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**THE ECONOMIC IMPACT OF
TOURISM IN ETHIOPIA**

BY
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**ADDIS ABABA UNIVERSITY
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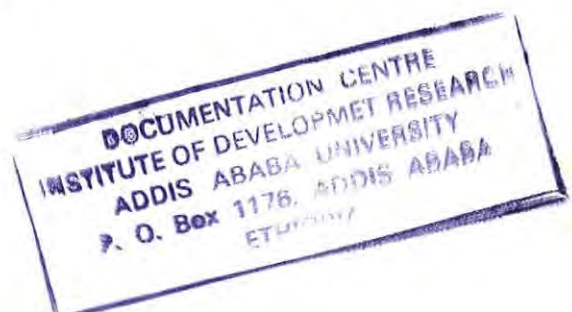
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INTRODUCTION

The main purpose of this paper is to evaluate economic benefits of tourism and its contribution to the progress of a country. It points out some problems that played a negative role to tourism growth in Ethiopia, and to make a general remark on the strength and weakness of the tourist industry In Ethiopia and suggest remedies for improvement.

The role of tourism in the process of economic development of a country has vital importance and this has been recognized as inseparable ingredient in strengthening the economies of all countries, which have established and worked towards its expansion.

Since tourism is beneficial not only to those directly engaged in it, but also to the economy as a whole, countries who have already considered tourism as inseparable ingredient of the economic development are now reaping a rich reward from this newly emerging industry.

Nowadays the export of primary commodities in the world market is characterized by fluctuation and price deterioration. Such a problem, facing most of the developing counties at present, is also posing a challenge to Ethiopia agrarian economy and export structure. Thus, developing countries have to diversification of their domestic economies, because to encourage export of the primary products alone further in the face of inelastic world demand would not be able to help developing countries attain substantial economic growth.

Unfavorable condition in the export sectors of the Ethiopian economy has direct repercussions on the earnings of foreign exchange. Thus, in Ethiopia, a growing propensity to develop tourism is continuously gaining importance because aside from providing employment to the people in a country, it is a source to the ever-scarce foreign exchange resources.

This paper has five chapters. The first chapter is deals with some general considerations regarding the role of tourism in the economic development.

The second chapter deals with tourism in developed and developing countries. In this emphasis has been made on the tourism as an export promotion strategy in developing countries and tourism development in Ethiopia.

Chapter three gives brief accounts on Demand and supplies analysis of tourism and its economic impact in Ethiopia. Here the effect of tourism on the export economy of the country is critically assessed.

The fourth chapters examine the problems of tourist industry in Ethiopia. In this chapter the basic infrastructure and other problems are unidentified.

The last is summary and conclusion of the paper. In this the strength and weakness of the tourist industry in Ethiopia is restated and remedies to the problems are given.

CHAPTER ONE

THE ROLE OF TOURISM IN THE ECONOMIC DEVELOPMENT

1.1 Definition and Historical Background of Tourism

A. Definition of Tourism and tourist

What is tourism?

The word "Tourism" is derived from the term "Tour" which means a journey. There are number of technical definition that define tourism, some are as follows.

- i. Tourism can be defined as the science, art, and business of attracting and transporting visitors, accommodating them, and graciously catering to their needs and wants (R.Macintosh & S.Gupta, 1977:9)

This definition helps to know that the tourist seeks various types of activities, physical experiences and satisfactions. Business people see tourism as an opportunity to make a profit by providing the types of goods and services that the tourist market demands.

- ii. Another technical definition is that; Tourism may be defined as the sum of the phenomena and relation ships arising from the interaction of tourists, business, suppliers, host governments, and host communities in the process of attracting and hosting those tourists and other visitors. (R.Macintosh & C.Goldener, 1986:4)

From the above definition we observe that tourism is a composite of various activities, services and industries that delivers a travel experience, namely, transportation, accommodations, eating and drinking establishments, shops, entertainment activities, facilities, and other hospitality services available for individual or groups that are travelling away from home.

In general, tourism is the entire World industry of travel, hotels, transportation and other components including promotions. Moreover, it includes the service needs and wants of travelers. Not only those but it is also the sum total tourist expenditure within the borders of nation.

What is Tourist?

A number of definitions exist for what is mean by a tourist. Tourist is a person who travels from place to place for non-work reason. The U.N. defines a tourist as follows, a tourist is some one who stays for more than one night and less than a year. Business and convention travel is included.

The most widely accepted definitions for international visitors were first agreed to by the United Nations conference on International Travel and Tourism in Rome in 1963. Visitors were divided into:

Tourists: temporary visitors to a country staying at least 24 hours, for the purpose of leisure or business, and

Excursionists: temporary visitors staying in a country less than 24 hours, for the same purpose, but excluding transit passengers.

The definition conclude that people visiting different places for a business purpose as well as leisure visitors. (Bull, A.,1991: 2)

B. *Historical Background*

Tourism has come a long way since the time of the Sumerians and other ancient people who first began to travel for trade purpose. Today tourism is viewed as an economic and social force of major proportions in the World, some historical origin that we learn from the history is; the business of tourism in ancient period shared many of the features of the business as we know it today. (J.C. Halloay, 1994:14)

If we go back for people have traveled allover the World for a variety of purpose. Those purpose were trade and commerce, to religious purpose to medical treatment, to fight in wars and seek of educational development, etc. Nevertheless, as the concept of tourism it accepts only those movement for peaceful purpose and those travels, connected to war are excluded for theoretical reason from tourism.

Tourism is absolutely depend upon the travel of man and its dynamism i.e. it is based on changing permanent residences for other new destinations where people temporarily stay mainly for the purposes of recreational activities.

As long as tourism is one part of travel, without travelers there would not be many tourism activities. However, all travels are not considered as tourism. It is universally accepted that all tourists are travelers while all travelers are not treated as tourists. (Ayalew, S., 1992:3)



Since his existence on earth, man has constantly been on the move to meet his unsatisfiable needs and wants which have become increasingly complex with evolution of society.

Although international tourism has a long history, the period from 1950 can be described as the era of modern tourism. Because tourism has developed last 40 or 50 years on large scale. This is also may happened only in a certain countries in the World. (T.C.Middlton, 1988:4-5)

For the first time, only the very rich people in the society, or the ruling bodies of that time and the slave-owning society, who got surplus value had the free time and money required to travel outside their own immediate area. It is therefore believed that recreation or holiday like travel dated for back of human race such as ancient Egypt, Babylon, Greece, Rome, Axum, etc. are an example of this in every area in history. (Ayalew, S.,1992:10)

In the Seventeenth Century few privileged stratum aristocrats participated in some kinds of pleasure like recreation. Apart from that, among the member of aristocratic the sons of the British traveled to the continent to learn about new ideas to study the culture, political systems, and opinions of other people. In the eighteenth century, traveling for health became important when the rich and fashionable people of Europe's began to visit the spa towns.

In the latter part of the century, sea water, too earned reputation for being medical and as a result, many places on the coast were transferred from small Fishing villages into thriving sea side resorts. Yet only small proportion of people could afford the time money to go there.

Increasing industrialization accounted for the development of tourism in the nineteenth and twentieth century, the industrial revolution in Britain created a new more prosperous class of working people who were able to afford to travel for pleasure. In this period, great advances in science and technology made possible the invention of rapid and relatively cheap forms of transport. The rail way was invented in the nineteenth century. Besides railway, steamship service was also one of the useful means of transportation which played a significant role in the development of overseas tourism since the first half of the nineteenth century.

Between 1950 and 1970 tourism throughout the World increased in size ten times. Its growth each year was almost double that of other world "exports". A wide combination of factors were responsible for this enormous growth. Among them were vastly increased leisure time, early retirement age, the jet travel and the creation of low - cost means of transportation and low-cost hotel. These development placed travel, both foreign and domestic within the economic reach of large groups of peoples, particularly North America, Western Europeans and Japanese. (ENCYCLOPEDIA : 877)

In an examination of air transportation and its links to tourism a look back at the last few years shown how true this is. In 1950 the WTO estimated that there were 20 million tourist arrivals in the World. By 1960 that figure had more than doubled to almost 70 million. The next ten years saw the figure had leapt to 160 million and then to 285 million in 1980. In 1992, those figures could well sky - rocket to 500 million and there are estimates that we shall reach 600 million by the end of the century. Therefore, from the time of 1950 on wards can be described as the era of modern tourism (Tourism and Influence of Air lines 1992:3).

Today, tourism is a global industry. Infact, few locations are too remote to be tourism destinations. Economically speaking, the amount of money spent by international travelers have also been steadily rising and today, tourism is one of the World largest items in the international trade. Although there is some concern in relation to future fuel shortages, most experts believe that tourism will continue to grow at a steady rate.

1.2 Current Features of Tourism

Presently, tourism is recognized as an important international economic activities. Some forty years back most of tourism activities were domestic and centered on a financial elite, but there are very large flow of tourist in recent period, from all class, and crossing international boundaries.

This rapid growth is readily explained by the increase in real personal disposable incomes, rise leisure time by development in infrastructure particularly transport and tourist plants. S.Medlik suggested in the book "Managing Tourism" is that; Economist have been attracted to the study of international tourism by the relatively high and sustained growth rate in tourist arrivals, and by the economic implications of his for specific countries and regions. (S. Medlik, 1991: 269)

International tourism is a principal factor for the sustained growth of the economy of the country. It is a wide and complicated industry. Every phase and every area of a country are directly concerned with this business and should be involved with its successful development. Tourism has out distanced both sugar and pineapples as a sources of income; three fourth of the economy of the U.S. Virgin Island is based on tourism and travel. (ENCYCLOPEDIA : 877)

Most tourism activity has centered on the developed countries of the world. In developed economy of these countries, there is positive correlation between expenditure on tourism and income level. The proportion of income spent on tourism increase with an increase in the real personal disposable incomes.

Because of the majority if international tourist flows are between and within developed countries; the share of total recorded international tourist arrivals and expenditures accruing to developing countries is relatively small within the overall growth pattern. There is evidence to suggest that, the rate of growth in international tourism receipts has been consistently above the rate of growth of the World trade generally. (S.Medlik, 1991:269-70)

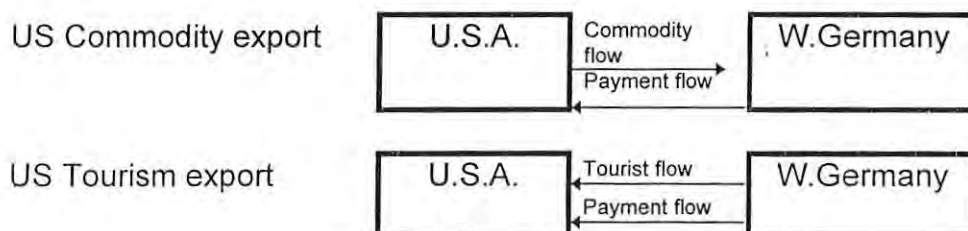
One of the unique characteristic of tourism industry from other sectors of the economy is that movement of people instead of goods. In this case as development option for host countries, tourism is too often regarded as a low-cost sector, it requires and uses the country's natural attributes; like scenic, amenity, beaches, climate etc. These basic features may be supplemented by ethnic and cultural factors. However, the country, attractiveness to tourist is rarely unique its use in tourism's often depends on expensive investment in infrastructure and buildings.

Unlike commodity and other forms of trade, with their tariffs, quotas and other obstructions, international tourism has been characterized by free of barriers. Expert's study indicated that the wide spread abolition of visas, the modification or removal of currency restrictions on travel, and improved international relations have made tourism one of few developing countries' export' relatively unhindered by trade restrictions.(S.Medlik, 1991:275)

In tourism exports, the flows of tourists and payments are in the same directions. Where as in commodity exports, the two flows are in opposite directions. To

more clarifies this concept, when U.S. tourists travel to Germany and spend money there, this become a tourism import to the U.S. economy. For the Germans there many spent in the united states is a tourism import for the German economy.

When payment flows into the united states, something has been exported - travel experience, or commodities. Both payment flows are in the same directions. (shown diagrammatically)



Sources: Economic comparison - Commodity flow and tourist. R. Macintosh, 1972, 276.

A careful government policy has become necessary for tourist development. In the developed world, tourism has attained its present importance largely as a consequence of private - sector enterprise and initiative. The emergence of national and international companies mainly engaged in the leisure and tourism field has been a parallel development. However in most developing countries the private sector is small, private investment funds are limited, and experience of tourism is neglected. (T.C. Middleton, 1988:170)

The government of developed and developing countries share many areas of responsibility. But in the developing countries the problem of resources scarcity and consequently allocation is acute. Strong government control is necessary to prevent exploitation, waste and to ensure that the benefit from tourism are

optimized. Experts suggest that tourism in developed countries can be regarded as a mainly social activity with economic consequence; in developing countries it is largely an economic activity with social consequence. (S. Medlik, 1991:275)

1.3 Significance of Tourism

Today tourism has a world wide importance for a number of countries in developing as well as developed countries. This means it has got social and economic significance in the world.

To begin with, the main significance of tourism is that it is a source of income, of special significance here is tourism classification as an invisible export industry along with banking and insurance where there is no tangible product the fact that tourists have to travel to a destination to make personal use of the facilities they desire. In other words Tourism is often called an invisible export because many nations accumulate large sums in foreign currency by successfully encouraging foreign visitors to travel inside their countries. (Mill R.C., 1990:156)

Secondly the other importance of tourism is that it has an educational significance. Travelers which make contact to different races and nationalities and places will enhance their understanding to the place they visited. One will have the knowledge of architecture, culture, historical monuments and most famous places.

In addition to these tourism bringing people together of different backgrounds of different nations and also generates employment.

It also involves improvement in infrastructure roads, airports, recreational places, construction facilities, accommodations, etc. which are undertaken to attract tourists may be considered as an indirect economic benefit of tourism.

Therefore Tourism is various international activity which involves such critical interplay among economic, political, environmental and social elements.

1.3.1 Significance of Tourism for the Economic Development

Tourism has many significant role in the economy. It contributes to foreign exchange earnings, generates income and world wide jobs generated; it has favourable impact on capital investments, can improve economic structure and encourage small business development.

Tourism is important economically in that it provides a sources of income to fill up the gap created by unbalanced foreign trade. Expenditure by foreign tourists within a country is an external sources of income and forms of an invisible and circular flow of income in a country. Many countries have excellent tourism potentials and they are utilizing that potential as rapidly as possible within the context of a balanced national economy. However all developed as well developing countries are not beneficiaries of tourism trade.

Moreover, for a number of countries tourism is the largest commodity in international trade and earner of foreign exchange. Particularly for many developing countries, international tourism is a main sources of foreign exchange, which can be used to import capital good and reducing the deficit in the balance of payment.

The balance of payments for a country is the relationship between its payment to the rest of the world and the money received from the rest of the world. When one country buys something from another country it is an import; when one country sells something to an other country it is export. Countries strive to achieve a positive balance of payment. Because most have trouble doing this, attracting tourists who are regarded as "export" is encouraged as way of helping the balance of payments. (J.C. Halloway, 1994:176)

Most countries appreciate the contribution that incoming tourism can make to their balance of payment account, particularly those countries with good tourism facilities but little other industrial and agricultural export potentials. While in flow of foreign tourists in various countries are actively encouraged by the development of new attractions, promotions, specially subsidized exchange rates and other measures; most governments also try to keep their own residents with in the country, either, taxation on out going tourists, limitation foreign exchange availability, or refusal to grant exit permits. These attempts to make tourists buy the domestic product instead of going abroad are a form of import substitution. (J.C. Halloway, 1994:176-77)

As well as income, tourism creates employment. This means it paves way for fresh employment. The tourist industry is a labour intensive industry and so is a valuable sources of employment. It employees a wide range of people and provide a wide range of jobs which extend from unskilled to the highly specialized. (Robinson, H.1976:120)

Consequently, the labour intensive nature of tourism and tourism-related industries results in a significant impact up on employment in these sectors. Further more as in the case of output and income, activity in

these sectors stimulate employment in other sectors on the economy through the employment multiplier.

Meanwhile, employment of tourism can be direct or indirect. The direct employment opportunities including, hotels, restaurants, tour operations, and similars. The indirect employment effects of tourism in the transportation sector, retail trades, handicrafts, agricultural sectors, light industries, etc.

The employment and income effects of tourism sector growth are considerable importance in the national economies of many countries. Tourism has become a primary sources of foreign revenue in such countries as Britain, Canada, France, Greece, Ireland, Italy and Switzerland. So the income tourism contributes to the gross national products (GNP) of a country. (ENCYCLOPEDIA: 878)

When tourist facilities are located in the less developed regions of a particular country, these employment effect may result not only in increased income for worker but also in a better regional distribution of income.

In addition to foreign exchange earning, and the employment generating opportunities, tourism is also important to government revenue generating. Tourism income accrues to the government in three ways; from direct taxation on employment as well as goods and services which are supplied to tourists; From indirect taxation such as customs, duties; and from revenue generated by government - owned business. (S. Medlik, 1991: 275-77)

Hence the government can maximize the benefit from collecting direct and indirect taxes, such as taxes on transport tickets, hotel and restaurant taxes, exit fees, excise duties on goods consumed by tourists, taxes on the entry of vehicles, charged for granting visas, etc. In general, since tourists come from other regions or countries, their expenditures represent directly or indirectly an increase tax-base for the host government.

Not only this but tourism also stimulates investment and contributes the development of small business. It is characterized by an agglomeration of a large number of very small units covering a variety of different services trades. It might be a taxi services, souvenir shops, small restaurants, motels, and others. Because of the small size of these businesses, capital requirements are relatively low and investment generally proceeds at a rapid pace. In this respect tourism sector has favorable impact on investment and development of small business.

When massive development of tourism occurs in developing countries local suppliers, can not supply the quantity or quality of goods and services desired. As a result, goods are imported, leakage occurs, and potential income and jobs are lost. Therefore tourism can establish ties with the local business and improve regional development by linking different sectors of the economy. In fact it requires large amount of initial capital investment, in tourist infrastructure and other tourist plants. More and more tourists seek authenticity as they travel. If this can be translated into buying locally produced souvenirs and eating locally produced, and staying in rooms furnished with local artifacts, then tourism have generated the backward linkages necessary to contribute the economy. (R.C. Mill, 1990:162)

There are various industries considered as the beneficiaries from tourism sector. It offers a very large support, a back ward linkages to some industries directly or indirectly. Among these are:- the catering and hotel industry, tour operations, travel agencies, and other enterprise which a first hand contact with tourist in supplying goods and services.

Tourism is a means of redistributing wealth and stabilizing effect of the economy. For instance a tourist earns income in one region and spends this income in another region or country for travel purpose. In this case a redistribution of wealth has take place. That means income "leaks" out of the origin area and is "injected" into the destination area.

Economically speaking demand for tourism may be described as the quantity of tourism goods and services that will be purchased at a given price and with in a given time period. If price elasticity is greater than one, the quantity tourism goods is relatively greater than the corresponding price change (by definition of elasticity). As income rise, more travel is demanded at any given price. Thus the relation ship between income and demand is positive.

In advanced economies tourism is believed to be income elastic. An increase in national income of a country generates a rise in expenditure for foreign travel. This expenditure may stabilized the economy of destination area.

The economy of most less developed countries tend towards dependence on a single primary product are broadly affected by change in commodity price. Because of this and other factors, the economic growth tend to be constrained by a balance of payment problems. Therefore the role of

tourism is to stabilize the economy by reducing deficit incurred by various international trade activities.

CHAPTER TWO

TOURISM IN DEVELOPED AND DEVELOPING COUNTRIES

2.1 INTERNATIONAL TOURISM IN DEVELOPED COUNTRIES.

International tourism is now one of the world's most important economic activities and fastest growing elements of global trade. It is an important source of income, foreign exchange receipts and employment for nearly all countries. The construction and maintenance of tourists and travel facilities and the establishment of accompanying services are important elements for economic growth and development especially for developing countries with natural tourism resources and limited industrial capability. Earning from tourism and other invisible are particularly important for countries with deficits in merchandise trade.

In the developed world, traditionally tourism was regarded primarily as the function of the private sector. Government, through its various levels, controlled the type of development, its design characteristics, planning aspects, its size as well as certain aspects related to health and security during operation.

The United Nations has consistently encouraged the growth of tourism in developed and less developed countries. Tourism was seen as a vital element in the first development decade (1960-69) and 1967 was declared International Tourist Year. In 1970, the World Tourism Organization was established as an affiliate of the United Nations. Its task was the promotion and development of tourism with a view to contributing to economic development, international understanding, peace, prosperity and universal respects for and observance of human rights and fundamental freedom for all, without distinction as to race, sex, language and religion (W.P. Gamble, 1989:7)

As Table 1 Shows, world wide, international tourist arrivals exceeded 564 million in-1995, and worldwide international tourists receipts were over \$398,898 million.

About 70 percent of the world's tourism are lodged with the 24 member countries of the organization for Economic Cooperation and Development. (J.C, Halloway, 1989:18)

Total worldwide spending for domestic and international travel represents almost 10 percent of the world gross national product (GNP). In United States, tourism represented about 6.7 percent of the U.S gross national product. Expenditures on travel abroad represented about 7 percent of world trade, placing tourism among the three largest items alongside oil and motor vehicles in international trade. In developing countries, tourism represented about one third of the trade in services, and globally, tourism accounted for more than 25 percent of the world's earning from trade in services with regard to employment, tourism is estimated to generate jobs world wide approaching 100 million. Tourism is a major sector of the world economy. When it expands or contracts, nations, their governments, and their people are economically affected. International tourism receipts represent an infusion of fresh hard currency from out side the existing economy and have the same positive impact as other export earnings. (EDGEELL, D., 1990:20)

Around the world, measured as arrivals or trips, the number of international tourists and their expenditure have grown strongly since the 1950s, not withstanding temporary fluctuations caused by the international energy and economic crises of the 1970's. The over all growth patterns is revealed in Table 1.

Table 1: Growth International Tourist Arrivals and Expenditure
1950-1996

Years	International Tourist Arrival (Thousands)	Percentage Rate of Change (%)	International Tourist Expenditures (U.S. \$millions)	Percentage Rate of Change (%)
1950	25,282	-	2100	-
1960	69320	10.61	6867	10.61
1961	75,323	8.66	7284	6.07
1962	81381	8.04	8029	10.23
1963	90071	10.68	8887	10.69
1964	104,601	16.13	10,073	13.32
1965	112,863	7.90	11,604	15.20
1966	119,980	6.31	13,340	14.96
1967	129,782	8.17	14,458	8.38
1968	131,201	1.09	14,990	3.68
1969	143,511	9.38	16,800	12.07
1970	165,787	15.52	17,900	6.55
1971	178,853	7.88	20,850	16.48
1972	189,129	5.75	24,621	18.09
1973	198,906	5.17	31,054	26.13
1974	205,667	3.40	33,822	8.91
1975	22,290	8.08	40,702	20.34
1976	228,873	2.96	44,436	9.17
1977	249,264	8.91	55,637	25.21
1978	267,076	7.15	68,845	23.74
1979	283,089	6.00	83,340	21.05
1980	287,493(rf)	1.56	105,313(rf)	26.37
1981	288,625(rf)	0.39	107,459(rf)	2.04
1982	287,553(rf)	-0.37	100,913(rf)	-6.09
1983	291,645(rf)	1.42	102,473(rf)	1.55
1984	318,851(rf)	9.33	112,770(rf)	9.99
1985	327,853(rf)	2.82	117,643(rf)	4.38
1986	338,993(rf)	3.40	142,415(rf)	21.06
1987	362,295(rf)	6.87	174,609(rf)	22.61
1988	395,024(rf)	9.03	202,556(rf)	16.01
1990	458,331(rf)	7.43	266,207(rf)	21.29
1991	463,647(rf)	1.16	272,684(rf)	2.43
1992	503,148(rf)	8.52	310,785(rf)	13.97
1993	513,973(rf)	2.95	317,790(rf)	2.25
1994	544,524(rf)	5.13	351,179(rf)	10.51
1995	564,025(rf)	3.58	398,898(rf)	13.59
1996	593,745(pe)	5.27	425,047(pe)	6.56

Note: (rf) = Revised Figure
(pe) = Preliminary estimates

Source WTO; 1997: 198-99

Most obvious of all as a result of higher standards of living in the developed countries and improvements in the speed and carrying capacity of air transport, over the last forty-five years there has been a phenomenal growth in international tourism. By 1996, about 594 million international tourist arrivals and 425,047 million their expenditure were being estimated, as indicated in table one above more than twenty fold increase since 1950.

Although annual fluctuations in volume, reflecting economic and political events are virtually certain, current expectations for annual growth is an average 5 percent per annume.

As indicated, tourism is an important export product in both industrialized and less developed countries. But the extent to which tourism contributes to a country's foreign exchange earnings varies considerably. In some of the Caribbean nations (particularly countries like the Dominican Republic, Jamaica and the Bahamas) trade in tourism is very important. For example, tourism accounts for almost 70 percent of foreign exchange earnings in the Bahamas. In Mexico, it is consistently either the second or third most important earner of foreign receipts. For Spain and Italy tourism is one of the most important components of the economy, and in the united states it is the number one export, Sure-passing even agriculture exports in 1988. (EDGEELL, D. 1990:21)



Table 2 World's top tourism earners & spenders, 1986(in U.S \$ million)

Country	International Tourist Receipts	Rank	International Tourist Expenditure	Rank	Share of World Percent		International Tourist Arrivals(000)	Rank
					Receipts	Expenditure		
U.S.A	34,432	1	34,977	1	16.4	15.1	36,604	2
FRANCE	16,500	2	10,292	5	7.9	4.4	50,194	1
SPAIN	16,174	3	3080	15	7.7	1.3	35,350	3
ITALY	11,987	4	6,772	7	5.7	2.9	25,935	4
U.K	11,182	5	15,111	4	5.3	6.5	17,338	6
AUSTRIA	9,317	6	5,027	9	4.5	2.2	18,202	5
GERMANY	8,658	7	23,727	2	4.1	10.2	14,653	8
SWITZERLAND	5,568	8	4,907	10	2.7	2.1	12,600	10
CANADA	5,014	9	7,370	6	2.4	3.2	15,111	7
MEXICO	4,974	10	4,247	13	2.3	1.8	6,297	17
HUNGARY	-	-	-	-	-	-	14,236	9
JAPAN	-	-	22,490	3	-	2.7	-	-
NETHERLANDS	-	-	6,454	8	-	2.8	-	-

Source: Tourism and less developing countries p.3

As indicated in table 2, international tourism is dominated by developed countries out of the ten countries which earned most international tourism in 1986, including the U.S.A and Canada, seven are in Europe and only Mexico that might be regarded as less developed country. Indeed, it is often classified as Newly Industrialized Countries (NIC). As expected earnings are related to tourist numbers, and of the top ten earners from tourism, nine are from the top ten destination areas. Only Mexico attracts a significantly higher proportion of earning and that of international arrivals. Of course, the top ten earn almost 60% of world tourist earning and half of all international arrivals.

Economist has been attracted to study of international tourism by the relatively high and sustained growth rate in tourist arrivals and by the economic implications of this for specific countries and regions. Despite the inadequacies of tourism data it does seem that the rate of growth in international tourism receipts has been consistently above the rate of growth of the world trade generally, and many traded commodities specifically. (S. Medilik, 1991: 270)

Today, different world region, in the public and private sectors, the potentialities of tourism is relatively being realized. Thus, many countries have given due considerations to put the idea of the developing tourism within the framework of their national economic policy.

Table 3 Arrivals of Tourists From Abroad-thousands

REGION	1991	1992	1993	1994	1995
World Total	463,647	503,148	517,973	544,524	564,025
%World	100	100	100	100	100
% Change	1.16	8.52	2.95	5.13	3.58
Index	100	108.52	111.72	117.44	121.65
Africa Total	16,202	17,841	18,327	18,652	19,211
%World	3.49	3.55	3.54	3.43	3.41
%Change	7.60	10.12	2.72	1.77	3.00
Index	100	110.12	113.12	115.12	118.57
Americans Total	96,492	103,412	103,703	106,433	110,766
%world	20.81	20.55	20.02	19.55	19.64
%Change	3.32	7.17	0.28	2.63	4.07
Index	100	107.17	107.47	110.30	114.79
East Asia Total	54,987	62,749	69,581	75,170	79,658
Pacific %world	11.86	12.47	13.43	13.80	14.12
%Change	3.32	14.12	10.89	8.03	5.97
Index	100	114.12	126.54	136.71	144.87
Europe Total	284,320	305,062	311,949	328,224	336,378
%World	61.62	60.63	60.22	60.28	59.64
%change	-0.07	7.30	2.26	5.22	2.48
Index	100	107.30	109.72	115.44	118.31
Middle Total	8,366	10,475	10,854	12,099	13,711
East %World	1.80	2.08	2.1	2.22	2.43
%Change	-6.62	25.21	3.62	11.47	13.32
Index	100	125.21	129.74	144.62	163.89
South Total	3,280	3,609	3,559	3,946	4,301
Asia %World	0.71	0.72	0.69	0.72	0.76
%Change	3.18	10.03	-1.39	10.87	9.00
Index	100	110.03	108.51	120.30	131.13

Note: Index
(1991 = 100)

Source : WTO, 1997 : 201

As shown in table 3 above, the number of international tourist arrivals in different region had risen from 463 million in 1991 to 564 million in 1995. Similarly the following table shows, increment of international tourism receipts from 272,684 million in 1991 to 398,898 million in 1995.

Table 4 International Tourism Receipts - US \$million

REGION	1991	1992	1993	1994	1995
World Total	272,684	310,785	317,790	351,179	398,898
%World	100	100	100	100	100
%Change	2.43	13.97	2.25	10.51	13.59
Index	100	113.97	116.54	128.79	146.29
Africa Total	5,009	6,023	6,133	6,511	6,980
%World	1.84	1.94	1.93	1.85	1.75
%change	6.08	20.24	1.83	6.16	7.20
Index	100	120.24	122.44	129.99	139.35
Americans Total	77,683	85,524	91,151	95,104	100,225
%World	28.49	27.52	28.68	27.08	25.13
%change	10.66	10.09	6.58	4.34	5.38
Index	100	110.09	117.34	122.43	129.02
East Asia Total	40,203	47,278	52,411	62,198	73,411
Pacific %World	14.74	15.21	16.49	17.71	18.40
%Change	3.51	17.60	10.86	18.67	18.03
Index	100	117.60	130.37	154.71	182.60
Europe Total	143,098	163,722	160,470	178,751	207,351
%World	52.48	52.68	50.50	50.90	51.98
%Change	1.04	14.41	-1.99	11.39	16.00
Index	100	114.41	112.14	124.92	144.90
Middle East Total	4,280	5,400	4,832	5,432	7,285
%World	1.57	1.74	1.52	1.55	1.83
%Change	-16.84	26.17	-10.52	12.52	33.99
Index	100	126.17	112.90	127.03	170.21
South Asia Total	2,411	2,838	2,793	3,178	3,646
%World	0.88	0.91	0.88	0.90	0.91
%Change	15.75	17.71	-1.59	13.78	14.73
Index	100	117.71	115.84	131.81	151.22

Note: Index

(1991 = 100)

Source : WTO 1997 : 210

Table 3 and 4 tell us, most tourism activity has centered on the developed countries of the world. The majority of international tourist flows are between, and within, developed countries. The share of total recorded international tourist arrivals and receipts accruing to developing countries is relatively small and distribution is highly concentrated within this group.

2.2 Tourism in less developed countries

Less developed countries are found in vicious circle of poverty. In addition to that these countries are faced with persistent balance of payment.

Low per capita real income, high population growth rate, unemployment (under employment), disguised unemployment, poverty, and uneven distribution of income, predominance of agriculture and export of primary products characterize these countries.

Some of the problems of these countries may be solved through increase investment in selected promiseable sector but the critical question is where to get the required capital.

Capital is one of the most scarce and important inputs in the less developed countries and as such most LDCS have major emphasis to the role of capital formation for economic growth. However, there are different ways of acquiring these investment such as increase saving, increase productivity, increase export, through diversification of product, unilateral capital transfer and so on.

Here ofcourse, tourism is considered as one of the invisible export items, for some countries such as Kenya, Tanzania, and Egypt tourism already represents the major export item and earns of foreign exchange and for others it constitutes a promissory new sources of economic development.

2.2.1 Tourism as an Export promotion strategy in Less developed countries

Export promotion or outward-looking strategy is the production of goods for foreign markets or for exports. The domestic market of the developing countries is limited in its size and adopting export promotion strategy enables a country to get a large market compared with the domestic market. By so doing, a country can enjoy the benefits of economies of scale, greater efficiency as the competition with foreign producer's forces a country to use new technologies of production, and greater foreign exchange earnings.

The experience of export promotion strategy was not encouraging except for few successes Countries. Countries such as Korea, Taiwan, Singapore, and Hong Kong have become successful through an export led growth strategy. Many developing countries, which followed the footsteps of these newly industrialized countries (NICs), couldn't be successful largely because of insufficient capital fund available in these countries to run the strategy.

Therefore, developing countries must give emphasis for exporting tourism that support economic development and it is an easy industry to develop, because it demands relatively low technology compared with many other industries and skills which can be easily mastered.

The tourism export is different from export in the manufacturing product and primary goods because of the special characteristics of tourism. The tourism sector is highly diverse. It includes large corporations that own hotel chains, Airlines, Cruiselines, business, railroads, rental car agencies, and airport catering operations. These individual firms collectively produce a travel product that is some-times misrepresented and referred to as an "invisible" export. Yet, income of balance of trade, tourism as service export is equal to for example a "merchandise product". (EDGEELL, D., 1990:333)

The dictionary of Economics (by H.Sloan and A.J. Zuracher, Barnes and Noble. Inc., New York 1968) explains expenditures of tourists in a foreign countries as follows, "such expenditures are an invisible item of trade and have the same effect on the balance of payments of the tourists home country as an import of merchandise from the country in which the expenditure are made."

Tourism is invisible export in the sense that, as an export product, it is not produced, packaged, shipped or received like "hard" goods consumers bring themselves to the point of sales, pay for the product/service/ and, at some point in the future or almost immediately, receive the services. Further more, even though tourism may be sold abroad it is consumed within the selling country, thus generating additional opportunities for selling other goods and services i.e. tourism is an industry based on movement of people rather than of goods. And thus developing countries can benefit greatly from tourism by giving a proper place in their national planning for economic development.

Another aspect of tourism that is contrary to the export of goods is the way it is marketed. For example, at an export trade show, most manufactured products will be available for display and to touch, where as tourism not sold by the product being there. It is sold by a respectable agent who represents the product through visual aids such as brochures, posters, slides, films, etc. (EDGELL, D.,1990:20)

Most developing countries that adopted these strategies have not been successful in attaining their objectives. Because, the government often under take investment in tourism projects for non-commercial social end benefits. Investment in transport infrastructure, tourist information centers, national parks-amenities or interpretation centers, training establishments and the like may be justifiable on the basis of cost-benefit analysis rather than pure commercial profitability. (Bull, A., 1995:229)

The developing countries, therefore, desired to promote the role of the tourist industry, much of the initial investment must be under taken by the state. To attract private investment the state must be prepared to provide the essential tourist infrastructure, since the motive of the private investor is to have a quick return for their capital out lay, special financial incentives, such as subsidies, credits, preferential rate of interest must be offered to make investment in tourist attracting and to mobiles scarce capital.

Although, the share of international tourist arrivals and receipts tends to growing a positive trend in the developing countries, they must increase their effort for improving their domestic capacity to provide service with view to improve the working of their economics, solving balance of payment constraints, and stimulating the process of regional integration.

Generally, it is said that tourism has the tendency to bring more revenue at a faster rate than most economic activity. Therefore, for the rational development strategy of developing countries, there should be strive for tourism export promotion strategy. Because countries, that adopted the tourism export promotion strategy are said to have performed better. According to the World Bank (1987) the economic performance of the outward-oriented economics has been broadly superior to that the inward oriented economics in almost all respects.

As shown in the following table, the number of tourist arrivals and their expenditure tends to grow a positive trend in developing countries.

Table 5 International Tourist Arrivals Volume, Average, Annual Growth Rates and World Shares By Country Groupings, 1980- 1985- 1995

	Volume (000 Arrivals)			Growth Rates (Percentages)			World share (Percentage)		
	1980	1985	1995	1980-85	85-95	80-95	1980	1985	1995
WORLD	287493	327853	564025	2.7	5.6	4.6	100	100	100
Developed Countries	181944	213145	318146	3.2	4.1	3.8	63.3	65.0	56.4
Developing Countries	65548	85730	168654	4.3	7.0	6.1	24.2	26.1	29.9
Central & East Europe	36001	28978	77225	-4.2	10.3	5.2	12.5	8.8	13.7
West Europe	152071	184031	259153	3.9	3.5	3.6	52.9	56.1	45.9
North America	47321	48337	80443	0.4	5.2	3.6	16.5	14.7	14.3
Caribbean	6769	7976	14080	3.3	5.8	5.0	2.4	2.4	2.5
Central & S.America	7278	7979	16243	1.9	7.4	5.5	2.5	2.4	2.9
East Asia & the Pacific	20969	30839	79658	8.0	10.0	9.3	7.3	9.4	14.1
Africa	7337	9710	19211	5.8	7.1	6.6	2.6	3.0	3.4
Middle East	7467	7463	13711	-0.01	6.3	4.1	2.6	2.3	2.4
South Asia	2280	2540	4301	2.2	5.4	4.3	0.8	0.8	0.8

Source: WTO, 1997: 243

The share of developing countries from world in tourist arrivals, have performed better than developed countries i.e. risen from 24.2 percent in 1980 to 29.9 percent in 1995 on the other hand developed countries slight decline in 1995 when compared to 1980 and 1985.

Concerning the share of Africa from world in tourist arrivals have also shows a positive trend i.e. an increased from 2.6 percent in 1980 to 3.0 percent in 1985 and 3.4 percent in 1995.

Table 6 International Tourism Receipts Values, Average Annual Growth Rate, and World Shares By Country Grouping, 1980-1985-1995

	Values (U.S \$ Million)			Growth Rates (Percentage)			World Share (Percentage)		
	1980	1985	1995	1980-85	85-95	80-95	1980	1985	1995
WORLD	105313	117643	398898	2.2	13.0	9.3	100	100	100
Developed Countries	72827	80386	260420	2.0	12.5	8.9	69.2	68.3	65.3
Developing Countries	28987	34378	118391	3.5	13.2	9.8	27.5	29.2	29.7
Central & East Europe	3499	2879	20087	-3.8	21.4	12.4	3.3	2.4	5.0
West Europe	59985	59556	187264	-0.1	12.1	7.9	57.0	50.6	46.9
North America	17735	23766	75313	6.0	12.2	10.1	16.8	20.2	18.9
Caribbean	3498	4978	12537	7.3	9.7	8.9	3.3	4.2	3.1
Central & S.America	4156	4579	12375	2.0	10.5	7.5	3.9	3.9	3.1
East Asia & the Pacific	8710	53093	73411	8.5	18.8	15.3	8.3	11.1	18.4
Africa	2711	2589	6980	-0.9	10.4	6.5	2.6	2.2	1.7
Middle East	3470	4803	7285	6.7	4.3	5.1	3.3	4.1	1.8
South Asia	1549	1400	3646	-2.0	10.0	5.9	1.5	1.2	0.9

Source: WTO, 1997:244

As indicated in the above table 6, international tourism receipts have increased in both developing and developed countries, however the developing countries have performed better than developed countries. i.e. increased from 27.5 percent to 29.7 percent in 1980 and 1995 respectively. On the other hand, developed countries decline from 69.2 percent in 1980 to 68.3 percent in 1985 and 65.3 percent in 1995 consecutively.

Concerning the growth rate, as indicated clearly in the table 1 6, both developed & developing countries have positive trend. The developing countries increased from 3.5 percent in 80-85 to 13.2 percent in 85-95. But both developed and developing countries showed slight decline in 80-95 compared to 85-95.

The growth rate percentage of Africa shows an increase from -0.9 in 1980-85 to 10.4 in 1985-95. But in the years 1980-95 the growth rate is less than the years 1985-95. The share of Africa from world's tourism receipts declined from 2.6 percent in 1980 to 2.2 percent in 1995 similarly its share declined from 2.2 to 1.7 percent in 1985 to 1995 respectively.



2.2.2 The growth of international tourism in Africa

The economic performance of developing countries, especially those in Africa, has been extremely poor in the recent past. Africa is a typical underdeveloped continent that needs a strong export sector capable of financing the growth and development process, especially by making possible imports of capital and other goods, which can not be provided by the domestic economy.

However, most African countries have plenty of tourist attractions. Tropical or sub-tropical locations ensure warmth and reliable sunshine. Most of the beaches in Africa are uncrowned. So, African nations, particularly those whose economies were traditionally dependent on a mono-crop culture (e.g. coffee, sugar, etc.) tourism is seen as a major opportunity to assist government to achieve their overall objectives with respect to economic and social development.

Most of the relevant resources have the advantage of being inexhaustible: the sun, the sea and sand (the three Ss) and the cultural heritage. An added attraction is that most of the tourists come from countries whose currencies are readily acceptable for world trade. (W.P.Gamble, 1989:10)

As mentioned in chapter one, tourism is a significant earner of foreign exchange particularly for African countries. (Table 7)

Table 7 Gross Receipts from International Tourism
(US \$Million), 1991-95

AREAS	1991	1992	1993	1994	1995
Eastern Africa	1070	1251	1266	1404	1639
Middle Africa	104	106	116	122	116
Northern Africa	1824	2514	2418	2622	2521
Southern Africa	1404	1515	1694	1816	2073
Western Africa	542	637	639	547	631
Total	5004	6023	6133	6511	6980

Source: WTO, 1997:213

Areas such as the North Africa, Southern Africa and Eastern Africa rely to a large extent on tourism for foreign exchange. However, it should be noted that the table refers to gross receipts. This may exaggerate the money available to the recipient economy from tourism.

Foreign exchange is needed to establish and sustain international tourist industry in Africa. Hotels and other tourist amenities require imported materials. Money may be borrowed from abroad (such as World Bank and others) to build the first tourist hotels and other tourist infrastructures. Tourists often expect imported food and drink. Foreign investors of hotels want to send some of their profits to home country, and foreign workers want to send some of their salary to home country. And money has to be spent overseas to advertise the country. All these constitute 'leaks' of the gross tourist receipts.

Therefore, the Governments of African countries try to minimize the 'leaks' by substituting domestically produced goods and replacing foreign workers by nationals. However, especially for smaller countries, it is impossible to eliminate the imported materials totally because domestic agriculture and manufacturing industry can not produce the range of goods required by foreign tourists demanding a luxurious life style.

Import substitution was the dominant strategy in the 1950's and 1960's to economic growth and development. Structuralists emphasize that in face of the rigidities and the persistent external imbalances, it is natural that a tendency towards import substitution industrialization develops for which a policy of protection of domestic industries is indispensable. (Atta, F. 1976:15)

There are various economic agreements justifying import substitution strategy. The major economic agreement includes the infant industry argument, the saving

of foreign exchange, the transfer of technology, expansion of employment opportunities, the formation of linkages, and increased revenue.

To attain the objective of import substitution strategy, various tools of economic policy were implemented. Tariff, quotas and administration controls were used extensively to restrict imports and there by increased domestic production.

The number of visitors to Africa more than tripled from 1970 to 1985, while the number of global international tourists only doubled. This relative success is partly explained by the fact that only a small number of tourists visited the continent in 1970, so any rise is likely to be proportionally significant. However, the proximity of north Africa to Europe and the active involvement of many African governments have also contributed. (W.P.Gamble, 1989:5)

Various agreements state that, the government of African countries has often taken the initiative in developing a tourist industry. They are creating suitable conditions to attract investment. This entails laws to ease the transfer of money in and out of the country, providing tax incentives for investors, restricting the rights of trade unions, speeding up the processes of planning, land purchase and import licenses, and trying to ensure political stability. E.g. since 1971. Egypt has followed an 'open door' economic policy in which laws have been passed to make it attractive for foreigners to invest their money there. The aim is to increase exports and stimulate the tourist industry. (S.Medlik, 1991:275)

The governments of developing countries have received moral and sometimes financial supports from international organizations, (such as United Nations, World Bank). In 1967, the World Bank set-up Tourism projects Department to carry out feasibility studies and recommend loans for relevant projects in developing countries subsequently, the World Bank has provided loans for projects in Kenya, Tunisia, Morocco and Egypt. The World Bank is a major source of financial aid and advice for developing countries. Its resources often exceed those at the small

African nations, so its opinions about development priorities tend to be needed, especially by countries seeking financial assistance. (W.P.Gamble, 1989:7)

In much of Africa, tourism has grown more rapidly than other economic sectors. Today, the number of international tourist arrivals in Africa has increased by the following reasons.

- A great deal of money had been put into building hotels, air ports, roads for tourists, railways and powers.
- International financial support has come from organizations such as the World Bank.
- The low cost of many goods and services in most of Africa helps to offset the high cost of getting there.
- Many resorts in the developed world suffer from over-crowding and pollution. But new tourist resorts in the African countries are often still free from their problems.

As seen from the table, the volume of tourist arrivals in African countries has been increased from 16.2 million in 1991 to 19.2 million in 1995.

Table 8. Volume of International Tourist Arrivals in Africa by Sub areas, (000), 1991-95

Sub areas	1991	1992	1993	1994	1995
Eastern Africa	2944	3069	3459	3706	4134
Middle Africa	356	320	304	287	335
Northern Africa	8595	9067	8826	8138	7252
Southern Africa	2961	3945	4337	5053	5432
Western Africa	1346	1440	1381	1468	1558
Total	16202	17841	18327	18652	19211

Source: WTO, 1997:203

2.2.3. Tourism Development in Ethiopia

At the end of the Second World War with the rising standard of living and development of transport, the flow of tourism seriously began mostly to Europe, eventually tourism spread to Asia and Africa with travelers in search of new areas

to visit. Tourism as it is a newly developed industry elsewhere began in Ethiopia very recently in its modern form.

Tourists from the western nations especially from U.S.A and Europe namely from Germany; Switzerland, United Kingdom, Scandinavian Countries and from others flock to Kenya and other Eastern African countries.

As to all African or other developing countries, the developed nations organized a lot of trade travels, expeditions, religious missions and other trips also to Ethiopia in order to exploit a unique and beautiful natural resources.

It is believed that earliest visitors of the world to Ethiopia were the Portuguese missionaries and other Europeans who made exploration to the sources of the Blue Nile.

As far as historical sites are concerned, the country had a great civilization in the past with a rich history. Many foreign visitors and scholars has shown great interest in the country's glorious past prestigious publications, books which made Ethiopia known to the out side world.

Addis Ababa itself has many attractions of considerable tourist interested and can already be included in any African tour at very reasonable cost. Great attraction for tourists is handicraft items linked to the Ethiopian medieval tradition, production by artisan-artists of metal and wooden crosses, icons, challis, etc., in the best old tradition.

As the seat of the United Nations Economic Commission for Africa, other regional United Nations agencies, and the Organization of African Unity, Addis Ababa is an important international center and the meeting place of many international conferences attended by delegates from numerous countries both in Africa and from other continents who stay during shorter or longer periods there by boosting the figures of foreign visitors in the official statistics. (UNECA, 1969 : 118)

These shows, that the increased numbers of foreign visitors due to the concentration of international relation in Addis Ababa have already brought forward for the development of tourism by new investments in hotel and other tourist infrastructure.

In the 20th century, in addition to other economic sector, tourism as an industry (as an invisible export) was given a great attentions by the Imperial Government of Ethiopia, particularly because of external influence and the United Nations development plan, which stimulated the first office creation in Addis Ababa for the initial development of the sector. Since then Ethiopia commenced treading in tourism sector. (Ayalew S., 1992:18)

The initial year for development of tourist industry was 1961. This was the time which Ethiopian Tourist Organization come into existence and tourist office in the capital of Addis Ababa had been established. It was during this period that tourism as an industry was considered to be of vital importance to the economic growth and social development of the nation. The period from 1961-64 was merely considered to be as initiative period. In 1964 this organization was transferred into semi-autonomous agency by order No. 36/1964, under the supervision of the office of prime minister.

Taking into account, the benefits of tourism, in the three five-year national development plan, the Imperial Government of Ethiopia given considerations to it together with other economic sectors.

During the implementation of the second five-year development plan, barely exposed the general awareness to develop the favorable conditions for tourism. It allocated Eth. \$ 21 million to be invested in the tourist sector during this period.

In the third five-year development plan which outlined that, the main task of the next five-years is recognize that a coordinate inter sectoral effort must be made in maximum benefit is to be gained from what is potentially one of Ethiopia's greatest economic development possibilities. (Third five-year development plan, 352)

Further more, from the small data and the limited experience during the second five-year development plan, third five year development plan further outlined the problems and forwarded the policies for the actual development goals. At the same time, as an important government organization dealing with the numerous aspects of this young industry, Ethiopia Tourist Organization made certain plans for priority development of the Ethiopian Tourist sector.

Moreover, the third five-year development plan indicated that the government would give every encouragement to private investment in hotels and other tourist facilities, that it would consider direct public investment. When private capital is absent and, in order to attract private investors the government would concentrate in providing general services by making some infrastructure investments. The plan further cited the need to train the necessary man power to be engaged in industrial such as hotels and catering, and thus proposed the establishment of Hotel and Catering Institute. (Third five-year development plan, 355)

In order to attract external and internal private initiatives for financing projects with the frame work of the general plan, it was imperative to invite foreign consulting firms who were able to carry out pre-feasibility and feasibility studies in all economic sectors of the country.

Consequently, in the Provisional Military Government of Socialist Ethiopia |tourism policy, took steps to raise the status of tourist industry by establishing the Ethiopian tourism commission under proclamation No. 182 in Many 1979.

The commission had the following objectives and responsibilities.

- To develop and promote tourism at home and abroad with a view to initiate closer contacts and mutual understanding among people.
- To expand and developed accommodation and recreational facilities, to classify and standardize, coordinate and supervise hotels and other tourist

facilities with a view of contributing to the social and economic development of the economy.

- To preserve and developed Ethiopia's natural and cultural heritage's in cooperation with concerned government offices.

The policy and strategy of the Provisional Military Government was concerned with the nationalization of the major tourist facilities in the country. During this period, particularly in 1980 tourism policy recognized that tourism growth means the growth and development of the country's economy and facilitates exchanging of values with mutual understanding among the different nations of Ethiopia.

However, the policy restricted tourists to arrive only on government hotel, and limits the choice of transportation system. The policy didn't give attention on marketing strategies, and the qualities of tourist related services. Therefore, the number of tourists coming to Ethiopia decreased as a result of inefficient economic policy structure and discrimination of visitors due to the socialist ideology that the government was following but finally the government policy was changed as a result of the declaration of mixed economy.

Since 1992, the centralized and command economy of the Military Government of Socialist Ethiopia is replaced by the free market economic policies instead. This market oriented economic policy provides to the development of tourist industry.

The Transitional Government of Ethiopia gives the powers and responsibilities to Ethiopian Tourism Commission for formulating tourism policy and strategy. A strategy, which was performed in November 1993, was as follows:

1. Study protects and developed the country's tourist attractions
2. Improve, develop and expand tourist facilities
3. Improve and expand tourist infrastructure, and
4. Promote the country's tourism resources.

In addition to these, in May 1993 the tourism commission of the Transitional Government of Ethiopia issued a policy which is suitable to competitive market economy of the country. Some of the objectives of the policy are:-

- To increase the contribution of tourism to economic and social development, for creation of employment opportunities and foreign currency earnings.
- To initiate the government giving emphasis for tourism and all basic economic development to tourism.
- To increase the standard of quality in all tourist facility.
- To find ways and means of improved tourist industry in relation to other organization.
- To take care for tourist attracting areas.

Recently, many proposals and suggestions are drawn in regarding to the prospective policy of tourism in Ethiopia. The tourism commission, together with the private sector should be involved in developing, implementing marketing strategies and formulating policy. (ETC, proposed policy, 1994)

Government expects tourism to generate foreign exchange and employment, promote tourism based rural enterprise, and accelerate rural-urban integration and cultural exchange. In short tourism is believed by many economic planners to be a relatively easily created and reliable sources of foreign exchange if suitable attractions exist.

In general tourism development in Ethiopia has so far enjoyed but a very small share of the African tourist traffic, nevertheless, though late in the field of tourism, there is no reason why Ethiopia should not capture greater proportion of this highly profitable market in the future, so long as she is ready to make the required capital investment in developing potential tourist attractions and provided all the necessary tourist infrastructure.

CHAPTER THREE

3. DEMAND AND SUPPLIES ANALYSIS OF TOURISM AND ITS ECONOMIC IMPACT IN ETHIOPIA.

3.1. Demand and Supply Analysis

Destinations concerned are the most important basis of the tourist " package" which the consumer buys. Middleton noted that, as far as the tourist is concerned, the product covers the complete experience from the time he leaves home to the time he returns to it. Thus the tourist product is to be considered as an amalgam of attractions and facility at the destination, and accessibility of the destination. (T.C Middleton, 1988,79)

The concept of the overall tourism product is central to the demand and supply side analysis. In the travel and tourism industry, tourism products have to be understand on two levels (Bull, A. 1991:4)

- i) The overall tourism product, which comprises as a combination of all services elements a visitor consumers from the time he/she leaves home, to the time of return. This product is an idea, an expectation or a mental construct in the consumer mind, at the point of sale.
- ii) The specific mainly commercial products, which are always components of the overall tourism product. Such as the products of accommodation, transport attraction and other facilities for tourists.

From the standpoint of a potential customer considering any form of tourist visit, the product may be defined as a bundle or package of tangible and intangible components, based on activity at a destination. The package is perceived by the tourist as an experience, available at a price.

3.1.1. The supply side Analysis.

The package of the major tourist products i.e. natural and cultural attractions, and main facilities existing in the country are shown here below, in accordance with their motivational category, appeal and taste.

A) Natural and Cultural Attractions.

i. Natural Attractions for tourist.

A Country's potential for tourist attraction is measured in terms of its natural, historical and cultural attractions. The natural resources constitute the fundamental measure of supply. The natural resources which any area has available for the use and enjoyment of visitors. Basic elements in this category include climate, landforms, terrain, flora, fauna, bodies of water, beaches, natural beauty, and water supply for drinking, Sanitation, and similar uses. (R. Macintosh and S. Gupta, 1977:105).

Since tourists want to see what is already different from their own, these attractions should be peculiar. Ethiopia in this case is unique because it possesses the potential in a combined way.

Ethiopia has a great potential for tourism supply. It is a country that is endowed with natural Scenic beauty and also a good deal of cultural and historical heritage.

The country has beautiful land scenarios-mountains, valleys, caves, and natural vegetation within which is found wild animals and birds lives of great importance to tourist attractions. In this regard, the country is believed to be the home of some species of animals whose are not found anywhere else in the world.

Ethiopia is also a land of interesting natural beauty its mountains, lakes, rivers have many-interesting features. Its mountain systems and massifs, lakes of

different size and origin, rivers and an enjoyable climate of the country add up to its potential. In this connection, the UNECA pointed out that, there is one thing, which is getting more and more scarce in the major tourist generating countries, and this is natural scenery and wild life. In addition, climatic factors are also important in that they can motivate and receive vacationers from hot neighboring countries and cold areas in different season of a year. (UNECA, 1969:120)

The Rift valley, which stretches from the Afar Depression to Lake Rudolf in Ethiopia, is an important scenic beauty. The valley's most important significance in relation to tourism development lies on a number of lakes found in it. The lakes inturn has large number of birds and different kinds of animal lives, and mineral springs of great potential for tourist attraction. Some of the most attractive lakes of the valley are:- lake Zwai, Langano, Abiyata, Shalla, Awasa, Abaya and Chamo. The attractions of these lakes including bird watching, Fishing, Swimming and the like (ETC, 1983:16)

The most important lake for tourist attraction in Ethiopia is lake Tana. It is spectacular in its natural beauty and also has historical significance. Gaidoni notes that, lake Tana is not only the largest lake in Ethiopia and dead waters of the Blue Nile, it is also the site of what in old times was the center of Ethiopian culture and monastic life. (Gaidoni,B. 1970:15)

The existence of vegetation with comprised numerous wild lives that are essential sources for tourist attraction. Ethiopia is a very important region for wild animal, the considerable diversity of climate gives rise to a great variety of natural vegetation which in turn gives rise to various species of wild animals. (Mesfin, 1972:72)

ii. Cultural Attractions for Tourists.

Development of cultural factors within a nation is a means of enhancing resources to attract visitors. In many countries, tourism can be linked with a cultural relations policy. The channels through which a country presents itself to tourists can be considered its cultural factors. These are the food, drink, hospitality, manufactured and crafts products of a country and all other characteristics of a nation's way of life. (R. Macintosh, & G, 1986:23).

Ethiopia is culturally a diversified country. There are many ethnicities, nations and nationalities. These nations and nationalities have kept their identities differentiating them from one another. These are: language, religion, food habits, dressing habits and way of life in general.

Various people of the country have their own skills of making attractive and diversified ornaments and jewelry, such as earrings, necklaces, bracelets, and different types of crosses. To satisfy tourists, gifts and souvenirs offered for sale are handcrafted in the country.

A major cultural attraction of Ethiopia lies on its historical past. Through its long history the country has accumulated a good deal of historical elements. Among these elements, religion has an immense role in relation to tourist attractions.

There are numerous churches, monasteries and mosques of great architectural beauty and tourist attractions distributed in many parts of Ethiopia. But the majority of them are concentrated in the historic route. (ETC, 1983:22)

Another most important aspect to be included in the cultural attractions of Ethiopia is the hospitality of its people. Its people approach to the tourist is well coming and good grooming, greeting of visitors, providing information. The development of hospitality is essential because the finest facilities can be provided. But if the tourist feels unwelcome, the investment will be worthless. This is perfectly

understood by Mill, when he notes, people don't want to go where they don't feel well come. When tourist are on a trip back home, it is not the weather or the scenery that comes to their mind, most often it is memory of the people positive or negative interactions with other tourists, with the people of the destinations, or with employees of restaurants, hotels and shops. (R. C. Mill,1990:82)

B) Existing facilities.

Facilities are the primary requirement for tourist to arrive at a destination. Since the tourist are away from home they requiring the facilities to get a place to stay, something to eat and drink. As a matter of fact, the presence of facilities in a favorable condition in a country is not only required by the tourist but also it is the basis for successful economic development through tourism. Ouma further confirms this fact. thus, the development of tourism facilities is not only a prerequisite to successful tourism but also an integrate part of planning and development of tourist attractions. It is impossible to realize progressive and vigorous tourism without the concentration, institution and maintenance of the essential transport and services facilities. (Ouma,J. 1970:70-78).

The tourist facilities , which are commonly known as receptive factors are the most important parts of tourist supply of the destination areas. The major facilities including lodging places like hotels and restaurants for food and beverage service and other infrastructure like transportation and communication networks. The ground and service installations described as infrastructure are paramount important to successful tourism. These factors, therefore, facilitate the recreation and journey of tourist in a country.

Ethiopia has enormous potential for tourism. Nevertheless, the exiting tourist facilities and accommodations in the country is not proportion to its tourist potential.

i. Transport Facilities

Transportation includes items such as ships, airplanes, trains, buses, taxis, automobiles, and similar passenger transportation facilities. All factors concerning transportation should be considered in developing tourism, beginning with taxi and bus service. From the place of lodging to the departure terminals, such services must be adequate and economical.

Tourist movement usually involves a form of spatial interaction between two areas, that are tourist generating and destination areas. So, the means of bringing tourist from generating areas to their destination and further distribution them over different sites has paramount importance in tourism. In addition to this tourists travel which is manifestation of special interaction implies movement away from the place where people normally live and work therefore, transport which makes travel possible is an essential pre-requisite. (Robinson and Bamford, 1978:362).

a) Land Transport.

From the point of view of tourism, land transport has special role particularly after tourists have arrived in the place of destination. Tour or travel by vehicles to different sites gives tourists greater possibility to watch the sites carefully and to make pause on a trip. Hence, land transport has prominent role in the development of tourism in a given country. Peters pointed out that, the opening up of a country to tourist and the development of new resort centers, in most cases is dependent on an adequate road transport system to spread tourists around the country. (Peters, M. 1969:212).

In Ethiopia, according to Ethiopian Roads Authority, there are 18,389 kms. of total road net works at present. Of this figure 3555 kms. are asphalted 8970kms. is graveling feeder road and the remaining 5864km. is (rural) road. That is from the

total road network only 19% is asphalt ,49% is gravel feeder road and 32% is rural road. (E.R.A.1987E.C:3)

However, the total network of the roads in Ethiopia as compared to its surface area of about 1,087,800km². (ERA) and population of about 58 million is so small. Its diversified topography and the level of its economic development hinder the expansion and development of land transport in the country. The general Land transport net work structure in the country is also influenced by the pattern of distribution of the existing settlement. Both asphalt and gravel roads for instance , still radiate from Addis Ababa.

Ofcourse, all the major tourist attractions centers of the country like the historic route, Eastern, Southern and Western parts of the country are relatively linked by all- weather and asphalt roads radiating from Addis Ababa. But in very distant areas in the southern and Western parts of the country, and in some historical sites in the northern part, there is still serious problem of transportation.

In attraction sites where there exists good rood net work, however, tourists can travel by such luxurious cars of the National tour operators (NTO) , and by cars of some private tour operators and car rentals. there are also good bus services almost to all administrative regions in the country which tourists can use along their way to different attraction sites. In addition, there is adequate taxi service, particularly in Addis Ababa for tourist movement.

Another most important land transport system in Ethiopia is the Ethio- Djibouti rail way line. This line connects the Red sea coast of Djibouti with Addis Ababa. The total length of the line is 781km. the railway has substantial role in the country's economic life. It serves as an out-let for exports and as an in-let it imports. However , its role with regard to tourist movement in the country is so insignificant because of a number of reasons.

The main reason, however are the railways being very old. It is not only old, but also has suffered from lack of maintenance works. Most of the locomotives rail road passengers cars or coaches have served beyond their expected life span and this led to higher down-time with lower performance, because of this reason the rail way has failed to accomplish its scheduled trips for passengers. (Tadel, interview)

However, the railway could have important role in the development of both domestic and international tourism in Ethiopia if its condition with regard to passenger movement was good. As the rail ways line runs through Awash National park and across the great Rift valley system it could have provided good opportunity for tourists to view the beautiful wildlife resource of the park as well as enjoy the natural scenery of the Rift valley.

b) Air Transport.

People were interested to move for recreation even before the coming of air transport. As a result its advantages of speed, comfortability and due to its ability of overcoming physical barriers which can hinder the movement by other modes of transport, air transport become popular in carrying tourists all over the world and become an intimate part of tourism industry.

When we come to Ethiopia, the prevailing poor land transport condition and the relative far distance between the country and the tourist generating countries or regions of the world make the use of air transport absolutely essential. Hence, this transport sector has prominent role in the expansion of domestic as well as international tourism in the country.

The E.T.O pointed out that, the most important means of transport used by tourist within and to Ethiopia is the air service infrastructure. The Ethiopia Airlines is one

of the most important organizations that greatly expedite the development of tourism industry in Ethiopia. Apparently, in Ethiopia Ethiopian Airlines is second only to Ethiopian tourism organization (ETO) in importance for tourism development. (E.T.O, 1972).

For instance in 1973, 43 376 tourists are carried in by all modes of transport. Out of this number, 98 percent is carried by air transport and 0.9 percent is carried by road, about 0.4 percent by sea, and 0.7 percent by rail. Further more, in 1992, 83,211 tourists are carried in by only the Ethiopia Airlines. This shows that Ethiopian Airline serves as the exclusive menus of tourists inflow. see table below.

Table 9 ,Tourist Arrivals by modes of Transport

year	Air	Road	Sea	Rail	Total
1973	41,971	669	283	453	43,376
1974	49,033	121	261	39	49,454
1975	30,354	31	38	13	30,436
1976	36,904	10	6	1	36,921
1977	28,943	266	1	-	29,210
1978	30,792	16	-	-	30,808
1979*	36,367	-	-	-	36,367
1980*	39,500	-	-	-	39,500
1991*	81,581	-	-	-	81,581
1992*	83,211	-	-	-	83,211

Source: Ethiopian Tourism Commission.

*All tourists enter through Addis Ababa International Airport.

It is also through the effort of the airlines that Ethiopian tourism Commission disseminates pamphlets, brochures, etc. to the rest of the world. By doing so Ethiopian Airlines is a promoter of tourism beside a means for tourist to come into the country. Therefore, the air lines serving the country tremendously and contributes to the growth of tourist industry which inturn assists greatly the growth of the country's economy.

However, there are tourists who use other airline such as the British Airways, Kenyan Airways Lufthansa, Alitalia, and some others. (ETC, 1989). This implies

that there is still more for the Ethiopian Airlines to improve its services and thereby contribute to the development of the tourist industry.

ii. Hotel Accommodation

A tourist is often more attracted by a facility designed in conformance with local architecture as a part of the local landscape than the modernistic hotel that might be found at home. Attention must be given to this subject since people often travel to immerse themselves in an environment totally different from their own. (R. McIntosh, 1972:230)

The hotel must provide the physical facilities, price ranges, locations, and service that meet the expectations, wants, and needs of the travelers. Unless all of these facilities are at satisfactory levels, tourism can not succeed.

Among the major tourist facilities hotel services are the means that accommodate tourist inflows. When tourists arrive at their destinations it is the hotel that they primarily want to take rest in, both, to have food and drink, etc. Therefore, in the destination areas there has to be sufficient hotel services that can accommodate the number of tourist inflow, and can meet their standards.

In Ethiopia the hotel services is run both by the government and private sectors. The hotels under the government are organized in administrative enterprises, and have branch enterprises in numerous part of the country.

As the table below shows, there were 49 hotels under the administrative Hotels Enterprises with a total number of 2652 rooms and 4524 beds in 1995. Among the hotel Ghion Hotel Enterprise is the largest. It has 18 hotels, 809 rooms and 1330 beds in that year, it account for 30.5 and 29.4 percent of rooms and beds, respectively, for the total administrative hotels. In the number of hotels, rooms and beds, this hotel enterprise is followed by Ras and Ethiopia hotel Enterprise. There

is also one international hotel- Addis Ababa Hilton hotel enterprise. It has 15.1 and 14.9 percent share of the total rooms and beds available in the country respectively.

In addition to these public hotel there are about 25 international tourist standard private hotels recognized by the Ethiopian Tourism Commission. Almost all of these hotels are concentrated in Addis Ababa. They have total number of 698 rooms and 769 beds (ETC, 1997:44)

However, though there is hotel construction in the country such as the sharon Addis and others in Ethiopia, hotel service in the number of rooms and beds are by far not proportional to the number of tourist arrivals each year. This is one of the factors keeping tourists to stay only for few days in the country.

All factors concerning hotel services should be considered in developing tourism. Thus, planners looking to improve tourism must evaluate the adequacy of hotel services in the country. Hotel facilities must be adequate and economical.

Table 10 Number of Hotels, Rooms & Beds by public Hotel Enterprise

	Number of Hotel		G.R %	Number of Rooms		G.R %	Number of Beds		G.R %	Percent (%)			
	1994	1995		1994	1995		1994	1995		1994		1995	
										RS	BS	RS	BS
A.A.Hilton Hotel	1	1	-	402	402	-	673	673	-	15.2	14.7	15.1	14.9
Ghion Hotel Enterprise	18	18	-	679	809	19.1	1162	1330	14.5	25.6	25.4	30.5	29.4
Ethiopian Hotel Enterprise	10	10	-	426	385	(9.6)	663	595	10.3	16.1	14.5	14.5	13.1
Ras Hotel Enterprise	12	12	-	651	614	(5.7)	1180	1114	(5.6)	24.6	25.7	23.2	24.6
Wabi Shebele Hotel Enterprise	6	6	-	389	389	-	759	759	-	14.7	16.6	14.7	16.8
Filweha Hotel Enterprise	3	2	(33.3)	101	53	(47.5)	142	53	(62.7)	3.8	3.1	2.0	1.2
Total	50	49	(2.2)	2648	2652	0.2	4579	4524	(1.2)	100.0	100.0	100.0	100.0

Sources: ETC, 1997:40

NB. GR = Growth Rate

RS = Rooms

BS = Beds

iii Travel Agencies.

Travel agencies have to play significant role on tourist inflows. Ianus noted that, the work of an efficient chain of tourist agencies is undoubtedly precious. Travel agencies know the customer's tastes and wishes, while they are the first to be aware, though the customer's complaints, of the failings existing with the system.

Through the medium of contacts within foreign correspondents they can anticipate the world market trends, thus maintain often and demand at the same level. (lanus, R. 1969:41)

The National Tour Operation (NTO) acts as agent of tourists within Ethiopia in booking hotels rooms and in arranging tours by air, road, rail, ship, boat or other means. NTO accepts agency or individual requests for services in connection with tours, safaris, trekking and similar things. (ETC n.d:66)

The total volume of tourists hosted by NTO (table below) shows a declining trend in terms of growth rate. The absolute size of tourists hosted by NTO showed small change from year to year. The base year number of tourists being large it has depressed the percentage rate of growth of subsequent year.

Table 11, International tourists Hosted by NTO, 1987_1996

place of visit	987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Addis Ababa	182	1869	2112	1322	745	574	672	1270	982	1028
Historic Route	253	904	453	22	194	558	830	1285	1294	1352
Southern & Central Areas	49	687	912	639	162	252	288	755	437	456
Eastern circuit	06	646	1371	825	132	150	217	522	293	308
Total site visitors	590	4106	4848	2808	1233	1534	2707	3832	3006	3144
International Tourists Arrivals (Total visitors)	314	76550	76844	79346	81581	83213	93072	98070	103336	108,885
Total site visitors x 100 Total visitors	.9	5.4	6.3	3.5	1.6	1.8	2.2	3.9	2.9	3.0

Source: Tourism Statistics, 1997:46

According to the information obtained from the Ethiopian Tourism Commission Development and Planning Department, at present there are 27 tour operations and 65 travel agents. All tour operations and travel agencies are owned by private investors, except NTO, which is owned by government. The private tour operators and travel agencies came in to the tourism sector quite recently and the data collection system from these new entrants is in the process of being established.

collection system from these new entrants is in the process of being established. This is of course, the tremendous change occurred in the sector in the Last few years in the country.

3.1.2. The Demand Side Analysis.

Tourism demand can be defined and measured in a variety of ways and at a range of scales. In standard economic terms, demand is generally taken to mean the quantity of a good or service that consumers are willing to buy at a specific price in a given period at a particular place. (Douglas, P. 1989:109)

Further more, demand might be seen in terms of the relationship between individual desires or motivations to travel and their ability to do so.

As McIntosh, notes that, the quality of the natural resources and other tourist supplies must be maintained to sustain tourism demand. Proper levels of quality must be considered when planning is undertaken, and the maintenance of quality standards after construction is undertaken is absolutely necessary for continued satisfaction of the visitor. (R. McIntosh, 1972:228)

According to the definition of WTO the purpose of visits (or trips) are classified into eight. These are:

1. Business
2. Vacation
3. Transit
4. Conference
5. Visiting relatives
6. Health treatments
7. Religions
8. Others

In Ethiopia, as indicated in table below, over the period of 1988 - 1997, business visitors are the major consumers of tourist product of the country. The purpose of visit is not stated, vacations and transistors are also the in major consumes of tourist product next to business visitors.

Table 12, Summary of International tourist Arrivals by purpose of visit and year.

purpose of visit	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Business	17535	14727	19552	20042	20036	22896	27010	30538	28360	30494
Vacation	11471	14593	15185	15666	15974	17870	19522	19984	21446	23511
Conference	4863	5163	7446	7611	7768	8656	10264	12436	12127	12526
Visiting relatives	4851	6531	5512	5677	5789	6515	8690	9109	11866	12710
Transit	15938	22815	12761	13166	13435	14984	10957	11610	15599	14952
Not stated	21792	13015	18890	19419	19811	22151	21627	19659	19487	19536
Total	76450	76844	79346	81581	83213	93072	98070	103336	108885	114732

Source: Tourism Statistics, 1997:17

Among the purposes stated by visitors who are of importance to the tourism industry is Vacation. This is not to undermine the other purposes of visit. It is only to signify that tourism emphasizes Vacation and site seeing. The relative volume of Vacationing tourist has been growing and is the Second largest in 1996 and 1997 (19.7 percent and 20.s percent) respectively

Looking in to the details of visitor in 1997 the highest proportion 26.6% came for business, 20.5% for Vacation 17.0% for reason not stated, 13.0% for transit ,11.8% for conference and 11.1% to visit relatives.

Table 13, Average percentage shore of International tourist arrivals by purpose of Visit (1997)

Purpose of Visit	Average percentage share
Business	26.6
Vacation	20.5
Conference	11.8
Visiting relatives	11.1
not stated	17.0
Total (All purpose)	100.0

Source: drive from above table 12

Attractiveness and coziness of the accommodation places, with easy accessibility natural and historical tourist sites would initiate visitors to take some days off for enjoyment.

International tourists are coming to Ethiopia from different corner of the world. As indicated in table below, the European tourism is the largest non-domestic sources of demand, consisting 35.7% of the total following by the Africa with 32.6%, Americas 13.9% Middle East 11.8% and Asia with 6.0%.

Table 14, Tourist Arrivals by Region and percentage share of the Region in 1997.

Region	Tourist Arrivals	percentage share of the region
Africa	37402	32.6
Europe	40905	35.7
Americas	15957	13.9
Middle East	13538	11.8
Asia	6771	6.0
Total	114732	100.0

Source. Tourism statistics, 1997: 20

In general, although the demand and supply analysis has very significant in guiding the marketing plans of tourism organization, whether a government offices or private company, in the case of Ethiopia it is difficult to draw a line that equate the demand and supply of tourism due to the unavailability of adequate information about tourist.

3.2 Economic Impact of Tourism in Ethiopia

Because of its importance of both domestic and World economy, tourism has been closely examined by economists who focus on supply, demand, balance of

payments, foreign exchanges, employment, expenditures, developments and other economic factors.

Tourism plays an important role in the economy and technological development of the nations. Some aspects of tourism contribute to the economic development are:-

- ◆ Stimulate the development of basic infrastructure (such as airports, roads, sewers, electric powers, etc,)
- ◆ Contributes to the growth of domestic industries that supply the tourism industry, (such as transportation, accommodation, constructions etc)
- ◆ It encourages private investment in hotel transportation and other related facilities this would be beneficial for the private sectors in particular and the nation at large.
- ◆ Tourism paves way for fresh employment, both directly and indirectly through linkages.
- ◆ Natural resources, which from economic point of view are not considered as a national wealth with definitely become riches because of tourism, thus came into economic picture.

In addition to these, tourist expenditures raise national income in the host country both directly through the initial-increase in out put and income and indirectly through the tourism multiplier. Since tourism expenditure is spread over a variety of economic sectors including travel and transport, hotels, and other accommodations, restaurants, and bars, and retail distributors, it has a broad initial impact even before the multiplier effect comes into play, (Stephen & Luiz 1994:475)

Another important economic benefit of tourism to the host region is increased foreign exchange earning. Foreign travelers must exchange their currency into local currency for spending purposes. This means that, initially, the foreign

exchange earnings of the host country increase by the amount of tourism expenditure. While most countries consider foreign exchange holdings important, they are of particular importance to the less developed nations. Such countries have constantly increasing foreign exchange requirements to finance their concerted development plans. Lacking the requisite technology, they need to import, among other things, large amounts of capital (investments) goods, for which they need large amounts of foreign exchange. (R. McIntosh and S. Gupta, 1977:219)

Eventhough, most developing countries attracts inflow of foreign private capital; their economic growth will tend to constrain by a balance of payment problems. Because of this most of these countries of cause with major tourist attraction are trying to develop tourism for the new industry saws fact and initiating growth and may be with no recording of declinations in its receipts.

Elkan describes, the major aim of both developed and developing countries in promoting tourism is commonly to increase foreign exchange earnings, to improve or readiness the balance of payment situation. This is also true of many European counters. Some of which even impose minimum currency exchange regulation of foreign visitors. (Elkan 1992)

Most developing countries pressured into earning foreign exchange in order to solve their deficit. Faced with limitation in their primary product exports, the attractiveness of tourism as sources of foreign exchange earnings is obvious.

Although tourism in Ethiopia is not well developed compared to the other countries, it still plays important role in the national economy of the country. It contributes to the economic growth for the country as an export industry, the labor intensive nature of tourism and tourism related in industries result in a significant impact upon employment in these sectors (Such as tourist suppliers industry,

communication and transport travel or tourist agencies and tour operations, handicraft industry, the trade sector, construction industry, etc)

3.2.1. Tourism as an Export Industry in Ethiopia

As tourism earns foreign exchange for a country it can be classed as an export industry. It uses national resources to earn foreign exchanges. Most of the relevant resources have the advantage of being inexhaustible. That is why tourism as an industry (or as an invisible export) is not an extractive in its nature. This is to say that it enriches the exporting country with out depleting its resources.

Tourism in Ethiopia is an infant and developing industry. Though the effect of tourism is related to the amount of foreign exchange revenue or receipts from visitors which seems very little in the case of Ethiopia compared to other tourist receiving countries. However the income from tourism tends to increase year to year (as shown in the below table.)

The general trends of invisible export and visible exports (value of major export items) in Ethiopia are indicated in the following table

Table 15, Gross receipts from international tourism and value of major exports 90/91-94/95

	Value of major export Visible export (In'000Birr)	Gross tourist receipts (Invisible export) (In'000Birr)	Gross tourist receipts as % of Visible exports.
1990/91	540,100	38,824	7.2
1991/92	279,026	57,763	20.7
1992/93	800,814	107,822	13.5
1993/94	1,236,438	126,374	10.2
1994/95	2,731,754	130,345	4.8

Source: National bank of Ethiopia Quarterly Bulletin, fiscal year series Volume 11, No. 3 Third Quarter, 1995/96:53
: ETC, Tourism statistics, 1997:19

Over the period of 1990/91-94/95 tourist receipt have increased significantly from 38,824,000 in 1990/90 to 130 345,000 in 1994/95. The growth rate in tourist receipts have positive trend at that period.

Tourist industry should be considered as sources of foreign exchange earnings. Tourism marketing is not only favored for foreign exchange earnings but also the payment, made by tourist in hard currencies and speed up the money in circulation by income multiplier. This makes the gestation period short as the income generated by tourism gets into circulation as soon as the money gets out of the tourist hand. Ethiopia as a developing country needs substantial flow of foreign exchange, which enables to import capital goods

Ethiopia depends on the export of primary products mainly coffee, hides and Skin , oil seeds, and pulses. Coffee being the main exporting commodity in the country, subject to price fluctuations in international market on the other hand more stable trade, tourism may be good sources of foreign exchange earning.

In 1969, a World Bank report stated that international tourism provides for many (developing countries) a useful element in diversifying their sources of foreign exchange earnings. It referred particularly to ex- colonial countries where export were mainly the product of mines and the Land (primary products.) primary product exporters have suffered difficulties in recent year. Since 1945, the price of primary goods has generally not risen as rapidly as those for manufactured goods. (World Bank, 1969: Tourism and development in Africa)

Thus a country like Ethiopia which depend on agricultural product exports are extremely Vulnerable, not only to price fluctuation but also to resources depletion and change in demand.

Furthermore, in 1981, former president Nyerere of Tanzania commented sharply on the trade disadvantages faced by countries, which depended on agricultural exports for their development. In 1971, he said, "Tanzania needed to export two tonnes of tea to earn sufficient exchange to import a Land Rover. Now six tones of tea has to be exported to buy the equivalent Vehicle." In addition, the price for most primer products tends to fluctuate from year to year, making planning difficult. This situation is particularly bad for those countries, which depend on just one or two commodities. (Tourism and development in Africa, 1989).

Manufacturing for an export market appears superficially attractive, especially when it uses domestically produced raw materials, but there is no guarantee that the product will find a market, even assuming that money is available for building and equipping the necessary plant. Compared with most manufacturing industries, tourism is Less dependent on high technology to make it competitive. It also has other advantages, if the tourist industry is successful, net economic benefits are soon realized.

Moreover, the relative importance of tourism vis-à-vis the main exportable commodities in Ethiopia can be shown by comparing percentage contribution of coffees, Hides & skins , oilseeds, pules, live animals, etc with that of total value of commodities export & part of invisible export.

Coffee being the main exportable commodity in the Ethiopian economy has been persistently face with price fluctuations in the international market. The other main exportable commodities of the country (such as Hides & skins, oilseeds petroleum, and others) are not also free from these price fluctuations as shown in the below table. Where as, invisible export (tourism trade) has more stable growth for improve as additional sources of foreign exchange.

As shown in the table below, since 1987/88_1994/95, tourism has become the third and fourth Largest contributing to foreign exchange earnings to the country.

Surprisingly, in the period of 1991/92. Percentage share of coffee, tourism, hides & skins from the total major exports and Invisible export were being 49.65%, 17.70% and 17.30 receptively.

Table 16, percentage share of major Export items and Tourism from total export Item And Tourist (Invisible export ,1987/88 - 1994/95

Items	87/88	88/89	89/90	90/91	91/92	92/93	93/94	94/95
Total Export Item	95.24	95.77	94.91	91.28	82.30	88.13	90.75	95.45
Invisible Export	4.76	4.23	5.81	8.72	17.70	11.87	9.25	4.55
Coffee	54.07	66.46	31.79	45.17	49.65	59.10	52.59	62.85
Hides & skins	16.37	13.11	17.14	15.52	17.30	14.80	14.92	13.03
Oil seeds	2.71	1.17	1.07	0.61	0.11	0.13	2.55	1.98
Pules	1.98	1.73	4.60	2.64	0.11	0.45	2.04	3.60
Live Animals	3.98	2.50	1.38	0.87	0.14	0.15	0.79	0.26
Fruits & vegetable	1.45	0.96	0.52	2.02	1.89	0.30	0.45	0.64
Sugars & molasses	1.83	1.06	4.78	2.75	0.52	0.56	1.82	0.07
chat	2.63	0.84	2.69	3.44	1.50	7.23	7.91	6.02
petroleum	4.44	1.99	3.35	4.56	5.55	3.34	4.89	3.32
Tourism	4.76	4.23	5.81	8.72	17.70	11.87	9.25	4.55
others	5.78	5.95	26.87	13.7	5.53	2.07	2.79	3.66
Total.	100	100	100	100	100	100	100	100

Source: National Bank of Ethiopia, Quarterly Bulletin Fiscal Year series volume 11, No. 3, Third Quarter, 1995:96: 53
: ETC, Tourism statistics, 1997:19

3.2.2 Revenue earner for the Government.

Another arguments in favor of tourism are that it is the sources of government revenue through direct and indirect taxation of the different goods and services used by tourists.

Tourist must pay taxes like most other people. Since they come from other regions or countries, their expenditure represent an increased tax-base for the host government. Airport taxes, exit fees, customs duty, and charge assessed for granting visas are just a few examples of commonly used method of taxing tourist.

As already stated, many households are engaged in trade of different tourist activities, such as souvenir shops, Hotels and restaurants, etc. These private holdings generate a considerable amount of government revenue in a form of license taxes and turnover taxes.

The benefit of government in a form of customs duty from imports of food and other items, by the accommodation sector is also of great importance.

Apart from these, the usual taxes collected from both tourists and residents increase due to tourism expenditure. The income tourism contributes to the gross national product of a country.

In general, tourism income accrues to the government in three ways: from direct taxation on employees as well as goods and services, from indirect taxation such as customs duties, and from revenue generated by government- owned business.

The general trends of tourist receipts from public sectors in Ethiopia are indicated in table below.

Table 17, Tourist receipt from public sector (In 000Birr), 1988_97

Revenue from	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997*
Hotel service	18447	17797	20756	19334	36209	66392	72606	72782	91698	118299
Tour operation Travel Agency	3652	3494	3032	1674	403	1761	5360	4307	5480	7123
Duty free Gift Articles & souvenir sales	17172	21602	28494	17816	21151	39669	48408	53256	40878	52736
Total.	39271	42901	52282	38824	57763	107822	126374	130345	138056	178161

Sources: ETC, Tourism statistics, 1997:19

* Provisional data

As shown in the above table, the largest receipts were from hotels and the lowest from the operation and Travel services. Intermis of growth rate Duty free, Gift Articles and souvenir sales registered the largest growths i.e. 29. % In 1997 and

hotel service is the next. Tour operation and travel services registered positive growth rate starting in 1993 and it had negative growth rate in 1995 and before 1993.

Total receipts from all services showed a very big jump from 1988 to 1997 though there was a sharp decline in 1991. This is understandable as 1991 was the year of government change and the security condition in the country was not attractive to tourists. From 1992 to 1997 the growth was continuous and a significant increase was registered from 1996 to 1997.

Comp Comparism of Ethiopia performance interms of receipts with Africa and the world stile shows better growth rate though in absolute terms it is very small. (Appendix one).

3.2.3. Contribution to employment

The service aspects of tourism are often seen as a benefit by developing countries, because of the jobs created, both directly in tourism and indirectly through linkages. W.P. Gamble noted that, the major economic argument for promoting international tourism as that it creates jobs quickly especially as tourism is a labor intensive service industry. Many African countries have little money but plenty of labor. About 75% of all these employed in the tourist industry are semi-skilled or unskilled. (W.P. Gamble, 1989:14)

Not only is employment created directly in the sector but also indirectly in agriculture, manufacturing and services supporting the tourist industry. There are also jobs, which are investment related in the constriction and maintenance of the tourist industry.

Tourism industry is the major industry employing a large number of people most of these are unskilled and semiskilled. Some of the industry, which is the direct

beneficiaries from tourism are those enterprise, which give indirect services for tourists (such as Handicraft or manufactured enterprise, Agriculture, Industry and other Business.)

In Ethiopia, the actual direct employment in branches of tourism sector and employment indirectly generated by tourists are unknown. However, some statistical data on the direct employment opportunity in the government tourist sector is available.

Some of the direct employment contribution of tourism in Ethiopia indicating those who are employed in Tourism Commission, Ethiopia Tourist Trading Enterprise, National Tour Operation and Travel agencies, Catering and Tourism Training Institute and Hotel enterprise are as shown below.

Table 18, Number of Employees in the different Government Tourism Sector and their percentage share :1994/95 - 1996/97

Name of the Enterprise.	1994/95		1995/96		1996/97	
	No	%	No	%	No	%
Tourism commission	88	1.9	86	1.7	86	1.6
Ethiopia Tourist Trading Enterprise	582	12.6	576	11.4	572	11.0
National Tour operation	235	5.1	216	4.3	209	4.0
Catering & Tourism Training Institute	60	1.3	59	1.2	56	1.1
Hotel Enterprise	3655	79.1	4119	81.4	4291	82.3
Total	4620	100	5056	100	5214	100

Sources: ETC, Tourism Statistics, 1997:49

As indicated in the table, in 1996/97, total manpower of the government owned tourism sector was about 5214 out of which 4291 or about 82.3% were employed in the hotel Enterprise. 11% in Ethiopian Tourist Trading Enterprise, 4% in National Tour operation, 1.6% in Tourism commission and 1.1% in catering, and Tourism Training Institute (CTTI).

in the hotel Enterprise. 11% in Ethiopian Tourist Trading Enterprise, 4% in National Tour operation, 1.6% in Tourism commission and 1.1% in catering, and Tourism Training Institute (CTTI).

Concerning women's participation, out of the total employees in tourism sector increase from 1592 in 1994/95 to 1781 in 1996/97 or about 43.4% and 34.2% were women employment. (Appendix 2).

To sum up, tourism is a principal factor advancing the economy of the country. The Ethiopia export earning have been seen to fluctuate considerably both in total earning or nearing from primary commodities, because of fluctuating in export prices.

Moreover, the Ethiopia export sector is characterized by an unstable export sector, and its export is concentrated in a small number of primary products. The export sector has been lagging behind in its contribution to the growth of the economy and need less to say its export earnings have been unstable over time. (Ghiorgis, T. 1992: 124)

Ethiopia's trade balance, which indicates the country's capacity to finance imports by its exports, & has been characterized by widening deficits. The deficit in the trade balance and the trend in the value of export clearly show the poor performance of the sector under consideration. This in turn, affected the import capacity and the performance of the economy.

Therefore, tourism has considerably importance in foreign currency earning, to improve the economic performance of the country or reduce the balance of payment situation of the country.

CHAPTER FOUR.

4. PROBLEMS RELATED TO TOURIST INDUSTRY IN ETHIOPIA.

The tourist industry faces many day-to-day problems, some of which are due to the general political and economic situation, and other due to tourism management and marketing.

The most noted problems of developing tourism in developing countries are inadequacy of basic infrastructure and tourist facilities, lack of skilled manpower, low national income, high cost of living in the LDCs themselves, and not well maintained tourist attractions.

Ethiopia has a great potential for tourism development. It remains largely under developed and its contribution has been insignificant by number of obstacles. Some of the major problems encountered by the sector are briefly described here under.

4.1 Inadequacy of basic Infrastructure.

In most countries, the government is responsible for providing economic infrastructure, which provide significant benefit not only to tourism sector but also to the country's economy as a whole.

Tourism infrastructure consists of all under ground and surface developmental construction such as water supply system, water disposable systems, electrical and communication systems, drainage systems, other constructing facilities such as high-ways, air ports, rail roads, bus and train station facilities , resorts, hotels, motels, restaurants, shopping centers, places of entertainment, museum, and similar streetcars. (R. Macintosh, 1972:224)

A completely free market economy might see all these goods and services supplied by private enterprise. In relation to this, Medlik stated that, in the developed World, Tourism has attained its present importance largely as a consequence of private sector enterprise and initiative. In many countries this initiative has been and is being, supported by a wide range of government assistance. (S. Medlik, 1991:275)

However, in most developing countries private sector is small, private investment funds are limited, and experience of tourism is negligible.

In the case of Africa countries, investment incentives and regulations for local and coordination of health and medical requirements, are so critical to tourism development. (W.P .Gamble,1989).

This is true in most cases of tourist attraction area of Ethiopia. Tourism in Ethiopia is hardly an industry since the tourism infrastructure is weak, tourism organization is poor, and net revenue is insignificant.

On the Ethiopia tourism scene, one of the problems, for all causes, has been the allocation of funding for tourism development. Except for a few cases, Ethiopia tourism investment projects but has to rely on other government ministry's budgets. (National Tourism Development plan. 1990).

Another hindrance to tourism development in Ethiopia is the fact that the tourist attractions are scattered over a wide territory, often served by poor road or seasonal airstrips so that visits are time-consuming, expensive and often uncomfortable .

The government should officially recognize tourism as being one of the fastest sectors to yield economic returns and to attain its national objectives. i.e to create

jobs, stimulate the economy, encourage investment & raise national living standards. Therefore, government must be responsible for the development of tourism infrastructure, such as telephones networks, electric powers, water supplies, etc.

However, due to poor performance of the country's economy and political instability, tourism industry in the country is strongly affected.

4.2. Lack of skilled man power.

The biggest issue facing the tourism industry world wide is the availability of human resources i.e. for successful tourism development, skilled man power is the most important factors.

In Ethiopia, even we have large number of populations, there is a shortage of skilled man power in the tourism sector. The problem is often seen as resulting from a lack of training schools. But the more acute factor is probably the shortage of good quality trainers.

Since 1969, the Catering and Tourism Training Institute (CTTI) has supplied less than 1000 trained man power in front office , house keeping, food and beverage services, food preparation, and tourism disciplines and basic level course of international standards. However, measures has been taking by the Ethiopian Tourism Commission, most of the workers have no basic knowledge of Hoteling and tourism. (Ayalew, S. 1992:60)

4.3. Promotion and Advertisement Problems.

Tourism is an activity which strongly depends upon promotion and advertisement for its development. The modernization of transport and communication has made

tourism the most dynamic economic category in the world economic progress which could effectively be affected by promotion and advertisement.

Advertisement of a country's tourist resources helps to create awareness and increase the inflow of tourists. Promotional activities in tourism is unique, because of its nature, it is not the product which moves from the place of manufactured to that of consumed, but it is the other way round.

Without advertisement for example, the Blue Nile, or the unique wild life of Ethiopia are unknown to the potential tourists of the world as a whole. Therefore, proper tourism promotion and advertisement, are significantly important to the development of tourist industry.

However, the activities of promotion and advertisements in Ethiopia is limited, because of limiting budgets. According to some unpublished materials from Ethiopia Tourism Commission, there is no direct international tourism promotion under the supervision of the commission.

In the real situation of Ethiopia the promotional activities in tourism sector is limited by distribution of posters, post cards, and pamphlets. From these general circumstances we can conclude that the position of tourist industry in advertising the tourist product is so weak that the neighboring countries had been benefited from this weak point.

4.4 Service and Facilities problem

Like other developing countries tourism in Ethiopia has faced problems that dealt with insufficient availability of modernized and standardized hotels and lack of well organized and technologically equipped transportation facilities (such as rail way, road transport, domestic and international air way service), tour operators,

travel agents, etc at the existing level can not enable the country to earn the highly needed foreign currency exchange as desired from tourism.

Hotel accommodation, different means of transportation and other communication facilities, like- postal service, telex, fax, telephone, etc., should be available sufficiently in tourist attractive areas.

However in Ethiopia the existing capacity of hotel is very small in number. Apart from this smallness they are also concentrated in the capital city of the country. i.e. Addis Ababa .

Another problems related to tourist entry. Transport and mobility the entry of tourists, their transportation to the site of centers of attraction and they internal mobility obstacles set limit on tourist in flow and operation in the country. As a result of these there are factors that tourist may not be satisfied with the operation of various tourist process such as non punctuality of visiting programmes.(Meaza,G. 1996:54).

Another hindrance is entry procedures. The present procedures involving immigration, customs, and currency control are confusing, time-consuming, and often result in misunderstandings.

A serious shortage of trained guides is a deterrent to tourism development on a large scale. This applies not only to local guides, who need to be well - informed about specific cities and historic sites, but also to the more educated and trained guides who could act as escorts for groups or individuals on longer tours throughout the entire country. (Tourism development plan, 1990)

In general, Due to insecurity, poor accessibility , high visa requirement, frustrating immigration requirement and procedures, lack of standard accommodation and transport in tourists, inadequate cultural heritage and wildlife, scattered tourist

attractive areas, price fluctuations, and other related problems, tourist industry in Ethiopia is not well developed and organized and not yet equipped to compete with the neighboring countries.

CHAPTER FIVE

5. SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary

Tourism is an important and significant economic sector for many countries. The main significance of tourism is that it is a source of revenue for governments and some countries depend on it as their main sources of foreign exchange. It also provides employment to a significant number of people and in doing so it reduces high unemployment among young people.

Moreover, the special significance of tourism is that, its classification as an invisible export industry along with banking and insurance where there is no tangible product and the fact that tourists have to travel to a destination to make personal use of the facilities they desire.

It is obvious that, the economy of most less developed countries tend towards dependence on a single primary product export. This is broadly affected by change in commodity price. Because of this and other factors, the economic growth tend to be constrained by a balance of payment problems. Therefore, the role of tourism is to stabilize the economy by reducing deficit incurred by various international trade activities.

Ethiopia is one of the less developed countries whose economy is largely traditional agricultural based and export of primary products. The performance of the export sector has been poor resulting in deficit trade balance and increasing debt burden. This, for sure, resulted in the corresponding negative impact on the overall economy.

In order to overcome such problems one of the major strategies recommended in most economic literature is diversification of export items. In these circumstance tourism is one of a well-come form of diversification.

Ethiopia as a country has a lot to offer to foreign tourists. It has a unique and beautiful nature, a land of sunning and endowed with rich culture. Moreover, compared to other African countries, prices are low when it comes to hotel accommodation, food services and transport. All these factors make Ethiopia an attractive destination for low budget tourists.

As far as historical sites are concerned, the country had a great civilization in the past with a rich history many foreign visitors and scholars have shown great interest in the country's glorious past prestigious publications, books which put the country in the line-light and made Ethiopia known to the outside world. This is also one of the factors which makes foreign tourists come to Ethiopia.

On the other hand, most of the historical attractions of Ethiopia are scattered over a vast mountainous territory and not easily accessible. Visiting them is time-consuming and expensive. Lalibela, the monasteries on lake Tana , Axum, Harrar, etc are not easy to visit unless all arrangements have been made in advance by a travel agency and local transportation and accommodation secured.

As a result of the attractiveness of the country and some other purposes like Conferences, Business, Transit, etc, relatively large number of tourist has arrived to Ethiopia over the period under consideration. Tourist arrivals were almost from all continents, but a large number of them were from Africa, Europe, America, middle East and Asia.

As a result of increasing number of tourist arrivals to Ethiopia, the revenue obtained from tourist services has also been increasing over years. Hence total

government revenue from all public tourist service in the country has increased from an amount of Birr 39, 271,000 in 19988 to Birr 178, 161,000 in 1997.

However, the country has not yet fully utilized its potential. Ethiopia is therefore, lagging behind from some neighboring countries such as Kenya, Tunisia, Morocco and others who are major beneficiaries from tourism sector.

The major problems hindering the expansion of tourism in the country includes;-

1. Lack of good transportation networks. For instance, out of the large surface area of the country; small proportion of inland transport is well connected by asphalt road. At the same time the condition of railway is so worse to serve passenger. Moreover, the existing road, network in Ethiopia is not adequate to connect different attraction sites and are suffering from lack of maintenance works. In addition lack of modern air ports in some attraction sites and in Ethiopia domestic air transport services to many location is seasonal in nature due to bad condition of air field and landing strips in rainy seasons.
2. Insufficient and uneven distribution of various infrastructures related to tourism, such as most large and different class hotels are constructed in Addis Ababa and hence, there is an accommodation problem in most sites outside the capital city. In addition, the total number of beds and rooms available in the country as a whole are not proportional to the total tourist arrivals in each year.

Generally speaking, the tourism sector in Ethiopia is facing many problems, among them are: -

- ◆ Infrastructure problems
- ◆ Lack of Trained manpower in the sector
- ◆ Inefficiency in services and facilities
- ◆ Inadequate conservation of cultural Heritage and wild life
- ◆ The uses of limited promotional techniques and advertisement.

5.2 Conclusion

- This research has found that Ethiopia has great potential for the development of tourism. However, the country's foreign exchange income from this sector at present doesn't commensurate with its potentials.
- The biggest problem facing the tourism industry in Ethiopia is the availability of trained human resources. Eventhough, Ethiopia has large population, there is a shortage of skilled manpower in the tourism sector.
- There are no clearly stated criteria to control the standard and quality of hotels, restaurants, transportation and other tourist services, by the Ethiopia Tourism commission.
- Today's international tourist, regardless of income bracket, prefers to travel with as little cash as possible. This has resulted in the evaluation of "GO NOW- PAY LATER" plan and credit card system. Such as American express, Visa and master card, which are universally honored. But this is not practically applied by all operators of tourist services in Ethiopia.

5.3 Recommendation.

1. The Government of Ethiopia, recognizing the real importance of the tourist industry for the country should implement measures and operations to develop and support tourism. These measures should be implemented at all level, from the identification of the tourist product to the marketing and promotional stage.

2. Around tourist attractive area efforts should be made to provide basic infrastructures related to tourism such as: -
 - Improvement of water supplies, electric supply and distribution, telephone network between Addis Ababa and the main tourist areas of the country.
 - Improvement of in-flight service on Ethiopia Airlines, as well as internal public transportation, from Addis Ababa to the main tourist areas of the country.
 - The government should try to speed up the construction of new roads and maintenance work of the existing road networks, and Expanding and building new airports and airfields in the main tourist area of the country.

3. Professional management development is specific skills and continuous training at appropriate levels in the private and public sectors to ensure adequate planning and development of tourism sector and the country economy as a whole.
 - Transfer of international technical knowledge must be considered as priority components with in tourism development plan or even government policy.
 - Increased operational sector involvement in the curriculum and technical training of the university and other training schools supplying the industry.

4. Uniform criterion in classification of accommodation facilities and in legal regulation of hotel industry and other tourist activities should be settled.

5. To solve the problem of hotel accommodation, the Federal Government as well as the Regional states should encourage and give especial attention to investors of different class-hotels from both domestic and foreign sources with their balanced distribution over major tourist attractive areas so as not to concentrate in and around Addis Ababa.

6. Attention should be given to the, identification of the tourism product, development of non-traditional and new tourism product, adoption of existing products including the preservation and development of cultural heritage, ecological and environmental aspect, protection and conservation of flora and

fauna, historical and other natural assets, development of ancillary services, for sustainable tourism development.

7. The Ethiopian tourism commission should encourage the use acceptance of all credit cards by operators of hotels and other tourist services, and if necessary, make appropriate arrangement with monetary control authorities.
8. Unrestricted activity of tourist throughout the country, such as freedom of movement, relaxation of customs, and currency control, simplification of the procedures in case of currency -law violation, free photographing, should be implement.
9. There should be establishment of at least one branch of an international financial company and general improvement of the standard of banking services.
10. Provision of marketing and promotional measure and materials in the framework of integrated development plan and programmes and with a view to improved market penetration.
11. Improving tourism information and collecting, analyzing, disseminating and utilization of statistical data is necessary.
12. Assessment of the socio-economic impact of tourism on the economy of the country with particular emphasis on the development of linkages to other sectors such as food production, construction, technology, should be made.

To sum up, a successful co-ordination of these recommendation factors could bring; tourism is the most economic activities to generate more foreign exchange, earning to the country

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APPENDIX TABLE 1

GROWTH RATE OF TOURIST RECEIPTS
International comparison-1995

	Tourism receipts In US\$ Billion	% Change over previous year		
		93/92	94/93	95/94
ETHIOPIA	0.03	186.7	133.8	100.5
AFRICA	6.7	1.6	7.1	3.4
WORLD	380.7	1.8	10.0	10.2

APPENDIX TABLE 2

NUMBER OF EMPLOYEES IN THE GOVERNMENT TOURISM SECTOR BY SEX

NAME OF THE ORGANIZATION	1987 EFY (1994/95)			1988 EFY (1995/96)			1989 EFY (1996/97)		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
TOURISM COMMISSION	41	47	88	40	46	86	40	46	86
ETHIOPIAN TOURIST TRADING ENTERPRISE	344	238	582	347	229	576	337	235	572
CATERING & TOURISM TRAINING INSTITUTE	36	24	60	34	25	59	32	24	56
NATIONAL TOUR OPERATION	178	57	235	160	56	216	156	53	209
HILTON HOTEL ENTERPRISE	286	109	395	287	109	396	287	109	396
GHION HOTEL ENTERPRISE	318	197	515	716	393	1109	715	393	1108
ETHIOPIA HOTEL ENTERPRISE	530	245	775	429	189	618	425	187	612
WABI SHEBELLE HOTEL ENTERPRISE	446	177	623	544	195	739	544	195	739
RAS HOTEL ENTERPRISE	736	336	1072	657	324	981	697	349	1046
FILWEHA HOTEL ENTERPRISE	113	162	275	114	162	276	200	190	390
TOTAL	3028	1592	4620	3328	1728	5056	3433	1781	5214

APPENDIX TABLE 3
TRENDS OF INTERNATIONAL TOURIST ARRIVALS IN AFRICA

COUNTRY	TOURIST ARRIVALS('000)				% CHANGE OVER PREVIOUS YEAR			MARKET SHARE (% OF TOTAL AFRICA)			
	1992	1993	1994	1995	93/92	94/93	95/94	1992	1993	1994	1995
EASTERN AFRICA	3053	3439	3682	4058	12.6	7.1	10.2	17.3	19.0	20.2	21.7
BURUNDI	86	75	29	18	-12.8	-61.3	-37.9	0.5	0.4	0.2	0.1
COMOROS	19	24	27	23	26.3	12.5	-14.8	0.1	0.1	0.1	0.1
DJIBOUTI	28	25	22	21	-10.7	-12.0	-4.5	0.2	0.1	0.1	0.1
ETHIOPIA	83	93	98	102	12.0	5.4	4.1	0.5	0.5	0.5	0.5
KENYA	782	826	863	902	5.6	4.5	4.5	4.4	4.6	4.7	4.8
MADAGASCAR	54	55	66	69	1.9	20.0	4.5	0.3	0.3	0.4	0.4
MALAWI	150	153	154	155	2.0	0.7	0.6	0.9	0.8	0.8	0.8
MAWRITUS	335	375	401	422	11.9	6.9	5.2	1.9	2.1	2.2	2.3
REUNION	217	242	263	304	11.5	8.7	15.6	1.2	1.3	1.4	1.6
RWANDA	5	2	1	1	-60.0	-50.0	0.0	0.0	0.0	0.0	0.0
SEYCHELLES	99	116	110	121	17.2	-5.2	10.0	0.6	0.6	0.6	0.6
SOMALIA	20	20	15	10	0.0	-25.0	-33.3	0.1	0.1	0.1	0.1
UGANDA	76	103	119	121	35.5	15.5	1.7	0.4	0.6	0.7	0.6
TANZANIA	202	230	262	294	13.9	13.9	12.2	1.1	1.3	1.4	1.6
ZAMBIA	159	157	153	159	-1.3	-2.5	3.9	0.9	0.9	0.8	0.8
ZIMBABWE	738	943	1099	1336	27.8	16.5	21.6	4.2	5.2	6.0	7.1
MIDDLE AFRICA	319	303	276	269	-5.0	-8.9	-2.5	1.8	1.7	1.5	1.4
ANGOLA	40	21	11	8	-47.5	-47.6	-27.3	0.2	0.1	0.1	0.0
CAMERON	62	81	84	85	30.6	3.7	1.2	0.4	0.4	0.5	0.5
CEN. AFR. REP.	6	6	6	5	0.0	0.0	-16.7	0.0	0.0	0.0	0.0
CHAD	17	21	19	17	23.5	-9.5	-10.5	0.1	0.1	0.1	0.1
CONGO	36	34	30	28	-5.6	-11.8	-6.7	0.2	0.2	0.2	0.1
GABON	133	115	103	105	-13.5	-10.4	1.9	0.8	0.6	0.6	0.6
SAO TOME PRE	3	3	5	4	0.0	66.7	-20.0	0.0	0.0	0.0	0.0
ZAIRE	22	22	18	17	0.0	-18.2	-5.6	0.1	0.1	0.1	0.1
NORTHERN AFRICA	9067	8826	8138	7240	-2.7	-7.8	-11.0	51.5	48.8	44.6	38.7
ALGERIA	1120	1128	805	520	0.7	-28.6	-35.4	6.4	6.2	4.4	2.8
MOROCCO	4390	4027	3465	2590	-8.3	-14.0	-25.3	24.9	22.3	19.0	13.8
SUDAN	17	15	12	10	-11.8	-20.0	-16.7	0.1	0.1	0.1	0.1

TUNISIA	3540	3656	3856	4120	3.3	5.5	6.8	20.1	20.2	21.1	22.0
SOUTHERN AFRICA	3728	4118	4701	5584	10.5	14.2	18.8	21.2	22.8	25.7	29.8
BOTSWANA	590	607	637	678	2.9	4.9	6.4	3.4	3.4	3.5	3.6
LESOTHO	155	130	97	101	-16.1	-25.4	4.1	0.9	0.7	0.5	0.5
SOUTH AFRICA	2703	3093	3669	4488	14.4	18.6	22.3	15.4	17.1	20.1	24.0
SWAZILAND	280	288	298	317	2.9	3.5	6.4	1.6	1.6	1.6	1.7
WESTERN AFRICA	1440	1385	1463	1556	-3.8	5.6	6.4	8.2	7.7	8.0	8.3
BENIN	130	131	111	138	0.8	-15.3	24.3	0.7	0.7	0.6	0.7
BURKINA FASO	92	111	133	151	20.7	19.8	13.5	0.5	0.6	0.7	0.8
CAPE VERDI	19	27	31	33	42.1	14.8	6.5	0.1	0.1	0.2	0.2
COTED IVORIE	217	159	157	188	-26.7	-1.3	19.7	1.2	0.9	0.9	1.0
GAMBIA	64	90	78	45	40.6	-13.3	-42.3	0.4	0.5	0.4	0.2
GHANA	213	257	271	286	20.7	5.4	5.5	1.2	1.4	1.5	1.5
GUINEA	33	93	94	93	181.8	1.1	-1.1	0.2	0.5	0.5	0.5
MALI	38	31	28	43	-18.4	-9.7	53.6	0.2	0.2	0.2	0.2
NIGER	13	11	11	17	-15.4	0.0	54.5	0.1	0.1	0.1	0.1
NIGERIA	237	192	193	185	-19.0	0.5	-4.1	1.3	1.1	1.1	1.0
SENEGAL	246	168	240	280	-31.7	42.9	16.7	1.4	0.9	1.3	1.5
SIERA LEONE	89	91	72	42	2.2	-20.9	-41.7	0.5	0.5	0.4	0.2
TOGO	49	24	44	55	-51.0	83.3	25.0	0.3	0.1	0.2	0.3
TOTAL AFRICA	17607	18071	18260	18707	2.6	1.0	2.4	100.0	100.0	100.0	100.0

SOURCE : WORLD TOURISM ORGANIZATION (WTO)

**APPENDIX TABLE 4
TRENDS OF INTERNATIONAL TOURISM RECEIPTS IN AFRICA**

COUNTRY	TOURISM RECEIPTS (U.S \$ MN)				% CHANGE OVER PREVIOUS YEAR			MARKET SHARE (% OF TOTAL AFRICA)			
	1992	1993	1994	1995	93/92	94/93	95/94	1992	1993	1994	1995
EASTERN AFRICA	1267	1303	1440	1563	2.8	10.5	8.5	21.4	21.7	22.4	23.5
BURUNDI	3	3	3	2	0.0	0.0	-33.3	0.1	0.0	0.0	0.0
COMOROS	8	8	9	9	0.0	12.5	0.0	0.1	0.1	0.1	0.1
DJIBOUTI	10	13	10	8	30.0	-23.1	-20.0	0.2	0.2	0.2	0.1
ETHIOPIA	23	20	28	36	-13.0	40.0	28.6	0.4	0.3	0.4	0.5
KENYA	442	413	421	411	-6.6	1.9	-2.4	7.5	6.9	6.5	6.2
MADAGASKAR	39	41	54	55	5.1	31.7	1.9	0.7	0.7	0.8	0.8
MALAWI	8	7	5	5	-12.5	-28.6	0.0	0.1	0.1	0.1	0.1
MAURITIUS	299	301	356	403	0.7	18.3	13.2	5.1	5.0	5.5	6.1
RWANDA	4	2	2	1	-50.0	0.0	-50.0	0.1	0.0	0.0	0.0
SEYCHELLES	114	116	103	100	1.8	-11.2	-2.9	1.9	1.9	1.6	1.5
UGANDA	38	50	61	63	31.6	22.0	3.3	0.6	0.8	0.9	0.9
TANZANIA	120	147	192	258	22.5	30.6	34.4	2.0	2.4	3.0	3.9
ZAMBIA	51	44	43	47	-13.7	-2.3	9.3	0.9	0.7	0.7	0.7
ZIMBABWE	108	138	153	165	27.8	10.9	7.8	1.8	2.3	2.4	2.5
MIDDLE AFRICA	106	116	121	115	9.4	4.3	-5.0	1.8	1.9	1.9	1.7
ANGOLA	-	20	13	10	-	-35.0	-23.1	-	0.3	0.2	0.2
CAMEROON	59	47	49	50	-20.3	4.3	2.0	1.0	0.8	0.8	0.8
CEN. AFR. REP	3	6	6	5	100.0	0.0	-16.7	0.1	0.1	0.1	0.1
CHAD	21	23	36	34	9.5	56.5	-5.6	0.4	0.4	0.6	0.5
CONGO	7	6	3	2	-14.3	-50.0	-33.3	0.1	0.1	0.0	0.0
EQ. GUINEA	2	2	2	2	0.0	0.0	0.0	0.0	0.0	0.0	0.0

GABON	5	4	5	5	-20.0	25.0	0.0	0.1	0.1	0.1	0.1
SAO TOME PRN	2	2	2	2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ZAIRE	7	6	5	5	-14.3	-16.7	0.0	0.1	0.1	0.1	0.1
NORTHERN AFRICA	2514	2415	2619	2536	-3.9	8.4	-3.2	42.5	40.2	40.7	38.1
ALGERIA	75	55	49	46	-26.7	-10.9	-6.1	1.3	0.9	0.8	0.7
MOROCCO	1360	1243	1265	1163	-8.6	1.8	-8.1	23.0	20.7	19.7	17.5
SUDAN	5	3	3	2	-40.0	0.0	-33.3	0.1	0.0	0.0	0.0
TUNISIA	1074	1114	1302	1325	3.7	16.9	1.8	18.2	18.5	20.2	19.9
SOUTHERN AFRICA	1407	1561	1689	1866	10.9	8.2	10.5	23.8	26.0	26.2	28.0
BOTSWANA	24	31	35	38	29.2	12.9	8.6	0.4	0.5	0.5	0.6
LESOTHO	19	17	17	18	-10.5	0.0	5.9	0.3	0.3	0.3	0.3
NAMIBIA	106	156	184	185	47.2	17.9	0.5	1.8	2.6	2.9	2.8
SOUTH AFRICA	1226	1327	1424	1595	8.2	7.3	12.0	20.7	22.1	22.1	24.0
SWAZILAND	32	30	29	30	-6.3	-3.3	3.4	0.5	0.5	0.5	0.5
WESTERN AFRICA	622	613	568	574	-1.4	-7.3	1.1	10.5	10.2	8.8	8.6
BENIN	32	27	22	27	-15.6	-18.5	22.7	0.5	0.4	0.3	0.4
BURKINA FASO	9	8	22	24	-11.1	175.0	9.1	0.2	0.1	0.3	0.4
CAPE VERDE	7	10	10	10	42.9	0.0	0.0	0.1	0.2	0.2	0.2
COTE D'IVORIE	66	53	43	45	-19.7	-18.9	4.7	1.1	0.9	0.7	0.7
GAMBIA	27	26	27	25	-3.7	3.8	-7.4	0.5	0.4	0.4	0.4
GHANA	167	206	228	233	23.4	10.7	2.2	2.8	3.4	3.5	3.5
GUINEA	11	6	6	5	-45.5	0.0	-16.7	0.2	0.1	0.1	0.1
MALI	11	13	18	17	18.2	38.5	-5.6	0.2	0.2	0.3	0.3
MAURITANIA	8	8	8	8	0.0	0.0	0.0	0.1	0.1	0.1	0.1
NIGER	17	16	16	15	-5.9	0.0	-6.3	0.3	0.3	0.2	0.2
NIGERIA	29	31	34	32	6.9	9.7	-5.9	0.5	0.5	0.5	0.5
SENEGAL	182	173	115	119	-4.9	-33.5	3.5	3.1	2.9	1.8	1.8
SIERALEON	17	18	12	6	5.9	-33.3	-50.0	0.3	0.3	0.2	0.1
TOGO	39	18	7	8	-53.8	-61.1	14.3	0.7	0.3	0.1	0.1
TOTAL AFRICA	5916	6008	6437	6654	1.6	7.1	3.4	100.0	100.0	100.0	100.0

SOURCE : WORLD TOURISM ORGANIZATION (WTO)

APPENDIX TABLE 5
TRENDS OF INTER NATIONAL TOURISM EXPENDITURE IN AFRICA

COUNTRY	TOURISM EXPENDITURE (US \$ MN)				% CHANGE OVER PREVIOUS YEAR			MARKET SHARE (% OF TOTAL AFRICA)			
	1992	1993	1994	1995	93/92	94/93	95/94	1992	1993	1994	1995
EASTERN AFRICA	504	531	643	653	5.4	21.1	1.6	11.6	12.0	15.1	15.1
BURUNDI	21	20	4	2	-4.8	-80.0	-50.0	0.5	0.5	0.1	0.0
COMOROS	6	6	5	4	0.0	-16.7	-20.0	0.1	0.1	0.1	0.1
DJIBOUTI	7	7	6	6	0.0	-14.3	0.0	0.2	0.2	0.1	0.1
ETHIOPIA	10	11	9	10	10.0	-18.2	11.1	0.2	0.2	0.2	0.2
KENYA	29	48	115	119	65.5	139.6	3.5	0.7	1.1	2.7	2.8
MADAGASKAR	21	25	23	21	19.0	-8.0	-8.7	0.5	0.6	0.5	0.5
MALAWI	24	11	15	16	-54.2	36.4	6.7	0.6	0.2	0.4	0.4
MAURITUS	142	128	140	150	-9.9	9.4	7.1	3.3	2.9	3.3	3.5
RWANDA	17	17	18	19	0.0	5.9	5.6	0.4	0.4	0.4	0.4
SEYCHELLES	16	16	17	17	0.0	6.3	0.0	0.4	0.4	0.4	0.4
UGANDA	18	40	78	79	122.2	95.0	1.3	0.4	0.9	1.8	1.8
TANZANIA	82	102	105	102	24.4	2.9	-2.9	1.9	2.3	2.5	2.4
ZAMBIA	56	56	58	57	0.0	3.6	-1.7	1.3	1.3	1.4	1.3
ZIMBABWE	55	44	50	51	-20.0	13.6	2.0	1.3	1.0	1.2	1.2
MIDDLE EAST	647	602	516	498	-7.0	-14.3	-3.5	14.8	13.6	12.1	11.5
ANGOLA	75	66	50	39	-12.0	-24.2	-22.0	1.7	1.5	1.2	0.9
CAMEROON	228	225	212	215	-1.3	-5.8	1.4	5.2	5.1	5.0	5.0
CEN. AFR. REP.	51	50	43	37	-2.0	-14.0	-14.0	1.2	1.1	1.0	0.9
CHAD	30	12	11	8	-60.0	-8.3	-27.3	0.7	0.3	0.3	0.2
CONGO	93	68	36	36	-26.9	-47.1	0.0	2.1	1.5	0.8	0.8
EQ.GUINEA	9	9	8	7	0.0	-11.1	-12.5	0.2	0.2	0.2	0.2

GABON	143	154	143	145	7.7	-7.1	1.4	3.3	3.5	3.4	3.4
SAO TOME PRIN.	2	2	1	1	0.0	-50.0	0.0	0.0	0.0	0.0	0.0
ZAIRE	16	16	12	10	0.0	-25.0	-16.7	0.4	0.4	0.3	0.2
NORTHERN AFRICA	604	644	683	670	6.6	6.1	-1.9	13.8	14.6	16.1	15.5
ALGERIA	163	163	135	115	0.0	-17.2	-14.8	3.7	3.7	3.2	2.7
MOROCCO	242	245	302	305	1.2	23.3	1.0	5.5	5.5	7.1	7.1
SUDAN	33	33	30	25	0.0	-9.1	-16.7	0.8	0.7	0.7	0.6
TUNISIA	166	203	216	225	22.3	6.4	4.2	3.8	4.6	5.1	5.2
SOUTHERN AFRICA	1700	1887	1833	1903	11.0	-2.9	3.8	39.0	42.6	43.1	44.1
BOTSWANA	54	59	52	50	9.3	-11.9	-3.8	1.2	1.3	1.2	1.2
LESOTHO	11	7	7	7	-36.4	0.0	0.0	0.3	0.2	0.2	0.2
NAMIBIA	74	73	75	77	-1.4	2.7	2.7	1.7	1.6	1.8	1.8
SOUTH AFRICA	1544	1721	1678	1749	11.5	-2.5	4.2	35.4	38.9	39.4	40.5
SWAZILAND	17	27	21	20	58.8	-22.2	-4.8	0.4	0.6	0.5	0.5
WESTERN AFRICA	907	761	580	592	-16.1	-23.8	2.1	20.8	17.2	13.6	13.7
BENIN	12	13	19	18	8.3	46.2	-5.3	0.3	0.3	0.4	0.4
BURKINA FASO	37	35	30	30	-5.4	-14.3	0.0	0.8	0.8	0.7	0.7
CAPE VERDI	6	8	9	9	33.3	12.5	0.0	0.1	0.2	0.2	0.2
COTE D'IVOIRE	168	160	118	123	-4.8	-26.3	4.2	3.9	3.6	2.8	2.8
GAMBIA	13	14	14	16	7.7	0.0	14.3	0.3	0.3	0.3	0.4
GHANA	17	20	20	21	17.6	0.0	5.0	0.4	0.5	0.5	0.5
GUINEA	17	28	29	27	64.7	3.6	-6.9	0.4	0.6	0.7	0.6
MALI	65	60	54	56	-7.7	-10.0	3.7	1.5	1.4	1.3	1.3
MAURITANIA	31	20	20	19	-35.5	0.0	-5.0	0.7	0.5	0.5	0.4
NIGER	30	29	21	21	-3.3	-27.6	0.0	0.7	0.7	0.5	0.5
NIGERIA	348	234	144	148	-32.8	-38.5	2.8	8.0	5.3	3.4	3.4
SENEGAL	112	106	70	75	-5.4	-34.0	7.1	2.6	2.4	1.6	1.7
SIERA LEONE	3	4	4	4	33.3	0.0	0.0	0.1	0.1	0.1	0.1
TOGO	48	30	28	25	-37.5	-6.7	-10.7	1.1	0.7	0.7	0.6
TOTAL AFRICA	4362	4425	4255	4316	1.4	-3.8	1.4	100.0	100.0	100.0	100.0

SOURCE : WORLD TOURISM ORGANIZATION (WTO)

APPENDIX TABLE 6
TOURISM IN THE ECONOMY OF AFRICAN COUNTRIES - 1994

COUNTRIES	GNP (US \$ MILLION)	GNP PER CAPITA (US \$)	GNP	MERCHANDISE EXPORTS	COMMERCIAL SERVICES EXPORTS
EASTERN AFRICA	40388		3.88	21.48	44.63
BURUNDI	1056	180	0.19	1.89	14.29
COMOROS	249	510	3.61	40.91	36.00
DJIBOUTI	480	-	1.67	50.00	4.85
ETHIOPIA	6947	130	0.52	10,50	13.43
KENYA	6643	260	6.19	27.00	36.24
MADAGASKAR	3058	210	1.80	21.07	31.98
MALAWI	1592	150	0.31	1.57	17.86
MAURITIUS	3514	3180	10.98	29.11	63.28
RWANDA	1500	200	0.07	1.67	3.23
SEYCHELLES	480	6495	26.04	271.74	50.61
UGANDA	3718	200	1.69	15.79	67.02
TANZANIA	2500	90	10.32	73.93	95.20
ZAMBIA	3227	350	1.36	4.40	53.01
ZIMBABWE	5424	490	3.04	10.78	44.47
MIDDLE AFRICA	33005		0.35	1.19	10.22
ANGOLA	8500	650	0.12	0.29	6.99
CAMEROON	8618	670	0.58	2.78	13.85
CENT. AFR. REP	1260	400	0.40	5.00	9.26
CHAD	1153	190	2.95	23.29	117.24
CONGO	1607	640	0.12	0.16	3.77
EQUA. GUINEA	167	430	1.20	3.23	33.33
GABON	3669	3550	0.14	0.20	1.57
SAO TOME PRIN.	31	250	6.45	33.33	50.00

ZAIRE	8000	220	0.06	1.62	3.18
NORTHERN AFRICA	99540		2.55	13.69	51.35
ALGERIA	45619	1670	0.10	0.48	11.70
MOROCCO	30330	1150	3.83	28.98	48.89
SUDAN	7800	300	0.03	0.67	1.28
TUNISIA	15791	1790	8.39	28.90	65.89
SOUTHERN AFRICA	134020		1.39	6.85	56.29
BOTSWANA	4037	2800	0.94	2.20	28.36
LESOTHO	1398	700	1.29	13.95	48.65
NAMIBIA	2968	1980	6.23	13.99	141.22
SOUTH AFRICA	124574	3000	1.28	6.63	54.68
SWAZILAND	1043	1190	2.88	-	31.25
WESTERN AFRICA	65811		0.87	3.05	18.01
BENIN	1954	370	1.38	20.15	20.00
BURKINA FASO	2982	300	0.80	22.86	47.06
CAPE VERDE	346	910	2.89	250.00	18.87
COTE D'IVOIRE	7070	510	0.64	0.73	8.24
GAMBIA	384	360	6.51	71.43	30.86
GHANA	7036	430	3.31	22.17	211.82
GUINEA	3310	510	0.15	-	1.62
MALI	2421	230	0.70	6.30	21.79
MAURITANIA	1063	480	0.75	2.00	40.00
NIGER	2300	270	0.65	4.76	30.00
NIGERIA	29995	280	0.11	0.34	3.04
SENEGAL	4952	610	2.40	19.83	21.10
SIERRA LEONE	698	150	0.86	5.17	8.82
TOGO	1300	330	0.62	4.94	11.59
TOTAL AFRICA	372764		1.79	8.16	41.41

SOURCE : WORLD TOURISM ORGANIZATION (WTO)