

Diversifying Sources of Growth and Competitiveness in Gabon: Agriculture, Wood Processing and Tourism

<TOURISM SECTOR>

Prepared for

**Government of the Republic of Gabon
and
The World Bank**

Final Report

Prepared by



Global Development Solutions, LLC

June 2013

*Diversifying Sources of Growth and Competitiveness in Gabon: Agriculture, Wood Processing and Tourism
Tourism – Final Report*

All Rights Reserved©

Global Development Solutions, LLC

11921 Freedom Drive, Suite 550

Reston, VA 20190, USA

Tel. +1 703 904 4373

Fax. +1 703 991 6523

e-mail: mail@GDS-LLC.com

web: www.GDS-LLC.com

Exchange Rate
1 US\$ = 500 XAF

Table of Contents

1.	Summary of Findings and Recommendations	5
2.	Objectives of the Tourism Value Chain Analysis.....	9
3.	Sector Profile: Tourism.....	10
3.1	<i>Overview of Gabon Tourism Offerings</i>	10
3.2	<i>Global Tourism Market</i>	10
3.2.1	<i>Overall</i>	10
3.2.2	<i>Ecotourism</i>	15
3.2.3	<i>Business Travel</i>	15
3.3	<i>Key Market Drivers and Options for Growth</i>	17
4.	Market Structure, Institutional and Regulatory Environment.....	21
4.1	<i>Sector Participants</i>	21
4.1.1	<i>Tourists</i>	21
4.1.2	<i>Hotels, Travel Agents and Tour Operators</i>	22
4.1.3	<i>Transportation</i>	25
4.1.3.1	<i>Air</i>	25
4.1.3.2	<i>Road</i>	29
4.1.3.3	<i>Rail</i>	30
4.1.3.4	<i>Marine</i>	31
4.1.4	<i>National Parks</i>	31
4.2	<i>Institutional Support Structure</i>	35
4.3	<i>Policies and Laws Affecting the Tourism Sector</i>	41
5.	Value Chain Analysis	43
5.1	<i>Product Profile and Summary of Observations</i>	43
5.2	<i>Integrated Value Chain Analysis</i>	44
5.2.1	<i>High Hotel Prices Driven by Labor and Electricity Costs</i>	46
5.2.2	<i>Expensive and Unreliable Electricity Supply</i>	48
5.2.3	<i>Limited Availability and Flexibility of Tour Packages</i>	49
5.2.4	<i>High Vehicle Rental Costs Driven by High Labor and Maintenance Costs</i>	53
5.2.5	<i>High Cost of International Flights</i>	54
5.2.6	<i>High Cost of International Air Operations</i>	55
5.2.7	<i>Uncompetitive Visa Policy Discourages Sector Growth</i>	56
5.2.8	<i>Handicraft Offerings Lack Authenticity</i>	59
5.3	<i>Other Issues</i>	62
5.3.1	<i>Protection of Wildlife Resources</i>	62
5.3.2	<i>Limited Tourism Data</i>	63
5.3.3	<i>Lack of Strategy for Infrastructure Development</i>	64
5.3.4	<i>Inefficiencies and Lost Revenue Due to Limited Credit Card Acceptance</i>	65
5.3.5	<i>Absence of Coordinated National Strategy</i>	65
6.	Recommendations.....	66

List of Tables and Figures

Table 1: Top 15 Tourism Arrivals Worldwide, 2008-2010	11
Table 2: Top 15 Tourism Flows Outbound, 2010.....	14
Table 3: International Tourism Expenditures for Top Ten Countries, 2009-2011	14
Table 4: Global Business Travel Spending by Region	16
Table 5: Hotel Capacity Overview, 2009-2015	23
Table 6: Tourism Enterprise Registration, 2001-2013.....	23
Table 7: Hotel and Restaurant Quality Ratings	24
Table 8: Gabon Airport Infrastructure	26
Table 9: Passenger Flight Origin and Destination, Libreville Airport, 2008-2012.....	27
Table 10: Principal Origins and Destinations for Libreville Passenger Flights, 2011-2012.....	28
Table 11: Passenger Flights to and from Libreville Leon M’ba International Airport	28
Table 12: Cost to Construct 1 km of Paved Road in Gabon	30
Table 13: National Rail Passenger Volume, 2010-2012.....	30
Table 14: Profile of National Parks in Gabon.....	32
Table 15: Institutional Support for the Tourism Sector	36
Table 16: Sample Curriculum, Tourism and Hotel School.....	39
Table 17: International Support for the Tourism Sector	40
Table 18: Tourism Legal Environment.....	41
Table 19: Comparative Value Chain Expenditures for Business/Conference Tourism in Gabon, Kenya, Tanzania and Morocco.....	45
Table 20: Value Chain Analysis for Representative Business/Conference Hotel in Libreville	46
Table 21: Electricity Costs in African Countries	49
Table 22: Sample Excursion, Libreville to Lope National Park, 2 days/1 night.....	51
Table 23: Sample Excursion, Libreville to Beach in Pongara National Park, 2 days/1 night.....	52
Table 24: Car Rental Agency Operating Cost per 4WD Vehicle per Year.....	54
Table 25: Sample Roundtrip Fares (US\$), Economy Class	55
Table 26: Comparative Landing Charges for Leon M’ba International (Libreville), Kilimanjaro and J. Kenyatta (Nairobi) Airport.....	56
Table 27: Visa Fee Comparison	57
Table 28: Potential Economic Gain from Visa Reform.....	58
Table 29: Tourist Expenditure for Handicrafts in Libreville	59
Table 30: Attendance, Africa Cup of Nations, 1996-2013	65
Table 31: Priority Actions and Timeframe for Development of the Tourism Sector	66
Table 32: Potential Recommendations to Enhance the Tourism Sector	66
Figure 1: Tourism Share of Total Exports, Select Countries, 2011	11
Figure 2: Africa Inbound Tourism: International Tourist Arrivals and Receipts, 1995-2011	12
Figure 3: Tourist Arrivals in Select African Markets, 2008-2010	12
Figure 4: Travel and Tourism Contribution to GDP, Select African Markets, 2012	13
Figure 5: Ecotourism Share of International Travel	15
Figure 6: Business Arrivals as a Percent of Total Arrivals, 2010.....	17
Figure 7: Business Traveler Preferences	18
Figure 8: Economic Impact of Tourism.....	19
Figure 9: Contribution of Travel and Tourism to GDP and Employment in Gabon, 2012.....	20
Figure 10: Passenger Flight Origin and Destination, Libreville Airport, 2008-2012	27
Figure 11: Map of National Parks in Gabon.....	32
Figure 12: Phased Development Envisioned for National Parks	34
Figure 13: Monthly Minimum Wage, Select Africa Markets	48
Figure 14: Tribal Masks for Sale	61

1. Summary of Findings and Recommendations

The World Travel and Tourism Council estimates that for every US\$1 spent on travel and tourism, US\$3.2 are generated in GDP across an entire economy.¹ As such, tourism has the potential to diversify the economy both directly in areas such as accommodation, recreation and transportation, as well as indirectly via supply chain linkages (e.g., agriculture and food processing, furnishings and equipment suppliers, financial services, utilities) and human resources development. Further, because the industry is labor intensive, it can generate significant employment growth. Well-functioning public utilities and transportation infrastructure are a necessary component for tourism, but also collectively benefit local residents and the wider economy. Tourism also can be a means to preserve local culture and ethnic traditions which might otherwise be lost as the population becomes increasingly urban.

Tourism represented only 2.7% of Gabon's GDP and directly and indirectly supported about 11,500 jobs or 2.3% of total employment in 2012.² International visitors to Gabon were estimated at 186,000 in 2009; however, the potential of Gabon's tourism industry has yet to be fully exploited, given that business visitors, estimated to be more than 95% of all arrivals, dominate the fragmented tourism landscape. In order to diversify its economy and generate foreign and local revenue, Gabon has set tourism goals of attracting 100,000 leisure tourists annually by 2020, who primarily would partake of the country's ecotourism resources including extensive national parks and wildlife. In this respect, Gabon is positioned for growth, as ecotourism is the fastest growing sector within leisure travel.³ However, plans may be ambitious given current limited tourism offerings and remote park access. Gabon also would also like to develop local tourism avenues for its burgeoning middle and upper classes. To these ends, Gabon has many facets of the public sector working on tourism development, but each institution acts largely independently of the others, resulting in an uncoordinated national strategy and potentially sub-optimal use of resources.

To help the Government identify key priorities for intervention, investment or other means to move toward international competitiveness, an integrated value chain analysis (VCA) was conducted across various aspects of the tourism sector. The tourism market in Gabon is highly disaggregated and informal, and ecotourism is still in development. Given that the VCA requires actual data for analysis and benchmarking and that business travel currently dominates the tourism landscape, business tourism was investigated as a proxy product for sector analysis, for both a business/conference stay in Libreville, benchmarked against comparable offerings in Africa where both business tourism and ecotourism are present, and a short trip excursion to attractions in line with the timeframe of the business traveller. Although the proxy product was business travel, the VCA identified issues that cut across the entire spectrum of tourism.

¹ Benchmarking Travel & Tourism, World Travel and Tourism Council, <http://www.wttc.org/research/benchmarking-travel-tourism>

² Economic Impact 2013 Gabon, World Travel and Tourism Council, 2013

³ Dr. Kalpana Agrawal, Environmental Sustainability of Ecotourism, The International Journal's Research of Economics and Business Studies, July 2012.

For hotel business/conference stays, the value chain generally is divided into five primary categories: room, dining, miscellaneous services, out of pocket expenditures and taxes. For Gabon, room charge represented 60 to 64% the value chain, well above competitors such as Morocco (48%), Kenya (46%) and Tanzania (30%). Further, Libreville hotels appear to offer a poorer value, as measured by star ratings and room rates per bed night which indicate that on average, business tourists in Libreville pay 1.6 to 2.1 times more per star for their hotel room than do business tourists in Casablanca, Nairobi or Dar es Salaam. High hotel prices are driven by several factors, including overhead (38% of cost per bednight), labor (24% of cost per bednight) and tax (19% of cost per bednight and comprised primarily of VAT). Among the items included in overhead are electricity, water and communications/internet, all of which have an unreliable supply, necessitating independent source to supplement the national utility. Value chain data across various hotels suggests that total electricity costs are 10% to 15% of net room revenue and that backup generator use increases monthly electricity costs by 40% to 53%. High labor costs are attributable in part by a high minimum wage that is 2 to 5 times higher than other Africa ecotourism markets. Hotel managers interviewed also cited difficulty in finding qualified local labor with skills appropriate to the tourism industry.

Although global market data indicate that 86% of business travellers always or occasionally add leisure days to business travel, Gabon's supply chain for business travel currently lacks a high-end, short break full-service offering. Business tourists who engage in leisure excursions expect local tour operators to provide complete packages, but in Gabon, tour "packages" often need to be self-assembled; for example agents may arrange a hotel and park guide but direct clients to handle their own transport, given that offerings often are unreliable or with limited schedules. Given the time constraints of the business traveller, private transport (e.g., car hire) often is the only option, but is expensive. Analysis of a two day/one night excursion, analogous to a weekend getaway for a business visitor, from Libreville to Lope National Park, revealed that transport consumed 67% of the overall trip cost, with vehicle rental alone comprising 40% of the total cost and the driver another 15%. Vehicle rental costs are high due to high labor and maintenance costs. The VCA of car rental agencies revealed that overhead (primarily driver salary) consumed 38% of operating cost, while maintenance and repair consumed 36% and frequent tire replacement due to poor roads another 21%. Car hire effectively triples the cost of a trip, but there are few transportation alternatives, particularly for access to ecotourism areas, which are remote. Analysis of a two day/one night excursion from Libreville to a beach hotel near Pongara National Park revealed that food consumed 56% of the overall trip cost and accommodation another 36% and at prices 5.5 and 2.5 times higher, respectively, relative to the Lope excursion costs; both components were made more expensive by lack of road access, imported food, electricity generation and labor costs. Thus, the beach excursion reflects the challenges of high input costs, transportation and infrastructure that are pervasive throughout the tourism landscape of Gabon.

The high cost of international flights is a barrier to foreign arrivals, not only for leisure tourism where the expense is entirely out of pocket, but also for conference tourism which has a highly competitive bid process. Among major African markets offering safari or forest gorilla experiences, Gabon is one of the most expensive destinations to which to fly; Libreville ranked in the top two among seven destinations for airfare from all points of origin examined and is as

much as 1.8 times more expensive than flights to neighboring Douala and Entebbe, which also offer travelers an off-the-beaten path forest gorilla experience. Only Botswana ranked higher in price than Gabon; however Botswana is known for its luxury safari travel and often can justify the high airfare with its target market, whereas Gabon has not yet established that reputation. High airfare to Libreville is driven in part by the high cost of airport landing and operating costs. The VCA revealed that the cost of landing at M'ba International Airport/Libreville (LBV) is higher than Kilimanjaro Airport (JRO) and Jomo Kenyatta/Nairobi (NBO) airports in all but one category examined and substantially higher with respect to landing fees (2.3 to 2.5 times higher), night operating surcharge (1.7 to 2.5 times higher) and air navigation fees (9.4 to 12.4 times higher).

The visa policy also is a deterrent to international tourism, as the application process is cumbersome and time-consuming, and Gabon visa fees are high relative to competing wildlife options in Africa. Further, the enforcement of visa requirement is at odds with existing Gabonese regulations which state that visas are not required for entry. Countries that eliminate visa restrictions generate opportunity for economic growth and jobs. Projections indicate that visa reform for Gabon could bring incremental revenue of US\$95million, which would more than offset any lost visa fee revenue by a factor of nearly 20 times.

Additional lost tourism revenue opportunity stems from the available merchandise mix of handicrafts, which lacks Gabonese offerings overall and at price points in line with tourist product preferences. Total tourist expenditure in Libreville for souvenirs and gifts ranged from US\$10 to US\$200, below that of other tourist markets (e.g., US\$36 to US\$876 in Mombasa), due in part due to failure to provide the authenticity or cultural connection that tourists seek.

A review of the market structure identified significant communication and functional gaps between the private and public sectors. For example, the hotel and restaurant rating system implemented in advance of the Africa Cup of Nations held in 2012 did not disclose the criteria by which establishments would be evaluated; hotels spent money on improvements that were outside the scope of the rating scheme and received lower ratings and subsequent clients than anticipated. Further, regulations and support services of the public sector often are unenforced or unknown by the private sector and thus ineffective. Moreover, support roles are ambiguous; unlike conventional national tourism boards that focus on promotion and providing market intelligence, Gabon Tour arranges and sells travel packages directly in competition with commercial agents and tour operators, undermining the institutional support relationship.

Absence of market intelligence also hampers decision making and resource rationalization. As such, both public and private sector development has at times been reactive rather than proactive and may not consider long term sector capacity needs. For example, several new hotels came on line in anticipation of the Africa Cup of nations held in 2012, but desired occupancy goals were not subsequently achieved, and new hotels are being built despite average annual hotel occupancy rates estimated at 31 to 50%,⁴ indicating that current hotel capacity is underutilized.

⁴ Minstere en charge du tourisme, Compte satellite du tourism, 2008-2010.

While there are market niches not yet serviceable by existing structures, such as high-end luxury ecotourism which does require new facilities, and current inventory largely is outdated and in need of refurbishment, it is unclear how new capacity will be filled without a well-coordinated and implemented national marketing strategy.

Overall, the tourism sector faces a number of fundamental challenges including:

- Limited tourism data for benchmarking, informing policy making and marketing strategies and attracting investment;
- High barriers to foreign arrivals, including high visa fees, high airfare, low awareness and limited access to tourism information for trip planning;
- High hotel prices driven by high labor, electricity and other operating costs;
- Lack of skills and attributes required for industry development among the general population;
- Limited and fragmented private sector offerings throughout the industry, including availability and flexibility of tour packages and excursions;
- Limited transportation options within Gabon, with road travel expensive due to high labor and maintenance costs exacerbated by poor road conditions, and other options (e.g., rail, marine) limited and with schedules geared toward industrial users;
- Limited awareness and appreciation for local wildlife among the general population, coupled with remoteness and limited budget for protecting natural resources;
- Lack of coordination or long-term focus regarding infrastructure development;
- Inefficiencies and lost revenue due to limited credit card acceptance;
- Absence of coordinated national strategy for tourism development across various government institutions and target markets;
- Lack of information-sharing within the public sector and between public and private sectors; and
- Limited locally-made handicraft offerings that are in line with tourist product mix and price point preferences.

Recommendations to address these challenges are summarized below and detailed further in section 6. *Recommendations*.

- Develop comprehensive interactive tourism database;
- Reform visa policy;
- Improve transportation networks;
- Improve infrastructure supply and reliability;
- Improve labor skills;
- Develop public relations and branding;
- Restructure institutional support;
- Streamline regulatory environment; and
- Protect natural resources.

As the tourism industry is in its infancy, there is great opportunity to foster development in a way that both diversifies the economy and preserves and protects Gabon's unique natural resources. The tourism value chain analysis identified critical issues for competitiveness including labor, electricity, transport, communications and airfare, which largely are under the public sector

domain and require significant and long-term investment, inter-ministerial coordination and information to rationalize and prioritize investment. Expanding private sector offerings or integration thereof is expected to have little impact on the overall industry as long as the key drivers of cost remain high. Thus Gabon has to compete on the basis of quality, which will require a long term view and investment in basic tourism infrastructure, capacity development and human resources. In line with market realities, the ecotourism strategy focuses primarily on small-volume luxury product. However, business/conference tourism also is a potentially lucrative segment. This is not to suggest that business/conference tourism is the sole avenue to growth or a catalyst for tour packages in ecotourism; rather, given the high costs of tourism offerings for the foreseeable future, it makes sense to develop various products and offerings and leverage other markets that are captive and/or somewhat less price sensitive. While multiple pathways exist to tourism development, comprehensive planning and effective public and private sector coordination is required to sustain the prospects of overall growth.

2. Objectives of the Tourism Value Chain Analysis

The purpose of the tourism value chain analysis is to assess the barriers for competitiveness and explore opportunities for Gabon to develop a tourism industry generating foreign and local revenue and diversifying its economy. Although Gabon has many natural resources that distinguish it within the tourism market, particularly in the area of ecotourism, the potential has yet to be exploited, and at present international visitors largely are limited to business travelers, who are expected to continue to visit given the economic offerings of Gabon.

With these objectives and circumstances in mind, the tourism value chain analysis focuses on the following:

- Examine key issues and trends in the world tourism markets, specifically those related to ecotourism and business travel;
- Review the structures of the Gabonese tourism market;
- Assess the key features, strengths and weaknesses of the existing supply chain for tourism offerings in Gabon;
- Analyze the value chains of proxy tourism products (in this case, business/conference stay and short trip excursion, present available offerings and data availability) and provide international benchmark comparisons to identify key strengths, weaknesses and opportunities and priorities for intervention, investment or other means to move toward international competitiveness; and
- Provide possible policy options and recommendations to help stimulate growth and improve competitiveness in the sector.

3. Sector Profile: Tourism

3.1 Overview of Gabon Tourism Offerings

Tourism represented a negligible 2.7% of Gabon's GDP in 2012⁵ and brought an estimated 186,000 international visitors to Gabon in 2009 (the most recent year for which official figures are available); however, the potential of Gabon's tourism industry has yet to be fully exploited. At present, leisure tourism is largely nonexistent in Gabon. Business visitors (estimated to be more than 95% of all arrivals) dominate the fragmented tourism landscape.

Gabon has set tourism goals of attracting 100,000 tourists annually by 2020, primarily to partake of the country's ecotourism resources. The numerous positive attributes of Gabon's tourism offering include:

- Thirteen national parks comprising 11% of national territory;
- Generally untouched and unspoiled habitats of abundant and rare wildlife flora and fauna;
- Accommodations being developed and renovated in both urban and park areas to bring updated services to the market at various (albeit still high) price points;
- Small-scale service providers offering niche market products and preserving culture to offer more authentic experiences; and
- Major attractions in the works such as an assembly hall for the African Union Congress; marina development including museum, hotels and public park among other features; and visitor centers, structured activities and guide training within several national parks to provide a more scalable, consistent and enhanced visitor experience.

3.2 Global Tourism Market

3.2.1 Overall

Globally, travel and tourism contributed US\$2 trillion or 9% of global GDP in 2011 and 98 million direct jobs.⁶ By 2023, the sector is expected to reach US\$10.5 trillion or 10% of global GDP and add more than 70 million jobs, to total 10% of global employment.⁷ The tourism sector is expected to grow an average of 4.2% annually through 2022, faster than the 3.6% average annual growth expected for the total global economy.⁸ Asia is expected to lead the next decade of industry growth and realize average annual sector growth of 6% and contribute to creating two-thirds of the new jobs.⁹

⁵ Travel and Tourism Economic Impact 2013 Gabon, World Travel and Tourism Council, 2013

⁶ Economic Impact of Travel & Tourism 2012: Summary, World Travel & Tourism Council

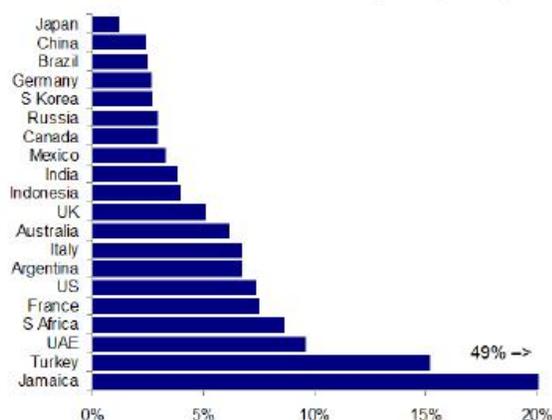
⁷ WTTC Issues Wake Up Call to Private and Public Sector to Work Closely Together for Travel & Tourism's Long-term Future, World Travel & Tourism Council, 10 April 2013.

⁸ Business Travel: A Catalyst for Economic Performance, Executive Summary, World Travel & Tourism Council, May 2011.

⁹ WTTC Issues Wake Up Call to Private and Public Sector to Work Closely Together for Travel & Tourism's Long-term Future, World Travel & Tourism Council, 10 April 2013.

International tourism represents a substantial share of total exports for many economies, including Jamaica (49% of total exports), Turkey (15%), the UAE (10% of all exports, including oil) and South Africa (9%) (Figure 1).

Figure 1: Tourism Share of Total Exports, Select Countries, 2011
Travel & Tourism share of total exports (2011)



Source: *The Comparative Economic Impact of Travel & Tourism*, World Travel & Tourism Council, November 2012.

Worldwide, countries with the highest number of international arrivals in 2010 included France (77.1 million arrivals), the USA (59.8 million arrivals) and China (55.7 million arrivals) (Table 1). Among African countries, only Egypt and Morocco ranked in the top 25 for 2010 arrivals.

Table 1: Top 15 Tourism Arrivals Worldwide, 2008-2010

	Country	2008	2009	2010
1	France	79,218,000	76,764,000	77,148,000
2	United States	57,937,000	54,884,000	59,791,000
3	China	53,049,000	50,875,000	55,664,000
4	Spain	57,192,000	52,178,000	52,677,000
5	Italy	42,734,000	43,239,000	43,626,000
6	United Kingdom	30,142,000	28,199,000	28,295,000
7	Turkey	24,994,000	25,506,000	27,000,000
8	Germany	24,884,000	24,220,000	26,875,000
9	Malaysia	22,052,000	23,646,000	24,577,000
10	Russian Federation	23,676,000	21,339,000	22,281,000
11	Mexico	22,637,000	21,454,000	22,260,000
12	Austria	21,935,000	21,355,000	22,004,000
13	Ukraine	25,449,000	20,798,000	21,203,000
14	Hong Kong SAR, China	17,319,000	16,926,000	20,085,000
15	Canada	17,142,000	15,737,000	16,097,000

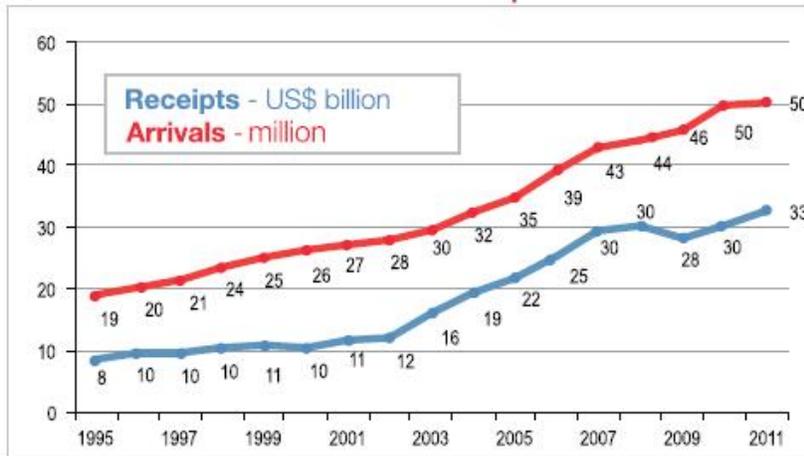
Ranked by 2010 number of arrivals.

Source: UNWTO

Overall, tourism receipts during 2011 in Africa were mixed. Sub-Saharan Africa gained 2 million international arrivals, up 7% from the previous year, while North Africa lost nearly 2 million tourists due to the political change in the region. The total arrivals remained at about 50

million with tourism receipts of approximately US\$33 billion in 2012 (up 2% from the previous year) (Figure 2).

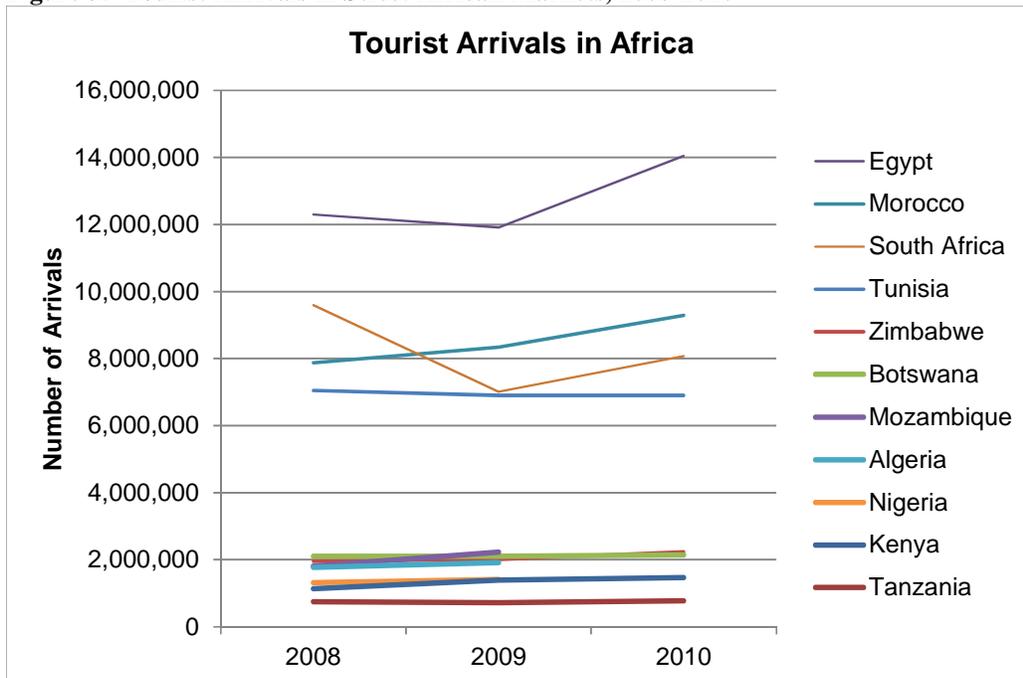
Figure 2: Africa Inbound Tourism: International Tourist Arrivals and Receipts, 1995-2011



Source: WTO 2011 Annual Report

Within Africa, top tourism destinations in 2010 included Egypt (14.1 million arrivals), Morocco (9.3 million arrivals) and South Africa (8.1 million arrivals). Kenya and Tanzania reported 1.5 million and 783,000 arrivals, respectively. The most recent UNWTO figures for Gabon are as of 2008 with 358,000 arrivals, on par with Madagascar (375,000 arrivals in 2008) and Ethiopia (330,000 arrivals in 2008).

Figure 3: Tourist Arrivals in Select African Markets, 2008-2010



Source: UNWTO

In Gabon, direct tourism activities were estimated to contribute 1.2% of total GDP in 2012, while total activities across direct, indirect and induced contributions were estimated at 2.7% of GDP.¹⁰ Gabon's tourism as a share of GDP ranked 180th and 182nd of out 184 countries for direct and total contributions, respectively, and was significantly behind that of world averages as well as that of other African nations such as Morocco (ranked 36th for total tourism contribution to GDP), Tunisia (49th), Tanzania (58th), Kenya (64th) and South Africa (85th) (Figure 4).

Figure 4: Travel and Tourism Contribution to GDP, Select African Markets, 2012

Travel & Tourism's Direct Contribution to GDP		2012 % share	Travel & Tourism's Total Contribution to GDP		2012 % share
26	Morocco	8.7	32	Gambia	20.3
28	Gambia	8.2	36	Morocco	18.7
32	Tunisia	7.3	49	Tunisia	15.1
36	Egypt	6.9	50	Namibia	15.1
	World Average	5.2	51	Egypt	15.1
56	Kenya	5.0		World Average	14.1
57	Senegal	5.0	58	Tanzania	13.2
61	Tanzania	4.8	64	Kenya	12.5
91	South Africa	3.2	70	Senegal	11.0
97	Namibia	3.0	85	South Africa	9.8
180	Gabon	1.2	182	Gabon	2.7

Source: *Travel and Tourism Economic Impact 2013 Gabon*, World Travel and Tourism Council, 2013.

Outbound tourism flow measures the number of people leaving a country to travel abroad. In 2010, countries with the highest number of departures included Germany (85.2 million departures), USA (66.5 million departures) and United Kingdom (56.0 million departures) (Table 2).

¹⁰ Travel and Tourism Economic Impact 2013 Gabon, World Travel and Tourism Council, 2013

Table 2: Top 15 Tourism Flows Outbound, 2010

Rank	Country	Departures (000)
1	Germany	85,173.8
2	USA	66,531.5
3	United Kingdom	55,976.9
4	Russia	35,513.1
5	Hong Kong, China	32,703.1
6	China	31,663.6
7	Canada	28,649.7
8	France	24,470.0
9	Italy	20,028.3
10	Netherlands	18,388.0
11	Japan	16,799.2
12	Singapore	14,130.4
13	Malaysia	13,960.3
14	Switzerland	13,898.6
15	Spain	13,583.5

Ranked by 2010 departures (number of people).

Source: Euromonitor International

While Germany had the largest number of outbound tourists, with respect to tourism expenditure, the United States had the largest expenditure in 2011 with US\$117 billion, followed by Germany (US\$100 billion), and China (US\$79 billion) (Table 3). Thus, on a spending per capita basis, the highest ranking countries tend to be China, France, Italy, Japan and the USA, and as such Gabon’s tourism strategy may consider targeting these higher-spending markets.

Table 3: International Tourism Expenditures for Top Ten Countries, 2009-2011

Country Name	2009	2010	2011
1 United States	\$ 105,745,000,000	\$ 109,764,000,000	\$ 117,293,000,000
2 Germany	\$ 93,107,000,000	\$ 91,205,000,000	\$ 100,424,000,000
3 China	\$ 47,108,000,000	\$ 59,840,000,000	\$ 79,010,000,000
4 United Kingdom	\$ 61,133,000,000	\$ 61,368,000,000	\$ 64,627,000,000
5 France	\$ 45,806,000,000	\$ 48,439,000,000	\$ 55,265,000,000
6 Canada	\$ 30,216,000,000	\$ 36,800,000,000	\$ 41,027,000,000
7 Japan	\$ 34,788,000,000	\$ 39,306,000,000	\$ 39,760,000,000
8 Russian Federation	\$ 23,671,000,000	\$ 30,064,000,000	\$ 36,907,000,000
9 Italy	\$ 34,399,000,000	\$ 33,053,000,000	\$ 35,724,000,000
10 Australia	\$ 21,891,000,000	\$ 27,534,000,000	\$ 33,545,000,000

International tourism expenditures are expenditures of international outbound visitors in other countries, including payments to foreign carriers for international transport.

These expenditures may include those by residents traveling abroad as same-day visitors, except in cases where these are important enough to justify separate classification.

For some countries they do not include expenditures for passenger transport items.

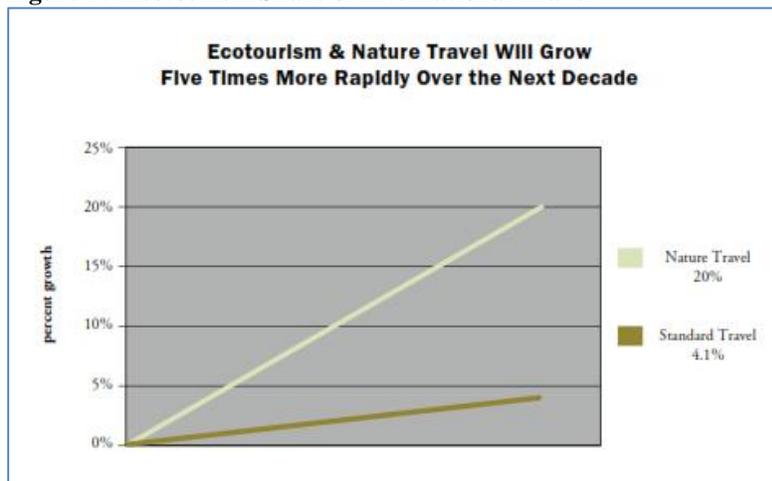
Data are in current U.S. dollars.

Source: The World Bank , <http://data.worldbank.org/indicator/ST.INT.XPND.CD>

3.2.2 Ecotourism

Within tourism overall, ecotourism and nature-based tourism is estimated to account for 20% of world travel (Figure 5).¹¹ Ecotourism typically involves travel to destinations where flora, fauna and cultural heritage are the primary attractions and involves not only experiencing nature but also promoting responsible travel, conservation of nature and community development. This segment is the fastest growing subsector, expanding by 20-34% per year since the early 1990s¹² and outpacing growth of general tourism. Indeed, countries such as South Africa, Kenya, Tanzania, Costa Rica and Brazil are among the many countries that have benefited from rising interest in nature-based travel.

Figure 5: Ecotourism Share of International Travel



Source: WTO; Lester Reingold 1993 “Identifying the Elusive Ecotourist,” as cited by ANPN in *A Vision for Gabon*, c2007.

3.2.3 Business Travel

While leisure travel is highly correlated with disposable consumer income, and indeed a decline in arrivals was noted in 2009 in many countries due to economic conditions, business travel is less cyclical and has been found to have a causation and leading indicator effect. Specifically, business travel facilitates international trade as well as corporate and economic performance. Approximately one-third of growth in global trade over the past decade has been driven by international business travel, and growth in business travel from 2000 to 2007 facilitated the creation of over 40 million jobs through increased trade and productivity, or 20% of the growth in global employment over the same period.¹³ Indeed, given that business travel yields benefits

¹¹ International Tourism Society and WTO data, as cited by ANPN.

¹² Dr. Kalpana Agrawal, Environmental Sustainability of Ecotourism, *The International Journal’s Research of Economics and Business Studies*, July 2012.

¹³ Business Travel: A Catalyst for Economic Performance, Executive Summary, World Travel & Tourism Council, May 2011.

in new sales, customer retention, innovation, partnership opportunities and overall operating efficiencies, business travel can be expected to remain integral in the travel industry product mix.

The largest markets for business travel in terms of spending are North America (US\$302 billion or 35% of total business travel spending), the EU (US\$243 billion or 28%) and Asia Pacific (US\$226 billion or 226%) (2010) (Table 4). Africa realized only US\$21billion in business travel spending. However, only 8% of North American business travel was international. Factoring in both travel spend and international share, the EU captures the highest share of the international business travel market.

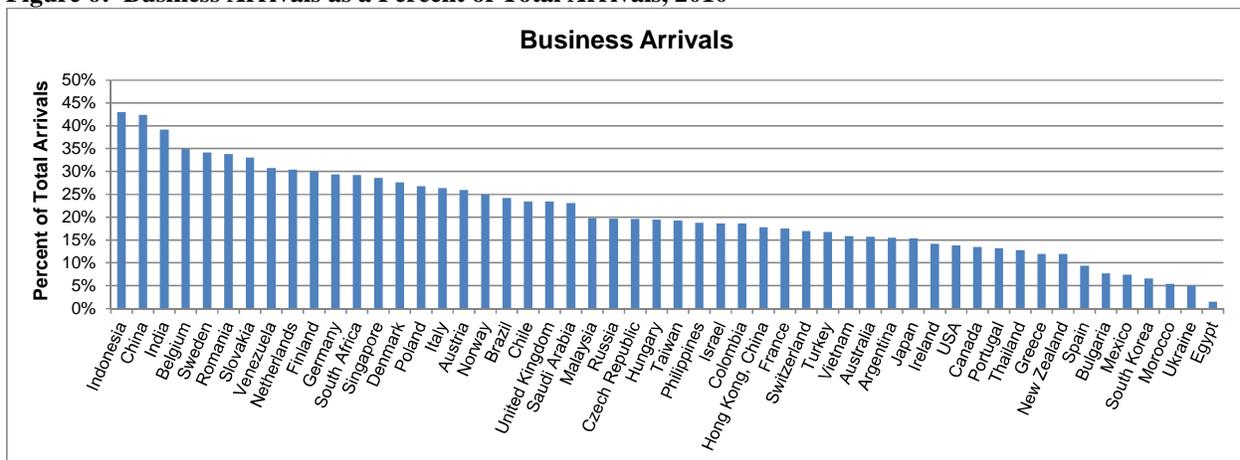
Table 4: Global Business Travel Spending by Region

Region	Total Business Travel Spending (US\$ billion)	International Outbound Share of Travel Spend
Americas	302	10%
North America	275	8%
Other America	27	26%
Europe	290	31%
EU	243	31%
Other Europe	47	27%
Asia Pacific	226	17%
Middle East	18	58%
Africa	21	27%
World	856	20%

Source: Business Travel: A Catalyst for Economic Performance, Executive Summary, World Travel & Tourism Council, May 2011.

Business tourism can be a significant portion of total tourism in markets where leisure offerings are less developed, infrastructure is lacking or where manufacturing or trade dominates the economy. For example, Indonesia and China both have business tourist in excess of 40% of total tourist arrivals, while visitors to Egypt are nearly all for non-business reasons (Figure 6). Despite South Africa’s safari tourism, business visitors still accounted for 29.2% of all arrivals in 2010. While Gabon was not ranked in the survey, given the nascent nature of leisure tourism and dominance of business tourism, it likely would be at the top of the business arrivals ranking.

Figure 6: Business Arrivals as a Percent of Total Arrivals, 2010



Source: Euromonitor International

3.3 Key Market Drivers and Options for Growth

Macroeconomic factors. As the global economy continues its recovery, middle- and high-income consumers will drive sector revenue, as they resume spending on travel. Factors contributing to increased international travel include: higher real incomes, more leisure time, improved and accessible transportation systems, communication systems that facilitate marketing and an increase in the number of tourism services and options in many countries. In particular, rural areas and lower income countries that traditionally relied on agriculture and natural resource extraction increasingly have looked toward tourism as a way to stimulate development, employment and income while promoting cultural heritage and traditions.¹⁴ Still, tourism receipts and arrivals remain concentrated in developed economies.

Infrastructure and policy development is critical to ensure that the new wave of middle class consumers from emerging markets can cross borders with ease. It is estimated that by 2050, the global middle class will reach 3 billion people, a sizable middle class who are interested in and can afford travel.¹⁵

Products and services for the business traveler. Given the global nature of Gabon’s economy, particularly the key extractive sectors, the business traveler offers Gabon a readily available target market in that the visitors are already in country and potentially could be persuaded to extend their visit to partake of Gabon’s leisure tourism offerings. Indeed, a survey by Business Traveler magazine revealed that 64.5% of business travelers occasionally add leisure days to a business trip and 20.4% almost always add leisure days (Figure 7).¹⁶ By not having readily available and easily accessible short-term excursions, Gabon is missing an opportunity for

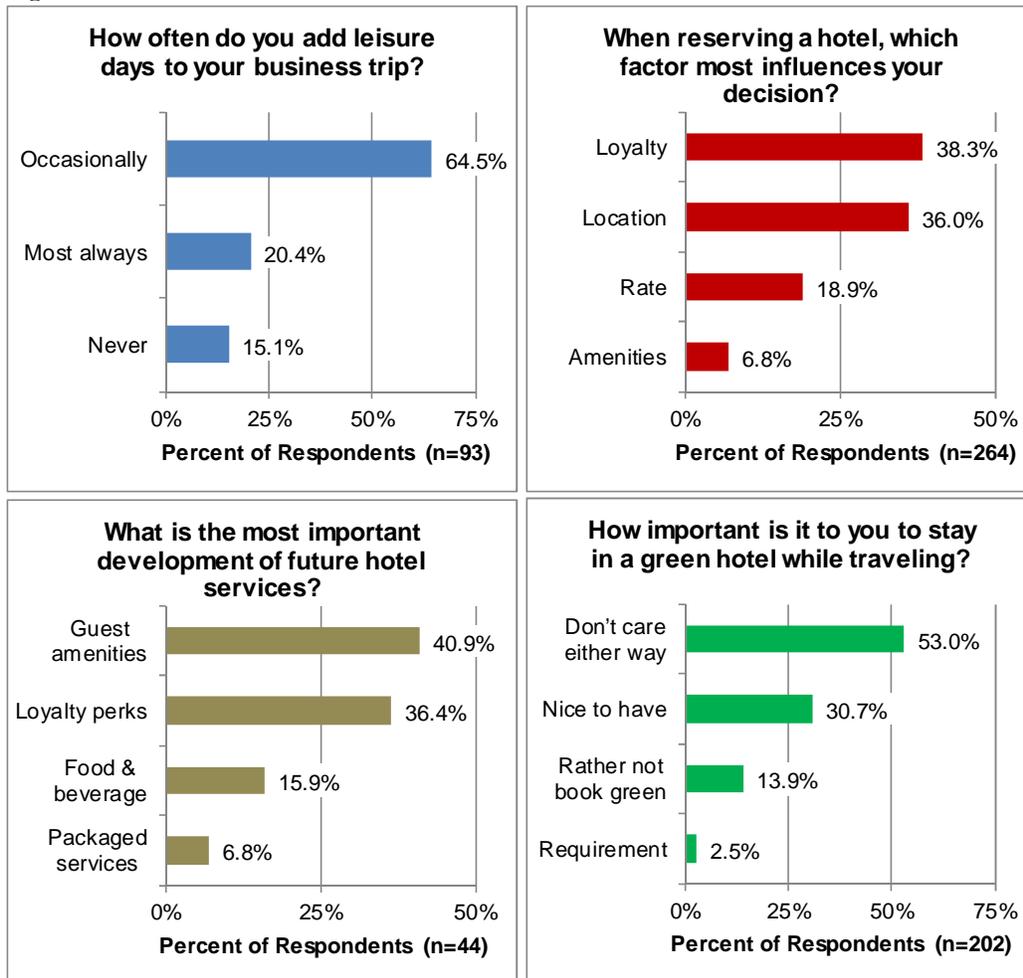
¹⁴ The Comparative Economic Impact of Travel & Tourism, World Travel & Tourism Council, November 2012.

¹⁵ WTTC Issues Wake Up Call to Private and Public Sector to Work Closely Together for Travel & Tourism’s Long-term Future, World Travel & Tourism Council, 10 April 2013.

¹⁶ Business Traveler polls through 17 April 2013 of N (number) of international business travelers.

revenue from a captive market. Business travelers also expressed preferences for loyalty program perks, which generally require hotels to participate in an international chain or consortium, and for amenities, which requires, at minimum, basic infrastructure (electricity, water, free internet) and customer service (e.g., concierge).

Figure 7: Business Traveler Preferences



Source: Business Traveler magazine poll through 17 April 2013 of indicated number of international business travelers.

Broader economic development and diversification. Tourism contributes economic value not only directly in areas such as accommodation, recreation and transportation, but also indirectly via supply chain linkages (e.g., furnishings and equipment suppliers, financial services, utilities) and induced impact of incomes earned directly and indirectly as they are spent in the economy (Figure 8). The economic linkages of indirect and induced value are greater for tourism than they are for most other industries. The WTTC estimates that for every US\$1 spent on travel and tourism, US\$3.2 are generated in GDP across an entire economy. Further, because the industry

is labor intensive, US\$1 million in tourism sales generates twice as many jobs as the same US\$1 million in sales in financial services, communications or automotive manufacturing.¹⁷

Figure 8: Economic Impact of Tourism



Source: *The Comparative Economic Impact of Travel & Tourism*, World Travel & Tourism Council, November 2012.

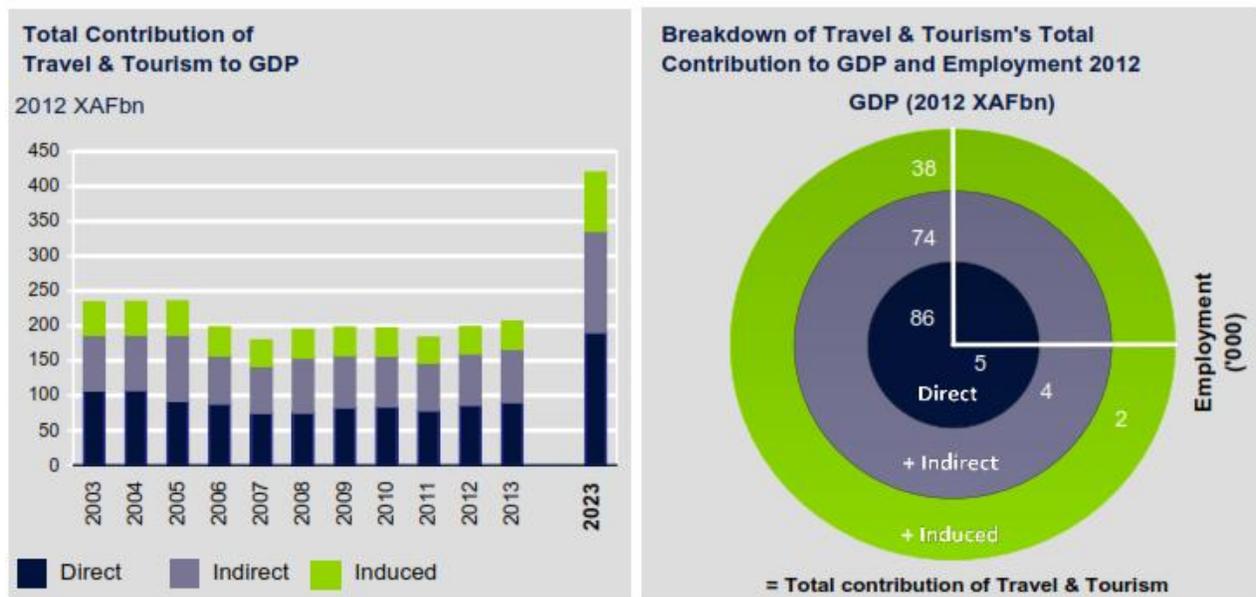
In Gabon, tourism was estimated to contribute XAF86.1 billion (US\$172.2 million) directly (1.2% of total GDP) and XAF198.3 billion (US\$396.6 million) or 2.7% of GDP across direct, indirect and induced contributions in 2012. Direct contribution includes spending by residents and non-residents for business and leisure purposes as well as government spending for travel and tourism services directly linked to visitors, such as museums or national parks. Direct sector GDP contribution is expected to rise 7.8% per year from 2013-2023, while total direct, indirect and induced GDP contribution is expected to rise 7.4% per year over the same period (Figure 9).¹⁸ Tourism is estimated to support 5,000 jobs directly (1.0% of total employment) and 6,000 jobs indirectly or induced, for a total of 11,500 jobs (2.3% of total employment). By 2023, direct sector employment is expected to rise 8.4% per year to 11,000 jobs (1.8% of total employment), while total direct, indirect and induced employment from tourism is expected to rise by 7.2% per year to 23,000 jobs (3.8% of total employment).¹⁹ Additional support for or investment in the sector could spur these figures higher to generate more employment and economic impact.

¹⁷ Benchmarking Travel & Tourism, World Travel and Tourism Council, <http://www.wttc.org/research/benchmarking-travel-tourism>

¹⁸ Travel and Tourism Economic Impact 2013 Gabon, World Travel and Tourism Council, 2013

¹⁹ Travel and Tourism Economic Impact 2013 Gabon, World Travel and Tourism Council, 2013

Figure 9: Contribution of Travel and Tourism to GDP and Employment in Gabon, 2012



Source: *Travel and Tourism Economic Impact 2013 Gabon*, World Travel and Tourism Council, 2013.

A catalyst to develop infrastructure and services. While investment in individual facilities such as construction of hotels and resorts directly benefits tourists, the industry also drives public and private infrastructure improvements that collectively benefit tourists, local residents and the wider economy. On the flip side, investment in and development of indirect industries are important to support direct tourism growth. Well-functioning public utilities and transportation infrastructure including roads, airports, harbors, electricity, sewage, potable water and communication infrastructure are a necessary component for tourism, but they also provide broad benefits to other industries and local residents. Strengthening the transportation network (air, water, rail and road) increases mobility of individuals (both tourists and residents), ensures continued flow of goods, raises competitiveness and increases public safety. Reliable telecommunications benefit not only tourists themselves who have come to expect uninterrupted access to social media networks but also is crucial to business development, including that of tourism operators and the broader economy for communication and information access. Investment in infrastructure and tourism in general benefits sectors beyond tourism. For example, improved flight access and other infrastructure has spurred the Morocco vacation home investment property market to grow 15% annually,²⁰ while increased international business and leisure travel in Abu Dhabi has led to private investments in a mix of residential and leisure projects.²¹

²⁰ Dates not specified. Site accessed 1 May 2013. Morocco Properties Ltd, <http://www.moroccoproperties.net/investment.php?page=1&sort=2>

²¹ The Comparative Economic Impact of Travel & Tourism, World Travel & Tourism Council, November 2012.

Preservation of local culture. The loss of traditional heritage is a concern in Gabon where 80% of the population has migrated to urban or peri-urban areas. A significant segment of tourists seek an “authentic” experience, and cultural/spiritual tourism is a way to deliver that. Indeed, among Gabon’s 1.5 million population are about 40 ethnic groups with diverse traditions. To this end, one tour operator interviewed provides a tribal immersion experience that includes ritualistic spiritual cleansing, song and dance and travel to several rural villages which otherwise would be inaccessible to a tourist. The all-inclusive program is EUR2,500 (US\$3,277) and lasts three weeks, outside the time range of the average weekend business tourist and in accommodations more suitable to backpackers. The provider, however, is a purist of traditional methods and therefore does not feel an abbreviated purification session or higher-end experience would be authentic.

Additionally, Gabon has a rich music and tribal arts tradition but one would not know it from visiting the handicraft markets. Although it is common for a tourist to want to bring home souvenirs for own use or gifts, much of the available product is either unmarked as to origin or sourced from outside Gabon. Masks in particular can fetch high prices in the collectible art sphere, but the market is largely unregulated and subject to counterfeiting and lack of provenance. Further, products crafted from ivory, though not visibly available, were offered on request, despite being banned from commercial trade and the Government’s public destruction of confiscated ivory products.²²

4. Market Structure, Institutional and Regulatory Environment

4.1 Sector Participants

4.1.1 Tourists

Tourism brought an estimated 186,000 international visitors to Gabon in 2009, the most recent year for which official figures are available, and international visitors generated an estimated XAF4.8 billion (US\$9.6 million) in 2012.²³ The Office of the President estimates that the majority (approximately 70%) of European tourists are concentrated in the three main urban centers, Libreville, Port Gentil and Franceville, with French tourists predominating.²⁴ Business visitors (estimated to be more than 95% of all international arrivals) dominate the tourism

²² In June 2012, Gabon burned its government-held ivory stockpile totaling 10,637 pounds or the rough equivalent of 850 dead elephants in a demonstration against poaching and illegal wildlife trade and to prevent the product from leaking into international trade. Gabon Burns Thousands of Ivory Tusks and Carvings, World Wildlife Fund, 27 June 2012, <http://worldwildlife.org/press-releases/gabon-burns-thousands-of-ivory-tusks-and-carvings>.

²³ Economic Impact 2013 Gabon, World Travel and Tourism Council, 2013

²⁴ Presentation: Tourism and Ecotourism, Le Gabon.org, Official Portal of the Gabonese Republic, <http://www.en.legabon.org/keys-sectors/tourism-and-ecotourism/presentation>

landscape. At present, leisure tourism is largely nonexistent in Gabon. Ecotourism visitors were estimated at 2,000 to 3,000 in 2010.²⁵

Tourism statistics such as visitor profile and purpose and length of stay are not presently available within the Department of Tourism (DGT). As tourism develops, Gabon envisions that tourists will come from two main sources:

- Demand from abroad, mainly Europe, for discovery trips, fishing, and especially business, with long term stays (1 to 3 weeks); and
- Demand from residents; generally short stays (2 to 3 nights or long weekends), which may be repeated in the course of the year.²⁶

4.1.2 Hotels, Travel Agents and Tour Operators

Direct sector participants for tourism include but are not limited to hotels/accommodation, rental car agencies, restaurants, travel agents and tour operators. While statistics for overall tourism employment in Gabon could not be obtained, DGT estimated that the hotel industry employed 3,946 people in 2009.

As of 2009, there were 320 hotels in Gabon totaling 5,161 rooms. Of the total hotels, 199 had restaurants on site and 26 offered swimming pools (Table 5). Total establishments were predicted to grow to 396 by 2015. A reported 597 rooms were under project, or about 11% of total existing capacity. With average annual occupancy rates ranging from 31% to 50%, it is not clear why any additional accommodation is in development. Generally a new hotel looks to achieve 60% occupancy in the first year of operations; below that, capacity is considered overbuilt.²⁷ While there are market niches not yet serviceable by existing structures, such as high-end luxury ecotourism, such figures are not reflected under “rooms under project” as specifics on those were conceived after the statistics were published.

Given the high operating costs of accommodation in Gabon (see value chain analysis), hotel development appears to be irrational or at least not professionally managed. Further, there is a mis-match between expectations and reality in tourism planning. For example, the Africa Cup was promoted as an event that would draw a high number of international visitors who would fill the newly-constructed 40,000 seat Libreville stadium; however, with only 12,215 bed places estimated for the entire country in 2012, the goal of a sellout match to foreign ticket holders seemed unrealistic, and in fact the event wound up giving away tickets it could not sell.

²⁵ The Report: Gabon 2010, Oxford Business Group,
<http://books.google.com/books?id=69tc87BdhCsC&lpg=PA189&ots=4vG8ecJ-72&dq=anpn%20vision%20for%20gabon&pg=PA189#v=onepage&q=anpn%20vision%20for%20gabon&f=false>

²⁶ The Report: Gabon 2010, Oxford Business Group,
<http://books.google.com/books?id=69tc87BdhCsC&lpg=PA189&ots=4vG8ecJ-72&dq=anpn%20vision%20for%20gabon&pg=PA189#v=onepage&q=anpn%20vision%20for%20gabon&f=false>

²⁷ What Does It Take To Start A Hotel?, Forbes, 28 February 2013,
<http://www.forbes.com/sites/quora/2013/02/28/what-does-it-take-to-start-a-hotel/>

Table 5: Hotel Capacity Overview, 2009-2015

Hotel Metric	Unit	2009	2010*	2012*	2015*
Total establishments identified	establishments	320	327	360	396
Hotel rooms	rooms	5,161	5,274	5,758	6,334
Commercial establishments open	establishments	299	306	336	370
Maximum sleeping capacity	bed places	10,917	11,188	12,215	13,436
Rooms under project	rooms	597	610	666	733
Average number of rooms	rooms	16	16	16	16
With restaurant	establishments	199	203	224	246
Without restaurant	establishments	100	102	112	124
With swimming pool	pools	26	28	30	35
Average annual occupancy rate**	percent	45%	45%	50%	50%
Average annual occupancy rate	percent	31%	31%	33%	35%
Direct employment	employees	3,145	3,433	3,856	4,418
Indirect (overhead) employment	employees	801	875	982	1,126
Direct and indirect employment	employees	3,946	4,308	4,838	5,544

* estimated

** including small accommodation

Source: *Ministere en charge du tourisme, Compte satellite du tourisme 2008-2010.*

As noted in Table 6, during the period 2001-2013, 93 new hotels opened nation-wide, with 49 of these in 2011-2012 in hopes of capitalizing on Gabon's hosting of the Africa Cup, bringing the total number of hotels to 386. In addition during the 2001-2013, 52 travel agencies and 7 tour operators commenced operations. There was one unregistered souvenir producer (2009) and no registered or unregistered guides noted during the period 2001-2013. While hotel and other industry participants in theory are to be formally registered with both the Department of Tourism as well as the Ministry of Commerce, in practice only two-thirds of hotels registered with the Ministry of Commerce. Furthermore, a large part of Gabon hotel inventory is outdated.

Table 6: Tourism Enterprise Registration, 2001-2013

	Number of Registered Enterprises														Percent of Total
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total	
Accommodation															
Registered (1)	2	-	1	1	1	2	1	6	-	-	14	5	-	33	35%
Non-registered (2)	3	-	-	4	2	1	-	-	3	15	18	12	2	60	65%
Total	5	-	1	5	3	3	1	6	3	15	32	17	2	93	100%
Travel Agencies															
Registered (1)	3	1	2	1	3	4	9	2	-	3	3	3	1	35	67%
Non-registered (2)	-	-	-	2	-	1	1	-	3	2	1	6	1	17	33%
Total	3	1	2	3	3	5	10	2	3	5	4	9	2	52	100%
Tour Operators															
Registered (1)	-	-	-	2	1	-	2	-	-	-	-	-	-	5	71%
Non-registered (2)	1	-	-	-	-	-	-	-	-	1	-	-	-	2	29%
Total	1	-	-	2	1	-	2	-	-	1	-	-	-	7	100%

Represents new registrations only.

(1) Registered with both the Ministry in charge of Tourism and the Ministry of Commerce.

(2) Registered with the Ministry of Commerce only.

Source: *Compilation des Structures Hoteliers et de Tourisme Enregistrees pour Homologation de la Periode de 2001 a 2013, Ministere en charge du tourisme, Direction general du tourisme, direction des etudes et de la reglementation.*

A handful of accommodations and restaurants have been rated by the Department of Tourism, as noted in Table 7. Participation in ratings programs is voluntary. The ratings program was developed by an international jury in advance of the Africa Cup to inform and guide tournament

visitors. Ten hotels and two restaurants received ratings, with three hotels ranked 4-star and no hotel achieving 5-star status. While specific criteria were not disclosed, star ratings traditionally depend on facilities and amenities offered (e.g., pool or restaurant), and as such smaller accommodations may be at a disadvantage because they do not have an elevator, for example. Age also may play a factor: despite the recent wave of hotel construction, an estimated 77% of hotel inventory is more than 10 years old,²⁸ although several hotels interviewed reported upgrading and renovating in recent years, and some upgrades still are ongoing or planned. Furthermore, amenities such as internet service are difficult to provide in Gabon, where basics such as reliable electricity and water are not assured. Since the initial wave of ratings, no hotels have requested ratings review.

In interviews, several hotel operators expressed concern that the standards were unduly harsh and did not reflect significant investment and improvements hotel owners had made. Thus there is a communication gap between public and private sectors regarding the purpose of and criteria for ratings system, in that they are not service or luxury oriented. Further, Gabon may be at a disadvantage against countries which have more lenient star rating systems. For example, in Morocco, where the Morocco Tourism Board oversees hotel ratings, ratings standards reportedly are more generous. As a result, tour operators are able to provide lower prices for 4- and 5-star accommodations, but often caution clients that the rating should be discounted, e.g., a 4-star in Morocco is more like a 3-star in the tourist's country of origin.²⁹

Table 7: Hotel and Restaurant Quality Ratings

Rating Level	Number of Hotels	Number of Restaurants*
1 star	1	-
2 star	4	-
3 star	2	2
4 star	3	-
5 star	-	-
Total	10	2

Ratings per the Department of Tourism. All ratings issued in 2012.

* Restaurants receive "fork" rating not "star" rating.

Source: Compilation des Structures Hoteliers et de Tourisme Enregistrees pour Homologation de la Periode de 2001 a 2013, Ministere en charge du tourisme, Direction general du tourisme, direction des etudes et de la reglementation.

While the current hotel offerings are limited, expansion of accommodation offerings is occurring on several fronts. On the one hand, professionally managed high-end ecotourism is being developed through small luxury park lodges carefully designed to have minimal environmental impact so as to protect park resources. On the other hand, mass tourism development is underway in Libreville via not only renovation of existing major hotels but also the building of

²⁸ 386 total hotels less 88 established in 2004-2013.

²⁹ Interview, Sahara Soul Travel, 20 May 2013

new large hotels to expand capacity for leisure as well as business tourists. Significant hotel infrastructure in development includes:

- Aman Resorts (Singapore), which via local partner Luxury Green Resorts is developing luxury accommodation in and near Gabon’s national parks. Based on an agreement signed with the Government in 2011, Aman Resorts plans to develop a network of seven small hotels along the lines of their successful model in Bhutan. The five-year project expects to create 500 direct jobs. Development plans include a 30-suite hotel-spa in Libreville overlooking Pongara Park, 30 villas on the Phare de Ngombe site in Pongara National Park, 20 tents in Loango National Park, 30 suites in Lopé National Park, 30 villas on the Kongou Falls site in Ivindo National Park, 10 tents on the Langoué site in Ivindo National Park and 15 tents in Batéké Plateaux National Park. The sites in Libreville, Pongara and Loango comprise the first phase of development.
- SFM Africa Group (South Africa), via subsidiary SFM Safari Gabon SA, is developing two high-end conservation tourism forest and beach lodges in Loango and Pongara National Parks. The lodges will be the first phase of a high-end “green” safari circuit of luxury lodges in Central Africa and eventually plans include Moukalaba Doudou, Mayumba and Lope National Parks. Phase 1 investment is expected to be EUR10 million, with the first facilities opening in 2014, direct employment of 70 operational staff and an estimated 2,000 visitors annually. The development represents a public-private partnership and Conservation Tourism Concession Agreement signed in 2012.³⁰ Plans for environmental and economic sustainability include well-trained and motivated staff, “green-building” design of lodges and electric-powered game vehicles and boats. Working closely with ANPN, SFM Safari Gabon also will develop the Loango Great Apes Institute managed by the Max-Planck Institute for Evolutionary Anthropology (MPI).
- Port Mole Waterfront Project, managed by L’Agence Nationale des Grands Travaux (ANGT), will transform the Libreville harbor into a mixed-use including two hotels with an estimated total 500 rooms as well as park space, a promenade, concert hall/conference facilities, housing, restaurants, museum and marina. The project aims to draw long-term international tourism as well as provide recreation for local residents. Funding is to be obtained from both the Gabonese government and the private sector.³¹ The new hotels will be managed by private international contracts yet to be finalized.

4.1.3 Transportation

4.1.3.1 Air

There are 30 civilian airports in Gabon; not all of these have regularly scheduled flights (Table 8). Of the total airports, 9 have a paved runway, and only 3 (Libreville, Franceville and Port Gentil) have officially published instrument approach procedures, meaning they are suitable for

³⁰ ANPN signs conservation tourism concessions agreements with SFM Safari Gabon SA, SFM Africa Co, February 2013, http://www.sfmafrica.co.za/ANPN_signs_conservation_tourism_concessions_agreements

³¹ Interviews with ANGT; Stauch Vorster Architects web site.

traffic during bad weather or darkness. The primary airport for international arrivals to Gabon is Libreville, the capital. Several interviews noted rumors regarding a new Libreville airport to be built in the future (possibly 3 years) and 80 km outside of Libreville, but details could not be confirmed.

Table 8: Gabon Airport Infrastructure

Airport Infrastructure		Quantity
Total Civilian Airports		30
With paved runway		9
With unpaved runway		21
With customs service		5
With published instrument approach		3
Major Airports		Runway length (feet)
Libreville	LBV	9,800
Franceville	MVB	10,100
Port Gentil	POG	6,200

Source: Air Broker Center International AB

According to the Aeroport de Libreville (ADL), arrivals and departures in and out of Libreville airport totaled 748,849 in 2012, of which 250,179 (33.4%) were domestic flights, 81,625 (10.9%) were CEMAC³² locations and 417,045 (55.7%) were other international locations (Table 9). Annual domestic arrivals and departures fell 4.1% from 2011 to 2012, from 260,821 to 250,170 passengers, while total flight passengers from Africa and Europe grew 18.4% (from 291,429 to 345,184 passengers) and 5.1% (from 145,992 to 153,463 passengers), respectively, during the same period (Table 10). Overall, the five-year trend through 2012 shows a downward trend for domestic air travel, a nearly flat trend for CEMAC regional travel and a marked increase in international air travel (Figure 10). International air travel expanded further in January 2013 with scheduled flights between Libreville and Istanbul.

³² Central African Economic and Monetary Community (CEMAC) are made up of six States: Gabon, Cameroon, Central African Republic (CAR), Chad, Republic of the Congo and Equatorial Guinea.

Table 9: Passenger Flight Origin and Destination, Libreville Airport, 2008-2012

Flight Origin or Destination	Number of Passenger Arrivals and Departures					Percent of 2012 Total
	2008	2009	2010	2011	2012	
Domestic	298,473	291,280	288,361	260,734	250,179	33.4%
International	370,310	371,232	409,732	437,392	498,670	66.6%
CEMAC	69,017	67,087	67,665	69,281	81,625	10.9%
Non-CEMAC	301,293	304,145	342,067	368,111	417,045	55.7%
Total	668,783	662,512	698,093	698,126	748,849	100.0%

Passenger data reflects both arrivals and departures.

Central African Economic and Monetary Community (CEMAC) is made up of six States: Gabon, Cameroon, Central African Republic (CAR), Chad, Republic of the Congo and Equatorial Guinea.

CEMAC data excludes Gabon.

Total excludes transit and correspondence passengers who do not leave airplane or airport.

Source: *Aéroport de Libreville (ADL)*

Figure 10: Passenger Flight Origin and Destination, Libreville Airport, 2008-2012



International = sum of CEMAC and non-CEMAC.

Source: *Aéroport de Libreville (ADL)*

Table 10: Principal Origins and Destinations for Libreville Passenger Flights, 2011-2012

City	Number of Passenger Arrivals and Departures		Percent of Total		Percent Change Y/Y
	2011	2012	2011	2012	
Gabon	260,821	250,170	37.3%	33.4%	-4.1%
Port Gentil	174,008	162,616	24.9%	21.7%	-6.5%
Mvengue	46,852	46,210	6.7%	6.2%	-1.4%
Other	39,961	41,344	5.7%	5.5%	3.5%
Africa	291,429	345,184	41.7%	46.1%	18.4%
Johannesburg	23,433	23,488	3.4%	3.1%	0.2%
Pointe Noire	4,883	4,709	0.7%	0.6%	-3.6%
Cotiere*	110,551	126,631	15.8%	16.9%	14.5%
Addis Ababa	33,083	42,720	4.7%	5.7%	29.1%
Casablanca	40,013	44,255	5.7%	5.9%	10.6%
Brazzaville	7,359	10,137	1.1%	1.4%	37.7%
Other	72,107	93,244	10.3%	12.5%	29.3%
Europe	145,992	153,463	20.9%	20.5%	5.1%
Paris CDG	117,438	127,488	16.8%	17.0%	8.6%
Frankfurt am Main	26,334	24,830	3.8%	3.3%	-5.7%
Other	2,220	1,145	0.3%	0.2%	-48.4%
Other Region	91	34	0.0%	0.0%	-62.6%
Various	91	34	0.0%	0.0%	-62.6%
Total World	698,333	748,851	100.0%	100.0%	7.2%

* Cotiere signifies cities in West African countries, such as Cotonou (Benin), Dakar (Senegal), Lagos (Nigeria), Lome (Togo) and Accra (Ghana).

Passenger data reflects both arrivals and departures.

Small discrepancy with other table; reason for discrepancy not provided.

Data excludes transit and correspondence passengers who do not leave airplane or airport.

Source: *Aéroport de Libreville (ADL)*

Countries and cities served by major airline carriers are noted in Table 11. Airline schedules and service vary, with some carriers providing direct service only inbound or outbound but not both, and flights vary by day and time of year. In general there are two major travel seasons in Gabon: March to October and November to March. In comparing the November 2012-March 2013 versus March 2013-October 2013 seasons, the latter had more scheduled flights. For example, as of 31 March 2013, Air France increased its frequency of service to Libreville to daily flights. Some airlines only fly to destinations in one season, not both, making year-round tourism planning difficult. Additionally, there is carrier turnover at Libreville airport, with several abandoned airline offices observed, including Air Nigeria, Kenya Airways and Sky Gabon, making marketing and relationship development between carriers and tour operators difficult. Greater stability of airline schedules and stronger relationships with carriers would enhance tourism sector development.

Table 11: Passenger Flights to and from Libreville Leon M'ba International Airport

Region	Country	City	Airline(s)
Africa	Angola	Luanda	Royal Air Maroc
	Cameroon	Douala	Transair Congo, South Africa Airways
		Yaounde	ASKY
Congo	Brazzaville	Air Cote d'Ivoire, Transair Congo	

Region	Country	City	Airline(s)	
		Pointe Noire	Transair Congo, ASKY Airlines, Lufthansa	
		Côte d'Ivoire	Abidjan	Air Cote d'Ivoire
		Equatorial Guinea	Malabo	CEIBA
		Ethiopia	Addis Ababa	Ethiopian Airlines
		Mali	Bamako	Senegal Airlines
		Morocco	Casablanca	Royal Air Maroc
		Nigeria	Lagos	ASKY
		Sao Tomé and Príncipe	Sao Tomé	CEIBA
		Senegal	Cotonou	Senegal Airlines
			Dakar	Senegal Airlines
		South Africa	Johannesburg	South African Airways
	Togo	Lomé	ASKY	
Europe	France	Paris	Air France	
	Germany	Frankfurt	Lufthansa	
	Turkey	Istanbul	Turkish Airlines	
Domestic	Gabon	Ezanga	Allegiance	
		Koualamoutou	National Regional Transport	
		Makokou	National Regional Transport	
		Mvengue	National Regional Transport, Allegiance	
		Oyem	National Regional Transport, Allegiance	
		Port Gentil	National Regional Transport, Allegiance, Afric Aviation	
		Tchibanga	National Regional Transport	

Subject to change. Compiled from Aeroport de Libreville (ADL)

The National Parks generally are not directly accessible by the current public air transport network. For example, to get to Loango Park, one can fly from Libreville to Port Gentil on one of a handful of daily daytime flights, then arrange with a tour operator to take a boat to Iguela in the north of the park, where one may encounter wildlife in a forest setting. To see the famous surfing hippos at the southern end of the same park, one should instead fly from Libreville to Gamba (although no flights presently are listed for Gamba by ADL), then take a car, then a boat, then a car driven by a park guide who hopefully will be waiting as you disembark from the boat. There are no regularly scheduled helicopter services to the parks, although reportedly hire can be arranged through ANPN who would then request it from the army. Helicopter fees were quoted at XAF1,500,000/hour (US\$3,000/hour).

4.1.3.2 Road

Approximately 12% of Gabon's 9,170 km of roads are paved. Main roads connect major cities, but coastal, eastern and village areas are often not connected to the road network, including many parks. Roads do not provide direct access to the national parks closest to Libreville, which instead must be accessed by boat. Roads and bridges frequently become damaged or impassable due to heavy rains that destroy road surface or result in blockage by fallen trees. Even in urban areas such as Libreville, it can be difficult to navigate secondary roads without a 4WD.

Depending on topography and other conditions (e.g., difficult terrain, water necessitating bridge, etc.) it costs approximately XAF600 million to XAF1 billion (US\$1.2 million to US\$2.0 million)

to construct 1 kilometer of paved road in Gabon (Table 12). In contrast, new paved road construction runs between US\$400,000 and US\$800,000 per km in Eastern and South Africa.³³ Gabon also spends heavily on road maintenance, as a result of constant degradation and lack of regular road maintenance. The repair budget prioritizes the roads most frequently used and estimates repair costs at XAF1 billion (US\$2 million) per km per year for paved roads and XAF20 million to 25 million (US\$40,000 to 50,000) per km per year for unpaved roads. Repair costs for paved roads are essentially the same as creating a new road, an expensive undertaking and one reason why so few roads are paved.

Table 12: Cost to Construct 1 km of Paved Road in Gabon

Rate	XAF/km	US\$/km
Normal	600,000,000	\$ 1,200,000
High	1,000,000,000	\$ 2,000,000

Based on 2012 projects.

Source: Interviews by Global Development Solutions, LLC.

4.1.3.3 Rail

The Trans-Gabon Railway is the only railway in Gabon. It runs 670 km east from Owendo port station in Libreville to Franceville. Main stations include Ndjolé, Lopé, Booué, Invindo, Lastoursville and Moanda. Construction began in 1974 in phases, and the line to Franceville was completed in 1987. The railway was privatized in 1999 and is used for both freight and passenger carriage. Total passenger volume in 2012 totaled 256,063 and was boosted by the Gabon’s hosting of the Africa Cup in January and February of that year; for example, February monthly passenger traffic more than doubled from 10,848 rail passengers in 2011 to 22,169 in 2012 (Table 13).

Table 13: National Rail Passenger Volume, 2010-2012

	2010	2011	2012
Number of passengers	226,079	233,034	256,063

Source: SETRAG

Although the rail line connects Libreville with Lope and Ivindo National Parks, in practice the train’s application to tourism is limited, particularly for a weekend getaway or business trip extension. The passenger train runs in each direction two to four times per week and often at odd hours, for example departing Libreville Friday evening at 20h30 and arriving Lope in the middle of the night at 02h50, making trekking the next day difficult. A return trip on Sunday also departs in the evening and arrives at Libreville in the middle of the night. One way fares from Libreville to Lope are around XAF24,600 (US\$49) for a 1st class seat. Advance planning is required as the train frequently sells out two to three days prior to departure, so an excursion by train is not a last-minute travel option.

³³ Definition and Investment Strategy for a Core Strategic Transport Network for Eastern and Southern Africa, Public-Private Infrastructure Advisory Facility, The World Bank, October 2011.

4.1.3.4 Marine

According to the National Company of Inland Navigation (CNI), Gabon has no large ships dedicated exclusively to passenger transport. One combination cargo/passenger ship used to carry up to 200 passengers between Libreville and Port Gentil up to twice a week, but that boat currently is in repair. One-way fare is a relative bargain at XAF15,000 (US\$30); however as on-board services are limited, and the ships makes the 6-hour journey in the middle of the night, it does not provide a view of Gabon's scenic coastline and thus is utilized primarily by Gabonese travelers. CNI development plans include a new 400-passenger boat.

Information on national boat registration or ferry service was not available. Looking at options available to business tourists from Libreville, small-scale boats ferry passengers from Libreville Michel Marine port to Pointe Denis near Pongara National Park for beach recreation. Depending on the size of the boat and sea conditions, the journey takes up to 30 minutes. Round-trip fare is XAF12,000 (US\$24). Service runs 6 days per week, though typically there is only one departure and return daily, bookings often sell out up to a week in advance, and marketing activities rely largely on word-of-mouth, so the service does not provide the flexibility often needed by tourists. Additionally, facilities are limited; for example, at the port, there is no waiting area, even though the boats usually do not leave on time, and at the destination, there is no pier, so the passengers disembark into the water and walk to shore. The boat company is privately held and owns three boats with capacity of 20 to 60 people each, although the largest of the three currently is inoperable. Charter boats also exist, and small private hotels along the coast in the Pongara vicinity also have boat services for their guests, employees and supplies, since there is no road access.

4.1.4 National Parks

Gabon's 13 national parks (Parcs Gabon), detailed in Table 14 and mapped in Figure 11, were created in 2002 by former President Omar Bongo Ondimba. Park area covers approximately 30,000 sq km or 11% of national territory. The parks have been managed by the National Parks Agency (Agence Nationale des Parcs Nationaux or ANPN) since 2007. The parks represent six different ecosystems: mangroves, forest, savannah, wetlands, mountains and high plateaus and beaches and dunes and contain 10,000 plant species, 10,400 forest tree species including some individual trees more than 1,000 years old, 680 bird species, 1,300 butterfly species, 98 amphibian species, between 95 and 160 reptile species and nearly 200 mammal species.³⁴ Additional species likely exist, but due to location and access, several of the parks have yet to be explored or extensively scientifically categorized. Significant fauna which are attractive from a tourism perspective include the world's largest population of leatherback sea turtles, the world's second-largest concentration of whales and dolphins (after South Africa), 30,000 forest elephants and 16,000 tropical forest gorillas, as well as hippopotamus, mandrills, buffalo, antelope, leopards and crocodiles.

³⁴ Press Kit, The Virtual Tour of the National Parks of Gabon, Republique Gabonaise, http://www.gabon-nature.com/pdf/Press_kit.pdf.

Table 14: Profile of National Parks in Gabon

	Name	Area (sq km)	Area (sq mi)	Environment	Province
1	Akanda	540	210	Mangrove	Estuaire
2	Batéké Plateau	2,034	785	Equatorial forest	Haut-Ogooué
3	Birougou	690	270	Mountain	Ngounie, Ogooué-Loho
4	Crystal Mountains	1,200	460	Mountain	Estuaire
5	lindo	3,000	1,200	Equatorial forest	Ogooué-lindo
6	Loango	1,550	600	Sandy coast	Ogooué-Maritime
7	Lopé	4,910	1,900	Forest and savannah	Ogooué-lindo
8	Mayumba	870	340	Sandy coast	Nyanga
9	Minkébé	7,570	2,920	Equatorial forest	Wolen-Ntem
10	Moukalaba-Doudou	4,500	1,700	Equatorial forest	Nyanga
11	Mwangné	1,160	450	Equatorial forest	Ogooué-lindo
12	Pongara	929	359	Mangrove, sandy coast	Estuaire
13	Waka	1,060	410	Mountain	Ngounié
	Total	30,013	11,604		

Source: Report on the African Commission's Working Group on Indigenous Populations/Communities

Figure 11: Map of National Parks in Gabon



Source: Africa's Eden

Scientific partners of the national parks include the Wildlife Conservation Society (WCS), which is actively involved in park management, species conservation and research and guide training; National Geographic, which highlighted the wildlife of Gabon in the documentary “The Last

Eden;” and the Smithsonian Conservation Biology Institute, which, through its partnership in the Gabon Biodiversity Program, conducts inventories of animal groups and research on conservation issues in an extractive-use (i.e., oil, logging) landscape in the Gamba Complex of Protected Areas, an 11,320 square km area that includes Loango and Moukalaba-Doudou national parks.³⁵ The U.S. Fish and Wildlife Service, U.S. Forest Service, and U.S. National Park Service also have provided funds and helped build programs to protect species, establish a conservation process and set rules to protect the parks.

To protect the wildlife, park visitors must be accompanied by a park official or guide who will take the traveler into the park via car in vehicles owned by the park, or in a boat and/or on foot. Park entry fees are XAF16,000/day (US\$32) including guide service. If the trip is arranged by a tour operator, payment is made directly to the tour operator. There are no facilities for collecting money at the parks. While all parks technically are open to the public, in reality accessibility to many parks is limited due to lack of roads or limited scheduled transport (e.g., flights, trains, boats) such that the journey to a park may be expensive or require several days. Once there, patience is required to spot wildlife, given the dense forest cover in many parks. Even when accessed, services within the parks may be lacking. One visitor interviewed, who had attempted a visit to a park within the past year, drove 800 km to a park only to find that the park ranger did not have sufficient boat or vehicle fuel to take the visitor inside, and fuel could only be obtained from a town several hours away; as such the visitor faced adding unexpected days to the trip or returning to Libreville without having experienced any of the park.

Beyond parks management, ANPN is responsible for developing Gabon’s geotourism industry, a concept that incorporates the principles of sustainable tourism, whereby destinations remain unspoiled for future generations, with the principles of ecotourism, whereby tourism revenue promotes conservation, and extends it to sustain and enhance the geographical character of a place, including its environment, culture, aesthetics, heritage and the well-being of its residents.^{36,37} To this end, the blueprint for ecotourism and the future of Gabon’s national parks is outlined in “A Vision for Gabon: Tourism, Parks and Sustainable Development in the 21st Century,” first published in 2007 by the National Parks Agency (ANPN) with the following vision statement:

“By 2015, Gabon will become the world’s premier destination for African rainforest tourism and a model for 21st century parks. Government, citizens, NGOs, private investors and other partners will work together to build the physical and social

³⁵ Gabon Biodiversity Program, Smithsonian Conservation Biology Institute, <http://nationalzoo.si.edu/SCBI/Collaborative-Research-Initiatives/Gabon-Biodiversity-Program.cfm>

³⁶ The Report: Gabon 2010, Oxford Business Group, <http://books.google.com/books?id=69tc87BdhCsC&lpg=PA189&ots=4vG8ecJ-72&dq=anpn%20vision%20for%20gabon&pg=PA189#v=onepage&q=anpn%20vision%20for%20gabon&f=false>

³⁷ Center for Sustainable Destinations, National Geographic, http://travel.nationalgeographic.com/travel/sustainable/about_geotourism.html

infrastructure and institutions necessary to host a high volume of tourists in a manner that is environmentally, economically and socially sustainable.”

The ambitious plan calls for a three-stage approach (Figure 12) and further development in the areas of model parks, policy reform, service sector, infrastructure, capacity building, global marketing and investors and partners. The plan is long on goals, possibilities and ideals; the challenge lies in development and execution of an implementation plan to achieve the vision. Further, although stated as the “national plan,” the vision largely is limited to ecotourism and parks management and as such does not address the potential of other types of tourism which may be suitable for Gabon or potentially utilize many of the same resources (e.g., infrastructure or global marketing). The plan envisions “a high volume of tourists” (by some projections, up to 100,000 ecotourist visitors by 2020³⁸) yet also limits the target market to high-end and/or specialty niches (e.g., up-market birders), so as to capture more revenue and limit impact on the park lands. Overall the goal is to create a tourism circuit, similar to other leading tourist destinations, whereby tourists can travel via a linked network to several destinations within the country and centered around ecotourism activities. The targeted high-end ecotourism client typically would plan a 2-week vacation comprised of 2-4 destinations.³⁹

Figure 12: Phased Development Envisioned for National Parks



³⁸ The Report: Gabon 2010, Oxford Business Group, <http://books.google.com/books?id=69tc87BdhCsC&lpg=PA189&ots=4vG8ecJ-72&dq=anpn%20vision%20for%20gabon&pg=PA189#v=onepage&q=anpn%20vision%20for%20gabon&f=false>

³⁹ A Vision for Gabon: Tourism, Parks and Sustainable Development in the 21st Century, National Parks Agency (ANPN), 2007, <http://medias.legabon.net/PROD/0000004586.pdf>

Source: A Vision for Gabon: Tourism, Parks and Sustainable Development in the 21st Century, National Parks Agency (ANPN), 2007

By 2015, financing for park operations is to be derived from a number of sources, including trust fund, endowment, “Debt for Parks” debt swaps (35%); international aid (25%); and concessions, license and use permit income (15%).

Boosted by the country’s significant forest cover and biodiversity, Gabon ranked 40th globally and 1st among African nations in the 2012 Environmental Performance Index (EPI).⁴⁰ Goals of tourism development must be balanced against protecting the very natural resources that are attracting tourism. To this end, the country has created a 10-year conservation program to “provide the country with quality tourist infrastructures.”⁴¹ However, specifics as to how the program will be implemented or achieved have yet to be developed. The program includes:

- Modernizing and expanding existing infrastructures;
- Developing 8,300 “green” accommodation units;
- Training 500 eco-guards at a national forestry school (ENEF);
- Improving commercial offers of travel agents and tour operators;
- Involving economic stakeholders in the promotion of tourism, especially internationally; and
- Increasing ANPN’s powers to combat illegal deforestation, overfishing, ivory trafficking and hunting, which are prohibited in Gabon.

4.2 Institutional Support Structure

Public institutions involved in tourism sector support and development are noted in Table 15.

Tourism in Gabon officially falls under the auspices of the Department of Tourism (DGT) within the Ministry for the Promotion of Investments, Public Works, Transport, Living and Tourism and Territory Management. However, as noted in the table, there are numerous institutions influencing the sector. Such complexity creates the potential for lack of coordination and strategic management and development of the sector. Planning and implementation among the fragmented participants is challenging. Some of the challenge is inherent in tourism, as the sector has many direct and indirect stakeholders, while other challenges stem from the supra-ministry structure of Gabon, which complicates information collection and sharing and masks direct implementation authority. Indeed, functions such as that are deemed strategic to high-profile tourism development, such as national parks and major public works, are autonomously carved out to report directly to the Office of the President and avoid the complexities of the supra-ministry structure.

⁴⁰ Yale Center for Environmental Law and Policy, <http://epi.yale.edu>

⁴¹ Press Kit, The Virtual Tour of the National Parks of Gabon, Republique Gabonaise, http://www.gabon-nature.com/pdf/Press_kit.pdf.

Nevertheless, communication and coordination among all the institutions is critical, as the ability to develop the tourism sector requires not only stimulating demand, such as by Gabon Tour, but the ability to provide a satisfactory tourism experience via related infrastructure such as accommodation, dining, natural resources, transportation and utilities, many of which are outside the scope of the Department of Tourism. Organization, development and safety of tourism infrastructure such as national parks, roads, airplanes, boats, and trains falls under the auspices of numerous entities outside of the Tourism Department. Each institution naturally is concerned only with its own area but there is no overarching implementation strategy. For example, the National Parks Agency (ANPN) promotes development of ecotourism, while the Tourism Department promotes general tourism of all types and runs a strategy independent of ANPN.

Table 15: Institutional Support for the Tourism Sector

Institution	Support Activity
Ministry for the Promotion of Investments, Public Works, Transport, Living and Tourism and Territory Management (MPITPTHTCAT)	<ul style="list-style-type: none"> • Through the Department of Tourism (DGT), establishes policy and implements regulation for the sector. • Registers hotels and other tourism service providers. • Inspects facilities and issues certificate of effectiveness, e.g. Authorization to Open a Hotel (no charge). • Issues star and fork ratings for hotels and restaurants, respectively. • Compiles sector statistics, to be enhanced through data sharing with customs. • Manages Gabon Tour, the national tourism board. • Holds annual seminars to promote sector investment, e.g., how to set up a hotel. • Other departments (e.g., transport) handle development and safety of roads.
Centre Gabonais de Promotions Touristique (Gabon Tour)	<ul style="list-style-type: none"> • Created in 1988. National tourism board of Gabon. • Represents Gabon tourism from national offices and Paris office and at international trade fairs and travel shows (e.g., London, Paris, Berlin, Madrid, Shanghai, Durban). • Aims to promote sector and information flow between tourists and service providers. • Arranges package tours to fill perceived void in private market operators and destinations.
The Ministry for Economic, Labor and Sustainable Development (MELSD)	<ul style="list-style-type: none"> • The Direction Générale des Impôt (DGI) collects taxes and duties, including the value added tax (VAT) of 18% and the municipal hotel occupancy tax of XAF1,000/night. • The Direction Générale de Douane et de Droit Indirect (DGDDI) can issue waiver of import tax for hotel furniture and three-year tax waiver for tourism investment.
Ministry of Commerce (MoC)	<ul style="list-style-type: none"> • Registers all businesses in Gabon, including those in the tourism sector. • Business registration fees are XAF55,000 for entities owned by Gabonese citizens and XAF95,000 for foreign-owned enterprises. Fee is one-time (no expiration). • All prices schedules (e.g., hotel rack rates, restaurant menu prices) must be on file with the ministry and displayed at the business site.
Ministry of Water and Forests (MWF)	<ul style="list-style-type: none"> • Department of the Environment within the ministry reviews the environmental impact assessment of tourism development projects and issues certificate of environmental impact. • Refers out to private vendors for inspections and impact assessment studies at the applicant's expense; there is no fee for issuing the certificate. • Required to assess all new tourism (and other) facilities, although the review process is driven by applicants, and few tourism businesses apply for environmental certification. Enforcement ability is limited. • Certification of impact enables larger projects to meet lender or investor due diligence requirements. • MWF Department of Fishing regulates fishing commercial/industrial licenses; for sport fishing license see the Director General of Fish and Aquaculture under the Ministry of Agriculture, Livestock, Fish and Rural Development

Institution	Support Activity
Ministry of Interior, Public Security, Immigration and Decentralization (MIPSID)	<ul style="list-style-type: none"> • Department of General Documentation and Immigration issues visas via Gabon consulates abroad and at airports/borders on arrival • Registers travelers and collects information (e.g., citizenship, purpose, length of stay, accommodation address) upon entry and exit. • Public Tresor assesses fees for visas. • As of 2012, ministry is to share details on traveler arrivals, etc., with the Department of Tourism, however databases to facilitate this still are being developed.
Ministry of National Education, Higher Education and Technical and Vocational Training for Culture, Youth and Sports (MoE)	<ul style="list-style-type: none"> • Created in 2009 through combination of three previously separate ministries of general national education (primary and secondary), tertiary education (including research) and vocational training. • Develops standards for national diplomas including exams for certificate programs in tourism conducted by independent schools. • Developing a tourism school, to be located in Cap Estéris (concept and curriculum still in development).
National Parks Agency (ANPN)	<ul style="list-style-type: none"> • Manages Gabon’s 13 national parks. • Coordinates with international partners for research, conservation and park management. • Operates under the Office of the President; previously under the tourism ministry. • The lead institution for development of ecotourism in Gabon.
L’Agence Nationale des Grands Travaux (ANGT)	<ul style="list-style-type: none"> • Under the Ministry for the Promotion of Investments, Public Works, Transport, Living and Tourism. • Founded in 2010. • Plans and constructs major public works projects including stadiums, convention centers, ports, housing projects, power projects, transportation (e.g., municipal bus network). • Libreville marina project to include two hotels, park, concert hall, museum, housing restaurants, promenade. • Constructing the hall for the African Union Commission to be hosted by Gabon in 2014.
Strategic Investment Fund (SIF)	<ul style="list-style-type: none"> • Established in 2011 to invest in and develop strategic sectors (e.g., natural resources, hospitality and financial services) to create sustainable revenue to replace current oil revenue. • Funded with 10% of the Government’s annual oil revenue. • Has a stake in Luxury Green Resorts, the local partner of Aman Resorts, which is developing luxury accommodation in Gabon parks.
National Army	<ul style="list-style-type: none"> • Patrols and protects the parks and borders. • In each region, a dedicated battalion/division for park security. • Captures wildlife poachers and confiscates illegal product.
Aéroport de Libreville (ADL)	<ul style="list-style-type: none"> • Created in 1996. • Is the airport management authority for Gabon’s primary international airport. • Employs 100 people. • Principal shareholders are the Government of Gabon and Society for Airport Exploitation and Management (SEGAP).
Agency for Aerial Navigation Safety in Africa and Madagascar (ASECNA)	<ul style="list-style-type: none"> • Provides air traffic control for Gabon airports. • Services 16.1 million square km of airspace for 27 major airports in 17 African nations.

Institution	Support Activity
Gabon Civil Aviation Authority (ANAC)	<ul style="list-style-type: none"> • Created by Law No. 005/2008 Law of 11 July 2008 and replaced previous civil aviation authority. • Responsible for aviation policy and oversight and safety of Gabonese civil aviation. • Handles registration and inspection of planes. • Issues airline operating licenses. • Implements security measures, safety and facilitation at airports.
Company for National Inland Waterways (CNI)	<ul style="list-style-type: none"> • Handles maritime transport.

Source: Compiled by Global Development Solutions, LLC

Education largely is handled by the private sector and on-the-job, with larger hotels more likely to have formal training programs. Still, general skills are lacking within the labor force, including business administration, customer service, marketing and foreign language skills (e.g., English). A handful of private schools⁴² provide diploma or certificate programs in tourism and teach topics such as hotel and restaurant management, basic foreign language and practicalities such as how to assemble and price a group tour package and how to use airline booking programs. Sample curriculum from one such school is provided in Table 16. However, the programs can be long (e.g., 2 years) and expensive relative to potential return on investment. The majority of tourism employment is at entry level with responsibilities that are not so complicated as to require years of vocational study, but rather a customer service orientation, language skills and problem solving abilities that reportedly are lacking within the current national education system, according to interviews of hotel managers. The industry would benefit from coordination between public and private sector to develop general and technical vocational skills beneficial to tourism operations and development.

⁴² A complete list of schools could not be obtained.

Table 16: Sample Curriculum, Tourism and Hotel School

First Year		Second Year	
First Semester	Second Semester	First Semester	Second Semester
<ul style="list-style-type: none"> • Techniques of French expression • Tourism marketing • Business start-up • Social rights • Quantitative management techniques • Spanish language • Tourism economics • Tourism rights • Restaurant technology • Wines and beverages 	<ul style="list-style-type: none"> • Arabic • Professional English language • Reception management • Hotel statistics • Information technology • Business organization and economics • Hotel management • Tourism geography • Applied food science and food hygiene • Quantitative management techniques 	<ul style="list-style-type: none"> • Reception management • Quantitative management techniques • Tourism management • Techniques of French expression • Tourism geography • Business start-up • Tourism marketing • English tourism • Arabic • Information technology 	<ul style="list-style-type: none"> • Reception management • Quantitative management techniques • Hotel management • Techniques of French expression • Tourism rights • Business start-up • Tourism marketing • Spanish • Restaurant techniques • Social rights

Some subjects repeat so as to go more in depth.

Source: Ecole Supérieure du Tourisme et de l'Hotellerie

No labor union for hospitality workers could be identified; although, one hotel interviewed noted collective bargaining and expensive benefits provided to employees due to union requirements.

While the public sector has many tourism participants, the private sector is less formal. For example, a hotel association could not be identified, although it was reported that one did exist for small accommodations. Associations of hotels, tour operators or other representative entities could facilitate communication within the sector, promote stakeholder interests, advocate to Government about desired support and services and be a resource for marketing and attracting investment and other support.

Due to fragmentation of the local providers and real or perceived lack of offerings, no foreign tour operators or travel agencies currently provide tours of Gabon, although a handful have done so in the past, largely centered on national park and wildlife attractions.

The Government encourages tourism sector development by waiving import tax for hotel furniture and a general three-year tax waiver for tourism investment. There are no fees for tourism-related applications, certifications and inspections such as hotel registration, star rating or environmental assessment. While the Government tries to simplify the process of business registration, by eliminating fees for example, in practice the administrative process involves a scavenger hunt of sorts, whereby a new hotel for example in theory should officially (1) register with the Tourism Department, (2) receive approval and certification from the Tourism Department, (3) apply to for an attestation certificate from the Environment Department, (4) hire private consultants to determine environmental impact and/or private inspectors to confirm impact, (5) obtain attestation certificate from the Department of the Environment, and (6) register as a business entity with the Ministry of Commerce. In practice, due to lack of awareness or enforcement or perceived benefits to doing so, many businesses eschew requirements other than the Ministry of Commerce registration, further fostering a fragmented and informal tourism infrastructure. Only 35% of hotels in Gabon are officially registered with the Department of

Tourism. Although hotels are supposed to renew registration with the DGT annually, only two hotels have done so in the past 10 years.

Additional stimulus for the sector comes through the Gabonese Strategic Investment Fund, a sovereign wealth fund created in 2011 and funded with Government oil revenue to diversify the economy into strategic sectors such as tourism and financial services. The Fund invests in local projects alongside private sector investors, reducing the capital requirements.

Numerous international organizations also support tourism resources, through funding or expertise. Some of these are noted in Table 17. Except for an initiative by the Government of Korea, the majority of assistance has been in support areas such as natural resource management rather than for tourism directly.

Table 17: International Support for the Tourism Sector

Institution	Support Activity
Worldwide Fund for Nature (WWF)	<ul style="list-style-type: none"> • Provided support for 2012 inventory and audit of Government stockpile of seized ivory products prior to product destruction. • Worked in public-private partnership with Shell Gabon to develop long-term conservation and sustainable management of Gamba Complex, including Shell Gabon bushmeat action plan, Shell sustainable livelihoods program and Gamba Conservation Center.⁴³ • Active in development of guide service and eco-tourism lodge development in Loango National Park.
Wildlife Conservation Society (WCS)	<ul style="list-style-type: none"> • Supported the Government in creating and developing the national parks. • Implements environmental conservation and species conservation projects. • Developed guide training program for ANPN.
Smithsonian Institution	<ul style="list-style-type: none"> • Through its Smithsonian Conservation Biology Institute, inventories animal groups and conduct research on conservation issues. • Partner in the Gabon Biodiversity Program, which studies the Gamba Complex of Protected Areas, an 11,320 square km area that includes Loango and Moukalaba-Doudou national parks.
National Geographic	<ul style="list-style-type: none"> • Raised awareness of Gabon’s natural resources, particularly through its production of “The Last Eden” that showcased forest elephants and hippopotamus frolicking the ocean surf.
French Development Agency (AFD)	<ul style="list-style-type: none"> • Signed debt conversion agreement with Government in 2008 to reinvest US\$73.7 million of Gabonese national debt to France into park development and environmental projects and support sustainable management of forest, biodiversity conservation, training and ecotourism development, including: <ul style="list-style-type: none"> ○ Satellite surveillance of Gabon (US\$11.6 million) ○ Assistance for small-scale foresters (US\$1.9 million) ○ Emerald Ark conservation and education project (US\$14.2 million) <ul style="list-style-type: none"> ▪ Protect mangroves, fund research, finance park entry points, recruit wardens, install surveillance against illegal fishing in Pongara National Park, Akanda National Park and Mondah Forest

⁴³ http://wwf.panda.org/what_we_do/where_we_work/project/projects_in_depth/gamba/our_solutions/

Institution	Support Activity
Government of South Korea	<ul style="list-style-type: none"> • Joint effort of Korea Ministry of Strategy and Finance, Korea Development Institute (KDI) and Korea Institute for Development Strategy (KDS) • In 2012, presented Knowledge Sharing Program (KSP) to assist in developing and diversifying economy of Gabon across several sectors including tourism • Proposed a Visit Gabon Year Campaign as a catalyst to sector development as well as multi-phase program to restructure and promote Gabon tourism • Modeled after Korea’s experience in developing its own tourism.
Central Africa Regional Programme for the Environment (CARPE)	<ul style="list-style-type: none"> • United States Agency for International Development (USAID) initiative aimed at promoting sustainable natural resource management in the Congo Basin, to protect the forest and provide critical habitat for biodiversity conservation. • Active in Minkebe National Park since 1997.

Source: Compiled by Global Development Solutions, LLC

4.3 Policies and Laws Affecting the Tourism Sector

A brief summary the laws related to the tourism sector is presented in the following table. The list is not exhaustive, and additional requirements may apply.

Table 18: Tourism Legal Environment

Law	Effect
Law No. 5/86	<ul style="list-style-type: none"> • Enacted 18 June 1986. • States that no entry visa is required for tourist or business travelers.
Decree No. 000649/PR	<ul style="list-style-type: none"> • Regulation for the entry of tourist and business travelers to Gabon. • Application of Law No. 5/86. • Made 25 May 2001 and published by Gabon Tour in February 2003. • Stipulates that entry visas are not required for tourist or business travelers. • Requires tour operators/travel agencies to handle the formalities of entry process in accordance with the Immigration Authority and to vigorously satisfy the security requirements (though does not state what these are) or face sanctions for violations.
Law No. 003/2007	<ul style="list-style-type: none"> • Dated 11 September 2007. • Created a network of 13 national parks.
Law No. 15/98	<ul style="list-style-type: none"> • Dated 23 July 1998. • Instituted the Chart of Investments (Charte des Investissements en Republique Gabonaise)
Law No 0004/2000	<ul style="list-style-type: none"> • Dated 18 August 2000. • Ratified ordinance No. 2/2000/PR of 12 February 2000 which provided the regime applicable to investments in tourism.
Decree No. 465/PR/MTPN	<ul style="list-style-type: none"> • Dated 18 May 1976. • Regulates activities of travel agencies.

Law	Effect
Notification No. 00000282/MPITPTHTCAT/SG/DGT/DER	<ul style="list-style-type: none"> • Dated 28 December 2012. • Provides updates to and clarification of Decree No. 465/PR/MTPN regulating activities of travel agencies. • Requires bank guaranty in order to obtain travel agency license. • Requires travel agencies to organize and publish/advertise tours/excursions at least annually and to increase collaboration with Gabon Tour (but does not specify how) • Requires tour listings to specify the itinerary, places to be visited, duration, method of transport, whether for individual or group and the trip price. • Requires submission every 3 months to the DGT of statistics including number of tours sold, the nationality of participants and the method of transport. • Requires annual update and printing of marketing materials (e.g., brochures) to promote Gabon.
Code of the Environment: Decree No. 539	<ul style="list-style-type: none"> • Decreed in 2005 and enforced since 2009. • Requires environment attestation certificate for all businesses and environmental impact assessment study depending on the level of the business (e.g., large hotel development or any hotel in a national park). • Applies to new construction, not to renovation of existing structures.
Code du Travail National Law No. 3/94	<ul style="list-style-type: none"> • Dated 21 November 1994. • Requirements vary by business size, but in general require 90% local labor, e.g., a hotel workforce must be at least 90% Gabonese.
Gabon Land Law	<ul style="list-style-type: none"> • Designates the state as the sole owner of soil and subsoil. • Only recognizes visible use and occupation of the land. Lands not visibly occupied or used are considered empty and automatically returned to the state, which can then allocate them for different uses, particularly conservation or forest exploitation.

Compiled by Global Development Solutions, LLC

Laws are available in French language only and may be outdated, confusing or contradictory, making stakeholder compliance difficult. The legal requirements often are vague or unclear, even for French speakers. As a test a sample law pertaining to travel agents was provided to a French-speaking travel agent with more than ten years of international travel industry experience; the agent had difficulty understanding the stated requirements and intention of the law as written. For non-French speakers, the barrier to participation or investment in the sector is even more daunting, given the lack of translations of laws and administrative forms and sometimes contradictory or vague requirements,

Of particular interest is Law No. 5/86 and Decree No. 000649/PR, which clearly state that neither tourist nor business travelers require a visa for entry to Gabon. Yet, in reality, visas are required and enforced at border entry points. Additionally, other laws seem to contradict goals of sector development. For example, Notification No. 00000282/MPITPTHTCAT/SG/DGT/DER sets forth various requirements for travel agencies, including a requirement to annually update and make available brochures that promote Gabon. The regulation as written essentially mandates that each agency come up with its own branding for the country, rather than leveraging a unified message or marketing resources created at the national level, led by Gabon

Tour for example, which has not updated its own brochures for several years. Another example is related to tour guides, which are required to register with DGT and provide a number of documents supporting registration, including a diploma of tourism study and proof of five years of experience working as a guide.⁴⁴ Yet, the availability of tourism schools or majors within universities is limited, and a curriculum for tourism study may cover subjects irrelevant to knowledge required to be a guide, which are more along the lines of history, geography, arts and culture, science and languages. Further, the experience requirement encourages people to work unregistered for many years, defeating the purpose of registration and encouraging a cadre of unlicensed guides without DGT oversight.

Overall, due to institutional complexity, lack of enforcement mechanisms, and a general desire to encourage entrepreneurship and sector development, requirements such as registration and regulations largely appear unenforced for all but the largest players. However, such an environment also is chaotic and confusing for stakeholders. A well-managed and consistent application and enforcement of regulation can have a pro-business effect, since a level playing field and specific measurable results can bring stability to the sector, thus encouraging investment.

5. Value Chain Analysis

5.1 Product Profile and Summary of Observations

The tourism market in Gabon is highly disaggregated and informal. Though plans for development of ecotourism and a forest safari circuit in Gabon are progressing, at present infrastructure to support such offerings still is emerging. At present, however, business visitors dominate the tourism landscape (estimated 90-95% of all tourist arrivals, based on hotel interviews; data is not tracked by DGT). Thus, as a proxy product for value chain analysis for the sector, business tourism was investigated, for both a business/conference stay in Libreville and a short trip excursion to attractions in line with the timeframe of the business traveller.

Business and conference tourism is an important and potentially lucrative segment of the tourism sector, not only because Gabon has significant existing international business arrivals as a result of its extractive industries sectors (e.g., oil and wood), but also because of the existing and pipeline of the country's conference facilities and infrastructure (e.g., stadium, African Union congress hall, and Port Mole Marina Project). Additionally, as one of the more stable countries in the CEMAC region, Gabon can serve as a regional conference hub. Further, it will take some time for ecotourism infrastructure to come on line, and the ecotourism strategy focuses primarily on small-volume luxury product, which is not fitting with excursions that might be taken by conference groups, so avenues besides ecotourism need to be developed. As noted in Figure 7, 85% of business travelers occasionally or most always consider adding leisure days to business

⁴⁴ Per the "Homologation des Entreprises a Vocation Touristique" published by the Direction General du Tourisme, Ministry for the Promotion of Investments, Public Works, Transport, Living and Tourism.

trips. Assuming a 100-person conference, even if only 30% of participants decide to extend their trips, that will exceed the capacity of several of the planned Aman properties, for example.

Common characteristics of business/conference tourism include:

- Venue and activities are pre-arranged well in advance, giving operators in the segment an opportunity to exercise financial and management planning;
- Out-of-pocket expenditures tend to be relatively low as most tourists in the segment spend the majority of their time at the venue selected for meetings;
- Tourists in the segment, particularly first time visitors to a country, tend to take time off prior to or following the conference to take advantages of sightseeing opportunities. Tourists who engage in such excursions tend to rely on local tour operators to piece together a package excursion or take part in a self-directed tour to selected sites; and
- Particularly in the case of conferences, friends or family may accompany the business traveler on the trip and participate in leisure extensions as well as tours (e.g., city tour or day trips) independent of the business traveler while the business traveler attends the conference.

Thus the business/conference tourism segment requires a high level of professionalism, organization and communication on the part of tour operators as well as reliable and accessible transportation and other infrastructure, all areas that require development in Gabon..

As the value chain analysis reveals, Gabon tourism faces critical issues for competitiveness regarding labor, electricity, transport, communications, airfare and other areas largely in the public sector domain. Absent dramatic improvement in basic tourism infrastructure, and to serve the needs of local and international tourists, Gabon may consider enclave tourism in the short to medium term, e.g., self-sufficient Club Med style resorts which are independent from the rest of the country's economy, with own power, chartered flights or other direct transport access, highly trained staff potentially including expatriate labor and food produced locally or regionally exclusively for the enclave). However, as the enclave model is self-contained, it has little spillover effect on the local economy and generally is affordable only to price insensitive segments. It also lacks scalability so is not a means to long-term cost reduction.

5.2 *Integrated Value Chain Analysis*

The value chain analysis benchmarks aspects of business/conference tourism in Libreville against comparable offerings in Africa, where both business tourism and ecotourism (e.g., safari) are present. Looking at hotel business/conference stays, the value chain generally is divided into five primary categories, namely:

- Room;
- Food and beverages;
- Miscellaneous services (e.g., laundry, internet);
- Out-of-pocket expenditures (e.g., health club/spa, shop); and
- Taxes.

Business travelers tend to stay in more up-market accommodation since they require facilities conducive to conducting and supporting their business activities and are less price sensitive.

Additionally as previously discussed in section 3.3 *Key Market Drivers and Options for Growth*, they seek the comfort of certain amenities and loyalty program perks. Such requirements point to the level of 5- or 4-star ratings. However, in the case of Gabon, there currently are no 5-star rated hotels. Thus representative 4-star and 3-star hotels frequented by business travelers are considered for analysis.

As noted in Table 19, which compares business/conference tourism in across Gabon, Kenya Tanzania and Morocco, the highest expenditures along the value chain consistently appeared in room charge (29.9% to 64.1%), food and beverage (15.3% to 33.3%) and taxes (12.8% to 36.5%). For Gabon, the highest proportion is allocated to the room itself, and higher-end hotels have more upscale dining options, propelling food and beverage to second place, versus being relegated to third place in the case of the 3-star hotel. Tax rates in Gabon are above those of Kenya but below those of Tanzania, as a percent of tourist expenditure, around 18.5% for Gabon compared with 12.8% for Kenya, 36.5% for Tanzania and 21.1% for Morocco. Gabonese business tourists tend to spend less on miscellaneous and out-of-pocket expenses primarily because the hotel often bundles services such as internet and health club into the room charge. Many hotels interviewed stated that the business traveler expects these services and amenities as inherent in a business hotel’s services, and further the hotel is hard-pressed to charge for internet when the service is intermittent or unreliable. Shopping opportunities within hotels in minimal as hotels have yet to fully exploit retail opportunities.

Table 19: Comparative Value Chain Expenditures for Business/Conference Tourism in Gabon, Kenya, Tanzania and Morocco

Location	Libreville Gabon	Libreville Gabon	Nairobi Kenya	Dar es Salaam Tanzania	Casablanca Morocco
Rating	4-star	3-star	5-star	5-star	5-star
Room rate/bednight* (US\$)	\$330-\$360	\$207-\$276	\$165-\$266	\$220-265	\$183-\$241
Primary Value Chain	Percent of Total Guest Revenue/Night				
Room charge	60.1%	64.1%	45.6%	29.9%	48.2%
Food and beverages	21.5%	16.0%	33.3%	26.6%	15.3%
Miscellaneous	0.0%	1.3%	2.8%	3.8%	9.9%
Out-of-pocket	0.0%	0.0%	5.6%	3.2%	5.5%
Taxes	18.4%	18.6%	12.8%	36.5%	21.1%

*Average range, inclusive of VAT.

Miscellaneous includes laundry, internet, airport transfer.

Out of pocket includes health club/spa, souvenirs.

Red = highest cost, yellow = 2nd highest cost, green = 3rd highest cost.

Source: Interviews by Global Development Solutions, LLC.

Another issue of note is the high price of hotel rooms in Libreville. As indicated by their star ratings⁴⁵ and room rates per bednight, the business hotels in Nairobi and Dar es Salaam offer a higher level of amenities and service, but at a greater value, i.e., lower price. Data indicates that on average, business tourists in Libreville pay 1.6 to 2.1 times more per star for their hotel room than do business tourists in Nairobi, Dar es Salaam and Casablanca.

⁴⁵ Star rating determined by individual country rating system.

5.2.1 High Hotel Prices Driven by Labor and Electricity Costs

Data for hotel operating costs in the Libreville area varied widely. The number of large, more established hotels is limited, while new properties, primarily small independent boutiques, were constructed in the run-up to the Africa Cup of Nations co-hosted by Gabon in 2012; these properties have yet to realize normal operations as occupancy rates fell after the event. Many properties recently underwent or are planning major renovations as well, skewing financial data. Expense structure also varied by management structure (management contract versus direct ownership). From the perspective of the hotel operator, management contracts are preferable to direct property ownership, as there is less risk and capital expense. However, the contract relationship leaves the managing hotel at the mercy of the facility and maintenance of the owner. Older properties in particular are challenging for hotel management as the business traveler expects certain services and facility standards and is unforgiving of intermittent supply of electricity, water and internet.

The operating cost value chain for a bednight at a representative three-star business/conference hotel in Libreville is shown in Table 20. The highest operating cost for the hotel is overhead which represents 37.5% of total operating costs, followed by labor at 24.4% and taxes at 18.6%.

Table 20: Value Chain Analysis for Representative Business/Conference Hotel in Libreville

Cost Category	Cost per bednight	
	% of Category	% of Total
Room Inputs	100.0%	13.1%
Food/beverage	100.0%	6.4%
Labor		24.4%
Wage	50.0%	12.2%
Benefits	50.0%	12.2%
Overhead		37.5%
Training	2.2%	0.8%
Other	97.8%	36.7%
Tax		18.6%
Municipal occupancy	4.1%	0.8%
VAT	95.9%	17.9%
Total		100.0%

Red = highest cost, yellow = 2nd highest cost, green = 3rd highest cost.

Source: Interviews by Global Development Solutions, LLC.

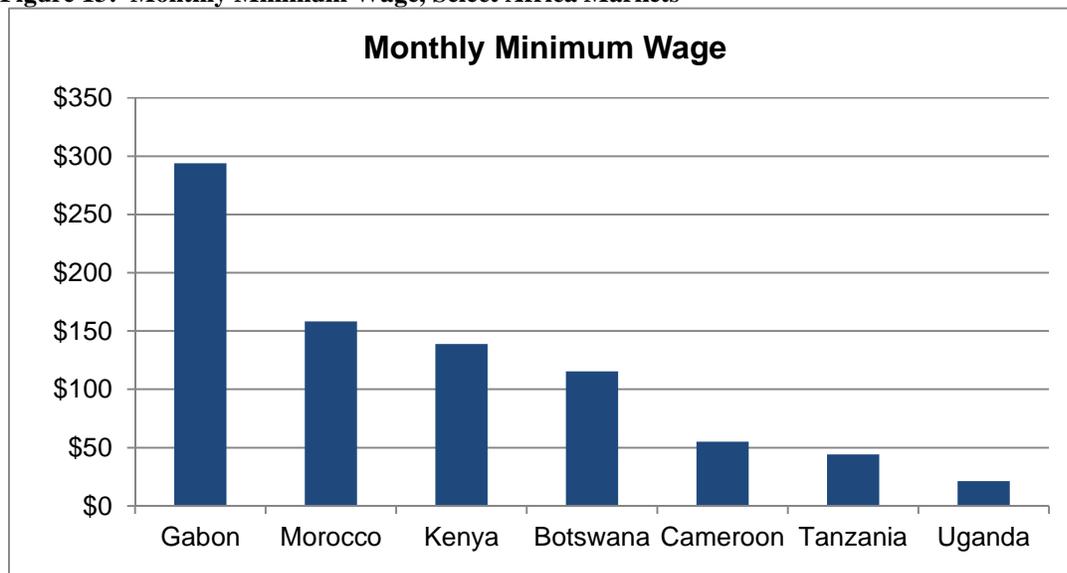
Overhead consists of a dedicated training budget at 1% of net revenue (i.e., net of tax), organized by the hotel and conducted either in-house or off site. Other overhead is 36.7% of operating costs and includes costs such as fixed expenses, electricity, water, communications, engineering and maintenance, management, marketing and profit, which is highly dependent on not only expenses but also revenue and occupancy rate, given that labor and overhead largely are fixed costs, and ability to meet many aspects of client expectations is outside of the hotel's control. The hotel estimates occupancy at 60% and guest profile at nearly 100% business travelers.

Given that electricity and water supply are unreliable, it is common for hotels to have backup generators and 3 days of water in reserve, adding to utility costs. Grid power interruptions occur nearly daily, and longer outages (several hours or more) happen at least weekly. Internet service also is intermittent. Hotels attempt to set up backup systems that automatically switch on in the event of power interruption, in order to provide uninterrupted service to guests, but this does not always work. Further, many older hotels have wiring that is not compatible with current technology needs; one hotel reported extensive damage to electrical equipment and computers due to voltage spikes. Value chain data across various hotels suggests that total electricity costs are 10% to 15% of net room revenue, with grid service representing 65% to 71% of total electricity cost and generator operating and maintenance representing 29% to 35% of total electricity costs. The need for backup generator use increases monthly electricity costs by 40% to 53% over on-grid access.

Labor at 24.4% of hotel operating expense consists equally of wages and benefits, including social security, comprehensive family health insurance (100% of all expenses), transportation to and from work and housing allowance. Other hotels interviewed provide similar benefits and as well as discounted meals and a tenure premium. Given attractive wages and benefits, turnover and absenteeism are low (turnover estimated at 2%; no paid leave except sick leave). However, the high labor rates are not met with correspondingly high levels of labor skills. Although all hotels conduct some form of training, training programs can only develop an employee so far. Hotel managers interviewed cited difficulty in finding qualified personnel and are struggling to find local labor with skills appropriate to the tourism industry. The pool of applicants generally lack skills or attributes needed in hospitality, including customer service, business, foreign language and problem solving abilities. Although labor laws require 90% of employees to be Gabonese, hotels have trouble filling management positions with local hires and promotions. General management skills are lacking, and also cultural biases contribute to challenges of managing equitably across Gabon's multi-ethnic groups, as local managers sometimes favor subordinates from their own tribe or village and discriminate against others in rewarding or sanctioning performance.

The high labor costs also decrease Gabon's competitiveness relative to other Africa tourism markets. Gabon's monthly minimum wage of XAF150,000 (US\$300) is 1.9 times that of Morocco, more than twice that of Kenya and Botswana and more than five times that of Cameroon, Tanzania and Uganda (Figure 13). Among major African ecotourism markets, only South Africa minimum wages (US\$965/month) top those of Gabon.

Figure 13: Monthly Minimum Wage, Select Africa Markets



Kenya rate shown is monthly minimum urban wage.

Source: *List of Minimum Wages by Country, Wikipedia.*

Taxes shown in Table 20 are the pass through of those paid by the guest and consist of value added tax (VAT) applied to hotel, dining and other charges at a rate of 18% and a municipal occupancy tax of XAF1,000 (US\$2) per room, per night. Taxes related to payroll or corporate income are included in labor wage and other overhead, respectively. Because the VAT tax burden is included in the price of the service or product, it contributes to the tourists' perception of higher prices in Gabon.

Direct cost of room inputs represents 13.1% of guest revenue, while direct food and beverage input costs are 6.4%. All hotels interviewed reported that the majority of the food is imported as there are no local sources for the type, quantity and quality of food desired, and noted that conference and longer-term guests conference tended to dine in, while non-conference and short-stay guests tended to dine out. Direct labor costs are about 1.6 times higher for food and beverage service than they are for room housekeeping, due to banquets, which are more labor intensive.

5.2.2 Expensive and Unreliable Electricity Supply

On-grid electricity costs contribute directly to tourism costs in Gabon and are among the highest in Africa. As noted in Table 21, a comparative study in 2009 found that Gabon ranked in the top third in electricity rates across the African continent. Further, except for Uganda, Gabon's rates were above that of African ecotourism competitors (e.g., Kenya, Tanzania, South Africa). Gabon rates have come down a bit since the study, to US\$0.147/kWh as of March 2013, but still contribute to the many cost structure and infrastructure challenges that Gabon faces.

Further, electricity outages are frequent in Gabon and cause not only loss of power but also a potentially damaging surge of current when power is restored; one hotel manager noted extensive damage to electronics from the unsteady current. Unreliable electricity makes it

difficult to provide expected levels of service for luxury markets in particular, who have higher maintenance needs such as electronic communications and air conditioning. To mitigate frequent outages, hotels invest in and try to seamlessly switch to back-up generators during grid power outages, adding to infrastructure and operating costs. To mitigate costs of operating off-grid generators, some hotels simply announce blackout hours to guests in advance. For example, the hotel reflected in the package tour analysis in Table 22 has informed guests in advance that electricity will not be provided for two 2-hour periods daily.

Among African countries, Gabon is not alone when it comes to unreliable access to power; in sub-Saharan Africa, 30 out of 48 countries experience daily power outages.⁴⁶ As in Gabon, diesel generators are used to overcome outages, and more than 50% of power generation capacity in the Democratic Republic of Congo, Equatorial Guinea and Mauritania is based on diesel fuel. Generator costs in Africa can easily run to US\$400/MWh.⁴⁷ Besides being expensive, the use of diesel fuel contributes to increased greenhouse gas emissions and particulate and noise pollution.

Table 21: Electricity Costs in African Countries

Electricity Tariff for Commercial Usage (1,800 kWh/Month) - 15 kW*								
	Country	US\$/kWh		Country	US\$/kWh		Country	US\$/kWh
1	Liberia	\$ 0.34	14	Kenya	\$ 0.16	27	DRC	\$ 0.11
2	Mali	\$ 0.31	15	Cameroon	\$ 0.16	28	Namibia	\$ 0.10
3	Chad	\$ 0.27	16	Mozambique	\$ 0.15	29	Egypt	\$ 0.08
4	Burkina Faso	\$ 0.25	17	Ghana	\$ 0.15	30	Ethiopia	\$ 0.08
5	Senegal	\$ 0.25	18	Rwanda	\$ 0.14	31	Algeria	\$ 0.07
6	Uganda	\$ 0.24	19	Niger	\$ 0.14	32	Malawi	\$ 0.07
7	Gambia	\$ 0.24	20	Mauritius	\$ 0.13	33	Nigeria	\$ 0.06
8	Madagascar	\$ 0.22	21	Morocco	\$ 0.13	34	Congo	\$ 0.06
9	Cote d'Ivoire	\$ 0.19	22	Tunisia	\$ 0.12	35	Angola	\$ 0.06
10	Togo	\$ 0.18	23	Guinea	\$ 0.12	36	Zambia	\$ 0.04
11	Gabon	\$ 0.18	24	Sudan	\$ 0.12	37	Libya	\$ 0.04
12	CAR	\$ 0.17	25	Tanzania	\$ 0.12	38	RSA	\$ 0.04
13	Benin	\$ 0.16	26	Burundi	\$ 0.12	39	Zimbabwe	\$ 0.01

* figures reflect 2009/2010 costs

Source: *Comparative Study of Electricity Tariffs Used in Africa*, UPDEA, General Secretariat, 2009.

5.2.3 Limited Availability and Flexibility of Tour Packages

Gabon's tourism infrastructure lacks depth and access to services across all segments of the market, and in particular supply chain for business travel lacks a high-end, short break full-

⁴⁶ Prospects for the African Power Sector, International Renewable Energy Agency (IRENA), http://www.irena.org/DocumentDownloads/Publications/Prospects_for_the_African_PowerSector.pdf

⁴⁷ MWh = megawatt hour, or 1000 kWh. Prospects for the African Power Sector, International Renewable Energy Agency (IRENA), http://www.irena.org/DocumentDownloads/Publications/Prospects_for_the_African_PowerSector.pdf

service offering. Currently no safari circuit tours exist in Gabon; that market is still in development. Various tour operators and travel agents offer excursions to natural attractions, such as a trip to a national park, often via public transport such as train, so flexibility as to date and time is limited. For a trip extension by a business traveler looking to add a leisure component that fits around their schedule, private transport generally would need to be hired.

Due to lack of information and limited number of service providers, tour “packages” often need to be self-assembled, e.g., book the hotel separately from the transport. This is often the case even when consulting with a tour operator, who may arrange a hotel and park guide but have client handle their own car/driver, boat, flight or train. Indeed many tour operators shun the transport responsibility, not wanting to be associated with unreliable service providers. Hotels themselves typically provide little tourism information to clients given the dearth of offerings and perception of potential liability. While hotels have the most direct access to and influence over a business traveller interested in an excursion, there is little communication or outreach within the tourism community (e.g., among Gabon Tour, hotels and tour operators), so each hotel is left to develop its own information for clients. At the high end of the service spectrum, a hotel may craft tour recommendations to their target clientele, such as offering a more exclusive or authentic experience with a micro-operator. Other hotels, particularly the independents, find themselves wholly consumed by daily hotel operations and have no time to research and develop activity suggestions. At best, hotels provide phone numbers where the traveller can obtain information on one’s own, posing an annoyance to efficiency-seeking business clients and a high barrier to non-French speaking tourists. Hotels and tour operators also hesitate to recommend particular excursions since the transport component is potentially unreliable, uncomfortable or unsafe experience that may reflect badly on the party making the recommendation. In short, in the current environment, business travellers seeking an excursion are largely left on their own.

Tourism destinations from Libreville include Lope National Park (380 km from Libreville), Lambarene (232 km) and Pongara National Park (10+ km). Lambarene has been popular for decades as it is the site of the Albert Schweitzer Hospital; however wildlife viewing there is limited. Pongara is a National Park, but is not presently well organized for guided park visits, so most visitors just stay at the beach. Lope features a lodge and road and rail access and organized guides. Going farther afield from Libreville may not be practical for the typical business traveler profile, especially given the current state of the infrastructure. As one international tour operator previously active in Gabon described Loango National Park noted, “The equipment is very basic as is the food, however it is one of the last places where one can experience what it must have felt like to be one of the original explorers. As with the rest of Gabon, this area is for the intrepid explorer only and cannot be described as a honeymoon beach resort or a typical southern or east African safari camp.”⁴⁸

A sample two day/one night excursion, analogous to a weekend getaway for a business visitor, from Libreville to Lope National Park is noted below in Table 22. The estimated price is XAF673,500 (US\$1,347) for two people or XAF336,750 (US\$674) per person. Of critical note

⁴⁸ Zambazi Safari and Travel Company, http://www.zambezi.com/location/loango_national_park

is the high cost of transport as a share of the overall trip cost. Specifically, transport cost which includes hired car and driver, plus fuel, is US\$900 or 66.8% of total trip cost. Of this amount, vehicle rental itself is 40.1% of the total trip cost and 60.0% of the total transport cost. Meals represent US\$183 or 13.6% trip cost. Because of the remote location of national parks, food appropriate for tourists often must be transported long distances, which contributed to the high food input costs. In addition, given that there is no other dining option for tourists, particularly in national parks, hotels tend to charge higher prices. Park guide fees are the third-highest cost. Based on the assumption that each person makes a half-day excursion at a rate of XAF20,000 (US\$40) per person per excursion, packaged guide fees can be as much as US\$160 or 11.9% of the trip cost.⁴⁹ Based on the park fees quoted by ANPN, the hotel agent is marking up the park guide fee by 25% to 88% for their reservation and handling services. The “package” was assembled using quotes for various components as provided by a hotel booking agent and car rental agent, however the price is only marginally more expensive than a similar package offered by a tour operator for the same itinerary but with train transport instead; that package quotes XAF315,000 (US\$630) per person for 3 nights/2 days, with 2 of the nights spent on the train, and does not offer the flexibility or comfort of private transport.

Table 22: Sample Excursion, Libreville to Lope National Park, 2 days/1 night

	XAF/trip	US\$/trip	% total
Hotel room	52,000	\$ 104	7.7%
Meals	91,500	\$ 183	13.6%
Transport	450,000	\$ 900	66.8%
4WD hire	270,000	\$ 540	40.1%
Driver	100,000	\$ 200	14.8%
Fuel (est)	80,000	\$ 160	11.9%
Guide	80,000	\$ 160	11.9%
Total	673,500	\$ 1,347	100.0%
Per person	336,750	\$ 674	

Assumes double occupancy in standard room and one half-day guided excursion each day.

Prices are inclusive of VAT.

Red = highest cost, yellow = 2nd highest cost, green = 3rd highest cost along the primary value chain.

Source: Interviews by Global Development Solutions, LLC.

A sample two day/one night excursion from Libreville to a beach location near Pongara National Park is noted below in Table 23. Accommodation is at a boutique hotel. The estimated cost is XAF408,000 (US\$816) for two people or XAF204,000 (US\$408) per person. Trip cost noted includes accommodation, meals and transport but excludes optional items such as beverages, guide fees and rental of recreational equipment (e.g., jetski). The location has no road access and all inputs must be brought by boat. Meals are the highest cost of the trip at US\$456 or 55.9% of total trip cost and include 2 lunches, dinner and breakfast. Food service costs are high as high-quality ingredients are brought by boat from Libreville, since there is no local production. Thus the hotel requires advance reservation; otherwise they may not have sufficient staff or supplies on hand. Accommodation represents US\$296 or 36.3% of trip cost. High costs overall also are

⁴⁹ Full day excursion is quoted at XAF30,000/person.

attributable to the cost of labor which includes not only wage but also on-site accommodation and meals and transport to/from Libreville. All electricity is generated on site. Transport represents US\$64 or 7.8% of trip cost and includes boat transport from and to Michele Marine port in Libreville (scheduled once daily) as well as round trip taxi between a Libreville hotel and the port. The excursion primarily focuses on a relaxing beach and culinary experience rather than nature or wildlife. Guides may be arranged by the hotel for exploration of Pongara National Park by foot or hired boat (boat hire is XAF150,000 or US\$300 per hour); however as noted by the hotel management, “We can ask for a guide if you want to walk in the forest, but we are never sure they will show up.” The hotel also receives day visitors whose trip package includes boat transport from Libreville, lunch and beach use for the day. In this case, the overall one-day trip cost is estimated at XAF108,000 (US\$216) for two people or XAF54,000 (US\$108) per person and is attributed to meals at 70.4% and transport at 29.6%. Compared to the Lope wildlife excursion noted above, the Pongara beach excursion costs 0.6 times that of Lope overall, driven primarily by lower transport costs given the much closer location to Libreville. However, the beach accommodation is 2.8 times higher and the food costs 5.5 times higher relative to the Lope trip. In general, the beach hotel caters to a more upscale clientele (primarily local Libreville residents and expatriates) who are more demanding of quality and less price sensitive. However, the beach excursion reflects the challenges of high input costs, transportation and infrastructure that are pervasive throughout the tourism landscape of Gabon.

Table 23: Sample Excursion, Libreville to Beach in Pongara National Park, 2 days/1 night

	XAF/trip	US\$/trip	% total
Accommodation	148,000	\$ 296	36.3%
Meals	228,000	\$ 456	55.9%
Transport	32,000	\$ 64	7.8%
Boat	24,000	\$ 48	5.9%
Taxi	8,000	\$ 16	2.0%
Total	408,000	\$ 816	100.0%
Per person	204,000	\$ 408	

Assumes double occupancy and weekend stay (e.g., Saturday night).

Prices are inclusive of VAT.

Red = highest cost, yellow = 2nd highest cost, green = 3rd highest cost along the primary value chain.

Source: Interviews by Global Development Solutions, LLC.

An additional reality of the current travel market in Gabon is that information about tourism possibilities is extremely difficult to obtain. There is little information available online for independent or advance planning, and hotel staff does not promote excursions, either due to lack of knowledge about the options or concern about liability or blame by their client should they recommend something that goes awry. The business traveler typically is visiting for a short time, so by the time they find out any information (if at all), it probably is too late, either because they have already booked their return trip so have difficulty extending, or have missed the only boat, train or plane going that day to a given destination. In order to capitalize on the business travel market, the industry needs to be better organized at packaging and communicating information regarding travel opportunities.

5.2.4 High Vehicle Rental Costs Driven by High Labor and Maintenance Costs

The value chain analysis shown in Table 24 reflects the operating costs for a recent-model (1 year old, purchased new) Toyota 4WD vehicle owned by an independent rental car agency and used solely for hired chauffeured transport for excursions outside Libreville. The highest cost in the primary value chain is overhead, which runs US\$7,104 per year or 38.0% of total operating costs. The dominant cost within overhead is labor; a driver is paid a minimum salary of US\$6,000/year or 32.1% of total operating costs. The second highest primary cost in the value chain is maintenance and repair, which totals US\$6,728 or 36.0% of total operating expense. Major repairs and regular service (e.g., oil change) constitute the bulk of this category. All replacement parts and repair components must be imported, and the wait can be up to ten days if parts are not in stock, resulting in loss of revenue as the vehicle is out of operation during that time. The third highest contribution to operating expense is tire replacement, at US\$4,000/year or 21.4% of total operating expense. Due to poor road conditions (e.g., potholes), tires must be replaced every 3 months, even though the vehicle has traveled on average only 7,800 km during a 3 month period.

Licenses, registration and insurance comprise 4.5% of total costs and are not a significant burden. The business spends XAF1,605,000 (US\$3,210) per year per 4WD vehicle on fuel, however that cost is fully reimbursed by the customer, since the vehicle is provided with a full tank and the customer must return it full; thus fuel cost is considered zero for purposes of operating cost analysis. The business is self-financed and as such there is no interest expense.

Table 24: Car Rental Agency Operating Cost per 4WD Vehicle per Year

Cost Item	XAF/year	US\$/year	% total
1.0 Maintenance and Repair	3,364,000	\$ 6,728	36.0%
1.1 Regular service (1)	1,404,000	\$ 2,808	15.0%
1.2 Major repair	1,125,000	\$ 2,250	12.0%
1.3 Windscreen repair/replacement	400,000	\$ 800	4.3%
1.4 Repair due to theft/break-in	75,000	\$ 150	0.8%
1.5 Cleaning	360,000	\$ 720	3.9%
2.0 Tire replacement (2)	2,000,000	\$ 4,000	21.4%
3.0 Insurance	275,000	\$ 550	2.9%
4.0 Fuel (3)	-	\$ -	0.0%
5.0 Registrations/licenses	153,000	\$ 306	1.6%
5.1 Company registration (4)	95,000	\$ 190	1.0%
5.2 Driver's license (per driver) (5)	45,000	\$ 90	0.5%
5.3 Road license (per car) (6)	13,000	\$ 26	0.1%
6.0 Taxes			0.0%
6.1 VAT	18%	18%	0.0%
6.2 Corporate income tax	9.5%	9.5%	0.0%
7.0 Overhead	3,552,000	\$ 7,104	38.0%
7.1 Driver salary (7)	3,000,000	\$ 6,000	32.1%
7.2 Office rental (8)	480,000	\$ 960	5.1%
7.3 Electricity (8)	56,000	\$ 112	0.6%
7.4 Water (8)	16,000	\$ 32	0.2%
8.0 Total	9,344,000	\$ 18,688	100.0%

(1) Fluid change (oil, transmission, steering); lubricants; filter. Service every 5,000 km.

(2) Every 3 months.

(3) Vehicle provided with full tank and customer must return it full, thus the agency has no fuel expense.

(4) One-time fee. Rate shown is for foreign ownership. If Gabonese, XAF45,000.

(5) One-time fee.

(6) Renewable annually.

(7) Minimum salary for 1 driver for 1 year.

(8) Total annual cost allocated across number of cars in fleet.

Source: Interviews by Global Development Solutions, LLC.

Poor road conditions contribute to high vehicle maintenance costs which in turn contribute to high transport rental costs. For a 2-day excursion for 2 people from Libreville to Lope National Park for example, 67% of the trip cost is attributable to transport, whereas the accommodation is only 8% (see detail in Table 22). Car hire effectively triples the cost of a trip, but there are few transportation alternatives.

5.2.5 High Cost of International Flights

Among major African safari markets (Botswana, Kenya, South Africa, Tanzania) and countries with forest gorillas (Cameroon, Gabon, Uganda), Gabon is one of the most expensive destinations to which to fly. A survey of roundtrip fares from London, Paris, New York and Shanghai to the aforementioned ecotourism destinations found that Libreville ranked in the top two of seven destinations examined for airfare cost from all points of origin examined (Table 25). Only Botswana ranked higher in price than Gabon; however Botswana is known for its luxury safari travel and can often justify the high airfare with its target market, whereas Gabon

has not yet established that reputation. While it is logical that regional hubs such as Nairobi and Johannesburg have lower fares than Libreville due to higher volume of scheduled flights, the price of flights to Libreville are as much as 1.8 times more expensive than flights to neighboring Douala and Entebbe, and could pose more attractive value to travelers seeking an off-the-beaten path forest gorilla experience. In most tourism value chains, international airfare accounts for 16% to 32% of the total tourism value chain. Despite the high price relative to other destinations, these percentages may hold for Libreville, only because accommodation and internal transport are also expensive.

Table 25: Sample Roundtrip Fares (US\$), Economy Class

Origin	Destination							
	Douala DLA Cameroun	Entebbe EBB Uganda	Gaborone GBE Botswana	Johannesburg JNB South Africa	Kilimanjaro JRO Tanzania	Libreville LBV Gabon	Nairobi NBO Kenya	
London LHR	\$ 772	\$ 848	\$ 1,604	\$ 809	\$ 874	\$ 1,310	\$ 798	
Paris CDG	\$ 759	\$ 1,013	\$ 1,480	\$ 784	\$ 1,052	\$ 1,138	\$ 665	
New York JFK	\$ 1,344	\$ 1,747	\$ 2,293	\$ 1,480	\$ 1,455	\$ 1,805	\$ 1,333	
Shanghai PVG	\$ 2,057	\$ 1,518	\$ 1,641	\$ 1,344	\$ 1,490	\$ 2,717	\$ 1,172	

Lowest round trip economy fare with 1 stop or less (JFK-JRO, PVG-JRO, PVG-GBE require 2 stops).

Travel dates June 1 - June 15, 2013.

Red = highest priced destination from origin city, yellow = 2nd highest fare, green = 3rd highest fare.

Source: *dohop.com*, 4 May 2013.

5.2.6 High Cost of International Air Operations

One reason international flights to Libreville are so expensive is lack of competition; as of March 2013, only three European carriers (Air France, Lufthansa and Turkish Airlines) flew into Libreville. Another factor driving up prices and discouraging new entrants is high airport landing and handling charges. As shown in Table 26, benchmarking of landing and operating costs of M’ba International Airport/Libreville (LBV), against Kilimanjaro Airport (JRO)⁵⁰ and Jomo Kenyatta/Nairobi (NBO), indicates that these costs are highest in M’ba International in all but one fee category. Although LBV does not assess turnaround charges, and long-term contractual landing rights are in line with the comparison airports, LBV is substantially higher than both JRO and NBO with respect to landing fees (2.3 to 2.5 times higher), night operating surcharge (1.7 to 2.5 times higher) and air navigation fees (9.4 to 12.4 times higher). Air navigation service is provided by ASECNA which is an international air traffic control agency working throughout Africa, and further investigation is required to determine why their fees in

⁵⁰ Kilimanjaro Airport is the closest international airport to the northern circuit of safari in Tanzania.

Gabon are so outsized relative to the numerous other markets in which they operate. Additionally, airlines using LBV incur separate fees for lighting outside of the night operating surcharges (the former by ADL and the latter by Handling Partner Gabon). ADL also assesses airlines an outbound passenger fee of XAF30,000 (US\$60) per passenger, effectively raising the cost of passenger airfares, which as noted in Table 25 are already uncompetitive. Further, the high charges of Libreville airport landings overall discourage new entrants to the market and may create a financial hardship for ongoing airline operations, as evidenced by the high turnover of air carriers serving the Libreville market and the cessation of operations of Air Gabon, the national airline of Gabon that went bankrupt in 2006. LBV also comes out higher than JRO and NBO in terms of short-term landing rights. However, this is less of a concern since it generally only applies to unscheduled flights; international carriers with a regularly ongoing passenger flights would instead opt for long-term contractual landing rights.

Table 26: Comparative Landing Charges for Leon M'ba International (Libreville), Kilimanjaro and J. Kenyatta (Nairobi) Airport

Operating Costs	Rate	Provider	Libreville		Kilimanjaro	Nairobi	LBV vs	LBV vs
			XAF or %	US\$ or %	US\$ or %	US\$ or %	JRO	NBO
Landing rights*								
Short-term	XAF150,000/flight plus XAF10,000/pax in and out	ANAC	8,150,000	\$ 16,300	\$ 800	\$ 820	20.4	19.9
Long-term	XAF400,00 for 6 months	ANAC	800,000	\$ 1,600	\$ 1,500	\$ 1,750	1.1	0.9
Handling charges (\$)								
Based on aircraft capacity (\$)	based on capacity	HPG	650,000	\$ 1,300	NA	NA	NA	NA
Based on aircraft weight (\$/kg)	per kg	NA	NA	NA	\$ 0.05	\$ 0.03	NA	NA
Turnaround charges								
Low	NA	NA	NA	NA	\$ 4,800	\$ 1,800	NA	NA
High	NA	NA	NA	NA	\$ 5,040	\$ 2,000	NA	NA
Landing fee (\$/landing)	XAF per landing	ADL	2,210,744	\$ 4,421	\$ 1,890	\$ 1,750	2.3	2.5
Night operating surcharge	50% of handling fee	HPG	50%	50%	30%	20%	1.7	2.5
Air navigation fee	overflight fee	ASECNA	3,280,403	\$ 6,561	\$ 700	\$ 527	9.4	12.4
Parking fees	XAF per hour	ADL	18,296	\$ 37				
Lighting fees		ADL	106,079	\$ 212				
Passenger fees	XAF30,000/pax outbound	ADL	12,000,000	\$ 24,000				

HPG = Handling Partner Gabon

Charges exclude taxes (5% government tax and 18% value added tax for LBV).

Based on international carrier, B747-400 for Libreville and B747-200F for Kilimanjaro and Nairobi. For LBV, assumes 400 passengers inbound and outbound.

LBV commercial handling charge includes marshaling, shocks, stairs, 1 hour GPU, toilet servicing and 1 push-back. Cleaning and catering not included (see Servair Gabon).

LBV night operating surcharge applies 20h00 to 06h00.

Jet fuel excluded from above. Can be purchased at pump or under pre-arranged and negotiated line of credit (3 vendors at LBV).

Source: Interviews with ADL, ANAC and Handling Partner Gabon (LBV), "Airfreight Feasibility Study", USAID/Tanzania, Tanzania Airfreight Project (JRO, NBO).

5.2.7 Uncompetitive Visa Policy Discourages Sector Growth

Gabon visa fees are high relative to other wildlife options in Africa. In comparison to other countries with significant safari and/or forest elephant assets (Table 27), Gabon visa requirements are among the highest. For EU citizens, Gabon imposes a visa fee of US\$100, while most other countries ranged from no visa requirement up to US\$50 fee for single entry tourists; the except is Cameroon where the fee varies by individual citizenship, e.g., US\$97 for the UK and US\$170 for Italy. For US citizens, several countries impose higher fees than they do for EU citizens, but still Gabon is the highest at US\$140, compared to US\$50 for Kenya, US\$100 for Tanzania and US\$124 for Cameroon. Overall, Botswana and South Africa have the most tourist-friendly visa structures, as they have no visa requirement, and these countries also attracted the most tourism, with arrivals of 2,145,000 and 8,074,000, respectively, in 2010,

generating far more revenue and employment than did Gabon and Cameroon, which had the highest visa fees and the lowest number of tourists. Indeed, according to UNWTO Secretary-General, Taleb Rifai, “An overall restrictive visa policy means lost opportunities for economic growth and jobs, which tourism could bring to destinations. Travelers regard visas as a formality which entails a cost. This can be a deterrent to travel if costs - whether monetary or indirect - including distance, wait times and service, exceed a certain threshold.”

Table 27: Visa Fee Comparison

Destination	All Countries	EU Citizen		US Citizen	
	Tourist Arrivals*	Visa Required Y/N	Visa Fee (single entry, tourist) (US\$)	Visa Required Y/N	Visa Fee (single entry, tourist) (US\$)
Botswana	2,145,000	N*	NA**	N	NA
Cameroon	298,000	Y	citizenship dependent***	Y	124
Gabon	358,000	Y	100	Y	140
Kenya	1,469,000	Y	50	Y	50
South Africa	8,074,000	N	NA	N	NA
Tanzania	783,000	Y	50	Y	100
Uganda	946,000	Y	50	Y	50

*2008 data for Gabon and Cameroon, 2010 for other countries; sourced from UNWTO most recent available data.

**Exception: Czech Republic passport holders require a visa for Botswana; fee is US\$107

***Visa fee depends on country of citizenship. Example: UK GBP62 (US\$97), Italy EUR130 (US\$170), Germany EUR80 (US\$105), Netherlands EUR90 (US\$118).

NA = not applicable

Compiled by Global Development Solutions, LLC.

Gabon’s visa fee is not only high, but also inconvenient, given the extensive documentation required and the challenge and time of finding an issuing consulate since Gabon has limited representation abroad. More importantly, Law No. 5/86 and Decree No. 000649/PR state that neither tourist nor business travelers require a visa for entry to Gabon; thus there is a problem of enforcement of regulations, which are at odds with the current visa policy; the ambiguity could be resolved through the adoption of the relevant legal text to support the actual intentions of Gabon’s tourism strategy. Furthermore, the visa policy is inconsistently applied. For example, the web site of the Gabon consulate in New York states that fees are US\$140 for US citizens and US\$100 for all others and no expedite service or fee is permitted. Actual fees experiences of recent visa applicants varied widely: US\$140 for a US citizen who received same-day service for a five-year multiple entry business visa at the Gabon consulate in New York; US\$200 for an Italian citizen who received overnight service for a three-month single entry business visa at the Gabon consulate in Washington DC (US\$100 for visa and US\$100 for expedite fee; receipt request was refused); and US\$100 for a Senegal citizen who received overnight service for a three-month multiple entry business visa at the Gabon consulate in Dakkar. While the individual traveler is unlikely to know of the experiences of others, if traveling in a group he or she may share stories as to the disparities in handling and cast doubt on the transparency of the tourism process. It also discourages conference tourism when groups cannot be handled efficiently or consistently.

The more difficult it is for an international visitor to cross the border, the less likely they are to travel. If the purpose of the visa is to generate revenue, a fee instead can be levied upon arrival and/or departure, after the traveler already is committed versus being dissuaded by the inconvenience and deciding instead to forego visiting Gabon in favor of a country with a lower

barrier. If for security/immigration control purposes, sliding fees, visa waiver and trusted traveler programs can be applied to encourage target markets for tourism or dissuade other segments⁵¹ deemed risky. For example, Ecuador recently eliminated visa restrictions and increased promotion within Argentina, Peru and Panama as part of strategy and reforms in 2010-2011 to prioritizing key regional target markets.⁵²

Taxing the tourist, whether by visa fee, direct taxes, or other means, discourages economic growth. A joint study on visa requirements in G20 countries by the United Nations World Tourism Organization (UNWTO) and World Travel & Tourism Council (WTTC) found that visa facilitation policy reforms historically increased international tourist arrivals by 5-25%. For example, visa reforms in the G20 countries over the period 2013-2015, could generate up to 16% more tourist arrivals or up to 112 million additional international tourists by 2015, which would translate into US\$206 billion in additional receipts and 3.1 million additional direct tourism-related jobs.⁵³ Given that only 17% of G20 international visitors were required to obtain a paper visa in 2011, the multiplier effect could be much higher for a country like Gabon which requires visas of nearly all visitors. The G20 study results noted that visa reform for 17% of current tourists would generate 16% more arrivals, nearly a 1:1 relationship, and additional receipts of US\$1,839 per visitor. Applying the study assumptions to Gabon, which hopes to attract 100,000 visitors by 2020, we find that eliminating the visa fees potentially would double the number of international arrivals, from 50,000 to 100,000 in order to achieve visitor number goals, and result in a net gain of US\$95,000,000 in tourism receipts, greatly offsetting visa fee revenue (Table 28).

Table 28: Potential Economic Gain from Visa Reform

	With Visa Reform	Without Visa Reform	Potential Gain from Visa Reform
Number of visitors	100,000	50,000	50,000
Revenue per visitor (US\$)	\$ 1,800	\$ 1,800	\$ -
Visa Fee (US\$)	\$ -	\$ 100	\$ (100)
Total visitor revenue (US\$)	\$ 180,000,000	\$ 90,000,000	\$ 90,000,000
Total visa fees	\$ -	\$ 5,000,000	\$ (5,000,000)
Net tourism revenue (US\$)	\$ 180,000,000	\$ 85,000,000	\$ 95,000,000

Based on current EU visa fee.

Source: Global Development Solutions, LLC

⁵¹ Asia and the Pacific and the Americas the most ‘Open’ Regions for Travelers in Terms of Visas, World Tourism Organization, 28 January 2013,

⁵² Euromonitor International.

⁵³ The Impact of Visa Facilitation on Job Creation in the G20 Economies, United Nations World Tourism Organization and World Travel & Tourism Council, May 2012, http://www.wttc.org/site_media/uploads/downloads/Visa_facilitation.pdf

5.2.8 Handicraft Offerings Lack Authenticity

Handicraft expenditure in Libreville on average ranges from XAF5,000 to XAF100,000US\$10 to US\$200, depending on the nationality of the purchaser, with French tourists able to more easily navigate the language, while Americans are linguistically challenged and negotiate extensively, while Chinese tourists are attracted to wood carvings. In Mombasa, Kenya, in contrast, spending on handicrafts ranges from US\$36 to US\$58 for younger travelers (20s to mid-30s), US\$72 to US\$174 for middle-age travelers (mid-30s to mid-50s) and up to US\$870 for older travelers (mid-50s upwards). The high end of Gabon spending is within range of the tourist expenditure in Mombasa, but the low end is much lower than average (refer to Table 29 below).

Table 29: Tourist Expenditure for Handicrafts in Libreville

Nationality	Share of Shoppers	Expenditure (XAF)		Expenditure (US\$)	
		Low	High	Low	High
France	75%	5,000	100,000	\$ 10	\$ 200
USA	10%	5,000	35,000	\$ 10	\$ 70
South Africa	5%	NA	NA	NA	NA
China, Morocco, Libya, Other	10%	NA	NA	NA	NA
Total	100%	5,000	100,000	\$ 10	\$ 200

NA = not available

Survey: Global Development Solutions, LLC, Village Artisanal Biram Diouf, Libreville, 3/8/13

Spending potentially could be higher if the right merchandise mix were available. Libreville markets sell products from across Central and West Africa (e.g., Gabon, Cameroon, Mali, Senegal, Côte d’Ivoire), reflecting the ambition of Gabon to be the gateway to the region, but not necessarily providing the authenticity or cultural connection that tourists seek. Shopping as a tourist potentially offers an authentic window into another culture’s history, traditions, techniques and aesthetics. As noted by Beverly Smart, fashion designer, “The world is hungry for handmade, personalized things that tell a story. The backstory is the most important thing.”⁵⁴ But in Libreville markets, a tourist is hard-pressed to experience true Gabonese culture. Most products are unlabeled as to country of origin, and vendors lack product information to help them attract prospective buyers. For example, when asked for a Gabonese clothing item for girls, the vendor provided a dress lacking labels as to manufacturer, origin or otherwise, and the dress had a large giraffe painted on it, although there are no giraffes in Gabon. Another vendor, when asked about colorful baskets, insisted that they were made in Gabon, even though upon closer examination it was discovered that a Côte d’Ivoire label was sewn into the basket interior. The Gabon handicraft industry could be developed further to make “Made in Gabon” more evident both to appeal to tourists and provide income for local producers.

The souvenir is an important component of the tourist experience, as it plays the role of both memory and gift.⁵⁵ As such, tourists want to buy something to remind them of their trip, not of

⁵⁴ Janine Stephen, Home-Grown Style for Sale, Inspire South Africa, Issue 1/2013.

⁵⁵ Hugh Wilkins, Griffith University, Queensland, Australia, Souvenirs: What and Why We Buy, Journal of Travel Research, May 2011.

somewhere they have never been. Further, the low-end price point product mix in Gabon could be better developed with small items, such as wood carvings, textiles or dolls, especially for children or officemates, for whom tourists often make volume souvenir purchases. According to the NGO Aid for Artisans, typical tourists budget US\$250 to spend on souvenirs, putting aside US\$100 for themselves and buying a number of US\$10 gifts for family and friends.⁵⁶ Artisans participating in the USAID program Aid to Artisans in Central Asia who were able to apply design and price point concepts regarding product size, color, function and transportability were able to shift product mix from large generally unsellable yurts to items more appealing to tourists and expatriates in local and overseas markets; sales for artisans participating in the program reached US\$515,000 in the first four years of the program.⁵⁷ Given that the majority of travelers to Libreville are business visitors, they have money to spend, unlike pensioners or backpackers, so Gabon is missing a revenue opportunity. Lessons learned from other countries (see case box: Lessons from Zanzibar) indicate that small-scale up market tourists, such as Gabon's business travelers as well as the target market for Gabon's luxury eco-lodges, have the highest daily expenditure as well as the highest average spending on souvenirs.

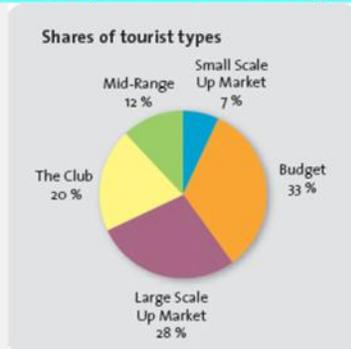
⁵⁶ An Artisan Association is Born: A Case Study of Aid to Artisans in Central Asia, 1994-1999, Aid to Artisans, 2005, An Association is Born: Central Asia, Aid to Artisans, September 2005.

⁵⁷ An Artisan Association is Born: A Case Study of Aid to Artisans in Central Asia, 1994-1999, Aid to Artisans, 2005, An Association is Born: Central Asia, Aid to Artisans, September 2005.

Lessons from Zanzibar

Zanzibar is an example of a destination in Africa where the tourism authority has been effective in packaging short-term excursions for tourists visiting the mainland. Lessons from tourist expenditure on souvenirs in Zanzibar provide some insights into spending patterns according to the type of traveler. According to a survey conducted by the Culture and Social Anthropology University of Tuebingen, tourists traveling to Zanzibar were classified into five different categories:

Daily Expenditure and Average Spending on Souvenirs by Tourist in Zanzibar



Category of Tourists	Daily Expenditure (US\$)	Average Spending on Souvenirs (US\$)
Budget	\$ 75.66	\$ 16.00
Mid-range	\$ 118.49	\$ 22.00
Small-scale up market	\$ 225.47	\$ 74.00
Large scael up market	\$ 172.84	\$ 31.00
The Club (all inclusive)	\$ 123.27	\$ 32.00

As the figures above indicate, small-scale up market tourist (the same category into which business and luxury travelers tend to fall) have the highest daily expenditure as well as the highest average spending on souvenirs (*Bought in Zanzibar: A Survey of the Zanzibari Souvenir Market, 2010*).

Beyond the larger markets, specialty shops and galleries exist for higher-end items such as masks and antique wood carvings (Figure 14). Masks in the Libreville shop are of various tribes indigenous to Gabon, Cameroon and the Congo and the style of carving and markings varies by ethnic group. Masks are highly

Figure 14: Tribal Masks for Sale



valuable to collectors of African art; for example a Punu from a tribe native to the Ogooue River basin in Gabon sold at the Sotheby's auction house for US\$398,500 in 2011,⁵⁸ and the record price for an African work of art is EUR5.9 million (US\$7.7 million) for a Fang mask from Gabon, sold in 2006.⁵⁹ Similar to products sold in the artisanal market, country of origin is not noted in specialty art shops, and there is no certificate of provenance to indicate whether the

⁵⁸ <http://www.sothebys.com/en/auctions/ecatalogue/2011/african-oceanic-and-precolumbian-art-n08749/lot.258.lotnum.html>

⁵⁹ Benin mask expected to break auction record, The Art Newspaper, 22 December 2010.

mask is original or a replica and not stolen goods from a museum cache. An alleged replica mask is priced around XAF80,000 (US\$160) while the alleged authentic ones may be XAF120,000 (US\$240), XAF400,000 (US\$800) or even XAF5,000,000 (US\$10,000), depending on age, tribe, market trends and other features. Similar masks (e.g., Punu and Fang, generally labeled as Cameroon or Congo origin) sold in Johannesburg retail shops for US\$38-180, depending on size; thus prices are higher in Gabon, despite close proximity of local production.⁶⁰ All the masks sold in Gabon looked aged, making border confiscation a concern since export of antiques requires government certification (Department of Culture Arts), and without documentation there is no way to prove that the mask purchased is legitimate, non-antique, and as such, exempt from certification requirements. Certification of authenticity could enhance sales of up-market handicrafts, encourage development of community artisans and help protect Gabon's cultural resources.

5.3 Other Issues

5.3.1 Protection of Wildlife Resources

The ability to attract ecotourism depends on preservation of the natural resources that are Gabon's comparative advantage relative to other destinations. Despite Gabon's support for the Application of Wildlife Act (AALF),⁶¹ poaching and illegal trade of animal products continues. In January 2011, the Government intercepted and confiscated body parts and skins of gorilla, ape, leopard, elephant snake and lion, including some endangered species.⁶² Wildlife officials believe that as many as 50 to 100 elephants are being killed every day in Gabon's dense forests.⁶³ In Minkebe National Park alone, it is estimated that 11,000 elephants have been killed since 2004.⁶⁴

A US\$5 million grant awarded by Google to the WWF in 2012 may help wildlife protection efforts by testing new technology for remote aerial survey systems, wildlife tagging and ranger patrolling guided by Spatial Monitoring and Reporting Tool (SMART) and other analytical software.⁶⁵ SMART technology may have the added benefit of enabling tracking of animals for tourists who otherwise have difficulty finding wildlife in the dense forests. Additionally, with support of the Wildlife Conservation Society in partnership with ANPN and Ministry of Water

⁶⁰ Johannesburg airport survey, Global Development Solutions, LLC, 5 June 2013.

⁶¹ The AALF is a joint program of Gabon's Water and Forest Ministry, Conservation Justice and Brainforest. AALF assists local authorities with wildlife crime investigations and supports rigorous prosecutions. It follows a model established by the Last Great Ape Organization in Cameroon.

⁶² Gabon seizes massive cache of ape parts and leopard skins, World Wildlife Fund, 19 January 2011, <http://worldwildlife.org/press-releases/gabon-seizes-massive-cache-of-ape-parts-and-leopard-skins>

⁶³ Gabon Hardens Gun Laws as Elephant Poaching Increases, Wanderlust, 19 February 2013, <http://www.wanderlust.co.uk/magazine/news/gabon-hardens-gun-laws-as-elephant-poaching-increases>

⁶⁴ The Fight to Save Gabon's Elephants, Bloody Ivory, 1 March 2013. <http://www.bloodyivory.org/news/gabon-ivory-seizure-february>

⁶⁵ Google Helps WWF Stop Wildlife Crime, World Wildlife Fund, 4 December 2012, <http://worldwildlife.org/stories/google-helps-wwf-stop-wildlife-crime>

and Forestry, from March 2013, the services of trained detection dogs are being used at airports and ports in Gabon to intercept ivory, leopard skin, iboga and pangolin scale.⁶⁶ Besides stopping smugglers, Gabon would benefit from raising public awareness globally particularly in ivory and endangered animal-consuming countries. An example of a global public awareness anti-poaching campaign targeting consumers is noted in the case box below. Border protection also needs to be improved as many poachers are believed to enter Gabon from Cameroon, undermining protection efforts including a February 2013 ban on rifles using large caliber ammunition.

Lessons from South Africa

Despite abundant public awareness campaigns locally, the number of rhinos killed in South Africa, home of 75% of the world's rhino population, continued to soar. In Asian markets, rhino horns sell on the black market for more than US\$60,000 per kilogram, then are ground and used as a hypothetical cure for cancer or a vitality tonic for the wealthy. Looking to take the message to those who are ultimately responsible for enabling poaching and horn demand, South African conservation group StopRhinoPoaching.com teamed with a South African advertising agency, TBWA/Hunt/Lascaris, to develop an awareness campaign targeted at users of rhino horn products. The campaign hopes to make consumers aware of the carnage for which they are responsible.



The campaign is communicated via inserts and direct mail using postage stamp-style stickers bearing images of mutilated animals and the words “Say no to rhino horn” in local languages. South African people are provided with free booklets of stamps and are encouraged to attach the stamps to any mail bound for China, Thailand and Vietnam. Besides stamp booklets, the campaign also displays posters made from hundreds of stamps. People are encouraged to detach them and affix them to their own mail. Beyond traditional post, the innovative campaign is spreading across the internet.

Source: Matthew Brink, Stop Rhino Poaching: The Rhino Stamp Project and Post Apocalypse: Hunts Hopes a Simple Stamp Can Help End SA's Rhino Carnage, Financial Mail, 31 May 2013.

5.3.2 Limited Tourism Data

While the Ministry of Interior, Public Security, Immigration and Decentralization is to share details on tourist arrivals with the DGT starting 2012, the information links have yet to occur. As such, information that may be valuable for marketing planning and attracting investment is not available. Instead, Gabon Tour presently selects travel show participation largely based on the size of the show (number of participants) rather than where suitable target markets might be. Given the expense of a trip to and within Gabon, as well as its unique natural offerings, the country would do well to develop and target tourism profile, such as higher income, higher daily spend patterns, longer stays, specific interests in nature or science, etc., as well as ease of access (e.g., direct flights), rather than a generic campaign that treats all markets equally regardless of

⁶⁶ Wagtail International Specialist Dog Service (UK), <http://www.wagtailuk.com/elephant-ivory-detection-dogs/>

revenue potential for Gabon. While the anticipated immigration data may be helpful, ideally, Gabon would find a way to look beyond the immigration card and effectively utilize data such as nationality, age, country of flight origin, purpose of visit, length of stay, itinerary and spending patterns, as well as conduct market research and interview of tourists to better understand the market. Timely statistics can be critical in forming decisions. For example, after noting that tourism growth fell to 1% annually and nights stayed in hotels dropped 6%,⁶⁷ the tourism board in Morocco repositioned their marketing budget away from Spain and France, which historically dominated arrivals but which were undergoing economic downturns, and toward Britain, Germany and Saudi Arabia.⁶⁸ Germany and the U.K. have been less affected by the economic crisis than have other European countries, and wealthy tourists from the Gulf region tend to stay longer and spend more than other tourists. Further, Morocco has developed extensive statistics on tourism in order to inform decisions and strategy, whereas Gabon currently has no such data.

5.3.3 Lack of Strategy for Infrastructure Development

Tourism infrastructure development to date largely has been event-driven, such as for the Africa Cup of Nations (CAN) (2012), for which a new stadium in Libreville was built and road and airport upgraded,⁶⁹ and the African Union Congress (expected 2014), for which a 1,000-seat assembly hall will be purpose-built. As such, both public and private sector development often is reactive rather than proactive and may not consider long term sector capacity needs. Many of the hotels built or renovated in the period leading up to CAN did not or have not subsequently achieved expected occupancy rates. At the same time, pockets of sector development occur independently of ancillary yet required infrastructure (e.g., building a facility but no way for tourists to reach it), reflecting an attitude of “if we build it, they will come” but without an overarching strategic plan for tourism development. Comprehensive planning is required to sustain the prospects of overall growth.

Events do not always lure the intended crowds: CAN 2012 had the lowest CAN total attendance since 1998 and lowest average match attendance since 2000 (Table 30). During some of the group matches in Franceville, for example, players and match officials reportedly outnumbered fans in the stadium.⁷⁰ While local attendance was limited since both host countries' teams were eliminated early in the tournament, the tourism sector anticipated an influx of international attendance that did not materialize, largely attributed to the high costs of travelling, visas and accommodation. Organizers reportedly issued free tickets to try to fill stadiums. While the

⁶⁷ Paul Schemm, Morocco Looks to UK, Germany to Beef up Tourism, Associated Press, 10 April 2013, <http://news.yahoo.com/morocco-looks-uk-germany-beef-tourism-214605526.html>.

⁶⁸ Interview 10 April 2013, Lahcen Haddad, Minister of Tourism, Morocco, Associated Press, <http://news.yahoo.com/morocco-looks-diversify-tourism-arrivals-181302813.html>.

⁶⁹ Confederation of African Football Coupe d'Afrique des Nations 2012 (CAN) was held 21 January to 12 February 2012 and co-hosted by Gabon and Equatorial Guinea. Within Gabon, matches were held in Libreville and Franceville. The final was held in Libreville in Angondjé Stadium, a 40,000-seat stadium constructed for the event. Stade de Franceville has capacity for 20,000 spectators.

⁷⁰ Africa Cup of Nations: Low Turn-out Expected at Semifinals, China Central Television, 8 February 2012, <http://english.cntv.cn/program/sportscene/20120208/117126.shtml>

Libreville stadium reached full capacity for the final match, overall throughout the tournament, only 66% of capacity was reached in Libreville and 25% in Franceville. Attendance at co-host Equatorial Guinea achieved 83% of capacity in Malabo and 37% in Bata.⁷¹

Table 30: Attendance, Africa Cup of Nations, 1996-2013

Year	Host	Attendance	
		Total	Average per match
1996	South Africa	640,880	22,099
1998	Burkina Faso	412,800	12,900
2000	Ghana/Nigeria	677,500	21,172
2002	Mali	570,000	17,813
2004	Tunisia	553,500	17,297
2006	Egypt	NA	NA
2008	Ghana	714,000	22,313
2010	Angola	543,500	18,741
2012	Gabon/Equatorial Guinea	456,332	14,260
2013	South Africa	729,000	22,781

NA = not available

As of 2013, the tournament switched from even-numbered to odd-numbered years so as to not conflict with the schedule of the FIFA World Cup.

Source: ESPNFC.com, Wikipedia

5.3.4 Inefficiencies and Lost Revenue Due to Limited Credit Card Acceptance

Gabon is primarily a cash economy, and as such, only major hotels accept credit cards. Smaller hotels and all non-hotel expenses (dining out, etc.) must be paid in cash, a significant and often unexpected burden for the international traveler. The burden is compounded by the small denominations of Central African CFA Francs, where XAF10,000 (US\$20) is the largest circulating denomination, requiring the traveler to carry a substantial volume of cash to cover a stay lasting more than a few days or a group meeting or event. Ironically, the major hotels that do accept credit cards provide automated teller machines in their lobbies; otherwise the tourist needs to locate an ATM in the city center or at a shopping center. Central African CFA Francs cannot be readily exchanged outside of Gabon, so the traveler must budget wisely so as to not have an excess of unusable local currency at the end of a trip, and therefore is likely to only withdraw small amounts from the ATM at a time, thus requiring multiple ATM trips. Inability to use credit cards also dissuades tourists from spending money and thus limits tourism revenue.

5.3.5 Absence of Coordinated National Strategy

Several institutions, including DGT, Gabon Tour, ANPN and ANGT, are engaged in developing the sector under the auspices of a national strategy. Each of these stakeholders acts largely independently of the others, and carries out activities such as DGT consulting with the

⁷¹ Global Development Solutions, LLC, analysis of ESPNFC.com data.

Government of South Korea on a Visit Gabon Year campaign, Gabon Tour exhibiting at international trade shows and hosting a Central Africa travel show, ANPN promoting the “Vision for Gabon” ecotourism strategy and ANGT building hotels and attractions. While Gabon is virtually unknown for tourism internationally and could benefit from public relations and marketing in the future, promotional efforts by Gabon Tour and others may be premature until infrastructure exists such that sector is capable of meeting tourist expectations. Moreover, unlike conventional national tourism boards that focus on promotion and providing market intelligence, Gabon Tour arranges and sells travel packages directly in competition with commercial agents and tour operators, undermining the institutional support relationship. The sector would benefit from greater coordination and definition of the roles and responsibilities among the various stakeholders.

6. Recommendations

Based on findings from the value chain analysis, the following recommendations were conceived to enhance tourism sector development. Table 31 provides an overview, while Table 32 describes detailed activities to achieve recommended actions. Priority (high, medium or low) indicates the relative necessity for sector development. Timeframe (short, medium or long) estimates how long an activity may take to realize results.

Table 31: Priority Actions and Timeframe for Development of the Tourism Sector

Recommended Action	Priority			Timeframe		
	High	Medium	Low	Short	Medium	Long
1. Develop comprehensive interactive tourism database	■	■		■	■	
2. Reform visa policy	■	■		■	■	
3. Improve transportation networks	■	■		■		■
4. Improve infrastructure supply and reliability	■				■	■
5. Improve labor skills	■	■	■	■	■	■
6. Develop public relations and branding	■	■			■	■
7. Restructure institutional support	■		■	■	■	
8. Streamline regulatory environment		■		■	■	
9. Protect natural resources	■					■

Table 32: Potential Recommendations to Enhance the Tourism Sector

Recommended Action	Detail of Activities	Priority	Timeframe
1. Develop comprehensive interactive tourism database	1.1. Provide technical and management support as necessary to further encourage formal registration and registration renewal with DGT to help improve access to information by tourists.	High	Short
	1.2. Establish detailed database of visitor metrics relevant to sector development, such as type (international, domestic), purpose (e.g., business, leisure) citizenship, spending, country of residence, age, gender; in order to better target marketing resources and investment and benchmark success.	High	Medium

Recommended Action	Detail of Activities	Priority	Timeframe	
	1.3. Centralize information to improve access and analytical capabilities of various stakeholders and enable benchmarking, scenario projections and informing of policy.	High	Medium	
	1.4. Publish or make available tourism metrics via the internet and in multiple languages in order to attract sector investment and participation and eliminate barriers to information sharing among sector participants.	High	Medium	
	1.5. Synchronize with customs authorities to enable data sharing and collection of metrics specifically relevant to developing the tourism sector.	High	Medium	
	1.6. Develop web-based collection forms to support compliance with <i>Notification No. 00000282/MPITPHTCAT/SG/DGT/DER</i> , which requires periodic data collection from travel agencies on data to enable ease of reporting and consistency of data format so that it can be readily incorporated into the national tourism statistics database.	Medium	Short	
	1.7. Create a registry of service providers (e.g., agents, guides, hotels, restaurants) to be marketed through a Gabon Tour web site.	Medium	Medium	
	1.8. During the interim period while the database is being established, consider targeting marketing activities on countries with a higher spending per capita, such as China, France, Italy, Japan and USA.	Medium	Medium	
	1.9. Supplement existing tourism statistics with regular primary research on tourism experiences and preferences of both current and target markets to identify potential areas for targeting and investment.	Medium	Medium	
	1.10. Introduce exit surveys to be conducted regularly at airports or hotels, and focus groups meetings with local residents and prospective tourists in countries/cities identified as target markets.	Medium	Medium	
	2. Reform visa policy	2.1. Adopt relevant legal text to harmonize regulation and policy, which currently are at odds given that regulations state that visas are not required. Revise <i>Law No. 5/86</i> and <i>Decree No. 000649/PR</i> to allow for visa requirements so that a legitimate visa policy can be developed.	High	Short
		2.2. Review visa policy with an eye toward reducing barriers for target markets for tourism. In particular, provide a visa-waiver for visits up to 30 days for tourists from countries with the biggest expenditure in ecotourism or business conferences.	High	Short
2.3. Review consulate procedures for visa processing and implement safeguards in order to ensure transparency and consistency with policies.		High	Medium	
2.4. Reduce airport intake times and streamline arrival processing by enabling web-based application of visa and customs entry forms, so that data is already in a data file activated upon bar code scan or confirmation code entry and does not need to be hand-entered by customs staff. Such a system also will reduce potential data entry errors and enable data collection as noted in 1.0.		Medium	Medium	

Recommended Action	Detail of Activities	Priority	Timeframe
	2.5. Reduce or eliminate visa fees in general in order to become more competitive relative to other destinations; loss of visa fee revenue can be offset by revenue generated by increased arrivals.	Medium	Medium
	2.6. For countries where visas are still desired (e.g., security or health concerns), streamline visa requirements to make the application process less cumbersome while also capturing relevant data needed to address said concerns.	Medium	Medium
	2.7. Create and maintain a multi-lingual web site that clearly states Gabon visa requirements for all nations; this site can be linked to sites of individual embassies and consulates so that information is readily accessible and consistently applied.	Medium	Medium
3. Improve transportation networks	3.1. Reduce airport fees and operating costs to encourage airline entry and decrease air ticket prices. In particular, consider reducing landing fees imposed by ADL; night operating surcharges imposed by HPG; and air navigation fees per ASECNA. While further investigation is required to identify causes of excess costs, the contract terms of ASECNA air navigation fees should be immediately reviewed and renegotiated as they appear to be especially uncompetitive.	High	Short
	3.2. Enhance road networks and road quality to reduce cost and travel time for tourist and support staff and services. Create a road construction and maintenance plan that optimizes access between tourism entry points and tourism facilities/sites.	High	Long
	3.3. Explore environmentally friendly and cost-efficient transport options such as expanding and optimizing schedules of passenger car rail service using existing rail network, developing small plane/helicopter networks that do not require significant infrastructure investment (e.g., can utilize unpaved landing areas) and creating reliable passenger boat networks and schedules.	Medium	Long
4. Improve infrastructure supply and reliability	4.1. Improve financial and communication networks to enable widespread credit, debit and charge card acceptance. The cost of developing such networks potentially can be funded not only by greater tourism spending but also by increased income tax revenue from greater transparency and traceability of financial transactions, which likely are underreported as cash.	High	Medium
	4.2. Make grid service more dependable and affordable, particularly for electricity and communications/internet networks, to enable hotels and other tourism suppliers to reduce their cost structures and enhance international competitiveness.	High	Long
5. Improve labor skills	5.1. Focus national education on general and technical areas relevant to tourism development, including problem solving, foreign language, management skills and entrepreneurship, science education to raise awareness, and technical skills to support ecotourism development (e.g., park management and guides).	High	Long

Recommended Action	Detail of Activities	Priority	Timeframe
	5.2. Develop institutional capacity in the public sector, for example IT and database analysis skills in DGT and marketing strategy skills within Gabon Tour	High	Long
	5.3. Consider relaxing local employment requirements of <i>Code du Travail National Law No. 3/94</i> to enable skill gaps to be temporarily filled by foreign labor while local labor skills are being developed.	Medium	Short
	5.4. Develop tour guide training certificate programs covering relevant topics such as history, geography, arts and culture, science and languages. Eliminate the current 5-year tour guide experience requirement noted in <i>Homologation des Entreprises a Vocation Touristique</i> and instead focus on subject-matter knowledge as tested by examinations and a brief apprentice program.	Medium	Medium
	5.5. Develop tourism specialty schools (vocational schools) in collaboration with the private sector to ensure curriculum is aligned with private sector needs, including entrepreneurship. Consider financial assistance and/or web-based education services to reach students in rural areas near ecotourism sites.	Medium	Long
	5.6. Develop artisan vocational training programs, including technical and marketing skills, and particularly in rural areas, to preserve local culture, create employment and capture missed revenue opportunities from sales of handicrafts and gifts.	Low	Long
6. Develop public relations and branding	6.1. Ensure message timing is aligned with the actual ability to provide services and meet expectations. While development of marketing strategy can start immediately, a long-term budget for marketing expenditures should be built around a timeline for spending with a maximum 12-month lead time ahead of resources and infrastructure availability, to coincide with travel planning cycles.	High	Medium
	6.2. Identify external and local target markets (e.g., nationality, income level, psychographic profile, interests) for each tourism product (e.g., ecotourism, business/conference and cultural), and develop customized marketing strategies for each segment, with spending for each target market proportionate to market opportunity.	Medium	Medium
	6.3. Develop country branding campaign for Gabon to increase awareness of tourism offerings and country stability in general among both international and local markets.	Medium	Long
	6.4. Internally, develop appreciation for cultural and natural heritage of Gabon among the local population, to encourage long-term conservation of resources and enable local residents to act as ambassadors for Gabon tourism. Appreciation and awareness can be promoted in general education as well as through a public relations campaign.	Medium	Long

Recommended Action	Detail of Activities	Priority	Timeframe
7. Restructure institutional support	7.1. Create an APEX organization for tourism to enable and enhance coordination, information-sharing and responsibility-taking of tourism development activities, with the goal of developing and implementing a well-coordinated national strategy.	High	Short
	7.2. Through APEX organization, define clear roles for tourism functions and consider restructuring those that are not contributing to or benefiting sector development. For example, Gabon Tour currently acts in competition with agencies since it also sells tours. The charter of Gabon Tour can be amended to align with that of other countries' national tourism boards, e.g., promote Gabon tourism locally and internationally, manage the country brand, provide market intelligence for the travel industry, advise private sector operators on appropriate contacts and potential partnerships and link buyers and sellers (i.e., tourists with private sector providers).	High	Medium
	7.3. Facilitate development of private sector associations and other representational groups to encourage communication within the sector, promote stakeholder interests, advocate regarding desired support and services and be a resource for marketing and attracting investment and other support.	High	Medium
	7.4. Develop a tourism cluster via public-private partnership to create a forum for sector coordination, development and advocacy and enable better inter-ministerial and private sector communication regarding development of the tourism sector and the national economy as a whole.	High	Medium
	7.5. Optimize resource allocation among ministries, agencies and other public sector stakeholders.	High	Medium
	7.6. Revise ratings system for hotels and restaurants, in collaboration with private sector and benchmarked to competitor countries, to reduce focus on physical facilities (e.g., existence of an elevator) and better reflect level of service provided. Consider classes of facilities, for example different ratings criteria for small/boutique hotels versus large hotels. Publish criteria for ratings and make evaluation process fair and transparent with ability to appeal so that hotels and restaurants are encouraged to participate and can work toward rating goals and tourists can make more informed choices.	Low	Medium
8. Streamline regulatory environment	8.1. Review and rationalize legal requirements pertaining to the sector and increase awareness of requirements among stakeholders so that regulations and enforcement are consistent and relevant to sector goals and a stable business environment is created to encourage investment. Specifically, develop further details regarding the terms of compliance and benefits associated with <i>Notification No. 00000282/MPITPHTCAT/SG/DGT/DER</i> , enacted in December 2012, requiring publication, advertising and reporting by travel agencies and “greater cooperation” with Gabon Tour.	Medium	Short

Recommended Action	Detail of Activities	Priority	Timeframe
	8.2. Develop a web site to provide samples of required materials and a reporting interface.	Medium	Short
	8.3. Ensure compliance with a public comment process prior to enactment and widespread stakeholder notification for all laws pertaining to the sector. Private sector associations as noted in 7.3 can help facilitate these communications.	Medium	Short
	8.4. Develop a portal (e.g., web-based “one stop shop”) so that requirements and resources for current and potential stakeholders are well-defined, accessible and transparent	Medium	Medium
9. Protect natural resources	9.1. Provide resources for curbing poaching and use/exportation of endangered animal products. On the supply side, step up park presence and enforcement in parks as well as areas where products are sold and toughen laws and sentencing terms for poaching and trade. On the demand side, consider a global public awareness campaign targeting primary consumers, modeled for example on South Africa’s recent Stop Rhino Poaching stamp campaign against rhinoceros horn use in select Asian markets.	High	Long