

# IMPACT OF COVID 19 ON UGANDA'S TOURISM INDUSTRY.

**Rosemary Kobutagi**

**Commissioner for Tourism**

**Development**

**Ministry of Tourism, Wildlife and Antiquities**

# Facts about Uganda

- Uganda the “Pearl of Africa”, officially known as the Republic of Uganda, is a landlocked country in East Africa.
- With a Population: 44.27 million (2019)
- Area: 241,000 km<sup>2</sup>

# Uganda

4° N



SUDAN

**Kidepo Valley National Park**

Lake Turkana (Lake Rudolf)

Mayo  
Kitgum  
Pogor  
Kaabong  
Kotido  
Moroto  
Gulu

Arua  
Nebbi

**Murchison Falls National Park**

Lake Albert

Kafu

Masindi

Hoima

Lira

Apaa

Seroti

Lake Kwanja

Lake Kyoga

Lake Bisina

Kumi

Kapchorwa

Mbale

Iganga

Tororo

Mt. Elgon  
14,177 ft.  
(4,321 m)

Bundibugyo

Fort Portal

Margherita Peak  
16,762 ft. (5,109 m)

Kasese

Katonga

Lake George

Masaka

Lake Edward

Brakenyi

Mbarara

Ntungamo

Kisumu

Kibale

Luwero

Mubende

Kampala

Mpiigi

Entebbe

Koma Island

Kalangala

Sese Islands

Lake Mbarara

Rakai

Kabale

**Itumba**

**Virunga National Park**

**Lake Mbarara National Park**

**TANZANIA**

**RWANDA**

**KENYA**

Lake Victoria

32° E

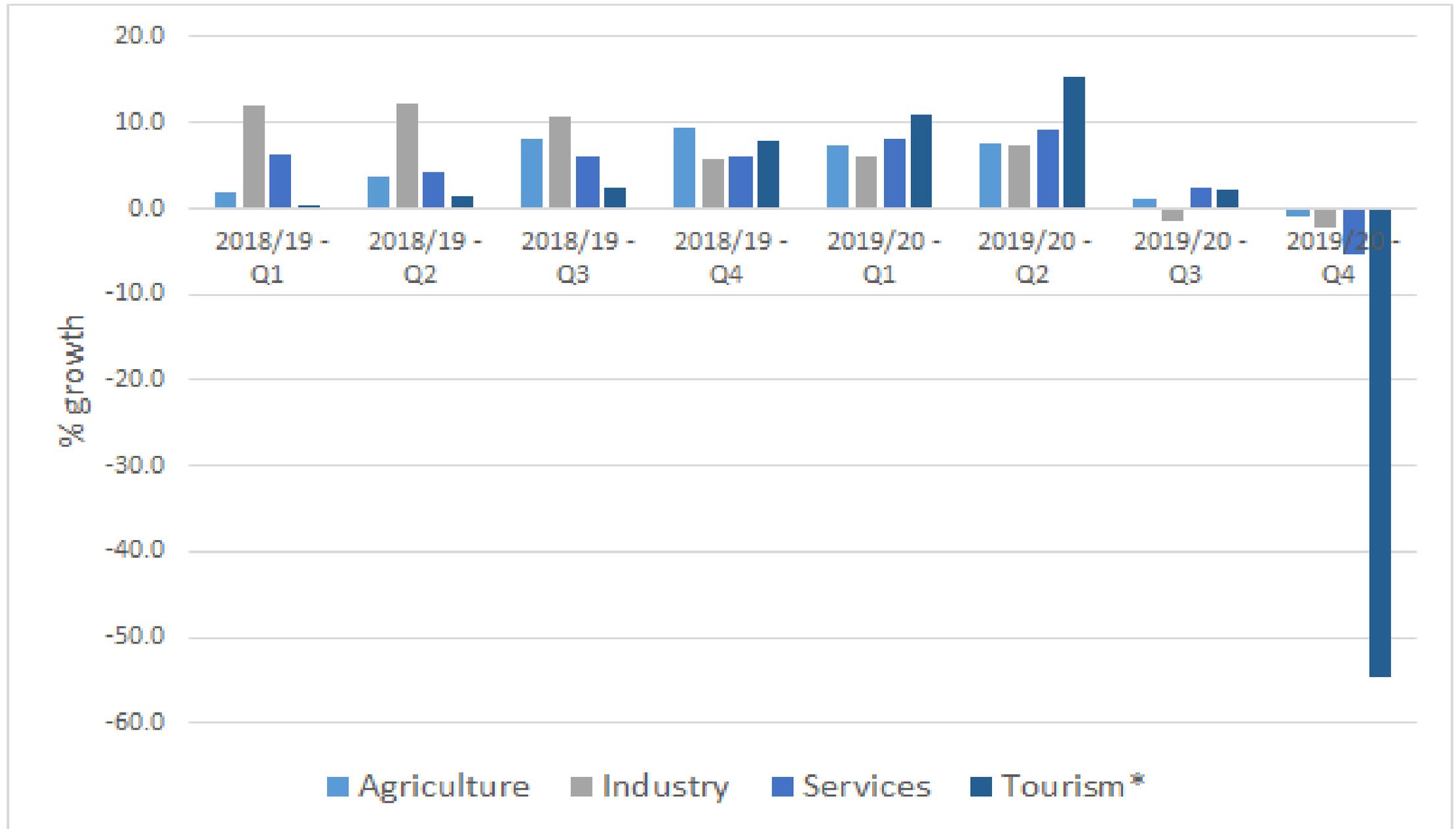
34° E



# The State in Uganda (before COVID-19)

- **Tourism was one of the cores sectors of Uganda's economy.**
- **Listed among the top four sectors to lead Uganda's transformation from a peasantry to modern upper -income country by 2040.**
- **In 2018/19 tourism contributed to about 7.7% to the National Gross Domestic Product (GDP).**
- **The increase in arrivals translated to US\$1.6 billion foreign exchange earnings, US\$1.92billion to GDP and**
- **Creation of about 667,600 direct and indirect jobs.**
- **NOTE: Even with the current state, the GOU still priorities tourism for socio economic transformation (UNDP111/Vision 2040)**

# Tourism is clearly the worst affected sector in Uganda



## Impact on Tourist Arrivals

It is estimated that the country could lose up to over 1 million foreign tourist arrivals by end of December 2020 due to the COVID-19 pandemic. This loss in arrivals would translate into loss in foreign exchange earnings of up to US\$ 1.06 billion (UGX 3.91 trillion) in 2020. of all visitors.

Month	2020		Loss in Foreign Tourists	Loss in Tourism receipts (US\$-Billion)	Loss in Tourism receipts (UGX-trillion)
	Trend without COVID-19	Trend with COVID-19			
Jan	135,676	135,676	0	-	0
Feb	136,213	136,213	0	-	0
Mar	136,750	95,725	41,025	0.04	0.14
Apr	137,288	0	137,288	0.13	0.47
May	137,825	0	137,825	0.13	0.47
Jun	138,362	0	138,362	0.13	0.47
Jul	138,899	0	138,899	0.13	0.47
Aug	139,436	0	139,436	0.13	0.48
Sep	139,974	0	139,974	0.13	0.48
Oct	140,511	35,128	105,383	0.10	0.36
Nov	141,048	49,367	91,681	0.08	0.31
Dec	141,585	63,713	77,872	0.07	0.27
<b>Total</b>	<b>1,663,567</b>	<b>515,822</b>	<b>1,147,745</b>	<b>1.06</b>	<b>3.91</b>

# Impact of COVID 19 on the Tourism and Hospitality Sector

- **Tourist Bookings and Cancellations**

Before COVID-19, Each Tourism establishment, on average registered an average of 152.7 and 113.9 bookings by the end of December 2019 and February 2020 respectively. By end of June 2020, Tourist Bookings had declined by 93% from the number recorded at the end of December 2019.

- **Impact on hotel businesses**

The accommodation sector plays a significant role in the development of Uganda's tourism industry. The sector has about 6,291 establishments countrywide with about 97,511 rooms and 103,261 beds (UBOS Census, 2014). At least 8 in 10 accommodation establishments registered cancellation of bookings between March 2020 and June 2020. A total of 448,996 hotel room bookings during the period March 2020 until 30th June 2020 had been cancelled, which caused a loss of revenue amounting to US\$ 320.8 million (UGX 1.19 trillion). The loss was directly attributable to the outbreak of COVID-19.

# Impacts Cont.

- **Impact on the MICE Industry**

MICE industry has been greatly affected by the disruptive effects of COVID-19. Since the onset of the pandemic, the Government of Uganda moved to minimize the importation of COVID-19 by cancelling all International conferences that were to be hosted in Uganda. Such as UN G77 summit that was scheduled in Uganda from April 16-19, 2020 at Speke Resort Munyonyo and attracting approximately participants 10,000 from 136 member states and World Health Summit Regional Meeting (2,000 participants) which was scheduled for 27th and 28th April 2020. These two summits were being held for the first time in Africa and would be a major boost to Uganda's international image and tourism sector. Other cancelled meetings include Africa Climate week and CBR World Congress.

# Impacts of COVID 19 on the Tourism and Hospitality Sector

- **Impact on Tour and Travel Businesses**

A Study was carried out and results revealed that more than 9 in 10 Tour Businesses registered Client Cancellation of bookings between March 2020 and June 2020 and that Revenues over US\$ 30.4 million (UGX 0.11 trillion) have been lost as a result of COVID-19 in the period March 2020 through to June 2020.

- **Impact on Employment in the Tourism Sector**

The average number of workers employed in the Tourism industry dropped from 18 workers in January to only 2 workers per establishment in June 2020. This represents a loss of 74.4% of Jobs in the Tourism Sector. The Hotel Industry that employed an average of 18 workers had to downsize to at least an average of 5 workers per establishment, a reduction of 72.2% in jobs in the hotel sector. Employment in the Tour and Travel Agencies had declined by 97.1 percent by June 2020 as literally all the Tour guides, agents were asked to take unpaid leave.

# Impacts Cont.

- **Art and Craft Enterprises**

The arts and crafts industry in Uganda heavily depends on tourists who tend to purchase Ugandan made handicrafts as souvenirs. Therefore, the disruption in travel for both Domestic and International Visitors has led to decline in sales of the art and craft pieces thus affecting employment. According to study results, At least 7 out of 10 artisan jobs have been lost due to the pandemic.

- High Cost of Doing Business:

- a. Repair and maintenance
- b. Tax obligations
- c. Utility costs

# Impacts Cont.

- Closed Airports have reduced tourist demand hence high Cost of Travel
- The supply chains interrupted

# Response , What Government has done to rescue Tourism Businesses in Uganda (Plan to COVID-19)

- Provision of Tax and fees Waivers:

There are several taxes and fees supposed to be paid which include NSSF payments, VAT, Payee, Income Tax, Property rights taxes, Trading License fees, hotel tax, among others. Given that the Tourism Sector is the hardest hit, Tax holidays and subsidies till the end of the year have been suggested.

- Intensify Marketing:

Government is pro-actively marketing the destination Uganda on social media and international television in key markets such as China, USA, UK, and Europe since many of these countries' citizens are in lock down and watching TV.

Developed a domestic tourism marketing strategy ( such as ,take on the "Pearl campaign, Tulambule campaign among others)

6 MDRs hired to promote the destination in 6 core and emerging markets i.e. North America & Canada, Japan, China, Gulf States, UK & Ireland, Germany, Austria & Switzerland, and others

# Response Cont.

- The Ministry (MTWA) is encouraging appropriate messaging; e.g. don't cancel, postpone or reschedule the travel or bookings in order to release pressure on refunds to clients.
- Uganda wildlife Authority has relaxed rescheduling of gorilla and chimpanzee tracking permits for a maximum of two (2) times up to March 31, 2022. This enables stakeholders to reschedule trips without incurring costs.
- Bank of Uganda has reduced the Central Bank Rate to 8 percent to stem the effects of coronavirus on the economy. This implies that entities can borrow much need funds at a reduced cost.

# Response Cont.

- MTWA has constituted a COVID-19 taskforce to advice on mitigation measures for the tourism sector
- Ministry has development Standard Operating Procedures for the hospitality sector and other tourism enterprises as part of the Health and Safety plan of the enterprises, aimed at restoring the confidence of the guests and travelers through Health and Safety protocols designed to reduce risks in each step of the tourism value chain.
- Ministry is undertaking Nation wide sensitization programs on the developed Standard Operating Procedures to the entire sector players including local governments. This is aimed at ensuring Health and Safety, Market Assurance and re-ignite the Economy.

# Response Cont.

- Uganda has opened its borders for international tourists, a measure many have termed as a very welcome move. Uganda airlines' long haul route network will connect Dubai, Mumbai, London and Guangzhou and these destinations represent Uganda's largest import and export markets'.(International Travelers are required to adhere to New Health and Sanitation Protocol)
- In January 2021,Uganda received the Safe Tourism Seal form WTTC. The Safer Tourism Seal (STS) builds on established certifications through evaluations and endorsements. The seal provides additional assurances when traveling during these uncertain times.

**END**

Thank you for Listening!