

ECONOMIC IMPACTS OF TRANSFRONTIER CONSERVATION AREAS: BASELINE OF TOURISM IN THE KAVANGO–ZAMBEZI TFCA

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Table of contents

EXECUTIVE SUMMARY.....	1
1. INTRODUCTION.....	2
1.1 <i>The proposed Kavango–Zambezi TFCA</i>	4
2. METHODOLOGY.....	5
3. RESULTS.....	9
3.1 <i>Accommodation, northern Botswana</i>	9
3.2 <i>Accommodation, Livingstone, Zambia</i>	13
3.3 <i>Large hotels, Victoria Falls, Zimbabwe</i>	19
3.4 <i>Accommodation, Upper Zambezi, Zambia</i>	23
3.5 <i>Accommodation, Caprivi, Namibia</i>	27
3.6 <i>Accommodation, Kavango–Zambezi TFCA</i>	31
3.7 <i>Tour operators, northern Botswana</i>	34
3.8 <i>Tour operators, Livingstone, Zambia</i>	38
3.9 <i>Tour operators, Kavango–Zambezi TFCA</i>	41
3.10 <i>Summary of tourism activity in the Kavango–Zambezi TFCA</i>	43
4. DISCUSSION.....	45
4.1 <i>Sustainable tourism</i>	46
4.2 <i>Additional challenges</i>	50
5. CONCLUSION.....	51
REFERENCES.....	53
APPENDIX 1 ACCOMMODATION ESTABLISHMENT SURVEY.....	55
APPENDIX 2 TOUR OPERATOR SURVEY.....	59
APPENDIX 3 TOURISM BUSINESS INVENTORY.....	63

List of tables, figures and maps

Map 1 <i>The proposed Kavango–Zambezi TFCA region</i>	6
Figure 1 <i>Opening date of northern Botswana Establishments (n=20)</i>	11
Figure 2 <i>Opening date of Livingstone establishments (n=42)</i>	16
Figure 3 <i>Opening date of Upper Zambezi establishments (n=16)</i>	24
Figure 4 <i>Opening date of Caprivi establishments (n=26)</i>	28
Figure 5 <i>Opening date of establishments in the KAZA TFCA region</i>	32
Figure 6 <i>Opening date of tour operators in the KAZA TFCA region</i>	42
Table 1 <i>Sample and population size of establishments open in 2004 surveyed, by region, 2004</i>	7
Table 2 <i>Exchange rates for the period 1 January to 31 December, 2004</i>	8
Table 3 <i>Capacity per night of northern Botswana establishments, 2004</i>	9
Table 4 <i>Share of accommodation sector by ownership type, northern Botswana, 2004</i>	10
Table 5 <i>Share of accommodation sector by owners residence and ethnicity, northern Botswana, 2004</i>	10
Table 6 <i>Origin of guests, northern Botswana, 2004</i>	10
Table 7 <i>Guests by category, northern Botswana, 2004</i>	10
Table 8 <i>Method of booking accommodation, northern Botswana, 2004</i>	10
Table 9 <i>Revenue and operating expenditures (‘000s), northern Botswana, 2004</i>	11
Table 10 <i>Employment in accommodation establishments, northern Botswana, 2004</i>	12
Table 11 <i>Local financial impacts of accommodation establishments (‘000s), northern Botswana, 2004</i>	12
Table 12 <i>Source of knowledge of KAZA TFCA, northern Botswana, 2005</i>	12
Table 13 <i>Expected effect on business by KAZA TFCA, northern Botswana, 2005</i>	13
Table 14 <i>Potential activities with KAZA TFCA, northern Botswana, 2005</i>	13
Table 15 <i>Expected effect of KAZA TFCA on park resource quality, northern Botswana, 2005</i>	13
Table 16 <i>Capacity per night of Livingstone guesthouses, 2004</i>	14
Table 17 <i>Capacity of Livingstone non-guesthouses, 2004</i>	14
Table 18 <i>Share of accommodation sector by ownership type, Livingstone, 2004</i>	14
Table 19 <i>Share of accommodation sector by owner residence and ethnicity, Livingstone, 2004</i>	15
Table 20 <i>Origin of guests, Livingstone, 2004</i>	15
Table 21 <i>Guests by category, Livingstone, 2004</i>	15
Table 22 <i>Method of booking accommodation, Livingstone, 2004</i>	16
Table 23 <i>Revenue and operating expenditures (‘000s), Livingstone guest houses, 2004</i>	16

Table 24 Revenue and operating expenditures ('000s), Livingstone non-guest houses, 2004	17
Table 25 Revenue and operating expenditures ('000s), Livingstone all establishments, 2004.....	17
Table 26 Employment in Livingstone guest houses, 2004	17
Table 27 Employment in Livingstone non-guest houses, 2004	17
Table 28 Local financial impacts of accommodation establishments ('000s), Livingstone, 2004	18
Table 29 Source of knowledge of KAZA TFCA, Livingstone, 2005	18
Table 30 Expected effect on business by KAZA TFCA, Livingstone, 2005.....	18
Table 31 Potential activities with KAZA TFCA, Livingstone, 2005.....	19
Table 32 Expected effect of KAZA TFCA on park resource quality, Livingstone, 2005	19
Table 33 Capacity per night of large hotels, Victoria Falls, 2004	20
Table 34 Share of accommodation sector by ownership type, Victoria Falls, 2004	20
Table 35 Share of accommodation sector by owners residence and ethnicity, Victoria Falls, 2004	20
Table 36 Origin of guests, Victoria Falls, 2004	20
Table 37 Guests by category, Victoria Falls, 2004	20
Table 38 Method of booking accommodation, Victoria Falls, 2004	21
Table 39 Revenue and operating expenditures ('000s), Victoria Falls, 2004	21
Table 40 Employment in accommodation establishments, Victoria Falls, 2004	21
Table 41 Local financial impacts of accommodation establishments ('000s), Victoria Falls, 2004.....	21
Table 42 Source of knowledge of KAZA TFCA, Victoria Falls, 2005	22
Table 43 Expected effect on business by KAZA TFCA, Victoria Falls, 2005	22
Table 44 Potential activities with KAZA TFCA, Victoria Falls, 2005.....	22
Table 45 Expected effect of KAZA TFCA on park resource quality, Victoria Falls, 2005	22
Table 46 Capacity of Upper Zambezi establishments, 2004.....	23
Table 47 Share of accommodation sector by ownership type, Upper Zambezi, 2004.....	23
Table 48 Share of accommodation sector by owner residence and ethnicity, Upper Zambezi, 2004.....	23
Table 49 Origin of guests, Upper Zambezi, 2004.....	23
Table 50 Guests by category, Upper Zambezi, 2004.....	24
Table 51 Method of booking, Upper Zambezi, 2004.....	24
Table 52 Revenue and operating expenditures ('000s), Upper Zambezi, 2004	25
Table 53 Employment in accommodation establishments, Upper Zambezi, 2004	25
Table 54 Local financial impacts of accommodation establishments ('000s), Upper Zambezi, 2004.....	25
Table 55 Source of knowledge of KAZA TFCA, Upper Zambezi, 2005	26
Table 56 Expected effect on business by KAZA TFCA, Upper Zambezi, 2005	26
Table 57 Potential activities with KAZA TFCA, Upper Zambezi, 2005.....	26
Table 58 Expected effect of KAZA TFCA on park resource quality, Upper Zambezi, 2005.....	26
Table 59 Capacity per night of Caprivi establishments, 2004	27
Table 60 Share of accommodation sector by ownership type, Caprivi, 2004.....	27
Table 61 Share of accommodation sector by owner residence and ethnicity, Caprivi, 2004.....	27
Table 62 Origin of guests, Caprivi, 2004.....	28
Table 63 Guests by category, Caprivi, 2004.....	28
Table 64 Method of booking accommodation, Caprivi, 2004	28
Table 65 Revenue and operating expenditures ('000s), Caprivi, 2004	29
Table 66 Employment in accommodation establishments, Caprivi, 2004	29
Table 67 Local financial impacts of accommodation establishments ('000s), Caprivi, 2004.....	29
Table 68 Source of knowledge of KAZA TFCA, Caprivi, 2005	30
Table 69 Expected effect on business by KAZA TFCA, Caprivi, 2005.....	30
Table 70 Potential activities with KAZA TFCA, Caprivi, 2005.....	30
Table 71 Expected effect of KAZA TFCA on park resource quality, Caprivi, 2005.....	30
Table 72 Capacity of accommodation establishments, KAZA region, 2004.....	31
Table 73 Share of accommodation sector by ownership type, KAZA region, 2004.....	31
Table 74 Share of accommodation sector by owner residence and ethnicity, KAZA region, 2004	32
Table 75 Origin of guests, accommodation sector, KAZA region, 2004.....	32
Table 76 Guests by category, accommodation sector, KAZA region, 2004.....	32
Table 77 Method of booking accommodation, KAZA region, 2004.....	32
Table 78 Revenue and operating expenditures, accommodation sector ('000s), KAZA region, 2004.....	33
Table 79 Employment in accommodation establishments, KAZA region, 2004.....	33
Table 80 Local financial impacts of accommodation establishments ('000s), KAZA region, 2004	34
Table 81 Capacity of tour operations, northern Botswana, 2004.....	35
Table 82 Share of tour sector by owner residence and ethnicity, northern Botswana, 2004	35
Table 83 Origin of tour operator guests, northern Botswana, 2004.....	35
Table 84 Tour purchaser by category, northern Botswana, 2004	35
Table 85 Method of booking tours, northern Botswana, 2004	35
Table 86 Destinations of tours offered, northern Botswana, 2004.....	35

Table 87 Revenue and operating expenditures, accommodation sector ('000s), northern Botswana, 2004	36
Table 88 Employment in the tour sector, northern Botswana, 2004	36
Table 89 Local financial impacts of the tour sector ('000s), northern Botswana, 2004	36
Table 90 Source of knowledge of KAZA TFCA, tour sector northern Botswana, 2005	37
Table 91 Expected effect on business by KAZA TFCA, tour sector northern Botswana, 2005	37
Table 92 Potential activities with KAZA TFCA, northern Botswana, 2005	37
Table 93 Expected effect of KAZA TFCA on park resource quality, tour sector northern Botswana, 2005	37
Table 94 Capacity of tour operations, Livingstone, 2004	38
Table 95 Share of tour sector by owner residence and ethnicity, Livingstone, 2004	38
Table 96 Origin of tour operator guests, Livingstone, 2004	38
Table 97 Tour purchaser type, Livingstone, 2004	38
Table 98 Method of booking tours, Livingstone, 2004	39
Table 99 Destinations of tours offered, Livingstone, 2004	39
Table 100 Revenue and operating expenditures, accommodation sector ('000s), Livingstone, 2004	39
Table 101 Employment in the tour sector, Livingstone, 2004	39
Table 102 Local financial impacts of the tour sector ('000s), Livingstone, 2004	40
Table 103 Source of knowledge of KAZA TFCA, tour sector Livingstone, 2005	40
Table 104 Expected effect on business by KAZA TFCA, tour sector Livingstone, 2005	40
Table 105 Potential activities with KAZA TFCA, tour sector Livingstone, 2005	40
Table 106 Expected effect of KAZA TFCA on park resource quality, tour sector Livingstone, 2005	40
Table 107 Capacity of operators, KAZA region, 2004	41
Table 108 Share of tourism market by owner residence and ethnicity, KAZA region, 2004	41
Table 110 Origin of guests, KAZA region operators, 2004	41
Table 111 Guests by category, KAZA region operators, 2004	41
Table 112 Method of booking tours, KAZA region, 2004	42
Table 113 Destination of tours, KAZA region, 2004	42
Table 114 Revenue and operating expenditures ('000s), KAZA region operators, 2004	42
Table 115 Employment in KAZA region operators, 2004	43
Table 116 Local financial impacts of tour operators ('000s), KAZA region, 2004	43
Table 117 Share of tourism market by ownership type, total KAZA region, 2004	43
Table 118 Share of tourism market by owner residence and ethnicity, total KAZA region, 2004	44
Table 119 Revenue and operating expenditures ('000s), total KAZA region, 2004	44
Table 120 Employment in total KAZA region, 2004	44
Table 121 Local financial impacts ('000s), total KAZA region, 2004	45

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Acronyms

BWP	Botswana Pula
FTE	full time equivalent
KAZA	Kavango–Zambezi
NAD	Namibian Dollar
OUZIT	Okavango Upper Zambezi International Tourism initiative
TFCA	Transfrontier Conservation Area
ZMK	Zambian Kwacha
ZNTB	Zambia National Tourism Board
ZWD	Zimbabwean Dollar
\$US/USD	United States Dollar

EXECUTIVE SUMMARY

The Kavango–Zambezi Transfrontier Conservation Area (KAZA TFCA) is a multi-objective initiative involving parts of Angola, Botswana, Namibia, Zambia and Zimbabwe. The concept of a major tourism destination based on the extensive network of protected areas and wildlife populations has been discussed and developed over the last decade. Recently, the idea has been revitalised by the ministers of those five countries, who seek to establish a world-class transfrontier conservation area and tourism destination in the Okavango and Zambezi river basin regions of those countries, within the context of sustainable development.

In recognition of the importance of tourism to the economic development objectives of TFCA implementation, this study was undertaken to determine the current size of the tourism industry within the KAZA TFCA, focussing on accommodation providers and tour operators. The survey was conducted in northern Botswana, Livingstone, parts of Victoria Falls¹, along the Upper Zambezi and in Caprivi. Almost 60 per cent of accommodation establishments and almost 40 per cent of tour operators that were trading in 2004 were surveyed. The research focuses only on direct impacts only – that is, the economic activity generated by the activities of tourists. Indirect and induced effects are expected to be relatively small in the region, which is characterised by a relatively non-diverse economy.

In 2004, accommodation establishments in the KAZA region had the capacity to house 8,312 guests each night; the tour operators were able to host 2,926 guests per day. Of the available accommodation capacity, 35 per cent was in Livingstone, 32 per cent in Victoria Falls, 17 in northern Botswana, 12 per cent in Caprivi and just four per cent along the Upper Zambezi. It is estimated that just over 318,640 guests spent one or more nights in the accommodation enterprises, and 782,200 bednights were sold in the region. Livingstone made 39 per cent of total KAZA TFCA sales, Victoria Falls made 25 per cent, northern Botswana made 23 per cent., Caprivi sold nine per cent of total bednights and establishments along the Upper Zambezi sold the remaining four per cent.

Just 34 per cent of tour operator capacity was found in northern Botswana, with 66 per cent in Livingstone. Approximately 314,200 guests were taken on a tour by operators in 2004. Despite the differences in capacity, sales were split evenly between operators in the two regions.

Total revenue generated by accommodation establishments and tour operations exceeded \$US100 million in 2004. Accommodation establishments accounted for approximately 89 per cent of total revenue generation in the KAZA TFCA. The sector generated approximately \$US89.3 million in that year. Accommodation services generated 64 per cent of total accommodation sector revenue, restaurant and bar sales generated 31 per cent, four per cent was generated by tour services and one per cent by 'other' (curio and shop sales, casino operations, golf courses, sales of firewood, transfers and commissions on tour sales). 34 per cent of accommodation sector revenue was generated in Victoria Falls, 28 per cent in Livingstone, 26 per cent in northern Botswana, and just six per cent each in Caprivi and the Upper Zambezi.

Tour operators generated approximately \$US10.8 million (11 per cent of total revenue). 96 per cent of revenue earned was generated by sales of tours, with four per cent by sales of food and beverages. Northern Botswana operators generated 64 per cent of total tour revenue, with Livingstone generating the remaining 34 per cent.

¹ Only the nine largest hotels in Victoria Falls were able to be sampled. No tour operators in Victoria Falls were surveyed, so these results almost certainly underestimate the total importance of the town as a tourist hub.

The accommodation sector provided 89 per cent (4,913) of employment, with the tour operators providing the remaining 11 per cent (616). Within KAZA tourism businesses, local employees made up 94 per cent of the total workforce, non-local national employees two per cent, KAZA employees comprised one per cent, and expatriates made up the remaining three per cent of the workforce. Total employment in surveyed establishments was reported to be 5,529.

In 2004, a total of 5,204 local workers, 689 of them in part-time jobs, were employed in the tourism industry. Local wages paid as a proportion of the total wage and salary bill across the KAZA region were just 73 per cent, despite 94 per cent of employees being locally employed. Across the region and across both sectors, males make up 61 per cent of the local workforce, with 39 per cent of positions filled by women. In the accommodation sector, women accounted for 38 per cent of the local workforce; in the tour operator sector, they accounted for only 22 per cent of local employees.

Just 48 per cent of non-wage operating costs were spent locally across the whole region, though the proportion varied massively between regions and enterprises. Only 20 per cent of the profit generated in the industry was earned by local owners, and it is assumed that virtually all profit made by corporate and foreign owned enterprises is remitted out of the KAZA TFCA (as headquarters of these companies are outside the region). The combination of non-wage operating costs made outside of KAZA, and remitted profits represent considerable leakages from the local economy.

A summary of strategies which could be adopted to assist the KAZA TFCA maximise the local economic benefits from tourism, based on the principles of sustainable tourism, is presented. Such strategies could include increasing local employment, improving the skills of local employees, increasing the number of local enterprise owners, improving the financial sustainability of local tourism enterprises and supporting joint venture partnerships between the private sector and rural communities. Increasing local procurement, ensuring the equitable distribution of benefits, mitigating the costs facing rural communities living with wildlife and ensuring the provision of appropriate infrastructure and services will also be important components of a benefit maximising strategy. A number of challenges facing policy makers have also been identified – including those relating to policy harmonisation, ensuring the meaningful participation of rural communities in planning and decision making processes, and ensuring that some of the financial resources generated by tourism contribute to the costs of managing the wildlife populations and protected areas that are essential to the sustainability of the tourism industry in the KAZA TFCA.

1. INTRODUCTION

Transfrontier conservation areas (TFCAs) are areas of land and/or sea that straddle international (or sub-national) borders, that are jointly or cooperatively managed for conservation and/or sustainable natural resource utilisation. The concept recognises that borders are political rather than ecological, and aim to ensure that key ecological processes continue to function where borders have divided ecosystems, river basins and/or wildlife migration routes.

The ecological rationale associated with transfrontier conservation areas is very similar to that of simply increasing land area under sustainable management, but TFCAs attempt to improve the cooperative management of shared resources, increase the area available for wildlife and plant populations (reducing their vulnerability to shocks) and re-establish migratory routes that may have been disrupted by a lack of coordinated management between countries. TFCAs are also said to improve the livelihoods of communities whose traditional lands have been divided by international boundaries, particularly through the facilitation of the resumption and/or legalisation of cross border movements (in order, partly, to support cultural ties and traditions). Finally, cross border cooperation is thought to increase the efficiency of monitoring and managing natural resources, reduce and/or eliminate duplication of efforts, and create economies of scale, as well as enhance

economic opportunities (e.g. through increased tourism potential and revenues) as the economic basis for TFCAs (Singh, 1999; DN-Consult, 2004).

In southern Africa, 22 sites have been identified as having the potential to become a transfrontier park² or TFCA (Hall-Martin and Modise, 2002). These initiatives are being given increasing support from a wide range of stakeholders including local and national governments, NGOs and donor agencies, and have been endorsed by both the New Partnership for African Development and the Southern African Development Community, as instruments that can contribute to local economic development, regional integration and cooperation, and poverty alleviation through biodiversity conservation activities (SADC, 1999; NEPAD, 2001). Indeed, all of the international agreements relating to transfrontier parks and TFCAs so far in southern Africa refer specifically to tourism (implying nature-based tourism rather than stating it specifically) as a means to achieve economic development and poverty alleviation objectives, as can be seen from the following statements³ drawn from official agreements regarding transfrontier parks and TFCAs:

‘... to encourage the potential of the Parks and surrounding areas which will bring economic benefits to the Republic of Botswana and the Republic of South Africa, especially to the local communities adjacent to the Park ...’⁴

‘... to develop an integrated community-based conservation and development programme ... to facilitate a sustainable (including environmental, social and economic sustainability) nature conservation development and ecotourism investment programme based on the natural, social and cultural resources of the area ... to facilitate cooperation between Lesotho and South Africa on sustainable development ...’⁵

‘... to facilitate the establishment and maintenance of a sustainable sub-regional economic base through appropriate development frameworks, strategies and workplans ... to develop trans-border eco-tourism as a means of fostering regional socio-economic development ...’⁶

It can be seen that these strategies are extremely broad, and heavily dependent on increasing the size of the local tourism industry as the means of improving local economic development, and unfortunately these objectives are rarely supported by any detailed means to achieve them. Further, the empirical evidence to support the hypothesis that tourism will contribute significantly to economic development and poverty alleviation within TFCAs is not yet available. The purpose of this paper is to provide a baseline of the tourism industry in the proposed Kavango-Zambezi Transfrontier Conservation Area (KAZA TFCA), as part of a long-run monitoring programme to determine the economic impacts of transfrontier conservation areas. KAZA is one of two study sites – the other being the proposed Greater !Gariep TFCA shared between Namibia and South Africa. The KAZA initiative involves five countries – Angola, Botswana, Namibia, Zambia and Zimbabwe – and has a long history, beginning in the early 1990s, but receiving recent impetus to move the process forward.

² A transfrontier park typically only includes state protected areas, thus differing from TFCAs which can include a variety of conservation and multiple use areas under different land tenures – including state protected areas, game and wildlife management areas, forest reserves, community and private conservation areas, etc.

³ To date, all of the transfrontier park/conservation area treaties signed in southern Africa have involved South Africa as one of the partner countries.

⁴ Government of the Republic of Botswana/Government of the Republic of South Africa, 1999.

⁵ Government of the Kingdom of Lesotho/ Government of the Republic of South Africa, 2001.

⁶ Government of the Republic of Mozambique/ Government of the Republic of South Africa/ Government of the Republic of Zimbabwe, 2002; Government of the Republic of Namibia/ Government of the Republic of South Africa, 2003.

1.1 The proposed Kavango–Zambezi TFCA

The concept of a Southern African Wildlife Sanctuary was presented at a Regional Workshop on Water Resource Management as long ago as 1993. The idea was then taken up by the Development Bank of Southern Africa as part of their Spatial Development Initiatives, in partnership with the Regional Tourism Organisation of Southern Africa, who transformed it into the Okavango Upper Zambezi International Tourism Initiative (OUZIT), publishing a preliminary project scan in 1999. The OUZIT initiative was conceived as an opportunity for the five countries to take advantage of the regions' network of protected areas, wildlife and natural resources and cultural heritage to become one of the premier eco-, cultural and adventure tourism destinations in the world. It was also seen as a useful vehicle to facilitate infrastructure development and rural investment in the region. The initiative was based almost entirely on tourism growth and development, integrating conservation activities in order to protect the sources and wetlands of water systems falling within the region – primarily the Okavango, Zambezi and the Kwando/Linyanti/Chobe systems (DN-Consult, 1999). These initiatives both focussed on the 'four corners' region (the point at which Botswana, Namibia, Zambia and Zimbabwe meet, around Impalila Island in Namibia), and included Angola because of its importance as the source of most of the regions' rivers.

The OUZIT concept was then linked with similar initiatives on both the Indian and Atlantic coasts to form the expanded OUZIT, which was agreed to in 2001 by the Southern African Development Community tourism ministers. A number of transboundary natural resource management programmes were undertaken in this time, though the agreement by tourism ministers in 2001 did not give the expanded OUZIT the jump-start they had hoped for, in terms of planning and implementation of activities. After several years of limited activity relating to OUZIT, the five original governments undertook to move forward, and in July 2003 their tourism ministers held a meeting where they agreed to 'revitalise' the idea, and 'seize the golden opportunity to take complete ownership ... to sharpen its focus so that it can complement the socio-economic development efforts of ... respective countries' (Hon. S Nujoma, President of Namibia, 2003). President Nujoma also called upon the countries represented at the meeting to 'promote cooperation in order to strengthen the management strategies of natural resources to enhance economic development of countries.' (2003).

At that meeting, the Ministers clarified the purpose of the TFCA as seeking to 'establish a world-class transfrontier conservation area and tourism destination in the Okavango and Zambezi river basin regions of Angola, Botswana, Namibia, Zambia and Zimbabwe within the context of sustainable development'. Seven key elements were outlined as crucial to the success of the KAZA TFCA:

1. securing and improving the management of the natural resource base;
2. collaborative management planning toward harmonised land use, including a joint inventory of resources, monitoring and research;
3. adjustment of policy and legal frameworks as required;
4. active support for sustainable tourism development, i.e. ecologically and socio-economically sustainable tourism;
5. creating a framework for public and private sector investment and community participation in tourism and other economic activities based on the natural resources of the area;
6. establishing institutional mechanisms to coordinate and facilitate the implementation of the initiative by the five countries;
7. a programme to identify and mobilise resources (financial support and human resources) to achieve the overall objective of the initiative (Anon., n.d.).

The basis for future tourism developments are the many natural assets – encompassing terrestrial wildlife populations of international importance (including the largest contiguous population of elephants on the continent (Hanks, 2005)), the Victoria Falls, the Okavango Delta, the Zambezi, Chobe–Linyanti, Kwando and Cuito river systems, considerable cultural diversity, many historical attractions, as well as high potential for developing and diversifying adventure- and water-based tourism activities. A lengthy description of the tourism attractions and the biodiversity value of the region will not be provided in this report as they are both comprehensively covered elsewhere (see Perkins, 2005; Hanks, 2005; DN-Consult, 2004; Hall-Martin and Modise, 2002; DHV Consultants, 1999). Though the proposed area of the TFCA is not finalised, it is likely to include, in Botswana, the Okavango Delta, the Chobe system; in Zambia, Kafue, Sioma Ngwezi and Mosi-oa-Tunya National Parks, the West Zambezi game management area; in Zimbabwe Hwange, Zambezi, Victoria Falls and Kazuma Pan National Parks; in Angola, the Luiana Partial Reserve, the Mukosso, Luenge, Luiana and Longa-Mavinga Coutadas; in Namibia, the Caprivi Game Reserve, Mudumu and Mamili National Parks, the Caprivi State Forest, community conservancies; and other land to be determined by the migratory movement of wildlife (see Map 1) (Anon., n.d.).

Recognising the perceived importance of tourism to the economic development objectives of TFCA implementation, this study has focussed on determining the current level of tourism characteristic products⁷ provided from within the region – including accommodation providers (including their additional services such as restaurants and bars, tours, etc.) and tour operators acting independently from hotels/lodges in the region. The methodology of the surveys, and their subsequent analysis used in this study is outlined in the next section, followed by the presentation of the survey results. Implications and impacts of these results are discussed in Section 4, followed by the conclusions drawn.

2. METHODOLOGY

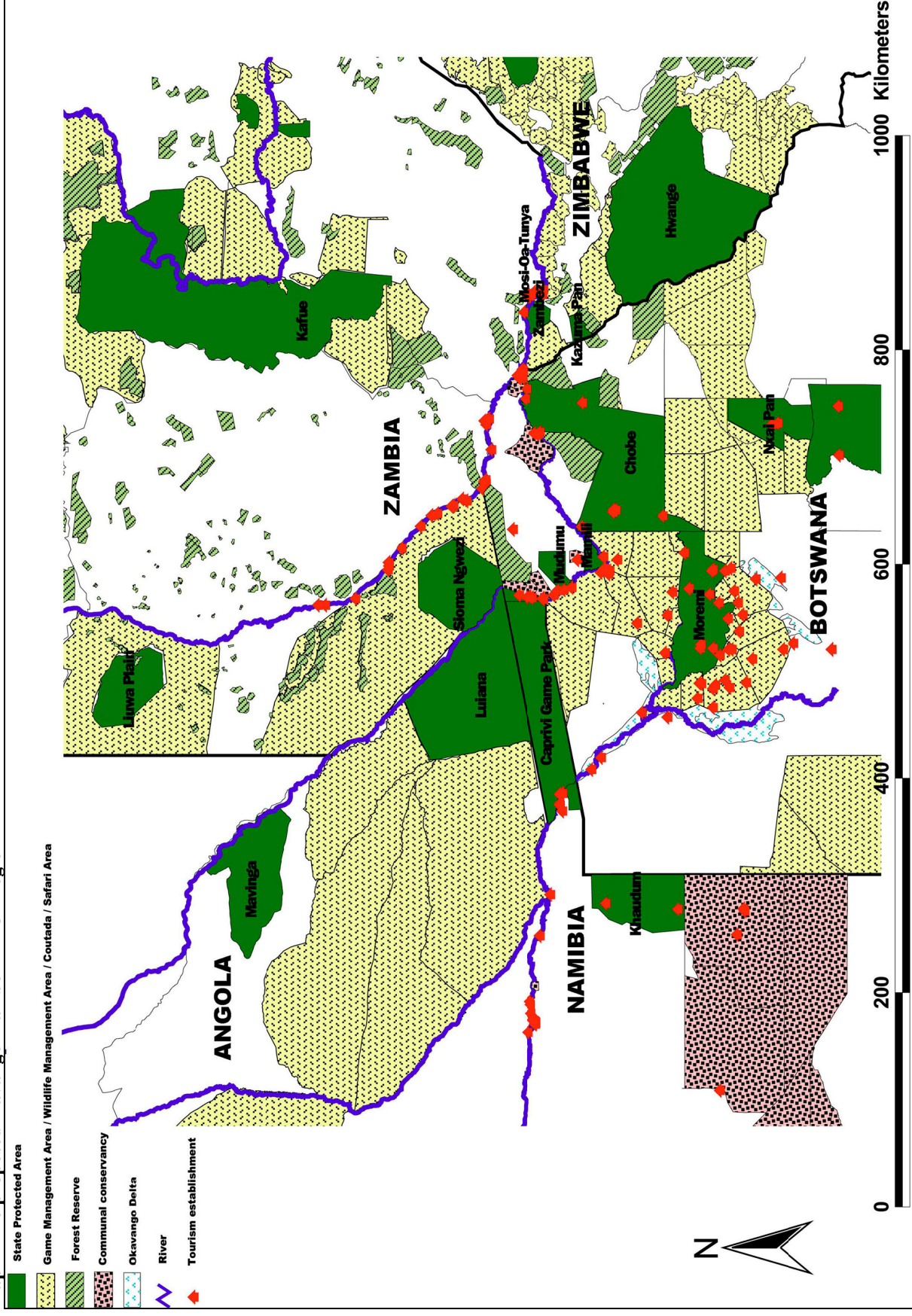
Due to the absence of recently available (and reliable) information regarding the tourism industry for the KAZA region, this research was designed to determine the level of characteristic tourism products provided within the region for the calendar year of 2004. The range of establishments surveyed included both accommodation providers (covering aspects of their additional services including restaurants and bars, tours, etc.) and independent tour operators in the region. Other usual tourism characteristic products were not considered, as very few are provided by operators within the region, and thus much of their economic impact would be felt either at national level rather than within the KAZA region specifically, or would leak out of southern Africa altogether.

The questionnaires (see Appendices 1 and 2) were developed based on an earlier questionnaire used in a similar project in the proposed Greater !Gariep TFCA region. Several aspects were covered in the survey – the type of business (e.g. capacity, origin of guests, type of ownership, owner residence and ethnicity), the financial aspects of the business, and employment in the industry. A section of the survey was designed to determine the initial knowledge and impressions of industry participants regarding the KAZA TFCA and the opportunities it may offer.

An inventory of all accommodation establishments and tour operators was compiled for each region of the study area (see Appendix 3). Sources for this inventory included national tourism bureaux, tourist information centres, business directories and guidebooks. These inventories were extensively updated to remove defunct businesses, include newly opened operations and combine businesses (especially tour operations) operating under multiple names. Using this inventory, the survey team intended to survey each establishment that was operational during the 2004 calendar year.

⁷ Tourism characteristic products as defined by the UN et al., are ‘those products which in most countries would cease to exist in meaningful quantities, or those for which the level of consumption would be significantly reduced in the absence of visitors’ (2000:35).

Map 1 The proposed Kavango–Zambezi TFCA region



Source: WWF; MET, Namibia; RAISON, Namibia; Open Africa, South Africa; ConInfo, Namibia.

Unsurprisingly, a 100 per cent response rate was not achieved. A number of enterprises were unwilling to participate in the survey, a small number of businesses had ceased operations by the time the survey was carried out, and in several instances, interviewees were unable to provide much of the information requested. In Victoria Falls (Zimbabwe), a combination of logistical and political issues meant that small operators in the town were not surveyed. Finally, the time constraints of the survey team meant that only a sample of just over 30 per cent of the (much larger than expected) guest house sector in Livingstone (Zambia) as surveyed. The Okavango Delta is not included in this analysis, as data collection and analysis was undertaken by a student at the University of KwaZulu Natal, and was not available for inclusion in this report at its time of writing.

Table 1 outlines the surveyed enterprises against the total open in 2004 for each region within KAZA, and from it can be seen the high level of response rates (excluding Victoria Falls). It is believed that these results provide a good representation of the tourism industry within the KAZA region.

Table 1 Sample and population size of establishments open in 2004 surveyed, by region, 2004

Area	Accommodation		Tour Operators	
	Surveyed	Total	Surveyed	Total
Botswana – Kasane, Kazungula, Leshoma, Pandamatenga, Ngoma	19	19	10	14
Zimbabwe – Victoria Falls	9	37	0	37
Zambia – Livingstone	37	71	16	18
Zambia – Upper Zambezi (to Senanga)	13	21	0	0
Namibia – Caprivi Region	24	30	0	0
Total	102	178	26	69

128 surveys were completed for businesses open in 2004, 13 surveys were completed for businesses that opened only in 2005. Thus, a total of 141 surveys were completed. In these 13 cases of businesses open only in 2005, the only information included in the analysis presented below is that relating to the knowledge and impressions of the KAZA TFCA of the survey respondent. Virtually all questionnaires (139 of 141) were administered using personal interviews with hotel or tour operation owners, managers, or accountants, between July and September, 2005. In two cases, questionnaires were left with respondents and completed in the absence of the survey enumerator. The confidentiality of responses was guaranteed and data has been reported only in aggregate form. In any instance where the reporting of specific data would enable the identification of an individual enterprise, this data is not reported (though it is, of course, included in the analysis).

Data were entered by hand using Microsoft Access and Microsoft Excel. Calculations and regressions were performed in Statistica and Microsoft Excel.

Non-financial data, including data on employment and visitation was almost universally reported. Responses regarding sensitive financial information were most likely to be non-reported (e.g. bednights sold, total turnover, wage bill, taxes, rates and operating costs). Where necessary, missing data was imputed from reported data using regression analysis. After missing data was imputed, summary statistics were calculated in the form of sums, weighted averages, or percentages of a total.

Respondents reported financial figures in either local currency or US dollars. All figures were converted to US dollars using the average inter-bank rate for buying US dollars for the 2004 calendar year.

Table 2 Exchange rates for the period 1 January to 31 December, 2004

Currency converted	\$US conversion rate
1 Botswana Pula (BWP)	0.21404
1 Namibia Dollar (NAD)	0.15837
1 South African Rand (ZAR)	0.15621
1 Zambian Kwacha (ZMK)	0.00021
1 Zimbabwe Dollar (ZWD)	0.00036

Source: www.oanda.com/convert/fxhistory

Conversions of Zimbabwean dollars to and from US dollars was especially problematic given the unstable nature of that currency over the study period, combined with the vast differences between the official and unofficial exchange rates which introduced an unavoidable source of imprecision to Zimbabwean financial results.

The only instance where results were not analysed uniformly was in the guest house sector in Livingstone, Zambia. Of the 60 establishments classified by the Zambia National Tourism Board (ZNTB) as guesthouses, 19 were surveyed (32 per cent). Results from those surveyed were extrapolated across the whole sector, based on the assumption that the non-surveyed guesthouses had the same mean and distribution of rooms, employees, turnover, and other statistics, as the surveyed guesthouses. There is a possibility that variance in the total pool of 60 guesthouses was not accurately captured by the sample of 19 guesthouses, but it is believed that the sector is sufficiently homogenous to make this variance minimal.

This study focuses only on direct impacts, that is the economic activity generated directly by the activities of tourists. Indirect and induced effects are expected to be relatively small in the region, which is characterised by a relatively non-diverse economy. Indirect impacts include production, employment and income changes occurring in other businesses/industries locally that supply inputs to the accommodation and tour operators, in this case. Induced impacts are the effects of household spending in the local economy as a result of the direct and indirect effects of the tourism industry. The rationale for focussing initially on direct impacts is that a large range of required goods and services are not available locally, and many of those goods and services that can be purchased locally are only available because they have been imported into the region, rather than supplied or produced within it.

Several measures are used to quantify economic impact, focussing on employment, business output, aggregate wages and salaries, as well as the relative contribution of each of these locally. In the future, it would be desirable to determine value added, though it requires the collection of reliable and detailed data, which is often difficult in practice. While value added is often said to be an appropriate measure of impact on economic activity in a particular area, wages and salaries paid are often preferred as a more conservative measure of the income benefit to residents of an area.

Gross business output (revenue) is a broad measure of economic activity, though unfortunately it does not distinguish between high and low value added activities. In order to overcome some of the problems associated with this measure of economic activity, an attempt was made in this study to determine how much of business output remained locally (i.e. within the KAZA region), in terms of local wages and salaries paid as well as non-wage operating expenditures made within the region.

Estimates of profits retained within the KAZA region are also made in order to determine potential levels of re-investment in the region, as well as further rounds of expenditure resulting from tourism activity. However, this measure does not consider the potential lack of alternative opportunities for some operators. Nor does it consider the possibility that some enterprise owners are likely to make lifestyle choices rather than profit maximising ones. These estimates are also based on the assumption that local owners retain profit within the region, while non-local/foreign owners remit

any profits earned to their country of origin. This assumption should be more closely examined in future to determine whether local profits are in fact retained and/or re-invested locally; and the extent to which non-local foreign enterprises contribute to local re-investment and/or leakages from the KAZA region.

Estimated tax revenues to central governments are also presented, in recognition that many benefits from the tourism industry impact at a national level, rather than solely at a local level. A cautionary note regarding these estimates must be made – the survey did not disaggregate by type of tax, and therefore some taxes (for instance payroll tax and import duties) are likely to be underestimated.

It is anticipated that this survey will be the first of several implemented over the medium to long term, and is designed with subsequent studies in mind. The survey tool has anticipated the development of ‘new’ types of tourism business ownership – notably community owned and joint venture/partnership agreements – that would be expected to increase in number in the coming years if the principles of sustainable tourism are implemented and increased local participation occurs within the KAZA region. By implementing the same (or a similar) survey tool in the same region in several years, it will be possible to observe changes in the industry over time. In order to determine the direct impacts of the KAZA TFCA, several questions will need to be added to the existing questionnaires, relating to whether any new tourism investments have been made, and whether they were made partly or wholly on the basis of the existence of the TFCA initiative. In addition, the subsequent analysis should also include comparisons of rates of growth in the tourism industry outside of the KAZA region, as the relative rates of growth (stagnation or decline) will also give an indication of the success (or otherwise) of the KAZA initiative in stimulating regional growth in the tourism industry. It is difficult to say when the next survey should be implemented, as the KAZA TFCA is at such an early stage of planning and implementation – perhaps two or three years after the signing of the Memorandum of Agreement or Treaty, or when a critical mass of activities are being implemented, and allowing enough time for investment in the industry to have taken place.

3. RESULTS⁸

3.1 *Accommodation, northern Botswana*

20 establishments in the area were surveyed. The statistics presented in Sections 3.1.1 to 3.1.6 cover only the 19 establishments which were operating in 2004 or earlier. The results from the business that opened in 2005 are included only in Section 3.1.7.

3.1.1 **Profile of establishments**

42 per cent of establishments had less than 20 beds, 37 per cent had between 21 and 40 beds, five per cent had between 41 and 100 beds and 16 per cent (three establishments) had in excess of 100 beds. Seven establishments offered camping in addition to room accommodation; no establishments offered only camping. Rates for accommodation ranged between Botswana Pula (BWP) 7 (\$US1.50) and BWP2,270 (\$US485) per night.

Table 3 Capacity per night of northern Botswana establishments, 2004

n=19	Total	Average	Median	Minimum	Maximum
Number of rooms	451	24	11	3	111
Number of beds	877	46	24	6	194
Camping capacity	574	30	0	0	160
Annual (bednight) capacity	529,615	27,874	14,600	2,190	111,690

The average length of stay per establishment was 2.8 nights, with a wide range (1–30 nights). Year-round bednight occupancy was approximately 34 per cent, ranging from less than 15 per cent to in excess of 70 per cent.

⁸ Please note that not all proportions in the following tables add exactly to 100 per cent, due to rounding.

Table 4 Share of accommodation sector by ownership type, northern Botswana, 2004

n=19	No. of establishments	% of total	Capacity (%)	Bednights sold (%)	Turnover (%)	Employment (%)
Private	16	84	78	86	74	59
Corporate	3	16	22	14	26	41

Table 5 Share of accommodation sector by owners residence and ethnicity, northern Botswana, 2004

n=19	No. of establishments	% of total	Capacity (%)	Bednights sold (%)	Turnover (%)	Employment (%)
Owner's residence						
Local	10	53	43	50	33	30
KAZA	2	11	26	27	28	20
Foreign	3	16	7	7	9	7
Other	1	5	2	2	4	3
Corporate	3	16	22	14	26	41
Owner's ethnicity						
Black	6	32	17	15	5	9
White	7	37	37	46	36	24
Black/white partnership	3	16	24	25	33	25
Corporate	3	16	22	14	26	41

The three corporate hotels have headquarters in Kasane, Gaborone, and the United States.

Over half of the establishments are locally owned, however locally owned establishments receive just over one third of regional turnover despite selling half of all bednights in the region. In contrast, corporate hotels comprise less than one sixth of all establishments, yet receive a quarter of regional turnover. Although black-owned establishments comprise nearly one third of all enterprises, they receive only five per cent of regional turnover.

3.1.2 Profile of guests

It is estimated that a total of 64,400 overnight guests⁹ visited northern Botswana in 2004. A breakdown of these guests' origin, type and method of booking follows in the tables below.

Table 6 Origin of guests, northern Botswana, 2004

n=19	Domestic	KAZA	Foreign	Total
Average (%)	19	12	69	100
No. of visitors	12,236	7,728	44,436	64,400

Table 7 Guests by category, northern Botswana, 2004

n=19	Self drive/ Independent	Fly-in/ package	Overland	Organised group	Non-tourist guest	Total
Average (%)	36	34	13	3	14	100
No. of visitors	23,184	21,896	8,372	1,932	9,016	64,400

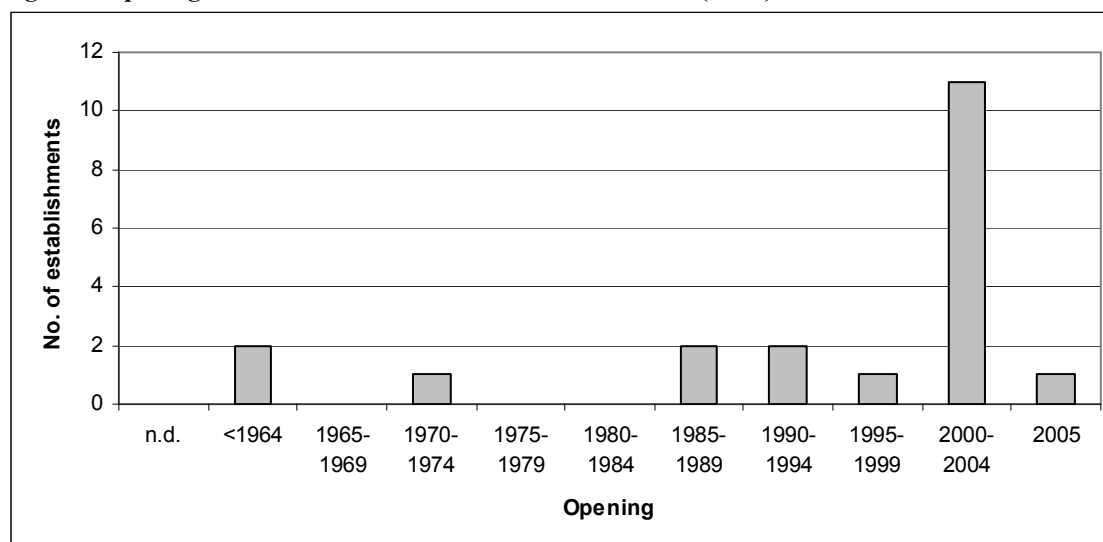
Table 8 Method of booking accommodation, northern Botswana, 2004

n=19	Walk in	Direct booking	Local hotels/ operators	KAZA hotels/ operators	Foreign hotels/ operators	Total
Average (%)	24	8	7	6	55	100
No. of visitors	15,456	5,152	4,508	3,864	35,420	64,400

⁹ This does not equate to total tourist numbers, as some guests may have stayed at more than one accommodation establishment during their trip.

3.1.3 Time trends

Figure 1 Opening date of northern Botswana Establishments (n=20)



Approximately 60 per cent of enterprises in the region began operations in 2000 or later; one new establishment opened in 2005, increasing the annual capacity by 20 beds and 50 camping places per night (annual capacity of 25,500).

52 per cent of respondents believed that tourism had increased over the three previous years (i.e. 2002–2004), 11 per cent believed that it had decreased over this period, while the remaining 32 per cent believed it had not changed, or did not know.

In terms of changes in tourism visitation patterns over the life of the operation, the majority of respondents reported that fewer travellers were now travelling to Zimbabwe, but were going to Zambia and Namibia instead. Enterprise owners had mixed views on whether the number of tourists visiting the region had increased – some believed that they had declined due to the political situation in Zimbabwe, while others thought that developments in Zambia, particularly the opening of the Sun International hotel in Livingstone was attracting more visitors. A change toward business/conference travel was also noted.

3.1.4 Finances

Table 9 Revenue and operating expenditures ('000s), northern Botswana, 2004

n=19	Regional Total (BWP)	Enterprise average (BWP)	Enterprise median (BWP)	Regional Total (\$US)
Revenue				
Total	107,025	5,633	1,900	22,908
Accommodation	72,710	3,827	1,500	15,563
Bar and restaurant	27,439	1,444	0	5,873
Tours	6,876	362	0	1,472
Operating expenditures				
Total wages and salaries	14,305	753	384	3,062
Non-wage operating costs	52,904	2,784	798	11,324
Taxes	8,788	463	185	1,881

180,220 bednights were sold in northern Botswana in 2004. Each establishment sold on average 9,486 bednights, with a median of 5,082 bednights sold per annum.

3.1.5 Employment

The employees to beds ratio for the region was 0.80 (median:0.61; range:0.22–2). The employees to capacity ratio for the region (capacity includes both beds and campsites) was 0.48 (median: 0.47; range:0.5–1.73).

Table 10 Employment in accommodation establishments, northern Botswana, 2004

n=19	Total	Average	Median	Minimum	Maximum
Total employment	698	37	20	2	132
Local male	310	16	9	0	66
Local female	340	18	10	1	60
Non-local national	2	0	0	0	2
KAZA national	15	1	0	0	7
Expatriate	31	2	2	0	5

Northern Botswana establishments spent an estimated BWP14.3 million (\$US3.06 million) on wages and salaries in 2004, or 13 per cent of total turnover. This was paid to 698 employees, only one of whom was in part-time employment.

3.1.6 Local impacts

Table 11 Local financial impacts of accommodation establishments ('000s), northern Botswana, 2004

n=19	Total (BWP)	Total (\$US)
Local wages	10,998	2,354
Local expenditure	32,032	6,856
Profit retained locally	13,949	2,986

In 2004, the 19 enterprises surveyed employed 93 per cent of their staff locally (648 local employees), who earned approximately 77 per cent of the total salary bill.

Non-wage operating expenditures made locally varied by owner residence and ethnicity. Corporate hotels reported spending 30 per cent of their operating costs locally, compared to 63 per cent for foreign-owned establishments, 78 per cent for KAZA-owned establishments, and 74 per cent for locally owned establishments. Black owned establishments reported spending 63 per cent of their operating costs locally, compared to 75 per cent for white owned establishments and 63 per cent for black–white partnerships. The average rate for the region was 61 per cent.

14 hotels reported making voluntary financial contributions to the local communities in 2004. These included gifts to schools, orphanages, day care centres, camps, HIV/AIDS groups, the police, local government, a wildlife trust and sports clubs. Five hotels reported making in kind donations to local communities. These included reduced room rates for civic organizations, sponsorship of a wildlife camp for school children, donation of construction labour, and donation of books to a local school.

3.1.7 Knowledge of the proposed KAZA TFCA

Of all establishments surveyed (n=20), 13 (65 per cent) had some knowledge of the proposed KAZA TFCA. Seven respondents (35 per cent) had not heard of the initiative. The responses below are based only on those respondents who reported prior knowledge of the KAZA TFCA.

Table 12 Source of knowledge of KAZA TFCA, northern Botswana, 2005

Source	Official channels	Media	Word of mouth	Don't know	Total
No.	7	0	6	0	13
%	54	0	46	0	100

Table 13 Expected effect on business by KAZA TFCA, northern Botswana, 2005

Effect on business	Positive	Negative	Mixed	Don't know	Total
No.	7	2	2	2	13
%	54	15	15	15	100

Table 14 Potential activities with KAZA TFCA, northern Botswana, 2005

Undertake the activity	Coordinate with operations in KAZA countries	Joint marketing operations	Invest in operations in KAZA countries	No change	Total
No. that would	6	3	2	3	14*
%	43	21	14	21	100

* Respondents had the choice of selecting more than one option

Table 15 Expected effect of KAZA TFCA on park resource quality, northern Botswana, 2005

Effect on park resource quality	Positive	Negative	Mixed	Don't know	Total
No.	5	1	3	4	13
%	38	8	23	31	100

Those respondents who believed that KAZA would have a positive effect on the region stated the following reasons: greater accessibility from new airstrips and roads, opening of the Kazangula bridge [between Botswana and Zambia], improved regional marketing, harmonised land uses, reducing elephant overcrowding by opening wildlife corridors/increasing wildlife areas, improved product on offer for tourists (e.g. cultural tours in Namibia), and the development of a southern Africa visa area. The only negative effect anticipated was an increase in tourism in Namibia contributing to overcrowding of the Chobe River.

In terms of the potential impact of KAZA on tourism visitation patterns, a number of respondents stated that they believed visitation was dictated more by airline routes or weather/climate, so the TFCA would not impact much. In contrast, other respondents believed that the average stay in the area would not increase, but may lead to 'Botswana tourists' going to Namibia instead.

Other potential impacts of the KAZA TFCA were stated to be: that countries would have to meet certain product standards, that agreements regarding resource use would improve the quality of parks, that the bond between countries would improve, the initiative could create good public relations for the region, that it should be beneficial for the animals, that it could allow communities to be more involved in wildlife resource benefits and assist in planning. Two respondents stated that the TFCA would be likely to have a negative effect on park resources, as the increase in infrastructure (roads) and the increase in tourist numbers would have negative environmental impacts.

3.2 Accommodation, Livingstone, Zambia

As of July, 2005, there were 83 lodging establishments in Livingstone, including guesthouses, hotels, lodges, backpackers, and campsites. Of these, 19 of the 60 enterprises classified as guesthouses by the ZNTB were surveyed for this report, and all 23 establishments classified by ZNTB as something other than a guesthouse were surveyed. All figures in this section are based on an extrapolation of surveyed guesthouses to all guesthouses; for more detail on this process see Section 2. Of the 42 establishments surveyed, 37 opened in 2004 or earlier. The results from businesses which opened in 2005 are included only in Section 3.2.7.

3.2.1 Profile of establishments

In 2004, the Livingstone enterprises offered a total of 2,351 beds per night, and camping capacity for 587 guests, which equal to an annual bed capacity for the region of 1,072,370.

Guesthouses

81 per cent of guesthouses had less than 20 beds while the remaining 19 per cent offered 21–30 beds. The largest guesthouse offered 26 beds. Two establishments offered camping in addition to room accommodation; no establishments offered only camping. Rates for accommodation varied between about ZMK50,000 (\$US11) and ZMK225,000 (\$US47).

Table 16 Capacity per night of Livingstone guesthouses, 2004

n=50	Estimated total for all guesthouses	Average	Median	Minimum	Maximum
Number of rooms	374	7	7	3	15
Number of beds	645	13	13	4	26
Camping capacity	137	3	3	0	22
Annual (bednight) capacity	285,430	5,708	5,645	1,460	15,695

The average length of stay per establishment was 2.47 nights, ranging between one and 14 nights per stay. The overall bednight occupancy rate for establishments in the region was 22 per cent, ranging between just over two per cent to a high of 75 per cent.

Non-guesthouses

Of the 21 non-guesthouse establishments that opened in 2004 or earlier, 43 per cent offered 20 or fewer beds, 14 per cent had 21–40 beds, 24 per cent had between 41–100 beds and 19 per cent of establishments had 101 or more beds. Eight establishments offered camping in addition to room accommodation; one establishment offered camping only. Rates in the non-guesthouse sector ranged from ZMK19,050 (\$US4) to ZMK950,000 (\$US200).

Table 17 Capacity of Livingstone non-guesthouses, 2004

n=21	Total	Average	Median	Minimum	Maximum
Number of rooms	831	40	16	0	385
Number of beds	1,706	81	26	0	770
Camping capacity	450	21	0	0	95
Annual capacity	786,940	37,477	21,170	2,920	281,050

The average length of stay per enterprise was 2.74 nights, ranging between one and 15 nights per stay. Year-round average bednight occupancy for non-guesthouses was estimated to be 31 per cent, with a maximum of 54 per cent.

Table 18 Share of accommodation sector by ownership type, Livingstone, 2004

n=71	No. of establishments	% of total	Capacity (%)	Bednights sold (%)	Turnover (%)	Employment (%)
Private	69	97	73	51	25	51
Corporate	1	1	26	47	75	48
Other	1	1	1	2	0	1

Table 19 Share of accommodation sector by owner residence and ethnicity, Livingstone, 2004

n=71	No. of establishments	% of total	Capacity (%)	Bednights sold (%)	Turnover (%)	Employment (%)
Owner's residence						
Local	37	52	34	21	6	20
KAZA	21	30	15	12	10	14
Foreign	8	11	14	12	5	8
Other	4	6	12	9	4	10
Corporate	1	1	26	47	74	48
Owner's ethnicity						
Black	49	69	29	20	6	21
White	12	17	34	24	16	19
Black/white partnership	4	6	2	1	1	2
Other	5	7	9	8	3	11
Corporate	1	1	26	47	75	48

The corporate hotel has headquarters in Johannesburg.

Corporate dominance of the non-guesthouse sector is highly evident in Livingstone – over half of regional accommodation establishments are locally owned, however locally owned establishments receive less than one tenth of regional turnover. Although black-owned establishments comprise over two thirds of all accommodations, they generate less than ten per cent of regional turnover.

3.2.2 Profile of guests

It is estimated that a total of 114,830 overnight guests visited Livingstone establishments in 2004. Approximately 26,000 of these guests stayed at guesthouses, and a further 88,830 stayed at hotels, lodges, etc. A breakdown of these guests' type, origin, and method of booking follows in the tables below.

Table 20 Origin of guests, Livingstone, 2004

n=71	Domestic	KAZA	Foreign	Total
Guesthouse				
Average (%)	66	19	15	100
No. of visitors	17,160	4,940	3,900	26,000
Non-guesthouse				
Average (%)	22	4	74	100
No. of visitors	19,543	3,553	65,734	88,830
Total				
Average (%)	34	8	58	100
No. of visitors	39,042	9,186	66,601	114,830

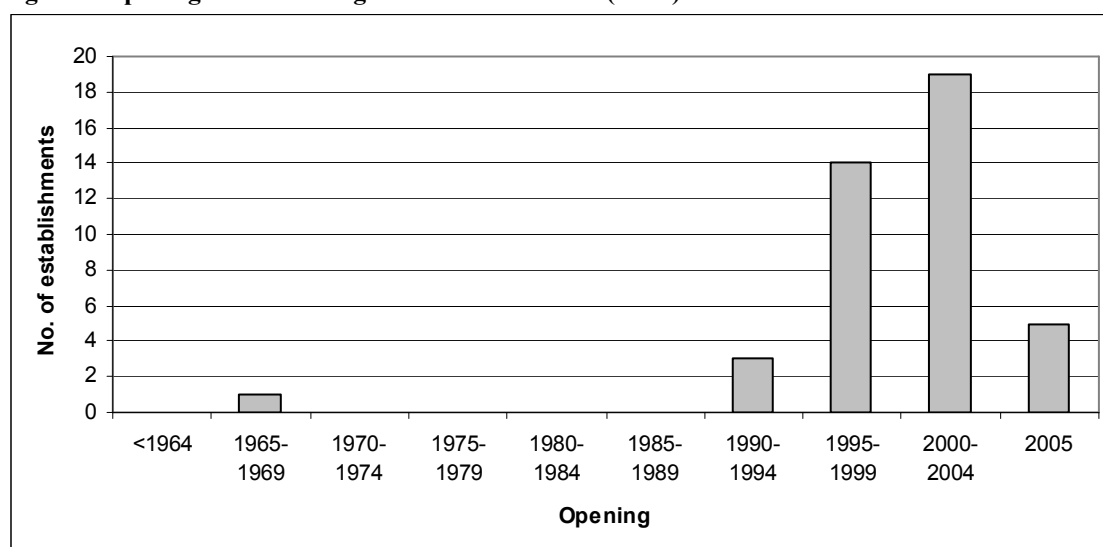
Table 21 Guests by category, Livingstone, 2004

n=71	Self drive/ Independent	Fly-in/ package	Overland	Organised group	Non-tourist guest	Total
Guesthouse						
Average (%)	20	2	0	25	53	100
No. of visitors	5,200	520	0	6,500	13,780	26,000
Non-guesthouse						
Average (%)	28	38	7	13	14	100
No. of visitors	24,873	33,755	6,218	11,547	12,437	88,830
Total						
Average (%)	26	28	6	16	24	100
No. of visitors	29,856	32,152	6,890	18,373	27,559	114,830

Table 22 Method of booking accommodation, Livingstone, 2004

n=71	Walk in	Direct booking	Local hotels/ operators	KAZA hotels/ operators	Foreign hotels/ operators	Total
Guesthouse						
Average (%)	63	36	1	0	0	100
No. of visitors	16,380	9,360	260	0	0	26,000
Non-guesthouse						
Average (%)	18	25	11	10	36	100
No. of visitors	15,989	22,208	9,771	8,883	31,979	88,830
Total						
Average (%)	31	28	8	8	25	100
No. of visitors	35,597	32,152	9,186	9,186	28,708	114,830

3.2.3 Time trends

Figure 2 Opening date of Livingstone establishments (n=42)

It can be noted that nearly all of the surveyed establishments (98 per cent) opened in 1990 or later. At least 11 enterprises opened in the first half of 2005, with 39 rooms (70 beds) and camping for eight people per night, thus adding a further 28,470 bednights to annual capacity.

65 per cent of respondents believed that tourism had increased to their establishments since 2002; only three per cent believed that tourism had decreased for them; the remaining 32 per cent did not respond. In terms of changes in tourism visitation patterns, virtually all respondents reported that there were more international tourists in recent years – both fly-in tourists as well as backpackers.

3.2.4 Finances

Table 23 Revenue and operating expenditures ('000s), Livingstone guest houses, 2004

n=50	Regional Total (ZMK)	Enterprise average (ZMK)	Enterprise median (ZMK)	Regional Total (\$US)
Revenue				
Total	4,851,948	97,039	96,478	1,019
Accommodation	3,969,180	79,384	78,462	834
Bar and restaurant	882,768	17,655	18,016	185
Tours	-	-	-	-
Operating expenditure				
Total wages and salaries	1,126,827	22,537	21,814	237
Non-wage operating costs	1,741,654	34,833	33,543	366
Taxes	133,120	2,662	2,647	29

Table 24 Revenue and operating expenditures ('000s), Livingstone non-guest houses, 2004

n=21	Regional Total (ZMK)	Enterprise average (ZMK)	Enterprise median (ZMK)	Regional Total (SUS)
Revenue				
Total	115,281,449	5,489,593	510,161	24,208
Accommodation	67,958,619	3,236,125	412,334	14,270
Bar and restaurant	38,787,955	1,847,045	96,000	8,145
Tours	7,503,220	357,296	0	1,576
Other	1,031,656	49,126	0	217
Operating expenditure				
Total wages and salaries	28,991,473	1,380,546	130,842	6,088
Non-wage operating costs	53,732,068	2,558,670	289,454	11,284
Taxes	5,831,360	277,684	25,000	1,225

An estimated 307,600 bednights were sold in Livingstone in 2004. The guesthouses sold 64,200 bednights, corresponding to an average of 1,284 (median: 1,176). The non-guesthouses sold 243,400 bednights, corresponding to an average of 11,590 bednights per enterprise (median: 3,600).

Table 25 Revenue and operating expenditures ('000s), Livingstone all establishments, 2004

n=71	Regional Total (ZMK)	Regional Total (SUS)
Revenue		
Total	120,133,397	25,227
Accommodation	71,927,799	15,104
Bar and restaurant	39,670,723	8,330
Tours	7,503,220	1,576
Other	1,031,656	217
Operating expenditure		
Total wages and salaries	30,118,300	6,325
Non-wage operating costs	55,473,722	11,650
Taxes	5,964,480	1,254

3.2.5 Employment

The employees to beds ratio for guesthouse was 0.71 (median: 0.57; range: 0.27–1.5). The employees to capacity ratio for guesthouses (capacity includes both beds and campsites) was 0.67 (median: 0.52; range: 0.23–1.5). For the non-guesthouses, the average number of employees per bed was 1.01 (median: 0.86; range: 0.26–2). If campsites are included, the ratio decreased to 0.77 (median: 0.65; range: 0.18–2).

Table 26 Employment in Livingstone guest houses, 2004

n=50	Total	Average	Median	Minimum	Maximum
Total employment	352	7	7	4	12
Local male	124	2	2	1	5
Local female	218	4	4	3	10
Non-local national	7	0	0	0	2
KAZA national	-	-	-	-	-
Expatriate	3	0	0	0	1

Table 27 Employment in Livingstone non-guest houses, 2004

n=21	Total	Average	Median	Minimum	Maximum
Total employment	1,792	85	31	9	1,034
Local male	985	38	21	2	341
Local female	745	28	10	0	341
Non-local national	5	0	0	0	5
KAZA national	5	0	0	0	2
Expatriate	52	2	0	0	28

Livingstone guesthouses spent an estimated ZMK1.13 billion (\$US237,000) on wages and salaries, which corresponds to 23 per cent of turnover and was paid to 352 employees. Of these employees, only four (one per cent) were in part-time employment. ZMK29 billion (\$US6,088,000), or 25 per cent of turnover, was the amount spent on wages and salaries by the non-guesthouses, and it was paid to a total of 1,792 employees. In this sector, 680 employees were in part-time employment. A total of in excess of ZMK30 billion (\$US6,325,000) was spent in the region on salaries and wages for all 2,144 workers.

3.2.6 Local impacts

Table 28 Local financial impacts of accommodation establishments ('000s), Livingstone, 2004

n=71	Total (ZMK)	Total (\$US)
Local wages	14,342,974	2,795
Local expenditure	19,980,377	4,196
Profit retained locally	1,302,318	273

It is estimated that in 2004, the Livingstone establishments employed a total of 2,072 local workers (97 per cent of total employment), although 684 of these were part time employees (equating to 1,730 full time equivalents). These local employees earned only 44 per cent of the total wage bill in Livingstone.

Local spending variation based on owner residence and owner ethnicity appears small compared to variation between guesthouses, non-guesthouses, and corporate hotels. Corporate hotels reported spending 30 per cent of their operating costs locally, compared to between 75 and 77 per cent for foreign-, KAZA- and locally-owned establishments. Across the region, only 36 per cent of non-wage operating costs were made locally.

59 per cent of establishments reported making voluntary financial contributions to local communities in 2004. These donations included gifts to schools, orphanages, hospitals, homes for the aged, Independence day celebrations, churches, mortuaries, HIV/AIDS groups, football clubs, civic clubs, the police, local government, community trusts. Only 19 enterprises indicated giving in kind support to the local communities. These included donations of medical supplies for HIV patients, educational supplies for students, hotel industry training for students and shelter and care for orphans.

3.2.7 Knowledge of the proposed KAZA TFCA

Of 42 establishments surveyed, 16 (38 per cent) had knowledge of the proposed KAZA TFCA. 26 respondents (62 per cent) had not heard of the initiative. The responses below are based only on those respondents who reported prior knowledge of the KAZA TFCA.

Table 29 Source of knowledge of KAZA TFCA, Livingstone, 2005

Source	Official channels	Media	Word of mouth	Don't know	Total
No.	2	2	11	1	16
%	13	13	69	6	100

Table 30 Expected effect on business by KAZA TFCA, Livingstone, 2005

Effect on business	Positive	Negative	Mixed	Don't know	Total
No.	12	0	2	2	16
%	75	0	13	13	100

Table 31 Potential activities with KAZA TFCA, Livingstone, 2005

Undertake the activity	Coordinate with operations in KAZA countries	Joint marketing operations	Invest in operations in KAZA countries	No change	Other	Total
No. that would	8	10	3	1	3	25*
%	32	40	12	4	12	100

* Respondents had the choice of selecting more than one option

Table 32 Expected effect of KAZA TFCA on park resource quality, Livingstone, 2005

Effect on park resource quality	Positive	Negative	Mixed	Don't know	Total
No.	12	0	2	2	16
%	75	0	13	13	100

Respondents mentioned the following aspects that would be responsible for KAZA bringing positive impacts to the tourism industry: more tourists due to more wildlife, the number of tourists from neighbouring countries would increase due to freer movement across borders (and perhaps the introduction of a visa free zone), improved international cooperation, group marketing could stimulate business for guesthouses (for whom marketing can be a problem), borders would be opened to trade and regional competition leading to more affordable prices, Zambian standards would increase to those of Botswana and Namibia, and finally increased tourism resulting in increased jobs and other positive spill-over effects.

In terms of positive impacts on tourism visitation patterns, respondents stated that there would be little change in tourism source markets, but that the whole market would increase in size, particularly if visa regulations were eased. Present visitation patterns are not expected to change (i.e. which sites visited) until game is visible in other areas. Increased awareness may possibly increase the length of stay in the region.

In terms of positive effects on park quality, respondents stated that KAZA should improve the ability of countries working together to deal with issues such as poaching, the initiative should increase the resources available for park development and management and should enable restocking of wildlife in areas where they've been wiped out. Shared knowledge of tourism management could improve.

In terms of possible negative consequences arising from the KAZA initiative, respondents raised the following issues: the initiative will only work if there is international cooperation, immigration and visa requirements are currently difficult and need to be addressed, a stable Zimbabwe is necessary to make the initiative work, poaching needs to be controlled, and human-wildlife conflicts need to be addressed. Several respondents stated that the initiative may increase stress on the environment if developments are not carefully managed, and that bottlenecks in project implementation may occur due to lengthy international-level negotiations.

3.3 Large hotels, Victoria Falls, Zimbabwe

Although it is estimated that there are possible 37 accommodation establishments in Victoria Falls, including campsites, lodges, guesthouses and hotels, unfortunately it was only possible to survey the large hotels in the town. The results presented below are therefore for the nine large hotels in Victoria Falls.

3.3.1 Profile of establishments

Of the nine hotels surveyed, only one establishment had less than 100 beds. Two establishments had between 101 and 200 beds; two between 201 and 300, two between 301 and 400, and two had more than 400 beds. None of these establishments offered camping. Rooms in these establishments were priced between ZWD195,000 (\$US70) and ZWD515,000 (\$US185).

Table 33 Capacity per night of large hotels, Victoria Falls, 2004

n=9	Total	Average	Median	Minimum	Maximum
Number of rooms	1,191	132	88	32	294
Number of beds	2,636	293	205	64	620
Camping capacity	-	-	-	-	-
Annual (bednight) capacity	962,140	106,904	74,825	23,360	226,300

The average length of stay in the nine large hotels in Victoria Falls large hotels is estimated to be 2.01 nights, ranging between two and 2.4 nights. Average year-round bednight occupancy for all Victoria Falls large hotels is estimated to be 20 per cent, with a maximum of 46 per cent.

Table 34 Share of accommodation sector by ownership type, Victoria Falls, 2004

n=9	No. of establishments	% of total	Capacity (%)	Bednights sold (%)	Turnover (%)	Employment (%)
Private	4	44	27	23	21	30
Corporate	5	56	73	77	79	70

Table 35 Share of accommodation sector by owners residence and ethnicity, Victoria Falls, 2004

n=9	No. of establishments	% of total	Capacity (%)	Bednights sold (%)	Turnover (%)	Employment (%)
Owner's residence						
Local	3	33	25	17	14	23
KAZA	1	11	2	5	7	6
Foreign	-	-	-	-	-	-
Corporate	5	56	73	77	79	70
Owner's ethnicity						
Black	1	11	5	5	1	1
White	3	33	22	18	21	29
Black/white partnership	-	-	-	-	-	-
Corporate	5	56	73	77	79	70

The five corporate hotels have offices in Harare, though at least three are foreign owned. The small sample size of establishments and the dominance of corporate hotels make it difficult to determine whether there are any trends regarding the relative success of local or foreign owners in the industry in Victoria Falls.

3.3.2 Profile of guests

It is estimated that a total of 97,100 overnight guests visited large hotels in Victoria Falls 2004. A breakdown of these guests' type, origin, and method of booking follows in the tables below.

Table 36 Origin of guests, Victoria Falls, 2004

n=9	Domestic	KAZA	Foreign	Total
Average (%)	35	10	55	100
No. of visitors	33,985	9,710	53,405	97,100

Table 37 Guests by category, Victoria Falls, 2004

n=9	Self drive/ Independent	Fly-in/ package	Overland	Organised group	Non-tourist guest	Total
Average (%)	10	58	4	4	24	100
No. of visitors	9,710	56,318	3,884	3,884	23,304	97,100

Table 38 Method of booking accommodation, Victoria Falls, 2004

n=9	Walk in	Direct booking	Local hotels/ operators	KAZA hotels/ operators	Foreign hotels/ operators	Total
Average (%)	3	19	20	6	52	100
No. of visitors	2,913	18,449	19,420	5,826	50,492	97,100

3.3.3 Time trends

Too little data is available to make estimates about the time trends for the Victoria Falls area, with regards to changes in capacity and tourism visitation patterns. It can however be noted that six out of the nine surveyed hotels started operating before 1990, while only one new large hotel (re-)opened after 2000.

3.3.4 Finances

Table 39 Revenue and operating expenditures ('000s), Victoria Falls, 2004

n=9	Regional Total (ZWD)	Enterprise average (ZWD)	Enterprise median (ZWD)	Regional Total (\$US)
Revenue				
Total	85,616,725	9,512,969	6,039,000	30,822
Accommodation	51,354,422	5,706,047	3,294,000	18,488
Bar and restaurant	32,162,303	3,573,589	2,692,509	11,578
Tours	-	-	-	-
Other	2,100,000	233,333	0	756
Operating Expenditures				
Total wages and salaries	17,160,586	1,906,732	1,010,000	6,178
Non-wage operating costs	37,174,948	4,130,550	3,638,892	13,383
Taxes	13,257,106	1,473,012	1,037,000	4,773

195,100 bednights were sold by Victoria Falls large hotels in 2004. Each establishment sold on average 21,680 bednights (median: 14,500).

3.3.5 Employment

The employees to beds ratio for the large hotel sector was 0.48 (median: 0.43; range: 0.009–1.16).

Table 40 Employment in accommodation establishments, Victoria Falls, 2004

n=9	Total	Average	Median	Minimum	Maximum
Total employment	1,151	128	74	13	280
Local male	909	101	65	4	265
Local female	242	27	15	8	81
Non-local national	-	-	-	-	-
KAZA national	-	-	-	-	-
Expatriate	-	-	-	-	-

The surveyed enterprises spent an estimated ZWD17.2 billion (\$US6,178,000) on wages and salaries in 2004, or 20 per cent of total turnover. This was paid to 1,151 employees, all of whom were reported to be employed locally, and all of whom were reported as filling full-time positions. Victoria Falls is unusual in the KAZA region, as the survey respondents did not report employing any staff from elsewhere in Zimbabwe or from abroad.

3.3.6 Local impacts

Table 41 Local financial impacts of accommodation establishments ('000s), Victoria Falls, 2004

n=9	Total (ZWD)	Total (\$US)
Local wages	17,160,586	6,178
Local expenditure	15,852,161	5,707
Profit retained locally	806,127	290

Though the sample size is too small to make valid distinctions between categories of ownership, large hotels in Victoria Falls spent on average 43 per cent of their non-wage operating costs locally. However, this varied greatly between enterprises, from as little as five per cent to 100 per cent.

Seven hotels reported making voluntary financial contributions to local communities in 2004. These donations included gifts to schools, hospitals, old peoples' homes, churches, civic societies, youth centres, Christmas celebrations, police, tourism police, and the Victoria Falls Anti-Poaching Unit. Several hotels cited additional charitable giving from corporate headquarters in Harare. Three hotels reported giving in kind support to local communities, including raffles of food and accommodation and donations of linen for a local community.

3.3.7 Knowledge of the proposed KAZA TFCA

Of the nine establishments surveyed, three (33 per cent) had knowledge of the proposed KAZA TFCA. Six respondents (67 per cent) had not heard of the initiative.

Table 42 Source of knowledge of KAZA TFCA, Victoria Falls, 2005

Source	Official channels	Media	Word of mouth	Don't know	Total
No.	1	2	0	0	3
%	33	67	0	0	100

Table 43 Expected effect on business by KAZA TFCA, Victoria Falls, 2005

Effect on business	Positive	Negative	Mixed	Don't know	Total
No.	3	0	0	0	3
%	100	0	0	0	100

Table 44 Potential activities with KAZA TFCA, Victoria Falls, 2005

Undertake the activity	Coordinate with operations in KAZA countries	Joint marketing operations	Invest in operations in KAZA countries	No change	Other	Total
No. that would	2	2	0	0	0	4*
%	50	50	0	0	0	100

* Respondents had the choice of selecting more than one option

Table 45 Expected effect of KAZA TFCA on park resource quality, Victoria Falls, 2005

Effect on park resource quality	Positive	Negative	Mixed	Don't know	Total
No.	1	1	1	0	3
%	33	33	33	0	100

The few respondents aware of the initiative believed the TFCA would increase the number of tourists and encourage tourist traffic within and between countries in the region, as well as increasing the area available for wildlife, should improve policies and controls, and may increase the positive contribution of particular sectors (e.g. trophy hunters). Respondents believed that the possible impacts on park resources would not emerge for many years, and may be slightly contradictory – that is, the initiative should be good for economies due to the increased tourism, but infrastructure development would negatively impact on the environment and pollution would be expected to increase.

3.4 Accommodation, Upper Zambezi, Zambia

The total number of enterprises surveyed was 16 (of a possible 24, operating in 2005). Results are presented for the 13 establishments operating in 2004. In section 3.4.7, regarding knowledge of the proposed KAZA TFCA, results from all 16 enterprises are included.

3.4.1 Profile of establishments

All 13 enterprises offered accommodation in rooms: three had ten beds or less, six had between 11 and 20 beds, and the remaining four offered between 20 and 30 beds. Five enterprises (38 per cent) also had camping facilities available for their guests. The cost of accommodation ranged from about ZMK28,500 (\$US6) to ZMK2,100,000 (\$US441).

Table 46 Capacity of Upper Zambezi establishments, 2004

n=13	Total	Average	Median	Minimum	Maximum
Number of rooms	110	8	6	5	21
Number of beds	216	17	12	7	30
Camping capacity	109	8	0	0	30
Annual (bednight) capacity	118,625	9,125	8,760	2,555	15,330

Guests' stay ranged from one to six nights, with an average length of stay at each establishment of 2.76 nights. The average bednight occupancy rate for the region was 27 per cent, ranging between nine and 58 per cent.

Table 47 Share of accommodation sector by ownership type, Upper Zambezi, 2004

n=13	No. of establishments	% of total	Capacity (%)	Bednights sold (%)	Turnover (%)	Employment (%)
Private	12	92	94	86	86	87
Other	1	8	6	14	14	13

Table 48 Share of accommodation sector by owner residence and ethnicity, Upper Zambezi, 2004

n=13	No. of establishments	% of total	Capacity (%)	Bednights sold (%)	Turnover (%)	Employment (%)
Owner's residence						
Local	6	46	41	42	39	49
KAZA	2	15	13	13	16	23
Foreign	3	23	32	28	30	13
Other	2	15	14	17	14	15
Corporate	-	-	-	-	-	-
Owner's ethnicity						
Black	4	31	30	32	34	30
White	6	46	49	44	43	39
Black/white partnership	2	15	16	11	10	18
Other	1	8	6	14	14	13
Corporate	-	-	-	-	-	-

The Upper Zambezi appears to be the only region where share of revenue is roughly proportionate to share of ownership; in addition, black-owned enterprises in the Upper Zambezi also seem to be relatively successful, generating more than one-third of total revenue in the region.

3.4.2 Profile of guests

It is estimated that a total of 11,450 guests spent one or more nights at the surveyed Upper Zambezi tourism establishments. Following are tables showing a breakdown of the guests' origin, category and method of booking.

Table 49 Origin of guests, Upper Zambezi, 2004

n=13	Domestic	KAZA	Foreign	Total
Average (%)	20	6	74	100
No. of visitors	2,290	687	8,473	11,450

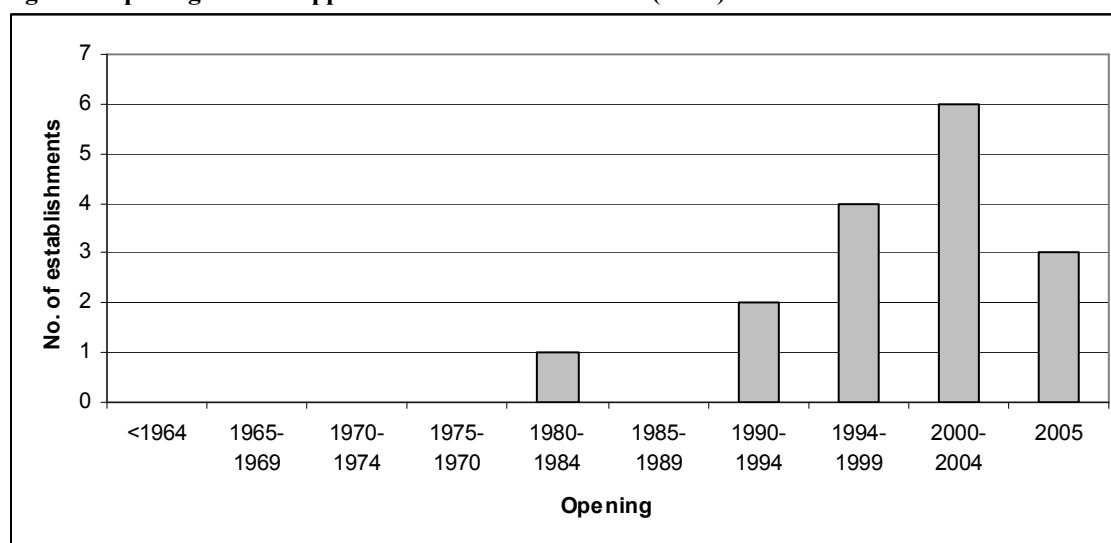
Table 50 Guests by category, Upper Zambezi, 2004

n=13	Self drive/ Independent	Fly-in/ package	Overland	Organised group	Non-tourist guest	Total
Average (%)	46	31	5	1	17	100
No. of visitors	5,267	3,550	572	115	1,946	11,450

Table 51 Method of booking, Upper Zambezi, 2004

n=13	Walk in	Direct booking	Local hotels/ operators	KAZA hotels/ operators	Foreign hotels/ operators	Total
Average (%)	20	51	2	2	25	100
No. of visitors	2,290	5,840	229	229	2,863	11,450

3.4.3 Time trends

Figure 3 Opening date of Upper Zambezi establishments (n=16)

At least three new establishments opened for trading in 2005, increasing the annual capacity of the region by 30 beds and 40 camping places per night (total increase per annum of 25,550). Most of the enterprises are relatively new, 15 (94 per cent) having started operating in 1990 or later.

89 per cent of survey respondents believed tourism to their businesses had increased over the previous three years, the remaining 11 per cent believed that it had decreased over this period. Over the same period, two establishments increased their capacity, by approximately 14 beds (in total).

Respondents indicated that growth in international tourist numbers was due to the increased knowledge about Zambia as a tourist destination. It was also noted that because Zimbabwe is perceived to be difficult to travel in, more tourists now visit Zambia instead. Interviewees also mentioned that some tourists are increasing their length of stay, and travelling further within Zambia.

3.4.4 Finances

Table 52 Revenue and operating expenditures ('000s), Upper Zambezi, 2004

n=13	Regional Total (ZMK)	Enterprise average (ZMK)	Enterprise median (ZMK)	Regional Total (\$US)
Revenue				
Total	25,890,581	1,991,583	1,061,580	5,437
Accommodation	22,820,920	1,755,455	883,514	4,792
Bar and restaurant	2,361,092	181,622	9,399	496
Tours	-	-	-	-
Other	708,569	54,505	0	149
Operating expenditures				
Total wages and salaries	3,854,630	296,510	148,624	809
Non-wage operating costs	10,063,607	774,124	327,146	2,113
Taxes	42,723	3,286	1,941	9

In 2004, 31,600 bednights were sold in the region, with each establishment selling on average 2,431 bednights (median: 2,277).

3.4.5 Employment

The average number of employees per bed was 1.7 (median: 1.6; range: 0.6–3.7). If camping is included, average employees per bed decreases to an average of 1.4 (median: 1.1; range: 0.3–3.7).

Table 53 Employment in accommodation establishments, Upper Zambezi, 2004

n=13	Total	Average	Median	Minimum	Maximum
Total employment	391	30	23	8	85
Local male	238	18	17	4	39
Local female	81	6	5	0	22
Non-local national	40	3	0	0	39
KAZA national	7	1	0	0	2
Expatriate	25	2	2	0	6

In 2004, the Upper Zambezi establishments spent an estimated ZMK3.9 billion (\$US809,000) on wages and salaries, which corresponds to 15 per cent of turnover. This amount was paid to 391 employees; only three of these workers were in part-time employment.

3.4.6 Local impacts

Table 54 Local financial impacts of accommodation establishments ('000s), Upper Zambezi, 2004

n=13	Total (ZMK)	Total (\$US)
Local wages	1,941,884	408
Local expenditure	5,432,270	1,141
Profit retained locally	3,925,209	824

In 2004, total local employment by the 13 enterprises surveyed was 319 workers (82 per cent of the total workforce), though three of these were part-time employees. These local employees earned only 50 per cent of the total reported wage and salary bill.

Non-wage operating expenditures made locally were particularly low for locally-owned establishments, reaching only 36 per cent of non-wage operating costs. Foreign owned establishments spent only just over 40 per cent locally, while KAZA owned operations spent in excess of two-thirds of their non-wage operating costs locally. Black owned enterprises made only 20 per cent of purchases locally, in contrast other enterprise owners, who spent almost 70 per cent of non-wage operating costs locally. On average, approximately 54 per cent of non-wage operating costs were made locally.

Eight establishments reportedly made financial contributions to local communities, such as taking guests on village tours (and paying the villages), supporting schools and collecting donations from clients. In kind support was given by eight enterprises and included assisting with funeral costs of staff and their families, and provision of food.

3.4.7 Knowledge of the proposed KAZA TFCA

Of all establishments surveyed (n=16), 69 per cent (11 respondents) had knowledge of the proposed KAZA TFCA. Five respondents (31 per cent) had not heard of the initiative.

Table 55 Source of knowledge of KAZA TFCA, Upper Zambezi, 2005

Source	Official channels	Media	Word of mouth	Don't know	Total
No.	0	3	4	4	11
%	0	28	36	36	100

Table 56 Expected effect on business by KAZA TFCA, Upper Zambezi, 2005

Effect on business	Positive	Negative	Mixed	Don't know	Total
No.	4	0	3	4	11
%	36	0	28	36	100

Table 57 Potential activities with KAZA TFCA, Upper Zambezi, 2005

Undertake the activity	Coordinate with operations in KAZA countries	Joint marketing operations	Invest in operations in KAZA countries	Other	Total
No. that would	6	6	2	1	15*
%	40	40	13	7	100

* Respondents had the choice of selecting more than one option

Table 58 Expected effect of KAZA TFCA on park resource quality, Upper Zambezi, 2005

Effect on park resource quality	Positive	Negative	Mixed	Don't know	Total
No.	5	0	1	5	11
%	45	0	9	45	100

Statements regarding the potential positive effects of KAZA on the tourism industry included: savings resulting from the pooling of resources, cooperation and collaboration between lodges, increased wildlife numbers, uplifting local people through conservation, more movement of tourists and animals, with positive effects on the Upper Zambezi region in particular. However, respondents also stated that these effects will depend on how realistic the goals of the initiative are, and how the governments agree to them. Caution was noted against splintered thinking halting good ideas.

In terms of the possible impacts on tourism visitation patterns, respondents stated that the initiative has the potential to integrate destinations better and over a wider area leading to a wider choice for tourists, it may allow for a reduction of levies associated with moving tourists to neighbouring countries, migrating animals should improve the quality of game viewing and tourism movements, easier border crossings for all (tourists and locals) should follow, the length of stay of tourists in the region may increase, and the confidence of tourists to visit new/other areas may also occur.

Positive impacts of the initiative on park quality were stated to be: improvements due to increased game movements, the possible re-introduction of species, the stimulation of research and pooling of ideas. Management costs may be reduced by removing fences, the initiative helping to reduce poaching and an increase in environmental education.

Respondents mentioned the likely increase in human–wildlife conflict as a possible negative consequence of the initiative, as well as potentially contributing to conflicts between park officials in different countries (through competition for resources – financial and technical).

In terms of other possible impacts of KAZA, respondents stated that the initiative may assist to improve game where it is depleted, contribute to poverty alleviation, allow locals to experience wildlife resources as tourists as costs may come down. KAZA could pull back the borders allowing the area to be seen as a regional destination; and it may be a good way to promote peace and will increase cooperation and help find commonalities in culture, economics and politics.

3.5 Accommodation, Caprivi, Namibia

26 enterprises were surveyed, of a possible 30. However, the results of only those who were open during 2004 are presented below (n=24). Results for all 26 establishments surveyed are presented in Section 3.5.7.

3.5.1 Profile of establishments

Of the 19 enterprises with bednight capacity, 32 per cent of enterprises offered rooms up to 20 beds, 58 per cent had between 21 and 40 beds, and the remaining 10 per cent had 41 or more beds. Out of the 24 establishments, 15 offered camping facilities, ten offered camping and rooms, five had only camping, and nine only rooms. Room rack rates varied between NAD30 (\$US5) and NAD 2,210 (\$US350) in Caprivi in 2004.

Table 59 Capacity per night of Caprivi establishments, 2004

n=24	Total	Average	Median	Minimum	Maximum
Number of rooms	257	11	10	0	29
Number of beds	549	23	24	0	62
Camping capacity	413	17	20	0	48
Annual (bednight) capacity	351,130	14,630	13,870	4,380	32,850

The average length of stay per establishment was 2.19 nights, ranging between one and six nights per stay. The overall bednight occupancy rate for the region was 19 per cent, ranging between two and 49 per cent.

Table 60 Share of accommodation sector by ownership type, Caprivi, 2004

n=24	No. of establishments	% of total	Capacity (%)	Bednights sold (%)	Turnover (%)	Employment (%)
Private	15	63	62	72	84	79
Communal	5	21	19	7	1	3
Corporate	3	13	13	15	15	15
Other	1	4	6	6	0	3

Table 61 Share of accommodation sector by owner residence and ethnicity, Caprivi, 2004

n=24	No. of establishments	% of total	Capacity (%)	Bednights sold (%)	Turnover (%)	Employment (%)
Owner's residence						
Local	12	50	49	41	20	33
KAZA	-	-	-	-	-	-
Foreign	-	-	-	-	-	-
Other*	9	38	38	45	65	52
Corporate	3	13	13	15	15	15
Owner's ethnicity						
Black	5	21	19	7	1	3
White	13	54	50	60	77	66
Black/white partnership	-	-	-	-	-	-
Other	3	12	18	18	7	16
Corporate	3	13	13	15	15	15

* mixed partnerships

Of the three corporate establishments, headquarters were in Windhoek (2) and Kasane (1).

Although 50 per cent of businesses are locally owned, they generated only one-fifth of turnover in Caprivi; in contrast to mixed partnerships which generated more than half of total revenues in the region. It is perhaps not surprising that black-owned enterprises generated such a small proportion of total revenue as they are all campsites, and offer product at the lower end of the market.

3.5.2 Profile of guests

It is estimated that a total of 30,860 overnight guests visited the Caprivi region in 2004. A breakdown of the guests' origin, category and method of booking follows in the tables below.

Table 62 Origin of guests, Caprivi, 2004

n=24	Domestic	KAZA	Foreign	Total
Average (%)	26	9	65	100
No. of visitors	8,024	2,777	20,059	30,860

Table 63 Guests by category, Caprivi, 2004

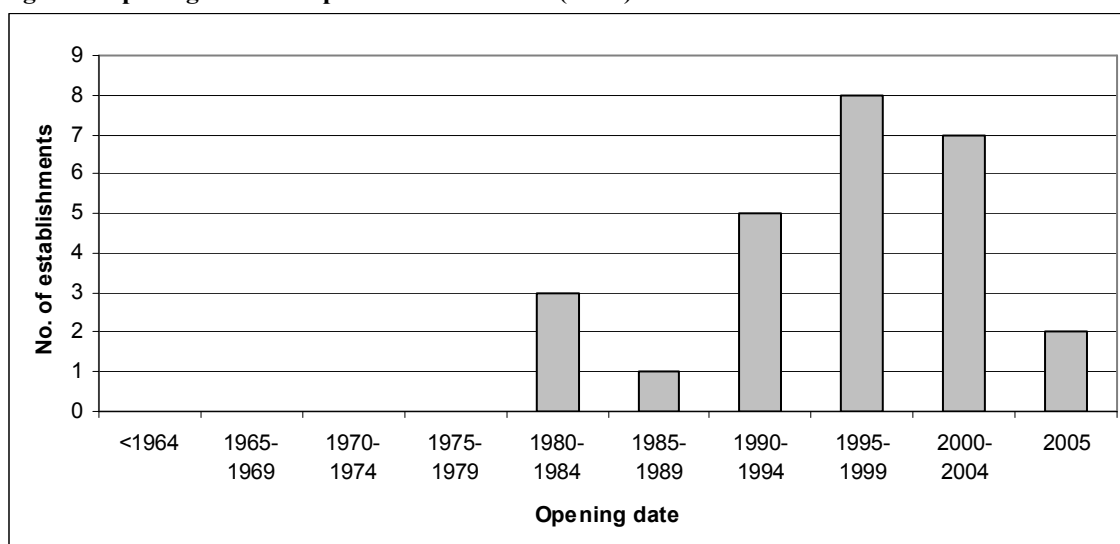
n=24	Self drive/ Independent	Fly-in/ package	Overland	Organised group	Non-tourist guest	Other	Total
Average (%)	62	9	6	1	17	5	100
No. of visitors	19,133	2,777	1,852	309	5,246	1,543	30,860

Table 64 Method of booking accommodation, Caprivi, 2004

n=24	Walk in	Direct booking	Local hotels/ operators	KAZA hotels/ operators	Foreign hotels/ operators	Other	Total
Average (%)	42	32	7	0	14	5	100
No. of visitors	12,961	9,875	2,160	0	4,320	1,543	30,860

3.5.3 Time trends

Figure 4 Opening date of Caprivi establishments (n=26)



Most of the establishments in Caprivi are relatively new, with 22 enterprises (85 per cent) having opened after 1990. One new enterprise opened in the Caprivi in 2005, with six rooms (12 beds) and camping for 15 people per night, thus adding a further 9,855 bednights to annual capacity.

89 per cent of respondents believed that tourism to their establishments had increased since 2002; 11 per cent thought that tourism had decreased for them. Over the same period, one establishment had reduced its bednight capacity, while seven had increased it, and 18 had had no capacity change.

In terms of changes in tourism visitation patterns, the majority of respondents reported that more Europeans (other than Germans), including French, Italians, Spanish, Dutch and Belgians were visiting the Caprivi. Respondents believed that the Caprivi is now seen as a destination, not just a route to Zimbabwe. In general, more self drive and self-catering tourists were reported. The new bridge over the Zambezi near Katima Mulilo had caused a reduction of tourism for some establishments.

3.5.4 Finances

Table 65 Revenue and operating expenditures ('000s), Caprivi, 2004

n=24	Regional Total (NAD)	Enterprise average (NAD)	Enterprise median (NAD)	Regional Total (\$US)
Revenue				
Total	31,419	1,309	939	4,976
Accommodation	18,029	751	459	2,855
Bar and restaurant	8,575	357	62	1,358
Tours	3,882	162	0	615
Other	933	39	0	148
Operating expenditures				
Total wages and salaries	8,498	354	299	1,346
Non-wage operating costs	16,239	677	581	2,572
Taxes	1,401	58	42	222

With regards to the number of bednights sold, the total for the region in 2004 was 67,590. Each establishment sold on average 2,816 bednights, and median sales were 2,524.

3.5.5 Employment

The average number of employees per bed was 1.07 (median: 0.83; range: 0.35–3.25). Including camping, the number of employees per bed decreased to an average of 0.71 (median: 0.48; range: 0.06–3.25).

Table 66 Employment in accommodation establishments, Caprivi, 2004

n=24	Total	Average	Median	Minimum	Maximum
Total employment	529	22	20	2	52
Local male	277	12	11	2	35
Local female	193	8	7	0	36
Non-local national	38	2	2	0	5
KAZA national	6	0	0	0	4
Expatriate	15	1	0	0	5

The Caprivi enterprises spent an estimated 27 per cent of turnover on wages and salaries – NAD8.5 million (\$US1,346,000) – this amount was paid to 529 employees, none of whom were in part-time employment.

3.5.6 Local impacts

Table 67 Local financial impacts of accommodation establishments ('000s), Caprivi, 2004

n=24	Total (NAD)	Total (\$US)
Local wages	5,414	857
Local expenditure	9,247	1,464
Profit retained locally	591	94

In 2004, the 24 establishments surveyed employed a total of 470 local workers (88 per cent of all employees). These employees earned just 64 per cent of the total salary bill for the region.

Local and foreign owned businesses, as well as mixed partnerships spent the greatest proportion of non-wage operating costs, in excess of three quarters, locally. In contrast, corporate establishments sourced less than 60 per cent of inputs locally. Black-owned businesses sourced 100 per cent of inputs locally. Caprivi enterprises spent on average 57 per cent of non-wage operating costs locally.

Seven enterprises reported giving financial support to local communities, which included collecting levies from tourists for local villages, taking clients on local village tours (and paying for this), and sponsoring local sports teams. Ten enterprises reported giving in-kind support, such as buying a pump for the local village, providing materials and computers for local schools, toys for a local crèche, food and drinks for a cleaning campaign, and providing clothes.

3.5.7 Knowledge of the proposed KAZA TFCA

Of all establishments surveyed (n=26), ten (38 per cent) had knowledge of the proposed KAZA TFCA. 16 respondents (62 per cent) had not heard of the initiative.

Table 68 Source of knowledge of KAZA TFCA, Caprivi, 2005

Source	Official channels	Media	Word of mouth	Don't know	Total
No.	3	1	1	5	10
%	30	10	10	50	100

Table 69 Expected effect on business by KAZA TFCA, Caprivi, 2005

Effect on business	Positive	Negative	Mixed	Don't know	Total
No.	7	0	0	3	10
%	70	0	0	30	100

Table 70 Potential activities with KAZA TFCA, Caprivi, 2005

Undertake the activity	Coordinate with operations in KAZA countries	Joint marketing operations	Invest in operations in KAZA countries	No change	Total
No. that would	7	7	5	0	19*
%	37	37	26	0	100

* Respondents had the choice of selecting more than one option

Table 71 Expected effect of KAZA TFCA on park resource quality, Caprivi, 2005

Effect on park resource quality	Positive	Negative	Mixed	Don't know	Total
No.	4	0	0	6	10
%	40	0	0	60	100

Enterprise owners believed the KAZA initiative has the potential to impact positively on their business because more game will bring more tourists. Border crossings will be less difficult, and cooperation between countries (particularly Namibia and Zambia) will be improved. Simpler border crossings was thought likely to increase the number of countries visited by tourists in a single visit. Respondents also thought that the initiative has the potential to create a regional destination.

The respondents who anticipate the effect of KAZA on park resource quality to be positive, stated that it will depend on governments avoiding over-regulation of the tourism industry, as well as being cautious about how the money is spent within the region. In terms of other effects, enterprise owners believed KAZA could increase employment through increased tourism. However, at least one view of potential negative effects was given, with the respondent stating that KAZA should

remain only a tourism initiative, not allowing other types of openings that would lead to negative effects in time (e.g. the movement of ‘undesirables’).

3.6 Accommodation, Kavango–Zambezi TFCA

Results for a total of 136 enterprises are presented below, though a total of 178 enterprises are thought to have been operating in 2004. In Section 3.6.7, regarding knowledge of the KAZA TFCA, results for all establishments surveyed are presented (i.e. including those that opened in 2005).

3.6.1 Profile of establishments

Out of the establishments open in 2004, 38 per cent offered camping facilities (32 per cent offered camping and rooms and six per cent had only camping), and 62 per cent only rooms.

59 per cent of establishments had less than 10 rooms, 20 per cent had between 11 and 20 rooms, eight per cent had between 21 and 40 rooms. Three per cent had between 41 and 60 rooms, five per cent had between 61 and 100 rooms. Two per cent had 101–200 rooms, two per cent 201–300 and one per cent had more than 300 rooms. Rates varied massively between operations, across the region ranging from as little as \$US4 to \$US485.

Table 72 Capacity of accommodation establishments, KAZA region, 2004

n=136	Total	Average	Median	Minimum	Maximum
Number of rooms	3,214	24	8	0	385
Number of beds	6,629	49	16	0	770
Camping capacity	1,683	12	3	0	160
Annual (bednight) capacity	3,033,880	22,308	8,578	1,460	281,050

Of the total capacity in the region, northern Botswana offered 17 per cent, Livingstone 35 per cent, Victoria Falls 32 per cent, the Upper Zambezi only four per cent, and Caprivi the remaining 12 per cent. These proportions contrast quite sharply with the proportion of total establishments in each region – northern Botswana was home to 14 per cent of establishments, Livingstone 52 per cent, Victoria Falls just seven per cent. The Upper Zambezi was home to ten per cent and Caprivi to 18 per cent of establishments.

The average length of stay per establishment was 2.75 nights, ranging between one and 30 nights per stay. The overall bednight occupancy rate for the region was 26 per cent, ranging between 19 and 34 per cent (regional rather than enterprise averages).

Table 73 Share of accommodation sector by ownership type, KAZA region, 2004

n=136	No. of establishments	% of total	Capacity (%)	Bednights sold (%)	Turnover (%)	Employment (%)
Private	116	85	59	56	43	53
Communal	5	4	2	1	0	0
State/Government	-	-	-	-	-	-
Publicly listed company	12	9	37	42	56	45
Community/Private	-	-	-	-	-	-
Joint venture	-	-	-	-	-	-
Other	3	2	1	2	1	2

Table 74 Share of accommodation sector by owner residence and ethnicity, KAZA region, 2004

n=136	No. of establishments	% of total	Capacity (%)	Bednights sold (%)	Turnover (%)	Employment (%)
Owner's residence						
Local	68	50	35	30	18	26
KAZA	26	19	11	13	13	12
Foreign	14	10	8	8	6	6
Other*	16	12	8	8	7	12
Corporate	12	9	37	42	56	45
Owner's ethnicity						
Black	65	48	18	14	5	13
White	41	30	33	31	27	29
Black/white partnership	9	7	5	6	9	6
Other	9	7	6	6	2	8
Corporate	12	9	37	42	56	45

* mixed partnerships

3.6.2 Profile of guests

It is estimated that just over 318,640 guests spent one or more nights in the surveyed tourism enterprises. This does not equate to total tourist numbers, as some guests may have stayed at more than one accommodation establishment during their trip. A breakdown of the guests' origin, category and method of booking follows in the tables below.

Table 75 Origin of guests, accommodation sector, KAZA region, 2004

n=136	Domestic	KAZA	Foreign	Total
Average (%)	30	9	61	100

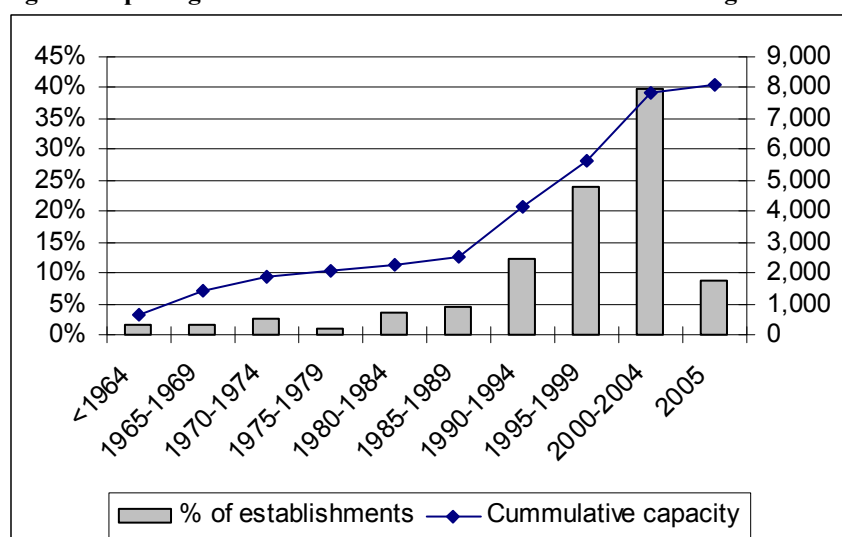
Table 76 Guests by category, accommodation sector, KAZA region, 2004

n=136	Self drive/ Independent	Fly-in/ package	Overland	Organised group	Non-tourist guest	Other	Total
Average (%)	27	37	6	8	21	0.5	100

Table 77 Method of booking accommodation, KAZA region, 2004

n=136	Walk in	Direct booking	Local hotels/ operators	KAZA hotels/ operators	Foreign hotels/ operators	Other	Total
Average (%)	19	31	10	4	35	0.4	100

3.6.3 Time trends

Figure 5 Opening date of establishments in the KAZA TFCA region

At least 11 new establishments opened in the first six months of 2005, adding 98 rooms, 192 beds and 133 camping spaces to total capacity in the region. This added 118,625 bednights to annual capacity.

3.6.4 Finances

Table 78 Revenue and operating expenditures, accommodation sector ('000s), KAZA region, 2004

n=136	Regional Total (\$US)	Enterprise average (\$US)	Enterprise median (\$US)	Enterprise minimum (\$US)	Enterprise maximum (\$US)
Revenue					
Total	89,370	657	60	0.247	18,984
Accommodation	56,802	419	33	0.247	10,631
Bar and restaurant	27,635	203	4	0	7,404
Tours	3,663	27	0	0	759
Other	1,270	9	0	0	756
Operating expenditures					
Total wages and salaries	17,720	130	13	0.302	4,996
Non-wage operating costs	41,042	302	26	0.116	9,510
Taxes	8,139	60	0.8	0	1,382

With regards to the number of bednights sold, the total for the region in 2004 was 782,200. Each establishment sold on average 5,751 bednights, with median sales of 1,743. For the whole region, bednights sold per enterprise ranged between less than 100 to almost 150,000. 39 per cent of bednights were sold in Livingstone, 25 per cent in Victoria Falls, 23 per cent in northern Botswana, nine per cent in Caprivi and four per cent in the Upper Zambezi establishments.

As can be seen from the above table, the provision of accommodation services generated 64 per cent of total accommodation sector revenue, restaurant and bar sales generated 31 per cent, with four per cent generated by tour services and one per cent by 'other' – which included curio and shop sales, casino operations, golf courses, sales of firewood, transfers and commissions on tour sales. Of the total revenue generated in the region, 34 per cent was generated in Victoria Falls, 28 per cent in Livingstone, 26 per cent in northern Botswana, and just six per cent each in Caprivi and the Upper Zambezi.

3.6.5 Employment

Table 79 Employment in accommodation establishments, KAZA region, 2004

n=136	Total	Average	Median	Minimum	Maximum
Total employment	4,913	36	12	2	1,034
Local male	2,843	20	5	0	341
Local female	1,819	12	4	0	341
Non-local national	92	1	0	0	39
KAZA national	33	0	0	0	7
Expatriate	126	1	0	0	28

Within the accommodation sector, 95 per cent of workers were locally employed, two per cent were non-local nationals, one per cent KAZA national and three per cent were expatriates. Livingstone provided 44 per cent of total tourism employment, 23 per cent is in Victoria Falls, 14 per cent in northern Botswana, 11 per cent in Caprivi and the remaining eight per cent was found in enterprises along the Upper Zambezi. When viewed in combination with results in Table 78, the differences in wages paid across countries are highlighted – for instance, while Victoria Falls provided 23 per cent of the workforce, these workers earned 35 per cent of the total salary bill; in contrast, Livingstone establishments provided 44 per cent of total employment, but paid workers only 36 per cent of the total salary bill.

Across the region, the average number of employees per bed was 0.98 (median: 0.82, range: 0.09–3.67). If camping is included, the number of employees per bed decreases to an average of 0.77 (median: 0.52; range: 0.05–3.67). Across the region, 688 workers were in part-time employment, thus total full time equivalent (FTE¹⁰) positions are equal to 2,663 FTE local male employees and 1,654 FTE local female employees.

3.6.6 Local impacts

Table 80 Local financial impacts of accommodation establishments ('000s), KAZA region, 2004

n=136	Total (\$US)
Local wages	12,592
Local expenditure	19,364
Profit retained locally	4,467

In 2004, a total of 4,662 local workers were employed, 688 of them in part-time employment, equating to 4,318 full time equivalents. 61 per cent of the local workforce was male, the remaining 39 per cent female. Though local employees made up 95 per cent of the tourism workforce, they earned only 71 per cent of the total wage bill, as reported by the industry.

Across the region, approximately 47 per cent of non-wage operating expenditures were made locally – with regional averages ranging between 36 and 61 per cent. It is estimated that almost \$US4.5million was retained within the KAZA region from profits earned by locally-owned enterprises. 67 per cent of this amount was earned by establishments in northern Botswana, 18 per cent by those along the Upper Zambezi, six per cent in Victoria Falls and Livingstone (each) and the remaining two per cent by establishments in Caprivi.

Differences in wage levels between countries are also demonstrated at the local level. Local employees in Victoria Falls comprised 25 per cent of total local employment, and earned 49 per cent of the total local wage bill. In contrast, local Zambian employees (in both Livingstone and along the Upper Zambezi) made up 51 per cent of the total local workforce, but earned only 25 per cent of the total wage bill paid to local employees.

3.7 Tour operators, northern Botswana

Of the 12 enterprises surveyed, ten opened in 2004 or earlier; the statistics presented here are based on these ten operations. Section 3.7.7 includes information from all 12 enterprises surveyed.

3.7.1 Profile of establishments

Five of the ten tour operations in northern Botswana open in 2004 were affiliated with or based at a northern Botswana accommodation establishment, often registered as a separate company, while five operations were not affiliated with any accommodation establishment. The three non-surveyed tour operations were not affiliated with any other tourism enterprise. The three operations that were not surveyed are thought to have a negligible share of the northern Botswana tourism market. Tours run by hotels or lodges as part of an all-inclusive vacation package were not included as independent tour operations (they were included in the accommodation survey).

Five operations had fewer than 10 vehicles or boats, while five operations had 10 or more vehicles or boats. Four operations had seating capacity in vehicles and boats for fewer than 50 guests, three had seating capacity for between 50 and 149 guests, and three had capacity for 150 or more guests.

¹⁰ Two part time jobs (each of around 2.5 days/week) are equivalent to one full time equivalent.

Table 81 Capacity of tour operations, northern Botswana, 2004

n=10	Total	Average	Median	Minimum	Maximum
No. of vehicles/boats	96	9.6	9.5	3	20
Number of seats	981	98.1	83.5	15	300
Annual capacity	358,065	35,807	30,478	5,475	109,500

92 per cent of tour operators in northern Botswana were privately owned. The remaining enterprise was partly publicly owned (it is considered here as a private enterprise in order to ensure confidentiality).

Table 82 Share of tour sector by owner residence and ethnicity, northern Botswana, 2004

n=10	No. of operations	% of total	Capacity (%)	Clientele (%)	Turnover (%)	Employment (%)
Owner's residence						
Local	6	60	62	51	27	35
KAZA	3	30	30	48	68	39
Foreign	1	10	8	1	6	25
Owner's ethnicity						
Black	2	20	4	3	4	4
White	5	50	46	31	21	56
Other	3	30	50	66	75	40

3.7.2 Profile of guests

It is estimated that a total of 156,700 tours were sold in northern Botswana in 2004. A breakdown of the tour purchasers' type, origin, and method of booking follows in the tables below. In many cases a single tourist may have purchased multiple tours.

Table 83 Origin of tour operator guests, northern Botswana, 2004

n=10	Domestic	KAZA	Foreign	Total
Average (%)	6	10	84	100
No. of tours sold	9,402	15,670	131,628	156,700

Table 84 Tour purchaser by category, northern Botswana, 2004

n=10	Self drive/ Independent	Fly-in/ package	Overland	Organised group	Non-tourist guest	Total
Average (%)	17	74	0	5	4	100
No. of tours sold	26,639	115,958	0	835	6,268	156,700

Table 85 Method of booking tours, northern Botswana, 2004

n=10	Walk in	Direct booking	Local hotels/ operators	KAZA hotels/ operators	Foreign hotels/ operators	Total
Average (%)	2	1	66	12	19	100
No. of tours sold	3,134	1,567	103,432	18,804	29,773	156,700

Table 86 Destinations of tours offered, northern Botswana, 2004

n=10	Botswana	Namibia	Zambia	Zimbabwe	Total
Destination (%)	80	0.1	4	16	100
No. of tours sold	125,203	157	6,268	25,072	156,700

3.7.3 Time trends

70 per cent of tour operators reported an increase in tourism to their establishment over the previous three years, two reported a decrease in tourism, while one reported no change. Respondents reported fewer tourists coming from Zimbabwe relative to previous years. Other observations included that more adventure travellers were visiting, and that there were more visitors in the off-season than had been the case in previous years. One new tour operation opened between January and July 2005.

3.7.4 Finances

156,700 tours were sold in northern Botswana in 2004. Each tour operation sold on average 15,700 tours in 2004 (median: 7,600).

Table 87 Revenue and operating expenditures, accommodation sector ('000s), northern Botswana, 2004

n=10	Regional Total (BWP)	Enterprise average (BWP)	Enterprise median (BWP)	Regional Total (\$US)
Revenue				
Total	32,196	3,220	1,492	6,891
Tours	32,196	3,220	1,492	6,891
Food sales	-	-	-	-
Operating expenditures				
Wages and salaries	6,115	612	338	1,309
Non-wage operating costs	14,604	1,460	605	3,126
Taxes	5,192	519	207	1,111

3.7.5 Employment

Table 88 Employment in the tour sector, northern Botswana, 2004

n=10	Total	Average	Median	Minimum	Maximum
Total employment	204	20	14	4	56
Local male	137	15	10	2	45
Local female	36	4	3	1	11
Non-local national	2	0.2	0	0	2
KAZA national	6	0.6	0	0	4
Expatriate	23	2	0	0	11

Northern Botswana tour operations spent an estimated BWP6.1 million (\$US1.3 million) on wages and salaries in 2004, or 19 per cent of total turnover. This was paid to 204 employees, only one of whom was in part-time employment.

3.7.6 Local impacts

Table 89 Local financial impacts of the tour sector ('000s), northern Botswana, 2004

n=10	Total (BWP)	Total (\$US)
Local wages	5,516	1,181
Local expenditure	9,634	2,062
Profit retained locally	1,949	417

173 local employees were working in the sector in 2004, only one worker held a part time job. On average, 66 per cent of non-wage operating costs were spent locally by tour operators in northern Botswana, ranging between 10 and 94 per cent.

Four tour operations (40 per cent) reported making charitable financial contributions to the community in 2004. These donations included gifts to schools, a preschool in Zambia, care centres, a conservation NGO, a wildlife trust, and a sporting club. Two tour operators (20 per cent) reported making non-monetary contributions (in-kind) to the local community. These included donations of books for school children, and a tourism development project with Namibian communities.

3.7.7 Knowledge of the proposed KAZA TFCA

Of 10 operations surveyed, all 10 (100 per cent) had some knowledge of the proposed KAZA TFCA.

Table 90 Source of knowledge of KAZA TFCA, tour sector northern Botswana, 2005

Source	Official channels	Media	Word of mouth	Don't know	Total
No.	2	3	4	1	10
%	20	30	40	10	100

Table 91 Expected effect on business by KAZA TFCA, tour sector northern Botswana, 2005

Effect on business	Positive	Negative	Mixed	Don't know	Total
No.	9	0	1	0	10
%	90	0	10	0	100

Table 92 Potential activities with KAZA TFCA, northern Botswana, 2005

Undertake the activity	More routes to current destinations	New routes to new destinations	Coordinate with operations in KAZA countries	Joint marketing operations	No Change	Total
No.	5	4	6	5	1	21*
%	24	19	29	24	5	100

* Respondents had the choice of selecting more than one option

Table 93 Expected effect of KAZA TFCA on park resource quality, tour sector northern Botswana, 2005

Effect on park resource quality	Positive	Negative	Mixed	Don't know	Total
No.	6	1	1	2	10
%	60	10	10	20	100

Respondents believed the potential effects of the KAZA TFCA on the tourism industry would result in an increase in tourist numbers, more regionalised tourism taking in more countries, ease of movement between countries and increased satisfaction due to border formalities, that the TFCA would be good for the economy, wildlife and employment and that more areas would become accessible as game moved into new areas. Two respondents believed that the TFCA would have no effect on visitation patterns.

Potential positive effects of the KAZA TFCA on park quality were stated as likely to be improvements due to less poaching in other countries, the importance of Botswana as a 'safe haven' for wildlife would be reduced, and that elephants moving elsewhere will take the pressure off Chobe National Park.

A number of potential negative impacts were anticipated, including that park quality will depend on the number of self-drive tourists versus guided tour vehicles and that crowding would result in the need to limit self-drive tourists or implementing some kind of policy regulating tourist numbers. The current high cost of visas as a barrier to increased tourism was also identified.

Other potential impacts of the TFCA identified included the potential of the TFCA to unite the nations involved, easing border formalities so more business would cross country boundaries, that any effects would depend on who will be in charge, there would be no change in the level of business but the initiative would be a plus for overseas awareness, and finally that the initiative could help Zimbabwe through its involvement in the planning processes.

3.8 Tour operators, Livingstone, Zambia

18 of the 20 tour operators identified in Livingstone were surveyed for this report. Of these operations, 16 opened in 2004 or earlier; the statistics presented here are based on these 16 operations. Section 3.8.7 includes data from all 18 enterprises.

3.8.1 Profile of operations

Two of the sixteen tour operations in Livingstone open in 2004 were based at a Livingstone hotel, though registered as separate companies. Fourteen operations were not affiliated with any accommodation establishment. The two tour operations that were not surveyed were not affiliated with any other business; they are thought to have a noticeable share of the Livingstone tourism market, hence figures shown here for visitation, turnover, etc., may be slightly underestimated. Tours run by hotels or lodges as part of an all-inclusive vacation package were not included as independent tour operations.

Twelve operations had fewer than 10 vehicles or boats, while four operations had 10 or more vehicles or boats. Nine operations had seating capacity in vehicles and boats for fewer than 50 guests, three had seating capacity for between 50 and 149 guests, and four had capacity for 150 or more guests.

Table 94 Capacity of tour operations, Livingstone, 2004

n=16	Total	Average	Median	Minimum	Maximum
No. of vehicles/boats	130	8	6	3	20
Number of seats	1,945	122	38	17	700
Annual capacity	709,925	44,370	13,870	6,205	255,500

All enterprises in Livingstone were privately owned.

Table 95 Share of tour sector by owner residence and ethnicity, Livingstone, 2004

n=16	No. of operations	% of total	Capacity (%)	Clientele (%)	Turnover (%)	Employment (%)
Owner's residence						
Local	5	31	16	13	13	12
KAZA	5	31	60	71	62	55
Foreign	4	25	18	10	24	25
Other	2	13	6	6	1	8
Owner's ethnicity						
Black	6	38	23	17	14	13
White	9	56	67	76	76	83
Other	1	6	10	6	10	4

3.8.2 Profile of guests

It is estimated that a total of 157,500 tours were sold in Livingstone in 2004. A breakdown of the tour purchasers' type, origin, and method of booking follows in the tables below. In many cases a single tourist may have purchased multiple tours.

Table 96 Origin of tour operator guests, Livingstone, 2004

n=16	Domestic	KAZA	Foreign	Total
Average (%)	8	3	88	100
No. of tours sold	12,600	4,725	140,175	157,500

Table 97 Tour purchaser type, Livingstone, 2004

n=16	Self drive/ Independent	Fly-in/ package	Overland	Organised group	Non-tourist guest	Total
Average (%)	16	57	20	10	0.4	100
No. of tours sold	25,200	84,420	31,500	15,750	630	157,500

Table 98 Method of booking tours, Livingstone, 2004

n=16	Walk in	Direct booking	Local hotels/ operators	KAZA hotels/ operators	Foreign hotels/ operators	Total
Average (%)	9	8	16	11	57	100
No. of tours sold	14,175	12,600	25,200	17,325	88,200	157,500

Table 99 Destinations of tours offered, Livingstone, 2004

n=16	Angola	Botswana	Namibia	Zambia	Zimbabwe	Total
Average (%)	0	15	1	73	11	100
No. of tours sold	0	23,625	1,575	114,975	17,325	157,500

3.8.3 Time trends

Of the 13 tour operations that were in operation in 2002, 12 reported an increase in tourism to their establishment over the last three years, no operations reported a decrease in tourism, and one reported no change. Respondents reported that Livingstone's tourism share relative to Victoria Falls' share had increased relative to previous years. In addition, more European travellers were visiting the area, along with an increase in the budget/backpacker market. Two new tour operations opened between January and July 2005.

3.8.4 Finances

157,500 tours were sold in Livingstone in 2004. Each tour operation sold on average 9,800 tours in 2004 (median: 4,600).

Table 100 Revenue and operating expenditures, accommodation sector ('000s), Livingstone, 2004

n=16	Regional Total (ZMK)	Enterprise average (ZMK)	Enterprise median (ZMK)	Regional Total (\$US)
Revenue				
Total	18,775,000	1,173,000	684,000	3,942
Tours	16,705,000	3,508	684,000	3,507
Food sales	2,070,000	129	-	435
Operating expenditures				
Wages and salaries	3,540,000	221,000	83,000	743
Non-wage operating costs	7,928,000	495,000	156,000	1,665
Taxes	621,000	39,000	24,000	130

3.8.5 Employment

Table 101 Employment in the tour sector, Livingstone, 2004

n=16	Total	Average	Median	Minimum	Maximum
Total employment	412	26	12	3	150
Local male	288	18	7	2	108
Local female	81	5	2	0	27
Non-local national	2	0.13	0	0	2
KAZA national	3	0.07	0	0	1
Expatriate	38	2	0.5	0	15

Livingstone tour operations spent an estimated ZMK3.5 billion (\$US743,000) on wages and salaries in 2004, or 19 per cent of total turnover. This was paid to 412 employees.

3.8.6 Local impacts

Table 102 Local financial impacts of the tour sector ('000s), Livingstone, 2004

n=16	Total (ZMK)	Total (\$US)
Local wages	3,172,000	666
Local expenditure	3,368,000	707
Profit retained locally	1,210,000	254

Local employees (369) made up 90 per cent of total employees, and received approximately 90 per cent of the total wage bill. On average, across the region, enterprises spent 42 per cent of non-wage operating costs locally, ranging between 13 and 100 per cent.

Ten tour operations (63 per cent) reported making charitable financial contributions to the community in 2004. These donations included gifts to schools, old peoples' homes, orphanages, community trusts, local government, Independence day and other celebrations, HIV/AIDS organisations, police, funerals, and payment of employees' medical bills.

Eight tour operations (50 per cent) reported making non-monetary contributions (payments in-kind) to the local community. These included donations of boat trips to school groups and old peoples' homes, promotion of village curios, and road signs. One business owner has founded a local preschool, using profits from his operations to fund salary and tuition costs.

3.8.7 Knowledge of the proposed KAZA TFCA

Of 16 operations surveyed, six (38 per cent) had prior knowledge of the proposed KAZA TFCA. Ten respondents (62 per cent) had not heard of the initiative. The responses below are based on those respondents who reported prior knowledge of the KAZA TFCA.

Table 103 Source of knowledge of KAZA TFCA, tour sector Livingstone, 2005

Source	Official channels	Media	Word of mouth	Don't know	Total
No.	2	2	2	0	6
%	33	33	33	0	100

Table 104 Expected effect on business by KAZA TFCA, tour sector Livingstone, 2005

Effect on business	Positive	Negative	Mixed	Don't know	Total
No.	5	1	0	0	6
%	83	17	0	0	100

Table 105 Potential activities with KAZA TFCA, tour sector Livingstone, 2005

Undertake the activity	More routes to current destinations	New routes to new destinations	Coordinate with operations in KAZA countries	Joint marketing operations	No Change	Total
No.	3	3	1	3	1	11*
%	27	27	9	27	9	100

* Respondents had the choice of selecting more than one option

Table 106 Expected effect of KAZA TFCA on park resource quality, tour sector Livingstone, 2005

Effect on park resource quality	Positive	Negative	Mixed	Don't know	Total
No.	6	0	0	0	6
%	100	0	0	0	100

A number of effects of the KAZA TFCA on tourism were anticipated, including increased numbers of tourists, and longer stays in the region, employment would increase the industry contribution to poverty alleviation, the increase in employment would lead to better understanding of the

importance of conservation and wildlife. Some respondents believed that there would be a lag of a few years before effects were felt, and that the first results will need aggressive marketing, further that it would be necessary to reduce border restrictions and possibly waiver visa fees to improve mobility between countries.

The potential benefits of KAZA on park quality were broadly thought to be positive, as governments would compete for who has the better park, new infrastructure will reduce opportunities for poachers, Botswana animals will move to Zambia and that national parks with more game means more investors and conservation can then be done in a positive way (which parks currently have little money for).

3.9 Tour operators, Kavango–Zambezi TFCA

30 tour operators were surveyed in the KAZA region, though only 26 of these were trading in 2004. In Section 3.9.7, regarding knowledge of the KAZA TFCA, results for all 30 establishments surveyed are presented.

3.9.1 Profile of establishments

Table 107 Capacity of operators, KAZA region, 2004

n=26	Total	Average	Median	Minimum	Maximum
Number of vehicles	226	9	8	3	20
Number of seats	2,926	113	58	15	700
Annual capacity	1,067,990	41,077	21,170	5,475	255,500

All enterprises in the region are considered to be privately owned for the purposes of this analysis.

Table 108 Share of tourism market by owner residence and ethnicity, KAZA region, 2004

n=26	Total operations (%)	Capacity (%)	Clientele (%)	Turnover (%)	Employment (%)
Owner's residence					
Local	42	31	32	22	20
KAZA	31	50	59	66	50
Foreign	19	15	6	12	25
Other	8	4	3	0	6
Owner's ethnicity					
Black	31	16	10	8	10
White	54	60	54	41	74
Other	15	24	36	51	16

3.9.2 Profile of guests

It is estimated that 314,200 guests were taken on tours in 2004. On average, each operation sold 12,000 trips per year (i.e. individual trips) with a median of 4,600. A breakdown of the guests' origin, category and method of booking follows in the tables below.

Table 109 Origin of guests, KAZA region operators, 2004

n=26	Domestic	KAZA	Foreign	Total
Average (%)	6	5	89	100

Table 110 Guests by category, KAZA region operators, 2004

n=26	Self drive/ Independent	Fly-in/ package	Overland	Organised group	Non-tourist guest	Total
Average (%)	12	65	14	8	2	100

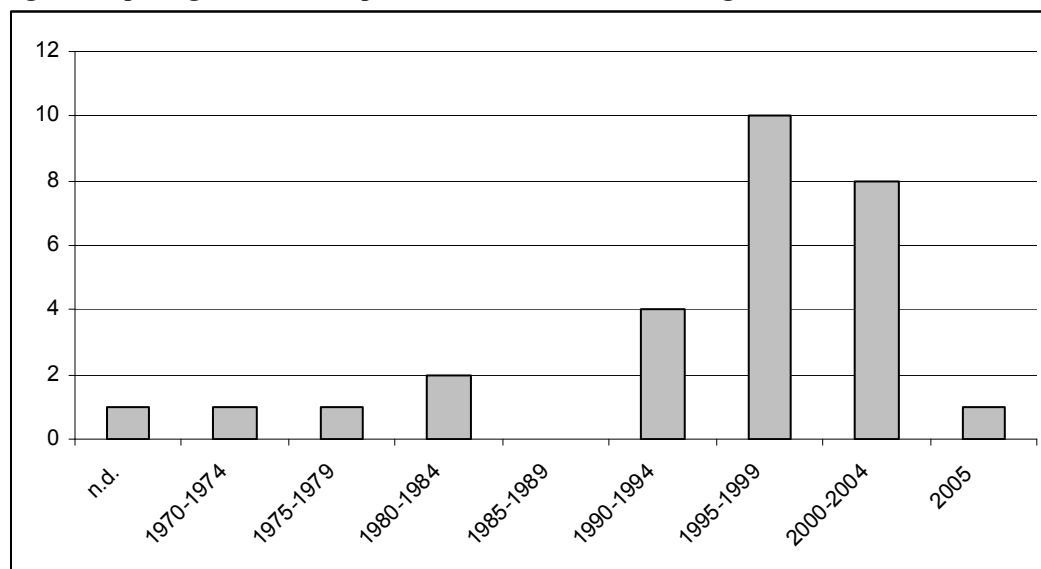
Table 111 Method of booking tours, KAZA region, 2004

n=26	Walk in	Direct booking	Local hotels/ operators	KAZA hotels/ operators	Foreign hotels/ operators	Total
Average (%)	7	7	24	10	51	100

Table 112 Destination of tours, KAZA region, 2004

n=26	Angola	Botswana	Namibia	Zambia	Zimbabwe	Total
Destination (%)	0	48	1	38	14	100

3.9.3 Time trends

Figure 6 Opening date of tour operators in the KAZA TFCA region

n.d. – Unsure of date of opening

Two new enterprises began operations in the first half of 2005; one in Kasane and one in Livingstone.

3.9.4 Finances

Table 113 Revenue and operating expenditures ('000s), KAZA region operators, 2004

n=26	Regional Total (\$US)	Enterprise average (\$US)	Enterprise median (\$US)	Enterprise minimum (\$US)	Enterprise maximum (\$US)
Revenue					
Total	10,833	387	213	2	3,264
Tours	10,398	371	213	2	3,264
Food and drinks	435	16	0	0	432
Operating expenditures					
Total wages and salaries	2,052	73	21	0	416
Non-wage operating costs	4,791	171	53	0	1,454
Taxes	1,242	44	9	0	454

Approximately 314,200 individual tourists went on tours in the region in 2004. Of the revenue generated in the region, northern Botswana enterprises generated 64 per cent of the total, while Livingstone operators generated the remaining 34 per cent.

3.9.5 Employment

Table 114 Employment in KAZA region operators, 2004

n=26	Total	Average	Median	Minimum	Maximum
Total employment	616	24	13	3	150
Local male	425	17	9	2	108
Local female	117	5	3	0	27
Non-local national	4	0	0	0	2
KAZA national	9	0	0	0	4
Expatriate	61	2	0	0	15

Of the 616 workers employed in the tour operator sector, only one was employed in a part-time position. Approximately 88 per cent of employees were locally employed, with one per cent of non-local nationals, one per cent of KAZA nationals and ten per cent of expatriates employed in the sector. Operators in northern Botswana provided one-third of total employees, though these employees earned 64 per cent of the total wage bill. The remaining two-thirds of employees worked in Livingstone, and earned the remaining 36 per cent of the total wage bill.

3.9.6 Local impacts

Table 115 Local financial impacts of tour operators ('000s), KAZA region, 2004

n=26	Total (\$US)
Local wages	1,847
Local expenditure	2,769
Profit retained locally*	674

In 2004, a total of 542 local workers were employed (just one of them in part-time employment), comprising 88 per cent of the total workforce. Of these workers, 78 per cent were male and only 22 per cent female. 32 per cent of local workers were employed in northern Botswana operations and 68 per cent worked in Livingstone operations.

Across the region, tour operators spent on average 58 per cent of non-wage operating costs locally – with a range of 10 to 100 per cent between enterprises. 74 per cent of locally spent non-wage operating costs were made in northern Botswana, with only 26 per cent being made in and around Livingstone.

Of the profit earned by locally-owned operations, 64 per cent of total local tour operator profit was earned by northern Botswana enterprises, with Livingstone entrepreneurs making only 38 per cent of locally-retained profit in the tour operator sector.

3.10 Summary of tourism activity in the Kavango–Zambezi TFCA

3.10.1 Profile of establishments

In 2004, accommodation establishments in the KAZA region had the capacity to house 8,312 guests each night; the tour operators were able to host 2,926 guests per day.

Table 116 Share of tourism market by ownership type, total KAZA region, 2004

n=162	Total operations (%)	Turnover (%)	Employment (%)
Private	88	49	58
Communal	3	0	0
State/Government	-	-	-
Corporate	7	50	40
Community/Private	-	-	-
Joint venture			
Other	2	1	2

Table 117 Share of tourism market by owner residence and ethnicity, total KAZA region, 2004

n=162	Total operations (%)	Turnover (%)	Employment (%)
Owner's residence			
Local	49	19	25
KAZA	21	19	17
Foreign	12	6	8
Other	11	6	11
Corporate	7	50	40
Owner's ethnicity			
Black	45	6	13
White	34	29	34
Black/white partnership	6	8	5
Other	8	7	9
Corporate	7	50	40

3.10.2 Finances

Table 118 Revenue and operating expenditures ('000s), total KAZA region, 2004

n=162	Accomm. (\$US)	Tour op. (\$US)	Total (\$US)
Revenue			
Total	89,370	10,833	100,203
Operating expenditures			
Total wages and salaries	17,720	2,052	19,772
Non-wage operating costs	41,042	4,791	45,833
Taxes	8,139	1,241	9,380

The two industries had similar financial structures. In the accommodation sector, wages and salaries accounted for 20 per cent of total turnover, while the proportion for tour operators was 19 per cent. Non-wage operating costs accounted for 46 and 44 per cent of total revenue in the accommodation and tour operator sectors respectively. Finally, taxes paid to national government accounted for nine per cent and 11 per cent for accommodation establishments and tour operators respectively. In both industries, wages and salaries accounted for approximately one-quarter of total expenditures, while non-wage operating costs were approximately 60 per cent of total expenditures, with the remaining expenditures (just over one-eighth) paid in taxes. The accommodation sector earned 89 per cent of revenue, with the tour operators generating the remaining 11 per cent.

3.10.3 Employment

Table 119 Employment in total KAZA region, 2004

n=162	Accomm.	Tour Op.	Total
Total employment	4,913	616	5,529
Local male	2,843	425	3,268
Local female	1,819	117	1,936
Non-local national	92	4	96
KAZA national	33	9	42
Expatriate	126	61	187

The accommodation sector provided 89 per cent of employment, with the tour operators providing the remaining 11 per cent. Within KAZA tourism businesses, local employees made up 94 per cent of the total workforce, non-local national employees two per cent, KAZA employees comprised one per cent, and expatriates made up the remaining three per cent of the workforce.

3.10.4 Local impacts

Table 120 Local financial impacts ('000s), total KAZA region, 2004

n=162	Accomm. (\$US)	Tour Op. (\$US)	Total (\$US)
Local wages	12,809	1,847	14,656
Local expenditure	19,364	2,769	22,133
Profit retained locally	4,444	673	5,117

In 2004, a total of 5,204 local workers, 689 of them in part-time jobs, were employed in the tourism industry. Local wages paid as a proportion of the total wage and salary bill across the KAZA region were just 73 per cent, despite 94 per cent of employees being locally employed. This illustrates the disproportionately high wages and salaries earned by non-local nationals, KAZA nationals and expatriates in the industry. Across the region and across both sectors, males make up 61 per cent of the local workforce, with 39 per cent of positions filled by women. In the accommodation sector, women accounted for 38 per cent of the local workforce; in the tour operator sector, they accounted for only 22 per cent of local employees.

Just 48 per cent of non-wage operating costs were spent locally across the whole region. This represents a significant leakage from the region, compounded by the fact that many of the goods and services purchased locally are not produced locally, so much of this local spending also leaks from the local economy in order to import these goods and services.

Only 20 per cent of the profit earned in the industry remained in the possession of local owners. Remittances of corporate and private profits represent a great leakage from the local economy, as such leakages reduce the potential income and investments that are able to be made locally.

4. DISCUSSION

Tourism as an industry has grown rapidly over the last decade, and is predicted to continue growing rapidly into the foreseeable future – indeed some estimate that the international tourism market will double by 2020 (WTO, 1998). Southern Africa is predicted to follow the same trajectory, with growth rates of five to six per cent per annum predicted in the region, though some estimates predict growth of up to 10–15 per cent in some countries (Yunis, 2004; Perkins, 2005). Several questions need to be considered in this context: Can the KAZA initiative increase the rate of tourism growth in the region? Is such a rapid rate of growth desirable? How can the TFCA initiative shape the type of growth and development of the tourism industry in order to achieve its specific set of goals?

The answer to the first question is that it is almost certainly possible for the TFCA to increase the rate of tourism growth in the region, depending on the policies and activities that are implemented by stakeholders. Whether such a rapid rate of growth is desirable will be the decision of those stakeholders, though it would seem to be desirable only if it were able to be properly planned and managed, rather than occurring in an uncontrolled and *ad hoc* manner. In terms of the third question, the adoption, facilitation and encouragement of sustainable tourism principles has already been identified as a primary means of achieving economic development and poverty alleviation objectives, while jointly achieving the biodiversity and natural resource management objectives of the KAZA TFCA.

The discussion below centres on what sustainable tourism is, and what types of activities, regulations, policies and incentives will need to be implemented to assist the KAZA TFCA to achieve sustainable local economic development and poverty alleviation. A brief discussion of the additional challenges facing policy makers in the implementation of the KAZA TFCA concludes the section.

4.1 *Sustainable tourism*

‘Sustainable tourism’ can refer to all segments of tourism markets – from mass tourism through to niche markets like that for ecotourism – and emphasises need to achieve a balance between the industry’s environmental, social and economic impacts, in order to guarantee long term sustainability. The concept describes tourism that uses environmental resources efficiently, with minimal negative impacts, that respects local societies and cultures, and that creates long term, viable enterprises with equitable distribution of benefits (e.g. employment and opportunities for host communities that contribute to poverty alleviation where appropriate) (UNEP/WTO, 2004).

In order to achieve sustainable tourism, responsibility lies equally with government to create an enabling environment and tourism operators to implement sustainable tourism principles. Tourists themselves will also need some level of education/awareness raising regarding the importance of social, economic and environmental impacts of their activities; and their joint importance to the sustainability of the economic activity as well as to the natural resources and assets which they have come to experience. The achievement of such ambitious objectives will require significant planning, and subsequent monitoring and enforcement by both industry participants and government.

While the three aspects of sustainable tourism are equally important, the discussion below focuses on maximising and equitably distributing economic benefits from the tourism industry. However, it must be recognised that the potential to increase returns from tourism in the region is highly dependent on the success of natural resource management in each of the five countries – separately and cooperatively. The vast majority of individuals visiting the region are holidaymakers, who visit the area in order to experience its natural and cultural heritage. If these assets are not well maintained and managed, the basis for a sustainable tourism industry will collapse.

Three options are available within KAZA to maximise the returns of the tourism industry – to increase the total size of the industry (i.e. increase total tourist numbers); to maximise the value extracted from the industry (i.e. increase linkages and reduce leakages); or some combination of the two.

Typically, the first method identified to achieve growth in the tourism industry is to increase the numbers of tourists visiting an area. Within KAZA, this is predicted to occur regardless of the initiative, so tourism planners must decide whether they wish to accelerate this growth beyond predictions, or identify other methods of extracting value from the industry. Simply increasing the size of the industry will not necessarily contribute to its sustainability or the achievement of the biodiversity, social and economic objectives of the KAZA TFCA. As can be seen from the survey results above, leakages of revenue, operating expenditures, profits and salaries are already a feature of the industry. Relying on passive approaches to increasing sustainability will mean that benefits from growth remain trickle-down in nature. Further, it is not certain that increases in tourist numbers are desirable, or even appropriate, across the whole of the KAZA region – particularly given the ecological sensitivity of some areas, combined with the fact that some areas are already close to saturation¹¹.

Two alternatives that will help to achieve greater extraction of value are to increase the length of stay, and increase total tourism expenditure in the region. While these two are linked, they do not

¹¹ Some of the destinations within the KAZA region, according to anecdotal evidence, are already close to saturation (that is, where visitor congestion is so high that it measurably, and negatively, impacts on levels of visitor enjoyment). By determining the tourist carrying capacities of sites and attractions within the KAZA TFCA, and using this information to feed into spatial tourism planning, such problems should be minimised, if not avoided altogether. However, it is recognised that some sites will always be in high demand due to their uniqueness, which cannot always be substituted (see Perkins, 2005 for further discussion of this aspect of tourism management).

overlap completely. Increasing the length of stay may be achieved by encouraging tourists to visit additional sites and attractions (hopefully in a transboundary manner) by developing and marketing a greater variety of experiences. This should have the effect of increasing total expenditure in the region, which may also be achieved by offering a greater variety of goods and services to tourists, as well as increasing the quality of some products (and therefore the price charged). These methods may be most appropriate in areas where tourist numbers are approaching carrying capacity.

These three strategies alone will increase the size and value of the industry, but without proactive action will not achieve the ‘triple bottom line’ sustainability of the industry as desired by the initiative. Further, they will be extremely unlikely to direct maximum positive impacts at the local level. Maximising local economic impacts will require additional strategies, including increasing local participation in the industry (in all forms, including as employees, as enterprise owners and in partnerships); increasing intra- and inter-industry linkages; as well as ensuring that opportunities for involvement in the industry are equitably distributed.

4.1.1 Local employment

Local employment strategies impact positively on local livelihoods and economies. In the KAZA region, local employment is already high (approximately 94 per cent across the whole region), though few locals seem to be in management and supervisory positions (with the notable exception of Victoria Falls). Perhaps a first step in this regard would be to increase the access to high-level training of existing industry employees with potential to move in to such positions. A challenge in this regard will be to ensure that highly trained and skilled local employees have enough opportunities and challenges to ensure that they remain in the region. Examining the difference in average wages across the region (and the difference between local and non-local salaries), the added benefits that flow to employees in more senior positions can easily be seen. It is also important that living wages are paid to staff – particularly in light of the finding that tourism has been noted as paying 20 per cent less, on average, than other economic sectors (ILO, 2001 cited in Mastny, 2001).

4.1.2 Local participation

One of the key strategies of the KAZA initiative should be to increase the participation – and success – of local residents in the tourism industry. As can be seen from the survey results, around half of those already involved in the industry as owners are local residents; though they – and in particular black-owned businesses – do not yet seem to be able to generate revenues as high as those of other industry participants. Locally-owned business account for 49 per cent of all enterprises, yet generate only 19 per cent of total turnover; 45 per cent of enterprises are black-owned, but manage to generate only six per cent of total revenue. While levels of local participation are impressive, the financial returns to entrepreneurs of this participation are low in absolute terms (i.e. profits generated by these businesses) as well as relatively (i.e. compared to corporate-owned enterprises). Increasing local participation and increasing the returns to local operators will require significant commitments of resources to capacity building, skills development, in particular tourism and business training. It will also be vital to ensure the availability of financial resources targeted specifically at providing credit to local entrepreneurs to improve existing enterprises and enable new businesses to open, and to ensure that they are sufficiently well resourced that they can operate successfully in the long run.

In further planning and developing the KAZA initiative, and refining activities to be implemented, consideration could be given to the feasibility of establishing a fund to provide credit to small locally-owned tourism businesses. Such a fund could promote and improve the returns to local participation by providing credit to local entrepreneurs who are unable to access funds through traditional avenues (banks, financial institutions, etc.) due to the small size of the (planned) business, a lack of collateral, or for other valid reasons. It is not anticipated that such a fund would provide capital for private businesses that can access funds in the private sector, but would provide

subsidised and/or small amounts of credit for those who could not otherwise get started in the tourism industry.

It is likely that, as the KAZA TFCA develops further, and the range of opportunities expands, pressure may be placed on governments in the region by large international tourism businesses to provide financial incentives to enter the market (incentives such as tax holidays, subsidised credit, etc.). It would seem that, given the recent and expected future high rates of growth in the industry, such pressures should be resisted. The economic benefits derived from the activities of large international players in the industry are reduced due to the high levels of leakage from the industry as profits are repatriated outside of the KAZA region, and outside of the national economies of KAZA countries. The presence of such large enterprises may also serve to crowd-out local entrepreneurs, reducing the equitable distribution of opportunities – particularly in the light of the relatively long time scales that will be required to stimulate successful local participation in the industry. By resisting such pressures, governments may be able to slow (and control) the pace of development to that which is sustainable and manageable, allowing sufficient time to design and implement regulations and policies, and ensure that monitoring and enforcement can proceed efficiently and effectively.

However, while it may be possible to resist pressures to offer incentives for foreign-owned enterprises to start businesses within the KAZA region, international trade and investment agreements may result in difficulties in fostering locally-owned businesses, as a number of these agreements require equal market opportunities to businesses of other signatory nations. Mastny (2001) describes how the General Agreement on Trade in Services (a 1994 agreement) requires the removal of subsidies and protection for local enterprises, while the Agreement on Trade Related Investment Measures makes it difficult for signatory governments to require foreign companies to use local materials and inputs. Both of these agreements would serve to increase the leakage from the industry locally if abused by foreign companies operating in the KAZA TFCA.

4.1.3 Partnerships

Many of the sites of high tourism development potential within the KAZA TFCA fall on communal land. In such areas, where local entrepreneurs do not have the necessary expertise in the tourism industry and/or access to credit to start a new business, it may be possible to form partnerships between the private sector and the communities who hold traditional rights over the area. National community based natural resource management programmes within southern Africa – particularly in Namibia and Botswana – have been actively encouraging such joint ventures for some time. If well designed and monitored, they can provide benefits to all parties – enabling private sector operations in high tourism potential areas, as well as earning revenues (e.g. through lease fees, revenue sharing and other arrangements), and creating jobs for rural communities (many joint venture agreements stipulate that vacant positions should be filled locally wherever possible). Such partnership agreements can include a range of aspects, and many to date have also contributed to the capacity building and increased skill levels of local employees in tourism.

While such partnerships have been supported and promoted at the national level of several KAZA countries for some years, no survey respondent stated that their enterprise was part of a joint venture agreement. Though there are certainly joint ventures operating within KAZA countries, they did not seem not to occur within the KAZA region in 2004. A number of such agreements are currently in the process of negotiation, so such enterprise ownership arrangements would be expected to appear in the follow-up survey of this research.

4.1.4 Local procurement

Local procurement policies can provide an important means of increasing local economic impact. By increasing local inter-industry linkages through local sourcing of inputs, the indirect and induced impacts of tourism can be improved. Increasing levels of local procurement also creates opportunities for local entrepreneurs to become involved in providing goods and services to tourists and tourism businesses – which can benefit local art and craft producers, farmers, fishers, etc. Local procurement strategies are also a form of partnership, though contracts regarding local procurement would be expected to be of much shorter duration than those relating to joint venture agreements.

Though levels of local procurement are already almost 50 per cent in the KAZA region they could no doubt be improved in some regions. Further, while enterprises may already be supporting local businesses, if the goods and services purchased are ultimately imported into the region, these expenditures also eventually leak from local economies. While recognising that the full range of required goods and services cannot be locally produced, it may be possible to increase the amount, range and quality of those goods and services that can be.

4.1.5 Equitable distribution

Ensuring the equitability of the distribution of opportunities and benefits within KAZA will require careful planning and balance. The inequitable distribution of opportunities and benefits may stimulate conflicts over land and other resources that generate benefits for a minority. There would seem to be most potential for this in communal areas, where tenure over land and other resources is not always secure. Incoherent land allocation policies (e.g. land leases for tourism sites) may also stimulate conflict between operators and residents. There is anecdotal evidence to suggest that corrupt practices and/or illegitimate land allocation deals have already been made which exclude local communities from prime tourism sites without adequate – or indeed any – compensation. Though obviously some sites will always have a higher tourism demand than others due to their unique and/or spectacular characteristics, by spatially planning future tourism development, opportunities to enter the industry should be spread more equitably across the KAZA region. This will also require institutional structures that allow residents to actively and meaningfully participate in decision-making and planning processes – at the local, national and international levels.

4.1.6 Cost mitigation

In addition to the consideration of benefits to local communities, the mitigation of costs associated with living with wildlife will also need to be made. Human–wildlife conflict relates to both damage to crops by wild herbivores and stock losses to predators, and can have significant negative effects on agricultural livelihoods and household food security. The limited data available suggest that 67–80 per cent of agricultural households suffer some level of crop damage caused by wildlife, while almost 20 per cent of stock-owning households suffer losses to predators (Suich, 2003; Cullis and Watson, 2004). Innovative measures will need to be developed and trialled (as is already happening in some areas) to determine the best possible method(s) of damage limitation. It will also be necessary to introduce successful programmes in a timely manner in areas where, as resource management improves, wildlife spreads into areas where it is not currently found in large numbers (particularly in parts of Zambia and Angola). By implementing such programmes, it will be possible to provide direct and positive impacts at a household level to a significant proportion of the rural population. Such programmes would also fit easily with the basic hypothesis of community based natural resource management programmes that if the benefits (of living with wildlife) outweigh the costs, then sustainable resource use is likely to follow.

4.1.7 Infrastructure development and provision of ancillary services

The necessity of improving and extending infrastructure has been identified as one means to increase tourist access to KAZA as a whole, and will obviously impact on access to individual sites within the TFCA. National plans for infrastructure development and the provision of ancillary services (e.g. communications, electricity, health, finance, etc.) will guide the spatial development of the tourism industry. Further, in regions with limited or no access to infrastructure or services, its provision is likely to have more widespread positive impacts on poverty, and contribute more to local economic development than the presence of the tourism industry and the opportunities offered by it. Thus, infrastructure development and service delivery must be carefully planned and implemented to ensure that proposed developments meet not only the needs of the tourism industry, but also those of residents.

4.2 Additional challenges

A number of challenges will face KAZA TFCA institutions in their attempts to support and facilitate sustainable tourism, support local economic development and poverty alleviation. Significant challenges will face policy makers in attempting to harmonise tourism and associated policy and legislation, particularly as the five countries are at different stages of economic development, and have very different stages of tourism development. The need for tourism and related policies to be coherent within the KAZA region will need to be balanced with the needs of the tourism industry elsewhere in each of the five countries. A balance will also need to be achieved between regulations and policies that encourage sustainable tourism, and those that are so complex or bureaucratic that they stifle the growth of the industry. An important decision for policy makers will be the choice and trade-offs between providing incentives to encourage the desired behaviour change and implementing 'command and control' regulations to enforce change. Due to the high costs of implementing comprehensive monitoring and enforcement programmes, it can be cheaper and more effective to create incentives to change business behaviour. Thus when designing and implementing policies relating to sustainable tourism, it would be sensible to investigate the possibilities of offering inducements for businesses who willingly adopt measures to improve sustainability.

Government is ideally placed to set up an enabling environment that stimulates desired outcomes. However, the creation of an enabling environment should not become confused with being an active participant in the tourism industry. It has been demonstrated within the region, and elsewhere in the world, that the private sector is frequently more efficient than government at managing industries such as tourism. (See for example the commercialisation processes of South African National Parks and some of the South African provincial conservation agencies, where the core business of conservation and biodiversity management remains with the state, while tourism facilities and their management are outsourced (Child et al., 2004; Davies and Leitner, 2003; Daitz, in prep.).)

One of the major issues that will require an innovative solution will be how to incorporate the needs and wishes of local residents in all aspects of the planning, decision-making and implementation of the KAZA TFCA. The institutional structures set up to manage transfrontier parks and TFCAs elsewhere in southern Africa do not provide explicitly for such active community participation. Lessons should be learned from the lack of participation of local communities in the Great Limpopo TFCA and such issues can be avoided in the KAZA region if structures allow for direct community participation in these processes (see Wolmer 2003 & 2004; Ashley and Wolmer, 2003; Refugee Research Programme, 2002; Katerere et al., 2001; and Jones and Chonguiça, 2001). Further, support and strengthening of existing transboundary tourism and natural resource management institutions should be provided as one means of encouraging local input into planning processes.

A balance will need to be achieved between the benefits accruing to the tourism industry based on the extensive natural and wildlife attractions of the region, and the cost of managing these

resources. While profits from the nature-based tourism industry in KAZA accrue predominantly to private and corporate enterprises, the costs of managing national parks and other protected areas fall largely on the national governments of the five countries. (The obvious exception to this are community and private conservation areas, which are expected to generate sufficient revenues to manage the natural resources within their boundaries with little assistance from the state.)

Methods of ensuring that the industry, which relies almost entirely on well managed wildlife populations (inside and out of protected areas) contributes to the cost of their management must be determined. There are many examples of innovative methods of achieving such a goal, and the feasibility of implementing one or more of these arrangements should be determined. One example is the implementation of an environmental levy on tourists and/or tourism businesses in the region, whose revenues are returned to natural resource and protected area management within KAZA. Though such levies are often resisted by the tourism industry, which argues that the additional cost is a deterrent to tourists, there is an enormous amount of literature indicating that foreign tourists' willingness to pay for nature-based and wildlife experiences is considerably higher than the actual costs they currently face (see Krug et al., 2002, Wells, 1997; Vieta, 1999; Emerton, n.d.). It would seem possible – without the benefit of a comprehensive feasibility study – that a small levy on tourists could generate significant funds to contribute to the costs of wildlife management without negatively impacting on tourist numbers to the region. Tracing such revenues if they were to be routed through central government coffers could be problematic, and would be further complicated if all five governments were to be responsible for collecting such a levy. It has also been shown that tourists are often willing to pay higher levies if the funds are routed to an independent organisation with a specific mandate, ensuring that funds raised are used for their stated purpose (Krug et al., 2002). The introduction of any such levy would also have to dovetail with existing levies collected in the region, and avoid duplication of activities.

5. CONCLUSION

In summary, this paper presents a baseline of tourism activity in much of the KAZA region – covering northern Botswana, Livingstone, the Upper Zambezi, Caprivi and part of the tourism sector in Victoria Falls. The survey results show that approximately \$US100 million was generated by the accommodation and tour operator sectors in 2004 – approximately \$US89 million by the accommodation sector, and \$US11 million by tour operators.

The industry impacted positively on the economy of the KAZA region through the provision of more than 5,500 jobs, 94 per cent of which were filled by local employees, who earned more than \$US14 million in wages and salaries between them. In addition to this, tourism enterprises spent approximately 48 per cent, or \$US22 million, of non-wage operating costs locally. While this provides a boost to the KAZA economy, it also represents a significant leakage, with more than 50 per cent of operating expenditures being made outside of the KAZA TFCA.

Almost 90 per cent of tourism businesses within KAZA were privately owned, and approximately half were locally owned. However, local owners earned a relatively small proportion of total turnover generated in the industry (around 19 per cent), in stark contrast to the corporate enterprises, which represented only seven per cent of establishments, but generated 50 per cent of revenue in the region. The high levels of leakage from the industry are also highlighted by the estimation that only approximately 20 per cent of profit earned in the industry remained within the KAZA TFCA.

Though some KAZA stakeholders have already identified sustainable tourism as one means of achieving sustainable economic development and poverty alleviation within the KAZA region, a number of policies, regulations and incentives will need to be introduced to encourage the adoption of sustainable tourism principles in the region. Policies and incentives will need to be developed to

encourage local participation in the tourism industry and to encourage industry players to adopt more sustainable business practices. However, it is heartening to note that the survey results presented above provide evidence of willingness on the part of existing operators to contribute to the development of local areas, with approximately 50 per cent of businesses surveyed already making voluntary financial and in-kind contributions to local communities. Raising the awareness of industry participants regarding the ease and methods of maximising the social and economic benefits of their business practices, coupled with some combination of incentives and regulations regarding local employment, local procurement policies and partnership arrangements would likely stimulate significant positive changes within the industry. Though it is almost certain that there will always be a proportion of operators who are disinterested in contributing to, or participating in, TFCA activities, if even a significant minority of operators do change their business practices, it is likely that significant additional positive local economic impact will follow.

It can be seen from the survey results presented above that the tourism industry as it currently operates is already contributing to economic growth, revenue generation, government tax revenues and job creation within the KAZA region. However, the KAZA countries are characterised by high levels of inequality and poverty – where between one quarter and two thirds of the population live on less than \$US1 per day, and between 55 and 90 per cent live on less than \$US2 per day¹² (World Bank/UNDP, 2005; GeoHive, 2005). Within the KAZA region, much of the population is rural, reliant on rainfed agriculture, often food insecure, and without adequate access to infrastructure and other government services. In the region covered by this survey, the total population is in excess of one million people. In 2004, at least 5,500 people were employed in the tourism industry – just one half of one per cent of the population. Assuming that each employee provides support to one household, the indirect impact rises to around five per cent of the population. It would be expected that with the anticipated continued growth in the industry, combined with a widespread adoption of sustainable tourism principles as outlined above, the industry could make an important contribution to achieving the economic development and poverty alleviation objectives of the KAZA TFCA – particularly as very few alternative development programmes currently exist in the region. However, this contribution should be neither over- or under-emphasised; sustainable tourism development should rather be recognised as one element of a suite of development strategies that are required to overcome poverty and stagnant economic development in the region. Given that the majority of residents within the KAZA region are reliant on subsistence agriculture, consideration should also be taken of implementing programmes to improve the efficiency and sustainability of resource use of agriculture and pastoralism, while increasing production and productivity levels in the sector.

¹² Data is for Botswana, Namibia, Zambia and Zimbabwe only. There is no data available for Angola.

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APPENDIX 1 ACCOMMODATION ESTABLISHMENT SURVEY

Purpose of study and statement of confidentiality: This survey is part of a study being conducted by Conservation International's Southern Africa Transfrontier Conservation Areas Unit. The purpose of this study is to measure the impact on regional ecotourism economic flow of the implementation of the Kavango-Zambezi Transfrontier Conservation Area (KAZA TFCA). The sample region for this study includes parts of Botswana, Namibia, Zambia, and Zimbabwe. **All responses are strictly confidential.** Data will be made public only in aggregate form. No information, financial or otherwise, will be released carrying the name or other identifying characteristic of any individual or business. This survey will take approximately 30 minutes to complete. Thank you for your help and cooperation!

ID# _____ #

A. BACKGROUND INFORMATION		
1	In what year did the establishment open?	
2	How many rooms did the establishment have in 2004?	
3	How many beds did the establishment have in 2004?	
4	How many people could be accommodated per night camping in 2004?	
5	What is the average/typical length of stay at your establishment?	
6	What is the proportion of guests of each of the following types:	
a	Self-drive/independent tourists (%)	
b	Package tourists (fly-in) (%)	
c	Overland truck tourists (%)	
d	Organised group (school, church, etc.) (%)	
e	Non-tourist guests (e.g. business, conferences, etc.) (%)	
f	Other (%) (please describe) ...	
7	What is the proportion of guests by country of origin?	
a	Domestic (%)	
b	Neighbouring KAZA nations (%)	
c	Other Foreign (%)	
8	Which best describes the ownership of the enterprise? [1=Private; 2=Communal; 3=State/government; 4=Publicly listed company; 5=Community/Private Joint Venture; 6=Other _____]	
9a	If owned privately, which best describes the residence of the owner(s)? [1=Local 2=Rest of KAZA 3=Foreign]	
9b	In order to track the transformation of the industry over the long, term, can you tell me, if the enterprise is owned privately, whether the owner black, white or other? [1=Black 2=White 3=Other]	
	Please describe:	
10	If it is owned publicly, where is the company headquartered and/or listed?	

B. EMPLOYMENT		
11	What is the total employment, including management?	
12	How many local people are employed?	
a	Full time male (local)	
b	Full time female (local)	
c	Part time male (local)	
d	Part time female (local)	
13	How many non-local nationals are employed? (full time equivalent)?	
14	How many other KAZA nationals are employed (full time equivalent)?	
15	How many other expatriates are employed (full time equivalent)?	
C. FINANCIAL INFORMATION 2004 REVENUE:		
16	How many bednights were sold in 2004?	
17	What are the rates per person per night to stay at the enterprise?	
18a	What was the high season occupancy rate (%) in 2004	
18b	What was the low season occupancy rate (%) in 2004	
19	What was the total annual turnover (revenue) of the enterprise in 2004?	
20a	What was the total annual income from accommodation operations?	
20b	What was the total annual income from restaurant and beverage sales?	
20c	What was the total annual income, if any, from tours?	
20d	What was the total annual income, if any, from (other)? Please describe ...	
20e	What was the total annual income, if any, from financial support received from NGOs, government, or other donors?	
D. 2004 EXPENDITURES:		
21	What was the total annual wage bill in 2004?	
22a	What was the total annual wage bill for local staff, including management?	
22b	What was the total annual wage bill for non-local national staff?	
22c	What was the total annual wage bill for other KAZA national staff?	
22d	What was the total annual wage bill for expatriate staff?	
23	How much was paid to local/regional government for rates (e.g. property rates or taxes)?	
24	How much was paid to national government in the form of company taxes, VAT, etc.?	
25a	How much was spent on other operating costs (excluding capital items)? Do these expenses include the following:	
	Food/drinks /cleaning materials, etc. Maintenance – buildings and vehicles/workshops (cars and boats) Rent/bond repayments Marketing Professional fees (e.g. legal/ accounting) + insurance Office costs + communications (e.g. post, phones, internet) Petrol/oil (vehicles + generator)	
25b	Concession fees to Park Authority	
26a	How much (if any) non-wage financial support was given to the local community?	

26b	How much (if any) non-wage non-financial support (i.e. in-kind) was given to the local community? What was the approximate value of this support?	
E. LINKS WITH OTHER BUSINESSES:		
27	What proportion of your clients come to you from each of the following sources?	
a	Walk in (%)	
b	Internet or other direct booking (e.g. phone) (%)	
c	Local hotels and/or operators (including tourist information centres (%)	
d	Neighbouring KAZA hotels and/or operators (including TICs) (%)	
e	Foreign travel agencies/tour operators (%)	
f	Other (%) Please describe ...	
28a	Does the establishment regularly use the services of any other local businesses (excluding tour operators)? [1=Yes 2=No]	
28b	If yes, how much was spent in these local businesses in 2004?	
F. KNOWLEDGE OF KAZA TFCA		
29	How, if at all, has tourism to your establishment changed over the last three years? [1=Increased since 2002 2=Decreased since 2002 3=No change]	
30	Have there been any changes in capacity in the last three years? If yes, how much has it changed (beds/night)?	
31	What changes, if any, have you seen in tourist visitation patterns (i.e. countries and attractions visited, length of stay, etc) over the time the enterprise has been in operation? Please describe:	
32	For each of the parks your guests frequently visit, have you seen any changes in the quality of the park resource over the time the enterprise has been in operation? [1=Positive 2=Negative 3=No change]	
a	Chobe National Park	
b	Mosi-oa-Tunya	
c	Hwange	
d	Moremi/Okavango Delta	
e	Zambezi National Park	
f	Other (please name)	
33	Do you know about the proposed Kavango-Zambezi Transfrontier Conservation Area in this region? [1=Yes 2=No]	
34	How do you know about the KAZA TFCA. Please describe:	

35	From what you know about it, what effect, if any, do you think the KAZA TFCA will have on your business? [1=Positive 2=Negative 3=No effect]	
36	Which particular aspect of the KAZA TFCA do you think would be most responsible for the change? Please describe:	
37	Which, if any, of the following changes would your business be likely to make with the TFCA? (Tick any that apply)	
a	Contracting or coordination with operators/businesses in other KAZA countries	
b	Joint advertising/marketing with tour operators and/or hotels in other KAZA countries	
c	Investments in operations in other KAZA countries	
d	No change	
e	Other (Please describe ...)	
38	What effect, if any, do you think the KAZA TFCA will have on tourist visitation patterns (i.e. countries and attractions visited, length of stay, etc.)? Please describe:	
39	What effect, if any, do you think the KAZA TFCA will have on park resource quality? [1=Positive 2=Negative 3=No effect]	
	If any, please describe:	
40	What other effects, if any, do you think the KAZATFCA will have on the region? Please describe:	
41	Other comments?	

APPENDIX 2 TOUR OPERATOR SURVEY

Purpose of study and statement of confidentiality: This survey is part of a study being conducted Conservation International's Southern Africa Transfrontier Conservation Areas Unit. The purpose of this study is to measure the impact on regional ecotourism economic flow of the implementation of the Kavango-Zambezi Transfrontier Conservation Area (KAZA TFCA). The sample region for this study includes parts of Botswana, Namibia, Zambia, and Zimbabwe. **All responses are strictly confidential.** Data will be made public only in aggregate form. No information, financial or otherwise, will be released carrying the name or other identifying characteristic of any individual or business. This survey will take approximately 30 minutes to complete. Thank you for your help and cooperation!

ID# #

A. BACKGROUND INFORMATION		
1	In what year did the business open?	
2	How many tour vehicles does the business operate (including boats but not support vehicles)?	
3	How many people can the business accommodate per day (i.e. maximum capacity)?	
4	What is the proportion of clientele of each of the following types:	
a	Self-drive/Independent tourists (%)	
b	Package tourists (fly-in) (%)	
c	Overland truck tourists (%)	
d	Organised group (school, church, etc.) (%)	
e	Other (%) (please describe) ...	
5	What is the proportion of clientele by country of origin	
a	Domestic (%)	
b	Neighbouring KAZA country (%)	
c	Other foreign (%)	
6	What was the total number of tours run in 2004?	
7	How many tours included:	
a	Angola (%)	
b	Botswana (%)	
c	Namibia (%)	
d	Zambia (%)	
e	Zimbabwe (%)	
f	f. Other (%) (please describe) ...	
8	How many total tourists were taken in 2004?	
9	How many total tourists-days were taken in 2004?	
10	Which best describes the ownership of the enterprise? [1=Private; 2=Communal; 3=State/government; 4=Publicly listed company; 5=Community/Private Joint Venture; 6=Other _____]	

11a	If owned privately, which best describes the residence of the owner(s)? [1=Local 2=Rest of KAZA 3=Foreign]	
11b	In order to track the transformation of the industry over the long term, can you tell me, if the enterprise is owned privately, whether the owner black, white or other? [1=Black 2=White 3=Other]	
	Please describe:	
12	If it is owned publicly, where is the company headquartered and/or listed?	
B. EMPLOYMENT		
14	What is the total employment, including management?	
15	How many local people are employed?	
a	Full time male (local)	
b	Full time female (local)	
c	Part time male (local)	
d	Part time female (local)	
16	How many non-local nationals are employed (full time equivalent)?	
17	How many other KAZA nationals are employed (full time equivalent)?	
18	How many other expatriate people are employed (full time equivalent)?	
C. FINANCIAL INFORMATION – 2004 REVENUE		
19	How many clients did the operation receive per month in the high season?	
20	How many clients did the operation receive per month in the low season?	
21	What is the typical daily price of a tour with this business?	
22	What was the total annual turnover (revenue) of the enterprise in 2004?	
23a	What was the total annual income from tour operations?	
23b	What was the total annual income from food and beverage sales?	
23c	What was the total annual income, if any, from other sources? Please describe ...	
23d	What was the total annual income, if any, from financial support received from NGOs, government, or other donors?	
D. FINANCIAL INFORMATION – 2004 EXPENDITURES		
24	What was the total annual wage bill in 2004?	
25a	What was the total annual wage bill for local staff, including management?	
25b	What was the total annual wage bill for non-local national staff?	
25c	What was the total annual wage bill for other KAZA national staff?	
25d	What was the total annual wage bill for expatriate staff?	
26	How much was paid to local/regional government for rates (e.g. property rates)?	
27	How much was paid to national government in the form of company taxes, VAT, etc.?	

28a	How much was spent on other operating costs (excluding capital purchases)? Do these expenses include the following:	
	Food/drinks /cleaning materials, etc. Maintenance – buildings and vehicles/workshops (cars and boats) Rent/bond repayments Marketing Professional fees (e.g. legal/ accounting) + insurance Office costs + communications (e.g. post, phones, internet) Petrol/oil (vehicles + generator)	
28b	Concession fees to Park Authority	
29a	How much (if any) non-wage monetary payment was made to the local community?	
29b	How much (if any) non-monetary payment (payment in-kind) was made to the local community? What was the approximate value of this support?	
E. LINKS WITH OTHER BUSINESSES		
30	What proportion of your clients come to you from each of the following sources?	
a	Walk in (%)	
b	Internet or other direct booking (e.g. phone) (%)	
c	Local hotels and/or operators (including tourist information centres) (%)	
d	Neighbouring KAZA hotels and/or operators (including TICs) (%)	
e	Foreign travel agencies/tour operators (%)	
f	Other (%) Please describe ...	
31a	Does the establishment regularly use the services of any other local businesses (excluding hotels)? [1=Yes 2=No]	
31b	If yes, how much was spent on these local businesses in 2004?	
F. QUALITATIVE INFORMATION		
32	How, if at all, has tourism to your business changed over the last three years? [1=Increased since 2002 2=Decreased since 2002 3=No change]	
33	What changes, if any, have you seen in tourist visitation patterns (i.e. countries and attractions visited, length of stay, etc) over the time the enterprise has been in operation? Please describe:	
34	For each of the parks your guests frequently visit, have you seen any changes in the quality of the park resource over the time the enterprise has been in operation? [1=Positive 2=Negative 3=No change]	
a	Chobe National Park	
b	Mosi-oa-Tunya	
c	Hwange	
d	Moremi/Okavango Delta	
e	Zambezi National Park	
f	Other (please name)	

35	41. Do you know about the proposed Kavango-Zambezi Transfrontier Conservation Area (KAZA TFCA) in this region? [1=Yes 2=No 9999=No response]	
36	42. Where did you hear about the KAZA TFCA? Please describe:	
37	From what you know, what effect, if any, do you think the KAZA TFCA will have on your business? [1=Positive 2=Negative 3=No effect]	
38	Which particular aspect of the KAZA TFCA do you think would be most responsible for the change? Please describe:	
39	Which, if any, of the following changes would your tour operation be likely to make with the TFCA? (Tick any that apply)	
a	More routes (to destinations currently visited)? If so, where?	
b	New routes (to destinations not currently visited)? If so, where?	
c	Contracting or coordination with tour operators in other countries	
d	Advertising with tour operators or hotels in other countries	
e	No change	
f	Other (please describe):	
40	What effect, if any, do you think the KAZA TFCA will have on tourist visitation patterns? (i.e. countries and attractions visited, length of stay, etc.) Please describe:	
41	What effect, if any, do you think the KAZA TFCA will have on park resource quality? [1=Positive 2=Negative 3=No effect]	
	If any, please describe?	
42	What other effects, if any, do you think the KAZA TFCA will have on the region? Please describe	
43	Other comments?	

APPENDIX 3 TOURISM BUSINESS INVENTORY

Accommodation

Northern Botswana

Baobab Safari Lodge
Bophirmo Guesthouse
Chobe Chilwero Lodge
Chobe Game Lodge
Chobe Marina Lodge
Chobe Safari Lodge
Cresta Mowana Lodge
Elephant Valley Lodge
Garden Lodge
Kubu Lodge
Liya Campsite
Liya Guest House
Muchenje Safari Lodge
Ngina Safari Camp
Sedudu Guest House & Lodge
Thebe River Safaris
Toro Safari Lodge
Touch of Africa
Waterlily Guest House
Wilmos

Livingstone

A1/2000
Abchris (Abicris)
Asanti Guesthouse
Big Tree
Busiku
Chanters Guest Lodge
Chapa Classic
Chimbira
Chiwala
Chrisago Guest House
Chrisrab
Comfort Corner Guest House
Decha
Divine
Elaine Brittel Guest House
Falls View
Farai Gardens
Fawltly Towers
Guestmate Guesthouse
Jollyboys Backpackers
Junior Leisure Resort
Kaazmein Lodge
Kays
Koonje Guest Lodge
Kozo
Kuta Way
Laughing Dragon
Libala Inn
Likute Guest House
Limbo Guest Lodge
Livingstone Holiday Home

Livingstone (cont ...)

Livingstone Hotel
Livingstone Overnight
Livingstone Safari Lodge
Lungu
Main Street Resort
Malucha Guesthouse
Manzo
Maramba River Lodge
Mbizi Guest House
Mekudas
MK Guest House
Moloke Lodge and Tours
Moore's Guesthouse
Namels Guesthouse
New Fairmount Hotel
Ngolide Lodge
Nicos
Nkwazi
Nokenu
Nyala Lodge
Peace Gardens (SPF & CM Guesthouse)
Rainbow Africa
Red Cross Hostel
Rest Transit
Rite Inn
Royal Kwandu
Royal Mushili
Roysam Lodge and Tours
Savannah Guest Lodge
Simac Lodge and Tours
Simantanga
Songwe Point Village
Southern Comfort
Southern Queen
Stanley Safari Lodge
Stargazer
Taita Falcon Lodge/
Peregrine's Nest Bush Camp
The Grotto Overland Trucks
The Stone
The Zambezi Waterfront
Thompson
Tulye Tonje
Tunya Lodge
Upview
Villa de Kabubwa
Wane Guesthouse
Wasawange Lounge
Whitewater
Woodlands Guesthouse
Zambezi Sun/ Royal Livingstone
Zambezi Ultima Lodge
Zigzag

Victoria Falls A'Zambezi Rainbow Backpackers Africa Club Shoestring Elephant Hills Encore Budget Hotel Fun in the Sun Game Lodge Connection Hitch Haven Hornbills Hunters Lodge Ilala Lodge Inyathi Valley Motel & Restcamp Kalai Kilalela Lodge Livingstone Lodge Livingstone Tranquillity Lokuthula Lodge Lorries MIPF Flats Mosi-oa-Tunya Lodge Municipal Caravan Park Pat's Self Catering Pumulo Cottages Rainbow Hotel Reynard Cottages Savanna Lodge Backpackers Senanga Lodge Sprayview Hotel The Kingdom Town Council Rest Camp Vakatsha Lodge Victoria Falls Backpackers Victoria Falls Hotel Victoria Falls Safari Lodge Villa D'Afrique Villa Victoria Zambezi National Park Restcamp	Upper Zambezi (cont ...) Maziba Bay Mulatiwa Guest House Mutemwa Natural Mystic No Name Camp Sakazima Island Camp Sesheke Lodge Sussi and Chuma The River Club Thebe River Safaris Thorntree Lodge Tongabezi Zambelozi Zambezi Royal Chundu/ Tree Tops
Upper Zambezi Brendas Best Baobab B&B Chundukwa Tree Lodge Gweba Safaris/Soka Fishing Camp Ilombe Islands of Siankaba Jungle Junction/ Bovu Island Kabula Tiger Lodge Kavumbu River Camp Kazangula Rest Stop Mawala Lodge	Caprivi Bum Hill Campsite Camp Kwando Caprivi Cabins Caprivi River Lodge Chobe Savanna Lodge Divundu Guest House Hippo Lodge Ichingo Chobe River Lodge Impalila Island Lodge Island View Lodge Kalizo Lodge Kings Den Lodge Kubunyana Camp Lianshulu Lodge Mahangu Lodge Mamili Campsites Mazambala Island Lodge Mukuzi Cabins and River Cabins N//Goabaca Campsite Nakatwa Campsite Nambwe Campsite Namushasha Country Lodge Ndhovu Safari Lodge Ngepi Camp Open Sky Popa Falls Rainbow River Lodge Salambala Campsite Savannah Lodge Suclabo Okavango Lodge Susuwe Island Lodge Zambezi Lodge

Tour operators

Northern Botswana

African Odyssey
Afroventure Safaris/CC Africa
Chobe Safari Lodge Tours
Chobe Travel Shop
Flying Game Safaris
Fun Fun Tours
Into Africa Safaris
Janala Tours
Kalahari Holiday Tours
Linyanti Explorations
Nsundano Travel Tours and Safaris
S & L Bartlett
Safari Excellence
Thanda Manzi/ Ex Africa Safaris
Thebe River Safaris

Livingstone

African Extreme
Atulu Travel and Tours
Bundu Adventures
Bushtracks
Bwaato Adventures
Frosia Tours and Safaris
Gwende
Livingstone Walking Safaris
Livingstone's Adventure
Local Cowboy Tours
Makora Quest
Plafours Travel Tours and Car Hire
Southern African Touring Services
Taonga Tours/Taonga Houseboat
United Air Charters
UTC
Wild Horizons
Wild Side Tours
Zambezi Whitewater
Zamscape
