

Chapter 6

PRESENTATION OF SURVEY RESULTS

This chapter presents key results as compiled from the establishments survey that was conducted in 2001. The survey covered establishments that to a large extent provide service to tourists, namely: accommodation facilities, tour operators, hunting safaris, air transport, travel agents, recreational, cultural and sporting activities and curio shops.

ACCOMMODATION

The accommodation industry is one of the main sub-sectors in tourism activities, and it is an important indicator of performance of the tourism activity. This is because accommodation facility is an important requirement demanded by tourists when visiting any country. Accommodation facility refers to an establishment that regularly or occasionally provides overnight accommodation for tourists. The facilities include hotels, hostels, campsites, lodges and tented camps. The survey covered 199 accommodation establishments, out of which 143 establishments responded. As regards to the weights, the respondents represented about 80 percent of big players in the market, 55 percent of the medium sized and about 50 percent of the small sized accommodation establishments (refer to table 5.1).

Location

The survey results showed that most hotels were located in Arusha, Dar es Salaam, Kilimanjaro, and Zanzibar, while lodges were concentrated in Arusha region. The location of accommodation by regions is consistent with the development of tourism activities region-wise. Those regions that are frequently visited by tourists, recorded more accommodation facilities. Arusha recorded more than 50 percent of all the reported accommodation establishments, while Dar-es-salaam and Zanzibar were second and third in importance, respectively. Arusha and its surroundings are famous for their wildlife attractions, whereas Dar-es-salaam, the country's commercial capital attracts more official business visitors. On the other hand, Zanzibar boasts for its spectacular beach and historical tourism. Accommodation establishments by type and location are depicted in table 6.1.

Table 6.1: Accommodation Establishments by Type and Location

Location	Hotel	Lodge	Hostel	Tented Camp	Campsites	Others	Total
Arusha	34	26	2	2	4	4	72
Coast	2	1		2			5
Dar es Salaam	22		2				24
Iringa	3						3
Kilimanjaro	12	1	3				15
Morogoro	1						1
Mwanza	2						2
Ruvuma	1						1
Tanga	6		1		1		8
Zanzibar	13						13
Grand Total	95	28	7	4	5	4	143

Ownership

Survey results as presented in table 6.2 show active participation of local proprietors in the accommodation business. On average, 69.9 percent of accommodation establishments were locally owned, 19.6 percent were foreign owned, while 10.5 percent were joint ventures.

Table 6.2: Ownership by Type of Accommodation

Ownership	Hotel	Lodge	Hostel	Tented Camp	Campsites	Others	Total	% of Total
Local	73	10	7	1	4	4	100	69.9
Foreign	13	13		2			28	19.6
Joint Venture	9	5		1	1		16	10.5
Total	95	28	7	4	5	4	143	100

Employment

Accommodation establishments were a major source of employment among tourism establishments. They engage an average of 5,056 employees, according to the establishments which responded. The survey results indicated that almost half of the employees were engaged in manual work. As far as employment by gender is

concerned, the men to women employment ratio were 2:1, with most female employees undertaking clerical and manual jobs.

Table 6.3 (a): Employees by Type and Sex

Establishment	Managerial		Supervisory		Clerical		Manual		Total		Total All
	M	F	M	F	M	F	M	F	M	F	
Hostel	2	6	9	6	5	8	17	24	33	43	76
Hotel	209	76	264	90	636	588	1,206	552	2,315	1,305	3,620
Lodge	74	27	46	27	265	164	431	113	816	329	1,145
Others	3		8	2	3	5	13	24	27	31	58
Tented Camp	6	2	22		3		54	4	84	6	90
Campsite	7	11	3	1	5	6	33	2	48	20	68
Grand Total	301	122	351	126	917	770	1,754	718	3,323	1,734	5,056

Table 6.3 (b) shows that the accommodation industry employed mainly locals, accounting for around 92 percent. Foreigners were mostly employed in hotels and in lodges. Accommodation establishments are labour intensive as they accounted for around 57 percent of the jobs filled by all the establishments which responded. This makes accommodation one of the most important activity in the tourism industry.

Table 6.3 (b): Employees by Nationality

Establishment	Tanzanians	Foreigners	Total	Tanzanians (%)	Foreigners (%)
Hostel	73	3	76	96.1	3.9
Hotel	3,268	352	3,620	90.3	9.7
Lodge	1,077	68	1,145	94.1	5.9
Tented Camp	90		90	100.0	0.0
Tourist Campsite	66	2	68	97.1	2.9
Others	56	1	57	98.2	1.8
Grand Total	4,630	426	5,056	91.6	8.4

Results from table 6.3 (c) show that on average, 89.4 percent of the employees in the surveyed establishments were on permanent terms while the rest were on temporary terms. Most temporary employees were in manual and clerical positions, accounting for 45.5 percent and 39.9 percent, respectively.

Table 6.3 (c): Employees Permanent vs. Temporary

Establishment	Managerial		Supervisory		Clerical		Manual		Total		Total All
	P	T	P	T	P	T	P	T	P	T	
Hostel	7	2	14	0	12	1	37	4	70	6	76
Hotel	255	30	327	27	1,038	186	1,618	141	3,237	383	3,620
Lodge	96	5	69	4	406	23	485	59	1,054	91	1,145
Tented Camp	7		22		3		58		90		90
Tourist Camp	17	1	4		11		27	8	59	9	68
Others	2	1	1	9	2	6	4	33	9	49	58
Grand Total	384	39	437	40	1,472	215	2,227	245	4,518	539	5,056

Note: P = Permanent, T = Temporary

Annual Accommodation Capacity

According to the survey results in table 6.4 (a), total room and bed nights that were available during the year 2001 amounted to 932,372 and 1,660,914, respectively. Arusha and Dar es Salaam regions, which have the largest number of accommodation establishments, had the largest number of room and bed nights available. Arusha led with 43.6 percent and 46.8 percent for room and bed nights, respectively. Dar es Salaam followed with 39.7 percent, and 37.4 percent for room and bed nights, respectively.

Table 6.4(a): Annual Accommodation Capacity

Location	Room nights available	Bed nights available
Arusha	406,581	776,534
Dar es Salaam	369,911	620,706
Kilimanjaro	62,163	102,260
Zanzibar	25,830	53,310
Other	67,887	108,104
Total	932,372	1,660,914

Annual Room and Bed Occupancy

Survey results further revealed that less than half of the room and bed nights available were sold or occupied. The number of room nights sold amounted to 399,409, representing room occupancy rate of 42.8 percent, while only 590,495 bed nights were sold, representing bed occupancy rate of 35.6 percent. Dar es Salaam had room and bed occupancy rates of 55.4 percent and 46.9 percent, respectively. Arusha had rates of 37.8 percent and 30.2 percent for room and bed occupancy rates, respectively. Occupancy rates for Zanzibar were lower compared to Dar es Salaam and Arusha, registering 31.0 percent and 30.8 percent for room and bed occupancy rates, respectively.

However, the occupancy rates do not take into consideration the different hotel standards as Tanzania has not yet classified its accommodation facilities.

Table 6.4 (b): Annual Room and Bed Occupancy

Location	Room Occupancy (%)	Bed Occupancy (%)
Arusha	37.8	30.2
Dar es Salaam	55.4	46.9
Kilimanjaro	24.2	21.8
Zanzibar	31.0	30.8
Other	43.8	40.2
Annual Average	42.8	35.6

Quarterly Room and Bed Nights Sold

The overall room and bed occupancy rates for the first quarter of 2001, as depicted in table 6.4 (c) were 41.1 percent and 34.6 percent, respectively. Arusha had room occupancy rate of 37.1 percent and bed occupancy rate 30.5 percent. Dar es salaam on the other hand, had rooms and beds occupancy of 51.9 percent and 44.0 percent, while Zanzibar registered room occupancy rate of 32.0 percent and bed occupancy rate of 30.9 percent in the same quarter.

The pattern of results in the second quarter is not very different from the previous one. The overall room and bed occupancy rates for the quarter were 44.1 percent and 34.2 percent, respectively. The room and bed occupancy rates for Dar es Salaam Arusha and Zanzibar are as depicted in table 6.4 (c).

The results also showed that in the third quarter the rates slightly increased. The overall room and bed occupancy rates for the quarter were 46.6 percent and 40.7 percent, respectively.

In the fourth quarter there was a slight decrease in both room and bed occupancy rates as shown in the table 6.4 (c). The overall room and bed occupancy rates for the quarter were 40.2 percent and 33.4 percent, respectively.

Table 6.4 (c): Quarterly Room and Bed Nights Occupancy

Location	Room Occupancy (%)				Bed Occupancy (%)			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Arusha	37.1	37.5	41.6	35.7	30.5	27.7	35.5	28.1
Dar es Salaam	51.9	55.2	58.8	56.7	44.0	46.0	50.0	48.7
Kilimanjaro	16.6	36.6	26.0	25.4	14.9	19.0	25.9	25.3
Zanzibar	32.0	33.4	35.4	23.5	31.0	32.7	38.8	20.1
Other	40.2	41.5	35.6	44.1	34.0	37.9	33.5	41.5
Average	41.1	44.1	46.6	40.2	34.6	34.2	40.5	33.4

Earnings

Total earnings from all the accommodation establishments which responded amounted to USD 45.5 million, of which USD 30.6 million were from international visitors and USD 14.9 million were from domestic visitors. In all the quarters, most of the earnings came from the hotels (USD 31.4 million), hostels (USD 3.4 million) and Lodges (USD 8.2 million). Earnings from all accommodation establishments accruing from international and domestic tourists are shown in table 6.5.

Table 6.5: Earnings by Type of Accommodation Establishment (in USD '000')

Estab Type	Inter Acc
Hostel	43
Hotel	13,33
Lodge	3,52
Others	97
Tented Camp	430
Tourist Camps	1
Grand Total	17,43

Additional Investments

The survey indicated that accommodation establishments added value to their fixed assets by investing USD 12.3 million in the year 2001. Most of the additional investments were directed to buildings where USD 10.1 million was invested. Investments were also made in machinery (USD 1.2 million), transport equipment (USD 0.3 million) and other additional investments of USD 0.8 million. More investments were directed to lodges and hotels as depicted in table 6.6.

Table 6.6: Additional Investments (in USD '000')

Estab. Type	Building	Other	Machinery	Transport	Total
Hostel	0.0	-	-	-	-
Hotel	2.71	0.54	0.79	0.20	4.24
Lodge	6.83	0.21	0.37	0.10	7.51
Others	0.45	0.04	0.01	0.02	0.52
Tented Camp	0.05	-	-	0.01	0.06
Tourist Campsite	0.01	-	-	-	0.01
Grand Total	10.05	0.79	1.17	0.33	12.34

TOUR OPERATORS

Ownership

On average, the survey covered 139 companies, out of which 95 responded. As regards to the weights, the respondents represented about 42 percent of big players in the market, 61 percent of the medium-sized and about 38 percent of the small sized accommodation establishments (refer to table 5.1).

The survey results showed that 68.4 percent of the establishments were locally owned, 19 percent were joint ventures with foreigners and 12.6 percent were foreign owned.

Table 6.7: Ownership

	Local	Joint Venture	Foreign	Total
Establishments	65	18	12	95
Percent	68.4	19.0	12.6	100

Employment

The Tour Operator companies that responded employed, on average a total of 2231 employees of which 85.6 percent of them were males and 14.4 percent were females. The results further revealed that males occupied 66.7 percent of managerial vacancies and females filled the rest. The gender distribution of the supervisory, clerical and manual job categories is as shown in table 6.8.

Table 6.8: Employment by Job Type, Location and Sex

Capacity

According to the survey results, the 95 establishments that responded owned 951 vehicles with a total capacity of 5,947 seats. The details are as shown in table 6.9 (a).

Table 6.9 (a): Vehicle Capacity

Type of Vehicle	Number of Vehicles	Seats Available
4 Wheel Drive	661	3,931
Minibus	204	1,663
Others	86	353
Total	951	5,947

Job Category
Managerial
Supervisory
Clerical
Manual
Total

The results as depicted in table 6.9 (b) show that majority of tour operators indicated underutilization of their capacity, in the sense that more than half of the operators claimed to have capacity utilization of below 25 percent.

Table 6.9 (b): Capacity Utilization by Type of Vehicle

Utilization %	Percent		
	4 Wheel Drive	Minibus	Others
0 - 25	58.9	86.3	84.2
26 - 40	9.5	3.2	2.1
41 - 75	18.9	8.4	8.4
76 - 100	12.6	2.1	5.3

Earnings

Out of the establishments which responded, 92 companies reported earnings amounting to USD 27 million. It should be noted that 41 percent of the earnings were realized in the 3rd quarter, which is the tourist peak season.

Table 6.10: Earnings (in USD '000')

Source	Q 1	Q 2	Q 3	Q 4	Total	Percent
International Visitors	4,584	4,720	10,898	6,034	26,238	98
Domestic Visitors	81	389	77	8	556	2
Total	4,665	5,109	10,976	6,042	26,794	
Percent	17.4	19.1	41	22.5		100

The establishments which responded reported the value of additional investments in buildings, machinery and transport worth about USD 4 million. The results also showed that 90.4 percent of investments were in machinery and transport equipment.

Table 6.11: Additional Investments (in USD '000)

	Q 1	Q 2	Q 3	Q 4	Total	%
Building	204	28	116	40	389	9.2
Machinery	1,304	88	138	874	2,405	56.9
Transport	569	95	177	572	1,415	33.5
Other	10	5			15	0.4
Total	2,088	290	431	1,487	4,228	100

HUNTING SAFARIS

Hunting Safaris is one of the major source of revenue in the tourism sector. Unlike other sub-sectors in the tourism industry, which operate throughout the year, hunting safaris operate from July to December. According to Tourist Agency Licensing Authority, there were about 37 companies involved in the hunting business in 2001. Most of the companies were located in Dar es Salaam and Arusha and only 5 responded. Regarding the weights, the respondents represented 21 percent of the big players in the market, and 14 percent of the medium and small-sized establishments (refer to table 5.1).

Employment

The survey results revealed that about 83.4 percent of total employees in hunting safaris were manual workers. There was also a preference of employing male instead of female workers, because hunting is a scary activity.

Table 6.12: Employment by Job Type

Job Type	Male	Female	Total	% of Total
Management	17	5	22.7	6.4
Supervisor	12	1	7.7	3.8
Clerical	26	7	1.3	9.6
Manual	195	81	9.4	80.2
Total	250	94	344	
% of Total	72.7	27.3		100

Earnings

The survey results also showed that the five companies earned a total of USD 982,712 during the year 2001.

Additional Investments

The survey results depict that there were additional investments worth USD 31,700 that were directed in machinery and transport equipment. However, only one company reported having additional investments.

AIR TRANSPORT

The survey covered 15 domestic registered airlines out of which 5 responded, representing 33 percent response. Most of the airlines were located in Dar es Salaam

and Arusha regions. All the airlines that responded were locally owned. It should be noted that international airlines which have their regular services to Tanzania but do not operate domestic flights, were not included in this survey. On the other hand, domestic registered airlines that operated international services were covered.

Employment

Table 6.13 shows the number of employees according to job category and sex. In total, there were 583 employees reported to have been working in the 5 airlines that responded. Survey results indicate that most of the jobs were filled by Tanzanians and majority of the employees were males. More than half (56 percent) of the employees were engaged in clerical work.

Table 6.13: Employment by Job Category and Sex

Job Category	Tanzanians		Foreigners		Total	%
	Male	Female	Male	Female		
Managerial	18	3	4	3	28	5
Supervisory	174	18	3	1	196	34
Clerical	212	117	0	0	329	56
Manual	25	3	2	0	30	5
Total	429	141	9	4	583	
%	73	24	2	1		100

Number of Aircrafts and Seat Capacity

The survey results indicated that the five responded airlines operated 18 aircrafts with a total capacity of 359 seats.

Number of Passengers in Scheduled Flights

Scheduled air transport includes establishments whose main activity consists of providing fixed routes according to the known published timetable. During the year under review, the surveyed airlines indicated to have handled a total of 143,166 passengers, out of whom 84,025 passengers or 57 percent were in domestic flights.

Number of Chartered Flights

Non-scheduled air transport includes establishments whose main activity is to provide charter and other non-scheduled air passenger services. The companies which responded reported a total of 1,306 chartered flights. Out of these, 83 percent were domestic flights and 17 percent were international flights.

Earnings

Table 6.14 shows that a total of USD 2.8 million was earned by the airlines. Earnings which were realized from resident passengers accounted for 39 percent of the total earnings.

Table 6.14: Airline Earnings in USD '000'

	Amount	%
Residents	1,065	39
Non residents	1,696	61
Total	2,762	100

Additional Investments

The five airlines that responded during the survey made a meagre additional investments of USD 5,296.

TRAVEL AGENTS

The survey targeted 87 travel agents, out of which only 19 companies responded, equivalent to 22 percent response rate. However, the big players in the market were well represented, weighing 96 percent (refer to table 5.1). Most of the companies were situated in Dar es Salaam and were mainly owned by Tanzanians.

Employment

The 19 companies employed 274 persons of which 142 were males and 132 were females. Generally, there was a gender balance in all job categories. For example, in the managerial positions, males and females employees accounted for 52 percent and 48 percent, respectively.

Table 6.15: Employees by Job Category and Sex

Category	Male	Female	Total	Percent
Managerial	15	14	29	10
Supervisory	16	24	40	15
Clerical	65	56	121	44
Manual	47	38	85	31
Total	142	132	274	100

Number of Tickets Sold and Commission Earned

Table 6.16 summarizes the number of tickets sold and commission earned. 27, 087 tickets were sold and a commission of USD 932,390 was realized. International tickets accounted for about 83 percent of the commission collected. Distribution of tickets sold by quarters, indicates that sales were high in the second and third quarter as compared to the first and the fourth.

Table 6.16: Tickets Sold and Commission Earned

Quarter	International		Domestic		Total	
	Tickets	Commission (USD)	Tickets	Commission (USD)	Tickets	Commission (USD)
Q1	3,454	169,538	2,774	32,836	6,228	202,374
Q2	4,023	140,553	3,661	29,230	7,684	169,783
Q3	4,841	206,084	2,910	48,559	7,751	254,643
Q4	3,720	253,576	1,704	52,014	5,424	305,590
Total	16,038	769,751	11,049	162,639	27,087	932,390

Additional Investments

During the year, the establishments which responded made additional investments amounting to USD 51,612. The investments were directed to buildings, machinery and transport equipment.

RECREATIONAL, CULTURAL AND SPORTING ACTIVITIES

19 establishments involved in recreational, cultural and sporting activities were covered in the survey. The companies were mainly located in Arusha, Kilimanjaro and Tanga. Seven companies responded, representing 36.8 percent. Out of the respondents, five were locally owned, one was foreign and the other was a joint venture.

Employment in Recreational Areas

Table 6.17 Shows that the companies which responded employed 127 workers, which of 77.2 percent were males.

Table 6.17: *Employment Category by Sex*

Type	Male	Female	Total
Managerial	6	3	9
Supervisory	20	5	25
Clerical	43	10	53
Manual	29	11	40
Total	98	29	127
% of Total	77.2	22.8	100

Earnings

The survey results showed that the companies which responded generated earnings worth USD 491,605 in 2001.

Additional Investments

The results showed that the seven establishments made additional investments worth USD 71,531 in 2001, out of which 77 percent of the investments were directed to buildings, while 19 percent were invested in machinery.

Table 6.18: *Additional Investment (in USD)*

	Q 1	Q 2	Q 3	Q 4	Total
Building	1,245	1,786	4,539	4,815	55,725
Machinery	1,761	5,237	5,763	646	13,407
Transport	1,000	1,000			2,000
Other	200	200			400
Total	4,206	8,223	10,302	48,801	71,532

CURIO SHOPS

Out of the 63 curio shops that were targeted in the survey, 44 establishments responded, making a response rate of 70 percent. Given the nature of their merchandise, such as souvenirs and cultural items, majority of these shops were located in the main tourist region of Arusha (85 percent). Majority of the shops were locally owned, hence accounting for 87 percent of the respondents.

Table 6.19: Ownership by Location

Location	Local	Joint Venture	Foreign	Total	(%) of Total
Arusha	33	5	1	39	85
Dar es Salaam	6			6	13
Kilimanjaro	1			1	2
Total	40	5	1	46	
% of Total	87	11	2		100

Employment

Table 6.20 shows that curio shops employed 194 persons, manual work and managerial positions accounting for 48 percent and 35 percent, respectively. It is worth noting that most curio shops are small enterprises mostly managed by owners. As regards to gender, male employees dominated, filling up 141 positions, equivalent to 73 percent of the total employees.

Table 6.20: Employment by Job Type and Sex

Job Category	Male	Female	Total	% of Total
Managerial	47	22	69	35
Supervisory	8	4	12	6
Clerical	8	13	21	11
Manual	79	14	93	48
Total	141	53	194	
% of Total	73	27		100

Earnings

Table 6.21 illustrates the number of customers served and the corresponding earnings realized by the curio shops. The results show that the third quarter (July – September 2001) had the biggest number of customers as well as the highest earnings. This is consistent with the fact that the third quarter is the tourist peak season for Tanzania. The curio shops that responded reportedly served a total of 79,377 customers and earned USD 937,487 during 2001.

Table 6.21: Customers and Earnings by Quarters

	Customers	Earnings (in USD)
Quarter 1	27,002	249,328
Quarter 2	8,858	174,747
Quarter 3	33,409	317,259
Quarter 4	10,108	196,153
Total	79,377	937,487

Additional Investments

Survey results indicated that curio shops made additional investments worth USD 48,902. Most of the investments, equivalent to 98 percent, were directed to buildings.