



MORE INFORMATION: CONCESSION FEES

To simply continue to insist the implementation of concession fees as announced under the GNN in the face of a non-level playing field will only hurt the tourism industry. How?

*There is no clear industry standard formula that shows how the rates were arrived at. The private sector has requested for this information, but it has not been forthcoming up to now. *Only 27 accommodation facilities have been singled out and their rates gazetted. The rates for the rest of the other accommodation facilities in Tanapa managed national parks have not been Gazetted. Tourism Private Sector has requested for this information, but it has not been forthcoming up to now.

*In the face of all this, the tourism business landscape in the national parks will continue to uncompetitive and non transparent. It is the duty for ALL to address these issues and ensure the landscape is competitive.

A tourist poses in front of one of the hotels built in national parks.

PHOTO | FILE

favorus accommodation facilities that are inside the parks, at the expense of accommodation facilities that are outside the parks. The policy encourages accommodation facility investors to build outside the parks. Parks cannot accommodate all the accommodation facilities being built or have already been built.

Tanzania Association of Tour Operators chairman Wilbard Chambulo advised Tanapa and the government to not treat Tanzanian national parks like "zoos in Europe and Table Mountain in South Africa", where a person enters to view the caged and exotic attractions in 30 minutes and leaves satisfied.

"Parks and zoos elsewhere have different business models and are not comparable to Tanzania and therefore cannot be used as a basis to introduce this system in Tanzania. Tanzanian parks are vast and on average tourists will spend a minimum of two to three days visiting a park," said Mr Chambulo.

The new system, according to stakeholders, forces tourists staying outside the park to pay more and experience less of Tanzania's free God-given wonders — the wildlife — as they have to pay every time they enter the park, while those staying in the parks can stay up to 24 hours on one ticket.

When asked to comment, Hotel Association of Tanzania chief executive officer Lathifa Sykes said: "It should be realised that the affordability and this new entry fee change will kill low-season and resident businesses. It will force businesses to close down which would affect jobs and taxes. No one is looking at the bigger picture. This is a very non-dynamic approach to an industry that needs to recognise that rooms are a perishable commodity."

Mr Rugimbana said tourism stakeholders were not against visitors or tourists paying park entry fees. However, the park entry fee model should enable a win-win situation for the park authorities as well as accommodation facilities.

Govt criticised over new concession fees

TOURISM. Hotels located inside 15 national parks across the country, will have to part with between \$30 to \$100 fixed rate per night per person, in addition to the normal charges. At the moment only 27 hotels have been gazetted to pay the fees

By Veneranda Sumila
BusinessWeek Reporter

Dar es Salaam. The Tanzania Confederation of Tourism (TCT) says tourism arrivals are down by 30 per cent due to the Ebola scare and an overall trend of tourism in the region.

New fixed concession fees that take effect from July 2015 for some hotels, may worsen the situation.

Hotels located inside 15 national parks across the country, will have to part with between \$30 to \$100 fixed rate per night per person, in addition to the normal charges. At the moment only 27 hotels have been gazetted to pay the fees.

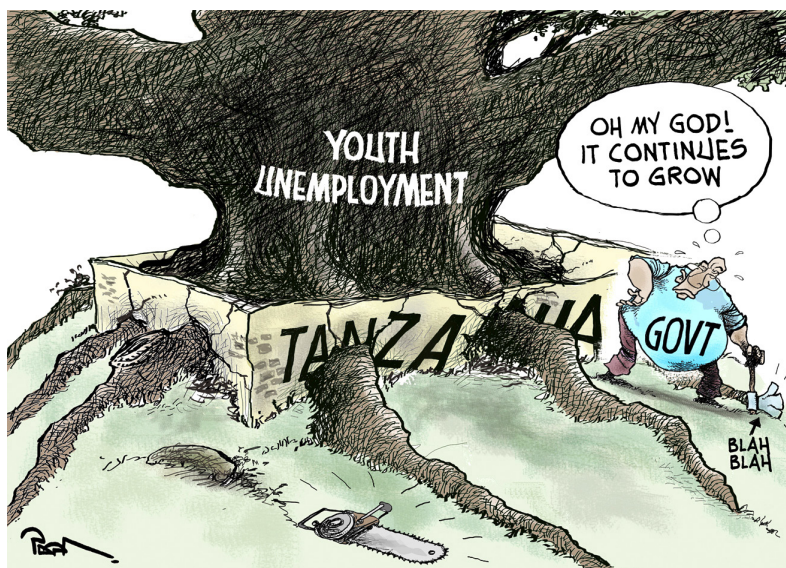
The new charges, without offering any additional value from investors are likely to contribute to the falling arrivals. The situation will make it difficult for Tanzania to achieve a 20 per cent increase in tourist arrivals by 2025 from 9 per cent at present annually

"The new concession fees will hurt tourism further," TCT executive director Richard Rugimbana said.

"We are wondering why only 27 accommodation facilities have been singled out and their rates gazetted.

tory and against competition. "It will make visitors staying there to pay more than the ones staying at similar facilities that have not been gazetted." In a quick rejoinder Tanzania National Parks (Tanapa) spokesman Pascal Shelutete said the implementation of the new tariff had not come as a new thing. "Rather it was introduced way back in 2008. When it was introduced in 2008 there were only 27 accommodation facilities across all national parks in the country."

After the new fees were introduced,



according to Tanapa, the 27 hotels went to court to block authorities from implementing them. "So the implementation was halted."

"But late last year the High Court gave a ruling that directed us to continue with the new charges. This means we won the case," said Mr Shelutete.

So, according to Tanapa, it is not true that only 27 hotels have been selected to pay the charges.

"All other new hotels are paying such a charge, it is included when they sign their contracts."

Stakeholders are up in arms that there is no clear industry standard formula that shows how the rates were arrived at.

"We are not against paying concession fee, but as stakeholders we have the right to be told how such charges were calculated and why they are applicable to very few hotels," said Mr Rugimbana.

Currently, the hospitality industry is stated to pay over 50 taxes, levies and charges.

Tourism is the number one foreign exchange earner for Tanzania, having contributed over \$2 billion in the year ending February 2015.

The industry employs one third of the country's labour force.

Tourism stakeholders believe that Tanzania's tourism can grow at double digits between now and 2025 "if the government nurtures it instead of consistently wanting to stifle it in the name of revenue collection."

But Mr Shelutete believes that the growth target will be reached.

"Before introducing any new tariff a number of factors are considered. It is not true that by implementing the new concession fee the tourism industry will collapse. Actually we are very careful to ensure that the sector flourishes. Because if it dies Tanapa will as well collapse."

According to stakeholders, the issue of a single entry into parks is an additional 'nail to the coffin' which has shocked tourism investors.

Players feel the single entry fee