

FENATA



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**How can we help communities understand the
business of tourism and not only expect benefits
from tourism?**

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FENATA



- 15 year-old, tourism umbrella organization
- 12 organizations – over 1,300 enterprises and individual traders
- Voice of the private sector; partner and advocate



Tourism in the World

- **UN WTO World Tourism Barometer – June, 2008:**
- ***903 million tourists in 2007**
- ***USD\$856 BILLION in receipts from tourism**
- **Another *USD\$165 Billion in receipts from transport related to tourism**
- **Total - *USD\$1Trillion in receipts from tourism in 2007!**



Tourism in Namibia – We're Growing.....for now.



- 928,000+ tourist arrivals in 2007 – 11% increase
- 74,911 direct and indirect jobs; 1,600 new jobs created in 2006
- N\$6.6 Billion in revenues in 2006 – increase from N\$5.2 billion in 2005

REALITY CHECK!



- **Global Recession** The question is: how long will it last?
- IATA already reports drop in air passengers
- Big banks begging for bail-out bucks
- Uncertainty = Fear; Fear = less leisure travellers

Brief Background: CBNRM – community based natural resource management

- In 2007 - 50 Conservancies covering 118,704 sq. kms
- 220,600 residents; N\$39.1 million earned in 2007; full economic impact in Namibia – N\$223 million (1 SA Rand = 1 Namibia Dollar)
- 29 private sector joint venture partners - without their partnership and communities' control over their own resources, CBNRM would not work.



Profit is not a curse word...

- **Generating enough income to cover costs can make a tourism business viable. But, generating profits above costs, makes that business sustainable**
- **But... the sharks and dinosaurs must be controlled**



Don't Put the Cart Before the Horse

- **Establish the plans of the business first, then discuss how the profits will be spent**
- **Message should not just be about profits, but about losses – both are business realities**



Tourism enterprises should be located according to business and social needs

- Investment usually happens when the potential amounts to be earned match the investor's profit expectations



Tourism Operates on the Knife's Edge...



- Communities need support to manage the risks and potential losses of tourism enterprises – but managing risk comes with the tourism business territory

Poverty is Urgency....



- People want/need benefits from tourism in their areas now; but, then what happens in the longer term?
- Training should lean toward skills transfer

Business risks should be shared with all partners

- International development partners should support risk management training
- Lessons in business losses are just as necessary as lessons about profits



Tourism planning must include the private sector!

- **Tourism is private sector driven**
- **Government sets the climate for tourism development**
- **Tourism projects designed and planned without private sector business inputs are doomed to unsustainability**



Management by Committee slows down business productivity



- Collectives usually cannot run businesses efficiently – time = money
- Dividing all profits equally, regardless of inputs, kills initiative and ruins incentives

Namibia is not a destination; it is an Experience!

- Our environment IS our tourism product
- Conservation and sustainable use of the environment are not options in Namibia; it is our way of life





THANK YOU!

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