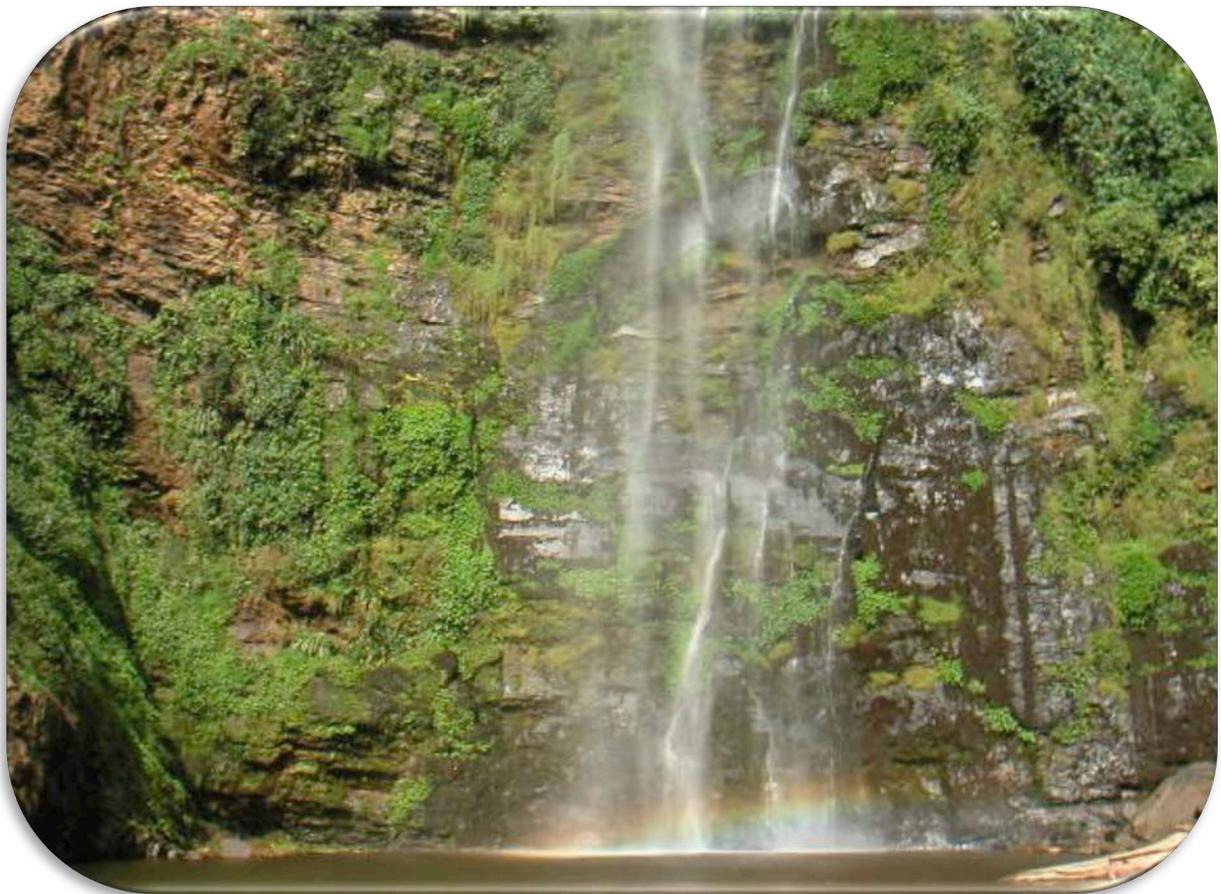


Diagnostic Study of Tourism in Ghana



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Acronyms and Abbreviations

ACET	African Center for Economic Transformation
GDP	Gross Domestic Product
GHA	Ghana Hotels Association
GHATOF	Ghana Tourism Federation
GIPC	Ghana Investment Promotion Centre
GMMB	Ghana Museums and Monuments Board
GTA	Ghana Tourism Authority
GTDC	Ghana Tourism Development Company
HOTCATT	Hotel, Catering and Tourism Training Centre
KIA	Kotoka International Airport
MDAs	Ministries, Departments and Agencies
MMDAs	Metropolitan, Municipal and District Assemblies
MTCCA	Ministry of Tourism, Culture and Creative Arts
TSA	Tourism Satellite Account
TTCI	Travel & Tourism Competitiveness Index
UNESCO	United Nations Educational, Scientific and Cultural Organization
WEF	World Economic Forum
WTTC	World Travel & Tourism Council

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Abstract

Tourism is a significant contributor to economic growth and development in Ghana. It is a major source of foreign exchange, employment and government revenues. In 2013, the direct contribution of the Travel & Tour industry to Ghana's GDP was US\$1.34 billion, representing 2.8% of GDP. The number of jobs directly supported by tourism was 124,000 and Travel & Tour investment amounted to US\$303 million in 2013. Ghana's tourism industry development indicators have increased over the years. International tourist receipts increased from US\$970 million in 2008 to US\$1,068 in 2013. The number of annual international visitors to Ghana is now roughly 950,000 and is expected to grow to 1.5 million by 2024.

The potential for tourism growth in Ghana is huge. The country possesses considerable and diverse tourism assets that can be leveraged with tourism support services, infrastructure, marketing and Ghanaian hospitality to accelerate tourism growth and employment. There are opportunities for the development of ecotourism, cultural and heritage tourism, conference and business tourism, leisure tourism and beach resort tourism in Ghana. However, when compared to other countries in Africa, such as Kenya and Senegal, Ghana ranks lowest on selected tourism development indicators.

There are many issues and challenges facing tourism in Ghana. The key ones identified in the report are: 1) limited understanding of tourism as a tool for economic development; 2) inadequate investment in the tourism sector; 3) poor infrastructure and tourism support services; 4) Ghana as a high cost tourism destination; and 5) lack of professionalism and poor service quality in the tourism industry. The report proposes solutions to address these challenges and help position tourism as a pathway for economic growth and structural transformation in Ghana.

1.0 Introduction

The African Center for Economic Transformation (ACET) has identified tourism as a pathway for economic growth and structural transformation in Ghana. Together, the 2014 *African Transformation Report* and the *Ghana Economic Transformation Case Study* (ACET 2012) provide a macro view of the economic performance and prospects for the Ghana tourism industry.

This report gives an overview of Ghana's tourism sector and discusses the prospects, challenges, and possible solutions to form the background for discussion at the Ghana Transformation Forum. The report also discusses recent developments, including policy innovations, legislation, and statistical data for the past six years.

2.0 Overview of the Tourism Sector in Ghana

The tourism sector is a significant contributor to economic growth and development in Ghana. Tourism is a major source of foreign exchange, employment, and government revenue. In 2013, the direct contribution of the Travel & Tourism industry to Ghana's GDP was US\$1.34 billion, representing 2.8% of GDP. The direct contribution measures spending by services that cater to domestic and international tourists. These services include accommodation, food and beverage, transportation, culture, sports and recreation as well as retail trade. The total contribution of tourism to the economy is much larger when the Travel & Tourism industry's expenditures on investments, government taxes, materials, labor, energy, etc., are included. In 2013, total contribution of Travel & Tourism to Ghana's economy was US\$3.19 billion, representing 6.67% of GDP. Tourism's direct contribution to the economy has grown from US\$1.03 billion in 2008 to US\$1.34 billion in 2013 (Table 1). During the same period, the number of jobs directly supported by tourism decreased from 155,100 to 124,700. Travel & Tourism investment increased from US\$303 million in 2008 to US\$403 million in 2013.

Total spending on Travel & Tourism in Ghana has shown steady growth, increasing from US\$1,982 million in 2008 to US\$2,372 in 2013. International tourist receipts fluctuate but they have generally been rising; they increased from US\$970 million in 2008 to US\$1,068 million in 2013. International tourist receipts constituted about 45% of total spending in 2013. The annual number of international tourists is estimated to be about 950,000 now and is expected to grow to 1.5 million by 2024 (Table 1). International tourist receipts constitute the fourth highest source of foreign exchange for Ghana, after gold, cocoa, and foreign remittances.

Ghana Immigration Service statistics for 2011 show that the leading sources for international visitors were Nigeria (19%), USA (13%), UK (9%), Cote d'Ivoire (5%), and 3% each for Canada, Germany, India, Netherlands, and South Africa. Ghana Tourism Authority statistics for 2009 show that the top three reasons for visiting Ghana were business, conferences, study/training (40%), visiting friends and family (25%), and holiday travel (20%). The tourist sites that attracted the most visitors (domestic and international) in 2013 were Kakum National Park (184,000), Cape Coast/Elmina Castles (157,000) Kwame Nkumah Memorial Park (93,000), Kumasi Zoo (68,000), Wli Waterfalls (63,000), and Manhyia Palace Museum (51,000).

Travel & Tourism establishments in Ghana include hotels, tourist shops, tour operators, car rentals, and restaurants. The hotel subsector is the largest and most dynamic. The number of hotels was 1,775 in 2013 with 28,028 rooms. The number of licensed star hotels was 872. Most of the star rated hotels are concentrated in Greater Accra (Table 2). Unbranded guesthouses and lodges dominate the accommodation market but many of them do not meet international standards and have poor quality of service. Ghana's hospitality sector is becoming a prime development target for major multinational hotel chains looking to expand in Africa. In 2013, there were more than 1,400 hotel rooms under development in Ghana, some of which include developments by global hotel brands such as Kempinski and Marriott. Regarding the other sub-sectors, GTA statistics for 2010 show that there were 255 tour operators, but less than 60 had IATA licenses; there were 91 licensed car rental companies but less than 10 had top ratings; and there were about 360 licensed restaurants and nightclubs but less than 50 had top ratings. Most of the operators in the non-hotel subsector of the Travel & Tourism industry are small businesses. The presence of international travel and tour operators is limited.

There is significant activity in the air transport subsector. Kotoka International Airport (KIA) remains the only airport in Ghana for international flights. Currently, there are 27 international airlines and six cargo airlines operating from KIA. Ghana Airport Company statistics for 2013 show 23,400 international aircraft movements and 1.67 million passengers, including arrivals and departures. There are also five domestic airlines serving three domestic airports from KIA. There were 18,500 domestic aircraft movements and 780,000 passengers in 2013.

Kenya and Senegal are good tourism comparators for Ghana. The three countries are all lower-middle-income countries. Senegal is considered equally attractive to Ghana in the West African sub-region and Kenya is considered more attractive than Ghana in Africa. Both Ghana and Senegal have considerable strengths in heritage and cultural tourism while Kenya is a global destination for nature tourism and has considerable strengths in culture, beach, and business/conference tourism. Economic profiles of the three countries are shown in Table 3.

Ghana's overall ranking in the World Economic Forum's (WEF) 2013 Travel & Tourism Competitiveness Index (TTCI) was 119 out of 140 countries. Kenya and Senegal outperform Ghana, ranking 96 and 107, respectively (Table 4). Both comparators rank better on natural and cultural assets largely because they have more UNESCO World Heritage sites and do better in protecting their marine and natural habitats. However, the quality of Ghana's natural environment and richness of the fauna is comparable to Kenya, a global leader in nature tourism; Ghana leads the comparators in terms of creative cultural exports, perhaps due to the international recognition of its traditional textiles and designs as well as the pre-eminence of chieftaincy and pageantry in the country's traditional cultures.

Insufficient prioritization of tourism hurts Ghana's competitiveness compared to the comparators. Kenya ranks 23 globally in tourism prioritization while Ghana ranks 119. The level of Ghana's tourism infrastructure (hotels, car rentals, and ATM service) as well as health and hygiene appear comparable to what prevails in Kenya and Senegal. However, Ghana underperforms the comparators on air transport infrastructure and maintains high airport taxes and charges like most countries in the region. Kenya suffers from safety and

security issues due to political and religious extremism, insurgencies, and high crime. Ghana has an inflexible visa regime, ranking 125 globally compared to Kenya's rank of 18. While the three countries perform favorably with respect to the population's attitude to tourism, Senegal's global ranking of 6 compared to 45 for Ghana points to a need to raise the level of sophistication in Ghana's tourism performance. Not surprisingly, Ghana's performance on customer orientation is significantly worse than Kenya and Senegal, which ranked 63 and 51, respectively, compared to 100 for Ghana (Table 4).

3.0 Potential of the Tourism Industry in Ghana

Ghana has considerable and diverse tourism assets. These assets have been comprehensively identified in past and current tourism development plans. Ghana's tourism assets are usually organized into four sectors: 1) natural attractions; 2) historical heritage; 3) cultural heritage; and 4) other attractions. These assets can be leveraged with tourism support services, infrastructure, marketing, and the friendly, hospitable disposition of Ghanaians to accelerate tourism growth and employment. Ghana's tourism assets offer opportunities for the development of ecotourism, cultural and heritage tourism, conference and business tourism, leisure tourism, and beach resort tourism.

Natural attractions in Ghana include national parks, resource reserves, wildlife sanctuaries, and wetland reserves. In addition, there are good beaches, lakes and rivers, waterfalls and general scenic beauty. Kakum and Mole national parks are the most developed but Kakum has become the best known tourism attraction in Ghana because of its canopy walkway and proximity to Cape Coast. Other well-known natural attractions include Boabeng-Fiema monkey sanctuary, Nzulezo stilt settlement, Shai Hills resource reserve, Wli waterfalls and the Volta Lake. These natural attractions provide opportunities for ecotourism, beach tourism, and adventure tourism.

Ghana has a large number of historical and archaeological sites, including forts and castles along the coast, traditional buildings, mosques, churches, and major shrines. These include two properties on the UNESCO World Heritage Site: forts and castles, along the coast, and Asante traditional buildings. The forts and castles are over 500 years old and played significant part in the transatlantic slave trade. The traditional buildings include shrines, courtyards, and adinkra symbols that illustrate ideas and beliefs of ancient Asante. These historical assets provide opportunities for cultural heritage tourism. In particular, the large African diaspora in the Americas and the Caribbean have a natural affinity for understanding and experiencing Ghanaian history.

The vibrant customary life in Ghana includes many festivals, such as Aday Kese, Homowo, Odwira, Aboakyir, Hogbestosto, and Damba, as well as, music, dances, traditional attire, decorations, and cultural artifacts promoting traditional authorities and customary life. These provide opportunities for cultural tourism all over the country.

Other tourism assets center around urban areas, especially Accra, Kumasi, and the regional capitals. As the capital city, seat of government and main business center, Accra provides opportunities for conference and business tourism. Accra is the gateway to Ghana, adequately serviced by flights to international and regional destinations. It has many star-rated hotels, including four- and five-star hotels that cater to the business market. It has many

conference facilities, the World Trade Center, the International Conference Center, trade fair pavilions, universities, a stadium, and shopping malls. And there are museums, national monuments, arts and craft markets, restaurants, and entertainment for leisure tourism.

4.0 Institutional, Policy and Legal Environment

The Ministry of Tourism, Culture and Creative Arts (MTCCA) is responsible for formulating national policies and regulations for tourism, culture, and creative arts. The Ghana Tourism Authority (GTA), an agency of MTCCA, is responsible for implementing tourism policies, including the regulation of tourism establishments. GTA registers, inspects, licenses, and classifies tourist accommodation, catering services, and travel and charter operations. It also promotes and markets Ghana as an international and sub-regional tourism destination. The Tourism Act, 2011 (Act 817) empowers GTA to invest in tourism infrastructure and facilities. The Ghana Tourism Development Company (GTDC), a joint venture of GTA and state-owned financial institutions, is a vehicle for tourism development through public-private partnerships. GTDC has investments in several tourism businesses, including Novotel hotel and the duty free shop at the Kotoka International Airport.

Other agencies under the MTCCA include the Ghana Museums and Monuments Board (GMMB) and the Hotel, Catering and Tourism Training Centre (HOTCATT). GMMB is the legal custodian of, Ghana's cultural heritage. It is responsible for acquiring, preserving, and documenting Ghana's material cultural heritage. All the museums, castles, forts, and heritage sites are under the management of GMMB. HOTCATT is the government training institution responsible for developing skills for the tourism industry. The focus is on lower- and middle-level training in hospitality and tourism, especially hotel and catering operations, front office and housekeeping, food and beverage service, and tour guiding. Government has approved the restructuring of HOTCATT into an accredited National Tourism and Training Institute through a public-private partnership.

Other Ministries, Departments and Agencies (MDAs) that are relevant to tourism development include Ghana Investment Promotions Centre (GIPC), which is responsible for promoting investments, and manages various concessions and incentives to attract private sector investments; Ghana Immigration Service, which regulates the entry and departure of tourists to and from Ghana; Wildlife Division of the Forestry Commission, which manages nature attractions, wildlife, and protected areas; and Ghana Airports Company, which manages all the airports and air strips in the country. In addition, MTCCA collaborates with Metropolitan, Municipal and District Assemblies (MMDAs) to ensure that they incorporate tourism development into their annual plans for the communities they administer.

Traditional rulers and chiefs are also important to tourism development as they often own and control tourism sites as well as land that may be needed for tourism infrastructure. They also spearhead the organization of festivals and are the custodians of Ghana's rich traditional cultural heritage. A number of non-governmental organizations have also been active over the years in promoting tourism in Ghana, especially ecotourism. These include the Ghana Heritage Conservation Trust and the Ghana Wildlife Society.

The private sector of the tourism industry is represented by numerous associations covering hotels, travel and tours, caterers, car rentals, tour guides, forex bureaus, and others. Their apex organization is the Ghana Tourism Federation (GHATOF). Tourism associations are organized to promote the interest of their members, inform them of legislation and regulations affecting the industry, and dialogue with government on issues concerning the industry. GHATOF is represented on advisory boards and technical committees of MDAs whose policies and activities impact tourism.

Some challenges identified by stakeholders regarding the institutional environment for the tourism industry include the following:

- Management, control, and ownership of most of the tourism assets and infrastructure in the country are scattered among various ministries and institutions, as well as communities and traditional authorities. Many of the institutions do not have tourism as their core mandate and they report to and take instructions from other MDAs. Weak coordination and collaboration between MTCCA and other MDAs creates challenges for tourism development and management.
- Inadequate funding and logistical constraints limit the ability of MTCCA and GTA to deliver effectively on their mandates. In particular, GTA will be overstretched as it attempts to implement the numerous responsibilities it has been assigned in the Tourism Act, such as placing officers in every district and collecting levies from all tourism establishments.
- There is no officially recognized national tourism policy document, only a draft document developed in 2006 that is not in harmony with the current institutional and legal environment.
- Weak policy development capacity at MTCCA and weak regulatory and tourism marketing capacity at GTA.
- Weak institutional capacity of GHATOF and the numerous tourism associations. Some tourism operators stated that their associations lack clout and advocacy capacity to influence government policy in areas that impact their industries.
- Inadequate collection and dissemination of tourism data and statistics.

5.0 Skills Needs

Key informants indicated that there is a skills gap in all member associations of GHATOF, especially in supervisory positions. Specific skills needs mentioned include front desk management, customer service, housekeeping, destination planning, tour operations, events management, and general tourism business management. HOTCATT has limited capacity and is unable to meet the needs of the industry. Various institutions—including the University of Cape Coast, GIMPA, the Polytechnics and some private institutions—have started tourism-related courses. However, private operators interviewed pointed out that these courses are not tailored to the skills needs of the industry. Also there are no national standards in curriculum and most of the programs are not accredited. They noted that an effective apprenticeship scheme is also needed in the tourism industry. Apprenticeship programs would be most beneficial for hotels, airlines, and travel, and tours establishments.

6.0 Ongoing Programs and Initiatives

Some ongoing initiatives highlighted by stakeholders to boost the tourism sector include: 1) Tourism Development Plan; 2) Tourism Development Fund; 3) Incentives and concessions to tourism investors; 4) Skills and service quality improvement; and 5) strengthening and streamlining tourism data collection.

1) A **National Tourism Development Plan** (2013–2027) has been formulated to serve as the framework for the development of the tourism industry over the next 15 years. The plan provides a comprehensive analysis of Ghana tourism, including tourism resources, institutional and policy framework, tourism infrastructure and services, marketing of Ghana tourism, a tourism statistical system, conservation and environmental issues, and community involvement. The plan aims to consolidate and enhance existing resources in the Accra-Kumasi-Cape Coast triangle and develop new attractions along the beaches and the north-south Volta Lake corridor. The plan articulates the need to develop strategies to market Ghana tourism in targeted international and regional markets.

MTCC and its agencies are implementing the first phase of the Tourism Development Plan, spanning 2013–2017. There is ongoing capacity building at MTCC, GTA, and HOTCATT as well as restructuring of the institutions to improve coordination and effectiveness. MTCC is working with UN World Tourism Organization to seek funding to develop management and master tourism plans for selected tourism resources, including Elmina Castle, Kakum National Park, Kumasi Craft Villages, and Mole National Park. An Accra Visitor Information Centre is close to completion.

2) A **Tourism Development Fund** has been set up under the Tourism Act to provide funding for tourism and tourism-related projects and programs, including tourism marketing and capacity building. The Tourism Development Fund is to be financed from a one percent tourism levy payable by patrons of tourism enterprises on goods and services consumed as well as earnings from the fund's operations and investments. Stakeholders have pointed to a number of challenges for the fund. The system to collect the levy is not well developed and stakeholders have not agreed upon a formula for disbursing the funds. The levy has been applied since October 2012 and had accrued GHS8 million as of September 2014. Star rated hotels contributed 85%, budget hotels contributed 10%, and catering services contributed 5%.

3) Various **incentives** are provided under the new GIPC Act, 2013 (Act 865) to help the private sector boost investment in the tourism sector. These include five-year tax holidays and reduced income tax rates of 20%, though enterprises located outside of regional capitals pay 12.5% income tax. Duty exemptions are also given to new hotels for imports of essential equipment such as refrigerators and air-conditioners. However, stakeholders pointed out that the facility has been abused, with some operators overestimating their needs and selling the rest in the open market for profit. This has prompted tighter measures and applications for duty exemption are now reviewed on a case-by case basis.

4) GTA has proposed to extend the process of grading and licensing to restaurants, car rental agencies, and travel and tour operations in order to **improve the quality of service delivery**. Previously, only hotels facilities were graded. GTA is also working with Ghana Hotels

Association to develop a standards document that will harmonize hotel service operations to improve quality service delivery and guest satisfaction. The Skills Development Fund, a government initiative, has released over GHS15 million to GHATOF member associations to upgrade the skills of service providers in safety and hygiene. GHATOF is also collaborating with HOTCATT to train 300 school leavers for the hospitality industry and 200 industry service providers through mobile training programs.

5) To address problems in **data collection and harmonization** in the tourism industry, a multi-sectoral stakeholder committee has been established to facilitate the development of a Tourism Satellite Account (TSA) for Ghana. The objective of TSA, an initiative of the UN World Tourism Organization, is to organize statistical data on tourism from a variety of sources to fully assess the impact of tourism on the economy and its relationship to other sectors. The TSA committee has representation from the MTCC, GTA, Ghana Immigration Service, and Ghana Statistical Service, among others.

7.0 Key Issues and Challenges

Many of the issues and challenges facing tourism in Ghana have been raised in several reports, including the *Ghana Economic Transformation Case Study* (ACET, 2012), *Tourism in Africa* (World Bank, 2013), and the *National Tourism Development Plan 2013-2027*. Most of these issues and challenges also emerged from discussions with key stakeholders in the tourism sector. The key ones are: a) Limited understanding of tourism as a tool for economic development; b) Inadequate investment in the tourism sector; c) Poor infrastructure and tourism support services at tourism sites; d) Ghana as a high cost tourism destination; and e) Lack of professionalism and poor service quality.

a. Limited understanding of tourism as a tool for economic development

Key informants stated that there is lack of understanding of tourism as a tool for economic development among a large segment of top officials in both the public and private sectors, and also within local communities. They feel that the lack of understanding and limited appreciation for tourism contribute to the low level of commitment and priority given to the tourism sector. In 2013, Travel & Tourism directly accounted for 3% of GDP, generated 124,500 jobs, and earned US\$1 billion in foreign exchange, but a large portion of the benefits are derived from the services that support the tourism attractions. In particular, some tourist spending occurs at tourism sites but a larger share usually occurs before and after visiting the site. Without comprehensive and timely data that helps to identify and aggregate the economic benefits of tourism, it is easy to miss its scope and magnitude. Tourism has intangible and experiential dimensions that may not be easily recognized by citizens and officials who interact with tourists. The process of inducing people to visit new places and try new things is complex; it requires special skills in psychology and marketing to do it effectively.

In 2013, Travel & Tour's direct contribution to Ghana's economy was 2.3% of GDP compared to 4.8% and 5.3% in Kenya and Senegal, respectively. The share of Travel & Tour in total employment is also low in Ghana compared to Kenya and Senegal (Table 3). Ghana can gain greater economic benefits from tourism if the sector is targeted for growth and development. The formulation of the 15 year tourism development plan is an important step and a good foundation for tourism development in Ghana. But many things have to be done

in the areas of prioritization, marketing, capacity building, public investments, education, and community involvement to drive the plan.

b. Inadequate investment in the tourism sector

Many of Ghana's tourism assets remain undeveloped. There are attractive opportunities to diversify and grow Ghana's diverse tourism potential in ecotourism, beach tourism, cultural heritage tourism, and conference and business tourism. Most private tourism operators recognize Ghana's potential but they are unable to take advantage of opportunities because they do not have access to affordable capital. Key private operators interviewed indicated that there are limited sources of long-term capital for tourism investments and welcomed the establishment of the Tourism Development Fund. They stressed that the Fund should be used for its intended purpose. It was also noted that ownership of tourism assets by community and traditional authorities and frequent land ownership disputes create challenges for potential investors. Government could play a leadership role by acquiring land for tourism projects, and selling it to potential investors or using it as equity contribution in public-private partnerships.

c. Poor infrastructure and tourism support services at tourism sites

Ghana lacks adequate infrastructure and tourism support services at most of its tourism sites. This is especially acute in rural areas, where most of the attractions are located. Inadequate transportation; poor road networks to tourist sites; poor accommodation, restaurants, and rest stops; and lack of ATM facilities were identified as major challenges. In interviews, stakeholders indicated that the quantity and quality of infrastructure is inadequate. Although there are a few world-class hotels, restaurants, and resorts, these are located mainly in major cities—especially Accra and Kumasi. One clear observation during the interviews was the lack of understanding between the public sector and the private sector as to who should lead the development of tourism infrastructure. Private operators expect government to provide basic infrastructure, but this is not happening at most tourism sites. Public stakeholders interviewed acknowledged the role of government in providing some infrastructure but said government could not do it alone. Poor tourism infrastructure is worsened by poor sanitation around many tourist sites, which makes them unattractive to international visitors.

d. Ghana as high cost destination

Ghana is considered an expensive tourist destination due to the high cost of hotel accommodation, air transport, and visa fees. For example, in 2011, the average daily rate of a room in a four-star hotel in Ghana was US\$315, compared to US\$208 in Kenya and \$165 in the United States. World Bank (2013) relates the high hotel prices to construction cost, and reports that average construction cost for a mid-market hotel in 2010 was US\$250,000 per room in Ghana compared to a median global cost of US\$200,000 per room. Private operators mentioned that high taxes and high fuel and electricity costs contribute to the high tourism cost. They identified more than 12 different taxes and levies that they pay to various government agencies each year. These include Fire Service levies, environmental levy, Tourism Development levy, GTA levies, as well as Food and Drug Authority and MMDA licenses. The prolonged energy crisis, high fuel costs and utility tariffs, as well as the large depreciation of the cedi against major foreign currencies have significantly increased operating costs in recent years and have led to the closure of some tourism establishments. A

case was cited where two hotels in Tema have been put up for sale due to operational difficulties and the inability to repay a bank loan. In Ghana, the content of the meals served in international hotels are imported with high tariffs, which are eventually passed on to consumers. In Kenya, a large part of the food and drinks served at hotels is produced locally.

Ghana has a rigid and expensive visa regime. For example, it is difficult for foreign nationals to obtain a Ghana visa from a third country. This diminishes opportunities for cross-border tourism into Ghana by international visitors traveling from the neighboring countries. Senegal does not require a visa for visitors from major tourist-generating countries and charges modest visa fees for the others; Kenya does not require a visa for tourists from 45 countries and the people from other countries can purchase visas on arrival. In addition, visitors can obtain a visa that is valid in all East African countries.

e. Lack of professionalism and service quality

Stakeholders cited lack of professionalism and poor quality of service across all segments of the tourism industry and attributed it to inadequate skilled manpower in the industry. The government has not been able to get HOTCATT to the level required to address the skills needs of the industry, and the other training institutions have not been able to fill the gap. Some key informants stated that skills development and training have been hampered by the absence of a viable national training institute for the tourism industry. It emerged from the interviews that that most of the staff in the public sector institutions that regulate tourism also need training.

8.0 Proposed Solutions (Recommendations)

Though the potential for the sector as a driver for economic transformation is huge, there are key challenges that continue to impact negatively on the sector. Comprehensive discussions and strategic policies would be needed to address them. The solutions proposed below are based on our discussions with stakeholders and informed by our analysis of the tourism sector. They are offered to stimulate discussions at the GTF.

Issue/Challenge	Proposed Solutions
Limited understanding of tourism as a tool for economic development	<ul style="list-style-type: none"> • Educate public and private sector as well as local communities to the economic benefits of tourism • Sensitize communities at tourism sites to the needs of tourists • Prioritize tourism by: streamlining institutions and policies; formulating a national tourism policy; adhering to the tourism development plan; adequately budgeting for tourism; and instituting comprehensive and timely data collection • Develop and promote domestic tourism products to increase understanding and appreciation for tourism • Aggressively promote and brand Ghana tourism in targeted international and regional markets
Inadequate investment in tourism sector	<ul style="list-style-type: none"> • Promote investments in the tourism sector, offering necessary incentives and support • Develop public-private partnerships to catalyze investment into potentially

	<p>high impact tourism opportunities, such as beach resorts, safaris, etc.</p> <ul style="list-style-type: none"> • Use Tourism Development Fund to support investment and capacity building in the tourism sector • Create land banks to facilitate large-scale tourism projects and encourage local communities to make land accessible for tourism development
Poor infrastructure and support services at tourism sites	<ul style="list-style-type: none"> • Improve road network to tourism sites • Develop intermodal transportation packages to selected tourism sites, especially using air and marine transport • Develop and/or upgrade infrastructure, accommodation, eating, banking, and recreational facilities at tourism sites • Strengthen public-private partnership in the sector to facilitate tourism investments • Adopt a tourism cluster strategy to encourage co-location of tourism establishments and their suppliers
Ghana as high cost destination	<ul style="list-style-type: none"> • Organize charter flights and hotel packages for tourists from targeted international and regional markets • Improve visa regime, reducing visa fees and granting visa on arrival to tourists from targeted international markets • Encourage tourism operators to register with, and take advantage of, GIPC incentives for the sector • Review taxes, levies, and fees that adversely impact tourism growth and development • Promote the use of local goods by tourism establishments
Lack of professionalism and service quality	<ul style="list-style-type: none"> • Develop and/or strengthen institutions offering training in tourism sector, aligning curriculum and training to industry needs • Provide training and certification programs for service providers, benchmarking best practices • Strengthen quality assurance to improve service delivery by tourism establishments • Build capacity for tourism sector public officials

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Table 1: Travel & Tourism Contribution to Ghana's Economy

	2008	2010	2012	2013
GDP (US\$ millions)	28,528.0	32,174.2	41,740.9	47,928.7
Direct Contribution (US\$ millions)	1,032.7	925.4	1,322.3	1,340.8
Total Contribution (US\$ millions)	2,441.3	2,220.6	3,118.8	3,191.2
Capital Investment (US\$ millions)	303.1	285.9	387.0	403.1
Direct Employment (number)	155,100	130,700	128,900	124,700
International Tourist Receipts (US\$ millions)	970.0	705.6	1,154.0	1,068.1
Domestic Tourist Spending (US\$ millions)	903.6	921.7	1,180.7	1,393.7
Total Tourist Spending (US\$ millions)	1873.6	1627.3	2334.8	2371.8
International Tourist Arrivals (number)	--	931,000	--	1,187,000*

Sources: World Travel & Tourism Council and World Development Indicators, World Bank

*2014 forecast by WTTC

Table 2: Distribution of Licensed Star Hotels, 2013

Region	No of Hotels	5 Star	4 Star	3 Star	2 Star	1 Star	Budget
Greater Accra	309	2	5	7	53	43	200
Ashanti	109		1	1	14	12	81
Eastern	99			3	7	13	76
Central	92			6	5	10	71
Western	68			4	7	20	37
Volta	56				2	6	48
Brong-Ahafo	44			1	1		42
Northern	39				9	2	28
Upper East	39					5	34
Upper West	17					1	16
Total	872	2	6	22	98	111	633

Sources: Calculated from GTA 2013 Directory

Table 3: Country Economic Profiles, 2013

	Ghana	Kenya	Senegal
Population (millions)	25.90	44.35	14.13
GNI per capita (current US\$)	1814	1238	1033
GDP (current US\$ billions)	48.14	55.24	14.79
International Tourist Receipts (US\$ billions)	1.07	1.87	0.63
Travel & Tour Direct Contribution to DGP (% of GDP)	2.8	4.8	5.3
Travel & Tour Direct Employment (% of total)	2.3	4.1	4.5
GDP growth (annual %)	7.59	5.74	2.80

Sources: World Development Indicators, World Bank; World Travel & Tour Council

Table 4: Travel & Tourism Competitiveness Rankings (out of 140 countries)

Travel & Tourism Competitiveness Index 2013	Ghana	Kenya	Senegal
Overall Ranking	117	96	107
Natural Resources	82	14	46
Cultural Resources	114	97	69
Prioritization of Travel & Tourism	119	23	69
Tourism Infrastructure (hotels, car rental, ATM)	102	104	94
Health and Hygiene	122	131	120
Air Transport Infrastructure	108	77	94
Tickets, Taxes and Airport Charges	129	122	138
Safety and Security	98	135	86
Visa Requirements	125	18	110
Attitude of Population toward Foreign Visitors	46	51	6
Degree of Customer Orientation	100	63	51

Source: World Economic Forum, 2013

APPENDIX 1: KEY INFORMANTS INTERVIEWED

ORGANIZATION	CONTACT PERSON	DESIGNATION
Ministry of Tourism, Culture and Creative Arts	Nana Oduro Kwarteng	Chief Director
Ministry of Tourism, Culture and Creative Arts	Dr. Joel Sonne	Director, Projects
Ghana Tourism Authority	Mr. Sampson Donkor	Ag. Executive Director, Finance and Administration
Ghana Tourism Authority	Nana Twum Barima	Director, Research, Monitoring and Evaluation
Ghana Tourism Development Company	Mr. Gideon Aryeequaye	Deputy Chief Executive Officer
Ghana Association of Tourism Federation	David Nana Anim	President/Tour Operator/Car Hire and Rental Operator
Ministry of Foreign Affairs	Mr. Edwin Agyei	Director, Policy Planning and Evaluation Bureau
Tourism Development Fund	Mr. Abraham Tetteh	Fund Administrator
Ghana Investment Promotion Agency	Dr. Richard Adjei	Principal Investment Promotion Officer
Ghana Investment Promotion Agency	Mr. Kwaku Bonsu Anane	Snr. Investment Promotion Officer-Investor Services
Ghana Airports Company	Mr. Jerry Amarteifio	Planning Analyst, Corporate Planning
Ghana Museums and Monuments Board	Dr. Zagba Narh Oyorley	Executive Director
Hotel Catering and Tourism Training Centre (HOTCATT)-	Madam Judith Abase	Director
Graceland Travel and Tours Ltd/Skal Club	Mr. Jonnie Moreaux	Managing Director /Travel & Tour Operator
Ghana Hotels Association	Mr. Humphrey Acquaye	National President/ Managing Director, Cleaver House
Coconut Grove Hotels	Roberta Torkornoo	Administration and Front Desk Manager
Alisa Hotels	Mr. Marco Cecchi	General Manager
Institute of Hospitality/Traffix Restaurant	Mrs. Bella Adu	President and Managing Proprietress
Tour Operators Union of Ghana	Mr. Kofi Attu	Deputy Secretary
Tour Guides Association of Ghana	Mr. Kofi Passah	President
Ashanti African Tours	Eunice Pinkrah/Michael	Travel and Tour Operator
Golden Tulip Hotel	Mr. Francis Alley Deyegbe	Deputy General Manager
EcoFest Foundation	Mr. Joseph Nyarko	President
Oklemekuku Hotel/Ghana Progressive Hotels Association	Nana Opei V	Hotelier/President
Sunseekers Tours Ltd	Kwame Obeng	Chief Executive Officer
Tourism Writers Association	Kwame Debrah	President / Editor of Ghana Tourism Journal