

# Key facts about madagascar tourism essay



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Tourism can be a great development tool, stimulating economic growth, enhancing the economy, and contributing to poverty within almost all sectors of a society. In Madagascar, where poverty is common and where the poor put pressure on the natural resource base, tourism can generate positive externalities on the third party. First tourism creates places of economic growth in regions on the island that have no alternative sources of income and employment. Tourism helps to reduce poverty by diversifying income sources. Second, tourism, can help to preserve the environment, whether for ecotourism or for resort-based tourism, meaning that most of the products used are ecologically efficient. The current Madagascar tourism assets have great prospects however are not fully realized and developed. Tourism is complex and requires its own analysis, particularly as it is one of the largest in the world and rapidly consolidating into a few large players, moreover it becomes a sector of the economy that annually increases its role in the total economic section so to say. More needs to be done to build a dynamic partnership between business and tourism, in recognition of the fact that a sound business plan for tourism, an effective environmental plan, and a framework for social appreciation are mutually reinforcing and that absence of one may put the others into question. This is why it is important to balance the sectors and all factors that could have an effect on the country and its tourism prospects.

1. Key Facts About Madagascar  
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Madagascar is located in southern Africa on a separate island in the Indian Ocean, next to Mozambique. The Coast line of Madagascar is relatively huge

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4, 828 km. the climate of Madagascar is tropical along the coast, temperate inland and arid in South. Madagascar is world's fourth largest island with a strategic location along Mozambique Channel.[1]

Source: The CIA, World fact book Madagascar, mapMadagascar has a magnificent range of biodiversity, nature and cultural resources to support tourism. However, out of the 200, 000 visitors the island per year, only about 60, 000 come expressly for tourism, the res are traveling for different other reasons but which can include some tourism activity. Madagascar has the potential to welcome many more tourists if the sector's growth is well planned in a broad way – focusing on economic aspects, infrastructure and environmental and social concerns, particularly for community participation.

Also we would like to mention some key facts that are influencing Travel and Tourism in Madagascar:

## **1. GDP:**

Direct contribution – The direct contribution of Travel & Tourism to GDP was MGA1, 095. 8bn (5. 4% of total GDP) in 2011, and is forecast to rise by 13. 9% in 2012, and to raise by 4. 4% pa, from 2012-2022, to MGA1, 924. 8bn in 2022 (in constant 2011 prices).

Total Contribution-the total contribution of Travel & Tourism to GDP was MGA3, 005. 2bn (14. 9% of GDP) in 2011, and is forecast to rise by 11. 6% in 2012, and to rise by 4. 3% pa to MGA5, 086. 2bn in 2022

## **2. Employment:**

Direct Contribution-In 2011 Travel & Tourism directly supported 197, 500 jobs (4. 3% of total employment). This is expected to rise by 13. 6% in 2012 and rise by 2. 8% pa to 297, 000 jobs (4. 8% of total employment) in 2022.

Total Contribution-In 2011, the total contribution of Travel and Tourism to employment, including jobs supported by the industry, was 12. 5% of total employment (577, 000 jobs). This is expected to rise by 11. 2% in 2012 to 642, 000 jobs and rise by 2. 7% pa to 835, 000 jobs in 2022 (13. 5% of total).

## **3. Visitor Exports:**

Visitor exports generated MGA1, 397. 5bn (26. 6% of total exports) in 2011.

This is forecast to grow by 13. 8% in 2012, and grow by 5. 0% pa, from 2012-2022, to MGA2, 582. 2bn in 2022 (24. 7% of total).

## **4. Investment:**

Travel & Tourism investment in 2011 was MGA590. 4bn, or 15. 5% of total investment. It should rise by 6. 7% in 2012, and rise by 3. 5% pa over the next ten years to MGA884. 7bn in 2022 (14. 9% of total).[2]

Also, extremely important factor for country is its own World Ranking between other countries, which provides us with information considering whether the country is doing well or not. The details about Madagascar's world ranking is showed below.

## **2. Madagascar's Rankings**

Also, an extremely important factor for the country is its own World Ranking between other countries, which provides us with information considering

whether the country is doing well or not. The details about Madagascar's world ranking is showed below.

Source: Travel and Tourism Economic Impact 2012 MadagascarMacintosh  
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png

According to statistics, Madagascar's travel & tourism is playing an important role within its country. On one hand, it's providing a total amount of more than 577, 000 jobs annually, on the other hand, economical wise, its contributing to the 14. 9% of the country's GDP with US 0. 5 billion in 2011.

In the Travel and Tourism Ranking of 2011 of 181 countries, Madagascar is placed 120th at Direct Contribution to GDP and Total Contribution to GDP, 56th at Direct Contribution to Employment, 49th at Total Contribution to Employment, 98th at Capital Investment, 111th at Visitor Exports. All these numbers are estimated to be continuously moving upwards. Madagascar has moved to the 3rd growing country among all. Thus forecasting the long-term growth over the next ten years starting from 2012, Madagascar is predicted to move up from 120 to 87 out of 181 countries.

In Madagascar, the International promotion is under the responsibility of the Maison du Tourisme. Yet, as a major potential exotic location for increasing foreign tourism, international tour operator has pointed out the fact that the government has not been distributing enough funds currently to promote the country. Worldwide countries that have successfully promoted and established a steady beneficial income from tourism, they normally combine efforts and findings from both public and private sectors.

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Kenya for example, ranking 75 in the survey of Travel and Tourism's Direct Contribution to GDP of 2011, with only two wildlife destinations is already willing to spend more than US \$ 10 and 23 million respectively on tourism promotion. Madagascar, position at 120, was only providing US 150, 000 for promotional budget annually.

Tourist numbers cannot continue to grow at the pace of recent years for much longer, unless some of the constraints are removed. If Madagascar ever succeeds in removing the constraints and moving forward to expand its tourism sector, following up with supporting plans to new investments projects with an effective promotion and marketing campaign, the potential economic growth is almost unlimited. As related to this issue, a resolution to the current financial shortage of the Maison de Tourisme should be proposed.

### **3. Visitor Exports and Investment**

Visitor exports are a key component of the direct contribution of Travel & Tourism. In 2011, Madagascar generated MGA1, 397. 5bn in visitor exports. In 2012, this is expected to grow by 13. 8%, and the country is expected to attract 232, 000 international tourist arrivals.

By 2022, international tourist arrivals are forecast to total 381, 000, generating expenditure of MGA2, 582. 2bn, an increase of 5. 0% pa.

[3]Macintosh HD: Users: IrinaMalysh: Desktop: Screen Shot 2012-11-29 at 6. 34. 42 PM. png

Source: Travel and Tourism Economic Impact 2012 Madagascar

Travel & Tourism is expected to have attracted capital investment of MGA590. 4bn in 2011. This is expected to rise by 6. 7% in 2012, and rise by 3. 5% pa over the next ten years to MGA884. 7bn in 2022.

Travel & Tourism's share of total national investment will fall from 16. 1% in 2012 to 14. 9% in 2022.[4]

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Source: Travel and Tourism Economic Impact 2012 Madagascar

#### **4. The Size and Characteristics of the Tourism Sector**

Another important factor that influences the Travel and Tourism Industry is the size and characteristic of Tourism Sector as such. In this section of the report we will look at certain questions like: how many tourist visited Madagascar, which country are they traveling from, how long do they stay, what time of the year they travel. Also as well as what are their socio-economic characteristics and how much are they spending while in Madagascar.

Madagascar is affected by economical events constantly, which actually affects the inflow of tourists to the country. For instance, September 11, 2011, undoubtedly had an impact on Madagascar – and may even have contributed to a spike in tourism as travelers sought safer destinations. Secondly, the political events in Madagascar itself were probably of far more important than September 11. The prolonged political stalemate resulted in visitation to the island plunging, hotels could not find supplies for businesses

and were forced into bankruptcy or to sell assets to maintain their properties. There is no way in which such effects can be programmed with any degree of realism into projections of growth.

#### **4. 1 Tourist Arrivals**

In 2001, 170, 208 foreign visitor arrivals were recorded, compared with 74, 619 in 1995 and 52, 923 in 1990, according to the Ministry of Tourism. Year 2002 was pretty much a disaster for tourism in Madagascar and up until now the country is still recovering from it.

The relatively low number of foreign tourists were recorded as visiting national parks (54, 440 in 2000) these tourists generally visit more than one park during their stay, hence there is a great doubt on the total figure of 160, 071 tourists (2000). Possibly, some visitors may escape being recorded as they enter the national parks, but the numbers still seem low in relation to the claim of 160, 071 total visitors.

The visitor survey undertaken in 2000 indicates that 63% of tourist visitors state that tourism is the main purpose of their visit. This suggests that of the 160, 071 arrivals in 2000, only 100, 845 were real tourists so to say.

Moreover there are “ fake” tourists, meaning that business travelers use tourist visas to have business in Madagascar. This suggests that the number of real tourists may have been somewhere between 68, 054 and 100, 845 in 2000.

Undoubtedly, some visitors who are not tourists will behave as tourists for part of the time they are in Madagascar, i. e., they will use hotels and related



services in major cities, and places. These people are called internal tourists, because they travel outside their usual living place.

## **4. 2 Local transport**

They will probably make a couple trips to the parks, shops, restaurant...etc. by using a method of transportation. They may also buy handicrafts and other souvenirs; clearly the souvenirs will vary occurring to the nation. Nevertheless, the distinction between a tourist and a non-resident visiting a country for other purposes must be maintained in order to plan effectively for the needs of tourists as well as give a clear estimate of the real visitors coming.

The Government is aware of tourism's statistical problems and, with financing from the EU, has undertaken two sample surveys, the most recent in 2000, to help correct and supplement existing data going into economical terms equalize demand and supply to an equilibrium point. Visitor surveys are expensive to undertake and, though they provide valuable data on visitor characteristics, should not substitute for standard data collection at points of entry otherwise a chance exists that a survey can be not as efficient due to the fact that people can be surveyed more than once. The Government recognizes the need to improve the statistical base for tourism but is constrained by lack of financing hence they are short on the supply of either the needed machinery or working labor. There are significant opportunity costs attached to not knowing the size of a sector that has the potential to become a significant generator of jobs, foreign exchange and taxes, as well as stimulate production of goods and services in other sectors, hence the government has no choice but to give something in return, i. e. the

agricultural sector. A tradeoff between the two sectors will be present. These costs may persuade the Government to find the money and/or a donor to assist with the important task of improving the tourism database. Moreover this can be done through the tradeoff meaning that the government pulls funds out of agriculture or military or education, etc. and transfers them to the tourism sector.

### **4. 3 Countries of Origin**

France dominates the market with 60 % of foreign visitors, broadly defined and not exclusively tourists. This however is because French love travelling within a country that shares the same language; hence Reunion was a perfect place. Language and a partial common heritage, added to the frequency of flights from Paris and Reunion, are the reasons for French predominance. Italians are the next largest contingent with 12%, followed by US (4. 2%), Swiss (2. 9%), Germans (2. 8%) and British (2. 2%). Given the quality and variety of assets in Madagascar, and the European appreciation for eco/cultural tourism, the small percentage share of these countries, other than France, simply indicates unrealized potential demand in those markets.

### **4. 4 Seasonality of Arrivals.**

Peak months are consistently August and July, when about 21% of tourists arrive, 37 % of tourists arrive from September to December. The lowest month is February after which arrivals build up steadily to the peak months.

### **4. 5 Average Length of Stay.**

The 2000 visitor survey suggests that the average length of stay for foreigners visiting relatives is 24 days, but for bona fide tourists it is 20 days.

Tour operators confirm that tourists stay at least two weeks and sometimes up to three weeks clearly long term stays are beneficial for Madagascar. As noted below, the average combined length of hotel stay is 15 days. The data may be influenced by the large numbers of those visiting friends and relatives and by other non-residents, such as the scientists and potential businessman who are likely to be long-stay visitors.

The exact length needs to be confirmed for planning purposes otherwise it becomes impossible to keep track of the individual tourists travelling in and out of the country. Ideally, the length of stay should be determined for at least two broad categories of visitors; eco-tourists and resort tourists, and by type of accommodation. The average length of stay in the National Parks is said to be 1 – 3 days depending on location, the quality of accommodation, and services for tourism. Clearly looking at the types of restaurants visited, the transportation methods, etc. can broaden the type of tourism and hence narrow it down even better.

#### **4. 6 Gender, Age and Income Levels of Tourists**

According to the survey, the majority of tourists traveling to Madagascar are men (64%). Nevertheless this statistic also suggests that not all visitors are “legal” tourists and, in this case, may be businessmen declaring themselves as tourists to overcome visa problems and other factors that could stop them. Over 60% of tourists are between 30 and 49 years old, but the median age is below 40. This once more underlines that there is high chance of them being businessman in their midlife looking for attractive offers and opportunities. Nearly three quarters of tourists are highly educated. Nearly

two-thirds of visitors are professionals or heads of businesses/ enterprises hence coming to the country not only for leisure purposes.

From observation, a significant number of tourists are backpackers. The term “backpacker” can include the adventure tourist, who is often quite well off, as well as the student hiking on a low budget. Madagascar welcomes a broad range of tourists, with backpackers at one extreme and those arriving through international tour operators at the other. For planning purposes, more needs to be known about the different requirements of each tourist and their approximate number and time of stay.

#### **4. 7 Tourist Expenditures**

The survey showed that, on average, tourists spent a little over FF 16, 205 (roughly \$2, 000), including international travel costs on their visit to Madagascar. The survey also found that the average cost of the trip changed according to whether the tourist traveled as an individual, a pair, a group, or an organized tour. Tourists using tour operators paid FF 17, 300 before departure for the combined package of air travel and accommodation in Madagascar and spent an additional FF 3, 494 during the visit, for a total expenditure of FF 20, 794. Those traveling alone spent FF 7, 885 on their air ticket and FF 6784 while in Madagascar, for a total of FF 14, 669. This statistic illustrates the weight of the airfare in the total package—well over 50%, which is high by international norms. Moreover this underlines that using tour operators is not always more beneficial. As in this example 6, 000 FF could have been saved.

The breakdown of expenditures in Madagascar by those who did not use a tour operator was as follows:

1. Accommodation and food 50. 5%
2. Internal travel 24. 1%
3. Excursions (Parks) 11. 5%
4. Souvenirs 8. 7%
5. Other 5. 2%

Tourists traveling with tour operators will have prepaid their holiday in their country of origin so that expenditure in Madagascar, as reported to a visitor survey, is incorrect, hence signifying that the survey brought more misunderstanding, moreover the money spent on the travel agency didn't go directly to Madagascar but firstly came to the HQ of the tour company and only part of the income was given to Madagascar. The survey cannot take account of transfers made by the international tour operator for lodging and services used by tourists in Madagascar. It is often that a hotel located inside a country works with specific tour operators at specific given prices.

#### **4. 8 The State of Knowledge about Demand for Tourism**

As the above analysis shows, much of the data related to tourism is questionable and/or insufficient to help formulate policies for the sector and address the questions raised at the beginning of this section.

Madagascar needs to improve its collection of data on visitor arrivals at key frontier points. This can be done as already stated, by creating a trade off

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between the economical sectors in the country and balance the needed funds. Because of the relatively few entry points, islands like Madagascar should have less difficulty in identifying tourists among other foreign visitors. At the same time, Madagascar has done well to conduct visitor surveys because that are revealing about the characteristics of tourists. The government is able to tell that a lot of tourists use the wrong visa for the purpose and hence a better control system has to be put in place. The next visitor survey that Madagascar undertakes could address some of the anomalies raised in this section. The Government should also examine the reports that the tourism industry itself (hotels, tour operators, ground transportation, airlines) provide for other purposes (taxes, licensing, etc.) to help improve its database. The industry itself would benefit from better databases and communication between the country and the tourist.[5]

## **5. Negative Social Impacts of Tourism**

Around the world, many countries are facing not only positive aspects of tourism, but as well negative. In Madagascar this problem is related with increase in prostitution – at its worst of child prostitution. The Ministry of Tourism of Madagascar realized that there is a high level risk of child prostitution, especially in Nosy Be and Diego. Moreover, there are rumors of linkages to the international pornography circles, which move this problem on the international level. Additionally, Madagascar's government started a strong campaign against abuses which tourist does to the prostitutes. The campaign actually states that offenders will be prosecuted to the full extent of the law, and send back home due to the international pact considering abuses. Furthermore, The Ministry of Tourism noted that actually extreme

poverty drags people to send their children to earn money for the family in prostitution business. The World Tourism Organization recently published a Code of Ethics and all members, including Madagascar are encouraged to adhere to its principles[6]

## **6. Accommodation and Tourist Services**

The following sections analyze the supply side of the tourism sector, i. e. hotels and other tourist accommodation. Little information is available about tourism-related services, e. g., the numbers or operations of restaurants, scuba diving instructors, and other related services. This section, therefore, focuses on the supply of accommodation by category and by distribution throughout the island. Occupancy rates are also discussed. The objective is to determine whether the supply of accommodation is appropriate for the types of tourists who visit Madagascar and for the locations that are most visited.

### **6.1 Availability, Quality and Occupancy Rates of Tourist Accommodation**

In 1999, the country had 556 hotels with 7, 207 rooms in 1999; some 111 were classified as meeting international standards and were rated with stars (mostly 3 star). Another 109 met local standards and were rated with palm trees (ravinala). The remaining 336 were unclassified, with many of these containing no more than 5 rooms, operated as a family business, including providing living quarters and meals for the family.

By July 2001, the number of hotels had increased and reached 787 and the number of rooms was 8, 248 (nor further detail on breakdown is available).

The number of hotels increased by 42% between 1999 and July 2001 and the number of rooms by 36%, compared with an increase of 31% in hotels and 19% in rooms between 1996 and 1999. This big leap in accommodation was caused by the expectation of a large increase in tourism in 2001 because of Madagascar's vantage point for viewing the total eclipse of the sun

Hotels are the main types of accommodation used by tourists-over 90% spend about 15 days in a hotel according to the 2000 visitor survey. Some 25% of tourists spend on average 2 days camping and 21% of even bonafide tourists spend 3 days with family or friends. The 1998 survey had indicated that tourists spent only 4-5 days in hotels. It is inconceivable that the hotel stay would have increased so radically in just two years, so there is an inconsistency between the two surveys. Given the scarcity of appropriate camping or other alternatives to hotel accommodation, the 15-day combined stay for all hotels visited, seems more likely.

## **6. 2 Quality of Accommodation**

A recent visitor survey of the national parks concluded that facilities in the interior of the parks are limited and sometimes non-existent. Furthermore, accommodation and restaurant services are inadequate and sometimes non-existent in areas surrounding the parks and in neighboring villages. The 2000 visitor survey points out an anomaly in that tourists spend most of their time in nature sites yet it is the towns that are served by more hotels-and by hotels that are generally better than the accommodation in the nature sites.

The most significant characteristic of the hotels is that they are very small-the average size for the entire country in July 2001 is 10. 5 rooms. Even



Antananarivo, with its several business hotels, averages 13.6 rooms per hotel. Moreover, the average number of rooms per hotel has been declining since 1996, when the national average was 14.3 rooms per hotel. The substantial increase in hotel investments between 1999 and 2001 resulted in a decline in hotel size from 13.0 in 1999 to 10.5 rooms per hotel in 2001. The very small size of a hotel can indicate radically different hotel types—luxury or low end. Although Madagascar does have a very few luxury hotels the majority of the existing accommodation, even the newly built hotels, are designed for relatively low-income international tourists, which is not appropriate to demand.

In the 2000 visitor survey, Tourists rated highly security and reception. The hotel rooms received average to good ratings, and were criticized mainly because of their lack of maintenance and modern fixtures and fittings. Cleanliness was similarly criticized. Food was rated more highly than all other categories. Tourists had some ambivalence about hotel tariffs with 32% rating them “good”, 26% “very good” and another 26% average. As noted in the quotation from a tour operator’s brochure, below, about hotels in Madagascar, in general “the accommodation is not up to western standards”.

Group travel is a characteristic of tourism today and hotels outside Antananarivo cannot accommodate even the small groups of 16 people and less that travel to Madagascar. Tour operators are unwilling to distribute their group among a number of small hotels because of the lack of sufficient combined good accommodation and, to a lesser extent, because it raises their operational costs. All the ground operators interviewed in Madagascar

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stated that they compete with each other for rooms in the small number of hotels that meet acceptable standards. When there are no acceptable alternatives, tour operators change itineraries or even cancel groups for peak dates. Absence of quality accommodation in tourist destinations is a major constraint on the growth of the sector.

### **6.3 Occupancy Rates**

Hotel occupancy rates were 60% in 1999, 63% in 2000, and 66% in 2001. Thus the occupancy rate is increasing at a time when capacity is also growing, indicating fairly strong growth. An average figure means little in a country with such a large number of hotels, dispersed over many destinations and with a few business hotels in the main cities. From conversations with hotel owners and tour operators, it seems that the few good hotels are operating at or near peak capacity in the main tourist months.

In other destinations, seasonality has been tempered by offering lower prices for hotel rooms, Inflexibility caused by climate in Madagascar makes any increase in tourism demand in the low season through pricing incentives less susceptible to success, though some parts of Madagascar are more affected than others by climate (see below). Because of the heavy weight of the airfare in the total tourist package (at least 50%), incentive pricing would also need to be practiced by airlines to have any effect on the total cost of the package and so on the current timing of tourist arrivals.

This suggests that an increase in occupancy rates can only occur if tourists can be redistributed in the peak season to areas where occupancy rates are

low. Tour operators, however, say that current destinations are selected because of their accessibility and the quality of accommodation. These operators also agree that the asset base is more diversified than the accommodation base and new areas would attract tourists if access and accommodation were available in new sites. The main areas where new accommodation is likely to be required in the near term is in the main ecotourism destinations, the prime beach resorts and in Antananarivo, where some of the bigger hotels have occupancy rates in the 70 + % range. Pressures on itineraries could also be alleviated if there were quality hotels along the roads to the major tourist destinations.[7]