EAC Joint Forum Country Update

TOURISM SERVICES (STATE OF PLAY & OPPORTUNITIES FOR SERVICES’ PROVIDERS): STAKEHOLDERS’ PERSPECTIVES IN RWANDA

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General Background and Introduction

It is indeed a known fact and clearly recorded that tourism is one of the vibrant developmental sectors in the economies of the East African Community (EAC) and also specifically for Rwanda. The Tourism Industry is also one of the fastest growing sectors in EAC, with partner countries such as Rwanda having a projection of $150 million revenue in the immediate future.1 Rwanda also has tourism contributing a total of 30% of its total exports.2 The member countries through the EAC have made the effort to present the region as a single destination. This is to deepen regional integration and is evident in the establishment of a single tourist Visa component for some members; Kenya, Rwanda and Uganda with the rest of the members expected to join later.

Current state of tourism services in Rwanda

Tourism in Rwanda is currently the largest source of foreign exchange earnings in the country and it is projected to keep growing at a rate of at least 25% every year. The sector is the biggest contributor to the national export strategy and available statistics show that Rwanda has doubled tourism revenues from $200m in 2010 to around $404m in 2016. The sector has also attracted Foreign Direct Investments (FDIs) especially in the area of hospitality with major international hotel brands establishing a section in the country, including the Marriott, Raddison blue, Park Inn by Raddison, Serena and Golden Tulip among others. Rwanda considers and appreciates the development potential that the tourism sector


2 Ibid.
offers through relevant policies, strategies and deliberate efforts in promoting the sector and encouraging related investments. Tourism has been identified as a priority sector to achieve Rwanda’s development goals as set out in Vision 2020. With the implementation of tourism related policies, the country has been able to make significant progress in developing and managing its tourism sector in recent years. Rwanda's Sustainable Tourism Master Plan (STMP) recommends the formation of business linkages across the supply chains, especially for agricultural produce and handicrafts from the rural sector, in order to spread the benefits of tourism more widely. The government highly encourages participation of the private sector, though the cost of finance is reportedly still perceived, by the private sector, as being too high.

Indeed, Rwanda’s tourism is developing rapidly. According to the public perspective, policy priorities are aimed at increasing arrivals, length of stay and spending per tourist, prioritizing high-spending, low-environmental impact, developing new products, upgrading skills and standards, and stimulating private sector activity and investment. At many stages of policy development and implementation, the need for sharing the benefits of tourism is highlighted, along with the concept of building economic linkages. The orientation is that of ensuring an inclusive impact that takes care of the pro-poor impact as well. This is done by encouraging SMEs and rural poor people to link their activities to tourism sector so that they can tap into the business and economic opportunities that the sector presents. Though there has been little measurement of the pro-poor impact of current tourism or future options, in order to inform pro-poor tourism decision-making in a specific manner, the participation of SMEs and the rural poor in the tourism sector is clearly evident. Participation of SMEs and the rural population is reflected in their sell of traditional local handcrafts, local food as well as traditional entertainment to hotels, tour agencies and at times directly to foreign tourists.

The travel and tourism industry has been prioritized by the Rwandan government as a key driver for future growth, economic diversification and development. The travel and tourism sector directly supports approximately over 54,000 jobs, and its total contribution to employment has consistently been above 6.8% of total employment. Indeed, Rwanda’s travel and tourism industry has continued to witness unprecedented growth over the recent previous years. The industry has consistently recorded the strongest performance to maintain its position as the highest foreign exchange earner in the country. This is all thanks to the country’s business-conducive climate and several recent reforms of the government’s travel and tourism policy such as infrastructure development and a high-end travel and tourism marketing strategies that includes the recently launched Meetings, Incentives, Conferences and Events (MICE).

The number of inbound arrivals to Rwanda continued to grow in response to Rwanda’s improvements to its visa legislations so as to boost visitor arrivals. Since January 2013, Rwanda has been offering free entry visas to all African citizens arriving at its borders. In addition, the launch of a single tourist visa for visitors to Uganda and Kenya since January 2014 has helped to attract more visitors looking for a true African experience. All these initiatives are further supported and sustained by the enhanced regional and global connectivity through a reliable international air transport that is taking shape in Rwanda.

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3 Rwanda Development Board (RDB): Concept Note on the proposed framework for the Rwanda Trade in Services Council (RTSC)
Reliable international flight routes have extended to Kigali with airlines companies such as Rwanda’s own Rwandair, Kenya Airways, Ethiopian Airlines, KLM, Turkish Airlines, Qatar Airways and SN Brussels.

The private operators in the tour and travel related businesses are grouped in an association known as Rwanda Tours and Travel Association (RTTA). The association is currently composed of about 34 members. According to the group, RTTA Members are the industry leaders in the tours and travel trade and represent a wide spectrum of travel and vacation packages available in Rwanda. The group’s mission is to uphold ethical business practices among the members while ensuring sustainable development of the tourism industry in Rwanda and the vision is to preserve and protect the heritage and environment through integrated tourism development in Rwanda.

Awareness of WTO/UNFCCC rules/programs enhancing services tourism in Rwanda

There is a practical link between UNFCCC and the tourism sector in Rwanda. Under Rwanda Nationally determined contributions of Rwanda (NDCs), Adaptation Contributions include the Ecotourism, Conservation and Payment for Ecosystem Services Promotion in Protected Areas as a priority for investments. In this endeavour, actions are focused on maximising business tourism (the largest source of export revenues) through strategic conference management in order to improve the distribution and volume of business travellers throughout the year.

NDCs state that Rwanda will promote business conferences in efforts to maximize the distribution and volume of business travellers throughout the year. These efforts will result in increased bed occupancy at available hotels and lodges within Kigali, and subsequent visitation to its surroundings including Volcanoes national Park (VNP), Nyungwe forest and Akagera National Park. Through this strategic action, Rwanda expects business and leisure tourists to increase from 545,000 people in 2012 to 1,262,000 people in 2030.

There is a challenge of knowledge and awareness on WTO issues and other relevant global dynamics. This challenge is faced by all actors in both the public and private sector and generally affects Rwanda’s effective participation in the WTO negotiations and other relevant engagements. In Rwanda, there are a few people who can confidently and articulately discuss WTO issues. The key stakeholders in both public and private sectors seem not to have much information in regard to the multilateral trading system in general and the WTO negotiations in particular. When consulted the key stakeholders show limited understanding of the relevant issues and when engaged they seem not to have clear and articulate opinions to form their perspectives. According to some stakeholders, this could be a result of the minimal share of Rwanda’s global trade comparatively speaking or less sensitization and capacity building due to limited resources that are needed to provide appropriate training.

The challenge related to lack of knowledge on WTO issues is so serious that even the government officials who are designated in their official duties to directly deal with the issues don’t know much and cannot confidently share precise perspectives. For example, Ms. Laurence Mukarugwiza is the Officer in Charge of External Trade at the Ministry of Trade and Industry (MINICOM) and is one of the key trade experts at the Ministry of Trade and Industry responsible to follow up WTO issues but when contacted, her answer was that she does not have much to share. When asked to comment about relevant WTO rules and programs in Rwanda and related significance to the country, she says that there is not much to say. She admits being an official within the Ministry of Trade and Industry
(MINICOM) who follows WTO issues but says that she does not have anything to share.

Also, key actors from the private sector who should be in a position to share some perspectives seem to not have any clear understanding. They do not understand what is being negotiated nor relevant current programs and rules. For example, Mr. Geoffrey KAMANZI who is the Head of Trade Negotiations and Facilitation at the Private Sector Federation (PSF) says that he does not know much about WTO issues yet his position should afford him automatic exposure to issues like WTO matters. However, he says that; “For me, I am not aware of the current affairs and developments in regard to the negotiations within the WTO. I think the Ministry of Trade and Industry should consider providing relevant information and sensitization on such issues on a regular basis because it is important to involve all stakeholders in relevant discussions in order to effectively articulate Rwanda’s national interests in the context of global trade dynamics and specifically with the WTO framework.” Then there is Mrs. Donatille Nibagwire who is the Managing Director of Floris Rwanda. She says that; “We do not know the progress of the negotiations at the WTO and the issues being discussed. We are not even aware of the current developments and the issues being discussed at the moment. There should be a mechanism in place through which the responsible Ministry of Trade invites people like us to meet and discuss such issues and share any relevant information.”

**Challenges faced while providing tourism services**

Most of the services' providers in the tourism sector have claimed that the biggest challenges include lack of domestic tourists to supplement foreigners as well as low skills and expertise among the personnel employed in the tourism companies. According to Mr. Joseph Birori, the founder and Managing Director of Primate Safaris Ltd, the lack of domestic tourists and low relevant skills in the tourism sector is a challenge that needs to be addressed. He says that; “*We are currently not having local (Rwandese) tourists to supplement foreigners like in other countries where the locals are also tourists within their respective countries because most Rwandese do not have a culture of visiting other places around the country. Also, there is lack of relevant skills and expertise within our tourism industry such as among the tour guides who are yet to master foreign languages and abilities to communicate to foreign tourists in a satisfactory manner.*”

Again, some of the stakeholders in the tourism industry have also highlighted the issue of population density to be a potential challenges to the growth of tourism in Rwanda. If one is to paraphrase some of the responses of some stakeholders that are difficult to articulately quote, it is stated that; “*High population growth, the high growing population of Rwanda is a liability to the tourism sector. The high population has put much pressure on natural resources like forest, swamps, relief and drainage features. It is estimated that the population density of Rwanda is close to 300 people per square kilometre. The big population means that people will often want to partake in the resources in the country’s game parks, especially land for agriculture and wood and water resources.*”

There is also the issue of insufficient human capacity. Until now, there is a limited number of well trained personnel who are experienced in taking care of Game parks and other touristic sites and also some tour guides are still struggling to effectively communicate in foreign languages and mastering the hospitality skills. This has created a need for capacity building in related areas. On the side of the public sector, there is a need to train more people to take charge of Game parks and their conservation roles whereas on the side of the private sector,
there is a need to train the involved players in the areas of hospitality to be able to handle foreign tourists well and be able to communicate with them in the languages that they understand.

Rwanda is also currently lacking enough and diverse tourist attractions and alternatives to keep tourists longer in the country and mostly stands out for her mountain gorillas and yet the longer a tourist stays in the country, the more money he spends for the different packages available. According to the responses by the private players, their views can be paraphrased as follows; “past records have shown that a large number of Rwanda’s tourists stay in the country for at least 1 – 3 days and depart. Rwanda is largely known for its rare mountain gorilla trekking in the Virunga volcanoes national park. The Volcanoes national park stands a better favor to receiving tourists as compared to other Virunga conservation national parks of Virunga national park in the Congo and Mgahinga national park of Uganda.”

**Impact of climate change on the tourism sector**

In Rwanda, the majority of the population depends on the land for survival and prosperity. It is also reported that the country is comprised of five ecosystems: 1) cropland and natural vegetation; 2) scrublands, savanna, and grasslands; 3) forests; 4) wetlands and water bodies; and 5) sparse or barren vegetation. These ecosystems are highly exposed and sensitive to climate variability and climate changes and eventually affects the general performance of dependent sectors like tourism. It has been reported that; “demographic pressures on ecosystems exacerbate climate change stresses by, for example, accelerating overuse of natural resources as other resources diminish, which in turn can increase habitat degradation and decrease biodiversity and species abundance.”

In regard to more general environment-related impact on the tourism sector in Rwanda, it is important to point out that there is a challenge to ensure general awareness and understanding on the need to conserve in a sustainable manner the natural habitat in all touristic areas. According to the private players in the tourism sector who are grouped in the Rwanda Tours and Travel Association (RTTA), it has been observed that; “Many people do not appreciate the value of tourism resources and why they should be conserved and yet tourism remains a key source of revenue for Rwanda. There is the challenge of ensuring that Rwanda doesn’t deplete its tourism resources by failing to practice sustainable and responsible tourism.”

According to Francois Munyentwari, the country Director of ACORD Rwanda, climate change effects on tourism are more linked to weather patterns that make it difficult to reach our game parks. He stated that “I believe we need to deeply look at some climate-induced challenges facing Rwanda, especially the variation in weather patterns and natural disasters, such as flash flooding, heavy rains with strong winds and thunder lightnings, landslides and erosion, which are turning roads into streams and damaging the infrastructure, hence affecting the accessibility of touristic sites.”

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and game parks”.

Opportunities to enhance tourism services

One of the notable opportunities is the Kwita Izina, Rwanda’s flagship event celebrating with the community and the world at large the successful preservation of the endangered mountain gorilla population through the naming of new-born baby gorillas. According to Dr. Tara Stoinski, President and CEO of the Dian Fossey Gorilla Fund, “Rwanda’s mountain gorillas are the best studied gorillas in the world. And the decades of data accumulated on them continue to provide crucial insights into their conservation needs,”. With one-third of the world’s remaining mountain gorillas, easy air access, one of the safest destinations in Africa and a thriving hospitality industry, this key tourist activity attracts more and more visitors each year. According to Dr. Mike Cranfield, Co-Director for Mountain Gorilla Veterinary Project/Gorilla Doctors, “Mountain Gorilla trekking is one of the most moving wildlife experiences in the world. It has been an overwhelming conservation and economical success for Rwanda.”

At the regional level, Rwanda like other EAC Partner States is also taking advantage of “Destination East Africa Initiative” to promote its tourism sector. In fulfilling one of the EAC’s strategic interventions identified as key to sector growth, the EAC Partner States have embraced a joint marketing and promotional effort that seeks to sell the East African region as a single tourist destination. So, ‘Destination East Africa’ is an initiative that seeks to encourage intra-regional tourism by providing incentives for East Africans. According to Mr. Edwin Sabuhoro, the founder and Managing Director of Rwanda Eco Tours Ltd, his company is already utilizing the EAC integration agenda to grow his business. In emphasizing his point, he said that; “Our Company is taking advantage of the EAC Common Market and specifically the ‘Destination East Africa Initiative’ to explore opportunities beyond Rwanda’s borders and has opened a branch in Uganda. Currently, our company’s operations in Uganda are very smooth because there are no specific barriers for Rwandese operators who are facilitated in all possible ways, including admission in the local associations of tour operators.”

The Rwanda Community Tourism is also another opportunity. The touristic potential within Rwandan land and traditions is so evident that it was decided to create infrastructures to host tourists and to set up community-led projects to improve their standards of living and preserve the environment through tourism. Villages led projects offer services such as accommodation, traditional gastronomy, eco-tourism and cultural activities. A fair-trade logic applies, so tourists are paying a fair price in exchange for high quality and often unique products and services and they get to know the local traditions, get involved in cultural activities and have the opportunity to see unspoilt nature and eco-systems. According to RDB, “More and more travelers want to go beyond the bus window and experience what life is like for the people on the ground. Their community based projects are the ideal vehicle to experience first-hand issues facing rural, impoverished and often neglected Rwanda. Their volunteers live within the community either in home-stays or within a traditional ‘Iby’Iwacu’ village and volunteer in the community.”

The “Tembera u Rwanda” Campaign is another opportunity with potential to enhance and grow tourism in Rwanda. Exploring Rwanda’s diverse tourism offerings by Rwandans is what the Tembera u Rwanda campaign is all about. Tembera u Rwanda simply means “explore Rwanda.” It is also the hash tag for the domestic tourism campaign launched late last year by the Rwanda Development Board
(RDB), the sector regulator. This domestic tourism campaign was launched in September 2016 in Huye District in the Southern Province. According RDB, “the aim of the campaign, was to increase awareness amongst Rwandans about attractions and also encourage them to travel within the country with the ultimate goal being instilling a traveling culture amongst Rwandans.”

**Needs to benefit from those opportunities**

Among the services’ providers, it is mentioned that there is a need to enhance capacity building and skills development while encouraging domestic tourism as well. Mr. Joseph Birori, the founder and Managing Director of Primate Safaris Ltd, says that; “Most of our tourism companies are still investing in establishing themselves firmly and competitively but there is still more to do especially in training our people who are involved in the hospitality services like hotel personnel and tour guides. Again, there is a need to encourage domestic tourism for our locals to also contribute to tourism development in Rwanda through sensitization and by supporting relevant initiatives like “TEMBERA U RWANDA Campaign” which is about encouraging those living in Rwanda to explore Rwanda and enhance domestic tourism.”

To fully take advantage of the tourism opportunities in Rwanda, there is a need for continued efforts of diversification in the tourism products beyond the gorilla trekking experience and national parks. This is something that the government is considering and these efforts should continue and be fully supported. According to RDB, “The country has an ambitious target of increasing tourist numbers and also growing the sector revenues by 25 per cent per annum. In a response to these targets, the government plans to develop a new golf tourism facility in Karongi, western Rwanda; a cultural village in Kicukiro near Kigali city and a cable car service on Mount Karisimbi. The facilities, according to government officials are to be funded through a private-public partnership.”

Also, there is a need for the private sector to invest more in facilities and services that are usually needed by tourists. In an article published by the New Times, the local daily English newspaper (The New Times, June 25th, 2018), Mrs. Christine Odetta Asaba wrote and stated that; “It is so encouraging to see Rwandans interested in touring their own country. However facilities are lacking to facilitate many locals in terms of refreshment and other various services required.” She further suggested in her article that; “Private sector need to exploit opportunities to the maximum where possible. Further opportunities may be in community tourism, agro-tourism activities that link agriculture and tourism. We talk of made in Rwanda concept, so... walk the talk! The value chain will involve the community who will be economically empowered.”

Furthermore, there is a need to invest in facilities needed to tap into the MICE tourism. Today, Rwanda is one of the few African countries promoting Meeting, Incentive, Conference and Events (MICE) tourism in the main cities like Kigali. To fully take advantage of this opportunity, more innovative services and improved infrastructure is necessary to ensure that the tourists are provided with world first class car rental services, hotels together with logistics assistance.
CUTS International, Geneva

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