

PART II



The Survey of Tourism Establishment Report



Chapter 5

BACKGROUND TO THE SURVEY

INTRODUCTION

The Establishments Survey was one of the two surveys that formed the major Tourism Sector Survey that was conducted in year 2001. It aimed at setting a benchmark for tourism statistics. The other survey was the Visitors' Exit Survey that targeted departing tourists. The two surveys were to complement each other. The Visitors' Exit Survey was aimed at establishing the benchmark of the tourism statistics from the demand side while the establishments survey addressed the supply side. The survey targeted at establishments that to a large extent provide services to tourists, namely; hotels, restaurants, travel agents and car rental facilities. Such establishments can be grouped into several sub-sectors, according to the nature of goods and services that they provide for tourist consumption.

OBJECTIVES OF THE SURVEY

The Tourism Establishments Survey that was conducted by the Ministry of Natural Resources and Tourism (MNRT), Bank of Tanzania (BOT), National Bureau of Statistics (NBS), Immigration Department and Zanzibar Commission for Tourism, had the following objectives:

- (i) To measure capacity of tourism establishments.
- (ii) To record characteristics of tourism establishments such as geographical distribution, ownership, direction of investments, employment, etc.
- (iii) To establish a sustainable institutional framework for collection of tourism statistics.
- (iv) To collect information for tourism promotion and policy formulation.
- (v) To provide basis for construction of Tourism Satellite Accounts (TSA), an international statistical framework that will allow analysis of the impact of tourism in the national economy.

SURVEY METHODOLOGY

The Tanzania Tourism Sector Survey is managed and implemented by the Steering and Technical Committees whose members are drawn from the participating institutions. The implementation team began by identifying and selecting establishments that will be involved in the survey. This was followed by sensitisation workshops, development of a software and finally the actual fieldwork.

In order to solicit cooperation from establishments' operators, it was decided to arrange a one-day sensitisation workshop, which was held on the 24th April, 2001 in Dar-es-Salaam. The main focus of the workshop was to sensitise operators of the tourist establishments on the importance of the survey and check the clarity of the questionnaire. Likewise, on the 11th April 2002, a one-day workshop for Regional Statistical Officers (RSOs) was conducted and they were later assigned to manage the fieldwork in the regions. Each RSO was responsible for questionnaire distribution, collection and forwarding of the filled questionnaires to the head office of the National Bureau of Statistics. Out of the 559 establishments that were surveyed, 318 responded, which was equivalent to 57 percent response rate.

The survey targeted establishments that to a large extent were involved in providing service to tourists, hence defining an establishment as a single, physical location at which productive activity takes place. The survey team decided to include all companies registered under Tourism Agency Licensing Authority (TALA) and supplemented the list by using the Central Register of Establishments (CRE) as maintained by the National Bureau of Statistics (NBS). About 559 establishments were selected as providers of services to tourists across the country. The establishments included accommodation facilities, air travel companies, curio shops, recreational, cultural and sporting activities, tourist hunting and tour operators. These establishments were stratified according to size using employment criteria.

Accommodation establishments were stratified into three categories namely; those with 70 employees and above, between 30 and 69 employees, and finally, the ones with below 30 employees. Stratification for the other sub-sectors and the weights of the respondents, relative to the total frame of 559 establishments is depicted in table 5.1.

Table 5.1: Weight of Respondents by Employment Criterion

Establishment	Big		Medium		Small	
	Employment	Weight	Employment	Weight	Employment	Weight
Accommodation	70 and above	0.79	30 - 69	0.55	1 - 29	0.58
Tour Operators	40 and above	0.42	10 - 39	0.61	1 - 9	0.38
Travel Agents	20 and above	0.96	6 - 19	0.42	1 - 5	0.46
Air Travel	60 and above	0.59	25 - 59	1.00	1 - 24	0.38
Recreation, Cultural and Entertainment	10 and above	0.68	1 - 9	0.52	N/A	N/A
Curio Shops	4 and above	1.00	2 - 3	1.00	1	0.16
Tourist Hunting	100 and above	0.21	10 - 99	0.14	N/A	N/A

Note: The respondents were weighed basing on employment sizes.

In examining the survey results, it is useful to take into account the surveyed establishments' response rates, size and respective weights as shown in Table 5.1 and Table 5.2.

Table 5.2: Response Rate

Establishment	Targeted Establishments	Responded Establishments	Response Rate
Accommodation	199	143	72%
Tour Operators	139	95	68%
Travel Agents	87	19	22%
Air Travel	15	5	33%
Recreation, Cultural and Entertainment	19	7	37%
Curio Shops	63	44	70%
Tourist Hunting	37	5	14%
Total	559	318	57%

MAIN FINDINGS OF THE SURVEY

With the exception of tour operators and tourist hunting establishments, big players in the industry were fairly represented, weighing about 60 percent. The weights were based on the employment criteria.

Most of the accommodation facilities were located in Arusha and Dar-es-Salaam. The accommodation facilities that were covered by the survey included hotels, lodges, hostels, campsites and tented camps. Out of all the respondents, Arusha had nearly 44 percent and 47 percent for room and bed nights available, respectively. Dar es Salaam followed with 40 percent, and 37 percent for room and bed nights available, respectively.

Dar-es-salaam had the highest occupancy rates followed by Arusha. Dar es Salaam had room and bed occupancy rates of 55 percent and 47 percent, respectively. Arusha had 38 percent and 30 percent for room and bed occupancy rates, respectively. Zanzibar registered 31 percent for both room and bed occupancy rates.

Nearly 70 percent of the accommodation establishments which responded were locally owned. Foreign owned and joint ventures accounted for about 20 percent and 10 percent, respectively.

Accommodation establishments led in creating employment opportunities among tourism establishments. Among 143 establishments that responded had employed 5,056 employees, half of the employees were manual workers.

Total earnings from 143 accommodation establishments that responded in 2001 amounted to about USD 46 million. Out of the earned amount, USD 31 million came from international visitors, whereas, nearly USD 15 million came from domestic visitors.

About 82 percent of the additional investments in accommodation establishments were directed to buildings. Other investments were directed in procuring machinery and transport equipment.

About 68 percent of tour operators that responded were locally owned. Joint ventures with foreigners were second in importance, accounting for about 19 percent.

Majority of tour operators who responded indicated underutilization of capacities. Most of them claimed to have capacity utilization of below 25 percent.

The tour operator companies that responded reported total earnings of about

USD 27 million. Most of the earnings were realized during the 3rd quarter which is the tourist peak season.

Tour operators directed about 90 percent of their additional investments to procurement of machinery and transport equipment.

Out of the five domestic registered airlines that responded, local employees filled about 97 percent of the jobs in the air transport industry. More than half of the employees were engaged in clerical work.

The airlines that responded reported to have operated a total of 1,306-chartered flights in 2001. Of the total flights, 83 percent were domestic and 17 percent were international.

Most of the airlines that responded were located in Dar-es-salaam and Arusha and were locally owned.

Most of the travel agent companies that responded were located in Dar-es-salaam, and were owned by Tanzanians.

Generally, in travel agent companies, there was a gender balance in all job categories. In managerial positions, male and female employees accounted for about 52 percent and 48 percent, respectively.

Most of the travel agents that responded directed their additional investments to buildings, machinery and transport equipment. Nearly 85 percent of the curio shops that responded were located in Arusha. The curio shops were mostly locally owned.

