



Federation of Namibian Tourism Associations

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FENATA facilitates focus on the full impact of Namibia's Tourism Sector

The Federation of Namibian Tourism Associations, FENATA, is concerned about the apparent lack of awareness and recognition of the extensive financial and social role of the tourism industry in Namibia, given the absence of encompassing national statistics on tourism. Fenata has therefore recently commissioned Simonis Storm to conduct a brief socio-economic impact study on tourism in Namibia.

The attached 15-page report drafted by economic experts, with input from the tourism private sector, includes a macro-economic overview of tourism, a socio-economic impact study and recommendations by Simonis Storm.

Key findings point to the absence of tourism's full reflection in Namibia's national accounts, where the industry is being represented by "accommodation and restaurants" only, - thus not calculating the immense input of the transportation, (road, car rental and air), logistics and other services, as well as tourism activity in rural areas where most lodges are situated, including the massive impact of the industry in conservancy development.

The Managing Director of Simonis Storm, Mr Bruce Hansen, says:

"Tourism has become the world's third-largest export industry after fuels and chemicals, and ahead of food and automotive products. From the last few years, there has been a great surge in international tourism, culminating to 7% share of World's total exports in 2016 according to Future Business Journal, January 2021.

Tourism is essential for the success of many economies around the world. There are several benefits of tourism on host destinations. Tourism boosts the revenue of the economy, develops the infrastructure of a country, creates thousands of jobs and establishes a sense of cultural exchange between foreigners and residents.

Therefore, it becomes increasingly important that we must have accurate data reflecting the state of tourism within Namibia – as it is currently being measured, it is very difficult to get a genuine reflection.

The significance of accurate data and statistics are key to making resourceful decisions. It serves as the foundation for informed decision-making, effective policies, and transparent governance. It enables us to navigate complexities, allocate resources wisely and produce evidence-based solutions in efforts to enhance our economy and societies that function within it. As a research house, Simonis Storm is committed to be enablers of accurate and true information drivers that will assist in the decision-making process and this report is an effort in starting to address the current shortcomings."

The Chairman of FENATA, Mr Martin Webb-Bowen, believes that the absence of comprehensive data on the impact of tourism on the Namibian economy, in terms of both the financial contribution and the social impact on the development of rural communities, is a major part of the reason why authorities do not seem to give sufficient priority to the tourism sector when taking policy decisions on land access and the use of natural resources across the country.

"It is key that we, as Namibians, ensure that tourism is recognized for its role in guaranteeing a future for the country and its people as this is an industry with arguably the largest real potential for sustainability" says Webb-Bowen. For Namibia to safeguard this sustainability, decision-makers will need to make informed decisions on the exploration and development of Namibia's natural resources and to take full account of all socio-economic aspects of that development. Tourism is one of the main economic pillars of the country, but it is not always

recognized for its full impact and potential – partly due to the fragmented way in which it is reflected in national accounts.”

FENATA hopes that this study, when added to the eagerly awaited 6th edition of the Namibian Tourism Satellite Account which is scheduled to be issued later this year, will provide the necessary data to allow Namibian authorities to recognise the value of tourism for Namibia and to ensure that the pristine areas of the country that are essential as part of the Namibian tourism product are properly ring-fenced for sustainable tourism use.

In early 2020, following concerns that were raised about foreign ‘leakage’ within the tourism industry, the BANK of NAMIBIA issued a report, focussing on the impact of tourism in Namibia and its value to the economy. In its conclusions and recommendations, the BANK of NAMIBIA clearly stated that there is enough evidence to confirm that illegal leakages in the tourism industry is mainly limited to necessary trading with international trade partners on which the industry relies for the bulk of its business. The Bank also recommended that Government should escalate its efforts to support the tourism industry to enable it to grow to its fullest potential as contributor to economic growth, job creation and earner of foreign exchange which will also have a positive impact on tax revenue for Government.

The Bank also called for the tourism industry to receive higher priority in budgetary allocations to escalate the marketing efforts of Namibia as a unique tourist destination. BON has already recognized that the industry will only grow to its fullest potential once Namibia is properly branded and marketed globally. This requires a continuous international marketing campaign to support the current efforts of individual enterprises and the goodwill of global players who are currently doing what they can to fulfill that role.

The Bank also recommended that government develop and implement policies that will increase levels of inclusivity and participation in the industry. This is only possible if the cost of entrance to the industry is kept at a minimum, and the industry is not burdened with excessive regulations, which often come with unintended consequences. The Government and other stakeholders need to identify new source markets where there is significant potential and to take a lead in creating awareness of the Namibian tourism products there. Once more Namibians benefit directly and indirectly from the tourism industry, the former perception of that the industry is only interested in the existing markets and structures will fall away.

Unfortunately, the BON report was completed in early 2020, just before the onset of the Covid- pandemic, and may thus not have been granted the full review and consideration it deserved.

It is hoped that the FENATA/Simonis Storm socio-economic impact report, the Bank of Namibia report on Tourism (2020), and the envisaged 6th edition of the Namibian Tourism Satellite Account will provide the evidence and data needed to convince decision-makers in Namibia of the crucial importance of tourism as a key economic pillar. The tourism industry makes a large contribution to both the GDP and to employment, but it needs the recognition and consideration it deserves to allow the continuing development of a sustainable, growing and flourishing tourism business environment for generations to come.

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