onion, potato, pepper, carrot, etc. in addition to the fruits and vegetables, majority of these kebeles also grow coffee. Ura and Yiganda (which are part of Zege) are famous for natural coffee and now have started to export to the outside world with the support from government. Zenzelima, Meshenty, Woramit, Worem and Addis Alem also grow coffee. Tis Abay is famous for the production of onion, sugar cane and tomato. In addition, in the town of Bahir Dar- kebele 10, specifically known as Debre Maryam, locals produce fruits such as mango, avocado, banana, zeytun, etc and vegetables such as cabbage, tomato and onion. The area is very famous for growing cabbage.



Fig 4.1: Right with white cloth-Abba Chekol-model farmer in kebele 10, around Debre Maryam

Bahir Dar Zuria woreda: It has high potential for fruits and vegetables. In the woreda, there are more than 18 rivers which can be used for irrigation. According to information from the Zuria Woreda Agriculture Extension Bureau, from the land area that can be used for irrigational activity, 61% is currently covered with irrigation. This figure includes sugarcane and chat. Irrigational coverage in the woreda ranges from 2 hectare to 3,000 hectare per kebele. The major vegetables produced in the woreda include tomato, pepper, cabbage and onion. The woreda also grows such fruits as mango, zeytun, and recently avocado. Furthermore, there is small coverage of orange, lemon and banana.

According to an expert from the woreda, the majority of irrigational land is covered with chat and sugarcane, and farmers do this with a reason. Once planted, sugarcane can be used for up to five years and there is little energy, seed and follow up. Chat is also planted because of its high price and demand in the market. Those kebeles which are close to Bahir Dar plant chat and buyers come up to the site and take it. Now, farmers have started planting fruits in the chat plantation site with a distance of 7-9m. According to information from an expert in the Zuria Woreda Agriculture Extension Bureau, because chat needs much follow up and effort, in the future, people will turn their face to fruits and vegetables. On the other hand, fruits and vegetables need much effort and follow up as it is a labor intensive activity. A household can manage 0.5 hectare of land with fruits and vegetables. This has limited their capacity to expand production beyond this.

B. Animal farm related products

Bahir Dar town administration: The other important local product available is animal production. Those kebeles under the administration of Bahir Dar town have good potential for animal production. The common animal related products in the kebeles of Bahir Dar town administration that can be supplied for hotels and other tourism businesses include fish, cattle, sheep, goat, hen and honey. In 2003EC, in kebeles of the town administration, the total number of fatten cattle, sheep and goat brought for the market were respectively 3,836, 5,093 and 2,152. It should be noted that the number of sheep is so high because there are merchants who bring fatten sheep from other areas and sell them in the town. The total number of hens which were used for consumption (meat) was estimated to be 1,386 in the year 2003.

Fishing in Lake Tana: there are plenty of fish species available in Lake Tana. However, the major ones available are of four types-Tilapia, Cat fish, Bezo and Barbus. According to the fishery expert in the town, all are equally available in the lake.

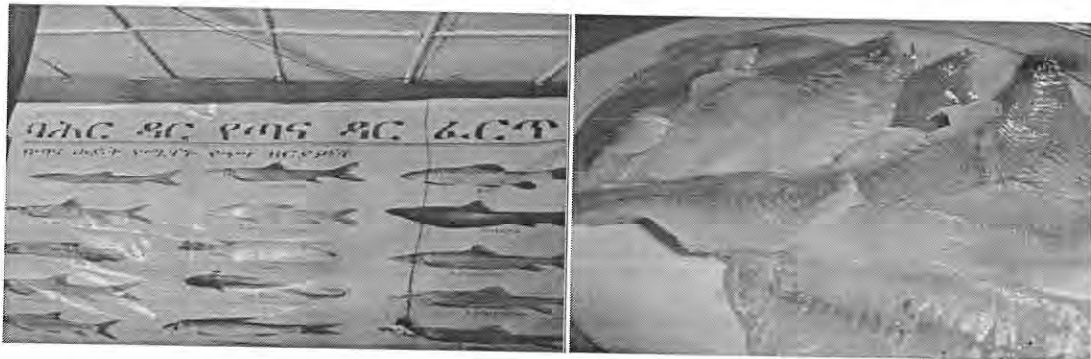


Fig 4.2: Left-fish species found in Lake Tana, right fish from Lake Tana ready for cooking at one of the hotels in Bahir Dar

There are four well organized and licensed fishing cooperatives in Bahir Dar catching and supplying fish for the town (Bahir Dar), Gondar, Mekelle and Addis Ababa. There are also individual fishermen working independently and not yet licensed. For the future, there is a plan to organize the ‘illegal’ individual fishermen into associations. In addition, there are two cooperatives engaged in the reproduction of fish.

Debre Sina Fishery cooperative has 27 founding members, 2 guards earning 500 each and 17 assistant fishers earning ETB 25 each per day. The total number of boats which belong to the cooperative are 17 and there is one additional boat with a capacity to transport 60 quintals (6000 kg) of fish. The cooperative takes the fish caught to Fish Product Market Corporation using this boat and the 17 boats are used for catching fish. It has received ETB 30,000 on credit from the government for starting the work, and there is a monthly payment it is making to repay credit from the government.

In Bahir Dar, Lake Tana, there is seasonality of catching fish. When asked about the lowest and highest seasons for catching fish, a respondent from fishery cooperatives said: *“Literally, from June to September, catching fish is not allowed as it is reproductive period. The peak season for catching fish is from February to April. If we assume there is no fishing from June to September, then the lowest number of fish will be caught from October to January. But if we consider June to September as fishing season, it will be the lowest season.”* Another respondent from a fishery cooperative said that the best months for catching fish for them are February and March, the lowest months being July and August.

Lake Tana No.1 Fishery Cooperative sells fish to merchants in Addis Ababa in bulk (they wholesale for them). Merchants of Addis Ababa have representatives in Bahir Dar to receive and send fish. In addition, the cooperative has retailing shops in Bahir Dar, selling it for local users. The cooperative has a device that can help store fish without spoiling for about a year. So, it does not have any problem to store and sell fish for the market.

A respondent from Lake Tana No.1 Fishery Cooperative explained that their link with hotels is not that much strong. The cooperation does not believe that hotels in Bahir Dar are their customers. Sometimes, hotels purchase from the cooperative’s retailing shop. They take big fish for ‘tibs’ from the shop. On the other hand, Debre Sina Fishery Cooperative catches and supplies fish to Fish Product Market Corporation, which is

located in Bahir Dar. The cooperative sells all the fish to the corporation, without processing it. It is the corporation which processes and sells the fish to the market.

Bahir Dar Zuria Woreda: Animals raised and produced in the Zuria woreda include cattle, sheep, goat, hen, fish and honey. According to seven months report of the bureau (from July to January), there were a total of 26,347 animals (11,127cattle, 8,187 sheep and 7,033 goats) fatten in the woreda and supplied for the market. Worem, Tis Abay and Maji are areas where local honey is available. They sell honey for merchants, and they don't have direct contact with hotels and other related establishments serving tourists.

4.2.1.2 Manpower Supply

There are three private tourism institutions in the town of Bahir Dar: Skafiyer Hotel Training School, Abolla Hotel & Tourism College and Ambassador Hotel and Tourism Training Institute, engaged in hotel and tourism training. In addition, there is also government owned TVET center. Hence, this is a good opportunity for the local people to get training and employment in the tourism industry.

4.2.1.3 Bahir Dar Textile Factory

The factory manufactures such clothes as bed sheets, pillow cases, clothes for uniforms and others that can be used by hotels and other tourism businesses. However, the factory does not have any direct linkage with hotels and other tourism businesses. This is because, according to a respondent from the factory, the textile sells to wholesalers in Bahir Dar, Addis Ababa and other places in bulk. Hence, there is no room for retailing.

4.2.2 Primary Tourism Services in and around Bahir Dar

A. Accommodation establishments: in Bahir Dar town, there are a number of hotels and lodges catering to the needs of both international and domestic tourists. According to information from Culture, Tourism, Labor and Social Affairs Office (CTLSAO) of the town, there are 11 standard accommodation establishments providing service for tourists. These include 9 hotels and 2 lodges, with a total of 576 rooms as shown in Table 4.4 below:

Table 4.4: Types of accommodation establishments in Bahir Dar

Name of Establishment	Type of establishment	Number of rooms	Type of rooms				
			Single	Twins	King size	Suite	Superior
Abay Minch	Lodge	44	-	25	5	-	
Azwa	Hotel	39*					
Blue Nile	Hotel	55	39	6	6	4	
Dib Anbesa	Hotel	60	11	13	18		
Ethiostar	Hotel	80	27	11	42	-	
Ghion	Hotel	30*					
Homland	Hotel	28*					
Kuriftu	Lodge	40*					
Papyrus	Hotel	100	48	10	30	2	10
Summerland	Hotel	40	18	12	10	-	-
Tana	Hotel	60	-	56	-	4	-
Total	11	576					

* data not available about the types of rooms

In addition, there are also other hotels and pensions that can provide basic accommodation service for tourists. However, at Tis Abay and Zege, there is no such accommodation establishment that can be used by tourists.

B. Food and Drink: tourists get food and drink mainly in the hotels listed above. In addition, according to information from CTLSAO of the town, from restaurants, it is Lake Shore which provides standard food and drink service for tourists. There are also other local restaurants where tourists can get food and drink in Bahir Dar. In the town of Tis Abay and at Zege peninsula, there are no such standard food and drink outlets for tourists.

C. Travel agencies: there are some local travel agencies in the town of Bahir Dar providing travel arrangements for tourists to move within and the surroundings of Bahir

Dar town. These include Tis Abay tour operation, Ghion tour operation, Semien tour and travel, Bahir Dar tour operation, Zodog tour and Injera travel and tours. Although their number is quite enough, they are not that much active to exploit the potential available. In addition, major travel agencies and tour operators in Addis Ababa have representatives in Bahir Dar, leading to competition with local travel agencies. A respondent from travel agencies said that they make arrangements for tourists in various ways: through direct foreign contact, business card, sending guides to the airport to receive tourists, through contacts/links with hotels in Bahir Dar, and travel agencies and tour operators in Addis Ababa. The respondent added that there is good cooperation from tourism businesses in Bahir Dar.

D. Car rentals: tourists travel to Bahir Dar in two ways-either independently or through travel agencies and tour operators based in Addis Ababa. Information from one of the car rentals revealed that some 70-75% of tourists come to Bahir Dar through travel agencies and tour operators in Addis Ababa. Some 25-30% of tourists are budget travelers and use local or public transport. It is the backpackers/budget travelers who usually use local car rentals.

A respondent from car rentals described that the travel agencies and tour operators in Addis Ababa have usually representatives in Bahir Dar. Hence, they are competitors to local car rentals and don't want to give the business to someone else. Local car rentals have usually links with travel agencies and tour operators in Addis Ababa which don't have representatives in Bahir Dar. But most have representatives and the representative will have car or hire from someone else in Bahir Dar.

E. Tour guiding: tour guides play an important role in enriching the experience of tourists at destinations. It is also a good area to derive benefits from tourism. There are a total of 75 local tour guides organized in three associations at the three major sites: Bahir Dar town, Zege and Tis Abay. The number of members of the local tour guides' associations at Bahir Dar town, Zege and Tis Abay are 46, 14 and 15, respectively.

F. Local Transport Services: Local transport service available in and around Bahir Dar includes both land and water transport. Land transport consists of taxis, Bajajs, bikes and minibuses, and water transport by boat and tanqua.

Land Transport

I. Taxis: currently, there are 8 yellow taxis organized in associations and providing transfer service for tourists from airport to hotels and back to the airport. Taxis are also rented for tourists for city tour/movement within the town. According to a study conducted by SNV-Ethiopia and ANRSCTB in 2009, their number has reduced from 55 in 2007 to 15 (in 2009), and currently, their number has further declined to 8 (in 2012). According to a member of the association, the reduction in number is because of the introduction of Bajajs which compete in the transfer service.

One of the members of the taxi association said that there is no much linkage with travel agencies in the town. The respondent added that basically travel agencies want big cars such as mini buses, and most of them have their own cars. In relation to hotels, taxis have links with Dib Anbesa and Tana hotels as they don't have their own cars for transferring tourists from airport to the hotel and back. Other hotels have their own cars and provide free transfer service for tourists. Because of this, taxi owners encourage tourists to stay in these hotels so that they can be beneficiary (to provide transfer service from airport to hotels and back).

II. Minibuses: There are also blue minibuses providing local transport service in Bahir Dar. According to data in 2009, there were 145 blue minibuses working in Bahir Dar. However, their number has currently reduced as there are Bajajs providing local transport. They mainly provide service from the market area to Abay 'Mado' and other nearby towns such as Addis Alem, Meshenty, etc.

III. Bajajs: there are plenty of Bajajs in Bahir Dar providing service for the general public and tourists. According to the study conducted by SNV-Ethiopia and ANRSCTB in 2009, there were 610 Bajaj auto rickshaws providing local transport service in the

town. Tourists use them for city tour as well as transfer service from air port to hotels and back to the airport.

IV. Biking: The two major towns in Ethiopia famous for biking are Bahir Dar and Hawassa. There are plenty of bikes in Bahir Dar for movements within the town. However, the use of bikes for tourists is not well organized and tourists rarely use them. The only service for renting of bikes for tourists observed during the field survey was at Ghion hotel.

Water Transport: another important local service available in Bahir Dar is water transport. As it is known, one of the major tourist sites in Bahir Dar is the age old Lake Tana monasteries. Most of these monasteries are accessible only through water transport. Even to those monasteries where accessibility through land is possible, such as Zege peninsula monasteries, water transport is preferable for it is short and gives better comfort than the land.

There are both private and government owned boats providing transport service on Lake Tana and Blue Nile for tourists. The one owned by the government, Lake Tana Transport Enterprise, has boats of various sizes. It is found at a central location between Ghion hotel and Mango recreational center, and has its own ports. Some of the private boats in Bahir Dar have formed associations and rented port from Lake Tana Transport Enterprise. Other boats in the town have ports along the shore of the lake such as at Tana hotel and Lake Shore Resort. Those located at Tis Abay have their own association and provide service for tourists and the locals across the Blue Nile River. The association has 11 members with 11 boats.

There are a total of 56 private boats in Bahir Dar town and 34 of them have formed an association. The private boat owners' association in Bahir Dar town has been established to: (1) create hassle free travel for tourists inside the compound of LTTE by controlling illegal guides and brokers, avoiding unfair price competition among boat owners, and (2) to solve problems between guides and boat owners, and among boat captains themselves.

As such, the association has its own rules and regulations for the above mentioned parties, and set tariff for boat trips on Lake Tana for both metal and fiber made boats.

Lake Tana transport enterprise has two boats with a capacity of 40 passengers, each providing transport service for tourists alone. In addition, the enterprise has also two other boats, each with a capacity of 6 and 15 passengers used for tourist transport and other necessary service. Finally, there is '*Nigat*', the latest innovation of the enterprise which is used for multipurpose, with a carrying capacity of 120 passengers.

There is no shortage of boats in Bahir Dar, except government owned boats. Interviews conducted with private boat service providers revealed that there are enough boats to serve tourists during the peak season. However, a respondent from Lake Tana Transport Enterprise explained that there is shortage of government owned boats during the peak season, especially from October to January. Lake Tana Transport enterprise makes arrangements of boats for tourists in three different ways: tourists coming in person, through telephone and through travel agencies and tour operators in Addis Ababa. The enterprise has direct relationships with around 20 travel agencies and tour operators in Addis Ababa. Hence, it arranges boat trips for tourists from these travel agencies and tour operators.

According to information from private boat owners' association, there are various ways of making arrangements for tourists- through brokers and tour guides in Bahir Dar, travel agencies and tour operators in Addis Ababa or tourists coming in person to the port. Travel agencies and tour operators based in Addis Ababa take temporary contracts from the association and make reservations, and the association will make the necessary arrangement. Although not strong enough, the association has links with hotels in Bahir Dar. Receptionists at hotels call boat service providers when tourists want the service.

Furthermore, local boat rentals also said that they make arrangements for tourists in two ways-through travel agencies and tour operators in Addis Ababa or tourists coming in person to the office. Although the degree of strength varies, boat service providers and rentals in Bahir Dar have links with travel agencies and tour operators in Addis Ababa.

However, their relation with hotels in Bahir Dar is random and is not to a level to be considered as 'good'.

4.2.3 Ancillary Tourism Services

4.2.3.1 Souvenir productions and Sales

A. Souvenir production

Bahir Dar town: Another important product available is souvenir production. Almost all of the souvenir sellers which are found at *agelgil tera* in Bahir Dar have souvenirs made locally from 'dengel', straw and semi finished leather. In addition to this, there are also souvenirs at *agelgil tera* made by the local people from wood, cotton/t-shirt, plastic and horse *tail-hair*, horn, 'zagol' and beads. One can find such local souvenirs as sandal shoes made from semi finished leather, lunch boxes made of baskets and semi finished leather and stool made from semi finished leather and basket. These souvenirs are mainly for domestic tourists and local users, and don't fit to the taste of foreign tourists visiting the town. In relation to weavery products, a study by SNV-Ethiopia and ANRSCTB in 2009 found that it was not produced with the tourist in mind and hence there is a need to develop it with a new product concept and creativity. The researcher was also able to observe this fact and weavery products made locally were the same design which reduces demand for these products.



Fig 4.3: Agelgil Tera at Bahir Dar Town

There are also other people who are engaged in the production of souvenirs in Bahir Dar town. For example, they make paintings (on semi finished leather, shera), embroidering t-

shirts, wooden handicrafts and postcards (of various tourist attractions) by using mainly local inputs. Producers of souvenirs use locally available materials, including local natural ink for preparation of these souvenirs, except some painters who bring ink and other painting materials from Addis Ababa. However, their number is so small that they cannot adequately supply the market and also suffer from a number of problems to expand production.

Zege peninsula: Local souvenir production is also available at Zege. There are local people engaged in paintings, metal and wooden souvenir production. Painters use local ink and prepare souvenirs that represent the traditional church painting style. In addition, the locals also make such souvenirs as crosses, necklaces, bracelets and other ornaments.



Fig 4.4: Right-Mebratu (at Zege-Ura) middle- Misrak (at Zege-Azwa), and left-natural ink used for painting

Tis Abay: At Tis Abay, production of souvenir is very limited. They produce traditional clothes such as scarf and 'yager bahil gaby' and 'netela'. But, there are few producers and the product is not designed attractively to match tourists' need and also lacks variety.

Almost all of the producers of souvenirs interviewed at Zege and Bahir Dar town said that they sell the souvenirs in two ways: directly to tourists and to other retailers. There are also some producers who sell to traditional night clubs and cafeterias (in this case, the souvenirs are made based on the orders of the buyers). Tour guides play an important role in linking tourists and the souvenir producers.

The producers revealed that they consider tourists and other users such as hotels in mind and make those souvenirs that reflect the local culture and tradition. For example, the painters at Zege make souvenirs that are similar to church paintings as this style is usually considered to be attractive for tourists. When asked as how they know what tourists like, souvenir producers replied that from experience, they know that tourists like souvenirs that are traditional and reflecting the local culture and ancient in style. There are also times these producers make souvenirs based on the interest of users (receiving orders from tourists, hotels, traditional night clubs, etc). Mostly, destination specific names are not written on souvenirs. The producers will in general write this if tourists ask them to do so. They said that they don't write this because there are tourists who don't like it.

B. Souvenir Sales

Table 4.5 below shows the location of souvenir shops and where they bring souvenirs. It has been found that the majority of souvenir sellers which are found in Bahir Dar town (especially those located in and close to hotels) bring most of their souvenirs from Addis Ababa. Furthermore, souvenir shops located at Zege peninsula bring most of their souvenirs from Lalibela and Aksum. Those which are found at the town of Tis Abay bring the souvenirs mainly from Bahir Dar town.

Table 4.5: Where souvenirs are brought

Item	Location of souvenir shop	Source	Frequency	Percentage (%)
Where do you bring most of your souvenirs?	One at Bahir Dar and one at Tis Abay	Bahir Dar town	2	18.2
	Bahir Dar town	Addis Ababa	6	54.5
	Zege	Other areas (Aksum, Lalibela)	3	27.3
Total			11	100

When souvenir sellers were asked “*Are there souvenirs you import from abroad?*”, 3 of the respondents (27.3%) said “yes”. It has been found from the respondents who said “*Yes*” that, two of them import souvenirs from Kenya and the remaining one from India. When asked why they import from abroad, those bringing from Kenya said that Kenyans are famous for making souvenirs. This shows that there is low awareness from souvenir sellers. They simply consider souvenirs as ‘*simple commodities*’ like those found in shops/supermarkets rather than destination specific things reflecting the culture and value of the people where they are made.

Table 4.6: Souvenirs frequently sold in relation to type of materials they are made of

Item	Materials souvenirs are made from	Frequency	Percentage (%)
Based on materials they are made from, which souvenirs are sold frequently?	Wood	3	43
	Metal	0	0
	Cloth	2	28.5
	Semi finished leather	2	28.5
Total		7	100

In Table 4.6, the sample size is reduced to seven because the remaining four sell mainly a single type of souvenir, such as those made of skin and cloth. Hence, it is difficult to make comparisons as they are having souvenirs made mainly of a single material. As shown in the table, most of the souvenirs frequently sold (where 43% respondents agreed) are those made from wood. According to the respondents, those souvenirs made of cloth and semi finished leather are equally sold. It should be noted that what respondents were asked is to select a souvenir which they sell frequently, based on the materials they are made of. For example, 0% indicates that it is not frequently sold (not ranked first), but does not mean that souvenirs made of metal are not totally sold.

Souvenir sellers were asked “*Do you think tourists’ spending on souvenirs is low?*” and 9 of the respondents (81.2%) said that they think tourists’ spending on souvenir products is low. The remaining 2 respondents (11.2%) think that tourists’ spending on souvenirs is

not low. Those who think that tourists' spending on souvenirs is low identified a number of factors for this. These include shortage of time for shopping by tourists, hassle from the local community and sellers, similarity of souvenirs and lack of creativity, high price (especially when guides add their commission on the sales price) and lack of promotional activity. In addition, tour guides who receive commission from souvenir sellers at other places such as Lalibela, Addis Ababa, Aksum, etc tell tourists that they can get the same souvenirs at discounted price in those areas, letting them not to purchase from Bahir Dar.

Table 4.7: Source of information about souvenirs for tourists

Item	Sources of information	Frequency	Percentage %
From whom do tourists get information about your souvenirs?	Local tour guides	9	81.8
	Travel agencies and tour operators	0	
	Hotels	2	18.2
	Word of mouth from customers	0	0
	Others	0	0
Total		11	100

As shown in Table 4.7 above, 9 of the respondents (81.8%) said that tourists get information about their souvenirs from local tour guides. Tourists also get information from hotels (18.2% of the respondents said this). This later case happens because these souvenirs are located in or close to the premises of hotels. From personal observation, the researcher also found that souvenir shops are found either in cluster or inside and close to hotels. Hence, tourists can easily recognize them and purchase if needed. For example, at Bahir Dar, they are mainly located at three cluster areas: at Agelgil Tera, near the bus station and in front of Amhara Development Association (ADA), where most of the hotels are located and hotels outside this area have souvenir shops inside their premises. At Zege and Tis Abay, they are located along the road in the open air and tourists can make purchase on the way. At Tis Abay, there are very few producers of traditional clothes (producing 'yager bahil gaby and netela' only). All other sellers take the souvenirs they are selling from Bahir Dar town and Adet. The sellers display the same type of souvenirs (usually traditional clothes) and there is some hassle on tourists.



Fig 4.5 Left to right, souvenir sales at Zege, Tis Abay and Bahir Dar town

4.2.3.2 Traditional Night Clubs

There are a large number of traditional night clubs in Bahir Dar town. They mainly cater, however, to the locals. It is ‘Balageru’ only which is famous for catering to the needs of tourists. For example, according to interview with one of the traditional night club owners, the number of tourists going to the club is very little. The respondent said that, on average, there comes a single tourist per month to the club. According to information found through interview with owner-manager, the traditional night clubs sell beer, whisky and some soft drinks. Selling other drinks is not feasible in terms of profits. However, at Balageru, tourists are served such local drinks as ‘Tej’ and ‘Areki’.

In Balageru traditional night club, there is a very high demand. The respondent from the club described this as follows: *“There are times that the club is full and tourists unable to enter and hence stay outside. Sometimes, guides come in advance and reserve seats for them. When the club is full, we advise tourists to come after some time or go to other traditional night clubs.”* The club has become famous for two main reasons. Firstly, it is mentioned in the guide books. For example, in Lonely Planet, it says *“if you like an entertaining cultural experience and a good laugh, visit Balageru”* (Carillet and Matt, 2006). The second reason is that the club has good relations with tour guides who bring them tourists. The respondent from Balageru explained that there is no that much tangible/significant link with hotels. But as the traditional night club is very famous in the town, they send tourists to them.

4.2.4 Tourist flow and income generated from Tourism in Bahir Dar

Keeping other factors constant, an increase in tourist flow will lead to increase in income generated for a destination. Below is tourist flow and income generated from tourism in Bahir Dar over a period of time.

It is clear from Table 4.8 that mean annual domestic and foreign tourist flow to Bahir Dar for ten years (from 1994-2003EC) was 22,012 and 10,890, respectively. In general, the mean annual tourist flow (both foreign and domestic) to Bahir Dar for the ten years was 32,901. When we compare the total tourist flow to Bahir Dar from 1994-2001 with Gondar during the same period of time, tourist flow to Gondar is far more than that of Bahir Dar. For the period from 1994-2001, total tourist flow to Bahir Dar was 239,511 (with mean annual tourist flow of 29,939) while Gondar had a total of 389,397 tourists for the 8 years (with mean annual tourist flow of 48,675). The difference in mean annual tourist flow between the two destinations was 18,734.

Table 4.8 Tourist flow to Bahir Dar (the town, Zege and Tis Abay), from 1994-2003EC

Year in EC	Domestic	Foreign	Total
1994	17,608	7,474	25,082
1995	17,613	8,864	26,477
1996	15,555	7,955	23,510
1997	14,700	8,675	23,375
1998	18,960	8,824	27,784
1999	23,561	10,083	33,644
2000	26,710	11,774	38,484
2001	28,542	12,613	41,155
2002	22,880	14,286	37,166
2003	33,989	18,347	52,336
Total	220,118	108,895	329,013
<i>Mean annual tourist flow</i>	22,012	10,890	32,901

Source: Bahir Dar Town CTLSAO, 2012

NB: tourist flow and income includes the town, Tis Abay and Zege monasteries.

As depicted in Figure 4.6, there is fluctuation in tourist flow to Bahir Dar over a period of time. The fluctuation and seasonality of tourist flow brings problems in the provision of products and services for tourists. It affects the income that can be derived from tourism. However, in recent years, tourist flow to Bahir Dar is increasing at an increasing rate.

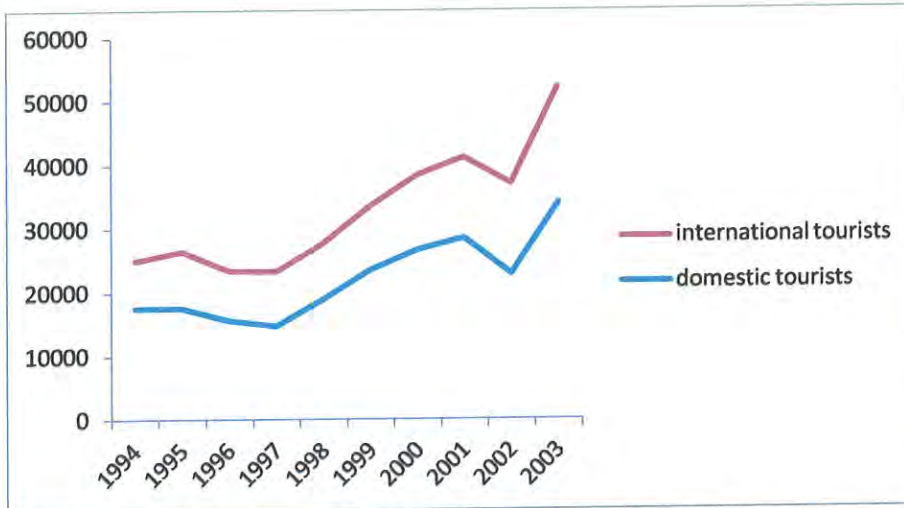


Fig 4.6: Trend of tourist flow to Bahir Dar (the town, Zege and Tis Abay), 1994-2003EC

Source: Bahir Dar town CTLSAO, 2012

Table 4.9 below shows tourist flow and income generated from both domestic and foreign tourists from 2000-2003EC. Note that the data is for tourists who visited Bahir Dar town, Zege Monasteries and Tis Abay during the period mentioned. As the table shows, the total income generated from domestic and foreign tourism for government for the four years was ETB 355,089 and ETB 943,952, respectively (with a mean annual income of ETB 88,772.25 and ETB 235,988 in that order). In addition, service providers received a total of ETB 105,169,498 and ETB 136,049,720, from domestic and foreign tourists, respectively (with mean annual income of ETB 26,292,374.5 and ETB 34,012,430 in that order).

Table 4.9: Tourist flow and income distribution in Bahir Dar from 2000-2003EC

Year	Domestic Tourists				Foreign Tourists				Total income in ETB
	Number	Income earned by gov't in ETB	Income earned by service providers in ETB	Subtotal	Number	Income earned by gov't in ETB	Income earned by service providers in ETB	Subtotal	
2000	26,710	100,178	25,053,980	25154158	11774	199550	28092764	28292317	5344675
2001	28,542	95119	26772396	26867515	12613	205755	30094618	30300373	5716788
2002	22,880	73299	21461440	21534739	14286	227632	34086396	34314028	5584876
2003	33,989	86493	31881682	31968175	18347	311015	43775942	44086957	76055132
Grand total	112,121	355,089	105,169,498	105,524,587	57,020	943,952	136,049,720	136,993,672	242,518,259
Mean annual	28,030.25	88,772.25	26,292,374.5	26,381,146.75	14,255	235,988	34,012,430	34,248,418	60,629,564.75

Source: Bahir Dar town CTLSAO, 2012

As can be seen in Figure 4.7, the lion's share of tourism revenue (99%) goes to service providers and the government gets a very low share (1%). Note that the data does not include the share of church and museum. When church and museum was included, for example in 2003EC, the shares of service providers, church and museum and government were 96%, 3% and 1%, respectively.

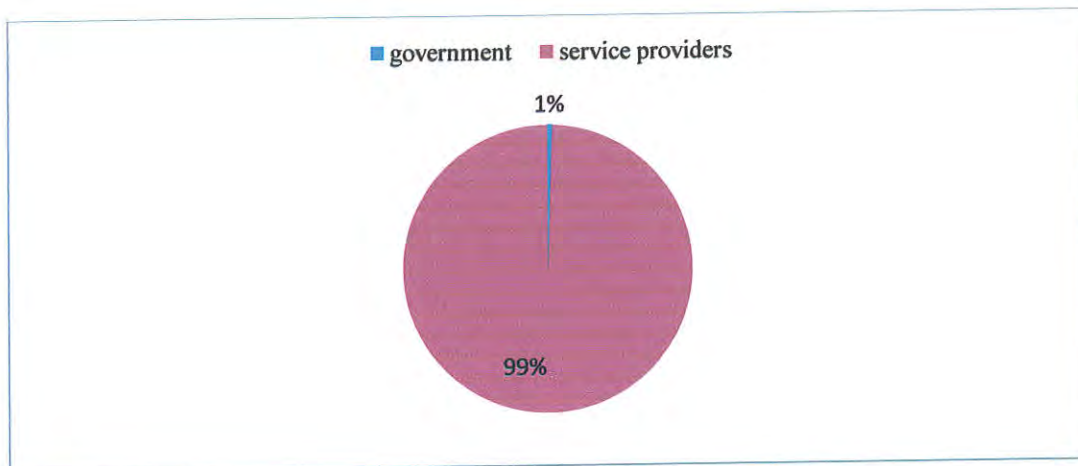


Fig 4.7: Income distribution between government and service providers in Bahir Dar, 2000-2003EC (Source: Bahir Dar town CTLSAO, 2012)

As can be seen in Table 4.10, Lake Tana Transport Enterprise has provided transport service to a total of 103,561 domestic and foreign tourists from 1996-2003EC and generated an income of ETB 5,768,308.

Table 4.10: Tourist transport and income generated by LTTE, 1996-2003EC

Tourist transport	Year								Total
	1996	1997	1998	1999	2000	2001	2002	2003	
Domestic	4,804	6,024	5,890	10,012	7,869	9,268	12,719	15,341	71,927
Foreign	3,416	4,875	4,163	3,504	3,694	3,134	3,682	5,166	31,634
Income generated from tourists in ETB	*	742,744	662,084	745,461	731,194	678,986	890,568	1,317,271	5,768,308

Source: Lake Tana Transport Enterprise, 2012

** Data not available*

4.3 Linkages of Tourism towards the Local Economy in and around Bahir Dar

Tourism investment, especially in the area of accommodation establishments, is increasing in Bahir Dar. This creates job opportunities for the local people. It is possible to benefit the poor by letting them participate in the tourism value chain. This strategy (tourism value chain) is not now being adequately used in Bahir Dar. There are some initiations around Zege-as training has been given and sales outlet has been constructed for local souvenir sellers.

A respondent from ANRSCTPDB said that the major beneficiaries of tourism development in Bahir Dar and its surrounding are hotels, monasteries and the government. There is a lot to be done to benefit the poor. Although the poor may get employment opportunities, they can also get benefits from tourism by supplying products to hotels and other tourism businesses, and directly to tourists.

4.3.1 Linkages of hotels and lodges in Bahir Dar town towards the Local Economy

Linkages related to Local Fruits and Vegetables: it is true that hotels, lodges, restaurants and cafes are highly dependent on agricultural supplies for the preparation of food and drink for their guests. Local communities producing agricultural products can benefit from tourism through the sale of their products to the tourism businesses. Hotels providing service for tourists in Bahir Dar buy fruits and vegetables from merchants. There is what you call “*fresh bazaar*” where hotels distribute proforma for wholesalers of fruits and vegetables. Based on the proforma, hotels choose those suppliers that can provide good quality fruits and vegetables at fair price. The length of the contract depends on the agreement between the two parties, such as three months, six months, etc.

Table 4.11: Average monthly fruit and vegetable consumption in 2 surveyed hotels and one restaurant in Bahir Dar town

Types of fruits and vegetables	Dib Anbesa hotel			Ghion hotel			Lake shore restaurant		
Fruits	Average monthly consumption in Kg or unit	Average price per Kg or Unit	Average expenditure in ETB	Average monthly consumption in Kg or unit	Average price per Kg or Unit	Average expenditure	Average monthly consumption in Kg or unit	Average price per Kg or Unit	Average expenditure
Orange	500	9	4,500	400	11	4,400	-		
Lemon	50	20	1,000	50	7	350	-		
Avocado	60	10	600	75	8	600	-		
Banana	80	12	960	40	10	400	-		
Mango	60	9	540	80	7	560	-		
Papaya	50	12	600	40	9	360	-		
Total	800		8200	685		6670			
Vegetables									
Cabbage	200	8	1600	80	7	560	210	9	1,890
Carrots	200	9	1,800	40	5	200	390	5	1,950
Tomato	50	7	350	80	5	400	300	10	3,000
Lettuce*	300	2.50	750	120	2.25	270	150	2	300
Potato	200	5	1,000	200	4	800	600	9	6,300
Garlic	50	30	1,500	20	33	660	-	-	-
Pepper	30	25	750	22.5	14	315	90	14	1,260
Onion	600	9	6,300	300	7	2,100	1200	8	9,600
Total	1330		19600	862.5		5035	2790		24000

**Lettuce is measured in numbers or pieces and hence not included in the totals.*

In relation to vegetables, the average monthly consumption of Dib Anbesa hotel was found to be 1,330kg (excluding lettuce) with a total expenditure of ETB 19,600 per month. The average monthly consumption of Ghion hotel on vegetables (excluding lettuce) was 862.5kg and total expenditure of ETB 5,035 per month. Finally, the average monthly expenditure of Lake Shore restaurant was found to be 2,790kg and total average

monthly expenditure of ETB 24,000. So, the total average monthly consumption of vegetables for the three food and drink outlets was 4,982.5kg and total expenditure of ETB 48,635.

Lake shore restaurant gets vegetables from farmers. They have constant suppliers. The restaurant claims that because of shortage of supplies in vegetables, it works only 25% of its potentials. There are food items it does not prepare because of shortage of supplies. In addition to vegetables, lake shore restaurant uses some fruits such as banana and orange and they purchase it based on guests' orders.

Table 4.12 Average monthly consumption for animal products in 2 surveyed hotels and one restaurant in Bahir Dar town

Animal products	Unit of measurement	Ghion hotel			Dib Anbesa hotel			Lake shore restaurant			Aver. Total Mon. Consum.
		Aver. monthly consumption	Aver. Price/Kg/lit./no.	Average expenditure in ETB	Average monthly consumption	Average price	Average expenditure	Average monthly consumption	Average price	Average expenditure in ETB	
Milk	Lit.	150	8	1200	100	8	800	-	-	-	250
Egg	No.	2000	2	4000	3000	2.50	7500	3000	2.50	7500	8000
Hen	"	80	70	5600	70	75	5250	60	70	4200	210
Lamb	"	4	400	1600	15	500	6500	4	500	2000	23
Goat	"	-	-	-	15	550	8250	-	-	-	
Ox	Kg	100	60	6000	400	60	24000	600	50	30000	1100
Fish	"	450	47	21150	250	50	12500	900*	46	41400	1600
Honey	"	-	-	-	30	30	900	-	-	-	30
				39550			65700			85100	

**lake shore is very famous for fish related food and is trying to specialize on it.*

As shown in Table 4.12 above, the average total expenditure of Ghion hotel, Dib Anbesa hotel and Lake Shore restaurant on animal related products is ETB 39,550, ETB 65,700 and ETB 85,100, respectively. The average total consumption of the three food and drink outlets for egg, hen, lamb, ox and fish is 8000, 210, 21, 1100 and 1600, respectively.

In Bahir Dar, hotels and lodges prepare traditional Ethiopian food for tourists. But there is no local food which is specific to Bahir Dar. Some are famous for buffet, '*mahiberawi*', '*kitfo*', '*doro wot*', '*shiro*', etc. Hotel managers interviewed said that they encourage tourists to taste and eat traditional food. Of course, tourists are also interested to taste local food as it is part of their experience during their visit of a certain destination. In order to encourage tourists to taste and eat the traditional food, some hotels have menus and from what ingredients each traditional food is prepared inside guest rooms and restaurants. The lodges also encourage tourists to taste and eat traditional food. A respondent from a lodge said that they encourage tourists to do so by showing from what each traditional food is made of.

It has been found that there are hotels and lodges which are producing their own agricultural products. For example, one of the hotels has its own agricultural product. It produces fruits, vegetables, and raise cattle. It is self sufficient in terms of agricultural supplies necessary for the hotel. The only major thing it buys from suppliers/merchants is egg. There is also a lodge which produces fruits for itself, and buys other agricultural products from merchants. Kuriftu lodge, like most hotels, purchases agricultural products from merchants and has no direct link with farmers. It obtains the necessary agricultural supplies from merchants. The only exception here is the link of the lodge with a farmer. Kuriftu buys flowers for decoration directly from a farmer.

There is a mismatch of the time local fruits are ready for consumption and tourist flow peak season in Bahir Dar. Tourist flow is high up to the month of February, but the major local fruits such as mango, avocado, zeytun, papaya, etc are ready for the market after February (usually starting from March and April). However, this does not mean that hotels cannot get these fruits during the peak season. The merchants, with whom they have made contract, are responsible for bringing the fruits from various parts of the country. Fruits are available all year round in Ethiopia and the merchants bring them from where they are available. Hence, here the major problem for hotels and lodges is the high price of the fruits and to some extent their freshness.

Vegetables are available throughout the year, but the local production capacity cannot match the market demand. The only major local vegetables produced are cabbage (mainly at Debre Maryam and Andasa) and tomato (mainly from Tis Abay). Hence, there is also dependence of other vegetables from other parts of the country, including the region itself. A respondent from a lodge said “*there is no problem in getting the supply of fruits and vegetables. We have constant vendor. So we can choose quality product, but we cannot negotiate on price.*”

In addition, hotels take packed coffee from Addis Ababa. Zege is famous for its natural coffee but a respondent from a hotel said that the coffee from Addis Ababa is better than the one at Zege. This may be due to lack of awareness, because it has been said by an expert from agriculture extension bureau of Bahir Dar town that as the coffee at Zege is organic, companies from America agreed to import the coffee.

Linkages related to local Animal related products: these are the other local agricultural products available for hotels, lodges, restaurants and other tourism businesses in and around Bahir Dar.

Table 4.13: Source of meat for hotels, lodges and restaurants

<i>Item</i>	<i>Source</i>	<i>Frequency</i>	<i>Percentage (%)</i>
From whom do you buy most of the meat that you use in your establishment each time?	Directly from farmers	0	0
	Cooperatives	0	0
	Local butcher	6	85.7
	Other source (own farm)	1	14.3
Total		7	100

As shown in Table 4.13 above, with the exception of one hotel which has its own animal farm, the remaining hotels and lodge get meat from local butchers. Information from merchants revealed that animals from *Fogera, Estae* and other parts of the region are better than the ones which exist in and around Bahir Dar.

Table 4.14: Source of fish for hotels, lodges and restaurants

<i>Item</i>	<i>Source</i>	<i>Frequency</i>	<i>Percentage (%)</i>
From whom do you buy most of the fish that you use in your establishment each time?	Individual fishermen	3	42.9
	Wholesalers	1	14.2
	Fishing cooperatives	3	42.9
	Other source	0	0
Total		7	100

Table 4.14 above shows that most of the establishments get fish from individual fishermen and fishing cooperatives, which comprise around 86% of the supply. In sourcing locally, the major problem which the establishments encounter is seasonality of fish supply. This mainly occurs during summer. Summer season is reproductive season for fish and hence, fishing activity won't be allowed. This has created shortage of fish and its price is escalated. In addition, because Nile perch is not sufficiently available and is difficult to catch, it is brought from Addis Ababa and Woreta.

It has been found from the questionnaire survey that 6 (85.7%) of the establishments (hotels and lodges) said that they serve honey for tourists. But, they said that it is served as a supplementary for others such as marmalade, margarine butter, etc. Most of them buy it from merchants, and there are also hotels that directly purchase from farmers.

Hotels and lodges at Bahir Dar don't buy bed sheets, pillowcases, napkins, etc from Bahir Dar textile factory. They import it from abroad or buy it from Addis Ababa (imported by merchants). In addition, one of the hotel managers interviewed said that because Kombolcha has better quality than Bahir Dar, they are communicating with them to purchase bed sheets and other textiles.

Neighborhood partnership activities of hotels and lodges: Hotels and lodges should participate in a number of neighborhood activities in the local area they are operating in. As such, although it varies from one hotel/lodge to the other, in general, hotels and lodges

in Bahir Dar participate in a number of activities. The major neighborhood activity that hotels and lodges participate in is in the form of sponsorships. They sponsor cultural festivals and other events, environmental protection, meetings and support for sports people. They also make contributions for various developments.

Kuriftu lodge is trying to play its part in the area of neighborhood partnerships. A respondent from the lodge said:

We have budget for community involvement (for supporting the community), which is ETB 1,000 a month. For the time being, we are helping a student with disability (blind) covering all the necessary cost of education. In addition, the lodge has a plan to build one library and provide the necessary books for Atse Sertse Dingel School, and fulfilling all the necessary things for it, including purchasing new books each time they are available in the market. There is also another project the lodge plans-to build one recreational center that will be given to be run by 7 women and providing various services for tourists and the local community.

Outsourcing by hotels and lodges: hotels and lodges in Bahir Dar outsource various services to local people. The only major exception is Tana hotel, which outsources services to businesses from Addis Ababa. The services Tana hotel outsources include sale of souvenir shops (by Ethiopian Tourist Trading Enterprise) and tour operators such as Galaxy Express and NTO representatives. Most of the remaining hotels and lodges outsource various services for local businesses. Some hotels outsource much number of services than others. In general, the major services outsourced by hotels and lodges include souvenir sales, beauty salon, entertainment facilities such as pool and karambula, internet, drug vendor, super market, massage service, solid waste disposal, car rental and boat hire, bike renting, etc. From these services, the one outsourced by most of the hotels, if not all, is souvenir shop.

Relationships of hotels and lodges with local transport such as boat hires, taxis and car rentals: Most of the hotels in Bahir Dar have their own cars that provide shuttle service for tourists. Hence, they don't usually need taxis for transfer service for their guests. The reception desk at hotels has phone numbers of taxis, car rentals and boats and if there is a need, they can easily contact them. Papyrus hotel, unlike most other hotels, has its own boats and make the arrangement by itself. In addition, at Tana hotel, the arrangement for boat and car rental is provided by travel agency and tour operation representatives (which are outsourced) found in the hotel. At Homeland hotel, the case is somewhat different: If tourists want boat hire, the hotel gives contact addresses of boat service providers for tourists to make arrangements by themselves. Dib Anbesa hotel does not have its own car for transfer service of tourists. Hence, it is dependent on the local taxis which are providing transfer service from airport to hotel and back to airport. Kuriftu also does not have its own cars and boats and hence made agreement with certain local car rentals and boat service providers to serve guests.

Local employment practices by hotels and lodges: Wages earned by local staff usually represent the largest single cash flow from tourism into the local economy (Mitchell and Ashley, 2006). As such, trying to employ local people in hotels is an important linkage area between hotels and the local economy they are operating in. Because tourism by its nature is labor intensive and employs both unskilled and semi-skilled people, it is vital that hotels consider this alternative if they want to benefit the local economy and show that they are part of the local economic development initiative.

In addition, enhancing training, promotion and career progression for staff who start in unskilled or semi-skilled jobs, enabling them to move up the management chain is an important strategy for increasing the local benefits from employment in tourism (Mitchell and Ashley, 2006). Hotels and lodges in Bahir Dar vary in their focus for employing local people. Some hotels and lodges give little/no emphasis and there is no special advantage they provide for local people to be employed. They simply post a notice and those who qualify can be employed.

On the other hand, there are also hotels and lodges giving emphasis for local employment. Manager of a hotel said that locals are given priority for employment and are allowed for training. One of the strategies such hotels use is when trainees are having practical attachment with them. During such occasions, they select from those trainees whom they believe are competent and can benefit the hotel. A respondent from a lodge described their recruitment as follows:

Our recruitment policy is somewhat special. First, we inspect the local colleges and TVET for their quality of education, including the necessary teaching aids they have. Then, from those which we think are providing quality education, we select some candidates, record data about them and make follow up. Finally, we will select those who are competent and give them continuous training. Generally, we give emphasis for locals and fresh graduates, unlike others who look for experienced people.

This shows that the lodge gives emphasis for locals and fresh graduates in the recruitment of necessary employees.

4.3.2 Lake Tana Monasteries and the economic benefits

Lake Tana monasteries are one of the major tourist sites in Bahir Dar. For this study, three monasteries were selected: Ura Kidanemihret, Azwa Maryam and Tana Hayq Debre Maryam. The first two are located at Zege Peninsula and the last one is the nearest monastery for Bahir Dar town located around the outlet of Blue Nile from Lake Tana.

Ura Kidanemihret: this monastery does not have its own guides. There are local guides in Zege who are organized in associations and they give guiding service for tourists coming to the monastery. Entrance fee is ETB 100 and ETB 30 per person for foreign and domestic tourists, respectively. According to the respondent from the monastery, tourist flow to the monastery is seasonal, but on average, 16,000 foreign and 12,000 domestic tourists visited the monastery last year (2003 EC). Based on this data, the annual income from foreign and domestic tourists for 2003 was ETB 1,600,000 and ETB 3,600, respectively (this data was not statistically supported/it was received from the oral narration of the respondent). In addition to entrance fee, the monastery is trying to

generate income from other sources too. One of this is selling of a book which contains the history of the monastery written both in Amharic and English versions. In addition, the monastery has built a very modern museum, and it will be open for visitors next year (2005 EC). According to information found from the respondent in the monastery, for the future, there is a plan to make local towels, to build accommodation for tourists, to improve the road from the port to the monastery and to provide boat service for tourists. In addition, the monastery has also planned to make different sculptures to be displayed in museum for tourists.

Azwa Maryam: this monastery has its own guide. But because there are local guides in Zege, they are the ones who provide guiding service. When there is a need, the guide employed by the church can provide the service. Entrance fee is ETB 100 per person for foreign tourists and ETB 30 per person for domestic ones. For video camera, foreign tourists pay ETB 100 per person and domestic tourists pay ETB 50 per person. There is no other source of income than entrance fee and the sale of a book about the history of the monastery, written in both Amharic and English.

Debre Maryam: this monastery has its own guide. The guide gives interpretation in Amharic and then tour leader who accompany tourists make translation accordingly. Foreign tourists pay ETB 100 per person for entrance and domestic tourists pay ETB 10 per person for the same. The monastery charges ETB 60 per person for video camera for both domestic and foreign tourists alike.

Table 4.15: Sources of income from tourism related activities for selected monasteries of Lake Tana

Name of the Monastery	Entrance fee in ETB		Video camera fee in ETB		Has its own Tour guide	Other products to sell
	Domestic	Foreign	Domestic	Foreign		
Ura Kidanemihret	30	100	-	-	No	Sale of a book containing history of the monastery
Azwa Maryam	30	100	50	100	Yes	Sale of a book containing history of the monastery
Debre Maryam	10	100	60	60	Yes	'Nothing'

4.3.3 Role of CTLSAO of Bahir Dar town in the Linkages

Tourists use products that are sourced from the local community. Local guides, souvenir producers and sellers, monasteries, etc get benefits from tourism. In 2004 EC, CTLSAO of Bahir Dar Town Administration organized World Tourism Day which was composed of various activities such as food festival (fish, traditional and international food), beauty contest, etc. The event has a role to play for awareness creation and promoting local products so that they can be used by the tourism industry.

As a means to create hassle free selling of souvenirs, the office built shops at Zege and distributed for souvenir sellers organizing them in groups to use it in the form of rent. But they are not willing to use it and are now working at their own traditional sales outlet in the open air along the road tourists are passing through. In Bahir Dar and Tis Abay, sales outlet/shops are given by the office of SMEs, and not CTLSAO of Bahir Dar Town Administration. In addition, CTLSAO is giving trainings for producers of souvenirs, and try to identify local souvenir producers. The office along with ANRSCTPDB is giving the training to boost the benefits from souvenir production.

In relation to new investments in tourism such as hotels, lodges and others, one of the major issues the office considers is the creation of temporary and permanent job opportunities. As tourism is a labor intensive sector, it creates job opportunities for the locals and this is one of the areas where the linkage approach works. CTLSAO of Bahir Dar town gave training for hotel staff in relation to delivering quality service for tourists. There was also another platform focusing on the connection of Bahir Dar and tourism. However, there were no platforms organized so far on such issues as maximizing the economic benefits of tourism, linking it with the local economy, and the challenges behind. The office said that ensuring tourists' safety and security, hassle-free movement, etc that can increase tourists' spending is totally given for tour guides. In addition, owners and managers of attraction sites, local communities and owners of transport facilities are responsible for this.

There are a number of illegal activities in Bahir Dar affecting the tourism industry. One of this is the problems created by illegal guides. As has been described earlier, these guides are charging tourists high price for boats and souvenirs. An official from CTLSAO of the town said: *“The weakness of legal guides has opened room for illegal guides. Legal guides are not working hard to keep the business for themselves. We are now planning to put legal guides at main tourist sites.”* Information from the office also revealed that, in relation to boats, at the federal level, rules and regulations are designed to solve problems observed in the area. The regulation, which will become operational in 2005EC, has covered such areas as engine power, safety facilities such as life jacket, captain license, identifying the owner, insurance, etc.

4.4 Challenges of Linking Tourism and the Local Economy

4.4.1 Challenges to produce and supply local products to the Tourism Industry

Here, the factors that hinder the production and supply of local products to the tourism industry are discussed and analyzed.

4.4.1.1 Agricultural product related challenges

A. Fruits and Vegetables

Farmers sell fruits and vegetables to merchants, usually retailers. They also sell fruits to juice houses and vegetables to certain local restaurants. There is rare occasion that farmers sell fruits directly to tourists. The researcher was able to personally observe that the local people around Tana Hayq Debre Maryam Monastery sell fresh fruits such as papaya and mango for tourists, especially for domestic ones.

In most cases, farmers don't sell fruits and vegetables directly to hotels, lodges and restaurants. This is because hotels need consistent and reliable supply of fruits and vegetables at competitive price. In addition, for such major purchases, employees of accommodation establishments need receipts so that finance department of the establishment can allocate budget and process expenses. Finally, these establishments want constant suppliers who can be liable in case problem occurs by the use of fruits and

vegetables. As a result, the accommodation establishments and restaurants get supplies of fruits and vegetables from licensed merchants. The only exceptional case is at Lake Shore where they source vegetables and poultry products directly from farmers.

Interview conducted with agricultural extension experts and farmers in Bahir Dar Town and Bahir Dar Zuria Woreda revealed the following challenges to produce and supply fruits and vegetables to the market.

Production related challenges for fruits and vegetables

As it has been stated earlier, there is imbalance between demand and supply of fruits and vegetables in and around Bahir Dar. Production of fruits and vegetables in general is so small that it cannot fully satisfy the market demand including tourism businesses such as hotels, lodges and restaurants. In addition, production is also seasonal. As a result of low production and seasonality, the linkage between the tourism businesses and locally produced fruits and vegetable is minimal. This led to the dependence of hotels, lodges and restaurants on fruits and vegetables produced in other parts of the region and the country.

Some of the major challenges that affect the production of fruits and vegetables in and around Bahir Dar are briefly discussed below:

♣ ***Difficulty to get modern seeds:*** Modern seeds for fruits are recently being introduced for farmers though not adequate. The problem of getting modern seeds for fruits and vegetables, especially for tomato and cabbage, is significant. Farmers get seeds of vegetables from merchants. This has created a problem that there are times merchants are selling expired seeds to farmers. This is attributed to the fact that there is no quarantine professional in the area to consult. Furthermore, some farmers reported that there are times they prepare seeds themselves without support from experts. Information from the Zuria woreda revealed that currently there is no problem of water and land but improved seeds are not distributed to all farmers adequately.

♣ ***Lack of experts:*** according to information from Bahir Dar town agriculture bureau, there are cases that animal experts doing plant related activities. Farmers need

experts who can give them training and assistance on what, when and how to produce fruits and vegetables. For example, one of the major problems in this area is that farmers cannot adequately get experts who can give them calendars for planting vegetables so that they can be supplied for the market at the right time.

♣ ***Diseases for fruits and vegetables:*** This is another major problem affecting the production of fruits and vegetables. In addition, farmers said that it is also difficult to get medicine for certain diseases and is usually supplied by merchants. This in turn has resulted in high price of the medicine and it is difficult to get it at the right time.

Marketing/sales related challenges for fruits and vegetables

♥ ***Absence of policy and strategy:*** A respondent from Bahir Dar town Agriculture Bureau stated that the major problem to create linkages is the absence of policy and strategy about agriculture for Bahir Dar town administration. If there were policies and strategies, then it could have been easier to create linkages of agriculture with tourism and other businesses.

♥ ***Information Gap:*** Another problem identified by Bahir Dar town Agriculture Bureau is information gap. Some distant rural areas do have information gap, for example, around Tis Abay, there are times when they produced in bulk and their produce spoiled because of lack of market. But at closer sites such as Woramit, Zenzelima and Addis Alem, they ask information about the market, get advice from agricultural extension experts about the calendars as when they can be ready for the market and go for production-hence they don't have information gap. They know what to produce, how much to produce and when it will be supplied for the market. In addition to information gap, farmers at some sites are resistant to receive advice from experts. For example, if onion was very expensive last year, then all farmers will plant onion and no other fruits or vegetables, creating surplus in the market and deriving little benefits.

Box 4.1 Farmers at Tis Abay

Some few years ago, 'all' farmers around Tis Abay grew onion. They did this because in the previous year, onion was very expensive. This led to too much surplus and as a result a kilo of onion was sold for ETB 0.5. From that time on wards, the locals' interest towards growing onion was reduced.

♥ **Lack of sales outlet:** The farmers explained that they are forced to leave the market as they start retailing. They cannot make retails starting from 2 o'clock in the morning. Hence, farmers sell their fruits and vegetables to merchants. They cannot retail unless they have their own sales outlet. They explained that there is lack of government support to arrange sales outlet. One of the farmers explained this problem as: *"We sell our produce to merchants. They set the price. We spend the whole day without selling and as the evening is approaching, we sell at the price merchants set. Once up on a time, I took 3 quintals of mango and the merchant bought me at ETB 4 per kilo, and she immediately sold it at ETB 8 per kilo."*

Farmers from Andasa said *"We have been told to be organized and to be given selling outlet. We started to be organized but the place was small and we were told to build it in container and cement, and due to capacity issues, we failed to get the shop/selling outlet"*. Because farmers don't have their own sales outlet, it is difficult to provide reliable supply for hotels. It is also difficult to provide them timely supply as the area of production is far from the town. If they had had their own sales outlet, they could have stored and supplied for hotels based on their demand. As a result, hotels don't buy from them and they are supplied by licensed merchants.

♥ **Lack of equipments to transport the fruits and vegetables:** Farmers revealed that it is difficult to transport fruits and vegetables keeping them fresh and without any damage as they lack such safe transporting equipments.

♥ **Accessibility/transportation related problems:** At Andasa farmers stated that because they are using irrigation, the road will be muddy and is difficult to use car and

cart. Around Debre Maryam, the road is accessible only on foot, and to use car or cart is impossible. This has created difficulty to transport fruits and vegetables to the market.

♥ **Weak associations:** There are irrigation associations at some sites. The major tasks of the cooperative association include supplying inputs (such as improved seeds and new technologies), solving conflicts related to water for irrigation and looking for market opportunities. However, the association is not effectively working.

Box 4.2 A missed opportunity of agro tourism at Debre Maryam

Abba Chekol is a model farmer, famous for the production of fruits and vegetables. He has a wide area of land located at the shore of Lake Tana. The farmer grows orange, mango, avocado, coffee, zeytun, pineapple, papaya, banana, garlic, cabbage, tomato, etc.

He also raises cattle and sells milk. Hen and fish reproduction are other areas the farmer is engaged in. The location of the site is so magnificent that tourists can have a view of Lake Tana, Bahir Dar town, Kibran Gabriel and Entons Eyesus monasteries, Zege peninsula, etc. Tourists can experience the local culture, visit the farmland and get fresh agricultural products (fruits, vegetables, milk, fish, etc) while entertaining at the lake shore and its marvelous sight.

The farmer tried to establish some local houses (in the form of local huts) and during the time fruits are ready for consumption, a number of local people, especially those who have wedding ceremony come to the site for excursion. But, because of weak planning, the damages they created were much more than the benefits they bring. For the future, the site needs to be well planned, and tourists (both domestic and foreign) can visit the site.



B. Animal farm related challenges

Animal farm related products are important inputs for tourism service providers such as hotels, lodges and restaurants. The local people can benefit from the supply of these products for the aforementioned tourism businesses. However, because of various factors, the linkage is not that much strong. Tourism businesses obtain these products from merchants who bring them from other areas outside the surroundings of Bahir Dar.

An expert from the town administration agriculture extension bureau identified four major problems in relation to animal production. The first one is lack of food for the animals. The local people are in difficulty to feed their animals. The second one is related to inadequate space (land of individual persons). Their land is so small that it is hard for them to accommodate large number of animals. The third problem identified is disease, such as internal parasites for cattle. Finally, there is lack of modern and specialized breed. The existing breeds are not that much productive in terms of milk, meat and other aspects.

Bahir Dar Zuria woreda also suffers from a number of problems for production (raring and fattening) of animals. The expert interviewed from the woreda agriculture bureau identified several factors, including the following. Like in the town, there is shortage of food for the animals in the Zuria woreda. The land is degraded and is also used for agriculture. Hence, the local people face problems to feed their animals. The other problem is weak follow up and care given by farmers for their animals. In relation to this, there is also shortage of experts who can give advice for farmers and help them breed their animals. The local people have low awareness in the areas of breeding. In addition, farmers sometimes become resistant to accept the advices of experts. For example, around Zege, the local people have little interest to have new breeds. They want to practice the existing and less productive animal raring.

Some places are inaccessible for experts to provide various services for farmers, including breeding the animals. Breeding is time specific. An expert has to reach the breeding site within a day or few days so that s/he can effectively conduct the task. For

example, if the cow is to ready for breeding today, the expert should arrive exactly on that day. The bureau has started introducing new breeds of cows to some of the kebeles. For example, recently it has distributed 10 new and improved breeds of cows in the woreda.

A study by Asaminew and Eyassu (2009) also found that cattle productivity in Andasa is affected by a number of factors. The most important constraints associated with milk production as prioritized by the farmers were feed shortage, disease prevalence, poor genetic potential of local cows for milk production, inadequate artificial insemination services, lack of milk collection centers and shortage of farm labor.

According to an expert from the Zuria woreda, the government is distributing improved hens to certain model farmers. The major problems encountered include resistance of farmers to accept new breeds, poor expert follow up, problems of feeding and cleanliness and poor follow up of farmers for the hens. The bureau has introduced new and improved bee hive, but farmers complain that bees won't stay in the new and modern hive. They leave the hive. In addition, the expert said that poor follow up and shortages of flowers are the major problems for honey production in the woreda.

Marketing/sales related problems for Animal related products

♣ Agricultural experts from the Zuria woreda and town administration explained that there are generally no major problems for farmers related for selling animals and related products as the production is usually below the market demand. But this does not mean that there are no missed chances related to marketing. Sometimes, during the fasting season, it is difficult to sell milk. Had there been any contact with hotels and other tourism businesses, this problem could have been curbed.

♣ At some sites such as Andasa and Sebatamit, there are farmers' associations for processing and selling milk. A respondent from the association said that they don't have direct links with major hotels, restaurants and lodges catering to the needs of tourists. Neither the association is strong to create such linkages nor is the government supporting them in creating linkages with these tourism businesses. What the association is doing

currently is that it supplies morning shift milk to a local hotel at Bahir Dar at 'cheap' price and lobbying the government to get sales outlet in the town.

♣ Absence of cooperation and organization among farmers is the other problem. Farmers lack cooperation in the selling of honey. They individually sell their products to merchants and hence cannot reach hotels and other tourism businesses. In addition, hotels also have low demand for honey as they use it to supplement marmalade, margarine butter, etc.

♣ There is shortage of modern equipment for processing milk and is very difficult to maintain once broken/damaged. For example, at Robit in Bahir Dar Zuria woreda, the equipment is not working because of damage. This creates problem to have reliable supply of dairy products.

C. Fishing related challenges

The fishery expert of Bahir Dar town agriculture bureau said that hotels buy from both suppliers (cooperatives and individual fishermen). According to information from Bahir Dar Town Administration Agriculture Extension Bureau, there are efforts, in cooperation with FAO, to give trainings and create awareness (and thereby create linkages) for both hotels and fisheries-about the fish resources of Lake Tana and to encourage hotels buy fish from associations.

A respondent from one of the Fishery Cooperatives explained the challenges of linking the cooperative and hotels as follows: *"There are 'illegal' fishermen and hotels and restaurants buy from them. These individuals use illegal nets and catch small fish too, process it on stone or other unclean places, and sell it going door to door. In addition, some hotel managers/owners have personal relation and contact with these people and hence buy from them. There are hotels which are sensitive to price than quality and buy from 'illegal' fishing individuals."*

In addition, Debre Sina Fishery Cooperative has identified a number of problems for catching and supplying fish to the market. A respondent from the cooperative said that there is lack of port to dock boats and house to process (such as washing and other steps)

and sell fish. The current site they are working on has been given to investors and hence stopped working for about 7 months. But now, it has become operational. Another problem is inaccessibility. In addition, the cooperative also encounters theft of nets. As it is known, in order to catch fish, fishermen put their nets on the lake and it will stay for a night or more. So during that time, other people will steal the net. The cooperative also face difficulty to get good nets for catching fish.

When asked about their link with tourism businesses such as hotels and restaurants, a respondent from Debre Sina Fishery Cooperative said that they don't have any link with the tourism businesses. The respondent explained that because of various problems and recent establishment of the cooperative, they don't process fish, and hence sell it to Fish Product Market Corporation, which processes and sells the fish. In general, although fishers don't have major problems related to market, the link between fishing cooperatives and hotels and other tourism businesses need to be strong.

4.4.1.2 Souvenir production and Sales related challenges

A. Souvenir Production

According to the interview conducted with souvenir producers, there are various problems they face in the production and supply of souvenir products. It is sometimes difficult to get adequate amount of materials and some of them are expensive. For example, one of the interviewees said that it is difficult to get wood and the price of skin is high as compared to their capacity.

Interview with the souvenir producers revealed that there is generally 'high' demand for local souvenirs but there is no production as much as the customer demands and tourists lack information about the local producers. On the other hand, some of the existing souvenir producers said that there is low demand for their products-tourists want to simply admire, take photos and go. There can be a number of reasons attributed for this, one of which might be souvenirs that don't fit the taste of tourists and is not easily portable. For example, according to information from tour guides, tourists from Australia cannot import skin products into their country. It is forbidden by their government for health related reasons.

Generally, the interviewees identified the following problems in the production and supply of local souvenirs to the market:

1. There is difficulty to get a place for the production and sale of handicrafts. The current sites are inaccessible for tourists to come and purchase souvenirs. In addition, inadequate space leads to the damage of souvenirs, as one souvenir will be put over the other.
2. Government in general and CTLSAO of the town in particular did not pay due attention for the souvenir production and provide the necessary support and direction for those people who are working in the area. According to souvenir producers, there is little/no effort, even at the regional level, to promote, give incentive and acknowledge producers of souvenirs.
3. There is lack of skilled manpower that can make souvenirs that are appealing for tourists and is representative of the local culture. There is also lack of diversity of local souvenirs resulting in poor alternatives for tourists. In addition, those existing producers have weak cooperation to improve and grow the area.
4. Tourists are not provided adequate information about the artists-where they are located and what they are doing. Tour guides and the office of culture and tourism are not promoting it well for tourists.
5. Producers are not getting the benefits they deserve. Retailers will purchase the souvenirs produced at a very cheap price, which cannot support the producer. There are some people who bring items from abroad even, such as Kenya, and sell it saying that they have made it themselves. Hence, local producers are not benefiting, and they are shifting to other jobs for better livelihood.
6. Souvenir retailers tell false information to tourists. They tell them that they make the souvenirs themselves (which they have brought from other areas outside of Bahir Dar and which does not represent the local culture) and charge tourists high price. This is affecting the local producers who make souvenirs that represent the culture of the host community.

Box 4.3: Noble idea without Institutional Support

In the town of Bahir Dar, there is a famous painter and sculptor. He is especially famous for sculptures which he makes from locally available materials and resources. He makes sculptures based on order from various people and organizations. But, the current awareness and perception of the people is what makes him to be angry. He said that:

“Art is the means to pass culture from one generation to the other. As such, it should be strengthened as an institution. There should be opportunities for credit, training and other supports. With the help of media, discussions and awareness creation platforms should be established. There is a need to educate people about art starting from schools and the idea about art can be better known by the community.”

He had a plan to beautify the shore of Lake Tana with art products, as he did in his recreational center. He planned to use various sculptures and art products along the shore of Lake Tana and then organize local youth to participate in the benefit sharing from tourist activity along the shore. He thought that the youth could participate in photography, entrance fee, sale of food and drink, various souvenirs and other products while tourists are enjoying along the shore.

He raised this idea to various stakeholders in the town and none of them gave him feedback and support for this ‘innovative’ idea.

In general, most of the local souvenirs which are found in the town of Bahir Dar are related to basketry, pottery, leather and weavery. These products don’t fit to the taste of foreign tourists in terms of size, design, creativity and other quality aspects. The study undertaken by SNV-Ethiopia and ANRSCTB in 2009 also compliments this idea that these local souvenirs are not usually appealing to international tourists. Those people engaged on paintings, embroidering, sculpture and other related art works in Bahir Dar are also limited in number and lack proper organization, training and support for supplying good quality souvenirs.

Those producers located at Zege also lack capacity, promotion and other necessary support. The producers are also few in number. The situation is even worse at Tis Abay. It has been found that there is a single individual only engaged in the production of 'yager bahil gaby and netela'.

B. Souvenir Sales

There are various problems related to souvenir retailing. One of this is increase in price by illegal tour guides. A respondent from souvenir sales said: *"Illegal tour guides take tourists to souvenir retailers. Then they negotiate the price in Amharic with the retailers. With regard to the price, they agreed with the retailers and add their own commission/profit and tell tourists that this is the price. This is one major problem that we face."*

The other problem in relation to pricing is that tourists are asked to pay varying price for the same souvenir. A tour guide described this problem as: *"one souvenir seller sets high price for a souvenir and another seller set low price for the same souvenir. After purchasing the souvenir at high price, tourists ask that souvenir from other sellers and when they find it at low price, they shout at us (guides)".* This created disappointment, reducing tourists' interest to spend on souvenir products in Bahir Dar.

From the questionnaire survey, it has been found that most of the souvenir sellers (70%) replied that they encounter problems to sell locally produced souvenirs. The remaining 30% of respondents said that there is no problem they encounter to sell locally produced souvenirs. Those who responded 'yes' identified a number of problems related to locally produced souvenirs such as poor quality, communication gap between sellers and producers (producers simply making souvenirs without communication with sellers as what is demanded in the market), not matching tourists' taste, etc. In general, the respondents said that there is low demand for local souvenirs.

Souvenir sellers were asked whether tourists raise problems when buying local souvenirs. 7 of respondents (63.3%) said that there is no problem tourists raise during purchase of local souvenirs. The remaining 4 respondents (36.7%) said that tourists raise some issues

or problems during purchase. The problems tourists raise include poor quality, low variety, charging different price for the same souvenir, etc.

The other important challenge is the low production capacity and poor quality souvenir production in Bahir Dar. There are people engaged in the production of traditional clothes but because they produce small number (there is low economies of scale), the price they set is high. As a result, souvenir retailers bring traditional clothes from Addis Ababa and other areas wherever it is cheapest and good quality. In addition, those produced in Bahir Dar sometimes do not fit to the taste of tourists and hence their demand is decreasing, spending little money for it.

The variety of souvenir products which retailers are having is also another problem tourists raise. Because of capacity and other problems, souvenir retailers have usually low variety of souvenirs. Some have traditional clothes, and even the variety of the traditional clothes is so small that tourists are sometimes in difficulty to get what they want. There is also another problem related to variety. For example, at Zege, almost all of the souvenir retailers have identical products (with the exception of some local souvenir producers). They have identical souvenirs, usually brought from Lalibela, Aksum, Addis Ababa and other areas. Taking souvenirs from other areas (outside of Bahir Dar, such as from Lalibela, Aksum, Addis Ababa, etc) can increase the price of the souvenir. A souvenir produced and sold in Aksum won't have the same price when it is taken and sold in Bahir Dar. Tourists don't also want to pay higher price for the souvenir which they can get at lower price in other areas.

There is also low awareness of souvenir retailers about the products. They have low awareness as tourists want destination specific souvenirs. Retailers consider the souvenirs as 'simple commodities' like those sold in 'supermarkets'. The researcher asked one of the retailers of souvenir sellers "*where did you bring these souvenirs?*" and she replied "*I don't know. It is a merchant who brings me*". A tourist visiting a certain destination will purchase those souvenirs that are unique, express the area and which s/he cannot get in other destinations.

Tourists are always in a hurry. There is shortage of time to negotiate and buy souvenirs. This is especially true at Zege and Tis Abay. At Zege, boat service providers and tour guides accompanying tourists let them to be quick. This is because they want to take tourists to various sites within a short period of time. The same is true at Tis Abay: tour guides and drivers want tourists to be fast.

4.4.1.3 Traditional Night Clubs

Although there are plenty of traditional night clubs in Bahir Dar, they are not beneficiaries from tourism for various reasons. According to interview with respondents from the clubs, there is little/no promotion of the traditional clubs for tourists. Unless the clubs are promoted as good places for cultural experience and entertainment, and safe to travel to, it is difficult to expect many tourists to go to these sites.

A respondent from one of the traditional night clubs claims that, in Bahir Dar, there are 'no' traditional night clubs with the exception of Balageru. Those existing are simply '*Masinko houses/bets*'. A traditional night club should have 'Az mari', drum, 'Masinko' and dancer. The respondent added that, in general, there should be people who can play and show all cultural performances. The small size of the houses is another problem. As it has been described earlier, for example at Balageru, there are times which the club cannot accommodate all tourists coming to it. To show the cultural performance to tourists well and to accommodate large number of tourists, they should be wide. When asked about any safety issues for tourists, the respondent from Balageru stated that it is safe and there are no such issues and problems.

4.4.1.4 Bahir Dar Textile Factory

Because the factory does not have market problems, it simply produces and distributes to wholesalers and it is up to the wholesalers and the tourism businesses to come together for exchange. In addition, the factory claims that their products are of high quality and high price and this may not suit hotels and other tourism businesses which are established for profits and hence seek for cheaper prices and import from abroad.

4.5 Challenges affecting the Linkages of Tourism towards the Local Economy

There are various challenges to link tourism towards the local economy. An expert from ANRSCTPDB identified two important challenges for linking tourism and the local economy:

One of the challenges is that tourism is a multi-sectoral economic activity. There are a number of stakeholders in tourism, each with its own interest and priority areas. It is difficult to work by integrating these stakeholders. There is no strong forum for stakeholders. The forum has to be organized and should develop plan, execute it and evaluate its work. In addition, people at top management don't understand the complex nature of tourism, and usually the sector is filled by people from related disciplines. For managers to effectively lead the sector, they should have knowledge in the three dimensions of sustainable tourism-environmental, economic and socio-cultural.

Below, the challenges that affect the linkages of tourism towards the local economy are presented.

4.5.1 Attraction Sites

Ura Kidanemihret: The major source of income for the monastery is entrance fee and additional charges for video camera. The monastery also sells a book containing its history which is written in Amharic and English. The monastery does not participate in the production and sale of souvenir products. When asked about this, the respondent said that this activity is left for the local people who live in the area.

According to the respondent from the monastery, there are two major problems for tourism activity to the monastery. The first one is illegal activities by captains of boats and tour guides. They make agreement and the guide adds a certain amount of money on the price for his own benefits. This has increased the cost of boats and hence the number of tourists is decreasing. In addition, sometimes, tourists won't have adequate information about the monasteries, and hence illegal guides and captains of boats make

agreement and take tourists to the nearest sites-for example, they take them to Kibran Gabriel and tell tourists that this is Ura Kidanemihret. Second, there are no accommodation establishments at Zege peninsula. Tourists come either in the morning or in the afternoon. In the half day itinerary, other monasteries such as Kibran and Entons, Debre Maryam, etc are added shortening the time of tourists. Hence, tourists don't have enough time to visit the monasteries at Zege.

Azwa Maryam: what this monastery earns is similar to Ura Kidanemihret. The major problem the respondent has said here is problem to get land. The respondent added that the monastery can produce and sale handicrafts and other gift products as there are deacons and others church servants who can make this. The land which was the possession of the monastery is now given for individuals.

Tana Hayq Debre Maryam: here, the only tourism revenue for the monastery is from entrance fee and charges for video camera. The respondent said that a book containing the history of the monastery is being prepared to be sold for the tourists. There are no other activities to generate income from tourism activity in the area. During personal visit of the monastery and the island, the researcher was able to witness that there is only one sales outlet for coffee and soft drinks. In addition, the local people sell papaya, mango and avocado starting from March and April. Furthermore, there are two road side 'souvenir selling' outlets selling locally produced 'dengel', paintings, and other souvenirs brought from Bahir Dar. Because most of them are not locally produced and not that much 'attractive', tourists simply take photos and leave without purchase.

Expanding Tourist Sites

Expanding tourist sites beyond the existing 'honey pots' by adding existing and new potential attractions helps to elongate tourists' length of stay at destinations and to increase their spending in the area. Rather than simply depending on the existing honey pot sites, it is important to develop existing potential attractions, promote them and include in the tourist itinerary. Frequently visited sites in and around Bahir Dar include the Monasteries of Lake Tana, Tis Abay waterfall, Bezawit Hill Top and the open air

market. These are what are usually available for tourists to visit. There are a number of potential attractions that can be visited by tourists. For example, around Tis Abay there are hot springs, Dingay Debelo Maryam monolithic church (which is believed to be hewn by Lalibela himself), Wonkishet Gabriel monastery, etc. There is a long term plan by government to construct Millennium Park-a walkway extending along Blue Nile River (starting from Lake Tana-source of the Blue Nile and ending at the Tis Abay water fall). Tourists can travel with various modes of transportation, including mule.

There are seven monastic churches at Zege peninsula, namely Azwa Maryam, Betre Maryam, Debre Silassie, Forie Maryam, Mehal Zege Giyorgis, Ura Kidanemihret and Yiganda Teklehaymanot. But, according to the local guides, the most frequently visited sites at Zege are only Ura, Azwa and Betre Maryam. It can be expanded to include the remaining monasteries, natural attractions and local culture. The area has plenty of biodiversity and bird species such as parrots, and trekking is also an important part to be developed and added to the tourist itinerary. The landscape is so marvelous that there is an excellent view from top of the mountain at Zege. But tourists come to visit some of the common monasteries alone, and not for other attractions. Old houses at Zege can also be visited by tourists. These houses are unique in that fire cannot burn them, and are locally known as '*esate kela*'. Campsites can be developed and tourists stay at the peninsula for longer time than the existing time.

Hence, though there is huge potential to develop tourism in the area and get much economic benefits, there is little done by government and the local community. Other stakeholders such as hotels, lodges, travel agencies and tour operators, boat service providers are doing 'little' to develop these potential attractions and include them in the tourism product.

4.5.2 Accommodation Establishments: Challenges for Linkage

Challenges related to linkages with agriculture: According to a respondent from a lodge, one of the challenges to create linkages with the local economy is shortage of suppliers, especially in the form of supermarkets for agricultural products such as fruits

and vegetables. The respondent said *“It is difficult to get supermarkets that can supply you fresh fruits and vegetables like those in Debre Zeyit. If these were available in Bahir Dar, it could have been possible for lodges to buy the fresh fruits and vegetables the amount they want at anytime.”* This implies that the agricultural industry in and around Bahir Dar is not much modernized. A respondent from the establishments claims that because of shortage of supplies in vegetables, it works only 25% of its potentials. In general, the low production of fruits and vegetables affects the linkage between tourism and agriculture.

A wholesaler of fruits and vegetables said that: *“The only agricultural product (from fruits and vegetables) which can be sourced mainly locally is cabbage. It is found at Debre Maryam and Andasa. Tomato can also be sourced locally mainly from Tis Abay, but it is highly seasonal. Generally, the fruits and vegetables market in Bahir Dar is supplied from various parts of the country including the region itself (Amhara region), the South, Assosa and Harar.”*

Lodges also say that sometimes, the quality of fish is poor. This is related to poor processing and storage of fish by local suppliers. In addition, it is said that the fish species by itself from Lake Tana has some problems. A respondent from hotels said that fish from Enfranz is better than the one at Lake Tana. The other challenge in relation to fish is its seasonality. During summer, it is difficult to get fish as it is low season for fishing. This will further increase the price of fish. Furthermore, hotels, lodges and restaurants cannot get some species of fish such as Nile Perch from Bahir Dar and hence bring it from Woreta or Addis Ababa. The establishments also identified some problems related to meat, that it is difficult to get the meat you want at the right time-for example meat for *‘kitfo’*. In addition, they said that there is no enough supply of beef fillet and veal.

Challenges for local employment: local employment in accommodation establishments is an important area of linkage in the local economy. Accommodation establishments surveyed said that most of their employees are from the local community. However, this

is not without challenges. Respondents from hotels have identified certain challenges for employing local people. Sometimes, hotels cannot get qualified person as they want. They lack the necessary qualification, especially in terms of practical skills. Hotel is about providing service and there is constant contact with guests. Hence, a mistake that an employee will do is costly. There are also language problems, employees lacking effective communication skills with customers. Furthermore, there is also low salesmanship, which a service employee should have and an indispensable quality to work in hotels.

Challenges for linkages with the Textile Factory: In relation to the link with Bahir Dar Textile factory, there is no direct link observed. Most of the accommodation establishments said that for better quality and cheap price, they bring bed sheets, towels and other clothing from Addis Ababa or Dubai.

Challenges related to outsourcing and neighborhood partnerships: The only major linkage in relation to outsourcing was souvenir sales and some other services. In other aspects, especially neighborhood partnerships, their activity is very insignificant, with the exception of some. There is nothing tangible they have done at destination sites (Bahir Dar town, Tis Abay and Lake Tana Monasteries). It is because of the existence of these attractions that the hotels, lodges and other service providers are deriving benefits from tourism. However, they are not supporting local tour guide associations, construction of roads, conservation of attractions and other necessary activities at destinations which demand action.

Absence of service providers at some tourist sites: Zege is famous for natural coffee plantation. The major source of income for the local community is from coffee. There are two local coffee houses near the port of Ura Kidanemihret. They promote themselves as selling locally produced coffee. There is also another outlet for selling drinks and edible items. Biscuits, local bread, soft drink, tea, etc are available here. Although it is important to sell soft drinks, there is lack of focus on selling local food and drink at Zege peninsula. A guide from Zege said that this is because of lack of awareness by the local community.

In general, at Zege, the existing food and drink outlets are below the standard to serve tourists. They are of poor quality and are not attractive for tourists. There is a small Tukul like house built by Amhara Development Association (ADA) for the local community but it is not functioning currently. It is designed poorly that its functioning is difficult. In addition, there is also lack of variety in terms of food and drink supplies at the peninsula. In general, there is lack of variety and quality of food and drink services for tourists to use at Zege peninsula. Accommodation establishments capable of catering for tourists are not available at the site. These all had reduced the benefits that could have been derived from tourism activity in the area. What the local people focus is on souvenir sales, and diversity of activities to get benefits from tourism is minimal.



Fig 4.8: Food and drink outlets at Zege. The last on the left side is built by ADA and not functioning yet

The problem at Tis Abay is similar to the one at Zege. There are no quality food and drink outlets and accommodation establishments in the town. During the field survey, the researcher was able to observe three outlets for coffee and tea: one in the town, the other on the way to Tis Abay Fall and the last near the fall. Honey production is good in the area but it is not served for tourists there. Domestic tourists may purchase from the local market to take it home, but this is not being well utilized.



Fig 4.9: Left to right-coffee/tea houses near the fall, on the way to the fall before crossing the river, and in the town of Tis Abay

In addition, there are no standard accommodation establishments in the town and the only means tourist can spend the night there is through camping. For the future, there is a plan to establish a lodge close to the fall, but care should be taken that it is not established close to the main site/fall. Debre Maryam also shares the problems which exist at Zege and Tis Abay. There is only one coffee house at the island and is of low quality to serve tourists. Some local people sell fruits such as papaya and mango for tourists when they are ready for the market (usually starting from March and April).

A study carried out by Abraham Marye et al. (2011) stated that “*Zege, Deq and Debre Maryam are among the most cherished attractions for Bahir Dar destination. Despite their significance, none of them has basic services for visitors. Let alone restaurant, there is no single hygienic cafeteria catering tea and coffee.*”

4.5.3 Transport related problems and challenges

Boating problems

Provision of boat service, especially by private boat owners, in Bahir Dar on Lake Tana has so many problems. The major problem is in pricing and getting tourists. Some tourists are hassled by illegal brokers or some private boat captains. The problem of pricing is related to charging either higher or lower price than the usual one. According to information obtained from LTTE, the major problem in private boat service is that there

are illegal guides/brokers who negotiate with tourists and boat captains. A respondent said:

These illegal brokers tell tourists that they have their own boats and then settle price. They take them to the port and say that the captain is his employee. For example, if the price of a boat trip is ETB 500, they tell tourists that the price is ETB 1000, getting a profit of ETB 500. They create misunderstanding for captains and tourists. For example, they tell tourists that they will take them to Zege peninsula and charge them the price and they tell captains to take the tourists to Kibran and Entons."

Those tourists who are charged high price are usually independent travelers not using travel agencies or tour operators and making arrangements by themselves. Because they are contacted by 'illegal' brokers/guides before they get information about boat prices (such as from tourist information center or other sources), they are easy targets to charge high price. This created disappointment from the side of tourists and bad image towards boating.

The other major problem is unfair competition in terms of price. Because of this, tourists are getting cheap travel. This affected the income that can be generated from tourists. Unfair competition in price has led to low revenues as tourists are paying cheap price. A respondent from private boat owners' association described the existing problem in boating as follows:

One of the major challenges is that the market competition in boating has no rules. There are no controls for the service. CTLSAO of the town has not yet checked the quality of service rendered for tourists and what their complaints are. Technical control and check up by Transport bureau is rare. The influence of individual boat owners who are working independently is so huge that some of the members of the association are withdrawing. Individual boat owners have broken our market ties with hotels in Bahir Dar, by reducing the price. The association has been established before four years but because of the loose control on the sector, it has become very difficult to strengthen it.

Interview with boat owners' association showed that reduction of the volume of water (Abay) due to the construction of dam for irrigation and for electric power generation is the major problem for boat service provision on Blue Nile River at Tis Abay town. Hence, sometimes, it is muddy and transportation is difficult. In addition, farmers are creating difficulty prohibiting tourists not to travel along their farmlands.

In relation to exploiting boat service on Lake Tana, there is much to be done. Captains need to be well trained technically and ethically and there should be clean lifejackets for tourists. Boat service should also be provided to other sites on the lake. An interviewee from LTTE said about this in the following way:

There are around 37 islands on Lake Tana. According to a recent study, there are people living in 19 of these islands. But all these islands are not being visited. As a result, to exploit the benefits from boat service, we have to expand trips to other islands which are not currently being visited. In addition, we are not serving all tourists coming to Bahir Dar. For example, previously domestic tourists come in group and we inform them that they can get boat service on Saturday only. But now, with the introduction of Nigat, this problem is somewhat curbed. We need to have much more modern boats and there should be high promotion.

Taxis: A respondent from the taxi association identified three major problems affecting their service provision for tourists. The first one is the free transfer service by hotels and lodges for their guests. All hotels and lodges, except Dib Anbesa and Tana Hotels, provide free transfer service for tourists from the airport to their hotels and back. The second problem is involvement of Bajaj in the transfer service. The respondent said *"Although a Bajaj is allocated to serve the public only and given specific routes, they are also competing with taxis to provide transfer service. Because of this, the number of taxis has reduced from 35 to 8. We have a license to provide transfer service, but Bajajs are giving a service for which they are not licensed"*.

The final one is the wrong assumption that taxi is more expensive than Bajaj. Because of this, tourists prefer to use Bajajs. The respondent added that there is fixed price- ETB 40 per passenger. The association has a desk/representative at the airport that stands with a written document entitled 'Taxi'. The association encourages tourists up on arrival at the airport to use taxis-for safety. Because taxis are limited in number, the respondent added that it is easy to get lost assets of guests/tourists.

Biking: although there are plenty of bikes in Bahir Dar, it is not utilized well for tourism purposes. There is lack of organization and promotion of biking activity and there are few tourists using bikes. Some tourists who are interested for using it in the city tour ask information from TIC or other sources where to get bikes and it is usually rented from the compound of Ghion hotel.

4.5.4 Other Service Providers

Tour guiding: there are tourists who don't use local tour guides for visiting Bahir Dar town, Lake Tana Monasteries and Tis Abay. This is especially true for independent travelers. According to the local tour guides at Zege, this is because of misinformation created by hotels and boat captains. They tell them that there is no need to use local guides, and as a result, they are not using local guides and the income that could have been obtained from this service is missed. Boat captains especially will say this to let tourists travel to the area (as the boat renting price and guide fee will high and tourists may negotiate captains to reduce the price or will not travel). Some tourists also use local children and 'illegal' guides.

Car rentals: Interview conducted with car rentals shows that car rental in Bahir Dar is a promising business. But, there are some problems they encounter. Some tourists want self-drive. But, in our country, the road, the signage and security problems don't allow this. It is very risky to allow tourists to drive by themselves. Tourists also want to book online and to use credit card, visa, etc for payments.

Tourists' demand for local products and challenges for their spending: tourists in general like local products and use them during their stay at destinations. In Bahir Dar and its surroundings, there are missed opportunities or benefits that could have been obtained from tourists' spending on local products and services. At some of the sites such as Tis Abay, Debre Maryam and Zege, there are no quality food and drink outlets where tourists can spend. There are various factors identified that will hinder tourists' spending in and around Bahir Dar. There are hassles from the local community and sellers of products such as souvenirs. For example, at Zege, it is customary for tourists to hear such things: "Mr. Come, this two hundred"; "Madam. Come, this one hundred", etc.

Tourists get products that are not destination specific. Products are brought from other places. As a result, tourists have alternatives to get those products at the destination where these products are produced. For example, tourists can get souvenirs like those at Zege in Addis Ababa, Lalibela, Aksum etc, and even at a better price and convenience. In addition, those existing souvenirs are similar, and there is lack of variety of souvenirs. There is failure to inventory the local culture and produce souvenirs that are culturally representative and appealing for tourists.

The other problem is poor communication skills of sellers, especially at souvenir shops. Sellers face difficulty to communicate with tourists, negotiate price and make sales. Usually, it is the tour guide who acts as a middleman. This by itself can create problems in that there are times tour guides negotiate the price with sellers in Amharic and tell a different and higher price for tourists. This barrier can be broken by developing their communication skills. There is also a misunderstanding by sellers in that tourists are considered to be 'rich' and 'donors'. This has led to charging tourists unfair price. Tourists are asked to pay high price, and hence are disappointed to buy products. Furthermore, tourists are also told false information, for example to say gold while it is bronze, etc.

Another important challenge frequently raised is shortage of time for tourists to purchase and use local products and services. Tourists are given fixed time to visit the monasteries-

a maximum of two hours to visit Zege monasteries. The same is true at Tis Abay. Tourists will see only the fall and go back to Bahir Dar. They are in a hurry to buy local products, including souvenirs. Of course, there are little local products available at Tis Abay that can elongate tourists' stay in the area. Guides from Tis Abay said that tourists will stay in the area for 3-4 hours, and claim that this is a very short time for tourists to fully discover the area and buy local products. Of course, there are other nearby attractions which tourists could have visited had there been well developed infrastructure, tourist facilities and development and promotion of the sites.

In general, in relation to tourists' length of stay at destinations, the problems are multi faceted. In the first place, tourists have limited time and hence cannot stay at destinations as they want. They have tight schedules within which they have to finish the tour. In addition, travel agencies and tour operators also prepare itineraries that will not allow enough time for tourists to visit attraction sites, use local services and have shoppings. Boat service providers also hurry tourists up for their own benefit. Finally, local products and services available at destinations such as Tis Abay and Zege are not well developed to extend the length of tourists, and hence increase their spending. At Tis Abay, there is no food and drink outlet that can cater to the needs of domestic tourists, let alone international ones. In a destination where tourist service providers such as these are not available, it is difficult to think about the benefits of tourism to the local economy.

Local tour guides from Zege said that they try to give adequate and honest information for tourists, but boat service providers are always in a hurry and try to shorten the time. Hence, tourists won't stay long and their spending will be low.

Safety issues for tourists: Lack of information and uncertainty where is safe and unsafe to go can discourage tourists to spend locally. There are occasions where tourists will be taken by illegal guides and sometimes theft and other problems do occur. This usually happens to those tourists who travel independently and not going to the TIC. They will be taken by the illegal guides before going to the TIC. Tourists going to tourist information center are provided such information as where and how to travel, safety issues,

transportation fees to sites in and around Bahir Dar and to use professional guides with name badge. But, according to information from the tourist information center in Bahir Dar town, tourists who encounter problems are those who are independent travelers and those who use public transport. Illegal guides meet these tourists before they go to the tourist information center and get adequate information.

Information from the TIC at Tis Abay revealed that there is no safety and security problem for tourists at the destination. For those tourists who stay at campsites, the tourist information center of the town assigns militia. At Zege, the local tour guides' association has employed a guard who controls illegal local tour guides and watch the peace and security of tourists during their visit and shopping in the peninsula. Of course in tourism, tourists should be free and feel safe and secured, not by assigning someone like a police who will travel with the tourists. Assigning a guard or police does not give comfort for tourists. This is an indication of the existence of problems related to safety and security in the area. So, it is better to make the area safe and secured for tourists by creating awareness, bringing illegal guides to legal ways and other techniques so that the local people can be beneficiary and hospitable towards tourists.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

This chapter presents the summary and conclusions of the research and the recommendations made based on the key findings.

5.1 Summary

Linking tourism and the local economy is one of the techniques to increase the economic benefits of tourism to a certain destination and to distribute the revenue from tourism to the local community. This research was conducted with the main objective of finding the challenges that affect the linkages between tourism and the local economy in and around Bahir Dar. Hence, the research focused on answering the following research questions:

- ♣ What are the local products that available for the tourism industry?
- ♣ What challenges does the local economy face to supply local products to the tourism industry?
- ♣ What are the factors affecting the tourism industry to buy local products and employ local people?

To answer these questions, the researcher made a thorough review of literature (both related studies and related literature) and decided on the research design appropriate for the study. As a result, the research design for the study is descriptive. Then the researcher identified the subjects for the study. Based on the research design and type of data to be gathered, the researcher identified subjects for the study and research instruments which were necessary for data collection. The research instruments for this study were interviews, questionnaires, informal discussion, document analysis and personal observation. A total of 78 subjects (60 for interview and 18 for questionnaire) were selected. Questions for these instruments were developed based on literature review and existing situation at the study area. Through these instruments, the necessary qualitative and quantitative data were gathered. The researcher also tried to triangulate data gathered through qualitative and quantitative methods. Data gathered through qualitative methods was narrated; and the one through questionnaire was tabulated and described in

frequencies and percentages. Data obtained from secondary sources was also expressed in graphs and pie charts. As a result, the major findings of the study are summarized below:

The local products and services available in and around Bahir Dar include agricultural products (animal related products and fruits and vegetables), souvenirs, manpower, transport service, traditional night clubs, textile, etc. Currently, tourism industry uses these products and services fully or partially, with the exception of some, depending on supply and other related constraints.

The challenges which affect the supply of local products for the tourism industry were related to low production capacity of the local people, poor organization of locals, seasonality of products and poor quality of products in the study area. In addition, at some sites such as Zege, Tis Abay and Debre Maryam, there are no standard service providers such as food and drink outlets.

In relation to factors affecting the tourism industry to use local products and benefit the local economy, certain challenges were identified. Hotels, lodges and restaurants in the town could not get sufficient local products (especially agriculture related). Lack of skilled labor to work in these establishments hinders employment of locals. These establishments, with the exception of few, don't participate in neighborhood partnerships that can benefit the local people and the economy.

There are few locally made souvenirs which are appealing for the taste of tourists. Producers of souvenirs are few in number and they lack appropriate training, skill and support. In addition, most of those souvenirs sold in Bahir Dar town and Zege are brought from other areas such as Addis Ababa, Aksum, Lalibela, etc. This means that benefits from the sale of souvenirs accrue to sellers/merchants only.

In general, although there is a linkage between tourism and the local economy, there are still much opportunities missed in the linkage because of the factors which affect the interaction of the two.

5.2 Conclusion

Based on key findings of the study, the researcher has made the following concluding remarks.

Bahir Dar and its surrounding have great potential for agricultural products. The climatic condition is suitable for both plant and animal production. In the area, people rear cattle, sheep, goat, and also participate in poultry, fishing and beekeeping. But this potential is not well utilized. There are various problems affecting animal rearing such as food shortage, lack of new breeds, disease, lack of experts, farmers' resistance to change traditional practice of rearing and listen to the advice of experts and poor follow up and care for their animals by the farmers. According to experts and farmers, there is no major problem in selling animals for meat. However, there is no well organized dairy processing in Bahir Dar.

In relation to fishing, the major problems are theft of nets, catching small fish by illegal fishers and lack of place for processing fish. The major problem in marketing of fish (especially to create linkages with the hotels) is that some hotels and restaurants buy fish from illegal fishers at discounted price. Illegal fishers catch small fish, process it poorly and sell it door to door for hotels and restaurants. In addition, some hotels also buy fish caught from Enfranz and bring Nile perch from Addis Ababa.

The area has also high potential for fruits and vegetables. Major fruits and vegetables can be grown in the area. But the main problem in the area is low production capacity and seasonality. Fruits and vegetables growing in the area are so limited in quantity that they cannot cover the market demand including hotels, lodges and restaurants. When they are ready for the market, they stay for short period of time. Seasonality is especially high for fruits which are brought to the market once a year for certain months (usually during low season of tourist flow).

The main problems related to the production of fruits and vegetables include disease, lack of experts, lack of knowledge by farmers, lack of modern seeds and resistance of farmers to receive advice of experts and use improved seeds, farmers' focus on chat plantation, etc.

Farmers sell fruits and vegetables to merchants or retailers. They cannot make direct sales to hotels. This is because, in the first place, hotels need suppliers who are consistent and reliable. They need people who can bring them fruits and vegetables from other areas when the local products are not even available in the market. In addition, for the purchases they make, purchasers from hotels, lodges and restaurant need receipt. Finally, hotels, lodges and restaurants want constant suppliers which can be liable in case there is a risk because of the use of fruits and vegetables. This hinders the direct link between these tourism establishments with farmers. In relation to sales and marketing farmers suffer from lack of sales outlet, transportation problems, lack of equipment to transport, etc. farmers claim that if there were sales outlet in the town, they could have stored fruits and vegetables and then provide reliable supply for hotels, lodges and restaurants. In addition, the absence of policy and strategy about agriculture for the town is another problem for marketing.

Although the degree varies from one establishment to the other, hotels, lodges and restaurants employ local people, use local agricultural products, outsource some services and participate in neighborhood partnerships. But because of various challenges, their link with the local economy is not to the level expected. There is much they could have done in using local products and participating in neighborhood partnerships such as waste management, development of local craft markets, local guiding services, creation of pedestrian streets, management of attractions and development of new ones, management of begging, and so much more. At some of the sites such as Zege, Tis Abay and Debre Maryam, there is lack of food and drink outlets capable of catering to the needs of domestic and foreign tourists. There are few coffee houses at these sites but are below the standard to serve tourists.

In general, most of the local souvenirs which are found in the town of Bahir Dar are related to basketry, pottery, leather and weavery. These products don't fit to the taste of foreign tourists in terms of size, design, creativity and other quality aspects. Those people engaged on paintings, embroidering, sculpture and other related art works in Bahir Dar

are also limited in number and lack proper organization, training and support for developing good quality souvenirs targeting to tourists.

There is also low awareness of souvenir retailers about the products. They have low awareness as tourists want destination specific souvenirs. Retailers consider the souvenirs as '*simple commodities*' like those sold in '*supermarkets*'. As a result, they bring souvenirs that are produced in other areas such as Addis Ababa, Aksum, Lalibela and Gondar, which does not reflect the culture in and around Bahir Dar. They also import souvenirs from abroad, such as Kenya and India.

There are various factors identified that hinder tourists' spending in and around Bahir Dar, including poor communication skills of sellers, misunderstanding that tourists are '*rich*' and '*donors*', false information about souvenirs and shortage of time for tourists.

There are a number of potential attractions in and around Bahr Dar which can be included to the tourist itinerary with some developments to the sites. Tourists are currently visiting few sites and this reduces their length of stay and spending. In addition, there is also lack of diversity of activities such as biking and other water related activities on Lake Tana and the Blue Nile.

Boat service providers are one of the major beneficiaries from tourism activity in the area. But this happens with all its problems. There are no rules and regulations for their operation and there is unfair competition in terms of price among themselves. The existing association is not functioning well because of various problems. These problems are mainly for private boat owners, and the one owned by government provides better service.

5.3 Recommendations

Enhancing the linkages between hotels and lodges, and agriculture

- ♥ Government should support and encourage the production of fruits and vegetables locally by adequately supplying improved seeds and employing experts to assist and guide farmers.
- ♥ Agricultural extension experts should develop calendars for vegetables and provide it for farmers so that it can be ready for the market when there is high demand.
- ♥ There is a need to increase the productivity of existing cattle, sheep, goat and hen either by focusing on few numbers and high quality or by introducing new breeds.
- ♥ The government should create conducive environment for farmer-accommodation linkages.
- ♥ Farmers' associations should be strengthened so that they can lobby the government for necessary support and they can also work together to get market opportunities with hotels and lodges.
- ♥ Farmers should be provided sales outlets (being organized in the form of associations) for selling both fruits and vegetables and dairy products so that they can have reliable supplies and linking with hotels and lodges can be easy.
- ♥ Government should introduce new equipments for processing and storing dairy products for farmers' associations.

Diversifying tourist sites and activities

- ♠ Biking can be well developed in the town of Bahir Dar for city tour and other movements of tourists within the town.
- ♠ Government and other stakeholders should focus on utilizing Lake Tana for tourism. Fishing, boat and tanqua recreation and other activities can be conducted on the lake by tourists.
- ♠ The sites being visited at Zege should be expanded. There are additional monasteries that should be clustered with the existing sites being visited. In addition, trekking, bird watching and visiting of local housing should be included in the tourist itinerary with some developments and promotion.

- ♣ The sites being visited at Tis Abay should also be expanded. There are hot springs and monolithic church that need some development such as road and other facilities.
- ♣ There should be good quality food and drink outlets for tourists at such sites as Zege, Tis Abay and Debre Maryam. Provision of local food and drink should also be emphasized.
- ♣ Accommodation establishments capable of catering to the needs of tourists should also be established at Zege and Tis Abay.
- ♣ Government, together with other stakeholders, should promote local products for tourists.
- ♣ Tour guides should encourage tourists to spend in the local economy.
- ♣ Traditional night clubs should be well promoted and appropriate control mechanisms available to ensure that they provide good experience for tourists.

Diversifying souvenirs

- ♥ Government should conduct full inventory of potential local souvenirs that can be produced by the host community sold for tourists.
- ♥ The government should support innovation and creativity in souvenirs. Training should be provided for souvenir producers so that they can make local souvenirs that target tourists and are representative of the local culture.

Improving links of hotels and lodges in the local economy

- ♥ Hotels and lodges should consider various neighborhood partnerships. They can participate in the local economy in such areas as waste management, development of local craft markets, local guiding services, creation of pedestrian streets, management of attractions and development of new ones, management of begging and others.
- ♥ They should also look for other services which they can outsource for local businesses and the host community.
- ♥ They should encourage and support those suppliers who bring locally produced products.
- ♥ They should focus on employing local people, especially on jobs which need unskilled and semi skilled manpower.

- ♥ The government should develop strategies for creating linkages of tourism and the local economy, such as agriculture-tourism linkages.
- ♥ Government should encourage and/or put pressure on hotels, lodges and restaurants to create linkages with the local economy.

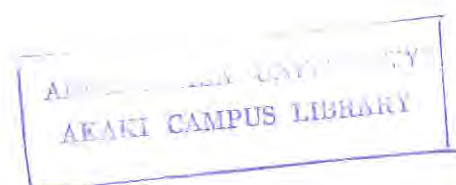
Controlling illegal actors

In order to create conducive environment, the government together with other stakeholders, should carry out the following activities:

- ♥ Providing training for 'illegal guides' and bringing them into legal way of providing guiding service for tourists. This should be followed by appropriate control mechanisms for illegal guides who fail to come to the legal way.
- ♥ Formulating rules and regulations that will guide boat service provision, with the necessary control and follow up. Associations should also be strengthened to provide good quality service.
- ♥ Creating awareness for the local community, souvenir sellers and others to avoid hassles on tourists.
- ♥ Controlling illegal fishing and bringing illegal fishers to the legal way of doing the activity.

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Appendices

Addis Ababa
University
(Since 1950)



ADDIS ABABA UNIVERSITY
POSTGRADUATE OFFICE
INSTITUTE OF DEVELOPMENT STUDIES
PROGRAM OF TOURISM AND DEVELOPMENT

**CHALLENGES OF LINKING TOURISM AND THE
LOCAL ECONOMY IN AND AROUND BAHIR DAR**

Dear sir/madam,

I would like to give my deep appreciation in advance for your generous time, effort and frank responses. You are an important part of the study about *“Challenges of linking tourism and the local economy in and around Bahir Dar”*. It is an independent study by Getaneh Addis for thesis submitted to the School of Graduate Studies in partial fulfillment of the requirements for the degree of Master of Arts in Tourism and Development in College of Development Studies in Addis Ababa University, Ethiopia. The collected data and total outcome of the research will be beneficiary for tourism businesses, other economic sectors and the community living in and around Bahir Dar. I would like to assure you that the genuine responses would be used only for research purpose and will be kept confidential and anonymous.

Appendix I: Demographic Characteristics of Respondents (both interview and questionnaire)

Sex:

Address:

Age:

Educational Background:

Job:

Position:

Appendix II: Interview Questions

1. Interview Questions Prepared for CTLSAO

1. Have you ever organized any events, such as food festivals?
2. Do you have any strategy/plan related to the linkages between tourism and the local economy?
3. What are you doing in relation to facilitating sales outlet for souvenir retailers?
4. Is there any requirement for new tourism businesses to fulfill in relation to local linkages?
5. Any incentive or reward for hotels and others with good linkage/expanding economic opportunity in the local area?
6. Is there a regulation which privileges local guides to give service, and disallow guides employed by tour operators (coming from other areas such as Addis Ababa)?
7. Was there any platform with stakeholders to discuss on such issues as maximizing the economic benefits of tourism, linking it with the local economy, and the challenges behind? If yes, what were the key outputs of the discussion?
8. How do you ensure tourists' safety and security, hassle-free movement, easy money exchange facilities, etc, so that tourists can increase their spending?
9. Have you seen other options the local people can participate, such as biking, motor riding, etc?
10. What is being done to turn informal businesses such as those selling souvenirs on the street, 'illegal guides, etc, to become formal?
11. In cooperation with the stakeholders, do you promote local products, such as local food, souvenirs, etc, to tourists so that they can have adequate information?
12. How do most tourists come to the town-in package or independently?

13. Do you give business advice and support for local entrepreneurs? If yes, for how many and their effectiveness?
14. What are the major sites frequently visited? Can't it be expanded beyond this?
15. How do you see the linkages between tourism and the local economy in and around Bahir Dar in general?
16. What are the general problems to linking tourism and the local economy in and around Bahir Dar?
17. What supports do you provide to maximize linkages?

2. Interview Questions Prepared for Tourist Information Center

1. What types of local products are available for tourists around Tis Abay/Bahir Dar?
2. Do you give any information that can encourage tourists to spend locally? If yes, what is this information?
3. Which are the most frequently visited sites in and around Bahir Dar/Tis Abay?
4. Lack of information and uncertainty where is safe and unsafe to go can discourage tourists to spend locally. In relation to this, what information do you provide for tourists?
5. Do you provide such information as where to get public transport, taxi charges, etc?
6. What do you think will hinder tourists from spending on local products?

3. Interview Questions Prepared for Hotel Managers

1. What types of local products does your hotel use?
2. Do you have specialization in certain type/s of local food?
3. Do you promote local food?
4. Have you ever talked with farmers or visited agricultural sites to create linkages?
5. Is there mismatch between tourism peak season and high agricultural production period? If yes, for which products does this mainly occur?
6. From where do you buy bed sheets, napkins, pillow clothes, employee uniforms, etc, which are used in your hotel? Do you have any link with Bahir Dar Textile factory? If yes, how? If no, why?
7. In relation to neighborhood partnerships, on what activities do you participate?

8. Is there any service that you outsource for Local businesses in tourism or other sectors?
9. How are you working with local transport, such as taxis, car rental companies and boats?
10. How do you recruit employees? Is there a special advantage for locals? If yes, what is it?
11. What are the challenges to employ local people, if any?
12. What are the major challenges that hinder your links with the local economy?

4. Interview Questions Prepared for Travel Agencies

1. How do you make travel arrangements for tourists?
2. How is the cooperation from tourism businesses in Bahir Dar?
3. Do you have any link with travel agencies and tour operators in Addis Ababa?
4. What problems do you encounter to provide the service?

5. Interview questions prepared for car rentals

1. How do tourists travel in and around Bahir Dar?
2. Do you have any relationship with hotels and other tourism businesses in Bahir Dar? If yes, how strong is it? If no, why?
3. Do you have any link with travel agencies and tour operators in Addis Ababa or other areas? If yes, how strong is it? If no, why?
4. What problems do you encounter in providing services to tourists in and around Bahir Dar?

6. Interview for Tour Guides

1. Can other tour guides from other parts of the country (such as those who come with tourists and employed by tour operators) provide guiding service? If yes, how do you see the 'financial loss' and the benefits that local guides could have got?
2. How do you see tourists' demand for local products?
3. Are there tourists who don't use local guides?
4. What are the major sites frequently visited? Can't it be expanded beyond this?
5. Do you think tourists have enough time for shopping, and to move around and buy local products?
6. What do you think should be the role of tour guides to increase tourists' local spending?
7. What hinders tourists not to purchase local products?

7. Interview questions prepared for marketing professionals in Bahir Dar Textile Factory

1. What types of clothes do you produce?
2. Do you have any linkage with the tourism businesses such as hotels and lodges? If yes, how is the linkage-direct/indirect? If no, why?
3. What are the major challenges for creating and/or improving linkages with tourism businesses?

8. Interview questions prepared for Bahir Dar Town Agriculture Extension Bureau: Horticulture expert

1. What are the common fruits and vegetables produced in and around Bahir Dar?
2. Are there any new initiatives to increase fruit and vegetable production in the area? If yes, what are they?
3. Any effort (marketing) made by government to create linkages of agriculture (fruit and vegetable production) with hotels, lodges, restaurants and other tourism businesses?
4. What are the challenges to create these linkages?

9. Interview questions prepared for Bahir Dar Town Agriculture Extension Bureau: animal science experts

1. How is the potential of Bahir Dar town administration in terms of animals?
2. What are the common animals in the town administration?
3. Is there any instrument the locals are using to process animal products?
4. What are the major problems related to reproduction of animals and creating linkages with the tourism industry in the area?

10. Interview questions for fishery expert in Bahir Dar town

1. What are the fish species available in Lake Tana?
2. How is fishing resource of the lake being exploited?
3. What are the challenges related to fishing and supplying it to hotels, lodges and restaurants?

11. Interview questions for boat associations

1. Does it accommodate all tourists/travelers during peak season?
2. How do you make arrangements for tourists?



3. Do you have any linkages with travel agents and tour operators in Addis Ababa or other places? If yes, how? If no, why?
4. Do you have any linkages with hotels and other tourism businesses in Bahir Dar? If yes, how? If no, why?
5. What problems do you encounter in your activities (boating) that reduce your benefits?

12. Interview Questions Prepared for Farmers/Farmers' Association

1. What types of agricultural products do you produce?
2. When are your products ready for the market (the month/months)?
3. For whom do you supply your produce?
4. Do you make direct sales to tourists? If yes, how? If no, why?
5. Do you have any link with hotels, restaurants and other tourism businesses? If yes, then how is the link-direct/indirect? If no, why?
6. Is there any situation for you to deal and negotiate contracts with hotels, lodges, restaurants and other tourism businesses?
7. What major problems do you encounter in the production and sale of your agricultural products to tourism businesses-hotels, restaurants, lodges, etc?

13. Interview Questions Prepared for Fishers' cooperatives

1. Is there seasonality in catching fish? If, yes, when is the peak season? And the low season?
2. For whom do you sell the fish you caught?
3. Do you have any linkage with hotels, restaurants and other tourism businesses? If yes, how is it-direct/indirect? If no, why?
4. What problems do you encounter to supply fish to hotels, restaurants and other tourism businesses?

14. Interview Questions Prepared for Souvenir Producers

1. What types of souvenirs do you make?
2. Where do you source inputs for souvenir production?
3. Is there any problem to obtain raw materials locally? If yes, what is it?
4. How do you sale the souvenirs-directly to tourists or to retailers?

5. Is there high demand for the souvenirs? If no, why?
6. Do you produce products for specific targets? For example, targeting tourists or simply produce for tourist and non tourist markets?
7. How do you know tourists' taste and how do you respond to their need?
8. How do you make your souvenirs unique and different from those produced by other people and in other parts of the country?
9. Do you write destination specific things such as 'made in Bahir Dar'?
10. What problems do you encounter in the production, sale and creation of market linkages of souvenirs?

15. Interview Questions Prepared for Monastery Administrators

1. Do you have your own guides?
2. How much is the entrance fee per tourist for domestic and foreign tourists?
3. How many tourists visit the monastery each year (both domestic and foreign)?
4. Is there anything you benefit from sale of products to tourists? If yes, what products do you sale? If no, why?
5. What problems do you encounter in this aspect-production and sales of products to tourists, if any?

16. Interview questions prepared for taxi drivers' association

1. How do you get tourists?
2. Do you have links with hotels or other tourism businesses in Bahir Dar? If yes, how? If no, why?
3. Do you have any link with travel agencies and tour operators in Addis Ababa or other areas?
4. What are the challenges for doing this business?

17. Interview questions prepared for traditional night clubs

1. What local products do you supply for tourists?
2. Do you have any linkage with hotels and other tourism businesses in Bahir Dar? If yes, how? If no, why?
3. What are the problems to sell local products to tourists and to expand the business, too?

Appendix III: Questionnaires

1. Questionnaire for souvenir sellers

1. Where do you bring your souvenir products?
A. from Bahir town B. from the surroundings of Bahir Dar town C. from Addis Ababa
D. other, please specify _____
2. Do you have souvenirs imported from foreign countries? A. Yes B. No
3. If your answer to question number '2' is 'Yes', where do you bring them _____? Why do you bring them? _____
4. Do you encounter problems in sourcing souvenirs locally? A. Yes B. No
5. If your answer to question no. '4' is 'Yes', what problems do you encounter in sourcing souvenirs locally?
A. Poor quality B. high price C. size (not easily portable) D. lack of communication with producers
D. local souvenirs not matching tourists' taste E. other, please specify _____

6. Based on type of material used to make souvenirs, which are being sold frequently?
A. Wood B. Metal C. Painting D. Cloth
E. other, please specify _____
7. Do you think tourists' spending on souvenirs in Bahir Dar is low? A. Yes B. No
8. If your answer to question number '7' is 'Yes', why do you think it is low?
A. high price B. few variety C. poor quality D. shortage of time E. exchange problems/not using credit cards
F. hassles from locals G. weak promotion
H. other, please specify _____
9. From whom do tourists get information about your souvenir?
A. local tour guides B. travel agencies and tour operators C. hotels D. simply tourists coming
E. word of mouth from customers F. other, please specify _____
10. What problems do tourists raise while purchasing souvenirs?

2. Hotel chefs/purchasing department

1. Who supplies you the fruits and vegetables required by your hotel?
 2. Do you have any major problems in obtaining the fresh fruits and vegetables which you require for your hotel? Yes No
 3. If your answer to question number '2' is 'Yes', could you explain these problems in more detail?
 4. From whom do you buy most of the meat that you use in your hotel each time?
 - A. Directly from farmers
 - B. Poultry cooperatives
 - C. Local butcher
 - D. Other, please specify
 5. Do you have any major problem in obtaining the meat which you require for your hotel locally? Yes No
 6. If your answer to question number '5' is 'YES', could you explain it in detail?
-
-

7. From whom do you buy most of the fish that you use in your hotel each time?
 - A. Individual fishermen
 - B. Wholesalers in Bahir Dar
 - C. Fishing cooperatives in Bahir Dar
 - D. Other, please specify _____
8. What major problems, if any, do you encounter in getting locally caught fish?

Circle as appropriate:

- A. Unreliable supply
 - B. Poor quality
 - C. Seasonality
 - D. High price
 - E. Other, please specify _____
9. Do you serve honey for tourists? A. Yes B. No
 10. If your answer for question number 9 is yes, where do you bring the honey?
 11. If your answer for question number 8 is no, why? _____

Average monthly demand of hotels for vegetables and fruits

Name of the hotel: _____

Item	Unit of Measurement	Average monthly consumption	Average price per unit	Remark
Vegetables				
Cabbage				
Carrots				
Tomato				
Lettuce				
Potato				
Garlic				
Pepper				
Onion				
Fruits				
Orange				
Lemon				
Avocado				
Banana				
Mango				
Papaya				

Quantity of animal farm related products

Item	Unit of Measurement	Average monthly	Average price per unit	Remark
Milk				
Egg				
Hen				
Lamb				
Goat				
Ox				
Fish				
Honey				

Thank you!

Appendix IV: List of local souvenir sellers in Bahir Dar town

በአማራ ክልል ያሉ የዕደጥበብ ስራዎች መሸጫ ተቋማት

ተ.ቁ	የባለ ሴቱ ያታ	የስራ-ቦታ አካባቢ	ንግድ ፈ.ቃድ ያወጡበት ዓ/ም	የሚይዟቸው የእደጥበብ ስራዎች ስሪት								
				አደንገልና ገለባ	ከቆዳ	ከእን ጨት	ከጥጥ ወይም ከሹራብ	ከብርና ነጠሰ	ከጥላስቲክ እና ፈረስ ጭራ	ከቀንድና ዛግ-ል፣ ጨሌ	ከሸክላ	
		ባህር ጻር										
		ሙሉ-ዓለምአዳራሽ አካባቢ										
1	ወ	" "	1997	✓	✓	✓	✓	-	-	-	-	-
2	ሴ	" "	1997	✓	✓			-	-	✓	-	-
3	ወ	" "	1997	✓	✓	✓	✓			✓	-	-
4	ሴ	" "	1997	✓	✓	-	-	-	✓	-	-	-
5	ሴ	" "	1997	✓	✓	✓	-	-	✓	-	-	-
6	ሴ	" "	1997	✓	✓	-	-	-		-	-	-
7	ወ	" "	1997	✓	✓	-	-	-	✓	-	-	-
8	ሴ	" "	1997	✓	✓	-	-	-	-	-	-	-
9	ሴ	" "	1997	✓	✓	-	-	-	-	-	-	-
10	ሴ	" "	1997	✓	✓	-	-	-	✓	-	-	-
11	ወ	" "	1997	✓	✓	-	-	-	-	-	-	-
12	ሴ	" "	1997	✓	✓	-	-	-	✓	-	-	-
13	ሴ	" "	1997	✓	✓	-	-	-	✓	-	-	-
14	በማ ሕበ ር	" "	-	-	✓	-	-	-	✓	-	-	-
15	ወ	" "	1999	-	✓		✓	-	✓	-	-	-
16	ወ	" "	2001	✓	✓	✓	✓	-	✓	✓	-	-
17	ሴ	" "	1997	✓	✓	-	-	-	-	-	-	-
18	ሴ	" "	1997	✓	✓	-	-	-	-	-	-	-
19	ወ	" "	1997	✓	✓	-	-	-	-	-	-	-
20	ሴ	" "	1997	✓	✓	-	-	-	-	-	-	-
21	ወ	" "	1997	✓	✓	-	-	-	-	-	-	-
22	ወ	" "	1997	✓	✓	✓	✓	-	✓	✓	-	-
23	ወ	" "	1997	✓	✓	✓	✓	-	✓	-	-	-
24	ወ	መናኸሪያ አካባቢ	1999/2000	✓	✓	-	-	-	-	-	-	-
25	ሴ	" "	2001	✓	✓	-	-	-	-	-	-	-
26	ሴ	" "	2002	✓	✓	-	-	-	-	-	-	-
27	ሴ	" "	1999	✓	✓	-	-	-	-	-	-	-
28	ሴ	" "	2002	✓	✓	-	-	-	-	-	-	-
29	ሴ	" "	1994	✓	✓	-	-	-	-	-	-	-

30	ወ	" "	2000	✓	✓	-	-	-	-	-	-
31	ሴ	" "	2002	✓	✓	-	-	-	-	-	-
32	ሴ	" "	1998	✓	✓	-	-	-	-	-	-
33	ወ	" "	1997	✓	✓	-	-	-	-	-	-
34	ወ	" "	2002	✓	✓	-	-	-	-	-	-
35	ወ	" "	1999	-	✓	✓	-	-	-	✓	-
36	ሴ	ፖሊሲ	1994	-	✓	✓	✓	✓	-	✓	-
37	ሴ	ድብከንበሳ	1996	-	✓	✓	✓	-	-	✓	-
38	ሴ	ሰመርላንድ	1998	-	✓	✓	✓	-	-	✓	-
39	ሴ	ኢትዮጵያር	2000	✓	✓	✓		✓	-	✓	-
40	ወ	አልማ ፊት ሰፊት	1999	✓	✓	✓		✓	-	✓	-
41	-	ጣና ሆቴል	-	✓	✓	✓	✓	✓	✓	✓	-

DECLARATION

I, the undersigned, declare that this thesis is my original work and has not been presented for a degree in any other University, and that all sources of material used for the thesis have been duly acknowledged.

Name: Getaneh Addis

Signature: _____ 

Date: 04-07-12

This thesis has been submitted for examination with my approval as University advisor.

Name : Mulugeta Feseha (PhD)

Signature: _____

Date : _____