
Seminar 3: “Key Sectoral Rules and Negotiating Issues”

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Business Perspectives on Tourism Services Negotiations
WTO Building, Room B
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TOURING AFRICA......
Latest in trade....

• 19 Countries; 513 million people
• COMESA’s trade US$ 283 billion in 2013 (US$ 295 billion in 2012 -4% decline ) .
• Total exports - US$ 113 billion in 2013 (US$ 125BN in 2012)
• Total Imports- US$ 170 billion in 2013.
• Intra-COMESA trade – US$ 20. 9 BN in 2013(8% growth from US$ 19.3 BN in 2012

On services-
• Trade in Services contributed 72Billion US$ share of GDP in 2012.
• Leading Services sectors are commercial Services, travel and tourism, transport, telecommunications, financial services.
The 5th COMESA Committee on Trade in Services (initiated in 2009) has carried on the negotiation processes - on the schedule of specific commitments agreed upon in the four priority sectors of transport, communication, financial and tourism services.

Countries that have submitted their reviewed schedules are - Burundi, Comoros, Congo DR, Djibouti, Egypt, Ethiopia, Kenya, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia and Zimbabwe (15).

In 2014, COMESA has solicited the assistance of WTO to review and comment on the submitted schedules, which were re-submitted to member states for national consultations. To date- 11 member states have submitted their reviewed schedules. All member states are to submit their reviewed schedules by June, 2015.

COMESA is to begin the second round of negotiations on three additional priority sectors - Business services, Energy services, Construction and related engineering services., in addition to the improvements made on the initial four priority sectors.

Should be noted that the private sector has already established commercial presence in the region, in sectors or transport, retail, financial services. This punctuates the urgency to accelerate the negotiations.
WHO ARE WE?

Identity; A Regional Business Member Organization. Recognized Private Sector Institution of COMESA

- Services- Business advocacy, Business Support Services- Business and Market Intelligence, Linkages and partnerships, membership Development
- Membership- Chambers of Commerce, Private Sector Federations, Sectoral Associations, Companies present in more than one country
- Membership segmentation- includes but not limited to businesses in the product and service lines in the following sectors- Manufacturing, Agro-Industry, Tourism and Financial Services, Insurance, Pharmaceutical.
## Africa Rank

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<th>World Rank</th>
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### World rank- 180 Countries. And territories

#### Criteria for selection:
1. Attraction of Investment (Trade)
2. Attraction of Tourism
3. Attraction of Talent
4. Strengthening National Pride (Increase of National Pride)
5. Strengthening Public Diplomacy (Increase of Public Diplomacy efforts)
6. Strengthening Exports (Increase of Exports)

TOURISM FACTS

• African international tourism arrivals grew from 37 million in 2003 to **65 million** in 2013.
• International tourism receipts in Africa totaled **US $43.9 billion** in 2013.
• Africa maintained a **6.0%** share in worldwide tourism arrivals and **3%** of share of worldwide tourism receipts.
• Direct travel and tourism employment in Africa totaled **8.2 million** in 2013.
• Regionally, 5.3% of the workforce in North Africa and 2.4% of the workforce in Sub-Saharan Africa are directly engaged in tourism and the related industries such as hospitality, leisure, and transportation service provision. The World Travel and Tourism Council (WTTC) estimates that more than 2.79 million people were directly employed by the tourism industry in Africa’s top five destination countries alone in 2013.

**TOP 5 - EGYPT, SOUTH AFRICA, TANZANIA, KENYA, MADAGASCAR, ZIMBABWE.**

• *Sources: United Nations World Tourism Organization (UNWTO) and World Travel and Tourism Council (WTTC)*
The Latest in Tourism Biz?

The EAC Borderless Visa- Kenya, Uganda, Rwanda.

- The result of a joint initiative made by the Heads of States of the respective partner countries to boost regional travel and create opportunities for tourists to explore the diversity of East Africa.

Eligibility
Travelers from any country can obtain a multiple entry visa that will allow entry to the Republic of Kenya, the Republic of Rwanda, and the Republic of Uganda for tourism over period of 90 days.

- **Eligible Person**: Tourist, no restrictions on country of origin
- **Dependents**: All persons must apply in their own right.
- **Travel Documents**: All tourists must have an official and genuine international passport, valid for not less than 6 months from the time of visa application.
- **Visa Fees**: 100 USD per visa
- **Validity of Visa**: 90 days
- **Single of Multiple Entry**: Multiple entry to all three countries
- **Work or no Work**: Work is not permitted
- **Visa Extension**: An East Africa Tourist Visa shall not be extended.
- **Country of Entry**: The holder of the East Africa Tourist Visa shall enter the region from the country that issued the visa and move within the two other countries without applying for another visa or paying another visa fee.
- **Movement of persons**: The holder shall also be allowed to move out of the Republic of Kenya, the Republic of Rwanda, and the Republic of Uganda and return without having to pay for another visa. This will only be applicable for the validity period of the visa (90 days from visa approval).

- **ZAMBIA-ZIMBABWE UNI-VISA**. This covers tourists travelling to both countries can get a single visa for the cost of US$50, valid for a period of 30 days. It covers persons travelling through the national airports and Victoria Falls airport and port of entries. The purpose is to co-market the Victoria falls and promote trans boundary tourism between the two countries.
SUSTAINABLE TOURISM DEVELOPMENT IN COMESA

Not a type of tourism, but a **condition of tourism**.

Sustainable Tourism development requires the informed participation of all relevant stakeholders as well as strong political leadership to ensure wide participation and consensus building.

**In 2012- COMESA Sustainable Tourism Development Framework, A Basis for Development of a Regional Tourism Strategy and Policy for the COMESA Region**
Some Challenges to Tourism Growth - COMESA

i. Slow visa facilitation
ii. Low investment levels
iii. The capacity gap in the hospitality service industry
iv. Poor connectivity and infrastructure
Infrastructure and connectivity

• Least Integrated continent; 24 hr flights from East to West Africa, at times through Europe; 10 hr flights from South to Northern Africa)
• Low intra-trade levels increase air transport costs- expensive tickets- high taxes.

Business Position;

Air Accessibility-
• Enforce improvement of safety and security of airlines and airport security in COMESA
• Encourage and facilitate reduced cost of travel within and to the COMESA region
• Implement measures to improve intra-regional air access.

Product Development-
• Diversify COMESA tourism offering packages across multiple countries(trans boundary tourism packages), reflecting diversity of the COMESA region: create historical tours, religious tours, mountain climbing, birding tours.
Infrastructure and Connectivity - Some Major Airlines-in/outbound

- South African Airways
- Ethiopian
- KLM (Royal Dutch Airlines)
- RwandAir
- Kenya Airways
The capacity gap in the hospitality service industry

The above segmentation is based on an AfDB consultancy survey on both regional and international participation from 27 hotel chains, representing a total of 215 hotels and almost 40,000 rooms planned or under development.
Challenges;
• Standards Development and Measurement

Business Positions;
• Provide necessary training and technical support to members countries to enable them to meet necessary standards, as well as training for regional and international auditors to evaluate standards against measurable indicators
• Develop measurable indicators to monitor the implementation of the sustainable tourism framework amongst countries
• Promote collaboration between public and private sector at regional and national level on development of standards and voluntary certification schemes – e.g.- We PRACTICE SUSTAINABLE TOURISM
• Provide necessary training and technical support to members countries to enable them to meet necessary standards, as well as training for regional and international auditors to evaluate standards against measurable indicators
Visa facilitation

Challenge- Visa Requirements stifle trade and Tourism;
- Slow visa facilitation;
- Cumbersome administrative procedures;
- High visa fees.

Business Position;

- Create and implement COMESA single visa amongst other options (i.e. bilateral agreements, building on existing steps undertaken by EAC and SADC in pursuing a single visa)
- Ensure country immigration authorities develop an appropriate framework to facilitate adoption of single tourist visa for the region.
- Integrate flexibility in immigration requirements to allow visa requirements for extensions of legitimate activities in the country (i.e. business, medical, etc)
Human Resource and Skills Development

- Today, Africa’s tourism industry directly employs about 8.2 million people. This represents 5.3% of the workforce in North Africa and 2.4% of the workforce in Sub-Saharan Africa.
- The tourism industry could potentially add 3.8 million jobs over the next 10 years in Sub-Saharan Africa, (World Bank estimates)
- Building a skilled top-notch workforce is critical for the sustainability of Africa’s tourism industry.
- Many jobs in the tourism industry require mid-level service sector skills, yet personnel with skills at the managerial level are considerably lagging in most African countries.
Challenges- HR & Skills...

• Current low education levels,
• Lack of solid business skills and experience in tourism
• Need for advanced education and professional development training programs

Business Positions:
• Use existing Centres of Excellence within COMESA region to train hospitality industry in product knowledge and development, service offerings and customer service
• Implement appropriate policies to ensure skills transfer and provisions for a skilled regional labor force
• Implement regional information sharing on materials, training programs and educational opportunities
• Engage SMEs on specialized training programs must be developed and scaled up in management areas such as hotels administration, catering services, tour operations and other complimentary services in Tourism.

On Marketing-
• Brand COMESA as a single destination; build on regional and international best practices and develop a COMESA marketing initiative
• Develop a tourism database and COMESA web portal, to promote tourism in the region
• Develop and promote green vacation packages within the region that meet agreed-upon criteria and which are part of a multi-destination package
• Participate in trade fairs as a region under the umbrella of COMESA countries, marketing COMESA as a single destination
Low Investment Levels

• Business Position;

Engage in PPPs to develop an investment strategy and action plan for sustainable growth with a focus on;

• Public investment in education and training,
• Infrastructure,
• Power and transportation
The need for Tourism Coalitions

Challenges:
- Limited networking amongst Tourism supply chain;
- Limited dialogue between public and private stakeholders on Tourism constraints and solutions - policy and business related.
- Poor private sector representation to articulate input to policy at decision making levels.
- Poor Market Linkages;

Figure 2: The relationship between the tourism, hospitality and travel industries. Source: Adapted from Pizam (2009).
Positions of the CBC Tourism Workgroup

- **Improve knowledge and responsiveness** from all key stakeholders and counterparts in the region;
- **Increase advocacy** strength at the national and regional level;
- **Enhancing the competitiveness** of the services associations- and companies, operators, SMEs.
- **Upgrade the food supply chain** by increasing direct market access for local food suppliers (e.g. farmers, fishermen); encouraging tourism enterprises to introduce supplier codes of conduct to ensure fair pricing and trade agreements; building a supportive business environment for local suppliers; and facilitating trading relations between hotels, restaurants and local suppliers. *(On-going- CBC Local Sourcing for Partnerships Project)*
- **Increase networking, business linkages, and potential partnerships.**
- **Establish a database** on the highlights and tourist attractions in the region in partnership with all stakeholders;
- **Introduce the COMESA Sustainable Tourism Conference**- public-private sector driven -with the following objectives;
  - Engage COMESA member states to identify ‘Brand Champions’ who will facilitate in the global promotion of tourism in COMESA
  - Promote market research effectively to create valuable tourism branding and marketing
  - Create COMESA sustainable tourism marketing tool to incorporate sustainable tourism elements and promote COMESA region as a single destination;
  - Build on regional and international best practices and develop COMESA marketing initiative ;
  - Advocacy agendas.
Questions?

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www.comesabusinesscouncil.org

The Voice of the Private Sector in COMESA