

Tourism

Introduction

Historically Mozambique was considered one of the premier tourism destinations in Africa, renowned for its world-class Gorongosa Park, its tropical beaches and cosmopolitan cities. In the colonial period Mozambique welcomed close to 400,000 tourists, mostly from southern Africa and from Portugal. After the change in security in 1973, tourist numbers quickly declined, tourism infrastructure was destroyed and wildlife resources, especially large mammal species, were decimated. The signing of the peace accord in 1992 initiated the start of the recovery of the tourism sector. Since the mid 1990s the economy has experienced substantial growth and a number of business hotels have been developed in Maputo. Demand for beach based leisure tourism stimulated the development of accommodation mostly along the southern coast while more recently investors also show interest in pristine northern Mozambique.

Mozambique's tourism potential speaks for itself. With 2700 km of Indian Ocean coastline, abundant coral reefs and marine life, Conservation Areas stretching over 15% of its surface, mountains, wetlands and an intriguing culture, Mozambique has all the ingredients to develop into an exciting tourism destination. At the same time, the growth of the sector has been rather uncontrolled and many social, economic and ecological problems have arisen. Mozambique is still facing many constraints for the successful development of a tourism sector, including poor infrastructure provision, expensive and low-capacity forms of transportation, especially air transportation, lack of skilled human resources, a weak institutional capacity and poor marketing of the country in regional and international markets.

Institutional strengthening, heavy investment in the sector in product development, infrastructure and marketing, coupled with the country's distinguishing features has the potential to restore Mozambique's tourism crown in southern Africa.

The Government recognized the importance of tourism to the national economy with the creation of the Ministry of Tourism (MITUR) in 2000. Consequently the responsibility for the

National Parks and Reserves was transferred from the Ministry of Agriculture and Rural Development (MADER) to MITUR in 2001, demonstrating the strategic role Conservation Areas are envisioned to play in tourism development in Mozambique. MITUR is a relatively young Ministry and is still building its institutional mandate. MITUR currently employs about 600 people, this includes central staff as well as staff in the Provincial Directorates and staff employed in the National Parks and Reserves (400).

Tourism relates to a multitude of sectors and touches on many legal instruments and laws relating to investment in tourism, tourism as an employer, community rights and community involvement in tourism, national parks and reserves and environmental issues.

Since 1994 the Government of Mozambique has adopted a number of policies and passed legislation for improved natural resources management and other areas related to tourism. These include:

- National Forestry and Wildlife Policy and Strategy (1995)
- Forestry and Wildlife Law (1999)
- Land Law (1997)
- National Environmental Management Program (1995)
- Environmental Framework Law (1997)
- Investment Law
- Tourism Policy and Implementation Strategy (2003)
- Tourism Law (2004)

Inter-ministerial bodies that regulate tourism and directly related areas are the Tourism Facilitation Commission (Comissão de Facilitação de Turismo) chaired by the Ministry of Tourism with members of all related Ministry and CONDES, the National Commission for Sustainable Development, an executive organ headed by MICOA (Ministry of Environment) that aims to co-ordinate the integration of sectoral policies and plans related to environmental management at the highest level.

TOURISM POLICY AND STRATEGY

MITUR has now two important instruments that will steer the development of the tourism sector within the next decade, namely the 'National Tourism Policy and Implementation Strategy', approved by the Government in April 2003, and the 'Strategic Plan for the Development of Tourism in Mozambique' (SPDTM), likely to be approved in 2004.

The Tourism Policy defines the objectives the Government aims to achieve through the development of a thriving tourism sector. These objectives balance economic, socio-cultural and environmental interests. It also defines a set of General Principles, guiding the development of the sector and Areas for Priority Intervention, 14 themes considered as fundamental to the development of tourism in Mozambique, namely: integrated planning;

access to land for tourism development; infrastructure and public services; sustainable and responsible tourism; conservation areas for tourism purposes; product development; valorization of cultural heritage; tourism marketing; human resource development and training; community involvement; social development; financing; priority areas for tourism development and regulation and control.

The 'Strategic Plan for the Development of Tourism in Mozambique' (SPDTM) builds upon the 'Tourism Policy and Implementation Strategy' and serves as the base document in the strategic planning process. It sets priorities, defines products and markets, identifies Priority Areas for Tourism Investment (PATIs) and focuses resources for the period 2004-2013.

Tourism Potential

Mozambique's key strengths lie in the quality of its beach product, the exotic ambience and cultural profile of the country and in its wilderness areas with high bio-diversity. Mozambique is one of the few countries that can offer the diversity of beach, eco-tourism and cultural products. In the following the core of Mozambique's tourism potential is discussed and zones with high potential for tourism development are identified.

RESOURCE STRENGTHS

The tourism potential of Mozambique is determined by its Resource Strengths, the inherent strengths of the land, wildlife and natural resources, human resources, man-made, natural and coastal assets, and natural and cultural heritage and the tourism attraction value they represent. Mozambique's key resource strengths are:

1. the quality of its beaches and coastal resources unique to southern Africa ('Blue' product line');
2. the diversity and quality of its natural and wildlife resources and the opportunities these provide for tourism development ('Green' product line); and,
3. the cultural identity of Mozambique, determined by its heritage, people and history, that significantly differs from other countries in southern Africa ('Orange' product line).

MOZAMBIQUE REGIONS

Mozambique is a large country, covering almost 800,000 km² and with a coastline of over 2700km. The Country is too vast and diverse to be considered and managed as a single destination. The three regions of Mozambique, the South, Center and North each have their own identity, strengths, development priorities and regional partners. The Tourism Profile of the Southern Region emphasizes regional and domestic tourism, coastal tourism and water sports, the Central Region is best positioned to concentrate on the development of eco-tourism

and adventure based tourism mainly for specialized international niche markets while the Northern Region will develop into the most exclusive international beach destination with a strong cultural component.

Table 1
Mozambique Regions

	Provinces	Regional Integration	Key Strengths
South	Maputo Cidade, Maputo Province, Gaza and Inhambane	South Africa, Swaziland	Vast coastline, warm tropical waters, rich coastal/ marine resources of exceptional quality for diving, fishing and water sports, Bazaruto Marine National Park Culture and cosmopolitan ambience of Maputo.
Center	Sofala, Manica and Tete	Zimbabwe, Zambia, Malawi	Wilderness areas with high bio-diversity with opportunity for hunting, safaris, bird watching, lake tourism, eco-tourism and adventure, Gorongosa National Park
North	Cabo Delgado, Nampula, Niassa and Zambézia	Tanzania, Malawi, Comoren, Indian Ocean Islands	Rich cultural heritage, Ilha de Moçambique (UNESCO Heritage Site), tropical beaches, pristine wilderness, Quirimbas Archipelago

Source: Adapted from Strategic Plan for the Development of Tourism in Mozambique

Please note that the province of Zambézia forms part of the Northern Tourism region, contradictorily to common regional divisions where Zambézia forms part of the Central region.

The SPDTM promotes the strengthening of cooperation between neighboring countries at the regional levels to strengthen planning, marketing and integration between Governments and Private Sector, working towards a 'Single African Destination'.

PLATFORMS FOR TOURISM DEVELOPMENT

The SPDTM recognizes that tourism is spatial in nature and three core platforms are identified that will form the core of the tourism spatial framework in Mozambique, namely:

Exhibit 1

Platforms for Tourism Development in Mozambique

Priority Areas for Tourism Investment (PATIs).

The Priority Areas for Tourism Investment (PATIs) are prime tourism zones selected in consultation with national and local stakeholders for their uniqueness and tourism potential. They are located across the country and every province has at least one PATI. A few of the PATIs, especially those in the south of the country, have already some level of development (Type 'A' PATIs) while those in the more remote areas of central and northern Mozambique are still relatively undeveloped (Type 'B' PATIs). PATIs are the focus in Government planning, development initiatives and resource allocation.

Conservation Areas and TFCAs. As a southern African destination the success of Mozambique as a tourism destination, will be largely influenced by its success to establish nature and wildlife based tourism. The Government

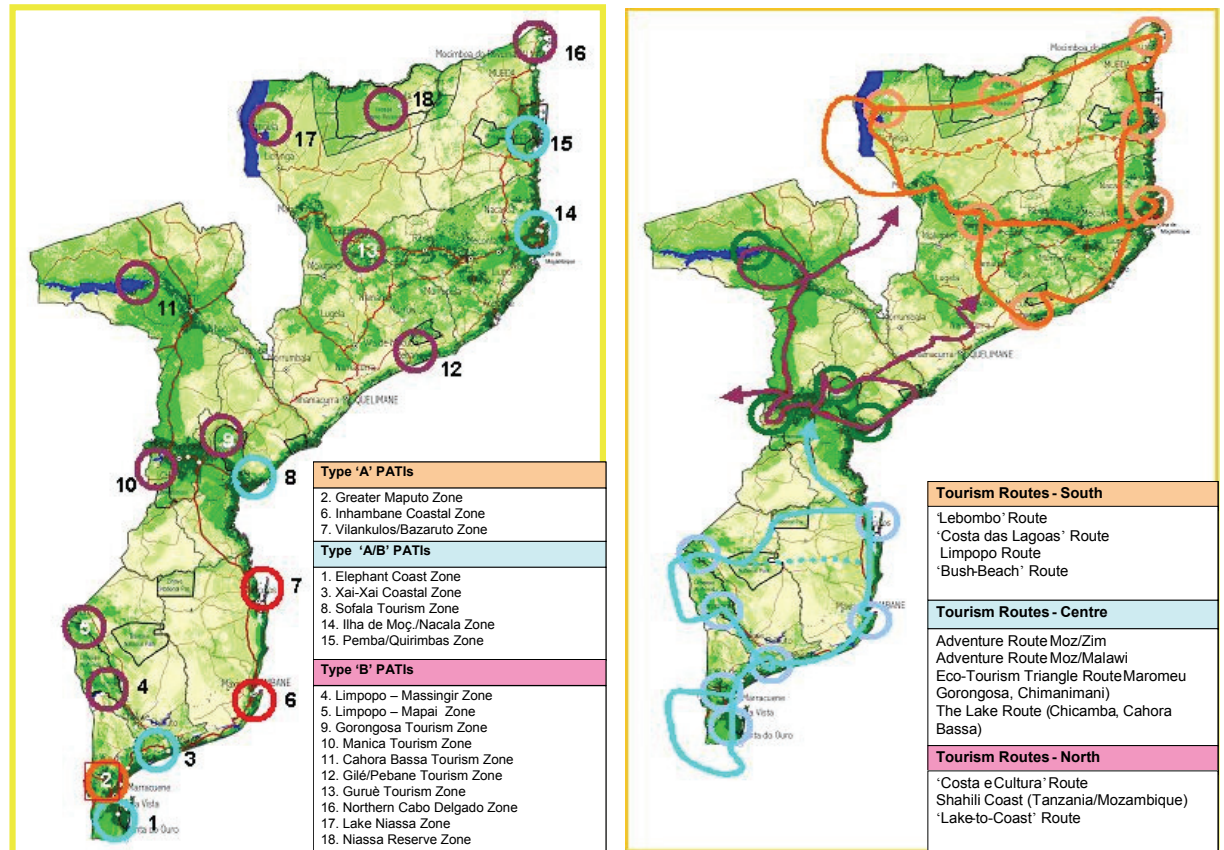
recognizes the interdependence of tourism and conservation and is committed to the effective management of Conservation Areas within the country and through joint conservation initiatives with its neighbours through Transfrontier Conservation Areas (TFCAs). Mozambique has 6 National Parks, 6 National Reserves and 12 Hunting Areas, jointly covering about 15% of the total land surface.

Tourism Routes and Circuits. Tourism routes and circuits are based upon the idea that a group of products providing diversity of experience is more attractive than the individual components. 'Routes' relate to *national* 'visitor journeys' while 'Circuits' refer to *regional* (between countries) tourism movement. The majority of Mozambican tourism routes can be part of regional tourism circuits.

Source: Adapted from Strategic Plan for the Development of Tourism in Mozambique

Figure 1

Priority Areas for Tourism Development and Tourism Routes



Source: Strategic Plan for the Development of Tourism in Mozambique

A REGIONAL PERSPECTIVE

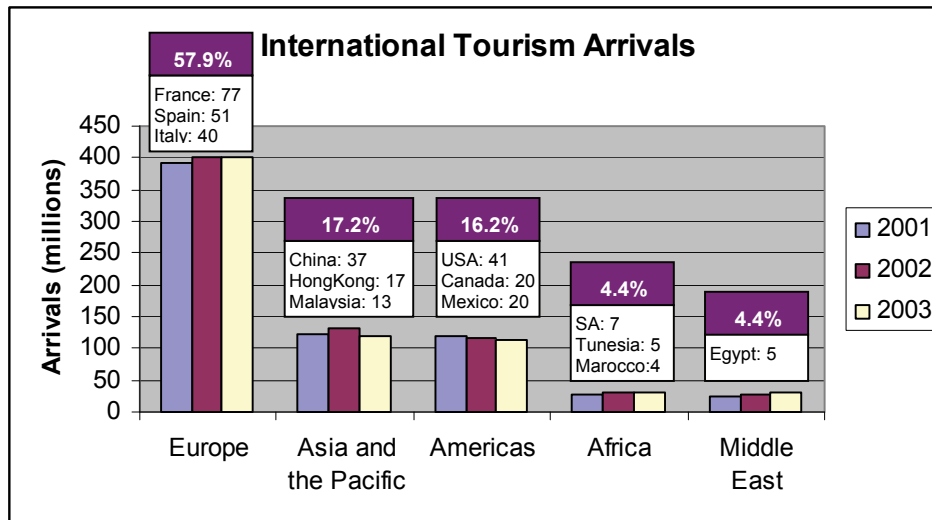
The tourism potential of Mozambique is largely influenced by its position in the southern African region and its ability to link into existing tourism flows and patterns. As an emerging destination Mozambique is still building its tourism infrastructure, markets and marketing proposition. Several countries neighboring Mozambique have successfully established themselves over the last few years in the international tourism landscape and are now leading 'eco-tourism' destinations.

Over the last decades Africa has experienced an exceptional growth in tourism receipts and arrivals. Africa has consistently outperformed the world as a whole in terms of growth rate in international tourism arrivals, increasing its share from 1.5% in 1970 to 3.9% in 1998. The World Tourism Organization forecasts annual growth rates of 5.5% for the period until 2020, this is well above the world's forecasted average growth rate of 4.1%. Within Africa particular growth is envisioned for southern Africa (7.8%) and to a lesser extent Eastern Africa (6.5%) (Tourism Vision 2020, Africa, WTO). In 2003 the world at large experienced a negative growth in tourism arrivals (-1.2) in 2003, the Middle East (+10.3) and Africa (+4.9) were the only regions that experienced a growth of over 0.5% (WTO).

Although growth in arrivals and projections are impressive, Africa's share of global tourism arrivals remains small. Its 4.4% share of international tourists compares, for example, to a share of 17.2% for Asia while revenues for Africa accounted for only for 2.5% of total world revenues.

Figure 2

International Tourism Arrivals 2001-2003



Source: World Tourism Organization

Note: Also indicated in figure the top destinations for each region in 2002 and market share per region for 2003

The SPDTM identifies regional integration as a Critical Success Factor for maximizing Mozambique's tourism potential.

Important concepts in achieving regional integration are in particular integration with South Africa, Africa's top performing destination, TFCA's and the Mozambique Regions.

Integration with neighboring countries (southern Africa)

THE ROLE OF SOUTH AFRICA

South Africa is the continent's 'star' destination. A recent WTO ranking of the top twenty destinations in Africa ranked South Africa at the top, accounting for over 24% of all arrivals and 26% of receipts in Africa. In 2003 South Africa was the fastest growing tourism destination in the world with arrivals increasing by 11%. In 2002 South Africa registered 6.5 million arrivals and yearly arrivals are expected to increase to over 30 million by 2020.

Linking' into tourism patterns and flows in South Africa will be an essential strategy for Mozambique to reposition itself in the international tourism landscape. Mozambique is lacking the marketing apparatus that South Africa has successfully built over the last few years, and its tourism infrastructure is not developed enough

No country in Africa will be able to compete in the changing international market place on its own. Regional integration and the development of a southern African destination will be an essential survival technique for all countries in southern Africa. Mozambique will take a lead in regional integration through i) developing and promoting bush-beach linkages with neighboring countries ii) initiating and actively developing TFCA initiatives with neighboring countries and iii) active participation in regional marketing and development initiatives.

Source: Strategic Plan for the Development of Tourism in Mozambique

to offer the variety and quality of product necessary to sustain an average holiday period. Mozambique is currently predominantly a beach destination, while its nature based tourism potential largely remains untapped.

Africa has historically been known in international markets for its nature-based tourism. The image of southern Africa as a tourism destination still focuses very much around wilderness, the 'big-five', eco-tourism and nature based experiences. Kruger Park is the best-known eco-tourism brand in the world and many first time safari tourists choose Kruger to spot the so much sought for 'big five'. Although the development of nature-based tourism is one of the Governments key objectives, Mozambique's Conservation Areas are far from market-ready. Positioning southern Mozambique as an add-on destination to South Africa's mainly wildlife-based tourism experience is a key opportunity for both South Africa and Mozambique. The successful development and marketing of 'bush-beach' linkages will represent to many international tourists a 'dream' holiday, combining the finest of Africa's wildlife with a world-class tropical beach experience. Transfrontier Conservation Areas, namely the Great Limpopo Transfrontier Conservation Areas (GLTFCA) that links the Limpopo National Park in Mozambique with Kruger Park in South Africa and Gonarazhou in Zimbabwe, can play an important role in changing this position and in speeding up tourism development in Mozambique. In general, the opportunity to achieve advantage through the creation of beach and bush linkages has not yet been realized in southern Africa. There is a potential "gap" in the market upon which Mozambique is well positioned to capitalize.

TRANSFRONTIER CONSERVATION AREAS

TFCAs, Transfrontier Conservation Areas, are a key instrument towards regional integration. TFCAs aim to create collaborative schemes in which contiguous areas in neighbouring countries are designated and formed into a 'joint management' regime, effectively enlarging the conservation area in a synergistic manner. TFCAs are at the center of donor interest in southern Africa and provide a framework for the private sector to invest in developing new tourism facilities and services. TFCAs can play an important role as a catalyst for tourism development in the region, by creating a platform for investment attraction and growth.

Mozambique has entered into agreements with South Africa, Zimbabwe and Swaziland to form the Greater Limpopo TFCA, the Lubombo TFCA and the Chimanimani TFCA, whilst a draft agreement has been developed for a TFCA with Zimbabwe and Zambia to be called the ZIMOZA TFCA. Planning is progressing for TFCAs with Tanzania encompassing the Niassa Game Reserve and the Selous Game Reserve, and the chain of islands called the Quirimbas and a further coastal/marine TFCA with South Africa around Ponto Do Ouro and Kosi Bay (part of the Lubombo TFCA).

The Mozambican Tourism Sector

Since the early nineties Mozambique has been slowly recovering its tourism industry. Though physical proof of increased tourism activity and infrastructure is evident, it is difficult to measure and analyze the real impacts of tourism on the local economy, as the availability and reliability of statistics are problematic. While the building of national capacity to collect and analyze tourism data is a priority for the Ministry of Tourism, the existing capacity remains limited and the reliability of data remains questionable. In 2003 Mozambique submitted for the first time its tourism data, referring to the year 2002, to the World Tourism Organization (WTO).

The contribution of tourism to national Gross Domestic Product (GDP) is relatively low. Tourism contributed around 1% to the national GDP over the last few years (Ministry of Planning and Finance) and accounted for less than 1% of total revenue registered by the Country's one hundred largest companies in 2001 and 2002 (KPMG 'The 100 biggest Companies in Mozambique' - 2001 and 2002 report). The sector contributes approximately 8 percent to the economy of South Africa, an average of 6.9 percent to GDP of Sub-Saharan Africa, an average of 8.5 percent to GDP of Africa and an average of 10.2 percent to GDP of the World (World Travel and Tourism Council). Even allowing for differences in the method of calculation, it is clear that considerable opportunity exists for Mozambique to participate in international and regional growth.

INTERNATIONAL ARRIVALS

Mozambique received in 2002 1,166,472 international arrivals. Mozambique submitted in 2003 for the first time its tourism statistics to the World Tourism Organization (2002 data). This has been the result of a long process of cooperation between Migration and Tourism authorities, the introduction of computerized entry registers and training of border officials in the use of these. Surprisingly the 2002 arrivals are almost a factor three higher than the 2001 arrivals for Mozambique (404,093). The most likely explanation for this remarkable increase is that in 2001 only arrivals at Mozambique's southern border posts were counted and analyzed while the 2003 arrivals stem from 12 border posts across the country. Still not all border posts are included, but the present data are likely to represent at least 95% of all formal arrivals. The far majority of arrivals are from Africa (88%), with low numbers of international arrivals (Europe 5.7%, Americas 1.2% and Asia 0.9%). The top 5 source markets for Mozambique are:

Table 2
Top 5 source markets for Mozambique in 2002

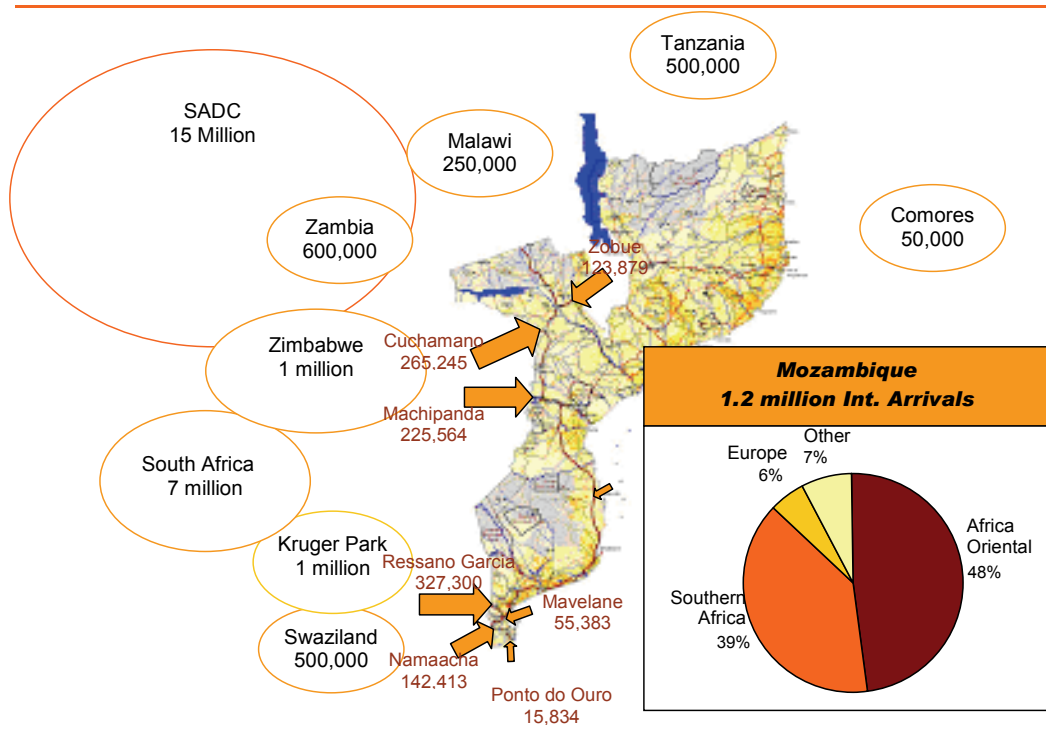
COUNTRY	VISITORS	SHARE
South Africa	408,636	35.0%
Zimbabwe	291,903	25.0%

Malawi	257,862	22.1%
Swaliland	48,816	4.2%
Portugal	22,410	1.9%

Source: MITUR

Figure 3 visualizes tourism patterns within Mozambique and the southern African region. Only border posts with more than 5,000 registered arrivals are visualized. The figure also provides rough indications of tourism arrivals in neighboring countries (data WTO), showing the inherent potential for Mozambique to tap into. Interesting is to see the spread of arrivals over the country. Contradictorily to common belief, the majority of arrivals are registered in the central region and not in the south of the country. A large proportion of arrivals at the Tete border posts (Zobue and Cuchamano) is likely to be in transit between Malawi and Zimbabwe.

Figure 3
Patterns of International Tourism Arrivals in Mozambique and the Region



Source: Data MITUR/WTO, Analysis Author

Table 3*International Arrival Statistics Mozambique for 2002 and 2001*

Border Post	Region	Border to	Int. Arrivals	Int. Arrivals
			2002	2001
Mavalane	South	Map. Int. Airport	55,383	15,509
Ressano Garcia	South	SA	327,300	325,512
Namaacha	South	Swaziland	142,413	38,750
Ponta de Ouro	South	SA	15,834	24,322
Vilankulos	South	Int. Airport	5,904	
Machipanda	Centre	Zimbabwe	225,564	
Espungabeira	Centre	Zimbabwe	1,308	
Cuchamano	Centre	Zimbabwe	265,245	
Vila Nova da Fronteira	Centre	Malawi	1,368	
Zobue	Centre	Malawi	123,879	
Cazacatiza	North	Malawi	834	
Colomue	North	Malawi	1,440	
TOTAL			1,166,472	404,093

Source: MITUR

PROVINCIAL PERFORMANCE IN THE TOURISM SECTOR

In 2003 Mozambique registered 660,000 room-nights, by approximately 360 establishments. Mozambique has a total lodging capacity of approximately 12 500 beds, of which less than 5 000 of a 'luxury' standard, meaning 3 star and upward. In contrast, the City of Cape Town has approximately 30 000 beds and Mauritius in the region of 19 600 beds. The supply remains very limited and the quality is in many cases below international and regional standards, especially in the provinces.

As evident from the distribution of tourism statistics the predominant form of tourism in Mozambique is still business related tourism, with Maputo City at the center of Mozambique's tourism industry. Maputo accounted for over 50% of total registered room nights and guests in 2003 and for over 70% of total revenues. The capital offers about 33% of the total supply of beds and the majority of the 'luxury' beds.

The three regions do not show significant differences in room nights sold and total number of registered guests, with the south performing slightly above the other two regions. The south has a significant larger offer of tourism beds, with Inhambane leading with over 1800 beds. Tourism receipts also demonstrate that Inhambane is Mozambique's leading province in leisure tourism. Caution should however been taking in interpreting these data. As mentioned before the reliability of tourism statistics in Mozambique is questionable. Recent research by the author in Inhambane Province (A Tourism Master Strategy for Inhambane Province, August 2003) found that registered room nights in Inhambane have been

underreported for the year 2002 with at least a factor 4. The same study found that Inhambane Province should have in the range of 2300 beds, while MITUR data suggest between 1500 and 1800. It is likely thought that the Inhambane data show greater distortion than the other provinces as Inhambane is the only province with a significant supply of leisure beds and the province has a problematic record of administration in the tourism sector.

Figures 4 and 5

Provincial Tourism Statistics (excluding Maputo City)

Figure 4

Total Beds in 2002

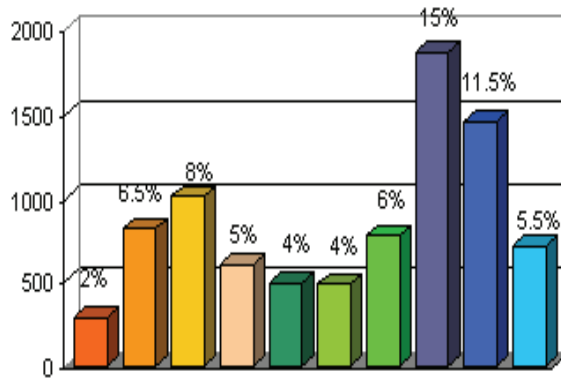
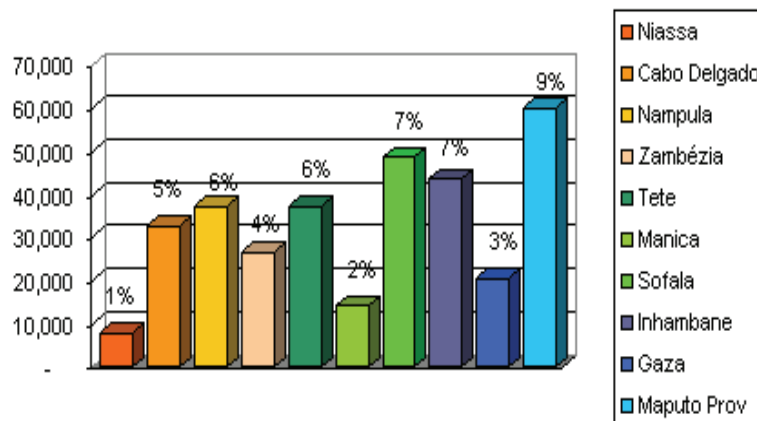


Figure 5

Room Nights in 2003



Source: MITUR

Note: Maputo City is NOT included in the graphs and accounts for 51% of total room nights and 33% of total beds

Table 4

Distribution of tourism over the regions

	MAPUTO	SOUTH	CENTRE	NORTH	TOTAL
Arrivals	55,383	491,451	617,364	1,821	1,166,019
Roomnights	335,744	124,076	100,150	104,405	664,375
Guests	163,051	50,483	55,076	47,266	315,876

Number of Beds	4,121	4,025	1,741	2,700	12,587
Receipts	\$ 27,330,091	\$ 4,241,599	\$ 3,470,141	\$ 2,536,084	\$ 37,577,916
Investment		\$ 243,927,622	\$ 73,732,797	\$1,042,095,073	\$1,359,755,492
Arrivals	4.7%	42.1%	52.9%	0.2%	1,166,472
Roomnights	50.5%	18.7%	15.1%	15.7%	664,375
Guests	51.6%	16.0%	17.4%	15.0%	315,876
Number of Beds	32.7%	32.0%	13.8%	21.5%	10,511
Receipts	72.7%	11.3%	9.2%	6.7%	\$ 37,577,916
Investment (1998-2003)		17.9%	5.4%	76.6%	\$1,359,755,492

Source: MITUR, data refer to the year 2003 except for investment (total period 1998-2003) and beds (2002)

HIGH PROSPECT MARKETS

Traditionally tourism markets in Mozambique have stemmed from South Africa and from Portugal. While arrivals statistics state South Africa, Zimbabwe and Malawi as the top 3 source markets for Mozambique, accounting jointly for over 80% of total arrivals, a large proportion of these arrivals are likely to be in transit (Zimbabwe and Malawi) or on business related visits. The real market size for leisure tourists remains unknown. Market research in Inhambane ('A Tourism Master Strategy for Inhambane Province', 2003) suggests that the most important source market for Mozambique is South Africa, accounting for approximately 80% of total demand at mid-range lodges, and 50% of luxury hotels and resorts. Lodge owners do however report fast growth rates for international tourists, specifically in the backpackers and in the up-market beach and island resort market.

Market opportunities for Mozambique lie clearly in the regional market, which has a specific interest in beach and water-sports related tourism and in selected international markets. Mozambique will implement a niche approach towards international markets focused around the high potential niches of diving, deep-sea fishing, eco-tourism, adventure tourism, birding, cruising, high-yield 'island' market and cultural tourism.

Therefore, the market development approach will be two folded, addressing selected source markets and/or specifically targeting niche products:

- **Niche Markets** – With the current offer of products and limited resources available for marketing and product development, Mozambique must concentrate its resources on a few selected markets. Based upon analysis of tourism trends and resource strengths of Mozambique the following strategic niches have emerged: Diving, Deep Sea Fishing, Hunting, Birding, Eco-tourism, Adventure, High-yield 'island' tourism and Cultural Tourism.
- **Source Markets** – With a low awareness in foreign markets and limited resources available for marketing and product development, marketing development will have to

be concentrated on a few selected source markets. Strategic source markets have been selected using three criteria, (i) Strategic source markets to South Africa, (ii) High potential niche markets and (iii) Cultural synergy.

Using this approach the following strategic market segments have been identified in the Strategic Plan for Tourism Development in Mozambique:

Table 5

Strategic market segments for Mozambique

Strategic Market	Selection criteria	Source markets
Natural Markets	Proximity and strong cultural synergy	Domestic Market, South Africa, Portugal, Zimbabwe, Swaziland
Strategic Niche Markets	Strategic source markets to RSA that have strong niche market potential	Spain, Italy, UK, US, Germany, Netherlands
Emerging markets synergy	Developing source markets that have a strong cultural synergy	Brazil, Saudi Arabia and UAE and Angola

Source: Strategic Plan for the Development of Tourism in Mozambique

Market niches were Mozambique already is successful include diving, deep-sea fishing and hunting and to a lesser extend bird-watching. Promotion is largely through word-of-mouth and a growing number of tour operators and travel agents are promoting Mozambique specifically towards these niches. Specifics for high potential market niches and constraints for further development include:

- **Diving** - Diving is of excellent quality with pristine corals and regularly spotted manta rays, sharks, and sea turtles. Experts cite Mozambique among the best dive sites in the world. Inhambane, Bazaruto and Ponto do Ouro/Malangane in southern Mozambique are the best-known diving centers of Mozambique. Many international tourists, e.g. an estimated 80% of backpackers to Inhambane, come specifically to Mozambique to dive.
Constraints: Constraints to the dive segment include the absence of appropriate control of the sector – e.g. maximum amount of dive operators or daily divers for specific areas and a code-of-conduct for dive operators, leaving the execution of this environmentally sensitive activity up to the operators themselves. Only a handful of dedicated dive operators exist yet, they however question the fact that automatically dive-center licenses are given out with licenses for lodges. Other constraints include the difficulties to import and transport dive equipment, to recruit staff (virtually all dive instructors and dive masters are ex-patriates) and the safety and security of diving with medical facilities often far away from dive sites and no decompression facilities in the country.

- **Deep-sea fishing** - Since colonial times Mozambique has been famous for its big game fish. Tuna, marlin and sailfish are among the species regularly caught and as this combines with the tropical climate, warm waters and boating facilities now existing along the coast, deep-sea fishing is a key activity especially for the regional market and the high-yield 'luxury' resort and island markets.

Constraints: Little control is executed by government officials if recreational fishermen are licensed and catch within allowed quantities. The illegal fishing industry, including fishing for turtles and other large marine species, is a serious threat for Mozambican waters. Constraints to the industry include the difficulties and high import taxes for fishing equipment and for private tourists the lack of renting facilities.
- **Hunting** - Hunting is a small but very lucrative business. Trophy quality in Mozambique (especially Northern Mozambique) is very good and a good variety of species with hunting quotas exists. Hunting operators throughout Mozambique report great interest in hunting in Mozambique. The segment is small and controlled by government quota. Little growth is foreseen in this segment as a sufficient amount of operators already operate in Mozambique.

Constraints: Many operators report difficulties in the import of arms. Equally the export of trophies is a complicated and highly regulated process. Hunting areas are often in remote areas and many operators report access problems as Mozambique has only few international airports and not all international airports have the facilities in place to deal with the specifics of the hunting sector. Clients often have to travel through Maputo, lengthening travel time.
- **Birding** - 'Avitourism' or bird watching is one of the fastest growing segments of the eco-tourism niche-market globally. The variety and density of bird species in Mozambique is exceptional and certain areas such as Gorongosa Mountain in Sofala, Panda and the Coastal Lagoons in Bazaruto in Inhambane and Matutuine District in Maputo Province are famous among ornithologists. Though individual birders, mainly from South Africa, do visit Mozambique, little marketing has been undertaken to market Mozambique as a 'birding destination'. Lack of facilities especially in the interior further contributes to the lack of specialist birding travel to Mozambique.
- **Eco-tourism and Adventure tourism** - Eco-tourism and adventure are fast growing sectors of tourism. Mozambique is well resourced to develop into a leading regional eco-tourism and adventure destination. While the potential is significant, Mozambique's eco-tourism potential is mainly located in remote areas with limited facilities, no operators and difficult access. *Constraints* include the lack of awareness of Mozambique's eco-tourism opportunities in international and regional markets, the lack of skilled eco-tourism operators and guides and the lack of facilities in zones with high potential for eco-tourism.
- **Cruising** - Cruising is an emerging market worldwide. Operators increasingly look at the Indian Ocean to expand their cruise product range. With 2700 km of coastline and plenty of interesting historical towns along the coast there is plenty of opportunity for Mozambique to become an important player in this growing niche. Few cruisers do however include

Mozambique yet in their itineraries. *Constraints* include the fact that few establishments in Mozambique have to scale to offer catering and activities to the often large groups (500+) of cruise tourists on one ship, the embarking conditions along the shore and the unsettled situation around taxes and fees that cruise tourists coming to Mozambican shore are to pay to the Mozambican authorities.

INVESTMENT

As a prospective investment sector, tourism is doing well. Tourism accounted for 16% of total investment applications in Mozambique over the last five years (period 1998 - 2002). This makes tourism, with a total investment of 1.3 billion USD, the third largest sector for investment in the Country, after Industry (33%) and Energy and Natural Resources (18%) (data: CPI).

The North is clearly the preferred destination for prospective investors and accounted for more than 75% of all approved investment applications. The center attracted the lowest investment over the same period. Cabo Delgado was the number one province for investment applications while Maputo and Inhambane rank at respectively the second and third place.

The reality shows however that not all approved investment projects actually go ahead and actual investment levels are therefore lower than the approved investment as reported in CPI statistics. No official data on actual investment in tourism exist, but DINATUR (Direcção Nacional de Turismo), the entity within the Ministry of Tourism responsible for licensing new tourism enterprises, keeps records of licensed establishments and beds. In 2002, 976 beds were licensed, equaling 84% of total beds associated with approved investment projects in the same period, while in 2003, 722 beds, representing 38% of 'approved investment' beds, were licensed. It should be noted that beds associated with approved investments and licensed beds do not relate, as actual licensed beds in a period normally stem from an earlier investment period.

Table 5
Approved projects in 2002 and 2003 in the Tourism Sector

Approved Projects in 2002 and 2003 in Tourism		
	2002	2003
Approved Projects	68	80
Rooms	590	857
Beds	1148	1912
Employment	530	1191
Total Investment	\$ 65,102,000	\$ 51,926,000
Licensed beds	967	722

Source: CPI and DINATUR (licenced beds)

The Potential of Tourism as an Instrument in Poverty Alleviation

Tourism is of growing economic importance around the World. It is an international business that in 2001 contributed 4.2 per cent to the Gross Domestic Product of the global economy and employed 8.2 per cent of the world's economically active population. The WTTC expects tourism to generate in 2004 US\$ 5,490.4 billion of economic activity (10.4% of GDP) and to employ 214,7 million people, representing 8.1% of total employment while tourism is envisioned to represent 12.2% of total exports. Tourism is a growing and highly competitive international business.

Tourism is a labor-intensive sector that integrates skills at all levels throughout the sector. Tourism is linked to a diversity of economic sectors, such as transport, agriculture, food & beverage, financial services, construction and arts and crafts. In many countries in southern Africa tourism has proven itself as a key economic sector creating significant employment and in 2001 tourism accounted for 7.5% of total jobs in Sub-Saharan Africa (World Tourism and Travel Council). In many developing countries tourism has been proven to be a significant catalyst for economic growth and job creation.

Tourism is a principal export for developing countries and Least Developed Countries (LDCs): it is growing rapidly and is the most significant source of foreign exchange after petroleum. The 49 Least Developed Countries have recognized the importance of tourism to their development and are pressing for it to be accorded a higher priority¹.

¹ Tourism and Poverty Alleviation, World Tourism Organization, 2002

Exhibit 2

Facts about Tourism and Poverty Alleviation

Tourism can make a significant contribution to the economies of poor countries. 80% of the world's poor (below \$1 a day) live in 12 countries. In 11 of these, tourism is significant and/or growing. Of the 100 or so poorest countries, tourism is significant in almost half of the low-income countries, and virtually all of the lower-middle income countries (accounting for over 2% of GDP or 5% of exports)" (DFID, 1999).

According to the World Travel and Tourism Council, tourism arrivals to developing countries have grown an average of 9.5% annually since 1990, more than twice as fast as growth in tourism worldwide over the same period.

The World Tourism Organization estimated that tourism accounted for 43.3% of all services in developing countries, and 70.6% of services in least developed countries.

Tourism is a very important economic catalyst, as visitors spend money directly in hotels and outside of hotels, generating direct and indirect employment and revenues throughout an economy. In terms of indirect impact, the IFC estimates that tourists will spend between 50%-190% of what they spend on hotels outside of the hotels in the local economy. Tourism impacts the construction industry, agricultural industries, craft-making and traditional cultural attractions, banking, fishing,

manufacturing, insurance, telecommunications, medical, security and retail services.

According to the IFC, tourism is labor intensive with an average 1.2 to 1.5 direct employees per hotel room in developing countries, depending on the type of hotel and local skill levels. It has been estimated that the indirect job benefit can be between 3 and 5 employees per hotel room.

According to the WTO, in the last decade tourism expenditures have increased in the world's developing countries by 132.9%, and in the least developed countries by 154.1%, a much higher percentage increase than in the OECD (64.3%) and the EU (49.2%).

According to the UN Commission for Sustainable Development's Agenda 21, tourism absorbs more women and unskilled laborers than other sectors, and is economically significant in the vast majority of low-income countries. It is particularly important for women, as employment in the tourism sector is more flexible than traditional manufacturing or agriculture sectors, and there is an expanded "informal sector", allowing for economic activity consistent with family life. Tourism jobs are often healthier and safer than jobs in sugar cane, mining, logging and manufacturing, and with the absorption of untrained and unskilled workers, there is a good opportunity for training and the upgrading of skills and capacities

Source: Strategic Plan for the Development of Tourism in Mozambique and Tourism and Poverty Alleviation Report, WTO

LINKAGES BETWEEN POVERTY ALLEVIATION AND TOURISM IN MOZAMBIQUE

The Government's Action Plan for the Reduction of Absolute Poverty (PARPA) serves as the guiding strategy for the reduction of poverty through development processes. Agriculture, Education, Health and Governance have been identified as instrumental sectors in reducing poverty in Mozambique. Tourism is seen as a 'complementary' sector that cuts across many of the primary priorities and that has significant potential for contributing to the economic development of the Country. Particular reference is made in the PARPA to the role of tourism

in stimulating demand for locally produced goods, thereby contributing to wider employment opportunities and to appreciating the importance of creating a culture of 'domestic tourism' as a strategy in increasing the overall income from tourism. The action programs for these goals are: (i) strengthening the sector's policy and strategy and action plans; (ii) stimulating the creation of local tourism businesses; (iii) promoting the sector to domestic and international tourists; (iv) facilitating tourist access to the country; and (v) professional training.

The Government of Mozambique recognizes the economic impacts that can be associated with tourism as an economic sector. The Tourism Policy and Implementation Strategy highlights the following impacts:

Exhibit 3

Impacts associated with tourism as an economic sector

Direct benefits associated with tourism as an economic sector include:

Income - in order to satisfy a tourist a wide range of purchases of services and goods, which occur at different times and in different locations, are necessary. The compounded output is potentially significant to an economy.

Employment - tourism is a labour intensive sector that integrates all levels of skills, ranging from the most sophisticated to the most basic, and that involves all social layers. Given its multiplying effect tourism also impacts positively on employment in other economic sectors.

Conservation - when properly managed, tourism enhances economic viability of protected areas and lessens pressure on the environment.

Investment - the capital intensity of the sector results in a portfolio of investment opportunities for public and private sector.

Infrastructure - the potential and the dynamics of growth combined with the economic benefits associated with the tourism sector dictate the necessity to create and invest in infrastructure.

Prestige - international prestige and ultimately a

place on the destination "wish list" has positive commercial as well as economic implications.

Creation of small businesses - tourism is linked directly and indirectly to a diversity of economic sectors and therefore creates small business opportunities throughout the economy.

Less desirable impacts, however, can also result from tourism development. These include:

Social impacts - changes in life-style resulting from migration of workers, to change in culture, from increases in crime rates, to prostitution etc.

Environmental impacts - irresponsible project development as well as an influx of tourists in a sensitive environment that can destroy the natural resource base that supports tourism.

Leakages - the occurrence of outbound monetary flows, resulting from the import of goods and services, international promotion and advertising, commissions to foreign sales agents, salaries of foreign personnel, repatriation of profits etc., represent a loss of contribution to the economy.

Over-reliance - tourism is volatile, and responds quickly to negative influences like political disturbances, terrorist attacks, natural disasters etc.

Source: Tourism Policy and Implementation Strategy, April 2003

Constraints and Obstacles to Tourism Development in Mozambique

There is general consensus in the country that tourism holds tremendous potential for Mozambique. However this potential must translate into meaningful products and services of acceptable quality if tourism is to grow. At the same time, the development of the tourism sector has taken a somewhat uncontrolled course over the last few years and the sector is facing many problems. Many constraints to tourism development have been identified in earlier publications, namely in previous DTIS publications and in the Tourism Policy and Strategy and The Strategic Plan for the Development of Tourism in Mozambique. In the following recommendations on how to eliminate the major constraints to tourism development are done.

Many recommendations for tapping Mozambique's export potential are not sector specific. Tourism specific recommendations that follow the DTIS categories of recommendations for tapping of Mozambique's export potential include:

- **Improve Basic Infrastructure** – Access to coastal zones and places of tourist interest is still inadequate in many instances. Safe and reliable public transport is virtually inexistent. Air transport is expensive and of low capacity. Provision of basic infrastructure such as electricity, water, sewage and waste collection is of poor quality in virtually all municipalities of Mozambique and even worse in the more remote places. If tourism is to succeed basic conditions should be improved, with priority in the Priority Areas for Tourism Investment (PATIs).
- **Help producers understand and meet the needs of foreign markets** – The supply of accommodation and tourism services is, outside of the capital, of inconsistent levels and often not of international or regional standards. Inconsistency in service levels is often influenced by the availability of produce and other goods and the availability of skilled human resources. Training of local entrepreneurs is required and the implementation of programs to assist suppliers of the tourism and hotel industry to improve the quality and consistency of their products in order to meet expectations of international tourists.
- **Improve labor regulations** – Most factors identified as constraints in other sectors apply to labor regulations in the tourism industry. Of specific relevance for tourism is the employment of seasonal workers, as tourism is a highly seasonal business and regulations to facilitate the employment of expatriate workers.
- **Reduce Tariffs** – Investors in tourism benefit from exemption from payment of import duties on equipment included in class 'K' of the Customs Tariff Schedule. Many, especially smaller investors, report however problems in actually obtaining these benefits.
- **Reduce bureaucracy and red tape** – Investment procedures relating to the availability and allocation of land and to the licensing of tourism enterprises are perceived to be lengthy, complicated, and not transparent. Immediate assistance to investors in tourism is required

to facilitate smooth investment procedures and increase the number of larger investors in tourism.

- **Clarify and streamline the system for exchanging land-use rights** – As in real estate, location is key to the success of a tourism enterprise. The legitimacy of land-titles may be questioned in Mozambique and the obtaining of land use rights can be a lengthy and complicated process. Mozambique also has no standard procedures for tenders and concessions in conservation areas and other high potential tourism zones. The streamlining of the land allocation process and the standardization of concession agreements and tender procedures should be a priority for Government in order to attract larger scale investment in tourism.
- **Increase access to capital** – Access to capital is a critical constraint for both foreign and local investors. The Government of Mozambique sees the participation of local entrepreneurs as critical for the development of a healthy tourism sector. The difficulties that especially local entrepreneurs face in accessing capital should be addresses if this objective is to be realized.
- **Attract foreign investment** – Large-scale tourism projects are necessary to create the levels of employment necessary to achieve the economic and social objectives of tourism as well as to justify and facilitate investment in public sector infrastructure projects. The government should review tax incentives and other special incentives for prospective investors in Priority Zones for priority zones Tourism Investment and in Conservation Areas to facilitate FDI for tourism investment and in conservation areas to facilitate Foreign Direct Investment (FDI) in the sector.

The following are recommendations for eliminating key constraints that have not been identified as factors limiting export potential across sectors, but that are critical to tourism development:

- **Strengthening of the Public Sector through capacity building, technical assistance and training** – Across national, provincial and district levels, the capacity of the Public Sector (financial, human, material) is weak. Capacity building and appointment of qualified teams/individuals particularly at district and provincial level, is critical for successful tourism development. This not only applies to tourism but also to other government institutes, particularly those involved in integrated planning development and licensing.
- **Development of capacity for Integrated Development Planning** – Tourism is inherently spatial. Physical planning and zoning at the macro and micro level is critical for a controlled development of tourism. Tourism development has been largely uncontrolled, and even when plans have been developed, implementation did not always follow. The lack of Integrated Development Planning currently constitutes one of the most important constraints to a controlled development of the sector, and if no immediate action will be taken this will have severe impacts on the environment and on Mozambique's ability to attract larger scale investments. Especially in coastal zones urgency is required in implementing sound Coastal Management practices.

- ***Improve air access to Mozambique*** – Currently the lack of international airports, the difficulties in obtaining landing rights for private airlines and the monopoly position of the national carrier contribute to an environment that with high prices and little to no competition is not conducive to the growth of the tourism industry in Mozambique. The adoption of an open air policy, the facilitation between regional carriers to include Mozambique in international routes, the upgrading of international airports as well as the support of smaller national carriers are among measurements that will prove necessary to increase air traffic to Mozambique.
- ***Development of skilled Human Resources in the tourism and hotel industry*** - The lack of skilled labor is a concern raised by many tourism stakeholders. Immediate emphasis must be placed on entry-level training and education across the sector. The education effort must not only be directed at tourism but must also include other role players or service providers such as immigration authorities, police, transport providers, communities, etc;
- ***Development of capacity to collect and analyze statistical data*** – Currently the real economic impact of tourism is unknown, as Mozambique has no adequate data collection and analysis apparatus. Without such information it will be difficult to ensure tourism gets a fair share of government budget and donor funding and to make informed decisions in tourism planning and marketing.
- ***Increasing participation of local entrepreneurs and communities in tourism*** – The tourism sector is characterized by a weak participation by the local population, particularly in terms of: ownership, employment, investment opportunities, direct and indirect SMME development, skills enhancement and people growth. The Government of Mozambique considers the participation of local entrepreneurs and communities as a requirement for the development of a balanced tourism sector. Programs to increase awareness about tourism and to strengthen business and tourism skills among local entrepreneurs and communities, especially in high potential zones for tourism are therefore a necessity.
- ***Strengthening of marketing function*** – Mozambique is hardly known in international markets as a tourism destination. The image of Mozambique is still influenced by negative associations such as war, floods, HIV/AIDS, bureaucracy etc. Insufficient marketing resources, lack of strategic private/public partnerships, the absence of a dedicated destination marketing body and poor marketing strategies are key factors related to the poor image associated with Mozambique. The strengthening of the marketing function is a necessity to alter the image of Mozambique in regional and international markets.
- ***Tap opportunities for tourism development in Conservation Areas*** - The use of conservation areas in tourism remains untapped. Contributing factors include: reduced numbers of wildlife, unresolved issues relating to communities (their rights, level and type of involvement), availability of human resources, weak logistical and operational support and park management capacity, inadequate private sector investment and inefficient institutional frameworks for bringing together public sector, private sector and communities. These issues need to be resolved if tourism is to realize such opportunities.

Government has recognized these constraints to tourism development and has effectively addressed the majority of constraints in the Implementation Framework of the Strategic Plan for Tourism Development in Mozambique. Five areas of critical importance for implementation have been focused upon:

- The Institutional structure and coordination and management of PATIs and TFCAs
- Integrated Development Planning
- Human Resource Development
- Marketing
- Conservation

Detailed Action Plans at the national and regional level further detail the activities within each focus area, identify responsible agents and partners and provide a budget indication.

Donor Assistance in the Tourism Sector

Technical assistance, capacity building and financial assistance will be a necessity for the development of the tourism sector given the poor human and financial resource base within the Ministry of Tourism in Mozambique. The increased interest from development partners, in 'pro-poor tourism', as a way of uplifting the living standards among the poor in developing countries, will facilitate interest in cooperation in tourism development projects in Mozambique.

The following donors have existing programs or have shown a strong interest in tourism development in Mozambique:

- **USAID** - USAID is currently preparing for a long-term tourism development program focusing on private sector development. The program will have a duration of 3 to 5 years and is most likely to be focused on northern Mozambique.
- **World Bank/PROTUSC/TFCA** - The World Bank has funded the first phase of the TFCA project in Mozambique that included the institutional development of the TFCA support unit, legal support to facilitate the actual establishment of TFCAs and support in management and infrastructure development in selected TFCAs. The World Bank is currently preparing the second phase of the TFCA program that is likely to last another five years. The World Bank has announced a second program focused on tourism development, the Program for Sustainable Tourism and Conservation (PROTUSC). PROTUSC will focus on capacity building and institutional strengthening within the Ministry of Tourism. The World Bank has also given budget support to the Coastal Management Program, implemented with joint DANIDA funding by MICOA (Ministry of Environment).
- **IFC/SEATIP** - The IFC has recently launched its SEATIP (South East Tourism Investment Program) Program in Mozambique. The program aims to support the development of regional tourism between Mozambique, South Africa, Swaziland, Zimbabwe, Malawi and

Tanzania. The core of the SEATIP program is the promotion of 'tourism routes'; one 'southern circuit' focusing on integration of southern Mozambique, Swaziland and Mpumalanga and Kwazulu-Natal province in SA and one 'northern circuit' focusing on regional tourism in northern Mozambique, southern Tanzania and Malawi. SEATIP will have a private sector focus and will finance of up to 1.5 billion in privately managed tourism projects (mainly lodges and hotels).

- **Sweden/Malonda/Nakosso** - The Swedish Government is funding through its Malonda Program Private Sector development in Niassa Province in Mozambique. Although tourism is not a core activity in the program, the program has funded through its Nakosso program, marketing of Niassa Province in Mozambique, the development of a tourism website for Niassa and limited studies on tourism opportunities in Niassa Province.
- **GTZ/Inhambane/Manica** - The German Development Cooperation (GTZ) has funded several initiatives in tourism development in Inhambane Province within the context of its Private Sector development program. Initiatives included the funding of a study on Coastal Zone Management, the development of a draft tourism and tourism marketing strategy for Inhambane Province and a small project to promote cultural activities in the province (500,000 USD). Currently no continuation of funding for tourism development activities has been confirmed yet. GTZ has also funded some eco-tourism related activities in Manica province, namely in Chimanimani Reserve.
- **KfW/Limpopo** - The German Investment and Development Bank KfW has been a major donor in the Limpopo TFCA. The majority of its funds have been channeled through the Peace Parks Foundation, which has been active in wildlife management, including translocation of elephants and other large mammals to the park.
- **Irish Aid/Niassa/Inhambane** - The Irish development program is focused on Niassa and Inhambane Provinces, particularly in rehabilitating and building of roads. It is funding the Niassa component of the new road between Lichinga and Pemba, which will dramatically improve access to Niassa Province and will speed up tourism development in the northern region. It is also funding a feasibility study on the new road between Pafuri and Mapinhane (near Vilankulos) that will form the northern edge of the proposed southern tourism circuit, connecting the Limpopo TFCA with the Inhambane beaches.
- **DANIDA/Coastal Management** - DANIDA has embarked on a long-term program with MICOA on Coastal Management. Though the emphasis is on natural resources management significant focus is on tourism development and coastal zoning. The CDS (Centro de Desenvolvimento Sustentável - Centre for Sustainable Development) is the executing agency for Development (CDS) is the agency undertaking the MICOA project with regards to micro zoning. The CDS has successfully completed various zoning proposals in zones with high potential for tourism and has planned zoning projects for many other districts along the coast in Mozambique.

- *France/Quirimbas* – France is spending 5 million USD on biodiversity conservation and livelihood work with communities in the Quirimbas Archipelago in northern Mozambique. The World Wildlife Fund (WWF) is their implementing partner.

Other donors and development partners include Peace Park Foundation, the IUCN, SNV (Dutch Development NGO that has expressed interest in Conservation Management in Nampula Province), TechnoServe (an American NGO focusing on enterprise development), WWF (Conservation management in the Quirimbas and Bazaruto Archipelago) and the Carr Foundation (an American foundation that has recently shown interest in eco-tourism development in Gorongosa National Park in central Mozambique). Previous donors have been AusAID (funding of the development of the national tourism policy), the Ford Foundation (supporting community tourism in Tete and Manica provinces) and the EU (funding of development of Tourism Master Plans in 1997).

Conclusion

Mozambique has once again the prospects to become one of southern Africa's premier tourism destinations. With 2700 km of Indian Ocean coastline, abundant coral reefs and marine life, Conservation Areas stretching over 15% of its surface, mountains, wetlands and an intriguing culture, the tourism potential of Mozambique speaks for itself.

The Government has recognized the contribution the tourism sector can make to economic development and poverty alleviation and is committed to a controlled growth of the sector. Tourism development will be guided around three strategic product lines, the 'blue' product line based upon the country's marine and coastal resources, the 'green' product line, based upon the rich biodiversity, Conservation Areas and nature based activities and the 'orange' product line, building upon Mozambique's unique cultural identity. The three regions of Mozambique play an important role in planning, marketing and regional integration of tourism. The Southern Region focuses on regional and domestic tourism, coastal tourism and water sports, the Central Region is best positioned to concentrate on the development of eco-tourism and adventure based tourism mainly for specialized international niche markets while the Northern Region will develop into the most exclusive international beach destination with a strong cultural component. The Government has identified three platforms for tourism development, namely the Priority Areas for Tourism Investment (PATIs), Conservation Areas and TFCAs and Tourism Routes and Circuits. These spatial concepts will be the focus for resource allocation and planning.

Africa is one of the few regions in the world that has experienced continuous growth over the last few years. Linking into the region, and specifically into South Africa, the continent's top performing destination, will be an essential surviving strategy for Mozambique. Of particular relevance will be the establishment of 'bush-beach' linkages, combining the best of (South) Africa's game reserves with the tropical beaches of exotic Mozambique.

While prospects are good for Mozambique, actual economic performance remains limited. Registered arrivals are impressive (over a million), but a large share of these is likely to be in transit or on business trips. The most important source market for leisure tourism is still South Africa with rapid growth reported for international markets. 'Sun, sand and sea' and water-sports are the most important products for regional markets, while for international markets Mozambique will adopt a 'niche' approach, concentrating on high potential niches, namely eco-tourism, birding, hunting, diving and deep-sea fishing.

At the same time, the growth of the sector has been rather uncontrolled and many social, economic and ecological problems have arisen. Mozambique is still facing many constraints for the successful development of a tourism sector, including poor infrastructure provision, expensive and low-capacity forms of transportation, especially air transportation, lack of skilled human resources, a weak institutional capacity, poor planning and coastal management, and poor marketing of the country in regional and international markets.

Tourism is not a traditional sector in many donors' programs and few have until so far committed to supporting this emerging sector in Mozambique's economy. Technical assistance, capacity building and financial assistance will be a necessity for the development of the tourism sector given the poor human and financial resource base within the Ministry of Tourism in Mozambique. The increased interest from development partners in 'pro-poor tourism', as a way of uplifting the living standards among the poor in developing countries, will facilitate interest in tourism projects.

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