CBI
Ministry of Foreign Affairs

Analysis of the Tourism Value Chain in Uganda

Commissioned by The Centre for the Promotion of Imports from developing countries (CBI)

Acorn Tourism Consulting Ltd

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Analysis of the Tourism Value Chain in Uganda

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by

Acorn Tourism Consulting Ltd

acorn TOURISM DEVELOPMENT CONSULTANTS

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ACRONYMS

ATP	Assessment and Training Package
ATTA	Adventure Travel Trade Association
AUTO	Association of Ugandan Tour Operators
BCI	Business Case Idea
BTVET	Business, Technical and Vocational Education Training
CBI	Centre for the Promotion of Imports from Developing Countries
CBT	Community-Based Tourism
CSO	Civil-Society Organisation
CSR	Corporate Social Responsibility
DIT	Directorate of Industrial Training
DMC	Destination Management Company
DRC	Democratic Republic of Congo
EAC	East African Community
ECP	Export Coaching Programme
EETA	Eastern Entrepreneurship and Tourism Cluster
EoW	EyeOpenerWorks
FIT	Fully Independent Traveller
GDPR	General Data Protection Regulation
GSTC	Global Sustainable Tourism Council
KTA	Karamoja Tourism Academy
MES	Ministry of Education and Sport
MFPED	Ministry of Finance, Planning and Economic Development
MGLSD	Ministry of Gender, Labour and Social Development
MRC	Marketing Representation Company
MSME	Micro-, Small and Medium-sized Enterprises
MICE	Meetings, Incentives, Conferences and Events
MOU	Memorandum of Understanding
MTWA	Ministry of Tourism, Wildlife and Antiquities
NEMA	National Environment Management Authority
NFA	National Forestry Authority
NTSDP	National Tourism Sector Development Plan
OTA	Online Travel Agency
PUM	Netherlands Senior Experts
PPP	Public-Private Partnership
RTA	Rwenzori Tourism Academy
SDF	Skills Development Fund
SDG	Sustainable Development Goals
TA	Technical Assistance
TDA	Tourism Data for Africa
THSSC	Tourism and Hospitality Sector Skills Council
TIMS	Tourism Intelligence Management System
TMEA	TradeMark East Africa
TMP	Tourism Master Plan 2014–2024
TPIWG	TVET Policy Implementation Working Group
TSA	Tourism Satellite Account
TTCI	Travel and Tourism Competitiveness Index

TVET	Technical and Vocational Education and Training
UBOS	Uganda Bureau of Statistics
UCOTA	Uganda Community Tourism Association
UHOA	Uganda Hotel Owners Association
UHTTI	Uganda Hotel and Tourism Training Institute
UIA	Uganda Investment Authority
UNDP	United Nations Development Programme
UNRA	Ugandan National Roads Authority
UNWTO	United Nations World Tourism Organisation
USAGA	Uganda Safari Guides Association
USDP	Uganda Skills Development Project
USFS	United States Forest Service
USP	Unique Selling Point
UTA	Uganda Tourist Association
UTB	Uganda Tourist Board
UWA	Uganda Wildlife Authority
UWEC	Uganda Wildlife Education Centre
UWRTI	Uganda Wildlife Research and Training Institute
VCA	Value Chain Analysis
VCS	Value Chain Selection
VFR	Visiting Friends and Relatives
WEF	World Economic Forum
WTTC	World Travel and Tourism Council

INTRODUCTION

CBI, the Centre for the Promotion of Imports from developing countries, is part of the Netherlands Enterprise Agency (RVO). It is assessing the potential to conduct a 5-year programme supporting SME tourism businesses in Uganda to increase the sales of their services in the European markets. To inform this decision, CBI commissioned Acorn Tourism Consulting to produce this Value Chain Analysis (VCA) of Uganda's tourism sector in order to identify where CBI can most effectively provide technical expertise to support the growth of SME tourism exports to Europe.

The VCA has been conducted in coordination with the Embassy of the Kingdom of the Netherlands in Uganda and RVO, so it can also be used in order to inform other agencies about activities that could support the sustainable growth of the tourism sector.

The research for this study has included:

- A review of Uganda's existing strategic plans for the tourism sector and global travel trends;
- Analysis of 35 tour operator websites in Uganda's top 10 European source markets;
- Telephone consultations with 15 European tour operators in September 2019;
- Face-to-face consultation with more than 60 tourism stakeholders in January 2020.

The VCA consists of 4 elements. The first element analyses the tourism trends and the European consumer demand which create opportunities for Uganda. It assesses the country's competitive advantage as well as its tourism offer to identify the new products and regions which could tap into these European market trends.

The second element of the report describes the structure and governance of the tourism value chain and assesses the social as well as environmental issues which may affect its sustainability.

In the third element, the market opportunities from which Uganda could benefit are reviewed together with the obstacles that restrict the ability of micro-, small and medium-sized enterprises (MSMEs) to capitalise on these opportunities. In the final element, activities are proposed which could enable the private sector in Uganda to attract more European tourists and strengthen the sector.

This report was written in February 2020, before the impact of the COVID-19 pandemic was recognised. A stakeholder workshop to discuss the recommendations of the report was due to take place in Kampala in March; however, the workshop had to be cancelled due to the travel restrictions caused by the pandemic.

The full impact of the COVID-19 crisis on Uganda's tourism sector will not be known for many months. However, there are some fundamental issues within the tourism sector, which are addressed in this VCA and which will still be relevant in the future. Some of the recommendations, which could be acted on now to help strengthen Uganda's tourism for when people start to travel again, are listed in the Executive Summary.

CBI would like to thank everyone who contributed their time and expertise to this report.

EXECUTIVE SUMMARY

1. Markets and Competitiveness

Tourism is an increasingly important contributor to Uganda's economy. The 1.5 million international arrivals, combined with a growing number of domestic tourists, generated 7.75% of GDP and 6.7% of total national employment in 2018.

The vast majority of international arrivals (80%) come from Africa. In 2018, the regions outside Africa which generated the most arrivals were Europe (8%, which grew for the first time in 5 years), Asia Pacific (6%, which also grew significantly compared with the previous year) and the Americas (5%).

Tourism data for 2018 and 2019 are based on modelling, following the introduction of e-visas and changes to data collection processes. As a result, the most current data on individual source markets are from 2017, when the top 5 source markets were Rwanda (32% of arrivals), Kenya (24%), Tanzania (6%), the USA (4%) and India (3%). In Europe, the largest source market was the UK (2.4%), followed by the Netherlands (0.7%) and Germany (0.6%). Annex A provides actual visitor numbers for 2017.

Leisure visitors are highly valuable and account for 89% of visitor expenditure, yet they only make up 21% of arrivals. By contrast, more than 75% of visitors to Kenya and Tanzania come for leisure. These countries also receive between 3 and 6 times more visitors from Europe than Uganda does.

Uganda's greatest opportunity is to invest in attracting adventure travellers. This market segment is very valuable and adventure travellers are looking for experiences that Uganda can offer, in particular safari, hiking, birdwatching and community-based cultural tourism.

Adventure tourists travel both independently and in small mid- to high-budget tour groups. Independent adventurers love all things local and their preference to book directly creates opportunities for MSME providers as well as local entrepreneurs who create suitable products, offer high-value flexible itineraries and promote themselves effectively online. To capture the European tour groups, high standards of professionalism and an environmentally sustainable supply chain are required.

Uganda has the potential to position itself as a high-value destination that offers exceptional wildlife, adventure and cultural experiences which match or exceed those of its neighbours. However, it currently lacks the confidence, infrastructure and skills to capitalise on its competitive advantage.

2. Potential for New Products and Regions

The regions which have the greatest potential to attract tourists from niche markets in Europe, and which could help diversity Uganda's tourism offer, are the south-east and north-east. Jinja and Mount Elgon are well positioned to provide the starting point for an eastern circuit through the Karamoja region to Kidepo Valley National Park. There is also considerable potential to diversify the product in the Rwenzori region to the west. This area already attracts a reasonable volume of tourists and could support the growth of new businesses.

In all regions, communities must be able to offer cultural experiences that appeal to the growing demand from European adventure travellers to gain a greater understanding of local lifestyles.

3. Structure and Governance of the Value Chain

Overall, the governance of Uganda's tourism sector is well structured. For the public sector, the MTWA is leading in terms of policy, strategy and planning. Its key agencies, UWA and UTB, are responsible for managing the natural heritage as well as realising product development and marketing. However, responsibility for skills development is more fragmented. In the private sector, there is a clearly defined structure for communicating with central government through UTA, which represents the industry on behalf of its 9 industry associations.

At the local level, tourism management is in its infancy. The MWTA is represented by district tourism officers and tourism clusters have recently been set up to enable private- as well as public-sector stakeholders to manage regional destinations jointly.

However, the sector needs a clear focus and direction, with a well-prioritised strategy and an action plan that coordinates activities across the sector. The forthcoming NTSDP 2020–2025, due for publication in mid-2020, is the next opportunity to deliver on this need.

The public sector and business support organisations welcome expertise as well as support in a wide range of areas, provided that it is designed to be sustainable beyond the life of the funding programme. A large number of international organisations are actively involved in supporting the tourism sector and provide opportunities for partnerships. Care is needed to ensure that these programmes are complementary and that efforts are not duplicated.

4. Sustainability of the Value Chain

The long-term sustainability of leisure tourism in Uganda depends on the conservation of its natural resources and cultural heritage, in particular its iconic and endangered wildlife. Conserving this wildlife and its natural habitat largely depends on the commitment of local communities that live in the wildlife reserves adjacent to the national parks in order to support the work of the UWA. To achieve this aim, they need to derive direct economic benefit from tourism.

5. Opportunities in the Value Chain for SME Providers

The key opportunities for MSMEs that will strengthen Uganda's tourism value chain are:

i) Uganda's potential **to create a strong regional competitive position** as a high-value destination that offers exceptional wildlife, adventure and cultural experiences which match or exceed those of Kenya, Rwanda or Tanzania;

ii) **International leisure market trends** (before the COVID-19 pandemic) that match Uganda's product offer, in particular:

- Africa's middle class is growing and travelling more;
- Leisure tourism from emerging markets is growing, particularly from India, Russia and China;
- Millennials from these emerging markets are increasingly looking for adventure experiences;
- **There is a growing demand for niche and special-interest holidays in unspoilt destinations**;
- Adventure tourism is becoming mainstream, is high value and is growing at 20% p.a.;
- The largest outbound markets for adventure tourism are also Uganda's target markets of the USA and Europe (the UK, Germany, the Netherlands, France, Italy and Spain);
- The most popular adventure activities for Africa fit well with Uganda's strengths: **safari, ecotourism, hiking, birdwatching and cultural tourism**;
- Adventure tourists want to **have immersive local experiences**, to **use small companies** that provide bespoke itineraries and **to see that their tourist money is supporting local communities**;
- **There is a growth of online booking** by independent travellers using local companies;
- There is a **growing awareness of sustainability and conservation**;

iii) Uganda's potential to **develop and market a diverse range of products** that meet the interests of the **high-value leisure market** as well as the broader range of niche market segments;

iv) Uganda's potential to **diversify products and differentiate suppliers** by utilising the whole country's diverse wealth of natural resources as well as its iconic wildlife;

v) Uganda’s potential to **improve product knowledge and promotion** of existing products as well as lesser-known regions **by UTB, international marketing representation companies** and Kampala tour operators;

vi) Uganda’s potential to **capitalise on unutilised accommodation capacity** while matching quality and geographic distribution to the demand;

vii) Uganda’s potential to maximise marketing investment by **developing a strong brand narrative and a digital strategy for content marketing**;

viii) Uganda’s potential to **improve the professionalism** of DMCs, tour operators, accommodation providers, guides, community tourism, women and craft productions through **market intelligence as well as skills development** in conjunction with the well-organised support network for tourism association businesses and the large number of NGOs active in Uganda.

6. Obstacles for SME Providers in the Value Chain

Uganda’s homogenous product of primates and savannah safaris does not tap into the changing demand. To capitalise on these opportunities, the obstacles that MSME tour operators need to overcome include:

i) Access and infrastructure

- Limited air access;
- Insufficient mobile (3G) network;
- Limited road access and national park trails;
- Loss of iconic natural attractions due to large-scale infrastructure projects.

ii) Product development and diversification

- Lack of tailored market intelligence, digital marketing skills and access to markets;
- Undeveloped potential for community-based tourism to support conservation;
- Lack of affordable funding and dependence on foreign investment.

iii) Human resources development

- Inadequate skills training;
- Lack of digital expertise among SMEs and UTB;
- Challenge of meeting customer expectations;
- Lack of a nationally accredited qualification for tour guides.

v) Marketing and promotion

- Lack of destination branding and marketing strategy;
- Lack of a crisis management strategy;

- Absence of advance planning and budget sign-off for international trade fairs;
- Lack of large-scale MICE convention centre and MICE promotion.

vi) Tourism management and regulation

- Limited sector coordination;
- Inadequate data collection;
- Uncoordinated planning and regional development;
- Very limited sustainability accreditation;
- Insufficient enforcement of regulations.

7. Possible Interventions and Activities to Support a More Competitive Value Chain

The Tables in Section 10 list the interventions that would help Uganda's tourism sector become more competitive. Potential local and external delivery partners are proposed for activities that could be part of the CBI programme. The activities that are also included in the Embassy of the Kingdom of the Netherlands's Tourism Development Roadmap are highlighted.

Many of the issues raised in the VCA are fundamental to the long-term competitiveness and growth of Uganda's tourism sector. The need for them to be addressed is even more urgent due to the impact of the COVID-19 crisis, as support for the sector must be focused on:

- Market-driven planning and product development;
- National branding and marketing strategy;
- Skills training to meet customer expectations and safety concerns;
- Sustainability training and accreditation.

ELEMENT 1: UGANDA'S MARKETS AND COMPETITIVENESS

1. TOURISM TRENDS

1.1 Uganda's Visitor Economy

Tourism is an important contributor to Uganda's economy and is growing year-on-year. In 2018, it generated more than 1.5 million arrivals, 7.75% of GDP and around 6.7% of total national employment.[1]

The Ministry of Tourism, Wildlife and Antiquities (MTWA) estimates that 2019 was also a very positive year for the sector.[2] However, due to the introduction of e-visas and the phasing out of immigration cards in 2018, comparative data for 2018 and 2019 had not been collected, while arrival figures are estimated.

The number of jobs directly generated by travel and tourism increased steadily over the past 10 years to 229,000 in 2017, accounting for 2.4% of total employment. As the sector grows, it is predicted that the total number of jobs that it generates will grow, although the proportion of jobs across the whole economy is not expected to increase.[3]

Headline figures for 2018[4] are:

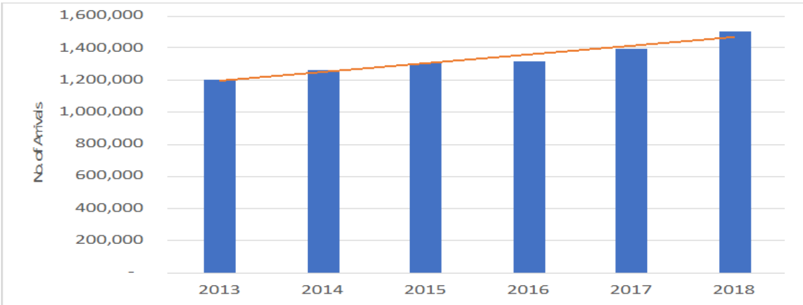
- International visitor arrivals 1,505,669, a 7.4% increase from 2017 (1,402,409);
- Foreign exchange earnings of US$1.6 billion, a 14% increase from 2017 (US$1.4 billion);
- GDP contribution of 7.75% from tourism;
- Tourism creating 667,500 jobs (direct and indirect), 6.7% of total employment;[5]
- Hotel room occupancy rate of 51%;
- Increase of visitors to national parks to 325,345, 14% more than in 2017.

1.2 Trends in International Arrivals

There has been steady growth in Uganda's visitor arrivals over the past 6 years from 1.2 to 1.5 million. In terms of total overnight visitors, Uganda performs well in comparison to its regional competitors Kenya, Tanzania and Rwanda. However, it receives only a fraction of the arrivals from Europe which visit Kenya and Tanzania (see Figures 1, 2 and 3).

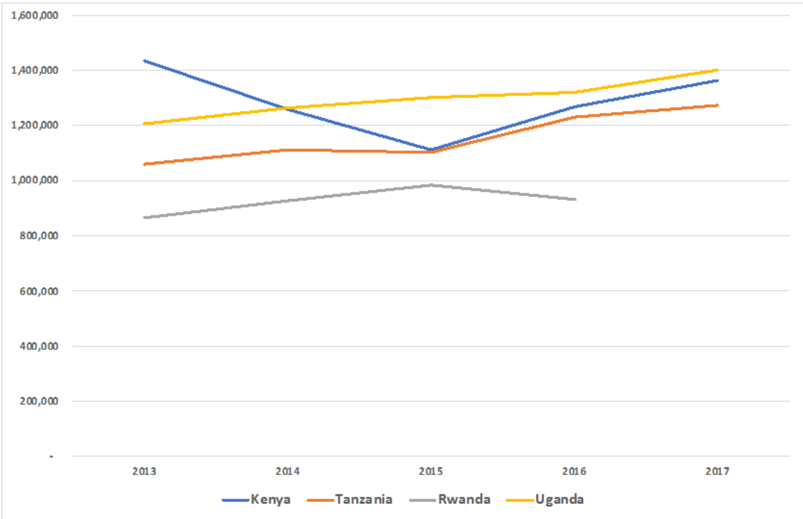
[1] MTWA and UBOS estimates for tourist arrivals to Uganda for 2018.
[2] MTWA Annual Tourism Sector Performance Report (TSPR) for the financial year 2018/2019.
[3] Travel and Tourism Economic Impact Uganda 2018, WTTC.
[4] MTWA and UBOS figures on tourist arrivals to Uganda in 2018 are based on estimates from a time series model with a 0.02% margin of error.
[5] Direct employment figures for 2018 and 2019 are not currently available.

Figure 1: Total Arrivals to Uganda, 2013–2018



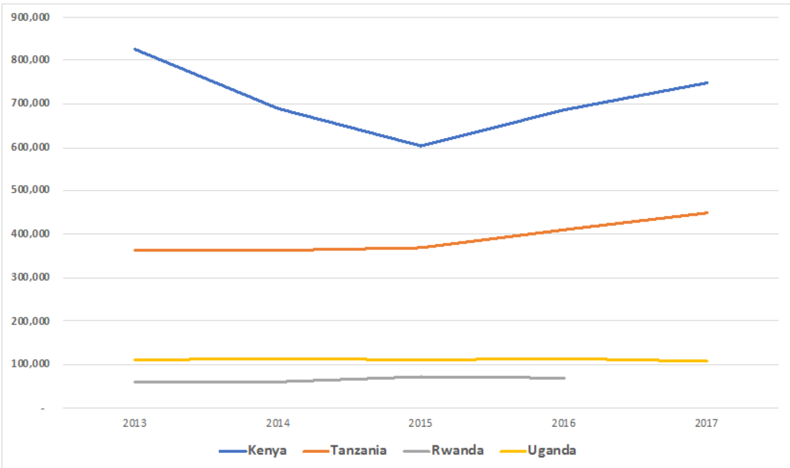
Source: UNWTO, MTWA, UBOS

Figure 2: Total Overnight Visitors to East African Competitor Destinations, 2013-2017



Source: UNTWO

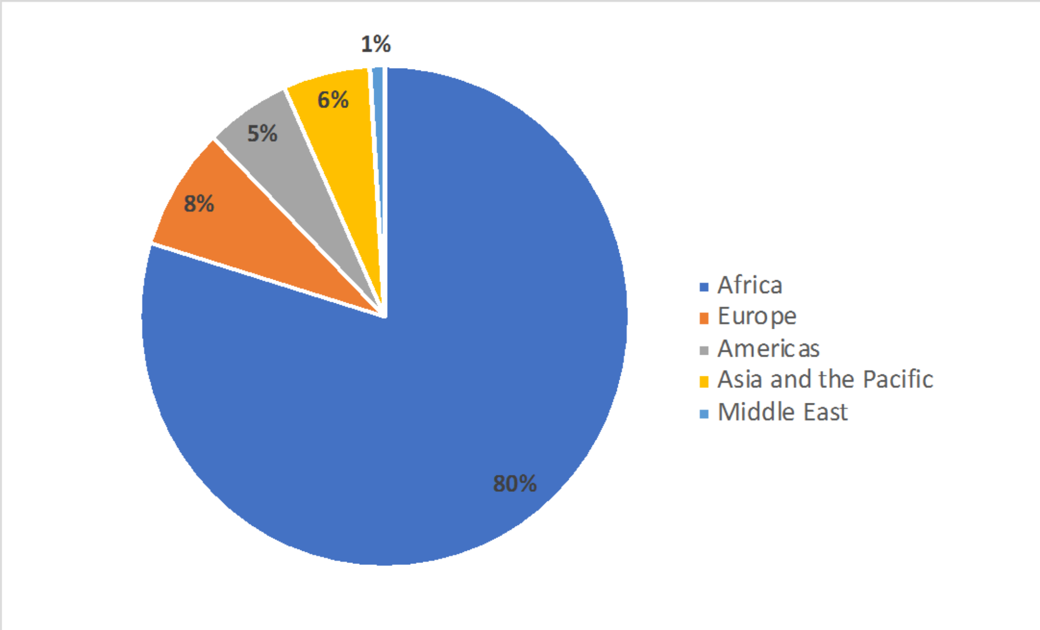
Figure 3: Overnight Visitors from Europe to East African Competitor Destinations, 2013–2017



Source: UNTWO

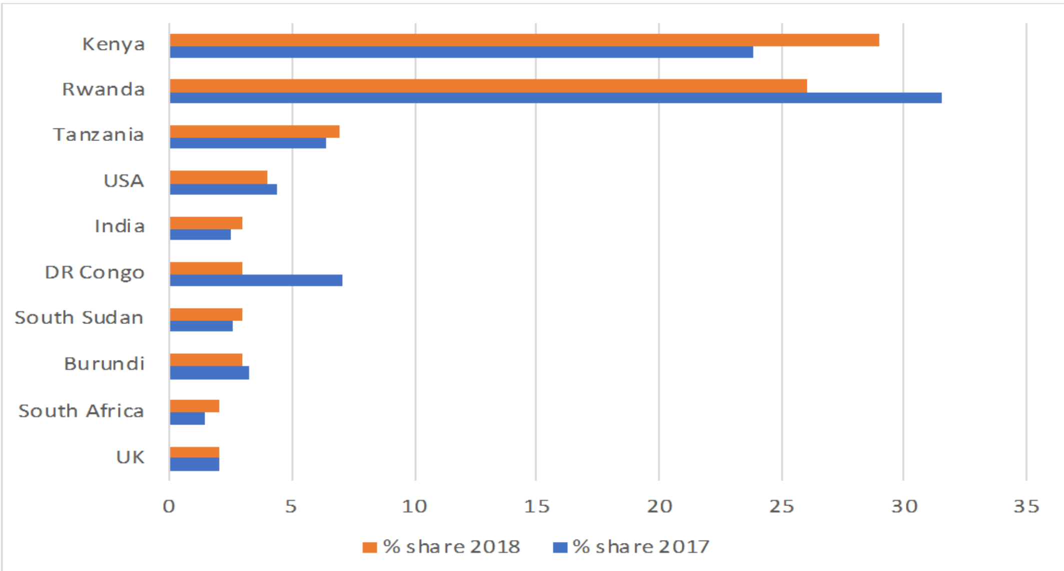
African travel has an 80% market share in Uganda's arrival numbers, of which most visits are from Uganda's neighbouring countries (see Figures 4 and 5).

Figure 4: Arrivals to Uganda by source region, 2018, in % of total arrivals



Source: MTWA, UBOS

Figure 5: Market share by source country, 2017-2018, in % share of total arrivals



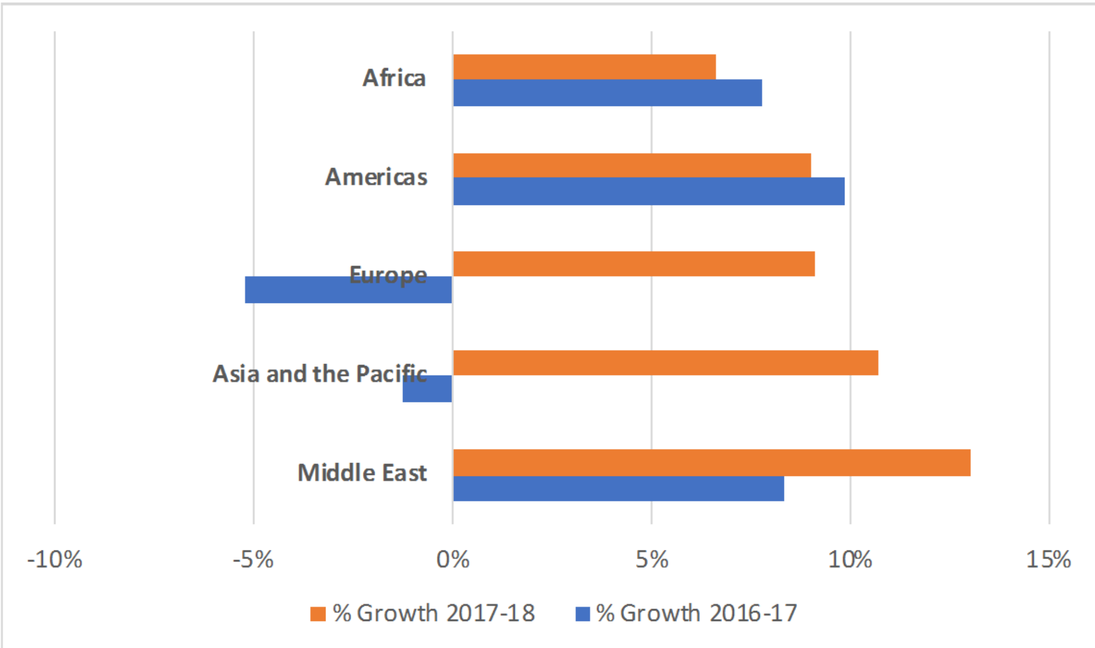
Source: MWTA, UBOS

Outside Africa, Europe is the largest generating region, although it accounts for only 8% of arrivals. The single-largest European market is the UK, which accounts for 2% of all arrivals to Uganda (see Annex A for the arrival numbers of non-African markets that generated more than 0.1% of arrivals in 2017).

In 2018, Europe increased its market share for the first time in 5 years.[6] In part, this fact may be due to market representation companies being contracted in the UK and Ireland as well as in the German-speaking countries during 2017 after a long period of low investment in these markets.

The Americas accounted for 5% of visitor arrivals in 2018, with the single-largest market being the USA, which generated 4% of Uganda's arrivals. The market share from the Americas declined slightly compared with 2017. The growing Asia Pacific region also accounts for just over 5% of arrivals, with the Indian market reaching 3% of total arrivals in 2018 (see Figure 6).

Figure 6: Growth in market share by source region, 2017-2018 versus 2016-2017, in %



1.3 Non-European Growth Markets

The fastest-growing non-European generating markets from 2013 to 2017 were Israel (which grew by 127%), the UAE (74%) and India (25%). India is by far the largest of these 3 growth markets, with a 2.5% market share in 2017 compared with Israel's 0.17% and 0.41% from the UAE.

[6] Based on UNWTO 2017 figures.

Source: MWTA, UBOS

Historically, South Asia has strong links with Uganda and around 25,000 South Asians have returned to live in Uganda since the 1972 expulsion of Ugandan Asians by President Idi Amin. Although the purpose of visits by Indian tourists is not recorded, it is probable that trips are primarily motivated by business activities as well as visiting friends and relatives (VFR). These connections provide a strong basis on which to develop leisure extension tours and to target middle-class millennial travellers from India, who comprise a large, fast-growing segment of India's outbound market and whose travel interests are similar to European millennials.

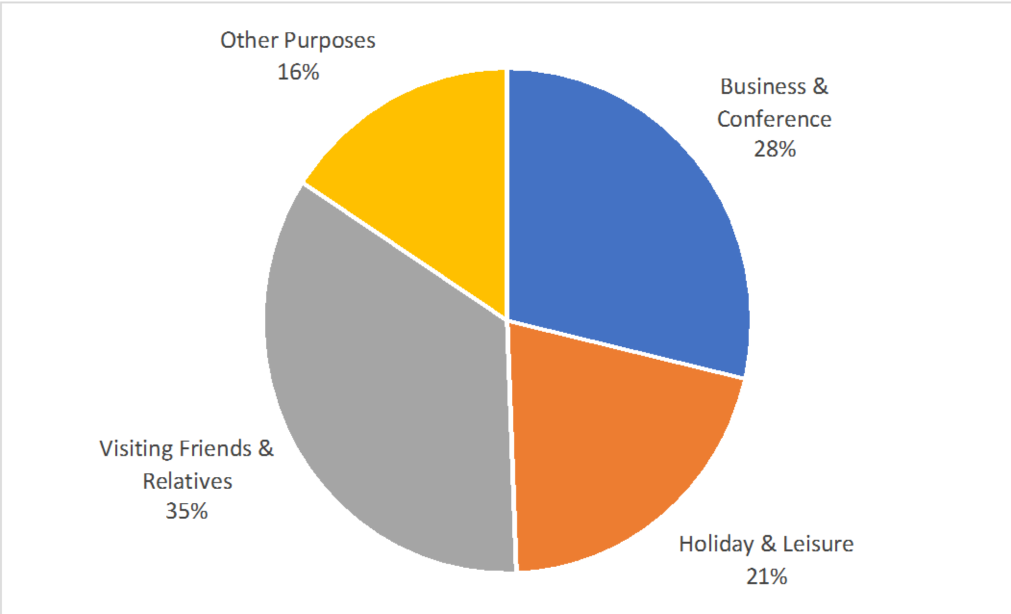
Just as European tourists, non-European leisure tourists are primarily interested in visiting the national parks to see Uganda's wildlife. The itineraries and the services that they use will largely depend on the amount of time as well as the budget available.

1.4 Purpose of Visit and Visitor Expenditure

The Uganda Tourist Expenditure and Motivation Survey conducted by MTWA in 2019 found that visitors from Africa mainly travel for family visits and that leisure travel was driven by the international markets outside Africa.

Leisure visitors accounted for just over a fifth of all arrivals (21%) in 2017 compared with trips visiting friends and relatives (35%) or trips for business and conferences (28%); see Figure 7. However, leisure tourists generate the greatest value, creating 89% of all visitor expenditure.[7]

Figure 7: Tourist Arrivals to Uganda by Purpose of Visit, 2017, in %



Source: MTWA, UBOS

[7] WTTC Economic Impact 2018 Uganda.

This situation is a key issue for Uganda's tourism economy and highlights the need to invest in marketing for the international markets. The benefits of such investment are evident in Kenya and Tanzania, where around 75% of overnight tourists come for leisure purposes.[8]

1.5 Domestic and Expatriate Tourism

As Uganda's middle class grows, domestic tourism is becoming more valuable and can help counter the effects of seasonality by utilising tourism facilities during low or shoulder seasons. In 2013, domestic tourism generated around a third of tourism spending and was based primarily on leisure day trips by Ugandans under the age of 30.[9] This market is expected to grow in value, provided that attractions are affordable as well as accessible, and the MTWA would like to research this market more thoroughly.

There is a large expatriate community living in Uganda who visit the country during weekends and holidays, as well as with visiting friends and relatives. Their interests are akin to international leisure visitors, although they are staying in Uganda for longer and are therefore more interested in visiting remote areas. Although they tend to self-drive, it is also an interesting market for local SME tour operators.

1.6 Conclusions

Uganda's headline figures for tourism are positive in terms of visitor arrivals and employment. However, recent figures need to be treated with caution, as there is a dearth of reliable data and many of the published figures are based on estimates as well as modelling, both by MWTA and by international organisations.

The volume of arrivals has been on a par with neighbouring Kenya and Tanzania, while Uganda has lost the potential value that it could generate from tourism by **failing to invest sufficiently in attracting the valuable international leisure markets.**

[8] English & Ahebwa IGC 2018.
[9] 2013 Domestic Tourism Survey undertaken to inform the TMP.

2. CURRENT EUROPEAN MARKET DEMAND AND TRENDS

2.1 Uganda's Growth Markets in Europe

In 2017, the largest European markets to Uganda were the UK (2.4% of all arrivals), the Netherlands (0.7%) and Germany (0.6%). These countries are the most valuable outbound markets for European adventure tourism, along with France and Italy. The Scandinavian countries of Denmark and Sweden were the European markets that showed the greatest growth in 2017 compared with the previous year (see Figure 8).

Figure 8: Uganda's Top Source Markets in Europe, 2017

No.	Country	No. of Arrivals	% Market share 2017	% Change 2017-16
1	United Kingdom	33,564	2.4	15%
2	Netherlands	9,955	0.7	9%
3	Germany	8,273	0.6	-22%
4	Italy	7,377	0.5	3%
5	Denmark	6,493	0.5	20%
6	Sweden	6,121	0.4	16%
7	Belgium	5,996	0.4	14%
8	France	5,604	0.4	11%

Source: UNWTO

In 2017, market representation companies were contracted for the UK and Ireland as well as German-speaking countries (Germany, Austria and Switzerland). Unofficial figures for 2018 indicate growth in arrivals from these markets after a decline in growth in 2017. The number of tour operators in Europe selling Uganda is also reported to have increased.[10]

2.2 Niche Market Demand

Adventure Tourism

The greatest market opportunity for Uganda is the growth of the adventure tourism segment. Adventure tourism is defined by the Adventure Travel Trade Association (ATTA) as incorporating not just high-adrenaline physical activities but also less challenging 'soft' physical activities alongside interactions with nature, new immersive experiences and cultural encounters.

[10] Kamageo – Uganda's market representation company for UK and Ireland.

In the North American and European markets, 40- to 60-year-olds with above-average incomes, together with the 25- to 39-year-old millennials, are leading the demand for adventure holidays. This niche market is becoming mainstream, has grown in value by 21% per annum since 2015 and was estimated to be worth in excess of US$683 billion in 2017.[11] Uganda's leisure offer means that almost all European tourists taking a leisure trip to Uganda will be involved in some form of adventure travel.

In 2018, the Adventure Travel Trade Association (ATTA) identified **the most popular adventure activities for Africa as being safari, ecotourism, hiking, birdwatching and community-based cultural tourism.**[12]

All of these activities fit well with Uganda's product offer and there is considerable scope to develop a diverse range of products within each niche. Detailed market information on the requirements of these niche markets can be found in the CBI tourism market reports.

Fully Independent Travellers (FITs)

A growing number of adventure travellers like to travel independently. Known as fully independent travellers, or FITs, they plan their own trips and are flexible about what they do. They want to avoid mass tourism, like to discover a place by themselves or with the help of a local tour operator and prefer mid-range accommodation. Independent travellers include budget backpackers and higher-budget travellers, such as young professional millennial couples and the over-50s 'empty-nesters', whose children have left home. There is also a smaller but growing demand from families travelling independently.

These tourists love 'local'; they want to feel as though they are 'travelling like a local'. They want to meet local people, gain local knowledge, learn local skills, eat local food, understand local cultures and, importantly for the local economy, they want to see their money retained locally. **It is a significant opportunity for local people to be innovative as well as use their entrepreneurship in order to become fully involved and benefit directly from tourism.**

Religious Tourism

Religious tourism is a significant and rapidly growing segment within the tourism industry worldwide. The Namugongo Shrine and various sites linked to the Uganda Martyrs are significant tourism attractions at the domestic, regional and international level, representing a unique selling point for Uganda. In the short term, the demand for religious tourism is likely to be from regional markets. However, the potential for attracting religious tourists from Europe is likely to grow as Uganda's religious sites are developed. It is understood that

[11] The Adventure Travel Trade Association (ATTA).
[12] Source: Adventure Travel Trends Snapshot 2018, ATTA.

research is currently being undertaken by UTB and TradeMark East Africa (TMEA) to understand the potential of this market.

Meetings, Incentives, Conferences and Exhibitions (MICE)

In 2017, business and conference tourism accounted for 28% of arrivals to Uganda, more than leisure tourism. The current conference and event facilities primarily serve the domestic, African and Asian market. There is scope to add leisure tours to business trips; however, this addition is not expected to generate significant demand from Europe until facilities are improved.

2.3 Uganda's Current Offer on the European Market

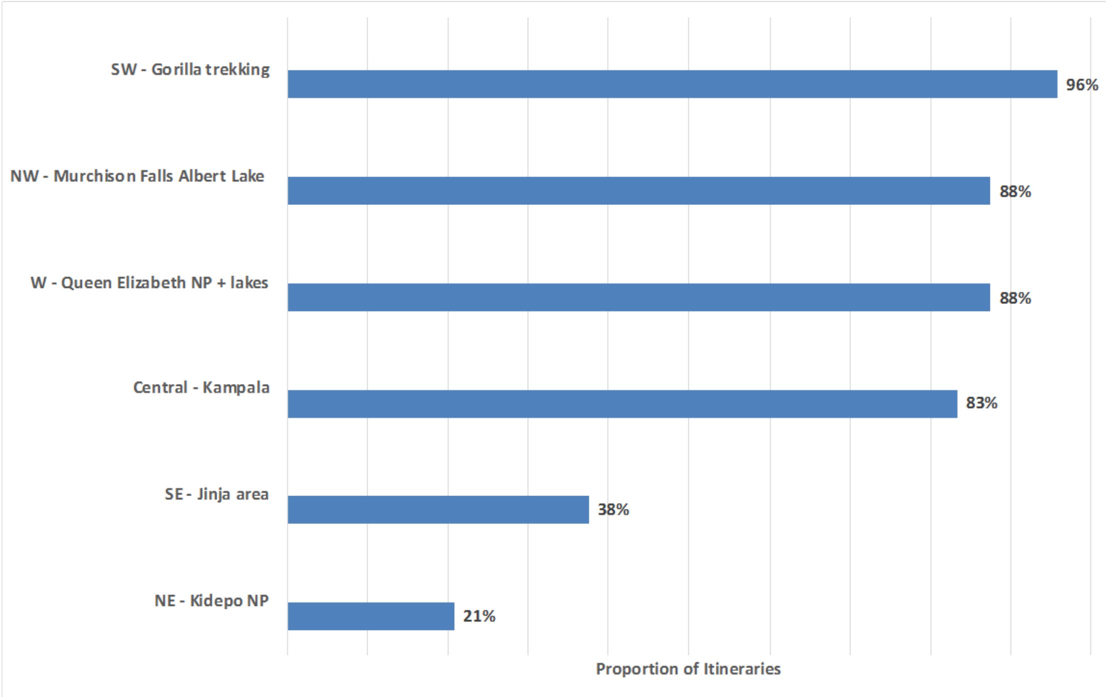
European Tour Operator Packages

In Europe, the majority of holidays are sold by small specialist companies selling tailor-made tours. These tour operators either specialise in selling holidays solely to Uganda, more widely to East Africa and the African continent, or they specialise in selling niche activities, primarily nature and wildlife holidays with some specialists selling hiking or mountaineering trips. A few holidays to Uganda are sold as part of an overland tour of Africa and a few larger companies sell package tours.[13]

Uganda is usually sold either as a stand-alone destination or as part of a multi-destination package with Kenya, Tanzania or Rwanda. Virtually all tour operator itineraries sell treks to see the mountain gorillas in the south-west of the country. The second-most popular itineraries sold are Kibale Forest and Queen Elizabeth National Park to the west as well as Murchison Falls and Lake Albert to the north-west. The 2 regions that feature the least often in tour operator itineraries are the south-east around Jinja and the north-east, where the Kidepo Valley National Park is the main attraction (see Figure 9).

[13] European tour operator research of 24 tour operator websites undertaken by Acorn Tourism Consulting Ltd in September 2019.

Figure 9: Regions Featured in Itineraries of European Tour Operators



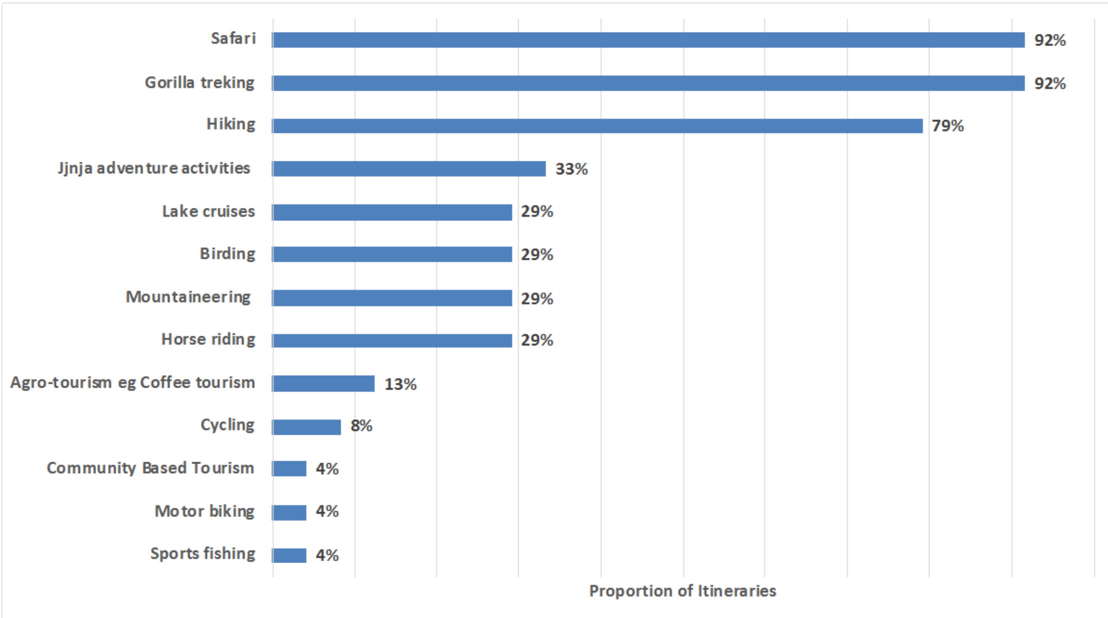
Source: Acorn Tourism Consulting Ltd

Gorilla trekking and savannah safari are the 2 activities which feature in nearly all (92%) of the tour operator itineraries that were analysed for this VCA. Hiking was the third-most popular activity, featuring on more than 3/4 (79%) of tour operator websites.

Around a third of tour operators offered more specialist activities such as white water rafting or bungee-jumping at Jinja (despite it currently being closed), the source of the Nile, as well as lake cruises, birding, mountaineering and horse riding.

Other activities offered by a small number of tour operators were sport fishing, motor biking, community-based tourism, as well as cycling and agritourism (visits to farms). Additional specialist activities sold by a few EU tour operators included history tours, conservation, balloon rides and quad biking (see Figure 10). There also was an interest among the clients of most companies to meet local people in an uncontrived, non-voyeuristic manner and to see that local people were benefiting from tourism. This interest presents a good opportunity to develop community-based cultural tourism in a way that appeals to these European tourists.

Figure 10: Activities Featured in Itineraries of European Tour Operators



Source: Acorn Tourism Consulting Ltd

The European tour operators interviewed for the VCA said that Uganda is not seen as a first-time safari destination and repeat clients, who have already seen the gorillas, look for a wider range of experiences. These experiences include trekking with other primates (chimpanzees), birding, as well as uncontrived interactions with local people and communities. For Austrian, German and Swedish clients, it includes seeing conservation in action.

Safari, hiking, birdwatching and community-based cultural tourism are all identified as growth markets by ATTA, together with ecotourism. There is **clearly scope for Uganda to improve its offer of birdwatching and community-based cultural tourism to target the adventure market more effectively, as well as to improve and promote its ecotourism credentials**.

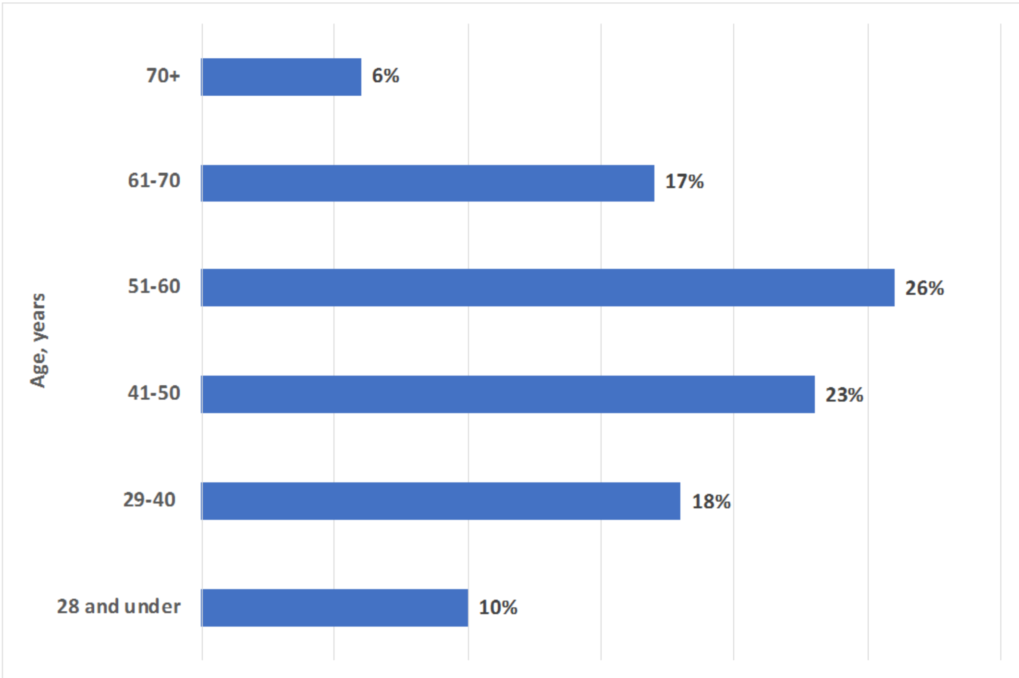
Independent Travellers

Independent travellers tend to book tours using online travel agencies (OTAs) such as TripAdvisor or Viator (now owned by TripAdvisor). The vast majority of tours available on OTAs are to see the mountain gorillas in the Bwindi Impenetrable National Park. Although several of these tours also include other national parks, the tour headline is almost entirely focused on visiting the mountain gorillas. **No local tours or 'experiences' were sold by Airbnb**.

2.4 Consumer Profile of European Tourists to Uganda

In the global adventure travel sector, which is predominantly based in the western markets, baby boomers (aged 55–75 years) have the highest budgets and are the most likely to book through tour operators. However, the average age of clients who use adventure tour operators is 51 years, which is part of the Gen X (40–54-year-old) demographic. There is also a growing demand for adventure travel from Gen Y or millennials (aged 24–39 years), who are increasingly looking for new travel experiences; they tend to travel independently and book with local tour operators or use OTAs.

Figure 11: Age Profile of Global Adventure Tourists



Source: Adventure Travel Trends Snapshot 2019, ATTA

Generally, adventure travellers are most likely to travel as couples (40%), while a fifth travel as small groups (23%), as families (19%) or by themselves (18%).[14]

The European tour operators from most of Uganda's main source markets who were consulted for this study said that their clients were between 30 and 60 years. Uganda attracts a slightly younger demographic than some neighbouring countries due to the need to be relatively fit in order to experience its main attraction, trekking with the mountain gorillas. In addition, the fact that the minimum age for gorilla treks is 15 years old means that families with children under the age of 15 are less likely to choose it as a destination.

[14] Adventure Travel Trends Snapshot 2018 and 2019, ATTA.

Most tours to Uganda sold by European tour operators were for 12–14 nights. However, the Dutch took longer holidays and tours from the Netherlands were likely to be longer, up to 28 days. The longer length of stay meant that Dutch tourists were more likely than other nationalities to visit lesser-known destinations in Uganda such as the eastern and northern regions of Karamoja or Kidepo Valley National Park.

Small group tours with personalised itineraries were the most popular type of holiday sold by European tour operators. However, some reported that a few clients organise their trips independently and just book the gorilla trek through the European tour operator.[15]

2.5 Trip Purchase Method

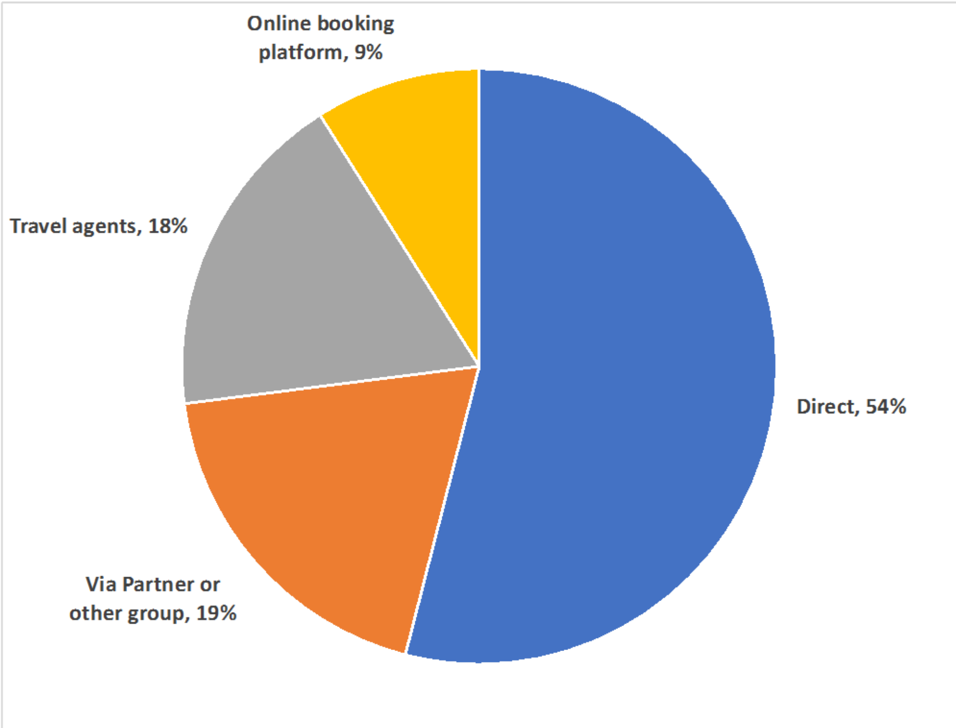
In the global adventure travel market, ATTA reports that more than half (54%) of bookings with adventure tour operators are made directly rather than using an agent. This fact applies to tour companies in developing countries as well as those in the source markets. Direct booking with a tour operator is more likely to be the case for destinations which are relatively unknown and where clients require more personal advice.

This finding is consistent with European booking patterns for Uganda, where tour operators reported that approximately half of tourists to Uganda book before they leave, using European tour operators. The other half, who travel independently, make individual bookings; usually with local Ugandan tour operators when they arrive.[16]

The relatively high proportion of tourists making bookings in-country is partially due to the number of Europeans working and volunteering in Uganda who include travel around the country during their stay.

[15] Based on 14 interviews with tour operators conducted for this study.
[16] Source: Kamageo – Uganda's UK and Ireland representation company.

Figure 12: Client Booking Methods with Adventure Travel Tour Operators



Source: Adventure Travel Financial Snapshot

For both European tour operators and local SME tour operators who have a professional website as well as an online presence, there **is a clear opportunity to attract direct bookings.**

2.6 Expenditure Patterns

The cost of a trip to Uganda, booked through a small EU-based tour operator, depends largely on the level of comfort expected by clients and the number of internal flights used. Among the EU tour operators consulted for this study, the prices for a 14-day trip ranged from around €3,000 to €7,500, excluding international flights and personal spending.

This figure falls between the adventure travel sector's average mid-range holiday, which costs €2,240 for a 14-day trip, and the luxury category costing an average of €8,050 for a 14-day trip. Globally, 70% of adventure travel trips fall into the mid-range budget category and just over a quarter of adventure tours are considered to be luxury trips.[17]

[17] Adventure Travel Financial Snapshot 2019, ATTA.

European package trips to Uganda are therefore positioned at the mid-to-high end of the adventure travel market. It will be important for Uganda to meet the expectations of this highly competitive category.
However, it is a valuable market in which to invest. The adventure travel sector reports that tour operators mark up their tours by 28% on average and estimate that **68% of the cost of a trip remains in the local region**, covering accommodation, local transport, food, beverages and entertainment. In addition, each guest on a mid-range budget tour spends an average of around €127 on local handicrafts or souvenirs, which increases to €167 on a luxury trip.

2.7 Market Position

Uganda's Destination Image in the European Market

The European image of Uganda is principally of its primates, led by the mountain gorillas and to a lesser extent the chimpanzees. The diversity of its landscape as well as the wider nature, wildlife and safari offer is important but less distinctive.

Uganda is not thought of as a first-time safari destination, although it is perceived as a less visited and potentially cheaper safari destination than Kenya or Tanzania. The Rwenzori Mountains are also seen as a less touristy mountaineering experience compared with climbing Mt Kilimanjaro. The gorilla-trekking permit in Uganda is cheaper than in neighbouring Rwanda; however, the high total cost of visiting the gorillas means that Uganda can be positioned and sold as a high-end nature tour, despite the limited availability of suitable accommodation and services for the high-end market.

There is growing interest in the community-based cultural offer, experiences that involve meeting local people and sharing their lifestyle as well as ceremonies, the adventure activities around Jinja and the strong birding offer with over 1,000 species.

The country is generally considered a safe destination, although some older clients still associate it with President Idi Amin's brutal regime. The most damaging negative association is the ongoing concern for Ebola in the region. Tour operators in Germany, Sweden and the UK all considered that **it would be difficult to transform Uganda's market position significantly until the threat of Ebola is erased**, even if there were no outbreaks in the country itself.

Identifying Uganda's Brand Position

Uganda needs to identify what its strongest assets are, in addition to the primates, and how it can differentiate itself from neighbouring destinations (Kenya, Tanzania and Rwanda).

The diversity of the natural landscape, with the flora and fauna that it sustains as well as the range of experiences and activities that can consequently be undertaken, is seen as key to Uganda's brand. However, thorough research in the target markets and among local stakeholders will be required to identify its brand position. This positioning will need to take into account activities available in source market countries. For example, Austrians can hike and see waterfalls in their own country, so they are not attracted to Uganda just for hiking; there needs to be added interest and a unique factor, such as staying with local communities during a hike or seeing conservation projects in action.

A cohesive, consistent and well-researched brand story is needed, focusing on Uganda's current achievements to override outdated preconceptions of the country.

2.8 Requirements of European Buyers

High-Quality and Reliable Destination Management Companies (DMCs): European tour operators that sell Uganda rely heavily on their local provider, or DMC, to make all the necessary checks for the legal requirements, insurance, health and safety as well as sustainability of their suppliers. There is a considerable level of trust involved, as EU tour operators – particularly the smaller operators – do not always check for certification. **It is estimated[18] that only around 5% of tour operators meet the standards required by European travel trade buyers.**

European Package Travel Directive: EU tour operators who sell package holidays are bound by the European Package Travel Directive. Ugandan suppliers also have to comply with the regulation and may require liability insurance as well as insolvency protection. Some European tour operators have their own insurance, but DMCs need to check this fact carefully with both their European and their local partners.

General Data Protection Regulation (GDPR): Since 2018, the EU GDPR protects the use of personal data. It also applies to Ugandan companies who sell directly to European consumers.

Health and Safety: High health and safety standards are expected for any high-risk activities such as white water rafting. The reputation of adventure activity companies depends on high safety standards and larger companies usually meet these standards; however, enforcement is required to ensure that the industry's reputation is not damaged by operators who do not conform.

Good Product Knowledge: As adventure travellers are increasingly expecting flexible and personalised itineraries, DMCs and local tour operators which offer a range of activities as

[18] Based on feedback from Ugandan tour operators and market representation companies.

well as gorilla trekking and which have a good understanding of Uganda's niche products as well as lesser-known destinations will be valued by EU tour operators.

Guiding and Language Skills: High-quality guides are essential for delivering high-quality tours to standards expected by EU tour operators. Currently, there is very limited guide training and few guides have foreign languages skills. Regulating the sector and improving the range of qualified guides with language skills could encourage EU tour operators to use more local guides rather than bring their own guides.

Accommodation Standards: European tour operators in the mid-budget range which were contacted for this study were happy with the level of accommodation available. Those who offered a higher-end tour (Austria and Switzerland) had more concerns about the standard of the accommodation and the level of service training. They would like to see more high-end accommodation and quality standard ratings that accurately reflect the quality of the facilities and services provided; i.e. '4-star should mean 4-star'. Clients with a keen interest in conservation (often from Denmark, Germany and Sweden) expected a good level of comfort with clean washing facilities but did not expect luxury.

Customer Care: European tourists may consider themselves adventurous and want to have 'local' experiences. In reality, they want 'adventure by day and comfort by night', expecting good levels of customer care. The lack of market exposure and relevant hospitality training across the sector means that hospitality training across the sector is generally of low quality.

Differentiation between Suppliers: The vast majority of Ugandan tour operators sell gorilla trekking as their primary product. In order to differentiate themselves from their competitors, they therefore need to show EU buyers that they offer high-quality facilities and services, e.g. vehicles, accommodation, trained guides and insurance policies. Ugandan tour operators that have a professional website clearly showing their qualifications and quality standards will be well placed to do business with EU tour operators.

Demand for Sustainable Tourism Products and Certification Schemes: Sustainable practises are increasingly in demand from EU tour operators. As a general rule, the north-European source markets are more concerned about sustainability than the south-European markets. Sustainability certification is less important than being able to see that a business acts in a sustainable way. Currently, 4 Ugandan businesses have sustainability accreditation.

Conservation: There is also a growing interest in conservation practices, as EU tour operators report that their clients want to see conservation in action and learn about it. Uganda and the UWA have a strong conservation story and it should consider how it can position itself effectively.

2.9 Conclusions

Uganda's greatest opportunity is to invest in attracting adventure travellers. They are looking for the types of experiences that Uganda can offer and they include independent travellers as well as small mid- to high-budget tour groups. Independent adventurers' love of all things local and their preference to book directly create opportunities for SME providers as well as local entrepreneurs to create suitable products and high-value flexible itineraries. To reach the European tour groups, high standards of professionalism and a sustainable supply chain will be required.

3. UGANDA'S COMPETITIVE ADVANTAGE

3.1 Global Ranking

Uganda ranks 112th out of 140 countries in the Travel and Tourism Competitiveness Index (TTCI) 2019. Its strongest assets are its natural resources and its price-competitiveness, on which it ranks in the top third of countries globally. It ranks reasonably well on its cultural resources and business travel, the government's prioritisation of travel and tourism as well as its environmental sustainability. However, Uganda is let down by the quality of health and hygiene; air, ground, port, tourism and IT infrastructure; as well as safety and security concerns.[19]

3.2 Regional Position

Uganda's heavy dependence on primates makes it vulnerable to other destinations who sell gorilla and chimpanzee trekking, in particular neighbouring Rwanda and the Democratic Republic of Congo (DRC).

The cost of a gorilla-trekking permit in Rwanda for non-residents is twice as expensive as in Uganda. Despite the apparent price disadvantage, Rwanda has managed to position itself as offering a more exclusive experience. The higher permit fee means that Rwanda can generate greater income, or it can reduce the number of visitors to the gorillas, creating a more exclusive experience. In addition, the 2- to 3-hour drive from Kigali to see the gorillas is 6 hours less than from Uganda's Entebbe airport to Bwindi Impenetrable National Park (BINP). Most tourists in Uganda stop for an extra night going to and from Bwindi, which adds both time and cost to the trip, eliminating the cost benefit of the cheaper gorilla permit.

The Rwanda gorilla experience is particularly attractive to high-value American visitors who have limited time and who add gorilla trekking to savannah safari holidays in Kenya or Tanzania. In the European market, gorilla trekking in Uganda is also frequently sold as an add-on activity to a safari holiday in Kenya or Tanzania and European tour operators consider these 2 countries to be Uganda's strongest competitors.

Although Uganda is not considered by European tour operators as a first-time safari destination, it is increasingly appealing to younger travellers as well as more experienced safari-goers as a less touristy and more cost-effective destination than Kenya or Tanzania.

[19] *TCCI 2019 ranking. Highest: Natural Resources 38th; Price-Competitiveness 39th; Cultural Resources and Business Travel 81st, Prioritisation of Travel and Tourism 82nd; Environmental Sustainability 83rd. Lowest: Health & Hygiene 136th; Airport Infrastructure 127th, Tourist Services and Infrastructure 124th; Safety and Security 116th; Ground and Port Infrastructure 113rd.*

The DRC is not currently seen as a major competitor, primarily due to health and safety concerns. However, the lack of visitors and lower gorilla permit fee (US$400) could be increasingly attractive to visitors once the security situation improves and the Ebola scare diminishes.

Figure 13: Product Potential of Uganda and its Regional Competitors

Product	Uganda	Kenya	Tanzania	Rwanda	DRC
Gorillas					
Chimpanzees					
Savannah safari					
Mountaineering					
Adrenaline sports					
Birding					
Cultural traditions					
Beach					

Key	*Undeveloped or limited product*	*Strong and well-developed product*

Source: Acorn Tourism Consulting Ltd

3.3 Price Position

Uganda does not have a consistent price position in the international market. Globally, based on the TTCI ranking, it is considered to be competitive; among FIT travellers who do their own research, it is seen as a cost-effective option compared with Kenya and Tanzania.

However, within the European travel trade, it tends to be positioned as an expensive destination. This fact is mainly because of the focus on selling expensive gorilla trekking, which means that tours are targeted at higher-budget clients.

In addition, the lack of national destination marketing and the small marketing budgets of most SME tour operators mean that Uganda’s product image is driven by the tour operators which do have the budget to promote internationally and which are more likely to sell higher-end tours.

3.4 Conclusions

Uganda has the potential to **position itself as a high-value destination that offers exceptional wildlife, adventure and cultural experiences** which match or exceed those of its neighbours. However, it currently lacks the confidence, infrastructure and skills to capitalise on its competitive advantage.

4. UGANDA’S CURRENT TOURISM OFFER AND PLANS FOR THE SECTOR

4.1 National Strategic Plans

The national plans that provide the strategic context for the development of the tourism sector in Uganda are the:

- Uganda Vision 2014;
- National Development Plan 2015/2016–2019/2020 (NDP);
- Tourism Master Plan 2014–2024 (TMP);
- National Tourism Sector Development Plan 2015/2016–2019/2020 (NTSDP).

The forthcoming NTSDP for 2020–2025 is currently being prepared by the MTWA in conjunction with a local consultant and is due to be published in mid-2020. This document will be the primary strategic plan that guides the government’s approach to tourism over the next 5 years. In developing the new plan, the TMP 2014–2024 is being used as guidance.

The TMP is now 5 years old and is due for a mid-term review, although this review is not currently scheduled. While many of the TMP’s recommendations are still considered relevant, they have not been actioned, not least due to a lack of funds for infrastructure projects.

The MTWA’s target, as stated in the 2018/2019 Tourism Sector Annual Performance report, is to:

- Attract 4 million tourists by 2020 (compared with 1.3 million in 2015);
- Progressively increase the contribution of tourism to GDP;
- Generate employment for Ugandans;
- Earn foreign exchange for the country.

The target for the volume of visitors will not be met in 2020; however, the sector appears to progress towards the other goals. To achieve these targets, the government’s 5 priority areas, in line with the current NTSDP, are:

- Improvements to the conservation of natural and cultural heritage;
- Product development to diversifying the product range;
- Human resources development by improving tourism and hospitality skills;
- Aggressive marketing and promotion to unlock the country’s tourism potential;
- Tourism management and regulation.

The following section reviews Uganda’s current tourism product in the context of the TMP’s proposed tourism development areas (TDAs) and the first 4 NTSDP priority activities. Tourism management and regulation is addressed in Section 6.

4.2 Product Development Areas Recommended by the Tourism Master Plan

The aim of the TMP and the NTSDP is to spread the development of tourism nationally, while projects are prioritised for each region. The TMP recommends 6 tourism development areas (TDAs), which each develop their own identity, as shown in Figure 14.

Figure 14: Tourism Development Areas

TDA Region and Title	Product Focus
Central ***Cultural Heartland***	• Business and conference tourism – culture and heritage – Kampala tourism circuit • MICE – Kampala Conference and Exhibition Centre
South-eastern ***Nile and Adventure***	• White water rafting, kayaking, bungee-jumping – Jinja • Horse riding – Jinja • Hiking trails – Jinja and east of Mount Elgon • Cycling trails - Jinja and east of Mount Elgon • Cruises – Lake Victoria • Cultural attractions and events – Bagisu circumcision ceremony
North-eastern ***Culture and Open Plains***	• Wildlife safari trails and wild camping – Kidepo Valley Conservation Area • Hiking trails to mountain habitats • Culture
North-western ***Safari and River***	• Birding – banks of Nile leading up to Murchison Falls • Sport fishing – banks of Nile leading up to Murchison Falls • Historical and cultural sites • Community-based products • Cruise-based tourism attractions and activities – Lake Albert, Victoria and Albert Nile
Western ***Lakes and Mountains of the Moon***	• Trekking and mountain climbing – Rwenzori National Park (Mountains of the Moon) • Cruise tourism – Kazinga Channel, Lakes George and Edward (electric, solar boats) • Wildlife viewing – Queen Elizabeth National Park • Primate trekking – Kibale Forest National Park
South-western ***Gorilla Forests and Pastoral Areas***	• Mountain gorilla trekking – Kabale area • Health and wellness spas – Kitagata hot springs • Adventure and water-based sports – Bunyonyi and Mutanda • Birding – Bwindi and Mgahinga • Cultural and ecotourism – the Batwa and other communities

Source: TMP 2014-24

4.3 Improvements to the Conservation of Natural and Cultural Heritage

Natural and Cultural Tourism Resources

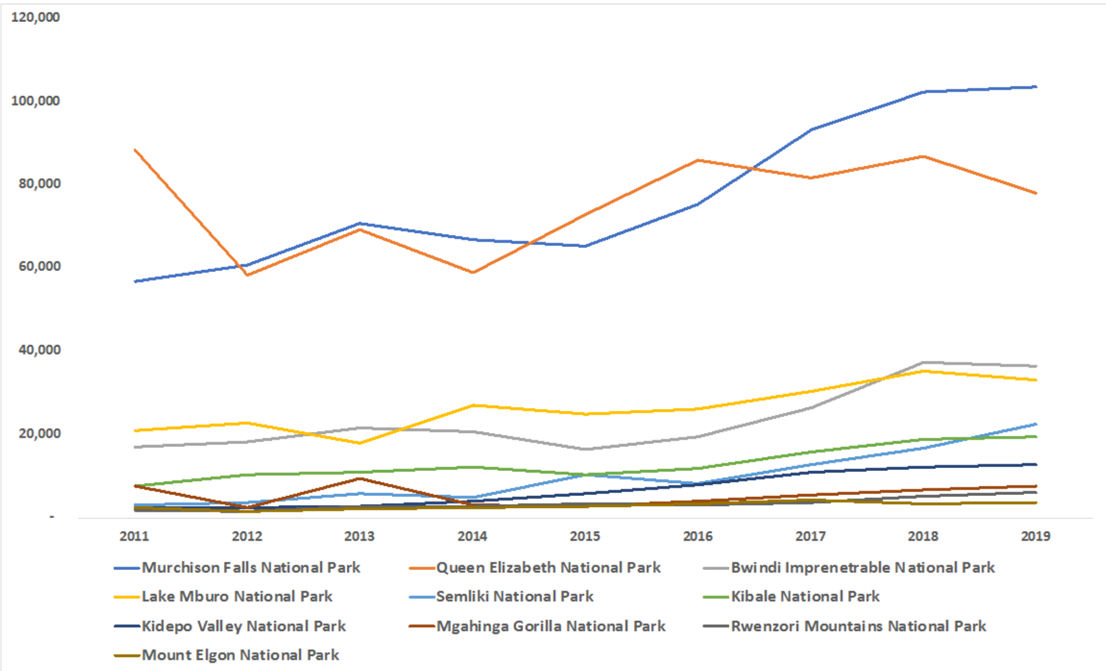
Uganda's natural diversity is its strongest tourism asset, with 10 national parks and 3 active wildlife reserves. The wealth of Uganda's potential tourism offer is summarised in the TMP: 'It is the only country in the world where the Big Five and the mountain gorillas can be seen, it has the biggest variety of bird species in Africa, the highest mountain range, the biggest lake, the official source of the Nile, numerous wildlife parks and forest reserves, fascinating cultural heritage and history, complemented by an attractive climate all year round and an exceptionally friendly and hospitable people .'

National Park Tourism

Currently, the majority of tourism activity is focused in just 3 national parks:

- Savannah safaris and birding in the country's 2 most popular national parks, Murchison Falls and Queen Elizabeth, which jointly accounted for 56% of all visits in 2019;[20]
- Bwindi Impenetrable National Park, which has a lower proportion of visitors (11%) but which generates the highest revenue from the mountain gorilla-trekking permits.

Figure 15: National Park Visits, 2011–2019



Source: UWA 2019

[20] Uganda Wildlife Authority, 2019.

The country's most important tourism hotspot is the **Bwindi Impenetrable National Park** (BINP) in the **south-west**, which is home to 45% of the global mountain gorilla population as well as other primates and excellent birding with 23 endemic species. Its world-renowned gorilla trekking, which visits the 11 habituated and 3 semi-habituated gorilla groups, costs non-residents US$600 per person and is the UWA's highest income earner. While it is expected that the cost of the permit will rise to US$700 in 2020, this price will still be half the cost of a permit in Rwanda, which is US$1,500. In the Congo, a permit costs US$400.

Gorilla trekking is Uganda's key attractor and the income generated from selling permits enables UWA to invest in conservation resources as well as product development in less lucrative national parks and wildlife reserves. This investment includes security against poaching, restocking programmes in wildlife reserves, ranger training, community conservation as well as tourism accommodation and facilities.

Murchison Falls National Park (MFNP), in the **north**, is Uganda's largest protected area and most-visited national park. It offers land- and water-based wildlife viewing from the iconic Nile, as well as the spectacular Murchison Falls, billed as the world's most powerful waterfall and the park's key attractor. The wider Murchison Falls Conservation Area provides opportunities for tourists to view chimpanzees in the Kaniyo Pabidi Forest and the elusive shoebill.

The Park's natural environment is currently under threat from oil extraction, which commenced in 2019 and which is adjacent to the prime wildlife-viewing areas; the construction of a major access road to the Murchison Falls; and a proposed hydro-electric dam that would submerge the falls.

Queen Elizabeth National Park (QENP), in the **west**, is the closest savannah NP to Bwindi and has a very diverse range of tropical habitats, volcanos as well as crater lakes. Boat trips on the Kazinga Channel, which connects Lakes Edward and George, offers excellent wildlife viewing. Tree-climbing lions are an iconic attraction, although they are increasingly difficult to see, and there are good opportunities to see chimpanzees in Kyambura Gorge as well as Kalinzu Forest.

Kibale Forest National Park, to the **west**, offers chimpanzee trekking. Although groups of tourists are officially limited to 6 people, there are often several groups converging on a chimp community. To alleviate the pressure on the most-visited chimps, new communities are in the process of being habituated.

Of the least-visited National Parks, Kidepo Valley in the **north-east,** Mount Elgon in the **east** and Mount Rwenzori in the **west** all 3 provide opportunities to diversify Uganda's offer away from the south-west. There is considerable potential to develop a wider range of adventure sports, particularly rafting, cycling, hiking and mountaineering, as well as cultural experiences. While some of these activities are already available around Jinja as well as Mt Elgon and in Rwenzori’s Mountains of the Moon, the full potential of developing these natural resources for tourism has yet to be realised.

Lakes and Water-based Activities

The islands on Lake Victoria offer weekend leisure destinations for the domestic market, although the ferry and air transport services are limited. There is potential to develop cruises, water sports and lakeside activities at Lake Bunyonyi, as well as to develop activities on more than 100 other largely untouched freshwater and crater lakes.

The area around Jinja in the south-east is among the few attractions not in a national park. Billed as the ‘Adventure Capital of East Africa’, the construction of hydro-electric dams has submerged 10 of the 16 world-class rapids. This situation has had a negative impact on the local white water rafting businesses, but there is now an opportunity to develop and promote less adventurous, more family-oriented activities on the newly formed lake.

Cultural Heritage

Uganda also has a rich and diverse cultural heritage, which is largely untapped, with 56 indigenous ethnic groups, 45 languages and a people who are welcoming as well as hospitable. Its history incorporates traditional kingdoms, Victorian-era explorers and more recently Idi Amin’s brutal regime, which all need effective interpretation, development as well as promotion.

An area of particular interest is the Karamoja region in the north-east, bordering Kenya, which is described in the Bradt Guide 2020 Edition as being ’Uganda’s most overtly absorbing cultural destination’ due to the semi-nomadic pastoralist Karamojong people, who live a very traditional lifestyle. Until 2015, it was considered among the least safe parts of East Africa and is consequently among the least touristed parts of the country.

To help assess the potential of the country’s culture heritage, the MTWA is developing a monument database, particularly in the Karamoja region, where more than 35 rock art sites have been identified. Community business clusters in the Karamoja, and other areas of the country, are developing community-led tourism experiences. The Uganda Community Tourism Association (UCOTA) is supporting the development and promotion of a range of CBT experiences, branded as the ‘Pearls of Uganda’.

Improving Corporate Social Responsibility (CSR)

Internationally, its natural resources are Uganda's strongest competitive position, so the tourism industry needs to ensure that these resources are well preserved for its long-term success.

Currently, Uganda's rating of 4.2 out of 7 on environmental sustainability in the TTCI 2019 is average for Eastern Africa and lower than that of its strongest competitors, Kenya (4.5), Rwanda (4.5) and Tanzania (4.4). This ranking is made up of 10 factors; although the sustainability of the travel and tourism industry development had improved since 2017, its ranking on all other factors, including the stringency and enforcement of environmental regulations, was lower in 2019 than in 2017.[21]

European consumers are increasingly aware of the impact of climate change and there is a growing expectation of sustainable businesses as well as destination management practices, particularly in places where the natural environment is the key driver for tourism.

Although not all European tour operators require sustainability accreditation or request that suppliers are part of a specific scheme, they look for evidence of good practices. Certification is an effective way for Ugandan tourism businesses to evidence their commitment to sustainable practices. This trend is set to continue, particularly as Europe's largest tour operator TUI expects its accommodation providers to be certified by a sustainability standard that is recognised by the Global Sustainable Tourism Council (GSTC) from 2020.

Few tourism service suppliers in Uganda presently meet the EU's tour operator requirements for sustainability, fair working conditions, poverty reduction or the conservation of natural and cultural heritage.[22] The awareness and adoption of proper sustainable practices is low.[23]

However, in 2019, AUTO began a collaboration with German-based accreditation scheme TourCert to raise awareness of sustainable tourism certification among its members. Some tour operators have also been working with the Travelife scheme. At the beginning of 2020, 4 travel companies in Uganda had sustainability accreditation:

- Matoke Tours and Rainbow Garden Village, a volunteer placement provider, both have TourCert tour operator accreditation;
- Matoke Tours, Kara-Tunga (a lodge and tour operator in Karamoja) as well as Grassrootz Uganda have Travelife Partner status and all have Dutch investment.

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[21] Uganda's full ranking can be found at https://reports.weforum.org/travel-and-tourism-competitiveness-report-2019/country-profiles/#economy=UGA.

[22] Initial Business Case Idea for Sustainable Tourism in Uganda, Fair & Sustainable Consulting, May 2019.

[23] Tourism Development in Uganda, A Roadmap for the Embassy of the Kingdom of Netherlands in Uganda, September 2019.

There is scope to support the initiative by working with AUTO to **increase sustainability-awareness training and accreditation across the sector.**

4.4 Product Development to Diversify the Product Range

The TMP product development strategy highlighted the need to enhance, diversify and develop tourism products. The key issues and recommendations that it identified to address the limited product range are reviewed below, with an assessment of the current situation.

Planning

Key Issue: Lack of planning in tourism development areas (TDAs);
TMP Recommended Action: Planned development of 6 TDAs across the country, with a different focus in each area (see Section 4.2 for details of the TDAs);
Current situation: There is no coordinated approach to developing the TDAs, although various infrastructure projects relating to the TDA recommendations have been planned, including:

- Source of the Nile 20-year Master Plan;
- The Equator, a tourism investment project along 6 points – Lake Victoria Island, Kayabwe, Kikorongo, Kiruhura, Ssembabule and Kamwenge;
- Navigation of Lake Victoria;
- Cable cars on Mount Rwenzori.

Limited planning expertise and funds have restricted the development of these plans.

Limited Product Offer

Key issue: Overreliance on the wildlife offer, in particular mountain gorillas; they are immensely valuable to attracting international leisure visitors, but it is a high risk to rely on 1 high-profile product;
TMP Recommended action: Increasing the product range – focusing on incentives, marketing and business support for local tour operators to diversify their offer;
Current situation: Incentives or business support have not been provided (*tbc).* The UTB website does not fully promote the range of products that are available and the international market representation companies focus on promoting the gorillas as the primary itinerary.

Access

Key Issue: Getting around the country is time-consuming and uncomfortable; road and air access is limited as well as expensive;
Recommended Action: Road development strategy for a network of 26 roads;
Current situation: Road access has improved in recent years; however, only 8 (765 km) of the 65 roads identified for improvement in 2012 have been completed so far. Currently, 15 roads (900 km) are under construction and the government aims to complete 200 km per year. The road that links Mt Elgon to Kidepo Valley in the east still needs to be improved.

National Parks

Key Issue: Concessions restrict competition; investment is needed in new activities;
TMP Recommended Action: Reviewing concessions; wildlife product development to focus on restocking protected areas; increasing the available quantity and quality of accommodation;
Current situation: UWA has an ongoing programme of wildlife restocking, while new concessions have been issued in Kidepo Valley National Park and in Pian Upe, where the existing demand for accommodation cannot be met.

Potential Cultural Products

Key Issue: Untapped tourism potential across the country;
TMP Recommended Action: Development of cultural tourism product based on tangible and intangible assets of traditional kingdoms as well as chiefdoms, development of cultural centres, museums and faith-based assets;
Current situation: Government and private-sector organisations (MTWA, UWA, UTB, UTA and UCOTA) are developing various tangible as well as intangible cultural products. It will be essential that these products are based on a good understanding of the requirements in their target markets.

Meetings, Incentives, Conferences and Events (MICE)

Key Issue: A lack of large-scale MICE venues;
TMP Recommended Action: Establishing a Convention Visitor Bureau and Destination Marketing Organisations at the city level as well as the regional level;
Current situation: In 2016, a MICE strategy was developed (tbc) and MTWA established a MICE bureau, which it plans on moving to UTB; there are no regional marketing organisations. There is no large-scale dedicated conference venue; facilities are based at hotels in Kampala and Entebbe, which offer conference facilities up to a capacity of 1,500 delegates. The appropriate markets will need to be identified, taking into account the lack of direct flights from Europe and competing MICE development strategies in Addis Ababa, Dar es Salaam, Kigali as well as Nairobi.

4.5 Human Resources and Skills Development

The delivery of high-quality services across the sector is essential to delivering a high-quality experience for tourists. The current level of hospitality skills is low and the NTSDP highlights these key issues:

- There is a low level of tourism skills throughout the national tourism value chain and in key supporting functions within government as well as the private sector;
- There is limited knowledge of existing skills across the value chain;
- The tourism sector is dominated by SMEs and family-owned businesses employing unskilled family members at low pay, thus compromising quality visitor experiences;
- The quality of training is weak in the training institutions;
- Working conditions are generally poor, leading to high labour turnover in the sector;
- There is limited private-sector investment in the skills development of the existing workforce;
- Tourism training is fragmented across more than 10 institutions.

The government-run training institutions are not producing students with skills relevant to the tourism sector. Consequently, the Tourism and Hospitality Sector Skills Council has been set up to provide relevant training for the industry.

4.6 Aggressive Marketing and Promotion to Unlock the Country's Tourism Potential

Branding and Marketing Strategy

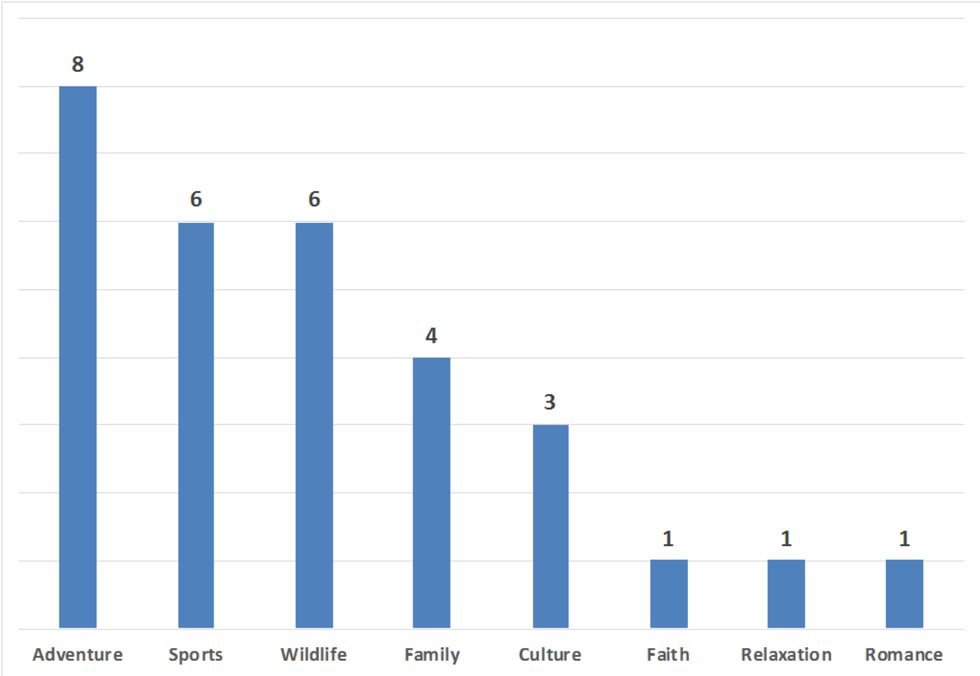
There is no current branding and marketing strategy for Uganda, while the country also lacks a consistent brand position. The 'Pearl of Africa' is often referred to as the country's brand; however, it is not understood by the markets and is used inconsistently. For example, it is not on the homepage of UTB's website, where the strapline 'You're Welcome' is used.

Digital Marketing

Uganda's official digital marketing activities are very limited. The UTB's website www.visituganda.com – which should lead in promoting 'destination Uganda' – includes only 14 activities in its 'What to Do' section, categorised into 9 segments. The categories with the most activities are Adventure (8), Sport (6) and Wildlife (6), with considerable overlap between categories.[24] In terms of regional distribution, the website lists 10 activities in the west, 4 in the central area, as well as 2 each in the north and east. Kampala's offer consists of 10 shopping malls and 1 museum (see Figure 16).

[24] Research undertaken in November 2019.

Figure 16: Activities Promoted on VisitUganda

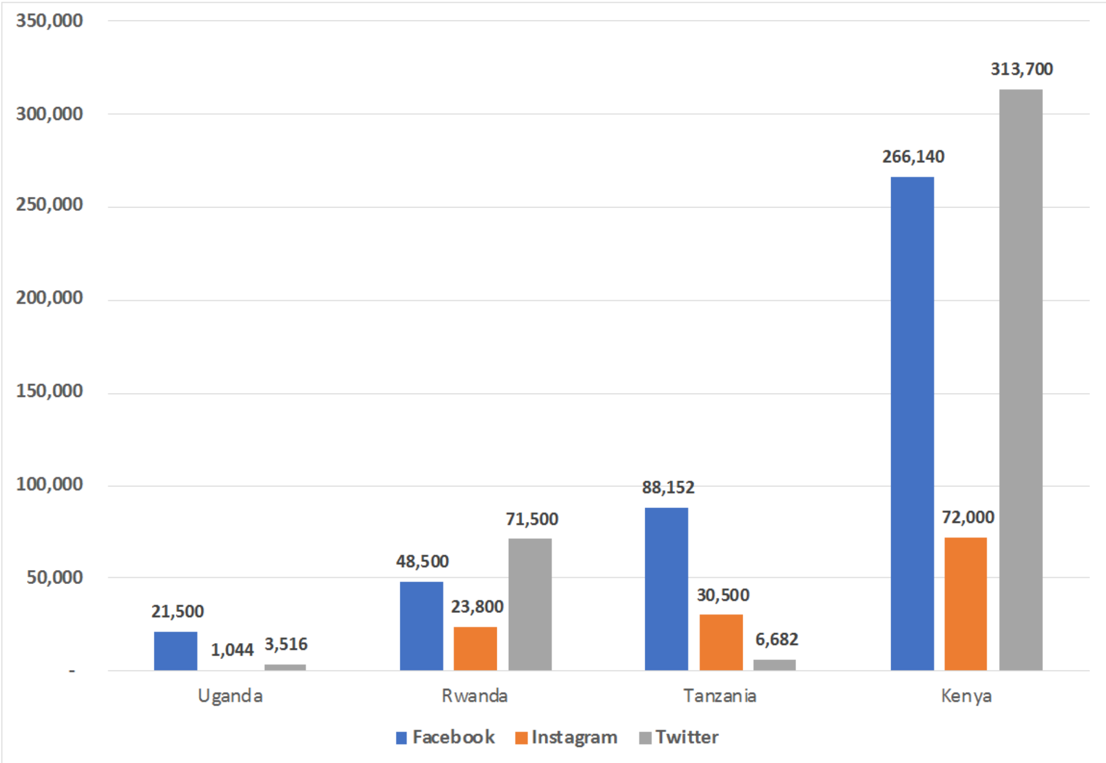


Source: Acorn Tourism Consulting Ltd

On social media, Uganda has a fraction of the followers generated by its closest competitors. This fact is particularly relevant on Instagram, the most influential platform for European travellers. Here, Uganda's tourist board had 1,044 followers in February 2020, compared with Rwanda's 23,800, Tanzania's 30,500 and Kenya's 72,000 followers (see Figure 17).[25]

[25] Research undertaken in February 2020.

Figure 17: Followers on social media channels, November 2019



Source: Acorn Tourism Consulting Ltd

There is clearly an urgent need to update the national tourism portal to promote existing products effectively and develop the digital market capacity of UTB.

International Destination Representation

In 2017, market representation companies (MRCs) were contracted to undertake marketing and sales for Uganda in the following territories.

- Europe: the UK and Ireland; Germany, Austria and Switzerland;
- North America: the USA and Canada;
- Asia: China and Japan;
- Middle East: Bahrain, Iraq, Kuwait, the UAE, Saudi Arabia, Qatar and Oman.

Despite India being among Uganda's fastest-growing international markets, there is currently no representation company contracted to promote Uganda in the Indian market.

The focus over the past 3 years in promoting Uganda within Europe's largest market has been on highlighting the primate offer as Uganda's USP. The image used on the front cover of most, if not all, tour operator brochures in the UK which sell Uganda is of a mountain gorilla. In the UK, the number of tour operators selling Uganda has increased from 99 to 170 and the primary itinerary offered is a 12- to 14-day tour based on viewing the mountain gorillas as well as the Murchison Falls. A key objective is now to increase trade and consumer knowledge of Uganda's wider offer, focusing on the variety of landscapes and related activities as well as cultural experiences. The aim is getting tour operators to offer second, third and fourth itineraries.

However, enabling the European tour operators to broaden the range of itineraries that they sell will require the Ugandan DMCs to provide a wider range of products which meet the standard required by the European market.

International Trade Fairs

During 2018-2019, Uganda was represented at 3 international events (WTM London, ITB Berlin and WTM Africa). However, the late confirmation of UTB's budget for these events makes it difficult for tour operators to plan meetings with valuable buyers and some consequently do not attend.

Domestic Marketing

During 2018, 4 'Tulambule' domestic marketing campaigns ran 22 domestic events to promote faith-based, sporting, regional cultural and heritage, wildlife as well as birding events. Tourism awareness and events to increase the understanding of the MICE market were also held.

4.7 Conclusions

The areas in the value chain which require the most support include:

- **Market-driven planning and product development**, based on an in-depth understanding of market requirements for quality and sustainability;
- **Skills training** to bring tour operators and overall customer care up to international standards;
- A **national branding and marketing strategy** to direct activities by UTB as well as market representation companies, supported by greater expertise in digital and social media marketing;
- **Sustainability training and accreditation** across the sector.

5. POTENTIAL FOR NEW PRODUCTS AND REGIONS

5.1 Potential Product-Market Combinations

Although Uganda's strongest products remain primate trekking and savannah safari, there are a growing number of other activities and experiences available across the country. Many of these products already attract European as well as international tourists looking for adventurous activities which are located in beautiful landscapes and which provide the opportunity to engage with local people.

Based on the TMP recommendations as well as the market research and fieldwork undertaken for this study, an assessment has been made of which regions offer products that have the potential to capitalise on the growing market demand. Figure 19 indicates the potential for regional products to attract European and other international niche markets, and those which will be of primary interest to domestic as well as African tourists and to day visitors.

Figure 18: Map of Uganda's Regions

Source: mapsopensource.com

Figure 19: Market Opportunities for Uganda's Niche Products

NICHE MARKETS	UGANDA'S PRODUCT	REGION and TDA title					
		Central *Cultural Heartland*	**SE** *Nile & Adventure*	**NE** *Culture & Open Plains*	**NW** *Safari & River*	**West** *Lakes & Mountains of the Moon*	**SW** *Gorilla Forests & Pastoral Areas*
Adventure Soft' & 'Hard'	**Abseiling**						
	Balloon rides						
	Bungee Jumping						
	Canoeing						
	High altitude running						
	Hiking						
	Horse riding						
	Kayaking						
	Motor biking						
	Mountain biking						
	Mountaineering						
	Quad biking						
	Road cycling						
	Sports fishing						
	Stand Up Paddleboarding						
	White water rafting						
Birding	**Birding**						
CBT	**Community-based tourism**						
Cruise	**Lake and river cruises**						
Culinary	**Agri-tourism**						
Cultural	**Museums, attractions, events**						
Ecotourism	**Conservation**						
Nature	**Nature walks**						
	Walking safaris						
S.A.V.E	**Volunteering**						
Wellness	**Spa**						
Wildlife	**Primate tracking**						
	Savannah safari						
MiCE	**Hotel conferences**						
Religious	**Pilgrimages**						
Sun and beach	**Lake beaches**						

Source: Acorn Tourism Consulting Ltd

KEY

Primary Market

Domestic + Africa	
EU + International	Niche demand
	Medium demand
	Very strong demand
Itals	**Products in development**

5.2 Regions with the Greatest Potential for the European Market

This section analyses each of the proposed TDAs to identify the regions which have the greatest potential to attract tourists from the European niche markets and which could help to disperse Uganda's tourism offer more widely across the country. An indication of the support required in order to enable the realisation of this potential is also included.

Central – Cultural Heartland

The potential markets for this region are primarily domestic and African, although there is also potential to attract international religious tourists as well as to increase the length of stay among European and other international tourists that enter Uganda through Entebbe's international airport.

In the TMP, the focus for the central-region TDA is on developing business and MICE tourism, together with creating a Kampala tourism circuit of Uganda's culture and heritage.

As part of this heritage, there is potential to develop religious tourism and build on the large number of visitors to the Namugongo Martyrs' Shrine. In 2020, UTB and UTA are expecting to conduct feasibility studies for developing facilities around the 'son et lumière' at the Shrine and for a Uganda National Museum indigenous dinner.

Lake Victoria and its islands also offer potential to develop sun as well as beach tourism and lake cruises further. The UTB is looking to develop a tourist route along the equator as well.

South-East – Nile and Adventure

Jinja – Adventure Capital of East Africa?

Jinja is the only major tourism area in Uganda which is not based around a national park. The range of activities offered in the area, combined with the appeal of visiting the source of the Nile, has strong potential to attract more of the valuable soft adventure tourists, backpackers and family groups as well as the traditional hard adventure market. Jinja also has scope to be the starting point for an emerging eastern circuit to Mt Elgon and the Karamoja.

Tourism in the south-east region is currently focused around the town of Jinja, with scope for extension to the Mt Elgon area. The source of the Nile, where it flows out of Lake Victoria, is at Jinja and attracts close to 170,000 visitors a year. White water rafting on a series of 16 Grade 5 rapids, combined with additional adrenaline activities such as bungee-jumping, has led to the area being known as the 'Adventure Capital of East Africa'.

However, overnight tourist numbers have stagnated, largely due to the building of hydro-electric dams in 2012 and 2019, which has resulted in 10 rapids being submerged. This situation has had a negative impact on the rafting experience and created commercial challenges for the rafting businesses, as the remaining 6 rapids are more than 30 km away from their operational bases in Jinja. It has also created social problems for the local communities, as the loss of visitors to the Bujagali Falls has created unemployment for local guides, vendors and other businesses in the tourism supply chain. This fact has resulted in a less welcoming atmosphere around Lake Bujagali, which was created by the dam. In addition, unlicensed activity providers have set up, some of which have low health and safety standards.

Some rafting companies have invested in creating new water- and land-based products on as well as around Lake Bujagali, while 7 adventure operators have come together to try and promote 'post-dam' Jinja through the website www.jinjathesourceofadventure.com.

There is a willingness among private- and public-sector stakeholders to work together in order to rebuild Jinja. To realise its potential, the destination needs leadership and repositioning. This aim could be achieved through the development of a **Branding and Destination Management Plan** informed by stakeholder consultation to identify how the community wants for the area to develop, as well as by establishing a multi-stakeholder destination management organisation.

Mount Elgon

There are opportunities around Mount Elgon to attract independent travellers, volunteers as well as small mid-range group tours which are on longer holidays and which are interested in hiking, mountaineering, cycling, high-altitude running, nature as well as community-based ecotourism.

The Mt Elgon National Park and the wider Mbale area, along with the Sipi Falls, offer a wide range of activities. The main attractions are to visit the Sipi Falls, treks of up to 6 days in order to climb Mt Elgon as well as more leisurely hiking, nature walks and birding. Mountain biking and high-altitude running are being developed, while there are also community and agri-tourism tours as well as ancient rock paintings.

The UWA works with local communities to provide tourists with facilities (accommodation, porters, food and drink, handicraft and evening entertainment, e.g. fire-side story telling) and is planning to open new trails on the south side, which would be less challenging than the north.

Despite the recently improved road access and the growing number of activities available, the Mt Elgon National Park received only 3,500 visitors in 2019, just 1% of the total visits to

Uganda's national parks. Consequently, there is very little revenue to share with local communities.

There is a small cluster of locally owned SMEs in the area, as well as members of the Dutch Impact Cluster group, who are keen to work together with local communities to develop a skills hub and drive marketing. They are also well located to work with stakeholders in Moroto to develop the wider Karamoja area.

The support needed in the Mt Elgon area includes market research and benchmarking against similar destinations, market exposure, sustainability accreditation training, digital marketing training, product development training, institutional support for a destination cluster and regional destination marketing.

North-East – Culture and Open Plains

The north-east area offers wildlife safaris combined with a wilderness experience, walking safaris, hiking, trekking, mountain biking, mountaineering on Mt Moroto, community-based tourism and as yet undeveloped lakes. It has the potential of appealing to adventurous and experienced safari tourists searching for wilderness, dark skies and community-based ecotourism. Currently, these tourists are likely to be independent travellers and expatriates living in Uganda, but there will be potential for small group tours that are more interested in local culture than luxury as the accommodation offer grows.

The Karamoja region stretches from the north of Mt Elgon to the Kidepo Valley National Park in the north-east. Between these 2 National Parks are vast wildlife reserves, including Pian Upe, where there are cheetahs, leopards, large herds of buffalo, maneless zebras as well as ostriches and where the UWA restocking programme is introducing giraffes.

In addition to the attraction of the wilderness savannah, the traditional tribes of the Karamoja have a unique lifestyle and culture which is very different from anywhere else in Uganda. A couple of locally based tour operators are working to bring the benefits of tourism to these communities and to preserve their cultural heritage by offering visitor experiences such as nomadic warrior treks.

Further north, the wilderness environment of Kidepo Valley National Park is the main safari attraction and has been identified by EU tour operators as well as the Bradt guidebook as a new region that is increasing in popularity.

Kidepo can be reached in a day's drive from Murchison Falls National Park. However, the road from Mt Elgon, which has dramatic scenery and where the Karamoja culture is very evident, has not been surfaced and access through this region only appeals to more adventurous tourists who have longer holidays. Despite the poor access, neither Pian Upe

Wildlife Reserve nor Kidepo Valley National Park have enough accommodation to meet the current demand and the UWA is in the process of granting new concessions.

The region needs support to manage and promote itself as a destination. Local government capacity and understanding of tourism needs to be developed, along with an understanding of market demand. Also needed is **support for the Eastern Entrepreneur and Tourism Cluster (EETA)** based in Mbale as well as the **Karamoja Tourism Academy (KTA)** based in Moroto for them to provide relevant entrepreneurial and skills training.

North-West – Safari and River

The Murchison Falls National Park (MPNP) is situated on the edge of the river Nile and incorporates the Murchison Falls. It is the largest and most-visited of Uganda's national parks, receiving 103,665 visitors in 2019, and is featured by almost all European tour operators who sell Uganda.

Despite its size, the majority of tourist activity is located in a relatively small area where the wildlife is concentrated. There could be potential of attracting more visitors to a wider area of the park if new tracks and activities are developed. This goal may become more of a priority if the new oil extraction operation starts to infringe on the current wildlife-viewing areas.

The development of new activities and a repositioning of MFNP will be even more urgent if the proposed dam at the Murchison Falls goes ahead, which will remove the park's unique attraction and many of the tourist activities that it supports.

West – Lakes and Mountains of the Moon

In addition to chimpanzee trekking, savannah safari and mountaineering, there is the potential to attract other niche outdoor activities as well as markets for special-interest nature and community-based ecotourism to the west. To achieve this aim, there is a need to diversify the product and make tourism in the region more inclusive for local operators.

The Rwenzori Albertine region covers 4 national parks that incorporate savannah safari, forests with chimpanzee trekking and mountaineering on the snow-capped 'Mountains of the Moon' on the equator. There is a wide range of accommodation and a handful of high-end lodges overlook some of the 52 mostly undeveloped crater lakes.

There is already strong demand for the area's main attractions of chimpanzee trekking in Kibale Forest National Park and the tree-climbing lions in Queen Elizabeth National Park. The latter is the national savannah park nearest to the gorillas in the south-west and the second-most visited national park in the country, attracting 78,000 visitors in 2019.

The Rwenzori Regional Tourism Cluster (RWERTA) represents the tourism sector and is reported to have around 2,000 members, including accommodation providers, tour guides as well as activity providers offering hiking and mountaineering, mountain biking, community as well as cultural activities, among others. There are also at least 3 local tourism training academies trying to develop appropriate skills for the sector.

RWERTA needs advice on how to structure itself effectively as a destination management organisation. Its members, as well as the tourism training academies, need to understand what the expectations of the niche markets are, how to capitalise on the growth in demand for community-based experiences, how to present themselves online and how to link with inbound tour operators. **Coordinating the sector and its resources to the benefit of all stakeholders** should be a priority for this area in order to expand its markets.

South-West – Gorilla Forests and Pastoral Areas

All tourists that visit Uganda to see the mountain gorillas will visit the south-west region, where the gorillas are located. The volume of visitors to this region, combined with the high cost of the gorilla permit, generates substantial income for UWA. Through the revenue-sharing system, 20% of this income is shared with local communities. The communities in this area therefore have benefited from tourism more than in other regions.

As tourism in this area is well developed and promoted internationally, it was not the focus of the VCA field trip in January 2020. It is expected that there are issues to be addressed around planning and diversifying the product in the region, creating suitable accommodation, capacity-building and improving the quality of customer care.

5.3 Conclusions

The regions which have the greatest potential to attract tourists from niche markets in Europe and which could help diversity Uganda’s tourism offer are the **south-east as well as the north-east**. **Jinja and Mount Elgon provide the starting point for an eastern circuit through the Karamoja region to Kidepo Valley National Park.**

There is also considerable potential to diversify the product in the **Rwenzori** region to the west. This area already attracts a reasonable volume of tourists and could support the growth of new businesses.

In all regions, **communities must learn how to develop cultural experiences in a way that appeals to the growing demand** from European adventure travellers to gain a greater understanding of local lifestyles.

ELEMENT 2: STRUCTURE, GOVERNANCE & SUSTAINABILITY OF THE VALUE CHAIN

6. THE TOURISM VALUE CHAIN

6.1 Structure of the Tourism Value Chain

The tourism value chain is the system in which a private-sector firm collaborates with government as well as civil society to access resources and add value in order to sell the products to consumers. The processes through which value can be added include planning, product development, financing, pricing, market positioning, marketing and distribution.

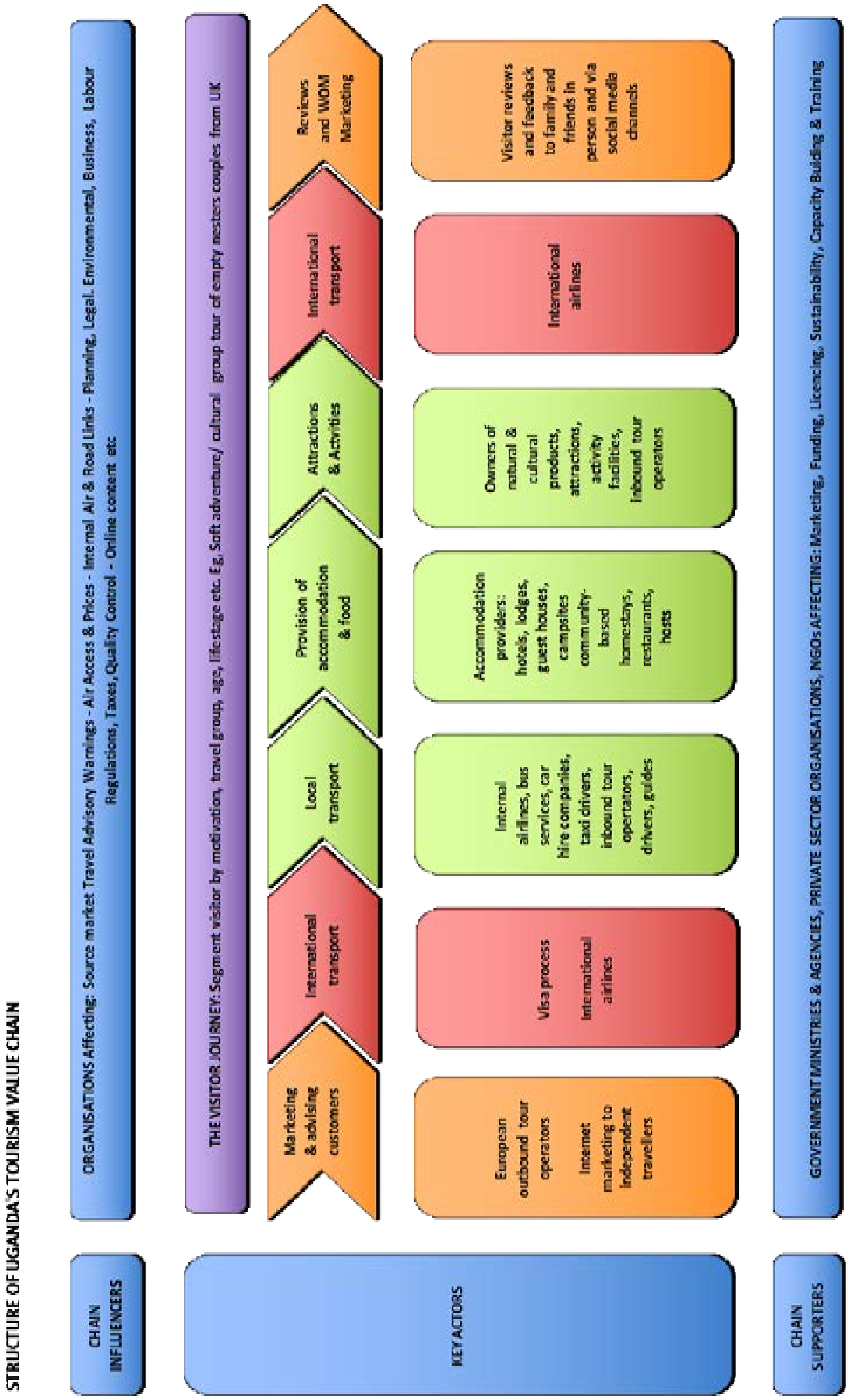
Figure 20 overleaf shows the main contributors in the value chain.

Value chain influencers affect the regulatory framework through legislation, tax regimes as well as infrastructure at the international, national, regional and local level, among other things. Online content is increasingly affecting destinations and tourism businesses.

Key actors in the value chain are tourism service providers, as well as the owners and operators of all the services that visitors require on their journey from when they leave home to when they return from their trip.

Value chain supporters indirectly add value to the quality of the visitor experience through actions such as managing public natural and cultural resources, promoting investment, destination marketing, building capacity and encouraging sustainable practices.

Figure 20: Uganda's Tourism Value Chain



Source: Acorn Tourism Consulting Ltd

6.2 Tourism Service Providers –Key Actors

Tourism service providers are the key actors in the tourism value chain. They are the private-sector companies that deliver the range of services for which tourists to Uganda will pay during their trip. Each plays an important role in ensuring that the visitor has a positive experience of Uganda and may therefore recommend it as a 'go-to' destination.

Tour Operators

Uganda's inbound tour operators play a central role in packaging a range of services for tourists, including local transport, accommodation, food and beverage, leisure activities, guiding and entertainment. There are around 400 tour operators in Uganda, of which 80% are licensed members of the Association of Uganda Tour Operators (AUTO).

The majority of these companies are locally owned SMEs with varying levels of foreign investment, which gives them access to capital, expertise and links to international markets. A small number of tours operators, around 5 to 10, have been in existence for more than 10 years. These companies tend to have the highest level of foreign investment, with some being 100% foreign-owned, primarily by Europeans.[26]

Around 5% (approximately 20) of tour operators are considered to be well-established DMCs operating in the international markets, regularly attending international trade fairs and in some cases working with international marketing representation companies.[27] These companies act as ground handlers for foreign tour operators by creating tourism packages. They subcontract to Ugandan tour operators and set the standards required in order to service the European market. Some have also invested in developing lodges to capitalise on the high proportion of expenditure on accommodation and to ensure that they can control the quality of their clients' experience. Consequently, they are key players in the value chain.

The majority of Uganda's SME tour operators are micro-businesses, many of which do not have either the necessary administrative and booking systems or sufficient capital or knowledge to participate in the European and North American markets. Some of these businesses are generating direct bookings through their website, but most are servicing the expatriate and volunteer community which lives in Uganda or the wider East African region. To participate in the international markets, they require market intelligence, links to relevant buyers and exposure to the markets that they are keen on targeting.

Most tour operators are based in Kampala or Entebbe, which is where most safari tours start. In the west and south-west, where the primate trekking is based, there are a few small operators located in Kabale town, Kisoro, Kasese and Fort Portal. In the east, there is a

[26] Source: UTA Secretariat and AUTO Board members.
[27] Source: Consultations with tour operators.

handful of small operators in Jinja and Mbale near Mount Elgin, as well as 1 tour operator in Moroto, which focuses on community tourism in the Karamoja region.

Although there is still a strong desire to enter the traditional markets in Europe and North America, these markets are considered to be increasingly sensitive to political issues, price and health scares. There is consequently a growing interest in building linkages with emerging markets, particularly China and India, as well as the intra-African and domestic markets.

In order to capitalise on the European markets and diversify their itineraries, SME tour operators need to gain an in-depth understanding of the requirements of the niche markets and build links with relevant outbound tour operators.

AUTO suspects that there would be a high demand among SME tour operators to participate in the CBI Export Coaching Programme. Depending on the participation criteria, there could be in the region of 20 or more suitable companies interested in participating. Some of them are likely to be the locally owned DMCs which want to expand their current markets and gain a better understanding of the European market. There are also small clusters of tour operators and service providers in the regions which want to understand the potential of niche market trends fully as well as develop market linkages.

International Transport Providers

The ease of international access to a destination is an important factor in driving visitor numbers. A direct flight to Uganda from the main outbound markets in western Europe takes around 10 hours, but it is only available on 2 airlines, Brussels Airline and KLM. Other routes from Europe involve transit in hubs including Addis Ababa, Istanbul, Nairobi or the UAE. This fact can increase travel time from 15 to 20 hours, which can make it an inconvenient route for tourists with limited time.

In 2019, the government-owned national carrier Uganda Airlines restarted its operations. It currently flies to 8 regional destination: Nairobi, Mombasa, Dar es Salaam, Kilimanjaro, Zanzibar, Mogadishu, Bujumbura and Juba. Additional African destinations, including Johannesburg, are planned for 2020 and the airline plans to expand into Europe (London), Dubai and China in 2021.

In February 2020, Uganda Airlines signed an MOU with the Uganda Tourist Board (UTB) to promote destination Uganda jointly, develop its tourism industry, facilitate tourism stakeholders to participate in major African and international exhibitions, trade missions as well as media FAM trips, and to develop packages for special events and MICE. For the time being, due to the airline's current network, the focus will be on intra-African travel.

Local Transport Providers

Uganda is approximately half the size of Kenya and most of the national parks can be reached by a 5- to 6-hour drive from the international airport at Entebbe. The exception is the 2-day drive to Kidepo Valley National Park in the north-east. Reliable vehicle hire, either as self-hire or with a driver, is a key element of any tour.

There are 20 aerodromes within Uganda and upmarket safaris for tourists with limited time also use internal flights, operated by 4 main companies. Local transport costs by road or air are therefore a significant element of any tour.

For independent budget travellers, there is a good national network of coach and bus routes. In urban centres, taxis as well as boda motorcycles are popular and can be booked online.

Drivers and Tour Guides

Due to the predominance of safaris in Uganda's product offer and the importance of vehicle hire in a package tour, drivers are critical players in ensuring visitor satisfaction. Since many drivers also act as tour guides, the skills that they require include being a good mechanic and a reliable driver; having good customer service and language skills; being able to answer tourists questions on the history, culture and politics of the country; while also ensuring that their clients can photograph the wildlife which they have come to see in Uganda.

To manage fluctuations in client numbers, most tour operators hire some – if not all – of their vehicles from freelance driver-guides. These guides may own their own vehicle or, more often, rent them from colleagues or vehicle hire companies.

Being a driver does not require a high level of formal education and is therefore a low-entry opportunity to enter the tourism sector. Drivers frequently progress to becoming a tour guide and some go on to set up their own tour operating company. **Although the vast majority are men, there is a small but growing number of women driver-guides.**

Despite the wide range of skills that driver-guides require and the essential role that they play in ensuring visitor satisfaction, there has not been a suitable national qualification for tour guides to meet the needs of the industry. Training courses for drivers and guides have been organised by the Uganda Safari Guide Association (USAGA), which has over 800 members,[28] in conjunction with the UWA.

In 2019, the Tourism and Hospitality Sector Skills Council (THSSC), the Directorate of Industry Training (DIT) as well as USAGA updated the Assessment and Training Package (ATP) for tour

[28] Source: USAGA, January 2020.

guides. It is expected that there will be an informal agreement in future that all tour guides will be assessed, graded and certified before they are licensed by UTB.

Accommodation Providers

There is a wide range of accommodation available across Uganda, ranging from international brands in Kampala and luxury lodges in or around the national parks to moderately priced hotels, guest houses as well as budget accommodation. Camping and self-catering properties include UWA bandas in national parks as well as a growing number of properties promoted on Airbnb in Kampala, Entebbe, Jinja, Fort Portal and Bunyonyi.

Nationally, the official average room occupancy rate in 2018 was 51%, with no significant difference between regions. Although this figure indicates that there is sufficient stock, it does not show whether there is suitable quality of accommodation to meet the requirements of visitors in popular areas. Official figures report that lodges had the highest occupancy rate at 75%; if these data are accurate, it may indicate that specific properties are heavily booked.[29]

In the north-east, the growing interest in visiting Kidepo Valley National Park has stimulated recent investment in a third lodge and the UWA has offered concessions for additional visitor accommodation to be built in the National Park.

There is currently **no national quality assurance scheme for accommodation**. The East African Community star rating is used in some establishments and the UTB is in the process of identifying relevant criteria for national quality assurance accreditation. Consequently, there is no comprehensive audit of the quality of the national accommodation stock. Anecdotally, there is considered to be potential of developing more mid-range accommodation in some areas and that there is a lack of luxury lodges.

Food and Beverage Providers

Local food can be found across Uganda, with more upmarket restaurants, lodges and hotels serving Indian as well as western food. The range and quality of local produce is generally good.

However, as with the accommodation sector, there is a lack of skills and qualified employees, resulting in low levels of customer service and unprofessional attitudes. Training institutes are not providing students with the skills required by the sector and the private sector is often reluctant to invest in developing the skills of their staff without any long-term commitment from employees.

[29] Annual Tourism Sector Performance Report FY 2018/19, Section 2.12.1.2 Hotel Room Occupancy Rates, Table 2. Overall annual figures are inconsistent with the sum of the quarterly figures.

The Tourism and Hospitality Sector Skills Council is trying to address how capacity-building can be achieved so it generates relevant skills for the hospitality sector.

Attraction and Activity Providers

The primary attractor for leisure tourists to Uganda is its wildlife, with savannah safaris and primate trekking as the principle activities sold by all tour operators.

Other outdoor activities utilise the country's diverse landscape, with its rivers, lakes and mountains. Water-based activities range from leisurely boat trips to adventurous adrenaline sports such as kayaking and world-class white water rafting.

There is a growing recognition by tour operators of the need to diversify the range of activities to meet the needs of niche and special-interest markets. A limited number of birding, cycling, hiking, horse-riding, mountaineering and sport fishing tours are currently sold, while there is scope for expansion.

Cultural and community-led activities are available through tour operators or the Pearls of Uganda organised by the UCOTA, or they are directly sold to tourists. Due to the increasing demand for local experiences, these activities are seen as having growth potential, particularly in the reserves around the national parks and in the eastern Karamoja region.

The UTA and its members, in conjunction with UTB and UWA, are looking at ways to expand the range of outdoor and cultural activities. However, the necessary investment in infrastructure and expertise to expand these niches according to the standards expected by international consumers is limited. To help address this issue, the Embassy of the Kingdom of the Netherlands is supporting the Adventure Tourism Uganda impact Cluster[30] of activity providers to develop cycling, motorbiking, hiking, mountaineering and running tours as well as related infrastructure and skills.

Financial Service Providers

The financial industry generally does not have a good understanding of how the tourism industry functions. The cost of borrowing is very high and providing acceptable security can be onerous for SMEs. Consequently, SME tourism businesses and start-ups have very limited access to long-term bank loans, which limits their ability to invest in the development of tourism facilities and services. It also makes them uncompetitive compared to companies with higher levels of foreign investment, which have access to lower borrowing rates.

[30] See https://adventuretourismug.com.

6.3 Governmental Organisations – Value Chain Influencers, Supporters and Key Actors

Ministry of Tourism, Wildlife and Antiquities (Value Chain Influencer and Supporter)

The government's mantra for the sector is that 'tourism is government-led and private sector-delivered'. In terms of government leadership, it is MTWA that has responsibility for coordinating and supervising the tourism sector, under the political leadership of the Minister of Tourism, Wildlife and Antiquities. The MTWA's mandate is to:

- Formulate and implement policies on tourism, wildlife as well as cultural heritage;
- Sustain and manage wildlife as well as cultural heritage conservation areas;
- Diversify the tourism product;
- Promote and market Uganda as a preferred tourist destination;
- Develop human resources capacity in the tourism, wildlife and heritage sector;
- Safeguard quality assurance and regulation of tourism, wildlife as well as heritage services;
- Disseminate and manage tourism, wildlife as well as heritage research and information;
- Negotiate, conclude and implement bilateral as well as multilateral agreements on tourism, wildlife and heritage in Uganda.

Planning

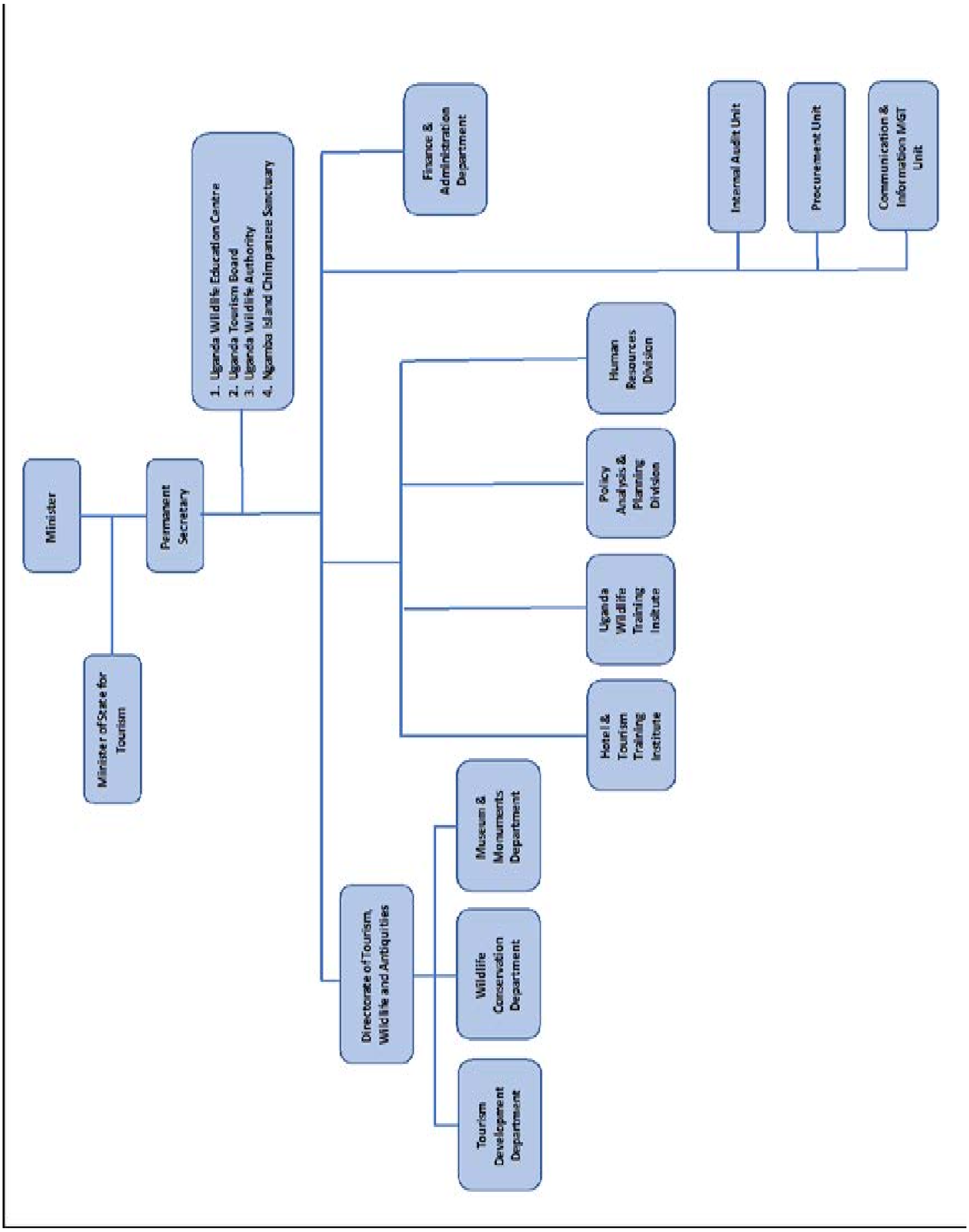
The MTWA Policy Analysis and Planning Division develops the 5-year NTSDP as well as the Annual Tourism Sector Performance Report.

The NTSDP is the overarching document that provides strategic direction for the government's approach to tourism. The next 5-year NTSDP (2020/2021–2025/2026) is due to be published in mid-2020. Alongside the National Development Plan, the TMP 2014–2024 is used in order to provide guidance for the development of the NTSDP.

MTWA District Tourism Officers

The MTWA is represented at the local level by district tourism officers. These officers provide the link between local tourism clusters and central government. If tourism is to be developed at the regional level, it will be necessary to increase the tourism capacity of these officers.

Figure 21: Organogram of the Ministry of Tourism, Wildlife and Antiquities



Challenges for MTWA

The MTWA faces a range of challenges in developing the next NTSDP, including the following.

a) **Sector Review:** The Tourism Act is currently being reviewed with the support of UNDP. The TMP 2014–2024 is due for a mid-term review, which is needed in order to prioritise government programmes and give direction to the sector.

b) **Data collection:** The quality of data collection, particularly in relation to arrivals, has been severely affected by the introduction of e-visas and the phasing out of immigration cards. Consequently, there are no annual arrival data for 2018 and 2019, while the published government figures are based on trend estimates. The MTWA is currently working with the national statistics office to see how more relevant data could be collected.

The MTWA has a working group to develop a Tourism Intelligence Management System (TIMS) and aims to have the system set up in the next 5 years. They have started to collect data and would like to run an annual domestic household survey. The TIMS system still needs to be developed.

The MTWA would welcome external expertise support to:

- Improve data collection, analysis and reporting;
- Measure the value of tourism, its contribution to GDP and employment;
- Develop and implement a domestic expenditure review;
- Develop TIMS and produce Tourism Satellite Account (TSA) tables.

c) **Planning**: There is a need to develop TDA project ideas into bankable projects and to develop Public-Private Partnerships (PPP). The PPP Act requires MDAs with the private sector to be supported by the relevant studies, e.g. site, conservation and visitor management plans. The MTWA lacks both the in-house skills and the financial capacity to deliver these studies.

There is increasing pressure from the districts for **district-level plans to be developed and circuits** created to deliver the 6 TDAs that are recommended in the TMP. Due to the lack of in-house expertise or funds to commission consultants, no detailed regional plans have yet been developed.

d) **Evaluation of Marketing Plans:** Expertise is required for evaluating marketing strategies to ensure that they generate impact and yield a positive return on investment.

e) A **Convention Centre** has been established under the MTWA and must now be transferred to UTB.

MTWA's Implementing Agencies (Value Chain Supporters)

The MTWA's 5 implementing agencies arrange wildlife conservation, marketing, training, education and research. These agencies and their areas of responsibility are listed below.

Figure 22: Implementing Agencies of the Ministry of Tourism, Wildlife and Antiquities

MTWA Agency	Responsibility
Uganda Wildlife Authority (UWA)	Management, conservation of wildlife and wildlife-protected areas
Uganda Tourist Board (UTB)	Tourism promotion and marketing
Uganda Hotel and Tourism Training Institute (UHTTI)	Tourism and hospitality training
Uganda Wildlife Education Centre (UWEC)	Conservation education and public awareness
Uganda Wildlife Research & Training Institute (UWRTI)	Wildlife management training and research

Uganda Wildlife Authority (Value Chain Supporter and Key Actor)

As Uganda's tourism product is primarily based on its wildlife offer, the UWA is a lead agency for the development and delivery of the country's tourism product. The UWA generates the majority of its own budget through the collection of entry fees to the 10 National Parks. It operates largely autonomously and is generally considered to be doing its job well.

There is a clear recognition that conservation management of the national parks largely depends on the benefits which the parks generate for local communities. Many of these communities were moved off their land when the national parks were created and they now live in the wildlife reserves that surround the parks. Of the revenue from the entry fees, 20% is therefore shared with these communities via local government, with the objective of enhancing their welfare.

The UWA has a Director of Tourism, whose team attends international tourism trade fairs alongside the UTB and the private sector. Most national parks have a Community Development Officer, who works with local communities to address conservation management and the ways in which the local communities could benefit directly from tourism, by offering facilities and services to visitors.

It is not evident that there is a cohesive national approach to Community-Based Natural Resource Management (CBNRM) as there is in countries such as Kenya, Botswana and Namibia.

To maintain and develop the nation's wildlife tourism offer, the UWA considers the following areas to be priorities:

Birding

- To increase birding tourism, trails need to be created along with signage as well as the provision of binoculars, telescopes and guidebooks on the birds of Uganda. The areas of focus are Mount Elgon, Pian Upe Wildlife Reserve and Kidepo Valley National Park.

Cycling

- To support the growth of cycling tourism, cycling trails need to be created, while rangers need to have suitable bicycles and be trained to guide cycling tours. UWA is currently conducting a feasibility study with a local cycling tour operator to explore the options for introducing cycling activities in some National Parks.

Mountaineering Trails

- In the Rwenzori Mountains, UWA aims to increase the 6,000 km of hiking trails to 10,000 km and then to 20,000 km (by comparison, Mt Kilimanjaro has 50,000 km of trails).
- To make Mount Elgon a hiking and mountain climbing destination, new trails with supporting infrastructure are required, particularly on the south side. There are opportunities for the private sector and communities to develop accommodation as well as other services that can be marketed to climbers.

Signage

- Good signage is needed across the national parks and wildlife reserves to meet the diverse needs of visitors.

Training

- Rangers have a variety of training needs, including interpretation for visitors with specialist interests.
- They also need to have training in security and access to appropriate equipment.
- The UWA tourist accommodation hospitality staff, which include people from the local communities, need training to understand the expectations of visitors and the skills required in order to deliver good service. UWA's focus is on training the trainers so they can provide relevant hospitality training in the long term.

Roads

- Access to as well as around the national parks and wildlife reserves requires constant development as well as maintenance of the road and track network. UWA is working with a Dutch construction company on a programme to improve access to and around protected areas.

Feasibility Studies

- Technical assistance is required to produce feasibility studies that assess the market demand for potential products (e.g. accommodation, ziplining) which will support the supply chain in the national parks and the adjacent wildlife reserves.

Marketing

- UWA's managers need to understand market trends so they can develop products that meet the needs of the niche markets and develop links with international markets to drive sales.
- Relevant online as well as printed marketing collaterals and content (including brochures, videos) need to be produced.

Uganda Tourist Board (Value Chain Supporter)

The UTB's role is to coordinate and steer programmes that lead to the development of a sustainable as well as competitive tourism industry which contributes significantly to Uganda's economic development.

The UTB's mission is to deliver its objectives in partnership with stakeholders through:[31]

a) Destination marketing and promotion;
b) Sector regulation and safeguarding of quality service provision;
c) Development of demand-driven products;
d) Engagement in research on tourism development to inform planning and investment;
e) Promotion of investment in the tourism sector;
f) Private-sector development.

UTB's Strategic Plan recommends that the organisation should operate with a total of 85 staff. It is currently operating at around 45% capacity with a total of 37 employees. Currently, there are 6 staff in the Branding and Marketing team as well as 3 in Quality Assurance. When recruiting new staff and to have its budget approved, the UTB needs to meet the government's Gender and Equality Policy.

Partnerships are essential in order to maximise UTB's resources and achieve its remit. It therefore aims to work with a wide range of domestic as well as international stakeholders from public, private, not-for-profit and donor organisations.

There is no current *branding and marketing strategy*. The Marketing Strategy 2018/2019–2020/2021 remains a draft document and although the TMP 2014–2024 provides useful guidance, it is due for a mid-term review.

[31] Draft Destination Uganda Tourism Marketing Strategy 2018/2019–2020/2021.

The source markets identified by the TMP 2014–2024 are still considered relevant by UTB, although the North American and European markets are considered sensitive to security and health issues, while the Indian and Russian markets offer new opportunities.

Marketing representation companies (MRCs) have been contracted for the past 3 years in the USA, the UK, Germany, China, Japan and the UAE. The USA contract has recently been renewed and contracts for the other markets are currently out for tender. In smaller markets, the Ugandan embassies are used to support destination marketing activities.

Uganda's brand strapline 'the Pearl of Africa' is widely used by the sector. However, it is not supported by a well-researched branding strategy and does not provide a clear positioning for destination Uganda.

Regional tourism development is intended to be delivered though 12 regional tourism clusters which signed MOUs with the government in 2018. They are membership organisations for tourism businesses, district tourism officers and other relevant stakeholders. Those that are proactive have elected executive bodies which liaise with the government through the UTB.

The issues that UTB considers to be priorities include:

Strategic Direction
- Developing a branding and marketing strategy;
- Establishing a clear focus and priorities for the next 2–3 years.

Capacity
- Recruiting staff which have the right skills and which meet requirements for gender as well as equality.

Quality Assurance
- Delivering quality across all levels of the tourism product as the greatest challenge;
- Setting East African Community quality assurance standards for accommodation.

Data
- Collecting and reporting timely as well as accurate tourism statistics and intelligence.

Regional Product Diversification
- Drafting destination management plans for regional clusters to identify opportunities and have clearly prioritised actions plans that can attract investment;
- Developing itineraries and trails, e.g. for the Nile and the equator.

Branding and Marketing

- Developing a brand strategy, underpinned by robust research in source markets, to identify a consistent narrative and clear positioning for destination Uganda;
- Designing a marketing strategy to provide focus for UTB's activities;
- Providing strategic direction and brand positioning to guide the activities of the international market representation companies;
- Developing UTB's digital marketing capacity;
- Creating interpretation and content with a consistent story across Uganda's range of tourism products.

Technical, Vocational and Educational Training Organisations for Tourism (Value Chain Supporters)

Government skills certification is led by the Ministry of Education as well as the Technical, Vocational and Educational Training (TVET) Council, while the delivery of tourism training is split across many institutions: MTWA; Ministry of Education and Sports; Ministry of Gender, Labour and Social Development; National Council of Higher Education; Uganda Tourism Board; Education and Training institutions; and Tourism Industry Employers.

The Tourism and Hospitality Sector Skills Council (THSSC), which is driven by the private sector, regulates and conducts quality assurance of sector training in consultation with private-sector stakeholders (see Section 6.4 below).

The MTWA's remit covers 3 training institutions:

The Uganda Hotel and Tourism Training Institute (UHTTI) in Jinja. The Government of Uganda, funded by a World Bank loan, is currently redeveloping as well as upgrading UHTTI to be a 3* hotel and tourism training institute. The UHTTI's courses are currently very theoretical and do not deliver the skills required by the private sector.

The Uganda Wildlife Education Centre (WEC), which is located at the zoo in Entebbe, delivers conservation education and public awareness of conservation issues. It attracts school groups and provides visitor guides.

The Uganda Wildlife Research and Training Institute (UWRTI) delivers wildlife management training as well as research for UWA rangers and the wildlife sector.

6.4 Private-Sector Organisations (Value Chain Supporters)

The private sector has a well-organised structure for its industry associations, several of which have 5-year strategies from 2017–2021 and are well placed to support the value chain.[32]

Uganda Tourism Association (UTA)

The private sector liaises with the government through UTA, its umbrella organisation. The UTA lobbies on issues that affect the growth and development of the industry nationally. In addition, it engages with the government, business leaders, development agencies and higher education institutions to advocate for the sector. It also works with regional organisations such as TradeMark East Africa to support the development of regional tourism.

The UTA's member organisations are listed below, together with their membership numbers.[33]

Figure 22: Membership of Tourism Private-Sector Associations

Association Name	Membership Dec 2018	Provisional Dec 2019
Association of Uganda Tour Operators (AUTO)	320	
Uganda Hotel Owners Association (UHOA)	530–600 (tbc)	
Uganda Safari Guides Association (USAGA)	600	800+
Uganda Community Tourism Association (UCOTA)	70	100+
The Uganda Association of Travel Agents (TUGATA)	120	
National Arts & Cultural Crafts Association Uganda (NACCAU)	3,000	
Association of Ugandan Women in Tourism Trade (AUWOTT)	100	
Association of Ugandan General Managers	1,000+	
Hotel and Catering Association of Uganda (HCAU)	tbc	

Source: UTA and UCOTA

The UTA's main objectives are to:

- Coordinate the sector through its member associations;
- Build the capacity of its association members;
- Harmonise standards and quality across the sector ;
- Facilitate the development and marketing of new as well as existing products.

[32] The private-sector association strategies were funded by TradeMark East Africa and UKAID.
[33] Membership numbers are for December 2018, when they were last officially reported to UTA. The official 2019 figures were not available during the research field trip in January 2020.

The challenges that **UTA faces as an organisation include building its in-house capacity. It currently has only 1 full-time member of staff and relies on students to keep the website up to date.** It requires in-house skills to support its members, particularly in digital marketing and sustainability.

Association of Uganda Tour Operators (AUTO)

AUTO was established in 1995 and had 320 members in December 2018 (the last official reporting date to UTA), most of whom are SMEs. It has 4 members of staff and is managed by an Executive Board.

Members need to be limited companies registered in Uganda with at least 2 shareholders and a trading licence. AUTO conducts site visits to the office of companies applying for membership and they sign a Code of Conduct.

It is estimated that around 80% of Uganda's tour operators are members of AUTO. The industry **does not consider the criteria for membership to be onerous for SMEs**. Therefore, any tour operator interested in doing business on international markets should be a member. As AUTO has a large and diverse membership, meeting the needs of all members can be challenging for the association's Executive Board.

AUTO is very supportive of the proposed CBI programme and would be interested in a partnership with CBI. However, there is concern that providing bespoke coaching to a small number of tour operators could create a knowledgeable clique and there is a strong desire to see this cohort of businesses support other companies. **AUTO would like to develop long-term coaching, while it would also like the course training and tailored market intelligence materials made available to all AUTO members.**

Uganda Hotel Owners Association (UHOA)

UHOA has around 550 members and represents hotels, lodges, motels, B&Bs, inns as well as campsites. Membership fees are based on the number of rooms. The organisation lobbies for its members and provides training. It is currently redeveloping its website.

Uganda Safari Guides Association (USAGA)

USAGA is the umbrella body for all safari guides in Uganda. It has a strong secretariat and had a membership of 600 at the end of 2018, which had grown to more than 800 by January 2020. Its priorities are to:

- Provide advocacy on policy issues that affect guides;
- Engage with other industry associations;

- Build the capacity of its membership through practical training and where possible train the trainers;
- Support women to be guides, including establishing a Women's Birding Club;
- Develop specialist guiding for nature, culture, mountaineering, crafts and city tours;
- Create partnerships to develop professional guiding standards and support training.

Despite the fact that the industry revolves around guides, there is no national guide accreditation and safari guide training is not included in university courses on tourism training. USAGA has therefore developed its own driver and safari guide courses, which it subsidises for its members, and has trained 1,500 guides to date.

USAGA is working with the East African Community and GIZ to **develop an online portal in order to promote guides to tour operators as well as travel agents.** The programme is **targeting youths and female site guides in local communities**, while it is also partnering with the Kenya Professional Safari Guide Association. A baseline study is under way and it is hoping to launch in October 2020.

The organisation has good learning materials; however, it needs current market intelligence, specialist books on Uganda's biodiversity and binoculars, while it would also welcome support from embassies for guide language skills (Italian, German, French, Spanish).

USAGA would like to see a national curriculum for guiding and is looking for a partner to design a national course that would give Ugandan guides the same standards as other countries.[34]

Uganda Community Tourism Association (UCOTA)

UCOTA is a membership organisation with more than 100 members.[35] It has a 5-year Strategic Plan 2017—2021, while it also supports grassroots and vulnerable communities to develop:

- Services to the supply chain of the tourism sector (e.g. local produce, car washing);
- Direct services to tourists (e.g. simple accommodation and restaurants);
- Visitor experiences (e.g. cultural demonstrations, workshops, guided walks);
- Handicrafts that can be sold to tourists, traders and the wider market;
- Capacity-building (e.g. training, workshops, study tours, demonstrations).

[34] Zambia is in the process of accrediting a national guiding curriculum developed by Bedrock, which could be applied to Uganda.
[35] Membership figures for January 2020; membership in December 2018 was 70, as reported to UTA. UCOTA's Strategic Plan was funded by UKAID and TradeMark East Africa.

UCOTA encourages communities to market their own products. However, it has also developed the ‘Pearls of Uganda’ brand (www.pearlsofuganda.org) to promote and link the community-based tourism (CBT) products with tour operators.

The organisation’s other activities include:

- Advocacy, networking and knowledge-sharing;
- Resource mobilisation to raise funding and build capacity;
- Seed funding, if funds are available;
- Conservation, developing conservation plans and natural resources management.

The challenges that UCOTA’s members face include:

- Poor access to infrastructure, including a lack of data connectivity in rural areas;
- Limited resources – access to capital is expensive, there is a fear of taking out long-term loans and skills are lacking to convince financial institutions in order to believe in them;
- CBT products are not covered by regulations and are therefore not licensed;
- Tour operators do not understand the interest that tourists have in community experiences;
- CBT products are not promoted on UTB’s website;
- Lack of customers on less-developed tourist routes, which discourages communities.

The number of tourists is key to developing successful community enterprises. UCOTA feels that tour operators and UTB do not understand or promote community products. However, tour operators say that UCOTA products are not in relevant locations and need to be on existing busy tourist circuits. In addition, tour operators find it difficult explaining to buyers what the Pearls of Uganda brand is and would find the CBT products easier to sell if they are white-labelled.

There is a need for **UCOTA and tour operators to understand each other’s needs better** as well as to ensure that the development and promotion of the community offer is market-driven.

Tourism and Hospitality Sector Skills Council (THSSC)

The Tourism and Hospitality Sector Skills Council incorporates the private-sector tourism associations, UTA, UHOA, AUTO and USAGA. The organisation works with the private sector through its Employer Forum to establish the skills gaps in the industry, while it also delivers approved training for the private and public sector. It aims to professionalise the sector, set industry standards, produce relevant materials and improve the capacity of the existing training institutions by focusing on Train the Trainers programmes.

The THSSC is supported by several donor organisations, including the European Union, the British Council and Enabel, which recently commissioned an analysis of the skills gaps in the tourism and hospitality sector. The report focused on the Albertine-Rwenzori and Karamoja regions. It is currently being finalised and the provisional findings highlight the sector's 3 key skills gaps as follows.

- **Digitalisation:** There is a lack of 3G data outside Kampala, which limits the ability of tourism businesses to self-promote, combined with limited skills in digital marketing and a lack of national destination marketing;
- **Customer Care:** Cultural as well as social differences in understanding lead to a mismatch in expectations between visitor and service providers;
- **Responsible environmental practices.**

The second phase of the EU-funded programme is expected to support the delivery of the report's recommendations through the EU's VET Toolbox.

Tourism Sector Academies

There are a number of Tourism Sector Academies that have been set up by cluster groups in different regions, including the Rwenzori and Karamoja Tourism Academies. They work with the private sector to identify the skill requirements of individual businesses and train local people to meet their needs.

Tourism Sector Academies in the Karamoja, Mount Elgon and Rwenzori regions all say that they would benefit from market intelligence as well as exposure to understand the expectations of visitors. They also need partners to provide the relevant training expertise.

6.5 International NGOs and Civil-Society Organisations

There is a very active donor and civil-society presence in Uganda, with more than 2 dozen organisations whose activities are directly or indirectly related to tourism. Programmes of particular interest are listed below; those with potential to develop links with the CBI programme are highlighted in bold.

Figure 21: International Agency Programmes Related to the Tourism Sector

Belgian Development Agency (ENABEL)	• **Skills Development Fund** – Albertine-Rwenzori. 2016–2020; €2 million. Engineering and tourism. **Hospitality – tourism, accommodation, catering** • **Capacity Needs Assessment for Tourism and Hospitality** study for Albertine-Rwenzori and Karamoja Regions, 2020 • **Curriculum Development – Assessment and Training Packages** – supporting development of standards

Booking Cares	• **Ukarimu, open-source curriculum for hospitality training in East Africa;** Mango Tree Educational Enterprises, EoW
British Council	• **VET Toolbox capacity-building (with EU) for the Tourism and Hospitality Sector Skills Council**
DIFD	• Strategic Plans 2017–2021 for private-sector tourism associations (with TradeMark East Africa)
East Africa Community	• **Hospitality accreditation** • **USAGA Safari Guide portal**
European Union	• Greening the Tourism Sector financed under Switch African Green Phase 2. **Supports tourism accommodation MSMEs to apply for sustainability accreditation.** Implemented by Fundación Gaiker (Spanish), UTA and UCOTA • **VET Toolbox** (with British Council and Enabel) • Protection of Historic Buildings – Kampala, Jinja, Entebbe • **Green Economy Investment Fund for SMEs**
European Union Trust Fund	• Skills Development Fund – Northern Uganda-Kiryandongo. 2016–2020, €2.6 million. Prioritises vocational as well as entrepreneurial skills for refugee and host communities, including hospitality skills
GIZ	• **Online portal to promote safari guides,** USAGA, East African Community, Kenya Professional Safari Guide Association
Irish Aid	• Skills Development Fund – Karamoja region. 2016–2020, €1.19 million. Cross-sectoral. **Tourism: tour guides, hospitality**
Mastercard Foundation	• U-LEARN II delivered through SwissContact. Targets 18- to 24-year-olds, young women. Technical and vocational skills, market access and linkages. Sectors: agri-business, construction, **tourism and hospitality**
Netherlands Enterprise Agency and Embassy of the Kingdom of the Netherlands	• **Adventure Tourism Impact Cluster**
Norec	• Norwegian-funded **Community-Based Tourism Business Support Programme**. Exchange programme between community tourism organisations in Uganda, Kenya, Tanzania
TradeMark East Africa	• Strategic Plans for development of private-sector tourism associations 2017–2021 (with DFID) • **Feasibility Studies for 4 tourism products:** Namugongo Shrine son et lumière; Uganda National Museum indigenous dinner, Rwenzori Cultural Trail, Interpretation Capacity-Building for Birding
United Nations Development Programme (UNDP)	• Current **Review of the Tourism Policy 2003, Tourism Act 2008**; funded TMP in 2014 • Innovation Challenge Award supported 5 tourism businesses

USAID	• HIV AIDS awareness and prevention programme • STAR – implemented by US Forest Service International Program (USFS) – technical assistance **to improve trails in 3 national parks: Mgahinga, Queen Elizabeth, Rwenzori Mountains** • Uganda Tourism for Biodiversity Program implemented by African Wildlife Foundation (AWF) supported (US$11,000) Community Wildlife Scouts
World Bank	• Skills Development Fund (SDF) loan of US$100 million supported 5-year Uganda Skills Development Project (USDP) • Competitiveness and Enterprise Development Project: strengthening public- and private-sector stakeholders to develop a competitive tourism offer • **Loan to support upgrade of UHTTI in Jinja to a 3* international hotel and tourism training institute**

There are also more than 15 civil-society organisations (CSOs) whose activities are primarily related to wildlife conservation and which are directly or indirectly related to tourism.

6.6 Conclusions

Overall, the governance of Uganda's tourism sector is well structured. For the public sector, the MTWA leads policy, strategy and planning, while its key agencies UWA and UTB are responsible for managing the natural heritage as well as delivering marketing. The responsibility for skills development is more fragmented.

The private sector has a clearly defined structure for communicating with central government through UTA, which represents the industry on behalf of its 9 industry associations.

At the local level, tourism management is in its infancy. The MWTA is represented by district tourism officers and tourism clusters have recently been set up to enable private- as well as public-sector stakeholders to manage regional destinations jointly.

However, **the sector needs a clear focus and direction**, with a well-prioritised strategy and an action plan that coordinates activities across the sector. The forthcoming NTSDP 2020–2025, due for publication in mid-2020, is the next opportunity to deliver this requirement.

The public and private business support organisations would welcome expertise as well as support in a wide range of areas (as detailed in Section 10). However, they emphasise the need to **ensure that external input – particularly related to training – is designed in such a way that it is sustainable beyond the life of the funding programme.**

The large number of international organisations that are actively involved in supporting the tourism sector provides opportunities for partnerships. It will be needed to ensure that these various programmes are complementary and that efforts are not duplicated.

7. SUSTAINABILITY OF THE VALUE CHAIN

7.1 Introduction

This section introduces the potential of a well-managed tourism sector to support the achievement of the Sustainable Development Goals (SDGs). It also analyses the current social, environmental as well as Corporate Social Responsibility (CSR) risks and opportunities for the sustainability of Uganda's tourism value chain.

7.2 Tourism and the Sustainable Development Goals

The importance of sustainable tourism in contributing to the achievement of the SDGs is recognised internationally. When managed well, the sector has the power to generate employment for all segments of society, alleviate poverty, promote inclusiveness and skills training, reduce inequality, respond to climate change as well as protect biodiversity. The UNWTO provides guidance on how public policy, business and visitor actions can jointly contribute to the achievement of all 17 goals.

7.3 Social Risks

Labour conditions: Employment in the tourism and hospitality sector is largely informal, while very few employees are members of unions. There is no minimum wage; where labour regulations do exist, they are largely ineffectual. Employees are vulnerable to long working hours, poor working conditions and sexual exploitation.

Limited trickle-down effect from tourism: Communities living adjacent to national parks do not see much direct benefit from tourism lodges and tours. Employment opportunities, particularly in higher-end lodges, tend to require skills that are not present among the local communities. Therefore, skilled employees are recruited from other regions or from abroad.

UWA's revenue sharing system: This system allocates local communities 20% of the national park entry fee. While this system is highly commendable, funds are dispersed though local government and communities need to apply in order to receive funds for appropriate projects. Consequently, not all budgets get dispersed and some communities feel that tourism does not benefit them.

Refugee population: Uganda is the third-largest refugee-hosting country in the world. It has a population of more than 1.2 million refugees, who are mostly escaping conflicts in the DRC and South Sudan. The refugee communities are generally well managed. The EU funds vocational training and entrepreneurship skills, including hospitality, in Northern Uganda. However, these conflict areas risk having a negative impact on Uganda's reputation as a safe destination.

LGBT-unfriendly reputation: The Anti-Homosexuality Act, which has since been ruled invalid, received worldwide media coverage in 2014. Although Ugandans generally have a much more liberal approach, it is likely that the country's reputation as an anti-gay destination has deterred this niche market from choosing Uganda as a holiday destination.

Corruption: This issue is considered to be widespread in both public and private sectors. It is reflected in Uganda's score of 137/180 on the Transparency International 2019 Corruption Perception Index. Reports of fraud and corruption, such as the recent syndicate of UWA officials and tour operators fraudulently selling gorilla-trekking permits, continue to damage Uganda's reputation internationally. They also affect the quality and functioning of the tourism sector.

Health risks: Disease scares, perceived or real, pose a threat to the tourism sector. The North American market in particular is very sensitive to potential health risks, such as Ebola, even if they are in neighbouring countries and not in Uganda. The impact of the coronavirus, which had not reached Africa by February 2020, is yet to be known.

7.4 Environmental Risks

Climate change: Uganda's tourism sector is highly dependent on the quality of its natural resources. The impact of changing weather patterns on fragile habitats as well as the wildlife and human populations that they support are critical to the sector's long-term development.

Population growth: With the fourth-youngest population in the world and a predicted population growth of more than 50% in the next 5 years, the pressure on natural resources and the need to create employment continue to increase.

Human-wildlife conflict: This issue is already a significant problem, which will increase as the population grows and people need to cultivate more land in order to feed themselves. The current government compensation scheme only covers the market value of lost crops and there is no compensation for damage to property or loss of life.

Commercial poaching and animal trafficking: These problems continue to be major risks to the ecosystem and are likely to increase as population growth increases pressure on food as well as income. Addressing the issue depends on UWA rangers continuing to have the training, equipment and resources in order to protect animals with the support of local communities.

Primate trekking over tourism: The promotion and popularity of primate trekking as Uganda's primary activity as well as its role as UWAs greatest income generator is putting pressure on tour operators and UWA personnel not to comply strictly with regulations on the numbers as well as the proximity to the habituated communities of gorillas and chimpanzees. This situation is exacerbated by the increased use of smartphone cameras rather than telephotographic lenses by visitors, which means that visitors demand closer access to the animals. These issues create the risk of devaluing the conservation experience that visitors expect, thus generating negative reviews about Uganda's primary tourism asset. The high value of primate trekking also Increases the risk of corruption in permit sales.

Infrastructure and extraction projects: In protected areas, these projects continue posing a risk to the natural environment. Building hydro-electric dams at Jinja has had a detrimental impact on the area's reputation as the 'Adventure Capital of East Africa' and created unemployment in the sector. Oil extraction has recently commenced in Murchison Falls National Park, adjacent to the main wildlife area. In addition, a hydro-electric dam is being planned at the Murchison Falls themselves. This dam would submerge the world's most powerful waterfall, which is the main attractor to the National Park, and would affect both the ecosystem and the businesses that it supports.

Pollution and waste management: Air pollution in Kampala, water pollution in Lake Victoria and other water bodies, industrial and household waste, environmental degradation as well as the lack of effective waste management systems are problems across Uganda. In the tourism sector, little has been done to manage plastic use and embed sustainable practices in business management. Only 4 businesses have any level of tourism accreditation. However, there is a growing recognition by public- and private-sector stakeholders of the need to drive change. Long-term support will be required in order to improve the environmental impact of the sector.

7.5 Key CSR Risks

Climate change and population growth are increasing the pressure on Uganda's natural environment as well as the need to create employment.

The tourism sector needs to be managed on environmentally sustainable principles in order to minimise its impact on Uganda's natural resources. It also needs to be based on a good understanding of communities' aspirations for the future and on market demand, so it can create sustainable employment opportunities for the whole community, including women and youths.

The long-term sustainability of leisure tourism in Uganda depends on the conservation of its natural resources and cultural heritage, in particular its iconic and endangered wildlife.

Conserving this wildlife and its natural habitat largely depends on the commitment of local communities that live in the wildlife reserves adjacent to the national parks, in order to support the work of the UWA. Many of these communities were displaced in order to establish the national parks and are impoverished. They need to derive direct economic benefit from tourism, so they see the value of keeping wildlife and trees alive, rather than facilitating poaching and deforestation to earn a livelihood.

ELEMENT 3: OPPORTUNITIES AND OBSTACLES IN THE VALUE CHAIN

8. KEY OPPORTUNITIES FOR SMEs

8.1 Potential to Create a Strong Competitive Position in the Region

Uganda has the potential to position itself as a high-value destination that offers exceptional wildlife, adventure and cultural experiences which match or exceed those of Kenya, Rwanda or Tanzania.

8.2 Market Trends Matching Uganda's Product Offer

The following international market trends offer a wide range of opportunities to increase the valuable international leisure market, which currently accounts for only 20% of all arrivals to Uganda:

- Tourism to Africa is growing;
- Outbound tourism from emerging markets is growing particularly in India, Russia and China, while millennials from these markets are increasingly looking for adventure experiences;
- There is a growing demand for niche and special-interest holidays in unspoilt destinations;
- Adventure tourism is becoming mainstream, is high value and is growing at 20% p.a.;
- The largest markets for outbound adventure tourism are also Uganda's target markets:
    - The USA, Europe (the UK, Germany, the Netherlands, France, Italy, Spain);
- The most popular adventure activities for Africa fit well with Uganda's strengths:
    - Safari;
    - Ecotourism, with a growing awareness of sustainability and conservation;
    - Hiking;
    - Birdwatching;
    - Cultural and community-based tourism;
- Adventure tourists 'love local' and want to:
    - Use small companies that provide flexible bespoke itineraries;
    - Have immersive local experiences;
    - See that their tourist dollar is supporting local communities;
- Fully independent travellers (FITs) increasingly:
    - Research and book directly and online;
    - Use local companies;
    - Require mid-range accommodation;

- The highest-value travellers are ‘baby boomers’ (55–75 years);
- There is a large and growing millennial market (26- to 40-year-olds);
- Most travel as couples; growth in solo travellers, multi-generational family groups;
- Word-of-mouth reviews and online reviews can build a strong reputation.

8.3 Opportunities to Attract Niche Markets from Europe

Europe generates Uganda’s highest volume of international leisure tourists, outside Africa. Uganda’s MSMEs can expand this market by developing and marketing a diverse range of products that meet the interests of a broader range of niche market segments.

Differentiate Suppliers

There are a wide variety of opportunities for MSME providers to expand their product diversification and improve differentiation between suppliers. This process involves utilising Uganda’s diverse wealth of natural resources and iconic wildlife across the country to meet the growing demand for niche as well as special-interest experiences in unspoilt destinations, especially:

- Safari
    - Develop special-interest safaris based on species of interest or different means of transport – walking with local guides, cycling with rangers, horse-riding, traditional boats, small cruises etc.
- Ecotourism
    - Support SME providers to get sustainability accreditation;
    - Offer sustainable packages using suppliers with sustainability accreditation;
    - Create conservation-driven activities and tell Uganda’s conservation story;
    - Use local produce and create agritourism experiences (e.g. coffee, honey).
- Community-based cultural products
    - Work with local communities – including youths and women – to create local lifestyle experiences that generate direct benefits, such as traditional wedding practices and ceremonies; highlight these experiences in marketing materials, including for the volunteering and sustainability niches.
- Hiking plus trekking, mountaineering
    - Create packages for all standards across the country, e.g. Rwenzori, Mt Elgon, Mt Moroto.
- Birding
    - Utilise Uganda’s easy access to its exceptional birding offer with more than 1,000 species and 10% of East African endemics.

Improve Product Knowledge and Promotion

Good knowledge of Uganda's existing products, particular in lesser-known regions, is required by UTB, the international marketing representation companies as well as local MSME tour operators based in Kampala so they can promote these products and stimulate interest among the appropriate niche markets.

Across the sector, greater expertise in digital marketing, social media and the use of online travel agencies (OTAs) to sell 'experiences' would strengthen the targeting of niche markets.

Improve Professionalism

European buyers rely on DMCs to provide high-quality facilities and services, e.g. vehicles, accommodation, trained guides or insurance policies. Ugandan tour operators with a professional website clearly showing their qualifications and quality standards will be well placed to do business with European tour operators

DMCs need to utilise international travel fairs (ITB, FITUR, WTM etc.) to meet buyers but be well prepared for meetings and follow-ups. They also need to be visible online, as both trade buyers and independent travellers use internet research.

8.4 Capitalising on Accommodation Capacity

There is room for the expansion of tourism arrivals, based on the accommodation occupancy rate of around 50%. However, it will be essential to match the geographic distribution to the demand, e.g. to expand and promote high-quality mid-range accommodation around tourist hotspots as well as to ensure that the quality of facilities and services meets the needs of the target market.

8.5 Maximising Investment in International Market Representation

The national government has invested in international marketing budgets to target the core markets, including the USA and Europe.

By developing a strong brand and a comprehensive strategy for digital content marketing, UTB and its market representation companies would have the opportunity to support SME providers in capitalising on the growth of niche as well as special-interest markets.

8.6 Support from Business Support Organisations

The strong national network of private-sector associations provides the opportunity to support tour operators, accommodation providers, guides, community tourism, women and craft productions through targeted market intelligence as well as skills development.

8.7 International Investment by NGOs

The large number of active NGOs in Uganda provides the opportunity to generate considerable support for the tourism value chain, provided that interventions are well coordinated and designed to ensure long-term sustainability.

9. KEY OBSTACLES TO THE GROWTH & COMPETITIVENESS OF SME PROVIDERS

The current homogenous product of primates and savannah safari is not tapping into the changing market demand. To capitalise on these opportunities, the following obstacles hindering the growth and competitiveness of SME tour operators need to be overcome.

9.1. Access and Infrastructure

Limited Air Access

There are direct flights from only 2 of Uganda's main European source markets, the Netherlands and Belgium. This situation restricts visitor growth from other European markets compared with Uganda's competitors, particularly Kenya, which receives more direct flights.

Insufficient Mobile (3G) Network

The lack of 3G data in some rural areas limits the ability of tourism businesses to operate and promote themselves, thus restricting the potential to spread the benefits of tourism more widely across the country.

Limited Road Access and National Park Trails

The road network has improved in recent years, but access is still challenging to new regions with tourism potential, particularly in the east. Without good access, it is difficult for tourism facilities and services – particular those in rural communities – to generate the volume of visitors required to remain in operation.

Developing new products in national parks and wildlife reserves relies on the UWA's resources to develop as well as maintain new tracks, hiking trails and signage, and to have sufficient rangers.

Loss of Iconic Natural Attractions due to Large-Scale Infrastructure Projects

The loss of Jinja's USP as the 'Adventure Capital of East Africa' and the increase in unemployment that resulted from building hydro-electric dams now require considerable investment if the area is to reposition itself as well as attract new markets. The development of future infrastructure projects, such as the proposed dam at the Murchison Falls, will need to evaluate the long-term economic and biodiversity impact on the tourism sector.

9.2 Product Development and Diversification

Lack of Tailored Market Intelligence and Access to Markets

Creating tourism products requires a good understanding of the market opportunities, investment of funds and expertise, as well as either land ownership or access to a marketable skill or product.
The lack of relevant market intelligence is therefore a major obstacle to SMEs keen on developing new tourism products and facilities.

To stimulate product development and diversification, UWA, local communities, SME tour operators as well as other potential investors need tailored market information, digital marketing skills and access to markets.

Undeveloped Potential for Community-Based Tourism and Conservation

As Uganda's competitive advantage is based on its natural environment and biodiversity, UWA's management of the country's best wildlife areas makes it an essential partner in diversifying Uganda's product offer.

The communities which still own land in the wildlife reserves adjacent to the national parks and which retain traditional lifestyles as well as skills are also important players. Enabling these communities to develop the skills in order to become active players in developing successful tourism products and derive the benefits is particularly important, as UWA needs their support to conserve endangered wildlife.

Lack of Affordable Funding and Dependence on Foreign Investment

The role of tour operators is to be good at packaging, creating new itineraries and selling Uganda's tourism offer, not necessarily to create new products. For local SMEs and communities, identifying the market opportunities, finding access to funding and attracting international markets are major limitations. Foreign investors are better placed to respond quickly to new market opportunities and will mostly likely be the first to benefit from them.

The majority of local SME tour operators have some level of foreign investment, which has enabled them to invest in developing lodges and other visitor accommodation, among other things. Although this investment is valuable for expanding Uganda's tourism product and market linkages, it makes it harder for local SMEs and communities without foreign investment to compete, while it also increases the level of potential leakage from the value chain. The small number of DMCs that are of suitable quality to meet European and international tour operator standards mostly have significant levels of foreign investment.

For SMEs without good access to markets, foreign investment and expertise, their low sales and/or high cost of capital make them uncompetitive compared to larger tour operators with higher sales volumes, who are able to undercut small companies on price.

9.3 Human Resources Development

Lack of Digital Expertise

SME tour operators lack the ability to promote themselves online to their target markets. They require the skills to utilise new technology in order to operate their business, e.g. for digital marketing and booking systems.

The UTB also requires a comprehensive strategy for content marketing and in-house expertise in digital marketing so as to promote Uganda's tourism product effectively.

Meeting Customer Expectations is Challenging

A lack of market exposure as well as limited understanding of different cultural and social expectations makes it difficult for local service providers to meet the high standards expected by international tourists. This fact is especially challenging for traditional communities wanting to develop local cultural experiences for visitors.

SME tour operators have an important role to play in managing the expectations that their clients have of their trip, to ensure that they return home satisfied with their experience in Uganda and are not disappointed. To achieve this outcome, tour operators need market knowledge and exposure to understand the expectations of their international visitors as well as the legal and non-legal requirements of trade buyers. For local SMEs without foreign investment, building linkages in the international markets and then gaining the trust of buyers is a major challenge.

Inadequate Skills Training

Achieving a high level of visitor satisfaction is difficult when there are low levels of skills across the sector, from entry-level jobs to experts (such as guides) and management roles.

To address this situation, the private sector has come together under the Tourism and Hospitality Sector Skills Council to identify the skills gaps as well as the required training priorities. The recommendations from their recent capacity needs assessment for the Albertine-Rwenzori and Karamoja regions are expected to be published soon.

One area that needs to be addressed is the lack of a nationally accredited qualification for tour guides, who play a critical role in ensuring that clients have a positive experience throughout their stay in Uganda.

Sustainability Accreditation Very Limited

Uganda has only 4 sustainability-accredited tourism businesses. The sector is not matching the market expectation for sustainability, which is becoming increasing relevant as international concerns about climate change grow and the younger generation become more engaged with these issues. Consumers are increasingly looking for responsibly managed, conservation-driven destinations and international tour operators expect suppliers to have sustainability accreditation or show evidence of their sustainability credentials.

9.4 Marketing and Promotion

Lack of Destination Branding and Marketing Strategy

The lack of a clear brand and effective destination marketing is a major obstacle for SME tour operators trying to sell holidays to Uganda in the source markets. Before they can sell their specific itinerary, tour operators first have to raise awareness of Uganda as a safe, beautiful and interesting country to visit.

A 3-year branding and marketing strategy as well as a consistent budget are required to deliver a long-term return on investment and avoid the 5% decline in tourism from Europe as experienced from 2013 to 2017.

The current lack of research and the limited understanding of traditional markets, niche trends as well as emerging markets inhibit the development of suitable products to attract these markets. This market intelligence is also needed in order to inform a destination branding and marketing strategy, so it can position Uganda against its strong regional competitors.

UTB, its market representation companies and Kampala-based tour operators all need to understand the range of experiences available in the less-visited regions, so they can start to include them in itineraries and promote them to the appropriate audiences.

Lack of a Crisis Management Strategy

The North American and European markets are very sensitive to health scares (particularly Ebola), political as well as security risks (e.g. elections) and various moral issues (e.g. hunting safaris, intolerance towards the LGBT community). The branding and marketing strategy should include guidance on crisis management as well as Uganda’s position on sensitive issues.

Absence of Advance Planning for International Trade Fairs

To capitalise on the opportunity that international trade fairs offer SME providers to build relationships with international trade buyers, good preparation and well-organised meetings are required. If booked at short notice without sufficient preparation, they are an expensive and ineffective investment.

Late sign-off on its budgets can cause UTB's participation in international trade fairs to be confirmed at short notice. This fact makes it difficult for tour operators to plan worthwhile meetings. There is a strong demand from tour operators to attend trade fairs, so they would be an effective way to promote destination Uganda if well planned.

Lack of Large-Scale MICE Convention Centre and MICE Promotion

The lack of a large-scale conference venue limits Uganda's ability to compete in the market for international events. To succeed in the international MICE market, the newly established Convention Bureau will need to develop a marketing strategy that identifies the markets which best match the size of Uganda's venues and which have convenient access routes.

9.5 Tourism Management and Regulation

Limited Sector Coordination

As tourism is a fragmented sector, creating a successful destination involves the public and private sector working together as well as coordinating their activities to create a well-managed and regulated environment that enables private-sector tourism businesses to prosper.

Inadequate Data Collection

Improved data collection and analysis is required for ensuring that accurate market intelligence is available to sector stakeholders, in order to inform investment decisions and more effectively manage as well as market destinations and products.

The phasing out of immigration cards when e-visas were introduced, and the consequent lack of arrival data for 2018 and 2019, highlights the urgent need to establish an effective data collection process.

The most recent survey of the domestic market was in 2013, so a new survey is needed to establish whether and how it is growing.

Uncoordinated Planning and Regional Development

There is no coordinated planning approach to developing the TDAs and there is a lack of a clear strategic direction across the sector.

An audit of the current visitor accommodation needs to be undertaken so as to identify gaps in the offer and particularly whether there is sufficient mid-range accommodation to meet the needs of the target markets. This review would need to include the UWA's current and planned concessions in the national parks.

For tourism to diversify in new regions, the tourism capacity of local government officials will need to be enhanced. The local private-public sector clusters must be supported to create regional destination management plans and become sustainable.

Insufficient Enforcement of Regulations

Enforcement of regulations is required in order to ensure that operators deliver the international standards of health and safety expected from accommodation as well as food services, in addition to Uganda's safari activities and adrenaline sports.

The current lack of a national accommodation accreditation scheme makes it difficult to assess the quality of accommodation across the country and increases the reliance on consumer reviews.

ELEMENT 4: POSSIBLE INTERVENTIONS AND ACTIVITIES TO SUPPORT A MORE COMPETITIVE VALUE CHAIN IN UGANDA

10. POSSIBLE ACTIVITIES TO SUPPORT A MORE COMPETITIVE VALUE CHAIN

The potential interventions that could support the tourism value chain to become more competitive are grouped under the 5 priority areas used in the NTSCP 2015/2016–2019/2020, which complement the TMP 2014–2024. These priorities are also consistent with the areas of focus in the Tourism Development Roadmap commissioned by the Embassy of the Kingdom of the Netherlands in Uganda. They are:

A. Tourism Management and Regulation;
B. Marketing and Promotion;
C. Tourism Product Development;
D. Natural and Cultural Resource Conservation;
E. Human Resources Development.

The tables below indicate activities that would help Uganda's tourism sector to become more competitive. Potential local and external delivery partners are proposed, including activities that could be part of the CBI programme. The activities highlighted in **blue** are those that are also included in the Tourism Development Roadmap.

Prior to the outbreak of the COVID-19 pandemic, CBI planned for these activities to be discussed at a stakeholder validation workshop that was to be held in Kampala during March. The aim of the workshop was to identify which are the priority activities as well as which local and international partners are the best placed to deliver them. Due to the cancellation of the stakeholder validation workshop, the VCA was circulated to tourism stakeholders during May 2020 and the feedback has been incorporated into this report.

A. Tourism Management and Regulation

Proposed Activity	Local Partners	External Partner
Strategic direction and planning for the tourism sector to include TMP 2014–2024 mid-term review as well as NTDSP Strategic Objectives and Action Plan	MTWA	CBI
National Tourism Coordination Platform to coordinate communication across public and private tourism sector	MTWA, UTB	
Statistics and data collection and management Data analysis – develop TIMS system and TSA tables Measurement of tourism and impact of marketing	MTWA	CBI
Planning support for the development of PPP investment feasibility and technical studies	MWTA, UTB, UTA	TMEA
Regional Tourism Development Areas – Cluster institutional development TDA Destination Management Plans Capacity-building of district tourism officers	Regional clusters, MTWA	CBI
Accommodation – national **audit** and assessment of the need for mid-range or other accommodation	UTB	
Accommodation – **quality assurance scheme**	EAC, UTB, UHOA	EAC
Sustainability accreditation for tourism businesses	UTA, AUTO, UHOA, private sector	EU TourCert Travelife
Private-sector association institutional strengthening	UTA, AUTO, UHOA, USAGA, UCOTA	CBI
Enforcement of regulations – waste management, unlicensed operators	UTB, AUTO, UWA	

B. Marketing and Promotion

Proposed Activity	Local Partners	External Partner
Source market research to inform branding, marketing strategy, international campaign delivery	UTB, UTA members	CBI
Branding and Marketing Strategy based on research in source markets, *to include:*	MTWA, UTB	CBI
Digital Content Marketing Strategy – content creation to support brand, digital expertise, campaign delivery	UTB, MRCs, private sector	CBI
Destination marketing investment to build awareness and sales targets in leisure markets	UTB, MRCs	
Access to markets – build linkages, trade fair support	UTB, UTA, AUTO	CBI
Marketing of less-developed regions to appropriate niche markets (coordinate with product development)	UTB, AUTO, MRCs, regional clusters	CBI
MICE Strategy and Convention Bureau – review and development	MTWA, UTB	

C. Tourism Product Development

Proposed Activity	Local Partners	External Partner
Niche Market Intelligence to inform market-led product development	UTB, MTWA	CBI
Domestic visitor survey to identify product opportunities	Regional clusters	
Funding mechanism for MSME and community product development		
Incentives for business to invest in new products	MTWA, UIA	
Development of infrastructure (e.g. roads) to improve transport in/to national parks and tourist hotspots	UNRA, UWA, MTWA, MFPED	
Development of tourism circuits and products to meet niche market demand, including MSME and public-private partnership investment in birding, community-led cultural and agritourism, cycling, ecotourism, hiking, water-based activities, religious sites. Focus on developing NE and SE TDA regions – Karamoja, Mt Elgon plus Rwenzori	UWA, UTA AUTO, USAGA, UCOTA, THSSC, regional clusters (EETA, RWERA & training academies	TMEA
Incubation support for innovative tourism products	UTA, Impact Cluster	Embassy of the Kingdom of the Netherlands, PUM
Development of mid-range accommodation at strategic points	UHOA, UWA, UTB, private sector	
Jinja Destination Management Plan to reposition the 'post-dam' Adventure Capital of East Africa	UTB, UTA, Jinja Cluster group	

D. Natural and Cultural Resource Conservation

Proposed Activity	Local Partners	External Partner
Enforcement of environmental regulations	UWA, NEMA, NFA	
Review of potential for **pressures on primate trekking** to devalue the experience and cause negative reviews	UWA, UTB, MRCs	Wildlife CSO
Market Intelligence to support Community Conservation	UWA, UCOTA	CBI
Improvement of visitor facilities and interpretation in national parks as well as identification of income-generating opportunities, e.g. visitor centres, retail (craft, local produce)	UWA, UCOTA, local communities, regional tourism clusters	
Promotion of using solar appliances at hotels, lodges and transport providers	UTA, Solar Now, private sector	

E. Human Resources Development

Proposed Activity	Local Partners	External Partner
Capacity-Building of Existing Training Institute – quality curricula and Train the Trainers, quality on-the-job training and internships	UTB, UTA, HTTI, DIT, Mango Tree, EoW, THSSC, private sector	Enabel EU VET Toolbox PUM
Update of DIT's Assessment and Training Packages	MTWA, DIT, UTB, UTA, THSCC, private sector	Enable EU VET Toolbox
Continuous Professional Development –in-house training for current tourism professionals	UTA + members, KTA, RTA Safarisharing.com Sebei Tourism Development Platform	Enable EU VET Toolbox PUM
Capacity-building for tour operators	AUTO, Safarisharing.com	
Continuous Professional Development for public sector, including digital marketing skills to improve online presence of destination	UTB, UWA	CBI
National Guide Training accreditation Support for training of women guides	USAGA, THSCC, TPIWG/ MES	
Employment Facilitation Programme – linkage to employers, apprenticeship, internship, soft skills training	UTA, THSSC, MGLSD, TPIWG	

11. CONCLUSION

The tourism sector in Uganda has great potential but is in need of focus, clear direction and planning. While the recommendations of the TMP are used as a general guide for the 5-year TSNDP, the proposed TDAs have not been developed in any coordinated way.

This fact is partially due to the lack of data and market intelligence on niche market trends in Uganda's traditional source markets in Europe as well as North America, and the potential of new emerging markets, intra-African travel and the domestic market. Technical expertise and investment funding are also required.

Uganda has so much to offer, but it is unsure how to position itself and has yet to develop a strong brand narrative. Consequently, the source markets are not aware of what Uganda has to offer and it is safer for all stakeholders to continue promoting as well as selling primate trekking. The continual focus on and growing popularity of primate trekking risks devaluing the visitor experience of Uganda's most valuable product, while it fails to maximise the potential benefits for tourism across the country,

Driving tourism to new regions will entail focused leadership, a well-coordinated sector, as well as investment in infrastructure, new products, marketing and human resources.

The VCA identifies areas where external support could help Uganda's tourism sector to create sustainable employment, spread economic growth more widely across the country and support the achievement of the Sustainable Development Goals.

Many of the issues raised in the VCA are fundamental to the long-term competitiveness and growth of Uganda's tourism sector, while the need for them to be addressed is even more urgent due to the impact of the COVID-19 crisis.

In the short term, Uganda will need to focus on domestic, expatriate and regional markets while the international source markets recover. It is likely that these markets will greatly value high-quality, sustainably managed destinations that offer nature and wildlife experiences.

When the international source markets start to travel again, it will be in a highly competitive environment. To be visible in this marketplace, it will be particularly important for Uganda to have a well-diversified product offer, a clear market position and a well-focused proactive digital marketing campaign.

To achieve this aim, support for the sector needs to be focused on:

- Market-driven planning and product development;
- A national branding and marketing strategy;
- Skills training to meet customer expectations and safety concerns;
- Sustainability training and accreditation.

ANNEX

A. NON-AFRICAN MARKETS GENERATING MORE THAN 0.1% OF ARRIVALS IN 2017

Region and Country	No. of Arrivals (2017)	% Market share 2017	% Change 2017-16	% Change 2017-13
Americas				
USA	61,775	4.4	7%	9%
Canada	13,100	0.9	33%	35%
Europe				
United Kingdom	33,564	2.4	15%	-22%
Netherlands	9,955	0.7	9%	33%
Germany	8,273	0.6	-22%	-25%
Italy	7,377	0.5	3%	4%
Denmark	6,493	0.5	20%	90%
Sweden	6,121	0.4	16%	8%
Belgium	5,996	0.4	14%	19%
France	5,604	0.4	11%	22%
Austria	3,025	0.2	-6%	75%
Norway	3,004	0.2	-7%	18%
Israel	2,427	0.2	-6%	127%
Switzerland	2,152	0.2	-6%	-26%
Spain	1,892	0.1	-19%	-13%
Turkey	1,405	0.1	-31%	-41%
Ireland	1,351	0.1	-14%	-20%
Middle East				
UE	5,755	0.4	9%	74%
Egypt	3,196	0.2	-47%	28%
Asia				
India	35,681	2.5	18%	25%
China	16,842	1.2	-12%	56%
Bangladesh	4,618	0.3	26%	-30%
Japan	2,678	0.2	-29%	-31%
Pakistan	2,379	0.2	-37%	-23%
Nepal	1,392	0.1	5%	-66%

Source: UNWTO Yearbook of Tourism Statistics, 2019

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C. EUROPEAN TOUR OPERATORS

The websites of 35 European tour operators who sell Uganda were analysed and phone consultations were conducted with 15 of them in September 2019 (highlighted in bold).

1	Weltweitwandern	Austria
2	Life Earth Reisen	Austria
3	**Pinto Africa**	Austria
4	Trekking Bureauet	Denmark
5	Blixen Tours	Denmark
6	**Rickshaw Travels**	Denmark
7	Nomade Aventure	France
8	Voyage en Afrique de l'Est	France
9	**Makila**	France
10	Ecoway Travel	Italy
11	TOA & DMC Tour Operator	Italy
12	**Mahlatini**	Italy
13	**Thürmer Tours**	Germany
14	**Wigwam Tours**	Germany
15	**Kazinga Tours**	Netherlands/Uganda (+ Germany, UK)
16	Jambo Safari Club	Netherlands
17	Pangea	Netherlands
18	Habari Travel	Netherlands
19	Undiscovered	Netherlands
20	**Matoke Tours**	Netherlands/Uganda
21	Africa Wildlife Safaris	Netherlands
22	Tenzing Travel	Netherlands
23	**Impala Tours**	Netherlands
24	**Tembo Afrika**	Netherlands
25	Viajes Viatamundo	Spain
26	Catai	Spain
27	Taranna	Spain
28	Kilroy	Sweden
29	Kenzan Tours	Sweden
30	**Aventyrs Resor**	Sweden
31	Varlden Resor	Sweden
32	**Vanilla Tiger**	Switzerland
33	**K E Adventure Travel**	United Kingdom
34	**Brilliant Uganda**	United Kingdom
35	**Kamageo Market Rep Comp**	United Kingdom

D. UGANDAN STAKEHOLDERS CONSULTED DURING JANUARY 2020

Organisation
Adere Safari Lodge, Kidepo Valley National Park
Adventure Consults
Africa Wild Explorations
Afrika Panthera Safaris
Association of Uganda Tour Operators
Bergwandelen.com
Bunyoni Safari Lodge
Buutu Safaris, Jinja
Camp Beseri Ltd – Amabere Caves and Waterfall + community campsite
Casa Uganda Safaris and Lodges, Mbale
Cycling Safaris Uganda
Embassy of the Kingdom of the Netherlands
Enabel
EyeOpenerWorks
Home of Friends
Jinja Ministry of Tourism
Jinja Ministry of Tourism and UTB
Kabarole Tours
Kagera Safaris
Kara Tunga Arts and Tours, Moroto; Discover Karamoja; Karamoja Tourism Academy
Kibale Forest National Park, UWA
Kidepo Valley National Park
Lodge, Rwenzori Tourism Academy
Matoke Tours and Dutch Impact Cluster
Ministry of Tourism, Wildlife and Antiquities
Mount Elgon National Park
Ndale Lodge
Nile River Explorers, Jinja
Nile River Resort, Jinja
Nkuringo Safaris: Bwindi Gorilla Lodge, Papyrus Guest House Entebbe, Walking Safaris
Pian Upe Wildlife Reserve Area
Policy Analysis and Planning Division, MTWA
Red Chilli Hideaway/Rest House
Red Chilli Rest Camp
Red Dirt Uganda
Rena Foundation/Rwenzori Tourism Academy

Rwenzori Regional Tourism Cluster
Savannah Lodge, Kidepo Valley National Park
Turaco Treetops Lodge
UCOTA
Uganda Tourism Association
Uganda Tourism Board
Uganda Wildlife Authority
Uganda Wildlife Education Centre (UWEC)
USAGA
UWA Kidepo Valley National Park
UWA Murchison Valley National Park
White Nile Walking Safaris
Wild African Explorations + Jinja representative USAGA