Statistical and Economic Analysis
of Uganda's Tourism Expenditure and Motivation Survey 2019

By

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Introduction

- Government of Uganda (GoU) is keen on **increasing the economic benefits derived from Uganda's tourism assets** (e.g. national parks with unique wildlife; landscapes for hiking and adventure activities; cultural sites; center for meetings and conferences).

- GoU conducted **exit surveys of visitors to Uganda** during the **2019 high season**, and the **2012 high and low seasons** to support government policies aimed at increasing tourism benefits.

The report presents a **statistical and economic analysis of the survey data** (with a focus on a comparison between 2019 and 2012 findings) and **policy recommendations.**

Challenges

2019 low season survey data unavailable
- for statistical analysis restrict comparison to 2019 and 2012 high season data.
- for economic analysis estimate 2019 low season expenditures based on 2012 low-season to high season ratios.

2012 and 2019 target populations and survey questionnaires differ to some extent
- confine target population to non-Ugandan non-residents spending at least 1 night and drop incompatible observations.
- collapse non-overlapping questionnaire categories.

Official migration statistics contain day trippers that do not belong to the target population
- adjust migration statistics by assuming that 80 percent of COMESA visitors at border crossings are day trippers (this results in target population of 500,000 tourists in 2012 and 600,000 tourists in 2019).
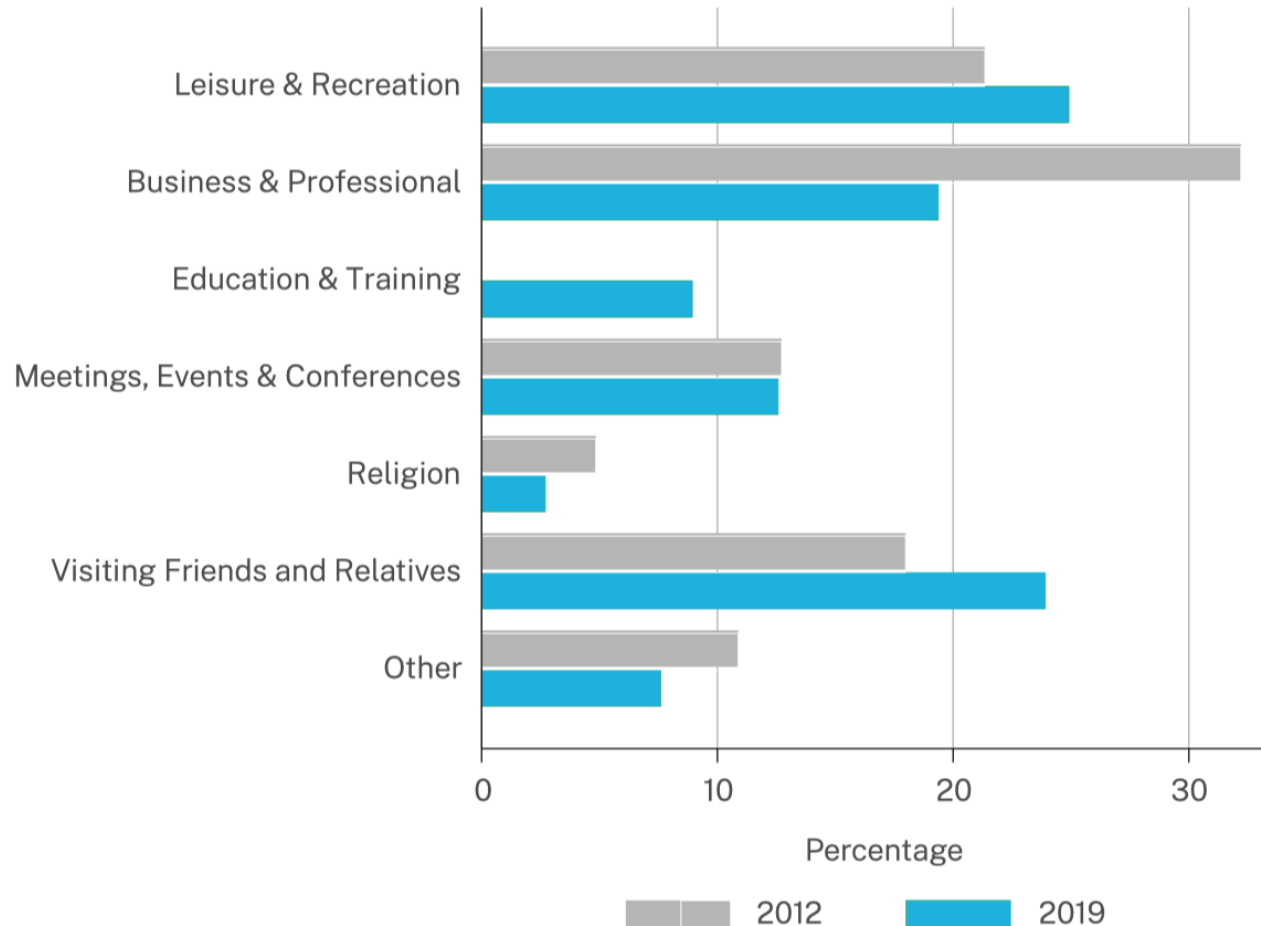
Survey data indicate deviation from random sampling at border crossings
- reweigh observations to reflect adjusted target population.

Statistical analysis

Figure 4: Main Purpose of Visit

Percentage

Categories: Leisure & Recreation, Business & Professional, Education & Training, Meetings, Events & Conferences, Religion, Visiting Friends and Relatives, Other

Legend: 2012 (grey), 2019 (blue)

- **Share of leisure tourists increased** from 21 percent to 25 percent (from 89,000 to 126,000 tourists) and now form the largest share of tourists before VFR and business tourists.

- Increase in leisure tourists may reflect **successful promotion of Uganda nature tourism** in the intervening years.

- In 2012 and 2019, 32 percent of leisure tourists bought **tour packages** countering the global trend towards more independent tourism.

Statistical analysis

| Table 1: Averages, Medians and Averages of Tourists Staying 15 Days or Less (by Tourist Type)						
	2012			**2019**		
	average	median	average (15 days)	average	median	average (15 days)
Leisure & Recreation	13	7	7	12	7	7
Business & Professional	12	4	5	12	5	5
Education & Training (2019 only)	n/a	n/a	n/a	38	14	8
Meetings, Events & Conferences	8	5	5	4	3	3
Religion	16	7	6	15	6	6
Visiting Friends and Relatives	12	5	5	14	6	6
Other	24	9	6	19	8	6

Note: Categories in 2019 have changed.

- **Lengths of stay remained largely unchanged** for most tourist types.

- **Average stays among meetings tourists dropped** from eight to four days, but this is in line with global trends.

Statistical analysis

Figure 12: Tourist Satisfaction with Specific Trip Aspects
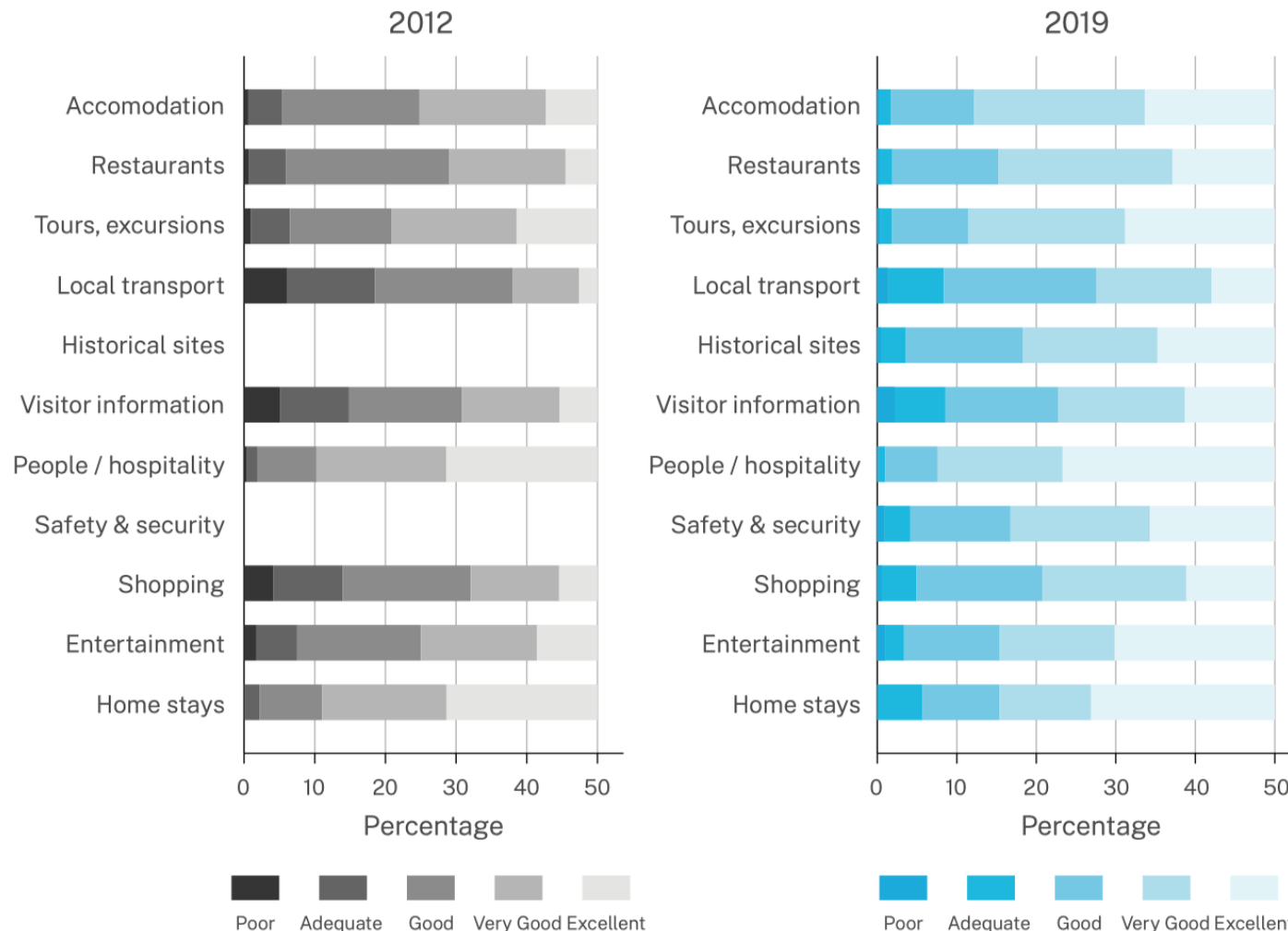
- **Satisfaction rates, i.e. very good or excellent ratings, increased strongly across most categories,** most notably for "local transport" (up 43 percent from 2012 to 2019), "shopping" (up 32 percent), "restaurants" (up 29 percent) and "accommodations" (up 25 percent).

- The highest overall satisfaction ratings in 2019 were observed for "people and hospitality" (85 percent), "tours and excursions" (77 percent), and "accommodations" (76 percent).

- High satisfaction rates translate into **a high stated likelihood of return** (70 percent say a return is very likely) and **high willingness to recommend Uganda to friends** (90 percent definitely would).

Economic analysis

- The **input-output model** was used to assess tourist expenditures' / tourism exports' **overall economic impact** on the Ugandan economy.

- Input-output analysis allows it to estimate **indirect and induced effects** of tourism exports.

- Indirect effects constitute a **lower bound** and the sum of indirect + induced effects constitutes an **upper bound** of the impact.

Box 1. Definition and Illustration of Direct, Indirect and Induced Effects

direct effects		
indirect effects	imports	
indirect effects + induced effects		imports

direct effects   =   tourism exports
indirect effects   =   domestic production required to supply tourism exports
induced effects   =   domestic production required to produce the goods and services consumed by households as a result of earning income in the production of tourism exports

Considering only indirect effects underestimates the overall impact because it neglects economic activity that results from Ugandan household income that was generated by tourism exports.

Considering the sum of indirect and induced effects overestimates the overall impact because it implicitly assumes that Ugandan households spent their entire additional income on consumption.

Economic analysis

	2019							
	Leisure	**Business**	**Education**	**Meetings**	**Religion**	**Visiting**	**Other**	**All**
SINGLE TOURIST								
Tourism exports	981	733	878	534	701	570	686	713
ALL TOURISTS								
Number of tourists	125,800	120,800	55,700	70,300	15,300	168,900	47,000	603,800
Tourism exports	123 million	89 million	49 million	37 million	11 million	96 million	32 million	431 million
Tourism exports % Exports	1.8%	1.3%	0.7%	0.6%	0.2%	1.4%	0.5%	6.3%
DIRECT + INDIRECT + INDUCED EFFECTS								
Value added	301 million	224 million	122 million	96 million	27 million	240 million	80 million	1075 million
Value added % GDP	1.2%	0.9%	0.5%	0.4%	0.1%	0.9%	0.3%	3.1%
Memo: Multiplier	2.4	2.5	2.5	2.6	2.5	2.5	2.5	2.5
DIRECT + INDIRECT EFFECTS								
Value added % GDP	109 million	81 million	44 million	34 million	10 million	86 million	29 million	387 million
Value added % GDP	0.4%	0.3%	0.2%	0.1%	0.0%	0.3%	0.1%	1.1%
Memo: Multiplier	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9

- **Tourism exports grew between 2012 and 2019 by 15 percent,** but not as strongly as total exports (the export share fell from 9.4 percent to 6.3 percent).

- **GDP generated from tourism exports increased;** however, it remained roughly constant as a share of total GDP.

Economic analysis

2012	Leisure	Business	Education	Meetings	Religion	Visiting	Other	All
SINGLE TOURIST								
Tourism exports	1,017	701		758	825	611	750	747
ALL TOURISTS								
Number of tourists	89,400	167,300		59,100	22,800	106,000	56,000	500,700
Tourism exports	91 million	117 million		45 million	19 million	65 million	42 million	374 million
Tourism exports % Exports	2.3%	2.9%		1.1%	0.5%	1.6%	1.1%	9.4%
DIRECT + INDIRECT + INDUCED EFFECTS								
Value added	222 million	296 million		114 million	48 million	162 million	104 million	936 million
Value added % GDP	0.9%	1.2%		0.4%	0.2%	0.6%	0.4%	3.7%
Memo: Multiplier	2.4	2.5		2.5	2.5	2.5	2.5	2.5
DIRECT + INDIRECT EFFECTS								
Value added % GDP	80 million	107 million		41 million	17 million	58 million	38 million	337 million
Value added % GDP	0.3%	0.4%		0.2%	0.1%	0.2%	0.1%	1.3%
Memo: Multiplier	0.9	0.9		0.9	0.9	0.9	0.9	0.9

- **Leisure tourists' exports and value added increased by 36 percent** and now account for the largest share of tourism exports and value added (29 percent share).

- **Meeting tourists' shorter duration of stay decreased their tourism exports and value added by 17 percent** (9 percent share).

Economic analysis

- ***All tourists spending 1 extra night* or *adding 100,000 leisure tourists per year* can significantly increase tourism exports and value added,** by 15 percent to 20 percent.

Table 8:	Economic Overall Effect of Two Tourism Development Outcomes	
	100,000 additional leisure tourists	**1 additional night for all tourists**
TOURISM EXPORTS		
Additional tourism exports	98 million	67 million
Additional tourism exports (percent of exports)	1.5 percent	1.0 percent
DIRECT + INDIRECT + INDUCED EFFECTS		
Additional value added	240 million	166 million
Additional value added percent of GDP	0.9 percent	0.7 percent
DIRECT + INDIRECT EFFECTS		
Additional value added	87 million	66 million
Additional value added percent of GDP	0.4 percent	0.3 percent

Input-output model allows to estimate the impact to optimistic, but achievable medium-long term scenarios:
a) increase of leisure tourists by 100,000
b) increase of all tourists' duration of stay by one night)

Policy recommendations

Statistical and economic analysis combined with a literature review and stakeholder feedback results in:

- **8 policy recommendations that should be initiated immediately** (immediate COVID-19 response).

- **11 policy recommendation that should be initiated within the next 2 years** (in the short to medium-term response).

- Recommendations are categorized in **5 areas of focus**:
  - Tourism statistics and market intelligence
  - Product development
  - Marketing and branding
  - Protected area infrastructure and management
  - Sector coordination

Policy recommendations

Area of focus	Immediate COVID-19 response	Short to medium-term response
Tourism statistics and market intelligence	1. Create a Tourism Sector Observatory	1. Collect and Report Tourist Arrival Figures in a Timelier Manner
	2. Expand Market Intelligence Capabilities and Efforts	2. Conduct Visitor Surveys More Regularly
		3. Improve Methodology to Identify Economic Impact of Package Tourists
		4. Disseminate Tourism Statistics More Broadly
Product Development	Support Communities to Enhance their Tourism Product	1. Develop Matching Grant Facilities to Stimulate Product Innovation
		2. Support the Development of "Experiences" to be Offered through Online Portals

Policy recommendations

Area of focus	Immediate COVID-19 response	Short to medium-term response
Marketing and Branding	1. Develop a National Tourism Marketing and Promotion Strategy	1. Broaden Digital Marketing Efforts
	2. Launch a National Tourism Brand	2. Build Capacity of Small and Medium-sized Enterprises (SMEs) to Market Themselves Online
		3. Secure a Sustainable Source of Funding for Marketing and Branding Activities
Protected Area Infrastructure and Management	1. Bolster UWA's Conservation and Tourism Management Resources	1. Expand Road Network within National Parks
	2. Build New Accommodations Geared Towards the Domestic Market	2. Consider Building Canopy Walkways and Ziplines
Sector Coordination	1. Develop a Public-Private Dialogue (PPD) Structure	

Acknowledgments

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