

**IMPACT OF COVID
19 ON TOURISM IN
MALAWI**

PRESENTATION OUTLINE

- Background
- Guiding principles
- Vision
- Destination goals
- Performance of the industry
- Impact of COVID 19 on Malawi's Tourism industry
- Interventions on COVID 19 Pandemic
- Proposed Interventions

BACKGROUND

- The tourism sector in Malawi represents a potentially high growth export service sector, which is capable of making a substantial contribution to the socio-economic development of the country.
- Tourism in Malawi is considered one of the Key Priority Areas (KPA) as indicated in MGDS III and features highly in the Malawi Vision 2063 under Pillar Three
- In Malawi, tourism strategies are developed in line with the strategic documents that act like the guiding principles

GUIDING PRINCIPLES

- Key strategic documents that influence tourism strategies include:
 - United Nations Sustainable Development Goals (SDGs)
 - AU Agenda 2063
 - Malawi Vision 2063
 - Malawi Growth and Development Strategy III
 - National Tourism Policy
 - 2020 Strategic Plan

VISION

- A world-class sustainable tourism destination that professionally manages and actively conserves its natural and cultural heritage through vibrant collaboration with communities, business, and Government

DESTINATION GOALS

- Destination goals are tangible metrics that, when met, articulate success at achieving the Malawi's tourism vision
 - Double total aggregate number of visitors coming from key markets in Europe, North America, South Africa and Asia (including China and India)
 - Increase contribution of tourism to GDP by 15%
 - Add 10,000 tourism-benefited jobs

DESTINATION GOALS CONT'D..

- Increase average annual occupancy rates of licensed accommodations by 10%
- Increase tourism traffic throughout the country, with 20% more visitation to national parks in the Northern and Southern Region.
- Attract \$100 million in new private tourism-related investment
- Improve Malawi's "ease of doing business" ranking by 20 points
- Increase average length of stay by 1 day
- 60% of licensed tourism business committing to sustainable tourism principles and best practices

PERFORMANCE OF THE INDUSTRY (MALAWI)

- In 2019, a total of 800,000 estimated international tourists visited Malawi generating over USD43 million in international tourist revenue (drop due to political instability)
- In the same year direct contribution of the tourism sector to the economy was 3.2% of GDP and total contribution of the sector (both direct and indirect) was 6.7%.
- In terms of employment, the sector created 188,00 direct jobs (2.9% of employment) and 233,000 direct and indirect jobs (6.3% of total employment).
- Total new investments in Tourism and Hospitality in 2016/2017 was MWK 25,536.9mn

(WTTC)

IMPACT OF COVID 19 ON MALAWI TOURISM

- Closure of borders in the region drastically affected inbound and outbound international tourist traffic in Malawi.
- Government introduced Covid-19 prevention measures that included restrictions on numbers of people attending meeting leading to reduction in patronage of tourism facilities.
- According to the Malawi Tourism Council over 90 percent of tourism related operations have experienced a reduction in revenue of between 85 and 100 percent since February 2020.

IMPACT OF COVID 19 ON MALAWI TOURISM CONT'D..

- Hotel accommodation occupancies fell from the normal average of 55 percent to between 5 and 10 percent. Sector is losing MK13 billion in monthly revenue. (between May and August 2020)
- Scaling down of business led to tourism operators closing down and laying off employees which ECAMA placed at 14 percent (over 38,000) of national job losses estimated at over 273,000 both direct and indirect jobs
- Suspension of tourism levy and payment of tourism operating licenses negatively affected marketing and enforcement initiatives. This has led to low service quality due to inadequate quality assurance activities and reduced destination marketing

IMPACT OF COVID 19 ON MALAWI TOURISM CONT'D..

- Some government owned operators such as Sunbird Tourism retrenched 140 out of 900 employees, Umodzi Park retrenched close to 100 employees and;
- Malawi Institute of Tourism for example has struggled to pay its staff for 3 months. Trend is similar across the tourism and hospitality sector.

IMPACT OF COVID 19 ON MALAWI TOURISM CONT'D..

- A lot of employees in the sector have been retrenched while many others are working on reduced pay;
- A lot of tourism enterprises owe their employees salary arrears. This trend is similar across the tourism and hospitality sector.

INTERVENTIONS ON COVID 19 PANDEMIC

- Government waived remittance of the One percent tourism levy by operators; suspension of payment for Tourism operating license and general suspension of loan repayments by arrangement
- Some operators in the sector introduced half pay to employees to sustain jobs
- Collaboration with some development partners such as GIZ to support tourism stakeholders such as tour guides in strategic areas through income creation measures like clearing nature trails and collecting garbage, erecting of tourism infrastructure etc.

PROPOSED INTERVENTIONS ON COVID 19 PANDEMIC

- 1. Provide financial and technical support to industry players to build resilience**
 - increase the fund (grants) under the SMEs capacity building consultancy under PICTS project
 - Financial support through UNDP growth accelerator challenge where 30 SMEs benefitted a USD 30,000 support
 - MICF challenge financial support
- 2. Improve the state of preparedness of the tourism sector towards re-opening**
 - Development of a tourism crisis management strategy
 - Capacity building of industry and frontline staff on health and safety protocols to among other things , achieve safe travel stamps
- 3. Stimulate domestic and intra-regional travel to build sector's resilience**
 - Assist with destination marketing
 - Provide access to markets for the SMEs

END OF PRESENTATION

Thanks for your attention