JUNE, 2020

GOVERNMENT OF KENYA
MINISTRY OF TOURISM AND WILDLIFE

COVID-19 AND TRAVEL AND TOURISM IN KENYA POLICY BRIEF



Tourist Numbers in the World

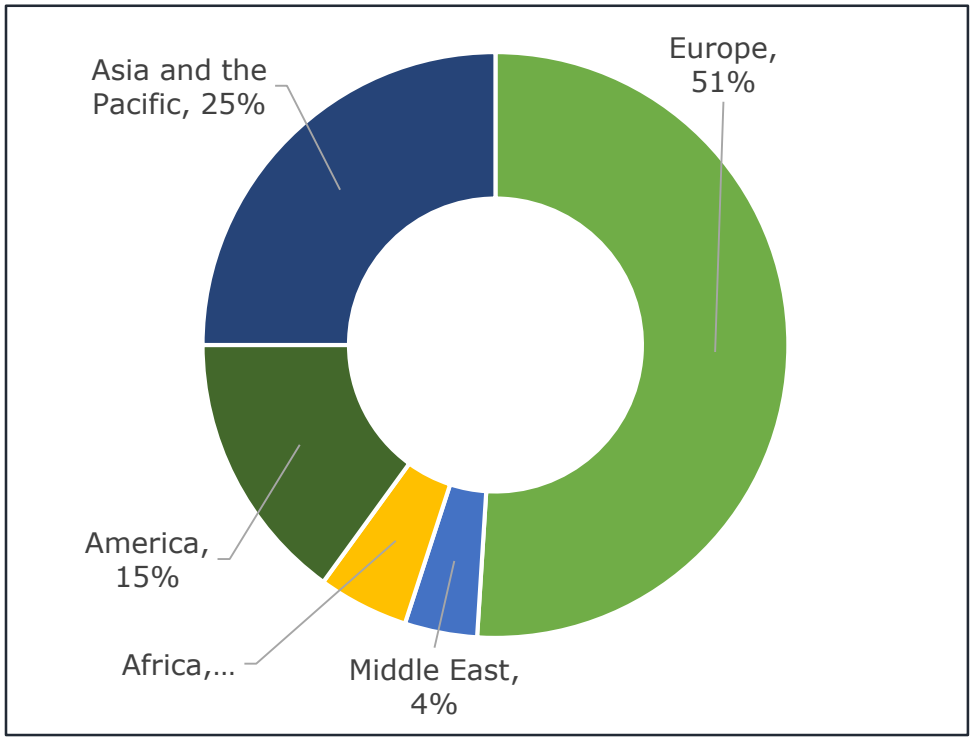
There has been an extraordinary growth of tourism recorded in 2020 in the world (1.5 billion), Africa (71.2 million) and Kenya (2.05 million).



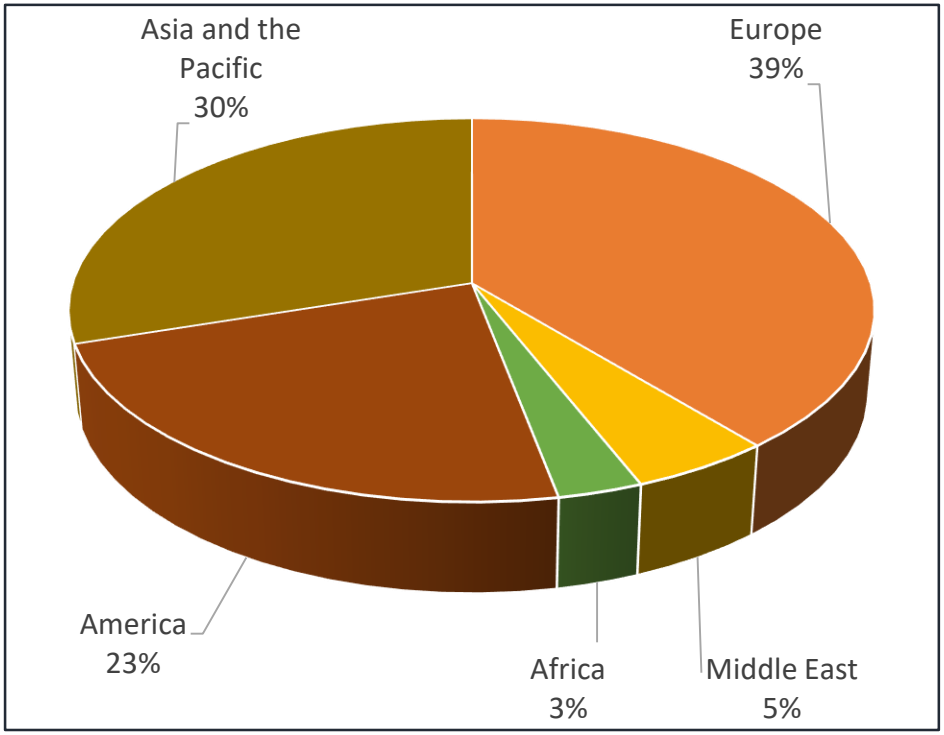
Source: UNWTO (2020)

Tourism Growth in Africa

Tourism is one of the most important industries in Africa and contributed 8.5% (or $194.2bn) of the continent's Gross Domestic Product (GDP) in 2018 (WTTC, 2020).



International Tourist Arrivals

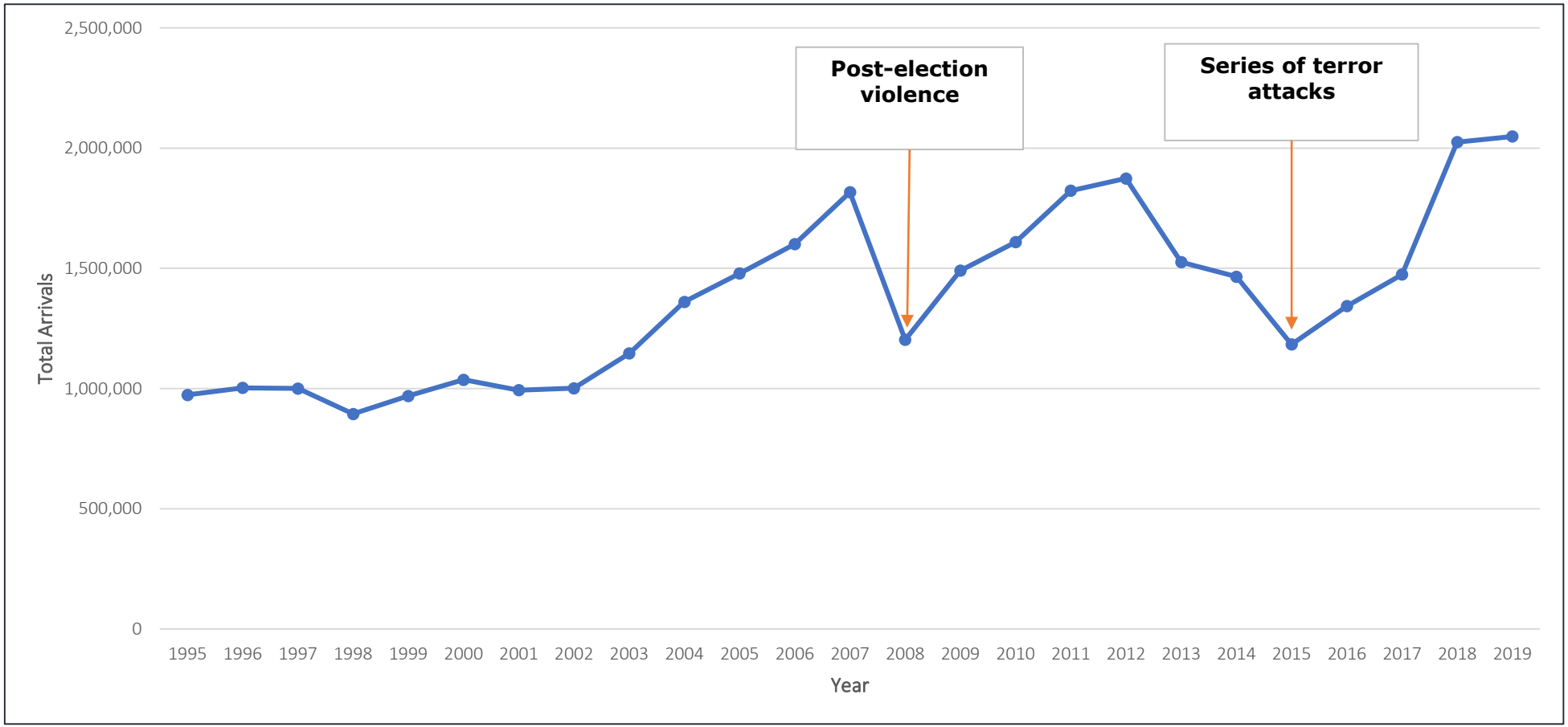


International Tourism Receipts

The sector contributed 24.3 million (6.7%) of the total employment. Domestic spending accounted for 56% of the tourism economy while 44% for international tourism spending comprised 9.6% of the region's total exports, worth $58.5bn (WTTC, 2020). However, this impressive growth accounts for only 3% of the world share of international tourism receipts.

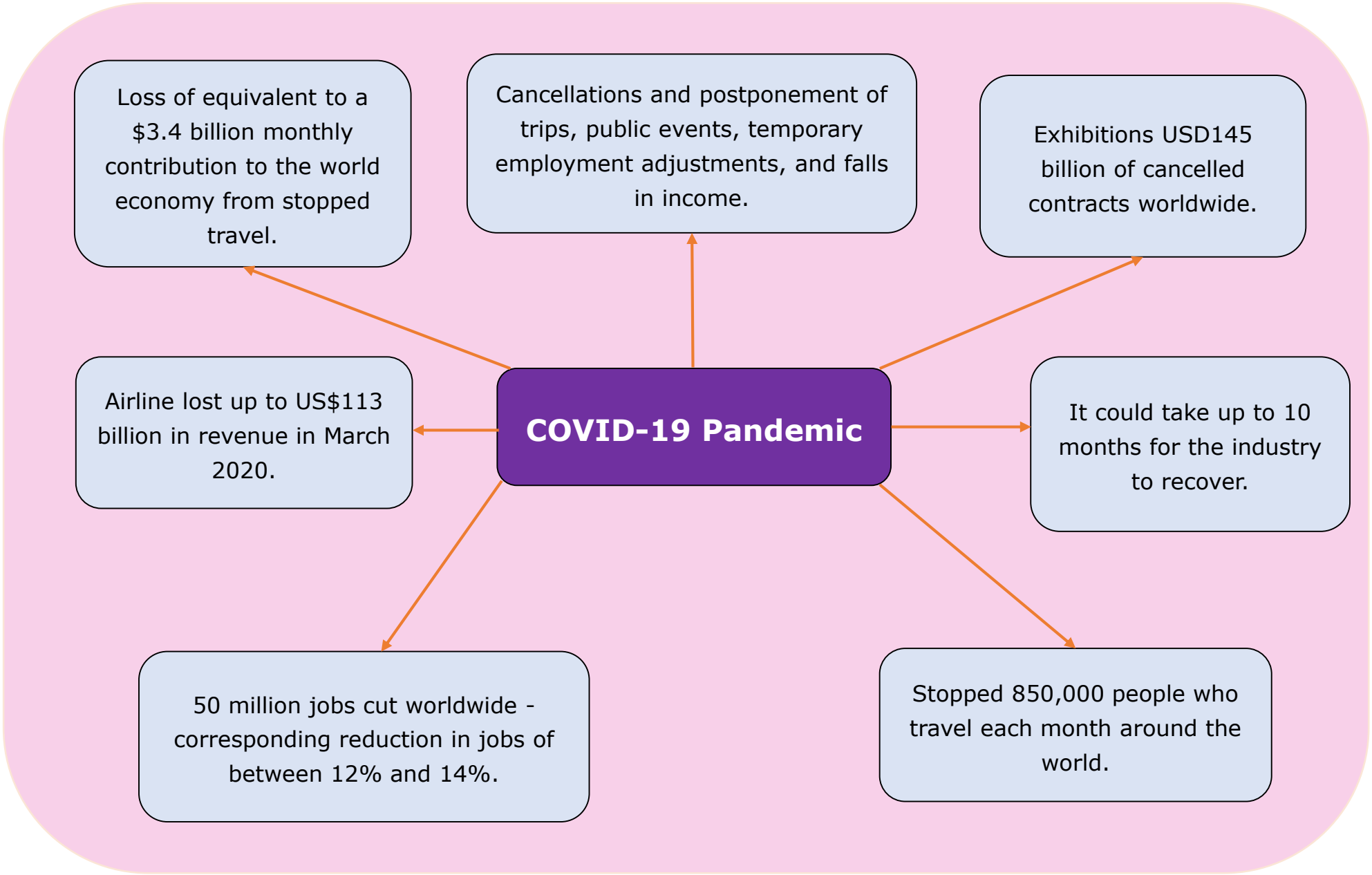
International Tourist Arrivals in Kenya from 1995 to 2019

Kenya has shown an impressive performance in the tourism sector since 2015. The country's tourism arrivals grew by 3.9% from 2.02 million tourists in 2018 to 2.05 million tourists in 2019 (GoK, 2019) after a 37.33% from 1.47 million in 2017. Domestic tourism numbers in Kenya grew from 3,645,144 in 2017 to 3,974,243 in 2018, recording a 9.03% growth (GoK, 2019).

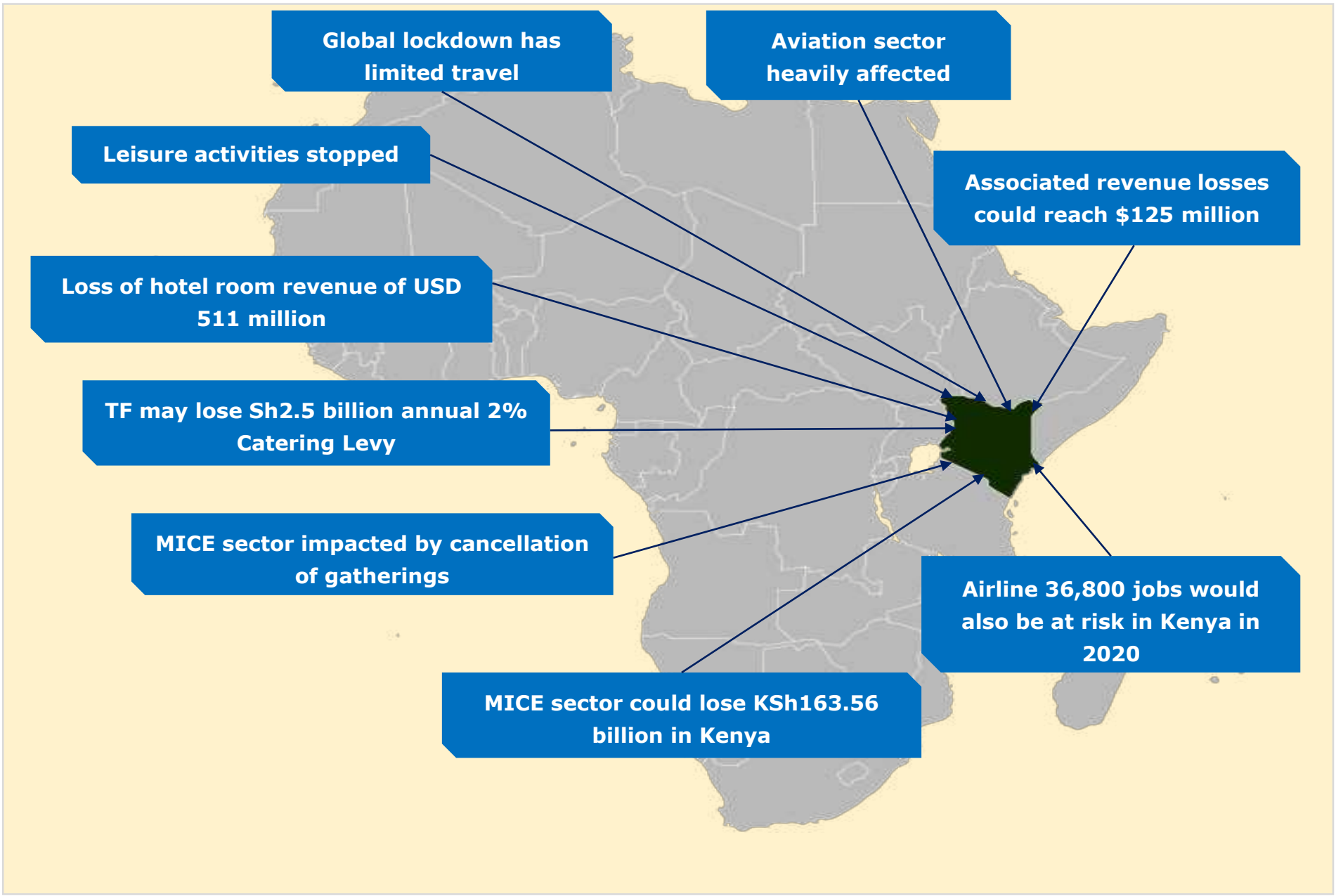


International Arrivals in Kenya

Impact of COVID-19 on World Tourism



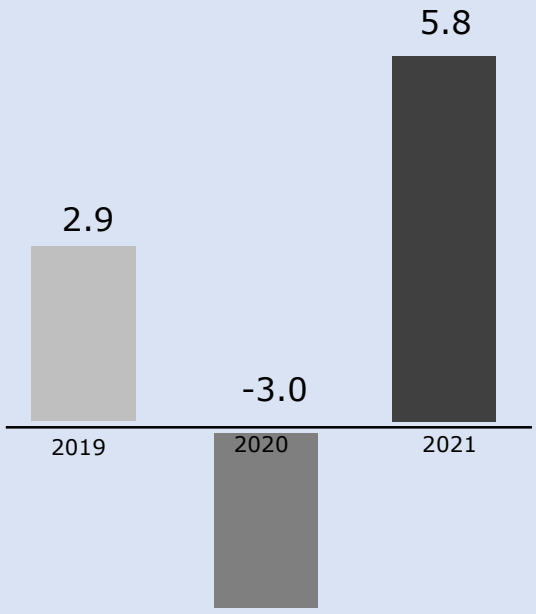
Impact of COVID-19 on Kenya



Impact of COVID-19 Pandemic on Real GDP Growth Projections (%)

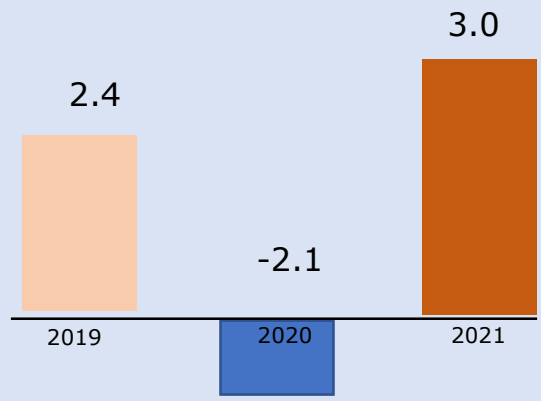
According to World Bank (2020), due to COVID-19 pandemic, a major recession is underway for the regional and global economy in 2020 with a drop of real GDP to -2.1 in Sub-Saharan.

Global Economy



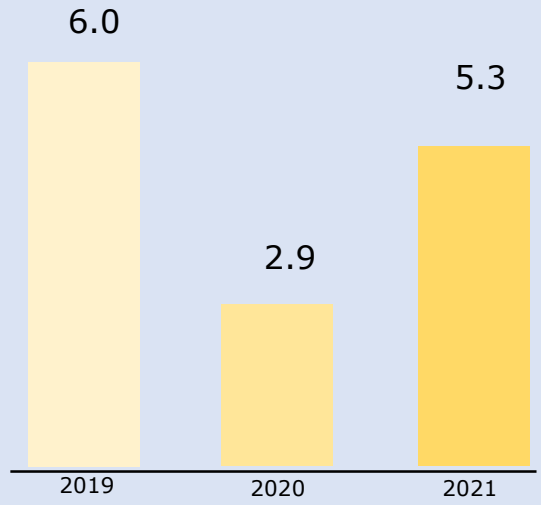
Source: IMF WEO April 2020

Sub-Saharan Africa



Source: World Bank April 2020

East Africa Community

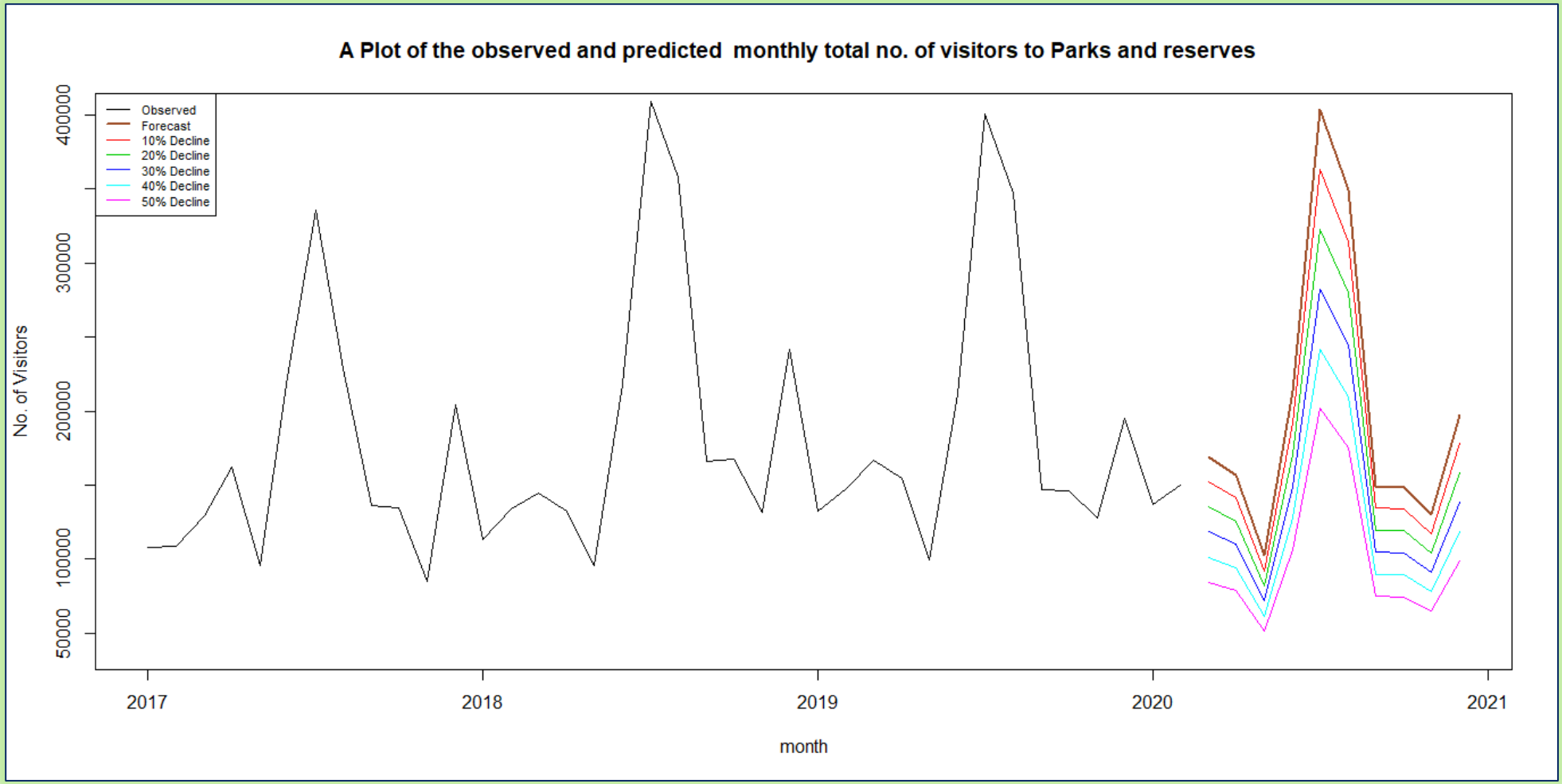


Source: IMF WEO April 2020

GDP Growth Projections

Economic Projections for Parks and Reserves

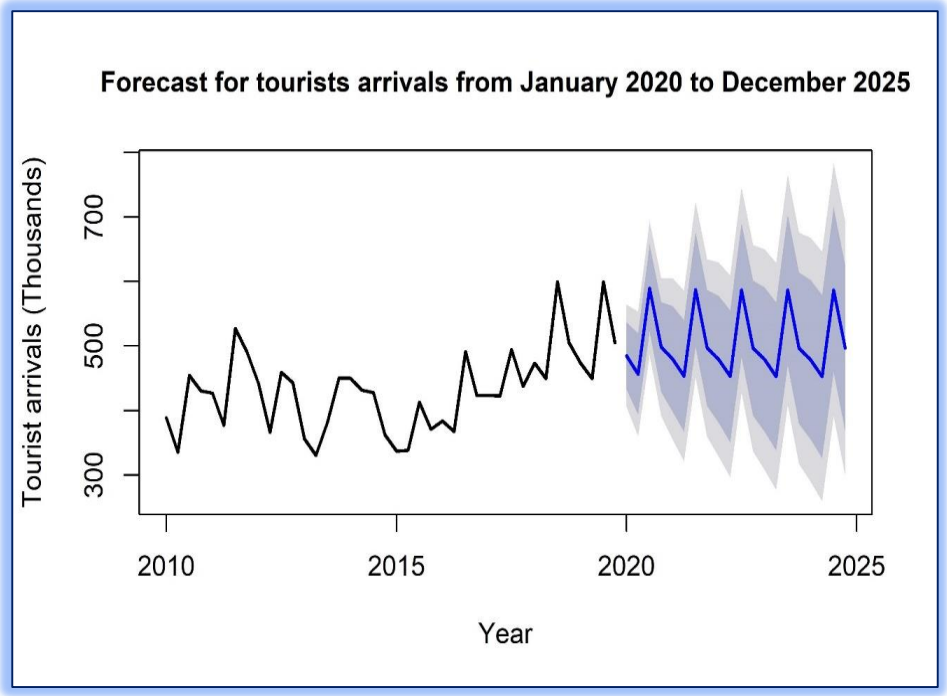
Cases of decline by 10%, 20%, 30%, 40% and 50% are considered for visitors to parks and reserves. Due to the resilience of Kenya's tourism industry, a post-COVID-19 spike on park visitation is possible both at annual and monthly bases of analysis. If proper recovery pathways are taken, then the industry could return to pre-COVID-19 level by 2021.



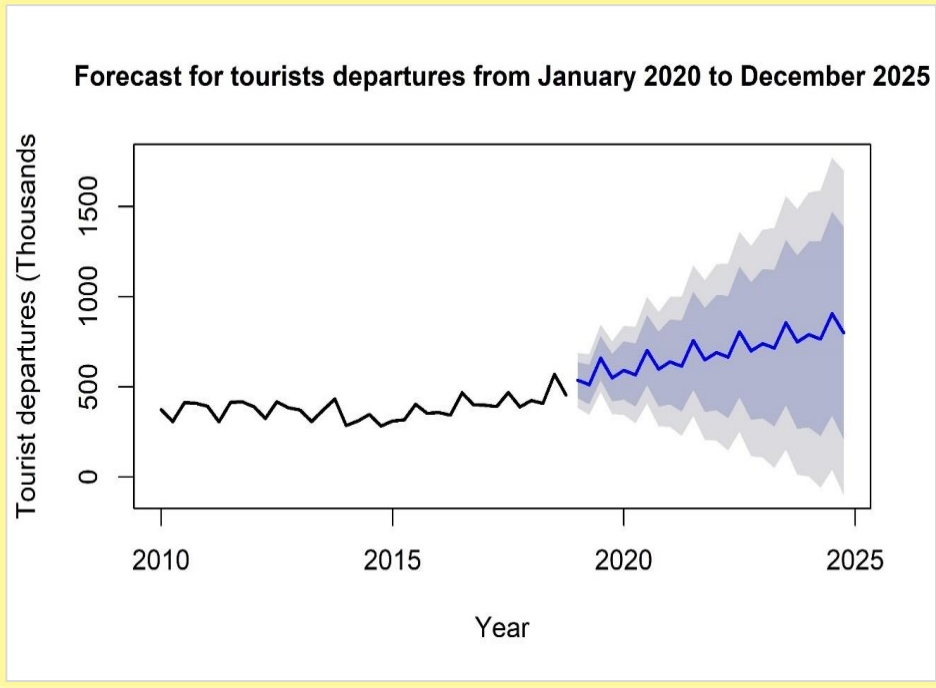
Economic Projections Based on Tourists Arrivals and Departures

Tourist arrivals figure shows an upward trend with a slump during the year 2015/2016. The trend is expected to continue taking an upward movement in the future (2020-2025) based on historical data (assuming no major interruptions). The future effect of COVID-19 on tourist arrivals will be assessed against this trend.

Tourist departures figure follows a similar trend to that of arrivals except that fluctuations are less erratic. Departures are thus less affected by external and internal factors to the tourism industry of Kenya. Departures from the forecasted trend will reveal the medium and long term impact and effects attributable to COVID-19 and other intervening factors.



Economic Projections based on Tourist Arrivals



Economic Projections based on Tourist Departures

Timeline of COVID-19 Pandemic Impact on Tourism Businesses

Short-Term (January-June 2020) Impact of COVID-19

COVID-19 has brought the following short-term impacts:

- Job losses as employees are declared redundant.
- Reduction of the numbers of employees in form of unpaid leaves.
- Laying-off of temporary workers.
- Implementation of pay cuts.
- Severe loss of revenues.
- Unpaid cost of operating the businesses such as unpaid rent and utilities.
- Cancellation of existing bookings and zero booking of fresh ones.
- Temporary closure of travel, tourism, and hospitality organizations.

Intermediate (June-December 2020) Impact of COVID-19

COVID-19 will result in the following intermediate impacts:

- Reduced international tourists' bookings.
- Low business even after recovery.
- Low capital to get back the business to normal operations.
- Eviction from current premises due to unpaid running costs.
- Further loss of revenues.
- Increased job losses.
- Challenges in maintaining overheads.
- Total business closure.
- Increased borrowings to sustain the businesses.

Long-Term (Beyond 2020) Impact of COVID-19

COVID-19 is likely to have the following long-term impacts:

- Business closure.
- Low capital to get back business to normal operations.
- Eviction from current premises due to unpaid running costs.
- Decreased number of bookings.
- Slow resumption of tourism business.
- Global economic recession delaying international tourism arrivals.
- Increased marketing activities and thus increased costs of running the businesses.
- Change in consumer behavior and expectations in social behavior.
- Loss of international licenses on the side of travel agents due to non-payments.

COVID – 19 and Tourism In Kenya: Recovery Strategies

Immediate	Medium - term	Long - term
Preparation and implementation of travel and tourism industry protocols on Hospitality, outdoors retails; aviation; airports; cruise; tour operators and travel agents; Convention Centers & MICE etc.	**Staggered re-opening approach i.e.** i. Community tourism phase ii. Domestic tourism phase iii. Regional tourism phase iv. International tourism phase	**Create resilience in the industry** • Coordinated response to crises along the value chain. • Implement risk and crisis training packages. • Enhance the employees' confidence by training on restoring business. • develop employee motivational strategy guide.
Re-build and promote Kenya as COVID-19 Tourism Resilient Zone	**Financial Strategies and Partnerships** • Financial stimulus • Review taxes and charges • Interest moratoriums	**Sustain marketing strategies** • Creation of an Integrated Destination Management System for the industry. • Carry out Aggressive domestic, regional and international marketing.
Training of industry on new requirements and protocols Up-skilling/reskilling: ▪ Hygiene. ▪ Safety and security. ▪ Maintenance of Resilience zones. ▪ Service delivery in travel and tourism. ▪ Tourists behavior etc.	**Product improvement and diversification strategy** • Improve popular products. • Expand to untapped tourism resources • Expand to new segments, new markets of existing markets.	**Encourage international tourists to visit Kenya - Re-launch the destination** • Simplification of visa rules. • Revise hotel rates • Arrange familiarization trips
Knowledge and Experiences Capturing Collect and packaging tourism products as text, audio, videos, images, graphics, etc.	**Digitizing the travel and tourism industry** Enhanced Digital marketing	**Partnership among stakeholders from all the sectors** • Mutual benefit between employees and businesses. • Partner to diversify tourism product & communicate similar messages • Sufficient internal and external motivational synergies.

COVID – 19 and Tourism In Kenya: Recovery Strategies

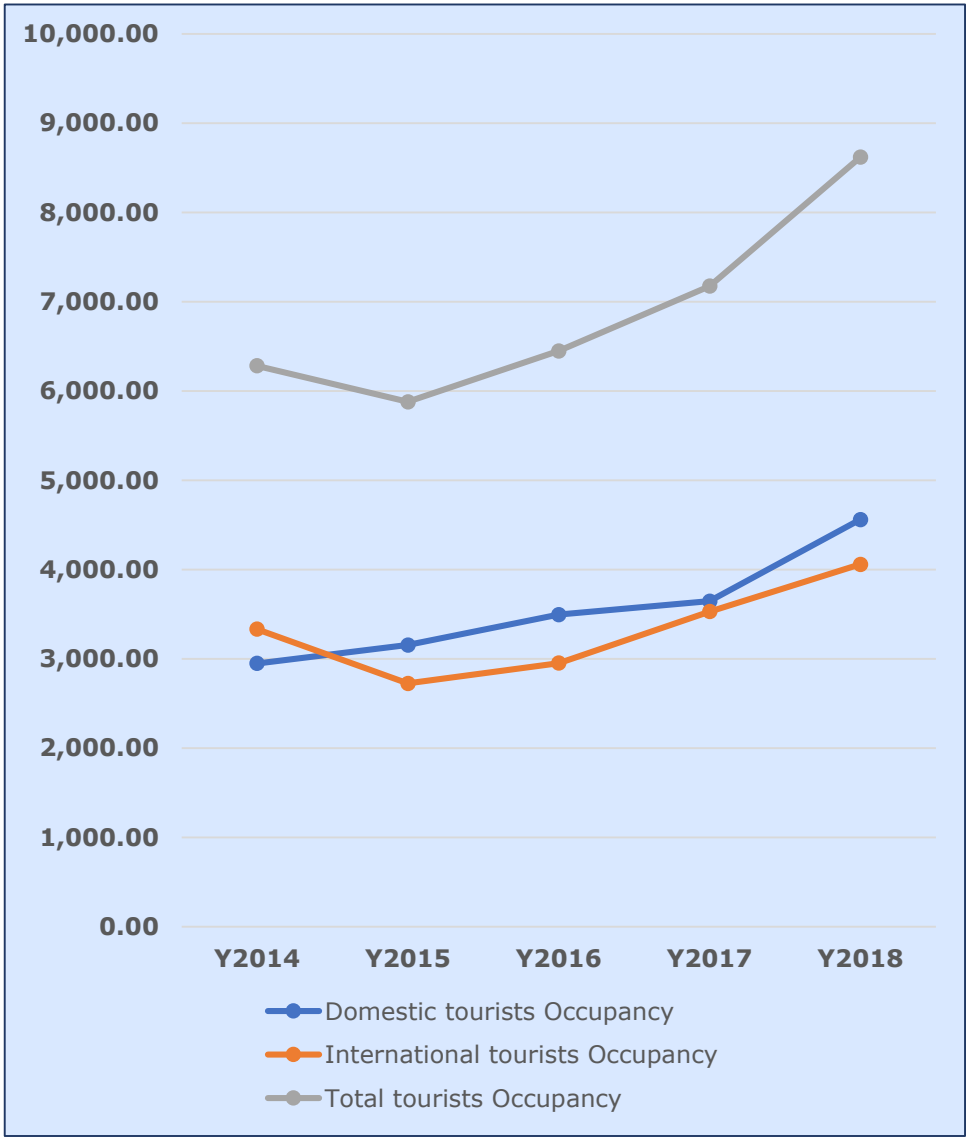
Immediate	Medium - term	Long - term
Interpretation of the tourism product and knowledge sharing in website, social media, emails, narratives at the attractions, billboards, disks; onsite and offsite.	**Communication and marketing recovery strategies** • **Ensure targeted actions.** • **Enhanced return on investment.**	
Packaging tourism information and experiences	Pricing revision for Tourism Products in Kenya	
Digitizing Travel and Tourism • Digitized mapping of tourism resources in Kenya. • Information provision and geospatial packaging of tourism resources in Kenya. • CCTV and drones for live streaming • Digital protocols. • fight against false information • strategic digital marketing platform • Integrated Destination Information System	**Domestic tourism growth** • Target Growing Middle Class - 1,020,681 (36.9%) of employed workforce. • Repackage tourism product with local market interests. • Development of circuits with specific itineraries. • Organized road transport to events and attractions.	
Digital marketing • Maintain continuous online visibility. • Consumer reassurances • Virtual tourism marketing.	**Regional tourism growth** • Harmonize timelines, procedures and requirements • Joint packaging • Implement Single African Air Transport Market • Open Skies policies	
Intensify research activities • Market preferences. • Price revisions. • Supply side dynamics. • Resilience creation.	**Boosting consumer confidence** • Quality service delivery • Rescheduling cancelled holidays • Fair complaint management for customers.	
Ensure consumer protection and confidence Modifications and Re-scheduling of bookings		
Prepare a re-launch plan		

Domestic Tourism Growth in Kenya

Domestic tourism is the main driving force of the Travel and Tourism sector in major economies globally, accounting for 73% in 2017 and 71.2% in 2018.

In Kenya, domestic tourists' bed-night occupancy accounted for more than 50% of the total bed occupancy from 2015-2018. The number of domestic tourists bed-nights has increased from 2,948,000 in 2014 to 4,559,000 in 2018.

Domestic travel supports and develops local and national economies, provides a rationale for infrastructure upgrading, disperses visitors geographically across regions and to least-visited rural areas, bridges the seasonality gap, creates employment opportunities and cushions destinations in times of crises.



Tourists Bed nights Occupancy (000's)

Domestic Tourism Growth Strategies



Target Growing Middle Class - 1,020,681 (36.9%) of employed workforce.



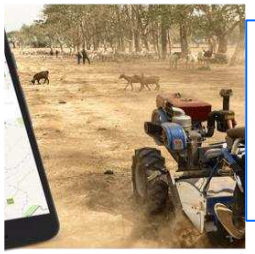
Propose one week national-wide holiday for all working population during August and December school holidays (prolonged festivals holidays).



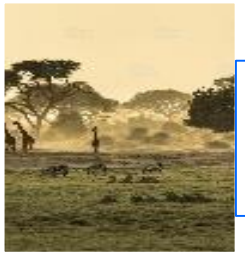
Repackage tourism product with local market interests.



Make domestic travel more attractive through campaigns.



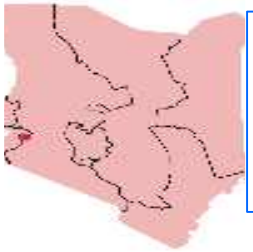
Provision of accessible information and ease of purchase.



Holidays as non-wage benefits.



Organized road transport to events and attractions.



Development of circuits with specific itineraries.



Research on domestic market preferences.

Product Improvement and Diversification Strategy

To enhance recovery after COVID-19, Kenya needs to improve, develop, diversify, re-package and promote other tourism products in addition to the Africa safari and beach destinations.

Tourism Product improvement and diversification may consider various aspects like strengthening Meetings, Incentives, Conferences and Exhibitions (MICE) tourism, birding, cultural tourism, agro-tourism, adventure tourism, Sports tourism products and many others, in relation to the market demand and the resource base of Kenya.

Key strategies are:

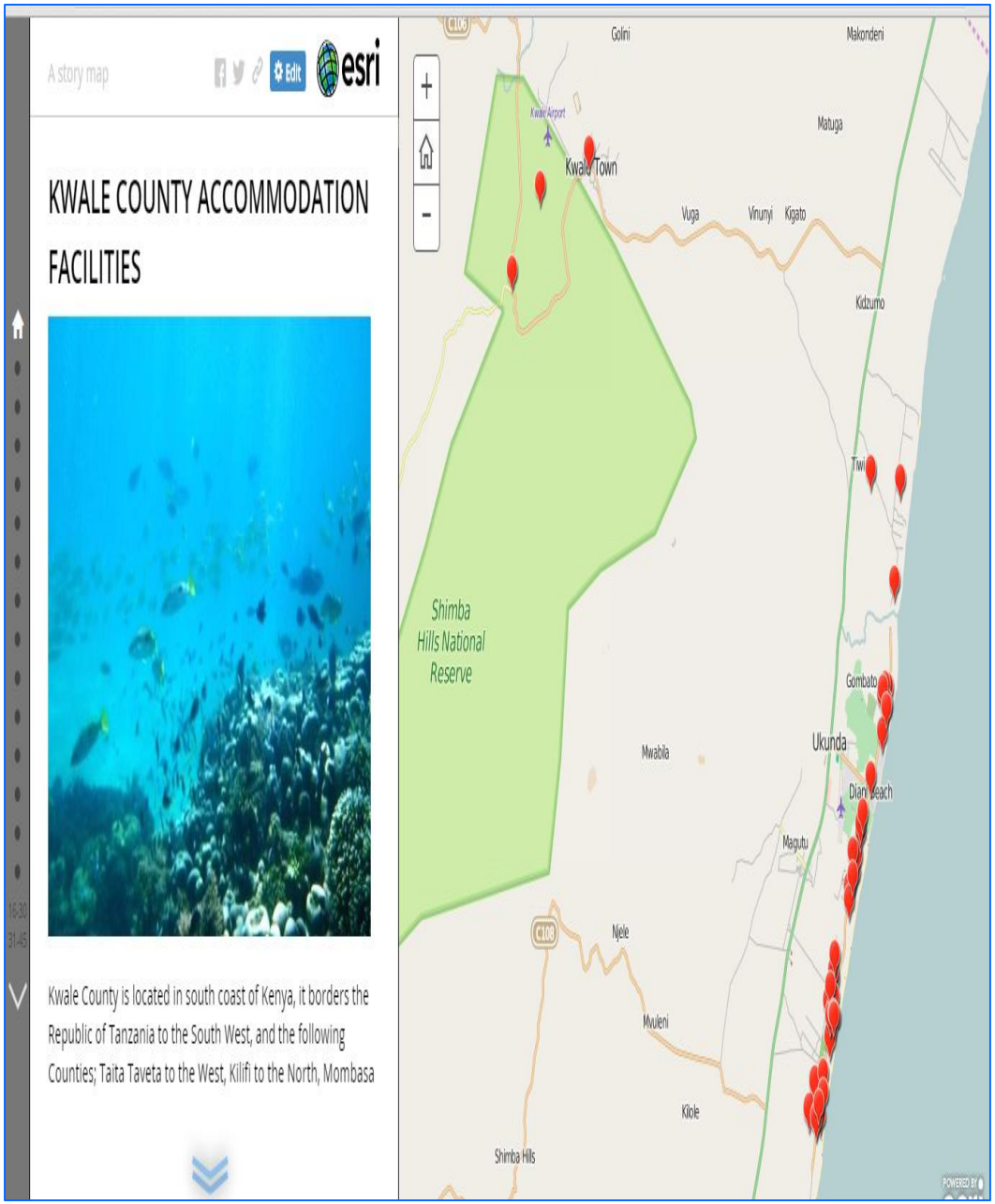
- Geospatial presentation of Tourism resources in Kenya.
- Capturing Experiences and information.
- Interpretation of the tourism product.
- Packaging Tourism Products.
- Pricing revision for Tourism Products in Kenya.
- Digitizing travel and tourism.
- Promote Community - based tourism.
- Fight against the Spread of Disinformation.

More information on the key strategies

1. Geospatial Presentation of Tourism Resources in Kenya

In line with making Kenya more resilient to crises, one of the areas that the country can hugely improve on is in the mapping of tourism resources in the country. The country will determine the spatial quantity, capacity, quality, status and distribution of tourism attractions, amenities, activities, accessibilities and ancillary services around the country that will be accessible across the world.

The ultimate goal is to create an Integrated Destination Management System with updated content from all the stakeholders. This will ultimately increase the country's market share and assist with product diversification. The content will also improve the country's competitiveness index, which currently stands at position 82.



More information on the key strategies

2. Packaging Tourism Experiences and Information

Kenya as a destination needs to package information on tourism products through the process of knowledge capturing.

Knowledge Capturing is the process of converting the knowledge that resides in people's heads, and elsewhere, into tangible, explicit knowledge assets. This will involve recording experiences from all forms of tourism in Kenya in a format that can be stored, further.



The **packaged information** from knowledge capturing and other sources will then be shared in form of media such as text, audio, videos, images, graphics, etc. Different media could be used that includes website, social media, emails, narratives at the attractions etc. This information will add value in product packaging and marketing, and prolong the product life cycle in line with the recommendations given in the National Tourism Blue Print 2030, developed by the Ministry of Tourism and Wildlife in 2017.



More information on the key strategies

3. Interpretation of the Tourism product

Interpretation is an educational activity which aims to reveal meanings and relationships through the use of original objects by firsthand experience and by illustrative media, rather than simply to communicate factual information.

This will increase the visitor's understanding, awareness and appreciation of nature of the tourism product hence providing an enjoyable and meaningful experience.

4. Packaging Tourism Products

The country should:

- Develop a comprehensive tourism products and services database
- Develop packages or itineraries which will provide a one stop shop, at one, fairer all-inclusive price.
- Create new experiences through packaging, to give a competitive advantage through marketing or advertising.

Products to be packaged

The following are a range of products and services that can be linked in a package:



- Food and beverage.
- Accommodation.
- Built attraction – museum, art gallery, theme park etc.
- Natural attraction – waterfalls, scenic vistas etc.
- Transportation.
- Programming – gourmet cooking, tea/coffee tasting, wood carving etc.
- Guided tour.
- Entertainment – theatre performance, stage show, concert.
- Event/festival.
- Shopping.
- Activity – hiking, kayaking, alpine skiing, snowmobiling.
- Local culture.

More information on the key strategies

New and improved products

There is need to enhance and package the following new and improved products:

- Beach Tourism
- Wildlife Tourism
- Business and Conference Tourism
- Cultural and Heritage Tourism
- Homestays, Airbnb and general sharing economy concept
- Health and wellness tourism
- Medical Tourism
- Ecotourism
- Sports tourism
- Shopping tourism
- Photography
- Flora related tourism
- Voluntourism (Communities and wildlife/nature conservation)

More information on the key strategies

Adventure products packaging

Enhance existing adventure activities and expand the types of activities offered at key nodes, e.g. through activity centers, to include:



a) Hiking
b) Mountain biking
c) River rafting
d) Zip lining/bridge swings
e) Mountain/rock climbing
f) Bungee jumping
g) Scuba diving
h) entomology

5. Pricing Revision for Tourism Products in Kenya

A major challenge facing the tourism industry in Kenya is the relatively high price of the tourism products.

There is need for a study to determine the best prices for hotels, parks, attractions etc. through economic models, in order to remain competitive.

Methods such as Willingness to pay (WTP) and Willingness to accept compensation (WTA) will be used to revise prices for commodities with markets (such as hotel rooms, food and drinks, transport and communication, and Non-market commodities in tourism especially environment-based resources such as parks and reserves, recreational spaces, and museums.

More information on the key strategies

6. Digitizing travel and tourism

- **Knowledge and Experiences Capturing and Sharing for Kenya Tourism Industry**
- **Interpretation of the tourism product**
- **Geospatial presentation of Tourism resources in Kenya**
- **Digital marketing**
- **Fight against the Spread of Disinformation**
- **Creation of Integrated Destination Management System**



More information on the key strategies

7. Promote Community-based Tourism

Development of unutilized rural homes for tourism through the adaption of models such as Albergo Diffuso.

8. Fight against the Spread of Disinformation

Key organizations and structures-including, travel and tourism industry stakeholders, community and faith-based organizations, village leaders, and local governments-need to be involved in the effort from an early date to support the response and to help tweak it for maximum effectiveness in each local context. There should be mainstream and social media effort to counter negative information. This could be spearheaded by the Kenya Tourism Board.

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