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An Overview of the Tourism Policy and Strategy

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1. Introduction

Mozambique¹ remains in the early stages of its development as a tourism destination and its product base remains largely underdeveloped. Visitor arrivals totalled approximately 700.000 in 2006, this demonstrates a very low utilization compared to registered numbers by countries in the region. There is, however, considerable latitude for growth given that projections of the World Tourism Organization indicate that the region will attract 36 million tourists in 2020.

Whilst the inherent strength of the tourism product portfolio lies across the country, the industry remains concentrated in the capital city of Maputo, where visitors arrivals account for approximately 60 percent of the total market share. The 40 percent balance is shared across the remaining ten provinces. New product development, infrastructure provision to facilitate access, marketing, investment attraction, and conservation of both natural and cultural heritage and human resource development are key agents of change that are required to take tourism to the next level.

Mozambique has the potential to become a world-class tourism destination for the regional and international tourism. The possibility to combine one of the finest beach experiences in Africa with the cosmopolitan life of the country's cities, the excellent opportunities for eco-tourism offered by the diversity of flora and fauna and a rich history and culture offers an excellent base upon which to build a sustainable destination.

The main challenge now lies in the promotion and development of tourism as an engine for economic growth and in the engagement of public and private sector as well as communities in making the delivery of services in the tourism sector a reality. The growth of tourism depends on the long term vision, on the capacity to evaluate opportunities and understand realities and in the recognition that tourism is a highly competitive international industry that requires planning, investment, strategic alliances and strategic management.

The development of the tourism sector results from the participation and between a broad range of direct and indirect stakeholders. These stakeholders include the State, the Government and national, provincial and district level, municipalities, private sector, local communities, international, regional and domestic tourists, non governmental organizations, the media and the general public.

¹ Mozambique is situated on the southeastern coast of Africa and it shares land border with Zambia, Malawi, Tanzania, Zimbabwe, Swaziland and South Africa. The total land area of Mozambique is 801,590 sq. km. Mozambique has a coastline of 2,700 km in length and it has marine resources. The population of Mozambique is estimated at 19 to 20 million. The economy of Mozambique is mainly dependent on agriculture. Agriculture constitutes about a quarter of the Gross Domestic Product (GDP) and the bulk of merchandise exports. Traditional export items include shrimp and marine products, sugar cane, cashew nuts, copra, tobacco and cotton. The industrial and manufacturing sector together with the mining sector accounts for 35 percent of the GDP; the major manufacturing sector includes food processing, tobacco, beverages, aluminum, textiles, and footwear. The mining sector has potential but remains underdeveloped. Mozambique is a net importer of service. Service sector contributes about 40 percent of the GDP. The key service sector businesses in Mozambique are construction, tourism, transport, energy, communication, banking, and consultancy.

The success of an industry as transversal as tourism depends on the capacity to aggregate the factors that directly or indirectly impact its performance, as well as the capacity to react on challenges affecting this highly competitive and volatile sector. It is expected that all stakeholders will truly be committed to firmly placing Mozambique as a destination on the “global tourism map” through their involvement in proactive, strategic and aligned actions.

The main role of the Government of Mozambique through the Ministry of Tourism is to facilitate and catalyse the tourism development. Therefore, the Mozambique tourism policy and strategy are to be used and referenced by a wide-range of tourism stakeholders as a means of achieving these goals.

It is important to mention that the countless opportunities created through tourism are counter-balanced by the number of the threats, many of which beyond the control of the State and/or unavoidable. However, the government knows that responsible planning, development and management by public and private sector can serve to minimise losses incurred and ensure the continued growth and development of tourism.

2. Principles and Objectives of the Tourism Policy

The tourism policy results from an interactive dialogue between various stakeholders, who, one way or the other, impact on the tourism industry and on the long term on the development of tourism in the country. The identified principles that will guide tourism development are the following:

- Establishment of an institutional framework, planning and control mechanisms and an active participation in the creation of an enabling environment for the development of tourism sector;
- Promotion of partnerships between public and private sector and communities in the development of the sector;
- Integration of tourism into the overall development policy, planning and strategy of the country;
- Adoption of sustainable tourism planning principles and effective approaches to implementation;
- Planning and coordination of tourism markets, products and tourism infrastructure at national, provincial, and district levels;
- Assumption of responsibility by Government at national, provincial and district levels to set and monitor standards for the development and quality of tourism;
- Awareness creation about the importance of tourism and the value of the natural and cultural heritage;
- Training and skill-enhancement at various skill levels across the sector with a view to increase quality in tourism delivery and to meet quantitative market demands;

- Promotion of an effective involvement of communities in development programs;
- Preservation of cultural values and national pride as a way to valorise the tourism product;
- Strengthening of tourism through sustainable development practices and respect for the environment;
- Integration of tourism in the context of international cooperation;

Tourisms objectives are established to balance economic interests with socio-cultural and environmental considerations. The overall objectives of the tourism policy are:

- to develop and position Mozambique as a world-class tourism destination;
- to contribute to employment creation, economic growth and poverty alleviation;
- to develop sustainable and responsible tourism;
- to participate in the conservation and protection of biodiversity;
- to preserve cultural values and national prides; and
- to enhance the quality of life for all the people of Mozambique;

To support the overall objectives, specific objectives in the economic, social and environment areas were clearly established by the government of Mozambique. The realization of the objectives defined leads to the establishment of the priority areas for intervention and action.

Priority Areas for Intervention

▪ Integrated Planning	▪ Tourism Market
▪ Access to Land for Tourism Development	▪ Human Resources Development and Training
▪ Infrastructure and Public Services	▪ Community Involvement
▪ Sustainable Tourism	▪ Social Development
▪ Conservations Areas	▪ Financing
▪ Product Development	▪ Priority Areas for Tourism Investment
▪ Valorisation of Cultural Heritage	▪ Regulation and Quality Control

3. The Drivers of Tourism in Mozambique

For Mozambique to participate in global tourism and move forward as a strong destination, greater account must be taken of the future drivers of tourism growth, including trends in product and market development, globalisation, real state investment and project design. Without such a view it will be difficult to fulfil the objectives and meet the expectations of Mozambique society, even with the inherent potential of the country. Thus, the selected drivers of tourism in Mozambique are:

3.1. Products Lines: It is forecasted that the future growth in worldwide tourism will focus upon the following product lines: sun, sand and sea; eco-tourism; thematic tourism and cruise tourism. Sun and sand holidays will continue to play a major role in future tourism patterns. Mozambique has a vast, beautiful and unexplored coastal asset. The current and future importance of this product line and the progress made globally in resort planning and development offers exciting opportunities to the country. Mozambique also has an opportunity to achieve competitive advantage by maximising linkages between the coast and its wildlife, culture and adventure product. These linkages are likely to define the competitive edge of Mozambique as a tourism destination.

3.2. Globalisation: Tourism business and destination that thrive in the future will either be global players competing with brand power and economies of scale, or they will be small with a clear focus and specialised products, able to survive because they have little competition and understand their products far better than global players. Many African destinations are currently operating as niche players, primarily promoting wildlife as their unique selling point. However, only being a niche player is not sufficient for the country to create required economic and social benefits. Mozambique has to focus and prioritise the delivery of a mix of projects that will make it a global player and create the environment for different scales of project development.

3.3. Horizontal and Vertical Integration: International trends move from horizontal integration towards vertical integration. Such companies have the power to direct international tourism flows and lead the market to new destinations. Mozambique should work with these market leaders to identify and package appropriate projects. Such projects are expected to influence demand levels contributing to growth in visitor numbers and tourism spend while also serving as '**anchors**' for broader tourism development.

3.4. Direct Foreign Investment: The attraction of Foreign Direct Investment (FDI) is a priority for the development of the tourism industry. FDI will contribute towards an increased share of Mozambique in the international tourism market. To realize this objective, an increased understanding of international investor market requirements and investment trends and proactive response to these will be necessary.

3.5. Technology: Electronic technology will continue to revitalise the travel and tourism sector in the next decades. Today, consumers have instant access to information. This is important to tourism and travel, as products in many instances do not exist where they are purchased. Consumers are adopting online distribution channels as their preferred way of buying travel products. It is this ability to '**shrink**' the world that is particularly beneficial to tourism.

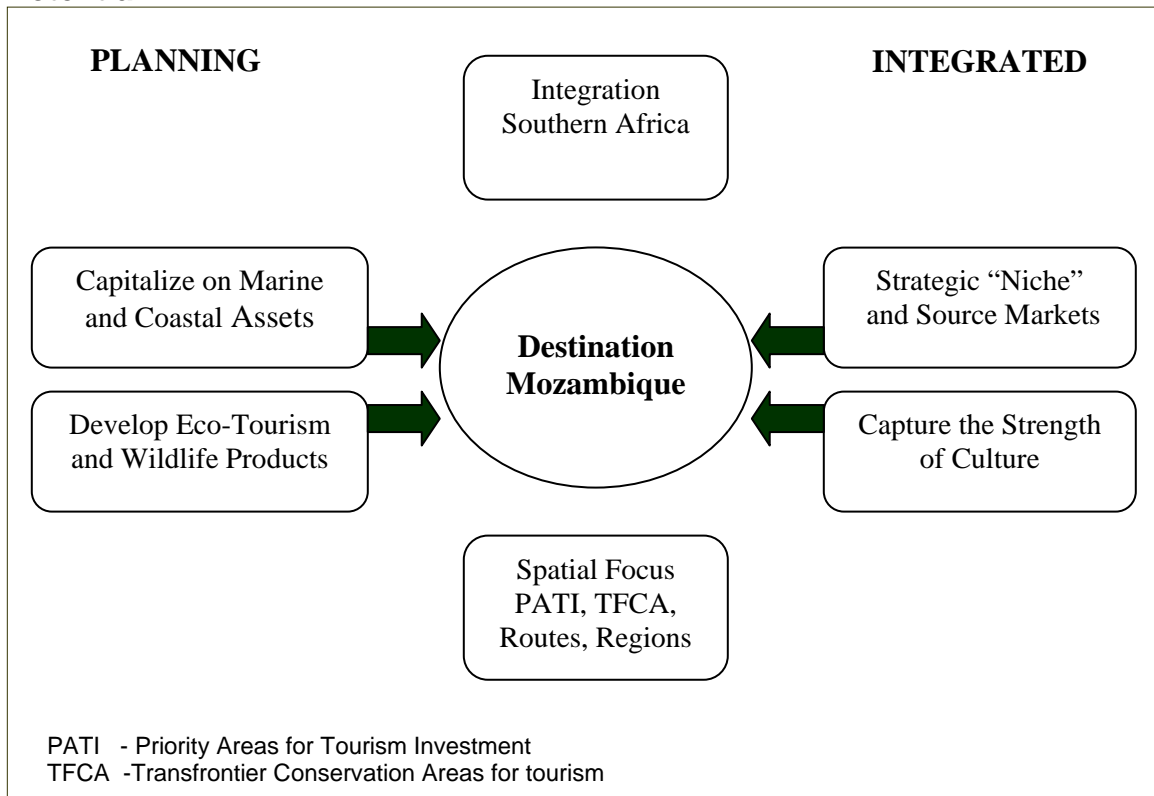
4. Tourism Vision for the Future

The tourism vision, guiding the strategic planning process, must reflect the ambitious nature of goal setting and can realistically only be set for the long term. Therefore, the year 2020 has been chosen as the reference-line for the tourism vision for Mozambique. In order to fulfil this vision, the mission for the national tourism administration is

by 2020, Mozambique is Africa's most vibrant, dynamic and exotic tourism destination, famous for its outstanding beaches and coastal attractions, exciting eco-tourism products, and intriguing culture, welcoming over 4 million tourists a year.

Three factors emerges that will provide the critical edge to push Mozambique towards its future status of an international tourism destination. These are (1) regional integration (Southern Africa), (2) marketing and product development geared towards selected source and niche markets, and (3) the application of spatial focus in integrated planning, marketing and product development.

4.1 Critical Success Factors for Maximizing Mozambique's Tourism Potential



4.2 Strategic Source Markets for Mozambique

Linking different products and markets, the following strategic markets emerge for Mozambique.

Strategic Market	Selection criteria	Source markets
Natural Markets	Proximity and strong cultural Synergy	Domestic market, South Africa, Portugal, Zimbabwe, Swaziland
Strategic Niche Markets	Strategic source markets to RSA that have strong niche market potential	Spain, Italy, UK, US, Germany, Netherlands
Emerging synergy markets	Developing source markets that have a strong cultural synergy	Brazil, Saudi Arabia, UAE and Angola

The strategic source markets have been selected using three criteria: (i) strategic source markets to South Africa, (ii) high potential nice markets and (iii) cultural synergy. Three categories of strategic source markets have emerged: (1) natural markets (based upon proximity and strong cultural synergy, (2) niche markets (selected strategy source markets to RSA that have strong niche market potential) and (3) emerging synergy markets (developing source markets that have a strong cultural synergy with Mozambique).

It is important to mention that, with a low awareness of foreign markets and limited resources available for marketing and product development, the marketing efforts will be concentrated on a few selected source markets only but regularly the strategic will be reviewed.

5. Tourism Institutional Structure in Mozambique

The transversal nature of the tourism sector in Mozambique implies that various ministries, institutions and bodies from public as well as the private sector have strong ties with the development process of activities in this industry.

5.1 Ministry of Tourism: Has the responsibility to promote the development of the tourism industry in the country and the responsibility for the management and coordination of policies related to tourism, as well as the management of conservation areas from a tourism point of view.

5.2. Commission of Tourism Facilitation: The transversal character of the industry requires the development of an adequate platform for inter-institutional coordination. The establishment of an inter-ministerial body for the sector, whose key function is the coordination and guidance of tourism development as well as the establishment of inter-sectorial linkages with the aim to facilitate and increase tourism flows and arrivals into the country is essential.

5.3. Tourism Fund: The Government should play a facilitating role in the development of the tourism, in particular relating to the support of capacity building among national companies and local communities in their role as providers of tourism services. To execute this role, the Government created a specialized entity which main function is to provide technical and financial support to organizations and individuals who intend to carry out tourism or related projects.

5.4. Bodies for the Promotion of Development in Priority Areas for Tourism Investment: These are institutions or entities with specific responsibilities relating to the promotion of projects and investment in tourism in area considered as strategic for the development of tourism, with emphasis on the active involvement of communities and the civil society.

5.5. Tourism Forum: In the light of the establishment of a platform for participative involvement, reflection and alignment of the interests of the different entities that interact in the process of tourism development, a consultative body that integrates various entities with recognized experience and expertise in the sector, is in the process of creation to provide the sector with specific recommendations about issues related to the policy and its implementation.

5.6. Marketing Commission: With the objective to coordinate tourism promotion activities and to promote synergies between the parties interested in the development of the sector, a multi-sectorial body was established. This body integrates entities representing the public and the private sector and that through its experience, capacity and interest in the sector, facilitates in the execution of activities related to the promotion of the national tourism product. The responsibilities of this body include the programme of promotional activities, the identification and mobilization of financial resources for the execution of the programs and the further definition of the marketing strategy of the country.

5.7. Local Tourism Bodies: For an active and consistent participation in the development process of tourism, residents in the priority areas for tourism investment should constitute themselves in local tourism bodies. These local tourism bodies are associations that integrate economic agents and community leaders of the concerned areas, representatives of NGO's that operate in the area and other entities that for various reasons are recognised as influential in the socio-economic development of the area. The objectives of these bodies, among others, are to represent the residents in relation to plans for the utilization of the area for tourism purposes, to promote actions that improves the physical appearance of the area and to create awareness among residents about how to benefit from tourism.

6. Specific actions in implementation to materialize the tourism strategy plan

The government of Mozambique have been implementing specific actions to foster the development of tourism in Mozambique. Some of them are:

- Zoning of tourism areas and elaboration of Tourism Master Plan for selected tourism areas;
- New regulation in time sharing, fractional ownership, classification system and travel agency and tour operators approved by the government;
- Improvement of the tourism investment climate and compliance with the WTO agreements. The new tourism regulations establishes no market access restriction to FDI in the tourism activities (*excepting camping activity - joint venture is promoted*);
- Strategy on human sources approved by the government and in implementation;
- Marketing strategy approved by the government and in process of implementation as part of the tourism policy;
- Enhancing of the private sector involvement in the tourism concessions.

