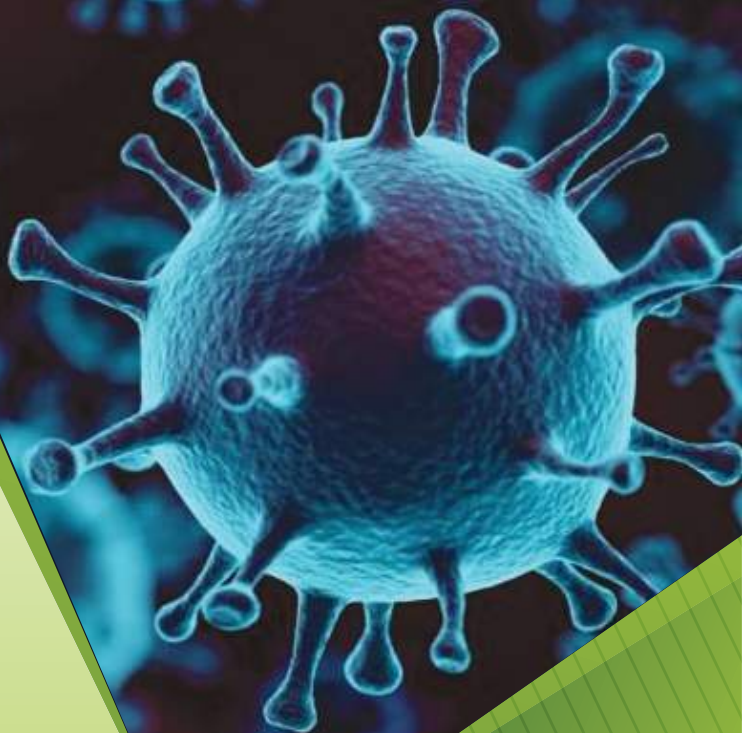


2020



The Impact of COVID-19 on the Tourism Sector in Uganda

Ministry of Tourism, Wildlife and Antiquities
July 2020



Impact of COVID-19 on Tourism Businesses in Uganda

Ministry of Tourism, Wildlife and Antiquities

July 2020

The Economic Impact of COVID-19 on Tourism in Uganda

1 Million
Expected Loss in
Foreign Tourists to
Uganda

7/10
Jobs have been
lost in the Tourism
Industry

8/10
Hotel Businesses
have registered
cancellations in
Bookings

448,996
Hotel room bookings
have been cancelled
between March and
June

9/10
Tour Businesses
have registered
cancellations in
Bookings

Foreword

The COVID-19 pandemic has caused significant disruptions in the global economy. By the end of June 2020, the pandemic had brought international travel to an abrupt halt and significantly impacted the tourism industry.

In Uganda, the Tourism Sector is a major source of employment, government revenue and foreign exchange earnings. Without this vital sector, the economy may experience a dramatic contraction in GDP and a rise in unemployment. In 2018, Tourism was the number one foreign exchange earner generating over US\$ 1.6 billion in forex and employing close to 700,000 men, women and youth.

Since tourism is one of the largest and fastest growing industries globally, it is expected to play a significant role in regaining the socio-economic stability after the Covid-19 shock.

Using data collected from private players including the Hotel industry, Tour and Travel Agencies and the Art and Craft Enterprises, we assessed the impacts of the COVID-19 pandemic on the tourism sector. Furthermore, this report puts forward policy

recommendations for governments to avert the worst effects and facilitate recovery.

We thank all the respondents who took the time to complete the survey. Your contribution to the recovery of our sector is much appreciated.

A handwritten signature in blue ink, appearing to read 'Doreen S. Katusiime', is positioned above the printed name.

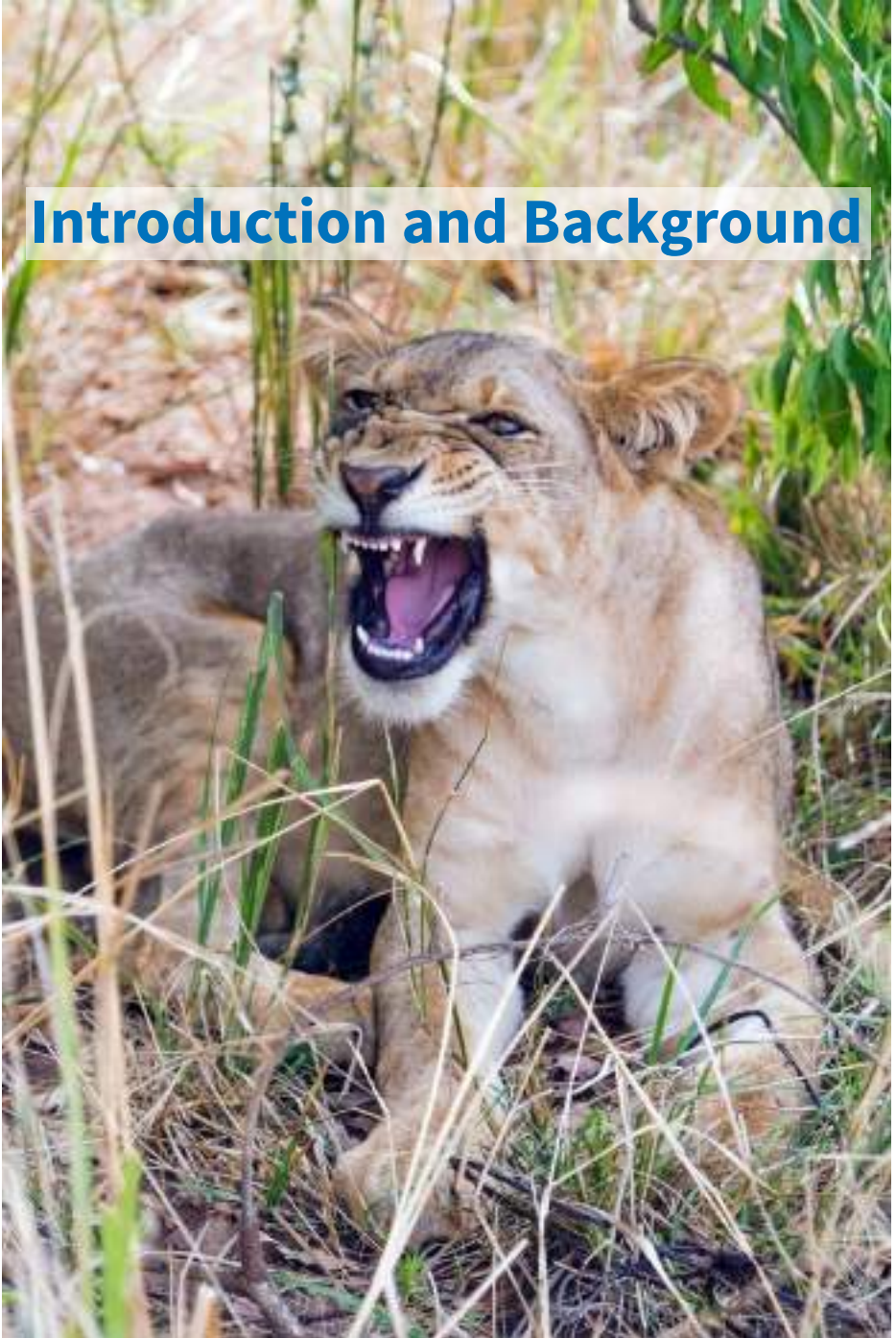
Doreen S. Katusiime (Mrs)
PERMANENT SECRETARY

Table of Contents

Foreword.....	2
Table of Contents.....	4
1.1 Introduction.....	7
1.2 Background to the Covid-19.....	8
1.3 Impact across the World.....	12
1.4 Impact in Uganda.....	12
1.4.1 Impact on Tourist Arrivals.....	13
1.4.2 Impact on Tourist Booking of Tourism Products in Uganda.....	16
1.4.2.1 Bookings by Tourist type (Domestic or Foreign).....	16
1.4.2.2 Bookings by Tourism Business.....	17
1.4.3 Impact on Hotel Businesses.....	19
1.4.4 Impact on Tour and Travel Businesses.....	21
1.5.1.1 Impact on Employment in the Tourism Sector.....	24
1.5.1 Employment in the Hotel and Restaurant Business.....	25
1.5.1.2 Occupancy levels in the Hotel Industry.....	26
1.5.2 Travel Agencies and other Reservation Services Industry...	27
1.5.3 Art and Craft Enterprises.....	27
2.0 Suggestions on what Government can do to Rescue Tourism Businesses in Uganda.....	29
2.1 Measures undertaken by Hotels, Tour Operators, and other Tourism to stay in Business but mitigate spread of Corona Virus..	32
2.3 The extent to which Domestic Tourism influences the Growth of the Tourism Industry in Uganda.....	34
2.3.1 Can Tourism Survive without International Tourism inflows.	35
2.3.2 Suggestions on how Government can develop the Domestic Tourism Industry.....	36

2.4 Strategies Tourism Business are implementing following the advisory by Ministry of Health on Measures to Prevent Corona Virus Spread.....	37
3.0 Conclusion and Recommendation.....	40
3.0 Conclusion.....	40
3.1 Actions currently being undertaken by Government/MDAS to Mitigate the Impact.....	40
3.2 Recommendations.....	41
Annex 1: Survey details.....	45
Methodology.....	45
Annex 2: List of Conferences.....	46
Annex 3: Questionnaire.....	51

Introduction and Background



1.1 Introduction

Tourism is considered the hardest hit sector by the COVID-19 Outbreak. The sector has experienced a sharp drop in demand and a surge in job losses at national, regional and global level, putting many SMEs at risk.

Despite tourism's proven resilience in responses to other crises, the depth and breadth of the current pandemic will likely have a longer lasting effect on international tourism compared to other industries, more likely to recover once major restrictions are lifted. Even then, there are potential long-term changes in travellers' behavior with people likely to become more cautious about travelling overseas in the near future.

The increasing cases of COVID-19 in Uganda's major Tourism source markets of Europe and North America have led to the cancellation of many tours which has already led to a large drop in the number of tourists to Uganda.

Therefore, there is no doubt that the spread of COVID-19 has left businesses across the globe counting costs as virtually all governments around the world have implemented restriction policies aimed at promoting social distancing and restricting human movement to combat the deadly virus. Majorly affected are the hotels, travel and tour agencies, international conferences and summits.

1.2 Background to the COVID-19

In December 2019, China reported an outbreak of a form of pneumonia with unknown causes. The outbreak had become a public health emergency of international concern. In early January 2020, a seafood market in Wuhan was identified as the suspected hub of the outbreak by the US Centers for Disease Control and Prevention (CDC). This new virus was named as a novel coronavirus, 2019-nCoV, or COVID-19. In Uganda, the first COVID-19 case was confirmed on 21st March 2020, which involved a 36-year-old male who had travelled to Dubai on 17th March 2020 for a business trip.

As a mitigation measure, the Government of the Republic of Uganda ordered restrictions on movement of people, including use of public or private vehicles, motorcycles, and directed closure of all schools, shopping malls, arcades, hardware shops, all non-food stores, saloons, lodges and garages for 14 days. With such restrictions, domestic tourism which is a fallback position for many tourism enterprises was also virtually shut down.

From a total population of over 45 million, Uganda reported 893 COVID-19 infections cases, with no deaths as of 2nd July 2020. Subsequently, the seriousness of this virus led the World Health Organisation (WHO) to declare the COVID-19 outbreak to be a global health emergency of international concern on 30th January 2020. Table 1 below shows the total number of COVID-19 cases around the world and Uganda.

Table 1: Number of COVID-19 Cases around the World and Uganda

Date reported	World total			Uganda total		
	Cumulative cases	Deaths	Recovered	Cumulative cases	Deaths	Recovered
31-Jan	9,795	213	187	-	-	-
29-Feb	75,620	2,712	39,497	-	-	-
21-Mar	285,113	11,391		1	-	-
21-Apr	2,434,788	173,709		56	-	-
21-May	4,962,386	328,047		145	-	-
21-Jun	8,797,653	464,311		755	-	-
02-Jul	10,811,206	519,095	6,033,527	893	-	837

Source: COVID-19 Visualizer



Impact on Tourist Arrivals



1.3 Impact across the World

According to the World Tourism Organization (UNWTO), the international tourist arrivals will be down by 20% to 30% in 2020 when compared with 2019 figures, equivalent to a loss of 300 to 450 US\$ billion in international tourism receipts (exports) – almost one third of the US\$ 1.5 trillion generated globally. The direct contribution of the travel and tourism industry accounts today for 3.3% of the total global GDP.

Some countries are predicted to face more substantial blows than others due to their high reliance on the sector, especially when considering an interesting comparison: out of the top 10 destinations by international tourists arrivals (France, Spain, United States, China, Italy, Turkey, Mexico, Germany, UK and Thailand), 8 result to be the hardest hit by COVID-19, implying that the economic shock on tourism will be further worsened in these countries.

According to the latest estimates, shocks will also affect Sub-Saharan Africa where one out of twenty workers belong to the tourism sector: a recent study from the African Union estimates that the tourism and travel sector in Africa could lose at least \$50 billion due to the pandemic outbreak and at least 2 million direct and indirect jobs, with devastating effects for tourism spots like Seychelles, Cape Verde and Mauritius.

1.4 Impact in Uganda

The scenarios/assumptions considered for this section assume that no business is expected in the period of March to July 2020 with minimal business resuming operations between August and October 2020. It is anticipated that return to normalcy will be in September 2020 at the earliest. The assumptions are further

informed by the fact that even when Uganda succeeds in fighting COVID-19 by end of September 2020, tourist arrivals will be influenced by events and how other countries have progressed in the fight against the pandemic. It's already clear that Uganda's core tourism market that includes countries such as the United States of America, Canada, United Kingdom, Germany, China, Japan, and the United Arab Emirates have been the most affected countries with the Coronavirus outbreak. This has a negative effect on the foreign exchange earnings from tourism alone from these core markets.

1.4.1 Impact on Tourist Arrivals

In FY 2018/19, Travel and Tourism in Uganda contributed approximately 7.7 percent of GDP and over USD \$1.6 billion in foreign exchange. The stoppage of airline travels, and imposition of quarantines on inbound travellers across the globe led to the complete fall in the number of tourist arrivals, and distortion of the entire value chain.

Tourist Arrivals were predicted by the Ministry to increase to 1,663,568 visitors in 2020 from 1,402,409 recorded in 2018. Given the freezing of economic activity in march and closure of Borders. It's estimated that the country is most likely to lose up to 1 million foreign tourist arrivals by end of December 2020 due to the COVID-19 pandemic. The above loss in arrivals would translate into loss in foreign exchange earnings of up to US\$ 1.06 billion (UGX 3.91 trillion in 2020)

Looking at the distribution of international arrivals by category of visitors for the last 10 years, it's projected that Tourism arrivals and Tourism earnings will return to their 2019 level by 2023

Table 2: Impact of COVID-19 to Tourism in Uganda

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
Total	1,663,567	515,822	1,147,745	1.06	3.91

Source: Ministry of Tourism, Wildlife and Antiquities

Average Expenditure per tourist is USD 111 per day and the Average Length of stay is 8.3 days based on the 2019 Tourist Expenditure and Motivation Survey
2020 Forecast are based on estimates in the National Development Plan (NDPIII)

Tourist Bookings and Cancellations



1.4.2 Impact on Tourist Booking of Tourism Products in Uganda

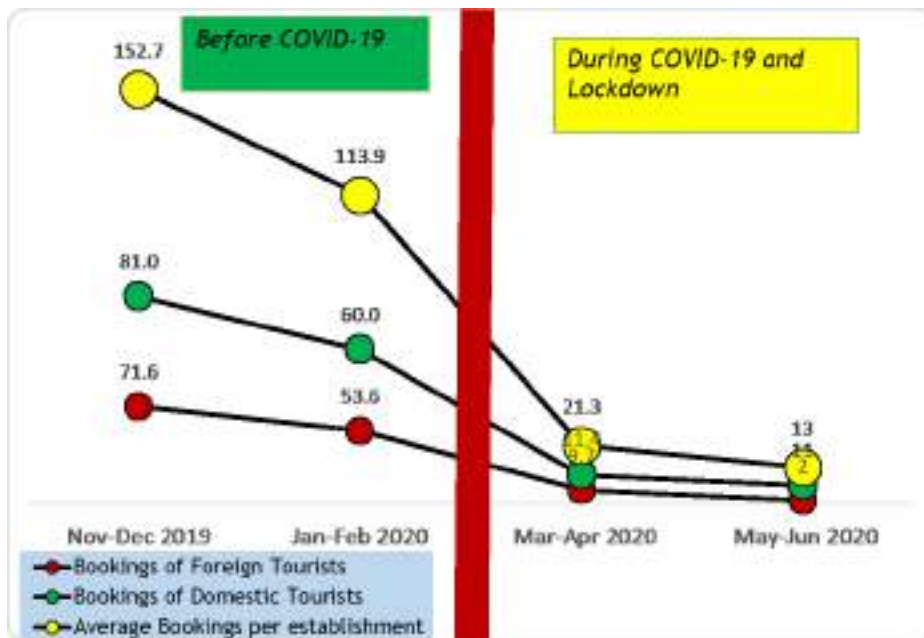
1.4.2.1 Bookings by Tourist Type (Domestic or Foreign)

Close scrutiny of the Survey Data shows that client bookings with either Hotels or Tour and Travel Companies for Tourism Products experienced a sharp drop between March and June 2020. This happened for both the domestic bookings and foreign bookings. Foreign bookings are reservations made by foreign tourists who intend to visit Uganda while domestic bookings are reservations made by persons within the country/ domestic tourists.

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.

Figure 1 below shows that foreign bookings declined by 97.8% and likewise domestic bookings declined by 88.7% between the end of December 2019 and end of June 2020. In the 6 months' period, the tourism sector has virtually lost both current and future businesses due to the coronavirus pandemic.

Figure 1: Bookings Before and After COVID-19



Source: Primary Data

1.4.2.2 Bookings by Tourism Business

Reduction and possibly cancellation of bookings were registered in the Hotel industry and the Tours and Travel sector during the COVID-19 and lockdown Periods in Uganda. Figure 2 shows that the Bookings within Accommodation or Hotel Sector and the Tour and Travel sector had declined by 92.1% and 99.8% respectively by the end of June 2020.

Figure 2: Bookings by Tourism Entity

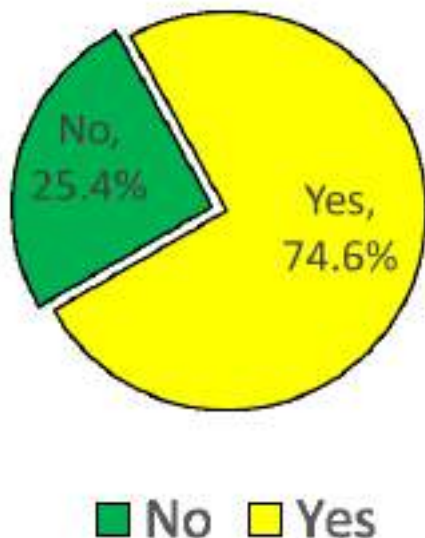


Source: Primary Data

Furthermore, respondents were asked whether they had registered any cancellation of bookings since the beginning of March.

Results from the study reveal that at least 7 in 10 of all tourism enterprises registered cancellation in Bookings (See Figure 3). Losses due to cancellations just in the months of March to June 2020 are estimated at US\$ 367.2 million (UGX 1.37 trillion). This places tremendous pressure on tourism entities to refund clients. While some of these funds could have already been spent on paying other service providers along the tourism value chain.

Figure 3: Client cancellation of bookings for tourism related activities



Source: Primary Data

1.4.3 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).

Results from the study revealed that 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.

Figure 4: Cancellations in Hotel Businesses



Source: Primary Data

The spate of cancellations in hotel bookings is expected to continue at least until end of September 2020. The hotel sector is projected to lose US\$ 0.50 billion in revenue by December 2020, as a result of COVID-19.

1.4.3.1 Impact on the MICE Industry

The Meetings, Incentives, Conventions and Exhibitions (MICE) industry is an important and growing segment of the tourism sector with a great potential. MICE industry has been strongly 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.

Cancelled Events

Among the big events affected by the cancellations, include;

- UN G77 summit that was scheduled in Uganda from April 16-19, 2020 at Speke Resort Munyonyo and attracting participants from 136 member states,
- World Health Summit Regional Meeting 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.

Many more of such events have been cancelled or postponed due to the COVID-19 pandemic. The list of Events and expected number of Participants in appended in annex 1.

Respondents in the study were asked whether they were expecting to host any conferences this year. Results reveal that at least 3 in 10 tourism establishments were expecting to host a conference in the year 2020.

These entities mainly consisted of accommodation facilities, tour operators and tour and travel agencies. The anticipated average capacity of each conferences was estimated at 330 individuals per conference/meeting. Due to the COVID-19 pandemic, 85% of booked conferences to be hosted in Uganda in 2020 were reported to have been cancelled.

1.4.4 Impact on Tour and Travel Businesses

Tour operators are a key player in Uganda's tourism economy. They have always contributed a key role in destination marketing. There are about 350 registered tour companies in Uganda (315 members of AUTO and 172 on UTB website). There are also

Study results reveal that more than 9 in 10 Tour Businesses registered Client Cancellation of bookings between March 2020 and June 2020 as shown in Figure 5 below. Findings from the study reveal 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.

about 100 travel agents in Uganda, organized under the Uganda Travel Agents Association (TUGATA). Tour Operators play a central role in linking visitors to tourist products and are the image of the country.

Figure 5: Cancellations in Tour Business



Source: Primary Data

It is projected that the Tour Business will lose up to US\$ 0.35 billion by December 2020 as a result of COVID-19.



Impact on Employment in Uganda



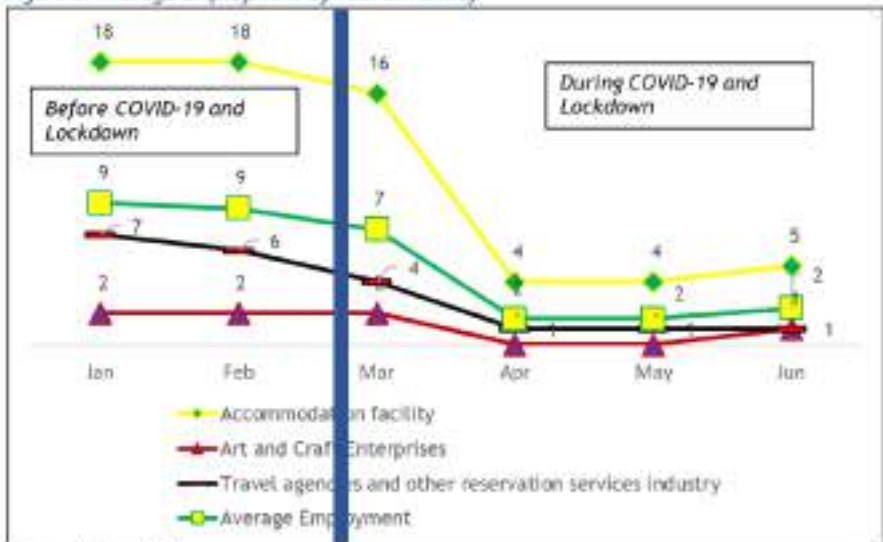
1.5.1.1 Impact on Employment in the Tourism Sector

Before COVID-19 struck in Uganda, Tourism entities in Uganda were employing an average of 9 workers per establishment, the Hotel industry was employing an average of 18 workers, Tour and Travel Agencies were employing an average of 7 workers while Art and Craft enterprises were employing an average of 2 workers. Figure 6 below shows that the Tourism industry has experienced a surge in job losses between March and June 2020.

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.

Figure 6: Average Employment by Tourism Entity



Source: Primary Data

Survey Data further shows that a majority (91.8%) of the tourism entities have downsized on the workforce due to the financial hit caused by the COVID-19 pandemic. Therefore, at least 7 in 10 workers in the tourism industry have been affected as a result of the pandemic.

7/10
Have Been Affected Due To
COVID-19

In FY2018/19, the travel and tourism industry supported 667,600 jobs. According to findings in the study, it is projected that about 458,743 jobs will be lost by December 2020 if status quo remains the same.

1.5.1 Employment in the Hotel and Restaurant Business

In tandem with the statistics of room cancellations, workers in the hotel industry have been the worst hit by the pandemic. About 2,705 workers equivalent to 1.0 %, have been laid off. Meanwhile, 156,718(57.2%) workers have been asked to take unpaid leave, 94,512 (34.5%) have faced pay cuts and only 20,059 (7.3%) are on full pay.

6/10
Have been asked to take unpaid leave

Table 3: Employment in the Hotel Sector

Category	Total Workers	Percent (%)	Cumulative (%)
Number of Workers on Full Pay	20,059	7.3%	7.3%
Number of workers facing pay cut	94,512	34.5%	41.8%
Number of workers facing Unpaid leave	156,718	57.2%	99.0%
Number of Workers Laid off	2,705	1.0%	100.0%
Total Workers (sampling size)	273,993	100.0%	

Source: Primary Data

3/10

Have Been have been asked to take unpaid leave

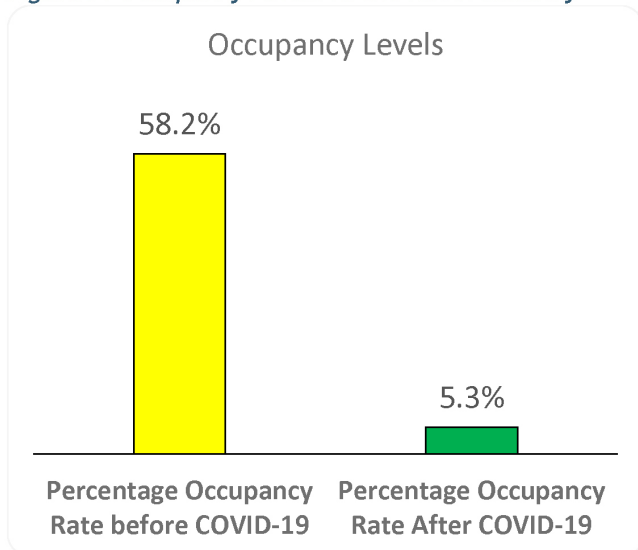
Additionally, as a result of the massive decline in tourist arrivals and subsequent activity in the hotel industry, workers currently on unpaid leave and those asked to take pay cuts are more likely to be furloughed or lose jobs.

If the situation continues as it is, it's projected that at least 60% of the Jobs in the Hotel sector will be lost by December 2020.

1.5.1.2 Occupancy levels in the Hotel Industry

Study findings show that before the Pandemic struck, hotels boasted an occupancy rate of 58.2%. However, between March 2020 and June 2020, hotels have operated at an average occupancy rates of 5.3%. Occupancy levels are expected to fluctuate between 10% to 20% until the end of December 2020.

Figure 7: Occupancy Levels in the Hotel Industry



Source: Primary Data

1.5.2 Travel agencies and other reservation services industry

The tour and travel agencies and operators play an important role in bridging the elements of the services offered from the supply side of the business with the consumption side of the business. Thus, the tour operator performs the task of linking such elements together and sells the products in one piece and in a single price.

Like the Hotel industry, the Tour and travel agencies have not been immune to the COVID-19. At least 9 in 10 workers in tour and travel business have been affected and at least 5 in 10 workers have lost their jobs

Employment in Tour and Travel Agencies

At least 5 in 10 workers have lost their jobs

Figure 8: Employment Status in Tour and travel Business

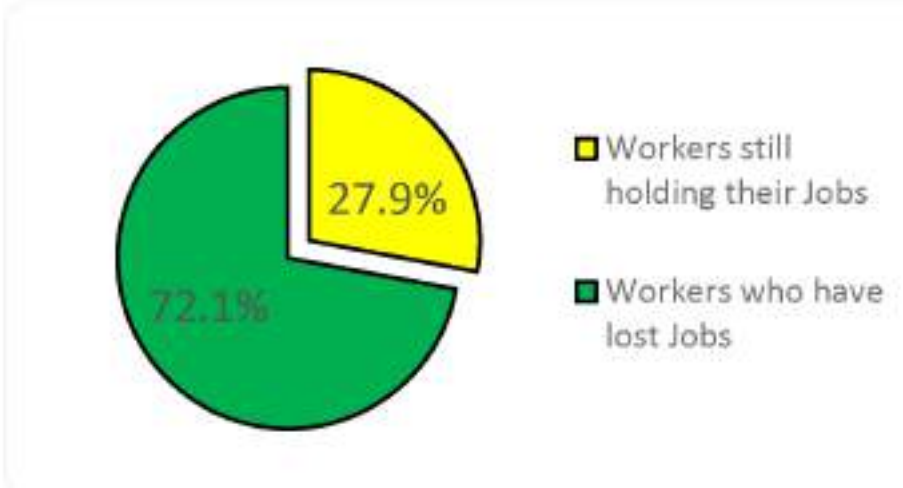


Source: Primary Data

1.5.3 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.

Figure 9: Employment status in Art and Craft Enterprises



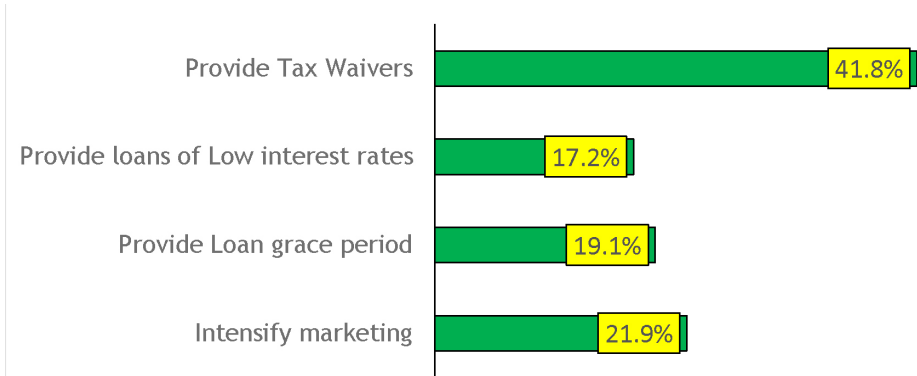
Source: Primary Data



2.0 Suggestions on What Government can do to rescue Tourism Businesses in Uganda.

Respondents voiced their suggestions on what government can do to rescue Tourism Businesses in Uganda. Results from the study show that provision of tax waivers topped the suggestions (41.8%). This was followed by Intensifying marketing and provision of soft loans at 21.9% and 19.1% respectively as shown in Figure 10 below;

Figure 10: Suggestions on What Government can do to rescue Tourism Businesses in Uganda



Source: Primary Data

Provision of Tax and fees Waivers: The Respondents mentioned that there are several taxes and fees that they are supposed to pay 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, the respondents are requesting for Tax holidays and subsidies till the end of the year.

Intensify Marketing: Maintaining international advertising campaigns is a crucial point in marketing and promoting the Tourism Industry in Uganda.

Respondents are calling on government to proactively market the

destination 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.

In addition, as international tourism still grapples, the respondents mentioned that government should invest and encourage domestic Tourism as a way of resurrecting Tourism.

Provision of Loan Grace Period: Most Tourism Operators operate with loans and since March 2020, business has completely been lost yet loans have to be paid. The respondents are requesting government to discuss with commercial banks to allow a loan grace period till the end of the year at minimum, to give room to pay slowly.

Provision of low interest rate Loans: Governments can assist tourism enterprises that may otherwise go bankrupt, such as hotels and tour operators by offering financial relief in form of low interest loans or grants. Respondents have suggested that Government should setup a Tourism and Hospitality facility in Uganda Development Bank (UDB) to extend soft loans to hotels and tour companies to aid their recovery and offer short term debt relief. These loans would help in operation of the businesses and for workers welfare.

Other suggestions from Private Sector Include;

i) Preparing comprehensive tourism recovery plans, to rebuild destination Uganda. The respondents are also urging government, through Uganda Tourism Board, to prepare a com

prehensive recovery plan and a relaunch plan for Tourism as soon as international travel returns.

ii) Introducing Tourism Specific Measures i.e. applying new

health protocols for safe travel: Respondents mentioned that government, through MTWA, UTB and MoH, should develop Standard Operating Procedures for all segments in the Tourism Sector (Hotels, Tour guides, Airports, Transport, Gatherings) and allow for all business including bars, restaurant, Sauna, Gyms, Accommodation and workshops/conferences to open while following the standard Operating procedures.

iii) Private Sector should be encouraged to adopt policies such as flexi-cancellation policies, flexi-rates for all services, and ensuring strict hygiene policies. This will allow guests to move a booking to a new date to avoid complete cancellations and also encourage domestic Tourism.

iv) Lifting travel restrictions: Government should open all borders including the Airport as fast as possible so that business can go back to normal while observing the SOPs by Ministry of Health. This will help resurrect Tourism in Uganda.

v) Restoring traveller confidence and stimulating demand: Respondents mentioned that the Uganda Tourism Board needs to develop information apps for visitors and invest in domestic tourism promotion campaigns as a way of restoring visitor confidence for destination Uganda.

vi) Improve of Public relation: Respondents noted that there is a disjoint amongst MTWA, UTB and MoH in terms of

COVID-19 Communication. They mentioned that information sent to the public can easily discourage travelers to Uganda thus a need for the three institutions to work together in terms of information flow. The institutions are encouraged to spread the positive news through news channels and social media platforms

to aware the potential tourists to Uganda.

vii) Uganda Wildlife Authority should suspend any new tariffs that were expected to be effective July 2020. Any increase in tariffs during this time is a turnoff to potential tourists.

viii) Government should provide Salary support for staff in Tourism Sector to prevent/reduce layoffs.

ix) Government should discuss with Utility providers to waive off costs of Utilities for March to June 2020 (water, rent and electricity bills) due to low business

x) Reduction of the curfew time. The Respondents are requesting that Government should extend the curfew time at least to 10pm since some of the Tourism experience is effected in the night life.

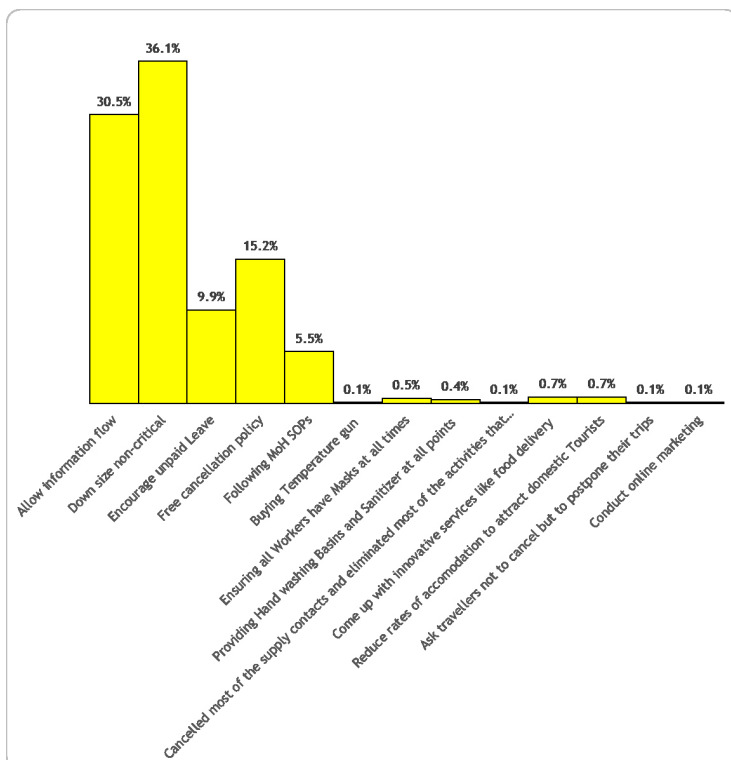
2.1 Measures undertaken by Hotels, Tour operators, and other Tourism to stay in Business but mitigate spread of Corona Virus

Views were obtained from respondents on what they were doing to stay in Business while mitigating spread of Corona Virus. The Majority (36.1 percent) mentioned that they had downsized non-critical staff. 30.5 percent of establishments claim to allow proper information flow and educate their own staff on preventive measures as guided by the government through MoH.

A number of establishments (15.2 percent) are implementing a free cancellation policy where they allow clients to cancel their reservations at no extra cost, while 9.9 percent are encouraging workers to take unpaid leave so as they can cut costs and remain open.

Other measures taken by tourism establishments include using temperature guns at entrances, providing food delivery services for clients who are staying at home, asking travelers to postpone their trips rather than cancelling them, conducting online marketing, disinfecting all rooms on a regular basis (for accommodation establishments), and ensuring strict social distancing among staff and clients, among other measures.

Figure 11: Measures undertaken by Hotels, Tour operators and other Tourism Businesses to stay in Business



Source: Primary Data

2.3 The extent to which domestic tourism influences the growth of the tourism industry in Uganda.

In this section, we assess the extent to which domestic Tourism Influences growth of the Tourism industry. Respondents were asked their opinion on whether the recent campaign, dubbed “Tulambule”, by the government to encourage the growth of domestic tourism



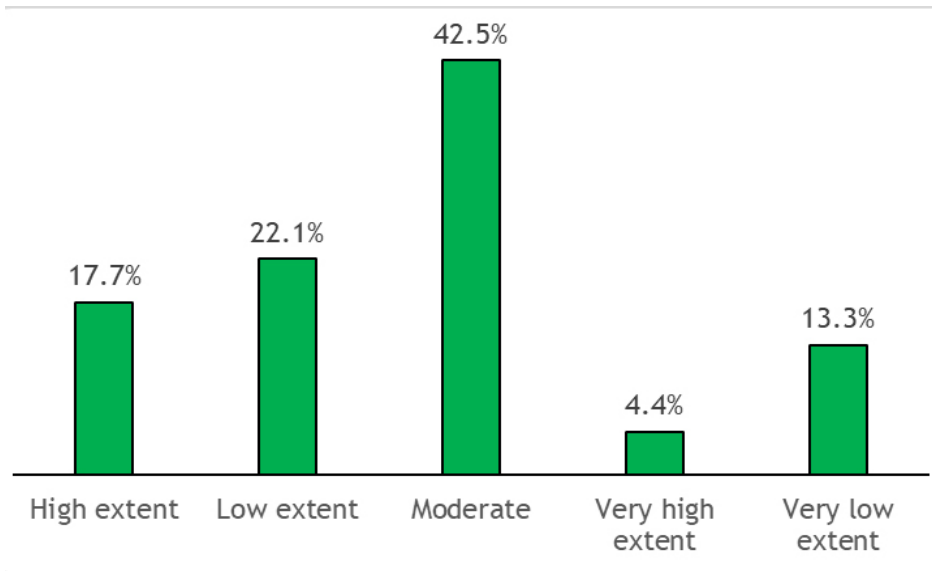
has yielded the required results. Survey results show that only 31.8 percent of the respondents mentioned that Tulambule has actually yielded the required results. The majority 6 in 10 respondents mentioned that Tulambule has not yielded any results.

Source: Primary Data

Figure 12: Impact of Tulambule Campaign on the growth of domestic Tourism in Uganda

Furthermore, respondents who mentioned that Tulambule has yielded the required results were asked to provide the extent to which they think the campaign has been instrumental in encouraging domestic Tourism. Study results show that the majority (42.5%) said the campaign had moderately encouraged Domestic Tourism. Only 4.4 percent gave it the highest rating of “Very high Extent”. This means that a lot needs to be done in terms of promoting and encouraging Ugandans to participate in Domestic Tourism.

Figure 13: Extent to which Tulambule campaign has been instrumental in encouraging domestic Tourism



Source: Primary Data

2.3.1 Can Tourism Survive without International Tourism Inflows

Respondents were asked their opinion on whether Tourism in Uganda can survive without international Tourism. Results show that 82.3 percent of the respondents disagreed with the statement citing that little or no investment has been dedicated to promotion of domestic Tourism in Uganda.

Figure 14: Can Tourism survive without International Tourists



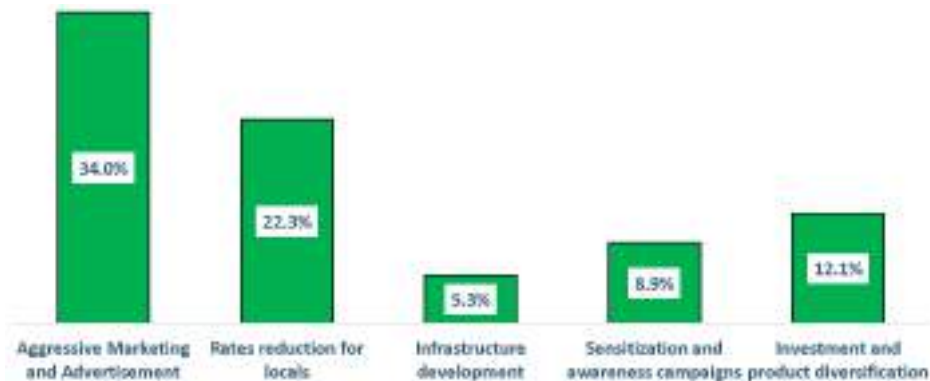
Source: Primary Data

2.3.2 Suggestions on how government can develop the domestic tourism industry

Respondents were asked to provide suggestions on how the government can promote and develop domestic tourism in the country. As seen in Figure 15 below, 34 percent of respondents said that government should focus on aggressive marketing and promotion of tourism products to Ugandans, while 22.3 percent suggested that government should encourage tourism establishments to reduce rates for locals.

12.1 percent of respondents suggested that government should invest heavily in tourism and diversify the tourism products. Other suggestions included awareness and sensitization campaigns (8.9 percent) and infrastructural development (5.3 percent).

Figure 15: Suggestions on how government can develop the domestic tourism industry



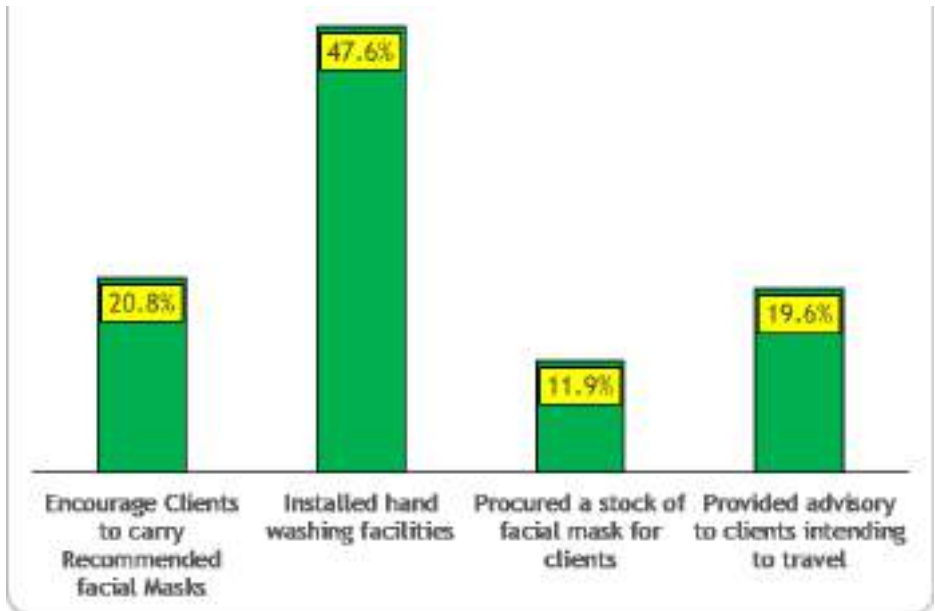
Source: Primary Data

2.4 Strategies Tourism business are implementing following the advisory by Ministry of Health on measures to prevent Coronavirus spread.

Establishments were asked what measures they are implementing to prevent the spread of the Coronavirus. Figure 16 below shows that 47.6 percent of respondents said they have installed hand washing facilities at their place of business, 20.8 percent claimed to encourage clients to carry recommended face masks, while 19.6 percent said they have provided advisory to clients intending to travel.

Other measures being implemented by establishments include; providing face masks to clients, fumigation of hotel rooms, emphasizing social distancing of both employees and clients, wearing of gloves while handling client items like food and luggage, and use of temperature guns at entrances of their establishments.

Figure 16: Strategies being implemented by Tourism business following the advisory by Ministry of Health on measures to prevent Coronavirus spread



Source: Primary Data

Conclusions and Recommendation



3.0 Conclusion and Recommendation

This Section presents the conclusions based on the findings from the study on the impact of COVID-19 pandemic on tourism businesses and recommendations on how stakeholders can mitigate the negative impact.

3.0 Conclusion

There is no doubt that COVID-19 outbreak has hit the sector with a big blow. The sector is set to lose close to one (1) million Foreign Tourist arrivals by end of December 2020 and more than US\$ 0.84 billion foreign exchange. In terms of employment, 7 in every 10 Tourism Jobs have been affected and it is estimated that 60 per cent of the Tourism Jobs will be lost by December 2020.

3.1 Actions currently being undertaken by government/MDAs to mitigate the impact.

So far, the Government of Uganda has implemented several mitigation measures to try to minimize the impact of COVID-19 on the tourism industry. Some of the implemented measures cut across all sectors of the economy while others are tourism sector specific.

These measures include;

- 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 (BoU) has reduced the Central Bank Rate (CBR) 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.

- MTWA and UTB 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.
- MTWA has constituted a COVID-19 taskforce to advice on mitigation measures for the tourism sector.

3.2 Recommendations

The recommendations are informed by survey findings and literature review on what stakeholders can do to mitigate the impact of COVID-19 on the tourism industry.

i) Domestic Tourism should be the focus: There should be more a focus on domestic Tourism and Regional Tourism as this market will is more likely to recover faster than the international Market.

Responsible Institutions: MTWA, UTB

ii) Tourism Enterprises should be exempted from paying taxes in order to enable them retain cash flow for their operations. Given that the Tourism Sector is the hardest hit,

tax holidays and subsidies should be provided to players in the sector to allow them recover.

Responsible Institutions: MTWA, MoFPED, URA

iii) Prepare a comprehensive tourism recovery plan to rebuild destination Uganda to guide sector actions.

Responsible Institutions: MTWA, UTB

iv) Intensify Marketing: Maintaining international advertising campaigns are crucial point in marketing and promoting the Tourism Industry in Uganda. Its recommended that government pro-actively markets 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

Responsible Institutions: MTWA, UTB

v) Provision of low interest rate Loans: It is recommended that Governments can assist tourism enterprises that may otherwise go bankrupt, such as hotels and tour operators by offering financial relief inform of low interest loans or grants. A Tourism credit can be setup in Uganda Development Bank (UDB) to extend soft loans to hotels and Tour Companies to aid their recovery and offer short term debt reliefs.

Responsible Institutions: MoFPED, MTWA, UDB

vi) The private sector players in tourism should be encouraged to implement a free cancellation policy that shields clients from costs due to cancellation. This will ensure that clients are confident of making purchases well in advance without fear of losing money.

Responsible Institutions: AUTO, UTA

vii) Private sector players in the tourism sector should ensure that they provide advisory to potential clients on information about the virus in the country. Mandatory measures such as quarantine

period should be communicated early enough to clients to avoid delays and inconveniences.

Responsible Institutions: AUTO, UTA

viii) Government should discuss with Commercial Banks to provide Loan Grace periods. Tourism enterprises have not been in business for the last 3-4 months and the effect is expected to continue till the end of the year thus it's important that Loan grace periods are effected to avoid Bankruptcy and lay off of workers.

Responsible Institutions: MoFPED, BOU, MTWA

ix) The Private Sector is encouraged to adopt policies such as flexi-cancellation policies, flexi-rates for all services, and ensuring strict hygiene policies. This will allow guests to move a booking to a new date to avoid complete cancellations and also encourage domestic Tourism

Responsible Institutions: UTA, AUTO, UTB, UWA



Annex 1: Survey details

Methodology

The Survey sample is made up of a number of tourism businesses across Uganda. The survey tool was distributed through the Association of Uganda Tour Operators and the Uganda Hotel and Tourism Training Institute. We also had physical data collection by our research officers to ensure we collect the required sample size

The questionnaire was sent out on in April 2020 electronically by Mail and the physical data collection was done in June 2020. The study employed systematic sampling for districts outside Kampala

It had five sections: general profile questions (which provide a breakdown of the type of responding businesses); questions on the business impact of COVID-19; questions on the business's response; and the support measures required for Tourism Recovery.

Objective of the Study

The main objective of the study was to provide reliable information about the effects of the COVID-19 Pandemic on tourism businesses in Uganda, including changes in the number of Bookings, cancellations, loss of employment, loss of revenue and policy direction on how to support the sector.

Profile of responding businesses

The survey yielded 410 responses. 55 responses were discounted during data cleaning. The target respondents for this research study included; Hotels, Tour and travel companies, Airlines, and tour guides. For the context of this study tour operators are entities that deal in the selling of safaris while tour and travel entities that do ticketing as a main activity.

Table 1: Respondents by Type of Business

Type of Business	Count	Percentage
Accommodation facility	270	76%
Travel agencies and other reservation services industry	64	18%
Art and Craft Enterprise	21	6%
Total	355	100%

Source: Survey Data

Table 2: Demographics of the Respondents

Position of Respondent	Female	Male	Total
Accountant	5	5	10
CEO	8	32	40
Director/Manager	58	104	162
Front Office Manager	34	13	47
Office Assistant	2	2	4
Other (Specify)	33	37	70
Sales Officer	17	5	22
Total	157	198	355

Source: Survey Data

Annex 2: List of Conferences

Table 4: Conferences that were expected to be hosted in Uganda

CONFERENCES CANCELLED	EXPECTED NUMBER
ABSA CONFERENCE	300
AFRICA WITH LOVE	100
AFTUM	5
AIC	30
AIM GLOBAL	450
AIRPORT TAXI OPERATORS ASSOCIATION CONFERENCE	80
ALL NATIONS	15
ANNUAL OIL CONFERENCE	250
AWARD EVENTS	800
BABA TV	200
BARCLAYS BANK CONFERENCE	1,190
BEYOND UGANDA	60
BIDCO UGANDA	70
BIOGAS - COMP	50

CONFERENCES CANCELLED	EXPECTED NUMBER
BLACK CONFERENCE	130
BRAC TRAINING AND CONFERENCES	283
BRICK AND BRICK CONSTRUCTIONS	40
BUSINESS CONFERENCE	120
BUSINESS SUMMIT	1,200
CATHOLIC COMMUNITY	26
CENTENARY BANK FOR THREE TIMES	300
CENTRE FOR WOMEN	40
CEWIGO	40
CHILD FUND	100
CHILDREN'S MINISTRY	75
CHIROPRACTOR CONFERENCE	20
CHRISTIAN CONFERENCE	115
CHURCH CONFERENCE	100
COMPASSION UGANDA	156
COU OFFICALS	100
DANISH COMPANY	25
DOCTORS CONFERENCE (MBARARA REFERRAL)	50
LOCAL CONFERENCE	30
ELECTORAL COMMISSION	200
EQUITY BANK	200
EVERGELIC CONFERENCE	50
EXPANDING SOCIAL PROTECTION	70
FAO SPGS	120
FINANCE TRUST BANK	70
FOOD FOR HUNGRY	50
FROM AGRICULTURE	100
G77 SUMMIT	6,000
GIZ	140
GOAL UGANDA	92
GUARD CONFERENCE	15
GVAD (UN CONFERENCE)	21
HUMAN RESOURCE	25
HUMAN RESOURCE NETWORKING	105
HUMAN RIGHTS FOCUS	35
ICT CONFERENCE	50
IGM	80
INFRASTRUCTURE CONFERENCE	1,200
INSURANCE AWARENESS	10
INTERNATIONAL CONFERENCES	1,000
INTERNATIONAL LABOUR ORGANISATION	35
INTERNATIONAL MILITARY CONFERENCE	200

CONFERENCES CANCELLED	EXPECTED NUMBER
INTERNATIONAL PASTORS CONFERENCE	22
INTOSAI DEVELOPMENT INITIATIVE	10
IRS	80
ITB	50,000
ITB INDABA	100,000
IUEA STUDENT LEADERS	100
JICA	60
JINJA LG	120
JINJA REFERAL HOSPITAL	60
JUDICIARY	800
KAMWEMBE UP	35
KCCA CONFERENCE	25
KCCA MEETING	15
KFW CONFERENCE	50
KOICA	50
LAW SOCIETY	800
LIRA UNIVERSITY	15
MAPS UGANDA(NGO)	60
MBARARA UNIVERSITY MBARARA	20
MEDIA	40
MELLINIUM	200
MINISTRY OF AGRICULTURE	30
MINISTRY OF FINANCE	245
MINISTRY OF HEALTH	2,421
MINISTRY OF LOCAL GOVERNMENT	300
MINISTRY OF WATER	200
MRC	70
MTWA OFFICIALS	50
MUST	100
NATIONAL AGRICULTURAL RESEARCH LABORATORIES	25
NATIONAL DRUG AUTHORITY	245
NATIONAL WATER AND SAWERAGE COOPERATION	25
NDA	225
NGO	1,425
NITA UGANDA	150
NORDEFIC U.N. CONFERENCE	50
NRC	60
NSSF	40
NURI	100
NUSAF II	150
O N M	20
OHCR	113

CONFERENCES CANCELLED	EXPECTED NUMBER
OXFORM	18
PARLIAMENT OF UGANDA	200
PARLIAMENTARY COMMITTEE	53
PPDA	142
PRESTIGE DRIVING SCHOOL CONFERENCE	45
PRIVATE EDUCATION FUND	NA
PROCLAIM AFRICA	50
RAIN BOW INTERNATIONAL	400
REACH AHAND	50
REPRODUCTIVE HEALTH UGANDA	100
RICHARD LONDON COLLEGE STUDENTS CONFERENCE	85
ROTARY CLUB MEETINGS AND CONFERENCES	5,259
RSV DUTCH NGO	100
SAVE THE CHILDREN	10
SEMINARS BY EDUCATION ENTITIES	1,000
STANBIC BANK	650
TECHNO SERVE	40
THE JUDICIARY	1,000
TISA	50
TPO	35
U.N. CONFERENCE	120
U.N. IOM CONFERENCE	150
U.N. STAFF CONFERENCE	55
U.N. WOMEN	100
UGANDA	1,000
UGANDA BUREAU OF STATISTICS	120
UGANDA CARES	5
UGANDA FLOORS FEDERATION CONFERENCE	23
UGANDA FORUM FOUNDATION	43
UGANDA HUMAN RIGHT AWARENESS PROMOTION FORUM	30
UGANDA NATIONAL CONVENTION FOR UNESCO	35
UGANDA NATIONAL ROADS AUTHORITY	400
UNESCO	254
UNRA	150
URA CONFERENCE	100
URC	30
URSB	50
US EMBASSY	1,260
USAID	100
VIVA CRANE	80
VSO	30
WATER CONFERENCE	250

CONFERENCES CANCELLED	EXPECTED NUMBER
WATOTO LEADERSHIP CONFERENCE	100
WFP	40
WORLD VISION	250
YOUNG LIVING	200
YOUTH ALIVE UGANDA	40
YOUTH WITH A MISSION	28
ZOA FROM RELIEF TO RECOVERY	25

Source: Survey Data

Annex 3: Questionnaire



Republic of Uganda

Ministry of Tourism, Wildlife and Antiquities and
the Uganda Tourism Board

Research Study: Impact of Covid-19 on Tourism Business in Uganda,
Questionnaire

PART A: Background Information

1. Business Name:			
2. Type of Business (Observe)			
Travel Business <input type="checkbox"/>	Tour operator <input type="checkbox"/> Tour and Travel Operator <input type="checkbox"/>		
Accommodation facility <input type="checkbox"/>	Art and Craft Enterprise <input type="checkbox"/>		
Government agency (Specify) <input type="checkbox"/>			
3. Position of Respondent	<input type="checkbox"/> CEO <input type="checkbox"/> Director/Manager <input type="checkbox"/> Front Office Manager <input type="checkbox"/> <input type="checkbox"/> Accountant <input type="checkbox"/> Sales Officer <input type="checkbox"/> Office Assistant <input type="checkbox"/> Other (Specify)?.....		
4. Sex of Respondent	Male <input type="checkbox"/> Female <input type="checkbox"/>		
5. Years in Business of the Business	<input type="checkbox"/> 0-3years <input type="checkbox"/> 4-6 years <input type="checkbox"/> 7-9 years <input type="checkbox"/> 10-12 years <input type="checkbox"/> 13-15 years <input type="checkbox"/> 15+ years		
6. Approximately how many employees are there in your organization?			
Over 1000 employees <input type="checkbox"/>	Over 500 employees <input type="checkbox"/> Over 300 employees <input type="checkbox"/>		
Over 100 employees <input type="checkbox"/>	Over 50 employees <input type="checkbox"/> Less than 50 employees <input type="checkbox"/>		
6. Which services are offered by the Business? (tick the relevant boxes)			
<input type="checkbox"/> Transport Services	<input type="checkbox"/> Booking/Ticketing services <input type="checkbox"/> Tour Guiding services		
<input type="checkbox"/> Food and Accommodation	<input type="checkbox"/> Recreational services <input type="checkbox"/> Other		
(Specify?).....			
7. How do you rate your business performance in March 2020?			
<input type="checkbox"/> Good	<input type="checkbox"/> Fair <input type="checkbox"/> Poor		
8. How many bookings did you make during the Periods;			
Item	Nov-Dec 2019	Jan-Feb 2020	Mar-Apr 2020
No. of Foreign tourists			
No. of Domestic Tourists			
Total			
9. Have you had any cancellations of bookings since the beginning of March 2020			
<input type="checkbox"/> Yes <input type="checkbox"/> No			

10. If Yes, how many? (if No Skip to question 10).
.....

11. How much is the estimated loss due to cancellations in terms of revenues? Please provide response US\$
.....

12. Please state the size of your workforce?

Sex	Jan 2020	Feb 2020	Mar 2020
Male			
Female			
Total			

13. Are you likely to downsize your work force in next months?
 Yes No

14. If yes, by what percentage?

15. Where you expecting to host any conferences this year
 Yes No

16. If Yes, which conferences and list the ones which were cancelled

s/n	Expected conferences	Number of expected visitors	Cancelled (Yes/No)
1			
2			
3			
4			
5			
6			

17. Please, suggest what Government could do to rescue Tourism businesses and other sectors

- Provide Loan Grace Period to Tourism Business
- Provide tax Waivers
- Intensify marketing and promotion of Domestic Tourism to support Tourism business
- Lower interest rates for Hotels
- Others (Specify).....

18. What should Hotels, Tour operators, and other Tourism Businesses do to stay in Business but mitigate spread of Corona Virus

- Encourage Paid Leave to its staff
- Down size non-critical staff
- Allow free cancellation policy to avoid costs to clients for cancellation
- Ensure information flow on the Virus
- Others (Specify).....

PART C: The impact of media reporting of Corona Virus on Uganda's tourism industry.

i). On a scale of 1-5 where; 1-Strongly Disagree, 2- Disagree, 3- No Opinion, 4- Agree, 5- Strongly Agree, indicate whether you agree with the following statements on the impact

of media reporting of Corona Virus on Uganda's tourism industry.

	Statement.	1	2	3	4	5
1	Media reports on Corona Virus outbreak scared potential foreign tourists to Uganda.					
2	The media reports on outbreak of Corona Virus were very accurate.					
3	Media reports on Corona Virus affected negatively the ranking of Uganda's tourist attractions.					
4	Media reports on outbreak of Corona Virus provided accurate information on the safety of tourists in Uganda.					

PART D: The extent to which domestic tourism influences the growth of the tourism industry in Uganda.

In this section, please indicate to what extent you feel domestic tourism influences the growth of tourism.

i). Do you think the recent campaigns like to Tulambule by the government to encourage the growth of tourism has yielded the required results?
Yes No

ii). If yes, to what extent has the campaign been instrumental in encouraging domestic tourism?
 Very high extent High extent Moderate Low extent
 Very low extent

iii) Can Tourism in Uganda survive without International Tourists inflows?
Yes No

iv) if your response in (iii) above is no, provide suggestions on how government can develop its domestic tourism industry?

PART E: State of Uganda's preparedness to manage international health disasters like COVID-19.

i). On a scale of 1-5 where; 1-Strongly Disagree, 2- Disagree, 3- No Opinion, 4- Agree, 5- Strongly Agree, indicate whether you agree with the following statements on the state of Uganda's preparedness to manage international health disasters including COVID-19.

	Statement.	1	2	3	4	5
1	Uganda has put in place efficient health institutions to manage outbreak of health disasters.					
2	Disaster preparedness is one of the key pillars of Uganda's tourism sector.					
3	Previous health disaster outbreaks in Uganda were successfully managed.					
4	Uganda put in place effective measures to mitigate the negative effect of Corona Virus outbreak on the tourism industry.					

ii) Finally, what strategies has your business/firm/institution implemented following the advisory by Ministry of Health on measures to prevent Coronavirus spread?

Installed hand washing facilities Procured a stock of facial mask for clients

Provided advisory to clients intending to travel

Encouraged clients to carry recommended facial masks

Educated own staff on preventive measures

Other

Other Specify

.....

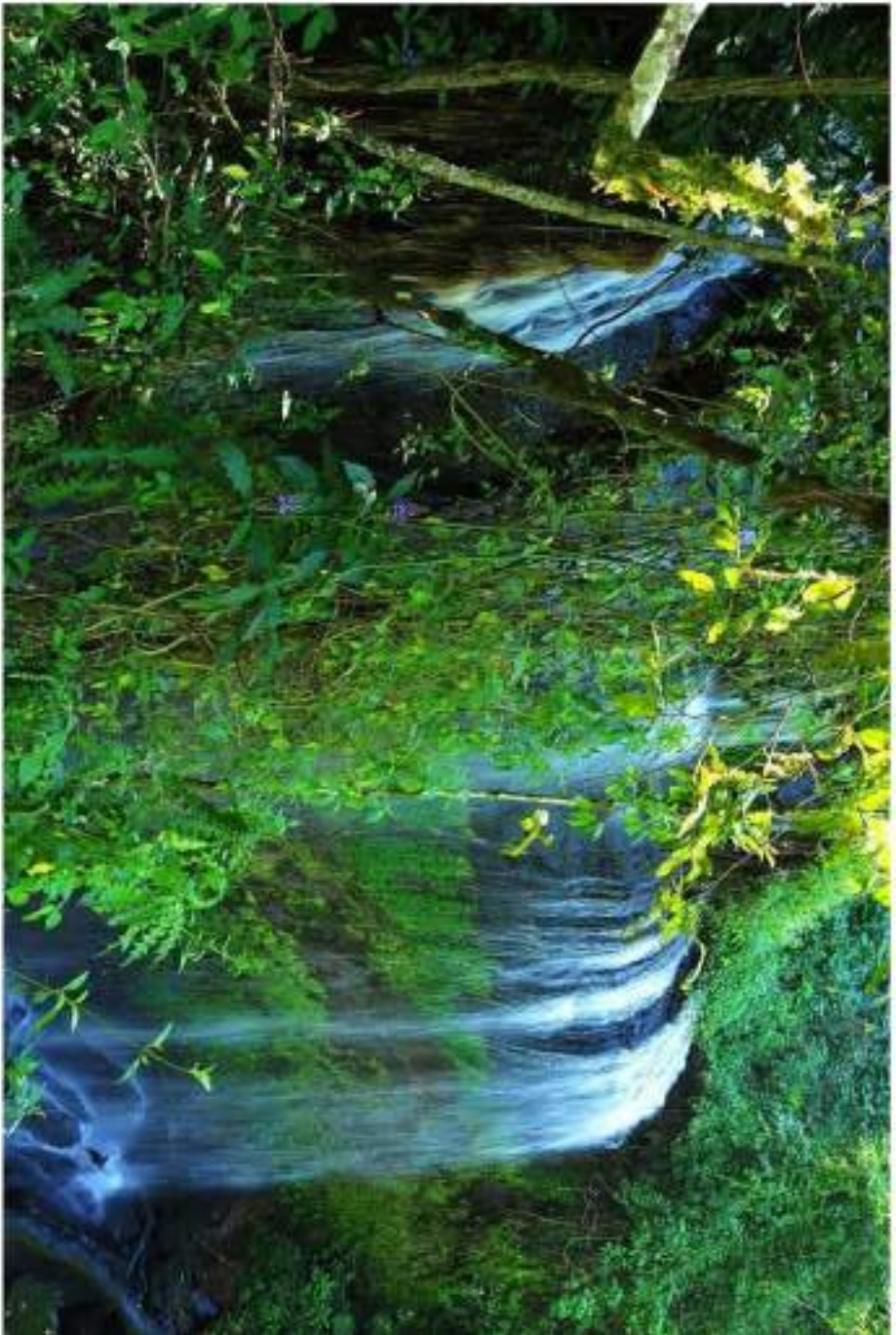
.....

.....

PART G Please state any other aspect which you think has not been touched on the effects of the outbreak of Corona Virus Virus in Uganda on Tourism industry in Uganda.

1.
- ii.
- iii.
- iv.
- v

Thank you for your participation





**MINISTRY OF TOURISM,
WILDLIFE AND ANTIQUITIES**
2nd Floor, Rwenzori Towers
P.O.Box 4241, Kampala
Email: ps@tourism.go.ug
Web: www.tourism.go.ug