



Tourism an Engine of Wealth Creation in Zimbabwe

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ABSTRACT

Tourism is one of the fastest growing industries in the world. Its rapid expansion has been considered as an interesting possibility for sustainable development including poverty reduction in many countries. Its importance as a growth driver derives from its potential towards exploitation of economies of scale, relieving the foreign exchange constraint, raising efficiency through increased competition, promoting the diffusion of technical knowledge, as an important source of income, employment and wealth. The Zimbabwean tourism sector which has been identified as one of pillars of economic growth in the medium term plan (2012-2015) has undergone tremendous changes over the year. These changes reveal that the tourism sector in the country has some form of resilience to challenges that may affect other economic sectors. The study evaluates the major factors underpinning the resilience of the tourism sector and its contribution to the broader macroeconomic aggregates in comparison to the other economic indicators. A descriptive approach is used in the study to describe the data and characteristics of the tourism sector. This methodology is employed when researchers want to gain a better understanding of a topic, and involve documentary review and descriptive data analysis to explain the phenomena. A comparative analysis was done with other regional countries to determine the position of the sector in the region and also to draw lessons from those countries with a view of proffering solutions on how the industry can spur growth and economic development in the country.

Keywords: Tourism, Wealth Creation, Descriptive Approach

JEL Classifications: A12, L83

1. INTRODUCTION

Tourism is now one of the world's largest industries and the fastest growing economic sectors. The majority of countries now view tourism as a main instrument for economic development with great potential to stimulate new economic activities. The importance of the sector in economic development hinges on the sectors potential to positively impact on the balance of payments, employment creation and linkages with various sectors of the economy. International tourism is an important foreign exchange earner and an export for many low income countries as well as for developed ones (Brida et al., 2008). Many developing countries are paying attention to economic policies for promoting international tourism as a potential strategic factor to development and economic growth (Webster and Ivanov, 2013). Tourism is further perceived to cause positive economies of scale and is a vehicle for diffusion of technological knowledge, stimulation of research and development and accumulation of human capital.

Table 1 shows some of the development and projections of the developments of the tourism industry in the world. The table reflects the world tourism's potential in wealth creation and how the wealth is likely to be shared among the different parts of the world.

The UNWTO is projecting that profits from tourism will continue to grow and reach US\$ 2 trillion 2020 from US\$500 million that was recorded in 2002. It is further projected that average expenditures per tourist increase from US\$ 707 registered in 1995 to US\$ 1248 in 2020.

The tourism sector suffered a decline that began in the second half of 2008 and intensified in 2009 after several consecutive years of growth (UNWTO, 2012). A sharp reduction in tourist flows, length of stay, tourist spending and increased restrictions on business travel expenses led to a significant contraction of economic activity in the sector worldwide. Among the most affected during the crisis were international tourist arrivals, decreasing by 4% in 2009,

Table 1: Forecast of inbound tourism, world by Regions International Tourist Arrivals by Tourist Receiving Region (million)

Region	Base year	Forecast	Forecast	Average annual growth rate (%)	Market share	
	1995	2010	2020	1995-2020	1995	2020
World	565.4	1006.4	1561.1	4.1	100	100
Africa	20.2	47.0	77.3	5.5	3.6	5.0
Americas	108.9	190.4	282.3	3.9	19.3	18.1
East Asia and Pacific	81.4	195.2	397.2	6.5	14.4	25.4
Europe	338.4	527.3	717.0	3.0	59.8	45.9
Middle East	12.4	35.6	68.5	7.1	2.2	4.4
South Asia	4.2	10.6	18.8	6.2	0.7	1.2
Intra-regional ^a	464.1	790.9	1183.3	3.8	82.1	75.8
Long-Haul ^b	101.3	215.5	377.9	5.4	17.9	24.2

^aIntraregional includes arrivals where country of origin is not specified, ^bLong-Haul is defined as everything except intraregional travel. Source: UN World Tourism Organization

while international tourism revenues were projected to go down 6% by the end of 2009. The regions hit hardest by the decline in worldwide international tourism were the Middle East (-4.9%), Europe (-5.7%), and the Americas (-4.6%). Only Africa showed constant growth (+2.9), based on a comparatively low travel volume. Despite the crisis, global employment in the tourism industry increased by about 1% between 2008 and 2009. The report shows, however, significant regional differences with respect to the crisis impact on employment in hotels and restaurants. While the Americas suffered a 1.7% decrease in employment, employment in Asia and the Pacific region remained resilient and gained 4.6%.

This paper evaluates the major factors underpinning the resilience of the tourism sector and the challenges facing the sector to achieve its full potential. It also looks at the contribution of the sector to the broader macroeconomic aggregates in comparison to the other economic indicators. A descriptive approach is used in the study to describe the data and characteristics of the tourism sector. The rest of the paper is organized as follows; section 2 looks at the brief literature review, section 3 gives an overview of the tourism sector in Zimbabwe; section 4 outlines the contribution of the sector to the broader macroeconomic aggregates and chapter 5 looks at the challenges of the tourism sector. Conclusions and recommendations are proffered in section 6.

2. LITERATURE REVIEW

The tourism led growth hypothesis identifies tourism as a potential strategic factor for economic growth (Sinclair and Stabler, 2002). The benefits that a country can derive from tourism can be broadly classified as economic and non-economic benefits. Economic benefits of tourism include; the expansion of business opportunities for the poor, expansion of employment and wages by ensuring commitments to local jobs and training of local residents, and the development of collective community income. The overall economic benefits of tourism are maximized through enhancing linkages with other local economic sectors. Strong economic linkages with tourism and other sectors such as agriculture and small and medium enterprises will enhance the multiplier effect, thus contributing to increased revenue retention and creation of employment opportunities for local people (Akama and Kieti, 2007). The enhancement of economic linkages through tourism development results in a greater demand for local goods and

services, the creation of more jobs, and the development of more opportunities for local businesses. Non-economic benefits include; capacity building and training; improved access to services and infrastructure (such as health care, security, water supplies, and transportation), and mitigation of environmental impacts (Mowforth and Munt, 2003).

There are various pathways that have been identified to be the channels of the effects of tourism into the economy. Three main channels are the direct effects, the indirect effect and the dynamic effects.

- Direct effects: These measure the effects generated by the first monetary circuit from a tourist (for example: The proportion of expenditure made by the tourism unit on raw materials, wages paid, etc., and monetary unit spent by tourists). This basically includes incomes for those who participate directly in the sector as workers or entrepreneurs. Tourism is a labor intensive sector than other non-agricultural sectors hence an important source of employment for poor people.
- Indirect effects: These are derived through the tourism value chain. Tourism draws on inputs from the various sectors; food and beverages, construction, transportation, furniture and a host of other sectors. Simply defined the indirect effects are the successive transactions between firms, resulting from direct tourist expenditures (for example: Expenditure for procurement of goods and services by firms from other sectors, necessary to meet the tourism demand.
- Dynamic effects: Tourism development can affect the livelihood strategies of local households, the business climate for small enterprise development, patterns of growth of the local or national economy and the infrastructure or natural resource base of the destination.

The combined sum of the three pathways to tourism gives the sum of the benefits that can accrue to an economy through the development of the nation's tourism sector. Another importance of the tourism sector in an economy is through the identification of tourism as an export *in situ*. This simply means that the tourists are the ones who visit the place of interest and not like other exports which would need to be transported to the consumer.

International tourism is a source of long-run growth through several channels. Firstly, small open economies benefit from

tourism specialization, enhancing faster growth with respect to other types of economies (Lanza and Pigliaru, 1994). This implies a higher level of income generated by the existence of comparative advantage. Secondly, an increase of tourism receipts will relieve foreign exchange constraints. These extra resources can be employed to increase imports of capital goods that might further boost domestic investment and consumption (Nowak et al., 2007). The increase in competition at an international level, given by the unique supply of certain characteristics of a destination (e.g., natural amenities, art and history, climatic conditions) will enhance economic growth via better management, higher levels of accumulation and efficiency of tourism resources as well as higher levels of investment and human capital accumulation in tourism activities. In fact, multiplier effects are likely to be produced both in export and non-export sectors.

3. REVIEW OF ZIMBABWE'S TOURISM SECTOR

The tourism sector experienced rapid growth since the country gained independence in 1980 with the period 1989-1999 registering tourist arrivals growth averaging 17.5% whilst tourism receipts increased at an average annual growth rate of 18%. However, the prevailing economic, social and political environment led to a decline in tourism performance since 2000. The government attributed the decline in tourism sector to the fast track land reform program and the illegal sanctions that were imposed on the country (GoZ, 2011). Further the United Kingdom and the United States of America the major source markets for Zimbabwean tourism issued travel warnings against the country reducing the amount of potential tourists coming to the country.

The strength of the tourism sector in Zimbabwe manifests in the architecture of the tourism sector and its composition. The tourism product in Zimbabwe is composed of four main aspects; people, culture and history; natural resources (e.g., natural resources); built environment (e.g., hotels and lodges) and unique scenic (e.g., Victoria Falls and Great Zimbabwe Monuments). The four components give a complete picture of the tourism product in the country. All these are supported by various players in the various categories and subsectors. The breakdown of the number of players who are involved in the sector is shown in Table 2.

Economic factors that have been cited as contributory factors to the decline in the sector included the following; onset of hyperinflation; shortage of basic commodities including fuel and erratic supply of amenities; lack of direct flights making the destination expensive and compromised safety and security. Overall, all these factors compromised the image of the country hence discouraged tourism arrivals. The decline in the sector also affected other industries within the value chain as the industry is strongly related to other industries and makes a significant contribution to gross domestic product (GDP), employment, foreign currency earnings and investment.

Sprucing up the image of the country lies at the heart of the tourism sector in Zimbabwe. Closely related to the above is

the need for government interventions in addressing the key enablers; infrastructure and supporting sectors in unleashing the potential of tourism in Zimbabwe. These includes, rehabilitation and upgrading of tourist resorts airports, safety and security, rehabilitation of the national road network, improvement in water supply system, electricity supply system, revamping the agriculture and manufacturing sectors, which are key suppliers of critical inputs, equipment, machinery and other ancillary services to the tourism sector.

There is general need for the development of a policy framework to address the key enablers' issue. Like all other sectors of the economy, the development of the sector is hinged on the success of the government and tourism players in resolving the problem associated with enablers given that these have direct effects of enabling the visitors to be comfortable as they visit the country and the relevant places of interest.

The major challenge is the lack of low cost financing for the tourism sector. Tourism infrastructure development is limited by lack of capital, given the liquidity crunch in the economy and limitations with regards to offshore financing due to the country's external payment arrears (Abel and Nyamadzawo, 2013). Furthermore, access to domestic credit remains constrained by the not so conducive lending tenures being offered by the market. GoZ (2011) noted that the average tenure of the lending, though improved from between 30 and 90 days in January 2010 to levels of 180 days, do not meet long term borrowing requirements for capital expenditures. Such terms and conditions are not supportive of long term capital investments. In addition, when funds are available, they are often prohibitively expensive compared to external borrowing. As of end of 2012 lending rates ranged from 10% to 35% per annum compared to interest rates offered by some donor agencies which are concessionary in nature, for example, the World Bank and some government-to-government facilities attract interest rates of below 2% over lengthy tenures. Hence, a deliberate effort should be put in place to resolve the enables issue which has become a challenge to the whole economy.

4. COUNTRY PERFORMANCE AND EXPERIENCE

The potential of the tourism sector to significantly contribute to wealth creation in an economy can best be understood from the perspective of the sector's contribution to the major macroeconomic aggregates of a country. The average annual growth rate of international tourists in developed countries for the period 1990-2005 was 6.5%; the average annual growth rate of international tourism arrivals in developing countries for the years 1990-2005 was 9.7% while it is estimated that at the country level broadly defined tourism accounts for between 2% and 12% of GDP in advanced and diversified economies (UNWTO, 2012). With these statistics it is important to take stock of the development at the country level in Zimbabwe hence deduces the potential of the tourism sector to champion wealth creation. This section will therefore look at the contribution of the sector to the macroeconomic performance of the country; broadly review the

Table 2: Number of tourism players by category and subsector, Zimbabwe, 2000-2012

Category	Sub sector	2000	2005	2010	2012
Restaurants	Amenities	82	57	233	303
Lodges	Accommodation	106	62	146	170
Hotels	Accommodation	98	59	101	192
Incentive travel operators	Activity	117	75	101	
Visitor attraction arts, artefacts	Activity	14	0	80	11
Hunting	Activity	165	119	68	82
Guest house	Accommodation	42	14	65	103
Tour operators	Activity	118	56	60	96
Photographic and other non-consumptive safari operators	Activity	186	94	47	45
Self-catering	Accommodation	60	27	31	45
Visitor attraction canoeing, rafting cruising	Activity	16	16	28	43
Camps	Accommodation	15	15	23	32
Vehicle hire	Access	38	12	22	17
Boats, cruisers, yachts	Activity	17	7	16	17
Boats, houseboats	Accommodation	27	11	16	41
Bed and breakfast	Accommodation	10	8	13	13
Motels	Accommodation	9	5	11	10
Conferencing	Amenities	2	2	2	7
Air transport	Transport	1	0	5	4
Hostel	Accommodation	3	2	4	10
Camping caravans	Accommodation	11	5	3	4
Various activity	Amenities	0	3	3	
Motor coaches	Activity	2	3	2	2
External operator	Accommodation	32	5	2	5
Farmhouses	Activity	3	0	1	1
Bicycles	Activity	4	1	0	
Conference organizers	Amenities	8	2	0	7
Inns	Accommodation	3	3	0	3
Motor cycles	Access	3	0	0	2
Total		1192	663	1086	1265

Source: ZTA

performance of the tourist arrivals, tourism receipts, GDP, and tourism as an export and employment generator.

4.1. Arrivals and Tourism Receipts Trends

Over the period 1980-1998, the tourism industry registered rapid growth. In 1980 for example, 237,668 tourists visited the country resulting in a total of US\$38.4 million in export receipts. This growth continued up to 1999 where 2,249,615 arrivals visited the tourist resorts. Tourists' arrivals grew at an average growth rate of 17.5% (ZTA, 2001). Growth rate in the sector however fell to 3% in 2007 as the hyperinflation took its toll on all the sectors of the economy.

A summary of the trend of tourist's arrivals between 1980 and 2008 is shown in Figure 1. The country registered a continuous upward trend in tourist arrivals between 1980 and 1998. This was mainly due to the good publicity the country was enjoying globally as well as robust tourism infrastructure as compared to other countries within the region. There was a general slowdown in the number of visitors coming to the country during the period 1998-2008 due to a number of challenges that affected the country during that period. These were mostly related to the negative perception over the land reform and the operation restore order that were undertaken by the government. In 2005 alone tourists arrivals declined by 16% as compared to the previous year. This period was also associated with the decline in the quality of the infrastructure and utilities. Roads, sewerage, water and other infrastructure became dilapidated. The sewerage and water

infrastructure challenges led to the situation where the country ended up experiencing the cholera endemic which led to the death of thousands of people. Given that the cholera endemic became headline news the world over, it scared away potential tourist to the country and also domestic tourists became scared to travel in fear of the endemic.

The increase in arrivals from 2006 to 2008 is mainly due to increased number of humanitarian workers who were flocking to the country because of the socio economic crisis. This means that the increased numbers were not coming to enjoy the product but to offer humanitarian assistance. Volunteers were coming from the United Nations and African Union.

The fall in 2008 was mainly linked to the political instability due to elections as well as cholera outbreak that claimed thousands of lives. As a result tourists arrivals declined by 22%. A notable increase of 3% in arrivals was recorded in 2009 and this continued in 2010 where an 11% increase was recorded. This was mainly attributed to the economic recovery of the country after the dollarization of the economy and the entry into force of the consummation of the all-inclusive government.

The global market of tourists that visited Zimbabwe shows that Africa continues to dominate the foreign arrivals to the country. Africa remained the major source market for Zimbabwe, contributing above 80% of tourists who were visiting the country. Regionally South Africa had remained the major source market.

The lifting of the travel advisory in 2009 by the USA saw the market share from that part of the world rise. Critical to note is the emergence of the Middle East market in 2006 which was as a result of the Look East Policy. The Asian market share increased from 15% to 18% in 2004 probably because of the Look East Policy.

There was steady growth of the tourism receipts between 1980 and 1996 such that tourism receipts increased at an average annual growth rate of 18% in US\$ terms and 25% in Z\$ (ZTA, 2001). In 1980 total receipts amounted to US\$38.4 million and rose to US\$231.8 million (Figure 2) by 1996. Thereafter, the growth had been staggered. Troughs were recorded in 1997, 2005 and in 2008.

Whilst tourist arrivals were increasing, the receipts were declining instead. This was because most of these tourists were from the domestic market particularly during the crisis period. Local tourists could not consume much of the tourism services as their disposable income was eroded by the hyperinflationary environment. More so a substantial number of them came from Asia but these are traditionally low spenders as compared to those from Europe and America, the key sources markets for Zimbabwe.

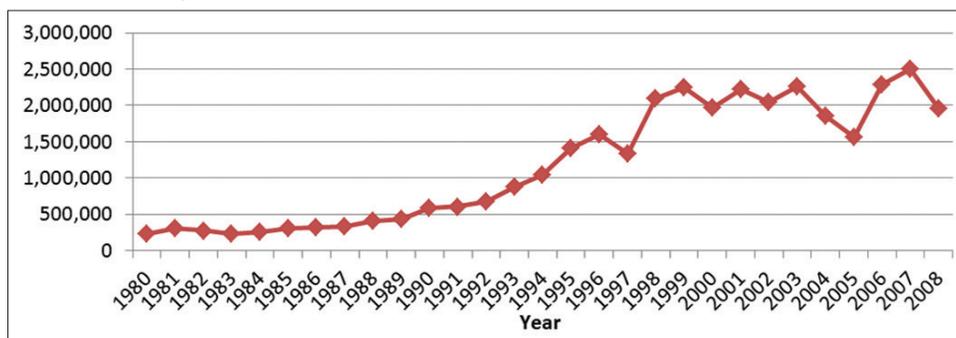
The socio-political instability experienced in the country affected tourism to a greater extent, and the nation lost foothold in the major markets such as the Europe, USA, who are generally big spenders. In 1991 arrivals from Europe were nearly 400 million, the figure dropped by 2005 which was the mid crisis period to 112,608. Similarly, arrivals from USA were 125 million in 1999 but dropped to 43,976 in 2005.

The tourism sector experienced a decline in the tourism arrivals during the period 1999-2006, the trend start to reverse in 2009, with the consummation of the government of national unity in 2009. This saw the government adopting the multi-currency system leading to the stabilization of the economy moving from high levels of inflation to a disinflation period. This stabilization led to a 3% increase in arrivals after nearly a decade of declining arrivals.

One of the contributions to wealth creation to a country is through job creation given that the sector has the potential to create large formal and informal jobs. Tourism in Zimbabwe has also been contributing immensely to employment creation in the country. Its contribution to total formal employment for the sector was at 7% in 1980. It continued to grow over the years and reached 9.1% in 2006. The growth rate in employment creation has been constant since then before starting to decline during the period 2008-2011 as a consequence of the disturbances experienced in the country which affected the country with a lag. In 2012 the sector registered a contribution of 7.8% to total employment creation (Figure 3). This shows that the sector is now in rebound mode with potential to increase the figure further provided the right environment is created. The country's hosting of the UNWTO assembly has the potential to further market the country hence increase the potential for generating more employment for the sector.

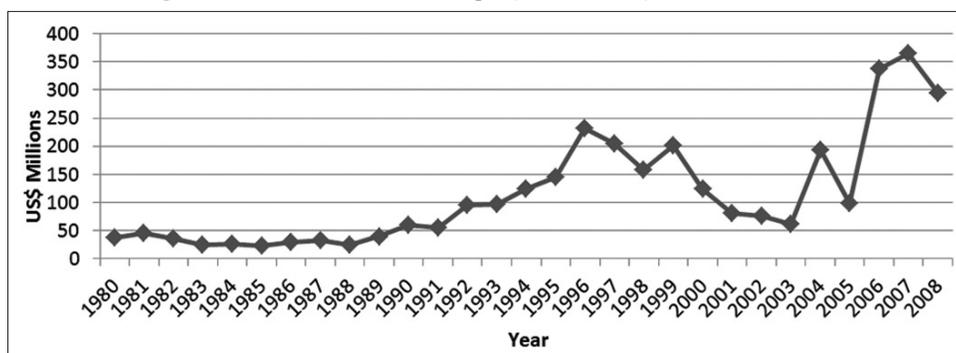
The importance of tourism to economic development can also be measured by its contribution to the country's GDP. One important aspect of the tourism sectors contribution was the fact that despite the country having undergone a serious economic meltdown in the

Figure 1: Number of tourist arrivals to Zimbabwe from 1980 to 2008



Source: Zimbabwe Tourism Authority (2011)

Figure 2: Zimbabwe's tourist receipts (US\$ millions) from 1980 to 2008



Source: Zimbabwe Tourism Authority (2011)

period 2000-2008, the sector managed to positively contribute to the country's GDP (Figure 3). The tourism sector grew by 8.8% in 2010 and 4.3% in 2011 (Table 3).

The tourism sector is projected to grow by 4%, 4.6% and 4.2% in 2013, 2014 and 2015 respectively. This is likely to compare favorably well with growth of the economy projected to grow by 5%, 6.3% and 5.5% respectively over the same period (Table 2).

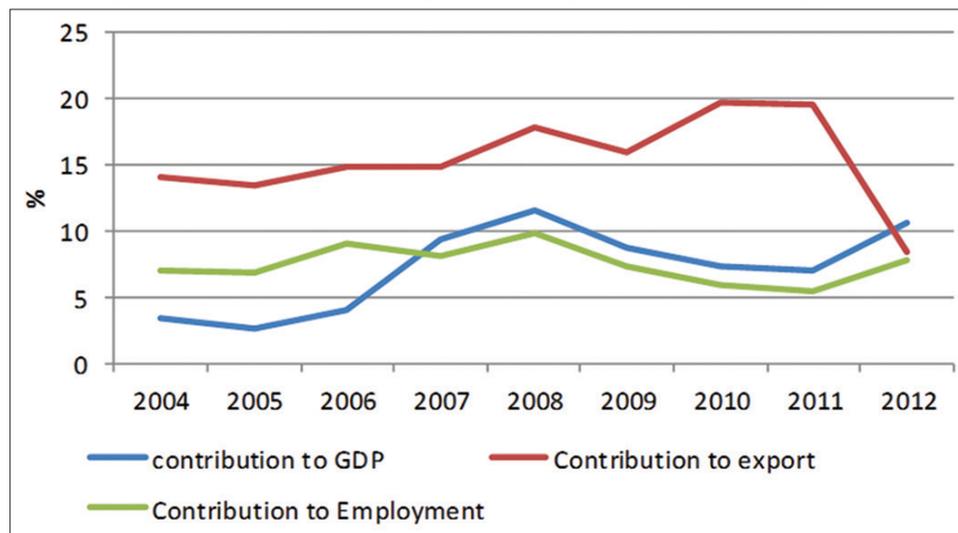
Zimbabwe has been experiencing some challenges with its export performance with the balance of payment position showing the country to be importing more than it was able to export. This has reflected as perennial balance of payment deficit. Tourism as an export has been able to outperform other export sectors. During the period 1999-2008, the tourism industry was able to continuously contribute to the exports. During that time, the tourism industry's contributions to the country's total exports increased from 13.5% in 2005 to 19.7% in 2009 before starting to decline and register a contribution of 7.8% in 2012. Since 2004, it is only in 2012 that the

sector has registered a single digit percentage figure contribution to export performance.

The importance of tourism sector derives from its contribution to infrastructural development. The development of infrastructure can be spearheaded by both the private sector and public sector. Literature shows that infrastructural projects usually have greater multiplier effects as compared to other projects given the huge amounts involved also; there is greater scope for wealth creation. Incomes generated by the employees are spent across the wide spectrum of industries and also brick making and other related industries also benefit from the investment in the tourism infrastructure.

The Zimbabwean case shows that the government has been an active player in as far as infrastructure development in the tourism sector is concerned. Over the years the government has been investing in the sector in an effort to improve the performance of the sector. In 1999, the government undertook 39 projects. These

Figure 3: Tourism contribution to gross domestic product, export, and employment

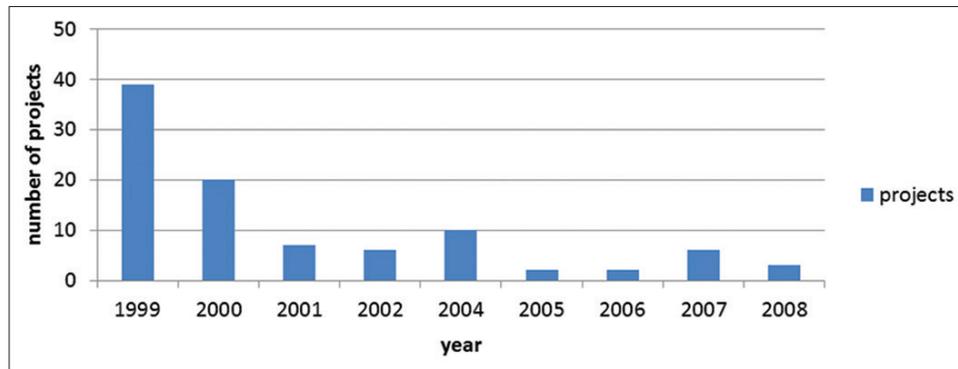


Source: ZTA (various reports)

Table 3: Zimbabwe GDP growth rates

Sector	2009	2010	2011	2012	2013	2014	2015
	actual (%)	actual (%)	actual (%)	Est (%)	projection (%)	projection (%)	projection (%)
Agriculture, hunting and fishing	21.0	34.8	5.1	4.6	6.4	6.4	6.1
Mining and quarrying	33.3	60.1	25.1	10.1	17.1	22.0	15.0
Manufacturing	10.0	-4.0	15.0	2.3	1.5	3.2	2.8
Electricity and water	1.9	19.1	7.8	0.3	2.2	6.6	5.4
Construction	2.1	5.4	6.2	4.9	6.2	5.2	5.2
Finance and insurance	4.5	5.6	2.0	5.1	6.0	7.5	6.3
Real estate	2.0	5.4	3.1	4.9	6.2	5.2	5.2
Distribution, hotel and restaurants	6.5	8.8	4.3	3.9	4.0	4.6	4.2
Transport and communication	2.2	20.5	18.7	5.8	3.4	2.6	2.7
Public administration	2.0	0.0	4.8	3.0	2.0	1.2	1.0
Education	2.8	0.5	0.5	1.4	0.5	1.0	1.3
Health	3.2	15.8	10.0	2.5	2.0	3.0	4.0
Domestic services	2.2	6.7	0.4	1.5	1.5	1.5	2.0
Other services	2.3	14.6	10.9	5.0	2.5	2.5	3.0
GDP at market prices	5.4	9.6	10.6	4.4	5.0	6.3	5.5

Source: National budget statement, 2013. GDP: Gross domestic product

Figure 4: Investment in tourism sector

Source: ZTA (various annual reports)

projects ranged from capacity building, infrastructural upgrading to small scale projects that benefit the tourism industry. This was equivalent to 16% of total government projects. These projects experienced a downward trend to 20, 7, and 6 in 2000, 2001 and 2002 respectively. These were 13%, 8.2% and 7% respectively of the total government projects. The importance of these projects lies in the fact that there are of capital nature hence contributes to economic development for a long period of time. The involvement of the government in such ventures is an important development since it gives a guide to other industry players the government policy stance hence also attracting foreign investment.

Significant amounts were invested by the government in the tourism sector prior to 1999 (Figure 4). The economic crisis saw the government cutting down on the amount it was investing on public sector investment projects. The decline in the amount of investment had a direct effect on the amount of jobs that were created in the sector. In 1999 a total of 1358 jobs were created as a result of the government investing Z\$1.654 million, while the sector created 349 jobs with an injection of Z\$ 225.3 million by the government in 2000. A total of 148 jobs and 183 jobs were created when the government injected Z\$ 244.4 million and Z\$ 195.9 million in 2001 and 2002 respectively. By 2003 the government was running 7 tourism projects worth Z\$ 21, 9 billion creating about 313 jobs which was an 82% decline compared to 1999 when tourism was at its best. In the year 2008 saw the number of projects drops to 3 indicating the declining government fiscal space.

5. CHALLENGES FOR TOURISM IN WEALTH CREATION IN ZIMBABWE

The potential of the tourism sector in Zimbabwe to significantly contribute to wealth creation depends mostly on the ability of the various players to circumvent some of the major challenges bedeviling the industry. These challenges are both policy related and operationally oriented. Some of the challenges limiting the potential of the sector to significantly contribute to wealth creation are outlined in this section.

Entrance into the sector is not easy as potential entrances are subjected to a plethora of application for the requisite licenses

and procedures. For one to be able to start operating, the operator should have no less than seven operating licenses and in some cases thirteen licenses. This acts as a disincentive for the entrance hence potentially crippling the sectors contribution to economic development and wealth creation for the whole economy. The majority of the required licenses are obtainable from the various government departments and usually are centralized in Harare hence making it difficult for the majority of the potential operators to access them. Deliberate efforts should be made so as to collapse some of the licenses into one so that operators can be saved from the bureaucratic process.

Associated with the issue of licenses is the issue of taxation and fees. Tourism industry is a heavily taxed sector in the country. Various taxes are levied across the entire industry right from tour operators, transporters, air operators and hotels. The taxes include service tax, tax on transportation, aviation fees, operator's fees to local authority and relevant government departments. The majority of the levies are levied for similar things but paid to different government departments.

Zimbabwe is endowed with a lot of tourism attractions and these are scattered throughout the country. The ability for the tourist to access these resorts is currently compromised by the lack of domestic air connectivity, poor road network and unreliable railway network. This has the implication of reducing the number of visitors who can visit other places of interest. The poor road network makes it different for the tourists to access the country's tourism resorts. This requires the government to put in place measures to attract investors into the infrastructural development. Models such public-private partnerships should be pursued for infrastructural purposes especially road networks for easy access to our tourism resorts by tourists. While the government should put in place measures to attract investors into the aviation field so that there is connectivity between the various resorts by air so visitors are able to connect within shortest possible time. The country's railway network used to be a reliable mode of transport between big cities but is now in a bad state. There is need for the government to also pursue some partnership arrangements for investing in the railway infrastructure. This will also boost the tourism as the movement by train is also a form of tourist attraction besides generating revenue for the National Railways of Zimbabwe.

The attraction of the country to the tourists is a function of a variety of government policies. Tourists tend to be attracted to countries where there is easy of entry and exit in term of immigration formalities. Currently the country is marred by unfriendly visa policies. The visa procedures are seen as hindrance. In the modern world, developments are favoring online application of visas or accessing visas at the point of entry. The country should be moving towards harmonizing its visa policies with developments on the global arena.

The development of the tourism sector is hinged on successful promotion of the sector to the local people and foreigners. Lack of domestic tourism promotion is another big challenge the country continues to experience. Without vigorous campaign on the domestic market, the sector will not be able to develop to its full potential. Current statistics show that the sector is benefiting a lot from the client on the domestic market hence the need to continuously attract the local residents to visit the country's tourist attractions. Notwithstanding the importance of foreign tourists, the success of the tourism industry should be driven by the domestic demand for the tourism products.

The current effort of the government in developing the tourism policy is a welcome development. The development of the operational plan to operationalize the plan is the next step that the government through the Zimbabwe Tourism Authority should embark on. Developing a tourism strategy (master plan) is an essential process for developing a successful tourism product. This should be done through consultation with all the key players in the sector through a bottom up approach.

Another challenge currently faced by the tourism sector has been the issue of leakages. There are two potential sources of leakages; many of the goods used by the tourism industry (building materials, food, and furniture) are purchased from foreign sources, and some of the industry's profits are exported given that some are owned by foreign and transnational corporations. Regardless of its cause, the occurrence of leakage results in the local population bearing the environmental and cultural costs of tourism while retaining relatively little of economic benefit (Barrow, 2006). In light of the potential leakage from the sector, the country's indigenization laws should be applied properly to be able to plug the leakage while at the same time not discouraging potential investment and foreign arrivals. The law should also encourage consumption of locally produced goods and services such as food and beverages.

6. CONCLUSIONS AND RECOMMENDATIONS

The tourism sector has been contributing immensely to the various macroeconomic aggregates in the country and possesses the greatest potential to create wealth for the players and the country as whole. It is important to note that the tourism sector is very sensitive to the socio, political and economic developments taking place in the country and abroad. Tourism sector developments are hinged on the availability of systems that support tourism growth such as viable accommodation, access routes and modes, attractions, amenities and activities are also critical success factors for tourism. A disturbance of the economy can have detrimental

effects on tourism growth even at a global level as indicated by the 2008-2009 global economic crisis as well as the Euro zone global crisis that had detrimental effects on global tourist arrivals and receipts.

The country should also learn from international experience for it to derive benefits and enhance wealth creations. The government should adopt the following measures for wealth creation in the country; establish a comprehensive and coherent tourism strategy and implement policies that support the mission outlined in the strategy; enact robust legislation to protect tourist attractions and employees; reduce bottlenecks and constraints that hinder investment and development (i.e., minimizing competing or overlapping bureaucracies); design a creative marketing strategy that leverages the comparative advantages of the host country; support efforts to reduce crime and corruption through legislation, monitoring, and enforcement and adopt internationally-recognized tourism standards.

The government should encourage domestic tourism and develop a culture of travel among local people so as to cultivate a mechanism where domestic tourists take the lead in visiting our own resorts. Schools and other relevant institutions should be encouraged to use the different tourist facilities for educational purposes hence indirectly promoting the tourism resorts.

Players in the tourism sector should develop possible bankable projects around tourism. Currently the financial sector is not well versed with the potential of the sector and the various activities involved. A platform must be conjured where the financial sector engages with tourism players so as to form partnerships and agreements that enable the sector to borrow at sustainable rates. This will assist the sector to refurbish some of the dilapidated infrastructure. Most of the operators lack collateral in order for them to access loans from the banks.

To achieve quick wins in the industry, there is need for the setting up of a revolving fund to plug the gap in financing currently being faced by the players in the sector. Government should create a tourism revolving fund for the sector and make sure a certain proportion of the resources due to distressed organizations is specifically set for the tourism sector. Along these lines the government should encourage investment into product diversification and explore other range of products whilst at the same time develop activity packages for the tourist to spend more at attractions.

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