

## Working Paper

CEsA CSG 190/2023

# STUDY OF THE VALUE CHAIN OF THE TOURISM SECTOR IN ANGOLA AS AN ALTERNATIVE ECONOMIC, SOCIAL, AND ENVIRONMENTAL DEVELOPMENT STRATEGY UNDER THE PRODESI PROGRAMME

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## ABSTRACT

Angola has been facing several economic and social problems, with one of the most important being related to the country's long tradition of dependency on oil as a major external revenue. Due to this situation, the country's income has been slowing and there is a need to find alternative strategies to increase the liquidity of the economy without which Angola would lack the necessary funds to increase investment and proceed with adequate policies to combat social exclusion and eradicate the flows of poverty.

Aware of this situation, the government implemented the national PRODESI project, whose aim is to accelerate the process of the diversification of the nation's economy. To this end, the project aims to promote production and exports in the non-oil sectors, as well as in sectors with a strong potential for import substitution. One of these areas is tourism, as a means of developing some of the country's regions and provinces, and also in order to benefit populations living in worse conditions, whilst diversifying the economic restrictions.

The focus of actions in PRODESI foresees that the to accelerate the diversification of the economy, whether through import substitution or through diversification and an increase in exports, will be directed towards the production of goods and services or the implementation of new strategies designed to gain critical mass and create intra- and inter-sectoral relationships, such as in the case of tourism.

Accordingly, the purpose of this research is to identify the main weaknesses of the core value chain of tourism and to propose a set of measures and recommendations to be implemented within the scope of PRODESI. The main objective is to ensure that this activity effectively contributes to diversifying Angola's economy in a sustainable path and that it helps leverage the increase in national production in a faster and more efficient way and thus significantly help decrease the dependency on imports and increase the export basis, which can be achieved through adopting a strategy of diversification, based on both international and national tourism.

Methodologically, several studies were consulted and various meetings and in-depth field visits were made, between January and March 2000, in the provinces of Luanda, Malange, Huíla, and Namibe. Several interviews were carried out up until 2021 with major players (ranging from ministers through to national directors and other experts) and tourist organizations (Ministries, Travel Agencies, and entrepreneurs).

It is estimated that in the next 10 years Sub-Saharan Africa will register a growth in tourism superior to the global average, regardless of the COVID pandemic.

This research concluded that even though tourism in Angola still faces a deficit at several levels, the country nevertheless has a set of natural resources and tourism attributes that, if properly explored and used, could provide an alternative way for the future development of Angola's society.

Angola still faces residual tourism receipts from tourism activity as well as in total international incoming tourists, and therefore Angola's national government may have a huge opportunity to implement a suitable tourism strategy (both for internal and external flows), in order to not only reinforce its importance but also to benefit the population, fight poverty, and diversify economic activities, as defined in the PRODESI strategy.

**Key Words** Economic diversification, Tourism activity, Angola, PRODESI

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## Introduction

This paper is a direct result of a consultancy project when the author was sent to Angola to work there for a two-year period with the Government and for local entities in several provinces under the PRODESI project.

PRODESI is the acronym for the Production Support, Export Diversification and Import Substitution Programme, approved by Presidential Decree No. 169/18 of 20 July, which aims to accelerate the diversification of national production and wealth generation, for a series of productions which are considered to have the most potential for generating export value and import substitution, namely in the following priority sectors: Food and Agro-industry, Mineral Resources, Oil and Natural Gas, Forestry, Textiles, Clothing and Footwear, Construction and Public Works, Information and Telecommunications Technologies, Health, Education, Training and Scientific Research, Tourism and Leisure.

PRODESI assumes the structural role of the petroleum sector and the need to improve the business environment of the country, including the increase of productivity and competition and attracting more foreign investment. The main pillars of PRODESI are based on: (i) import substitution, with an emphasis on development of value chains and incentive to private sector involvement in agribusiness; (ii) promotion and diversification of exports in the sector non-petroleum; (iii) creation of a business environment conducive to developing the private sector and attracting investment and private sector participation in economy; (iv) infrastructure development; and (v) human capital development.

PRODESI has several key objectives: (i) increase production and the sales volume of priority productions and sectors, by accelerating diversification and enhancing national comparative advantages; (ii) reduce the expenditure of foreign exchange resources on the basic food basket; (iii) increase and diversify foreign exchange sources; (iv) increase the sources of foreign investment, volume of foreign direct investment carried out in production and production lines and (v) improve the national business environment.

In this context, it is important to analysis the current state of tourism and leisure by studying the existing sectoral studies. Furthermore, the mega global and regional trends of tourism is important, as well as the mapping of the value chain through benchmarking, the structuring of opportunities for business, and the identification of investors and opportunities for investments. To this end, the author had the responsibility to analyse, monitor, and propose different measures to improve Tourism and Leisure activities under this programme.

In this research work, we reflected on the best way to preserving and resume tourism in Angola. In this sense, several distinct and decisive proposals and measures were identified and enumerated for spearheading the recovery, leading to the creation of a plan that is especially aimed at promoting internal tourism, based on a strong commitment to digitalization, a change in the communication policy of the destination, and the maintenance of support to the private sector, among many others.

Despite the delicate situation that the world is experiencing, there is still an important need to launch a Tourism Recovery and Reorientation Plan which, in the short term, is concentrated decisively on the domestic tourism market, whereas in the medium and long term the focus for Angola will be on the international markets.

Based on the options for world tourism proposed by the Travel Council (WTTC), short-term measures should consider the support and restructuring of tourism companies, the generalisation of the implementation of systems for the control of contagious diseases, the recovery of tourist demand, the acceleration of digitisation, the promotion of innovative projects, and addressing the lack of growth in supply, especially in the coastal areas.

With regards the medium and long-term measures, there is a need to invest in the promotion of products that contribute more added value, working together with the tour operators and associations that are focused on promoting tourism as a way of diversifying the economy.

Naturally, in order to be successful, it is important to ensure that tourism is capable of maximizing its historical, economic, and environmental potential, to ensure the basic conditions for a national economic development strategy, together with the constant monitoring of the effects of tourism. The importance of the ongoing training of tourism professionals should not be underestimated if improved quality services are to be guaranteed, as well as a (re)adaptation to the international demands.

In an increasingly global world, which is highly competitive and inexorably technological, the communication also represents a primary task, demanding the creation and permanent monitoring of one or more tourism communication digital platforms that arouse interest in Angola as a destination, especially for the younger generations.

The Angolan government has been reiterating its public commitment to tourism, given its strategic potential for the country's economy.

In short, "there is still a long way to go, the truth is that we cannot stop walking" (ADJANY COSTA, Minister of Culture, Tourism and Environment - 2021).

## 1. LITERATURE REVIEW

The universally-acknowledged potential of the tourism industry regardless of the COVID-19 pandemic crisis has become consistently prominent across the world and has been generalised in both developed and developing countries (Kallmuenzer, 2019; Kallmuenzer, 2021).

The tourism industry not only delivers various services for both global and domestic business, but it also has various effects on a wide range of industries in every society. The tourism industry is a labour-intensive activity and therefore it may have a significant impact due to the number of employment opportunities for a workforce that in many cases may be relatively low skilled or completely unskilled. This activity also provides

local people jobs, as well as the development of their occupational skills (de Bruyn & Meyer, 2022).

From these aspects, tourism is often recognized as being an activity that has a huge potential to promote local economic development (LED), helping to ensure that regions share the overall economic, social, and environmental prosperity (Cárdenas- García et al., 2015).

However, experience from previous years have shown that in some cases tourism may not be established in every region for various reasons. In such a situation, it is therefore important that policymakers of a certain region are aware of its vulnerabilities and challenges, so that they can assess whether tourism has the potential to be considered as a viable option for local development, or not.

Tourism development has often been used as a strategic instrument to encourage both economic growth and development, which includes revenue sourcing (Phiri, 2016), as well as other aspects, such as employment and local development. It is often recognized that tourism can strongly contribute to promoting a socio-economic environment that is capable of developing work-related opportunities through enhanced local investments that also improve the infrastructure and increase import revenue (Pedrana, 2013). However, it is important to distinguish between economic development and economic growth, because both are equally important (de Bruyn & Meyer, 2022).

Either way, the impact of tourism on the global reduction of poverty remains quite important for several regions, especially in Africa (Medina-Muñoz et al., 2016).

LED can be understood to be a pro-active process wherein the entire community, such as businesses and residents, collaborate in an effort to stimulate local economic activities looking to raise their standard of living, while creating sustainable employment prospects. It is often concluded that the relationship between LED and tourism can be highly beneficial for those of low-income status when all the available

opportunities are sustainable and therefore the resulting benefits may be spread to all levels of the local community (de Bruyn & Meyer, 2022).

One major aspect is that local tourism development and LED may support more frequently micro-enterprises and small-and-medium-sized companies that can substantially contribute to the development and sustainability of the local population (Campón-Cerro et al., 2017).

On the other hand, the innovative characteristics of the tourism industry can also frequently cross various changing boundaries between the formal and informal economy, such as occurs when local crafters and guides increase their contribution to profit-driven opportunities.

Nevertheless, the tourism industry also provides for the redistribution of wealth among the low-income population and, therefore it tends to enhance the economic growth of the local community. Accordingly, it is easy to understand why prior to developing plans focused on the implementation of activities that incorporate tourism in LED protocols, decision-makers need to fully understand the competitive advantages of a particular region and also the opportunities and linkages that may affect the local community (de Bruyn & Meyer, 2022).

On the other hand, it should be noted that within economic activities, negative effects may arise within a community, which is especially true if planning and management systems are inadequate. Therefore, the promotion of tourism can also give rise to negative impacts on the natural environment, including loss of habitat and biodiversity, which in turn promotes pollution and soil erosion (Seetanah & Fauzel, 2018), as well as problems with an increase in criminal activity and conflict, whereby the community would not share in the beneficial aspects of tourism.

It is therefore important that local policymakers and governments request an input from locals as part of the decision-making process, in order to ensure both the approval of the local community and that they also consider environmental issues as a top priority to mitigate or avoid the negative aspects, especially those related to crime,

political instability, limited infrastructure management and maintenance, natural catastrophes, terrorist attacks, and health-related crises, such as the recent COVID-19 pandemic (WTTC, 2017).

Historically, effective destination management has been considered to be one of the vital aspects in developing a set of tourism products, since tourism is often based upon the use of core local resources and it is therefore important to understand the specific regional strengths and weaknesses required to develop appropriate strategies that encourage tourism development and local economic development (LED) (Andrades & Dimanche, 2017).

However, this not easy to achieve, because the overall enhancement of tourism and LED in a specific region is quite complex, owing to the community's perception that tourism products and services are intangible, or nebulous (de Bruyn & Meyer, 2022).

In addition, several studies regarding the competitive capacity of certain regions in developing their tourism market have been extremely limited (du Plessis et al., 2015). Accordingly, the accessibility of local data required for LED policymakers to develop appropriate decisions concerning regional policy implementation has become crucial to predict a thorough understanding of where strategic decisions should be implemented. Complementary, these strategic management policies must be pragmatic and should focus on important issues associated with the management and planning of a destination (Blancas et al., 2011). Only in such a case will it be possible to ensure an effective and sustainable management of tourism in destinations (de Bruyn & Meyer, 2022).

Worldwide tourism has become one of the major forces in driving economic development in various societies. However, if not adequately implemented, tourism can give rise to various problems. Therefore, it is important to implement a tourism management model that can maximize tourism resources, tourist information, tourism development, and also other information in a timely manner, in order that this activity becomes an important and stable economic growth activity as well as the adoption of measures to improve tourists' tourism experience (Feng, 2022).

Naturally, this strategy reinforces the importance of the use of new technological platforms, such as the application of cloud services to integrate tourism system data, which in turn can provide a better share of tourism information resources (Wu et al., 2018).

If properly implemented, a cloud service can bring about several main benefits, such as: improving the response time of smart tourism management; improving the efficiency of tourism management (Chen et al., 2018); handling complex tourism information problems in smart tourism by improving the efficiency of tourism management (Lee & Hong, 2018); and improving the processing ability of tourism information through the integration of tourism resources (Cui & Tan, 2017).

Recent trends in tourism rely on using other new technologies, such as the Internet of Things (IoT), cloud computing, next generation communication networks, high-performance information processing, and intelligent data mining to reinforce tourism services, as well as to improve tourism industry management. This strategy has the strength to systematically integrate, deeply develop, and serve tourists, tourism enterprises, and government management departments in a future-oriented way (Chen, 2022).

In other words, it is important that the government considers the various characteristics of modern smart tourism (Gretzel & Koo, 2021) and that it is aware that the problems that may arise from from tourism can be solved by making full use of new network technology tools, such as mobile Internet, the Internet of Things, and cloud computing (Chen 2022).

If type of this information that is currently available is properly handled, tourists may benefit from this, as they may make timely adjustments to their travel plans based on this information which will optimize and simplify the solution of the service composition problem on the Internet of Things environment (Correia & Gosling, 2021). Consequently, the need for trustworthy tourism information released by official platforms has nowadays become an urgent need for tourism demand groups, especially self-guided travelers. Only if these aspects are considered in depth can the



tourism industry benefit from the comprehensive advantages of tourism and promote the sustainable development of the tourism industry (Fusté-Forné & Jamal, 2021).

The potential of a region is based on its capacity to create a successful tourism story and use this as a way to boost tourism competitiveness, whereas local tradition, history, and way of life have been told from generation to generation to conserve such heritage (Moscardo, 2019). This is quite an important issue, since the final benefit of a tourism story provides tourists with both the precise information about the place and a better perception towards community. Any cultural and creative tangible and intangible assets that can thus be used to create a tourism story can provide a higher income and better sustainability for the region in question (Benjawan et al., 2019).

## 2. RESEARCH FRAMEWORK

The study was conducted in 2020-2022, following the framework below.

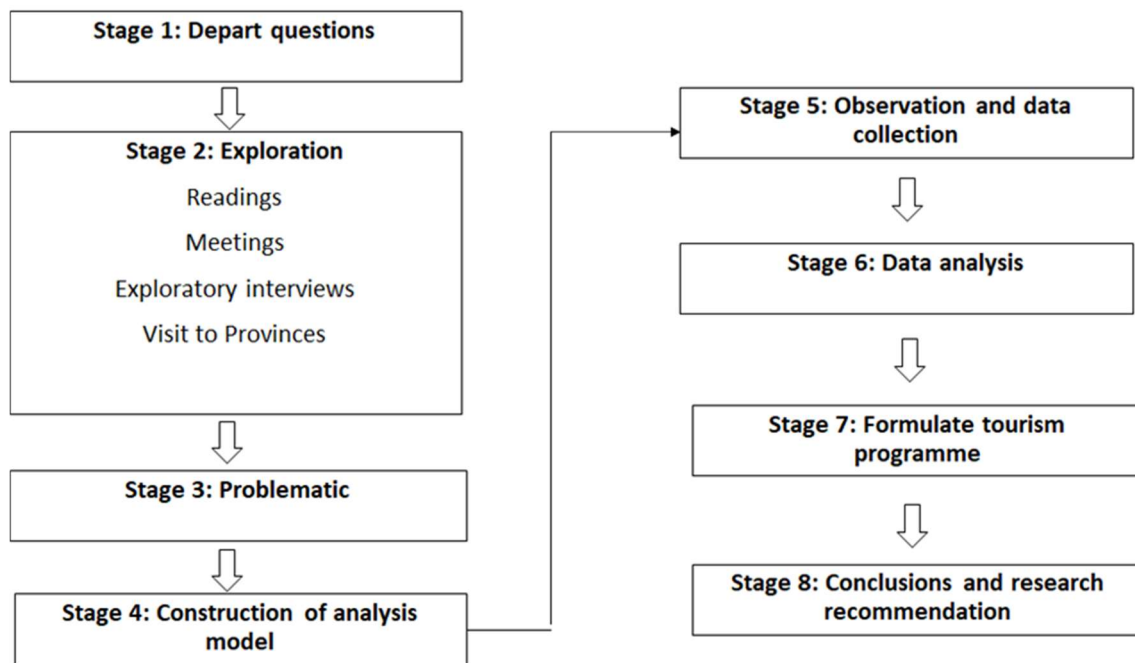


Figure 14: Research Framework.



The selection of an appropriate research approach is critical to successfully meet the research objectives. This study mostly employed a qualitative approach to analyse the tourism potential and limitations in Angola as a future strategic activity during our visits to various provinces and holding meetings with the population and experts.

According to Merriam (2009), qualitative research allows researchers to gain an insight into how people make sense of their own experiences and the world around them, as well as the significance they place on those experiences for both themselves and others. Thus, this qualitative approach helps shape the researchers' perceptions of the tourist challenges and provides extra guidelines for conducting the study.

This research employed the case study design (Yin, 1994). Data were collected through various semi-structured interview protocols, site visits, and collecting information on the government's platforms as well as primary data collection to capture consumers' experiences in detail.

During our visits to different provinces, various semi-structured interviews were conducted with companies, employees, directors, ministers, organisations, and even the members of the public.

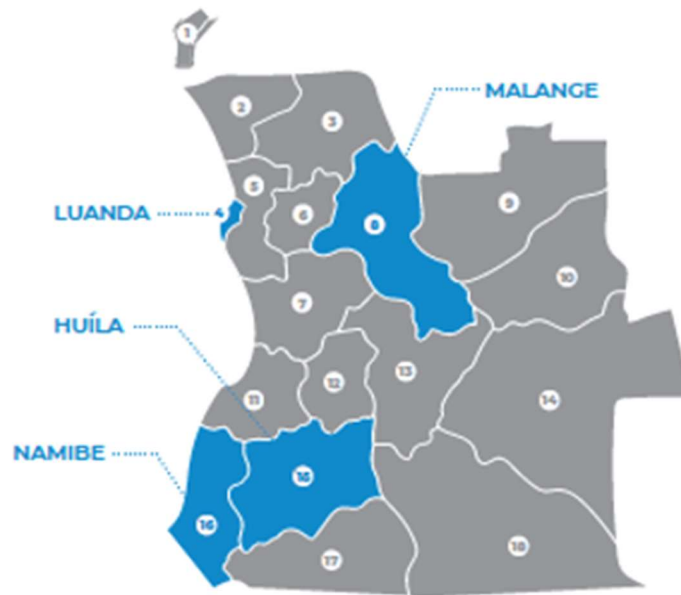


Figure 2: Provinces visited during the project.

The interview protocol was based on literature on positive purpose-driven organizations (Quinn & Thakor, 2018; Thakor & Quinn, 2019). Questions were adjusted suitably for each group and participants were probed further and were encouraged to provide specific examples to enhance the depth of the data. The interviews averaged from 15 to 30 minutes and were transcribed verbatim.

It would have been preferable to record the interviews through a digital recorder and later transcribe them, as this would allow the researchers to focus on the interviewees during the interview process, and then the researchers would only have to ensure that the interviews were transcribed correctly.

Accordingly, in-depth field visits were made to the provinces of Luanda, Malange, Huíla and Namibe during the months of January and February 2020, and two seminars were held. The following entities/people were involved:

Achiano Borja (National Director for population politics), Afonso Vita (Minister of Culture, Tourism and Environment - MCTA), Alexandre Neuca (Municipal Administration), Anuarite Kasson (Minister of Information and Social Communication Technologies), Augusto Pedro (Angola Travel and Tour Operators Association - AAVOTA), Asher Mangueira (Governor), Benjamim Jeremias (Lubango), Edilson Costa (Association of Hotels and Resorts), Flávio António (Consultant of the Prime Minister), Francisco Lemos (Municipal Administrator of Mussulo), Gaspar Barreto (INFOTUR), Guido Waldemar (Minister of Transports), Hamilton Viagem (Culture and Tourism Expert), Helga Reis Freitas (National Director of Public Health), João Mazunga (Cacongo Municipality), João Santos (Department of Promotion of Tourism Abroad), Jofrana Xavier (Project Manager), José Cabral (Travelgest), José Lisboa (TLF Formation), José Joaquim Tecas (Hotel Serra da Chela), Lemilton Domingos (Huambo-Cuando Cubango), Lourenzo Mancini (UNDP), Lourenço Gaspar (Instituto de Fomento Turístico - INFOTUR), Luís Castro (Finance Ministry), Luís Coelho (Pululukwa), Manuel Machado (Tourism Director Plan), Manuel Matias (Formation at MEP), Maria Amélia Bernardo (Tourism Entrepreneur), Mário Jacob (Tourism Expert), Mário Santos (Tourism and Hotelary Minister), Miguel Bernarndo (Mussulo), Mofinda (Secretary of State for Health), Ramiro Barreira (Association of Hotels and Resorts), Nuno Pires (Tourist Expert), Osvaldo Lenda (Provincial Tourism Director in Huila), Sérgio Santos (Minister of Economy), Simão Pedro (Director of INFOTUR), Tecas (Hotel Serra da Chela).

## 2.1 ANGOLA REVISITED

Angola suffered an oil shock in 2014-2015, which ever since then has been affecting the economic results of this country, as it depends heavily on revenues from this sector.

In fact, the subsequent evolution of the oil market combined with the sustainability of public debt have constituted the main risks for the consolidation of the Angolan economy and are evident in several indicators, namely in the evolution of real GDP.

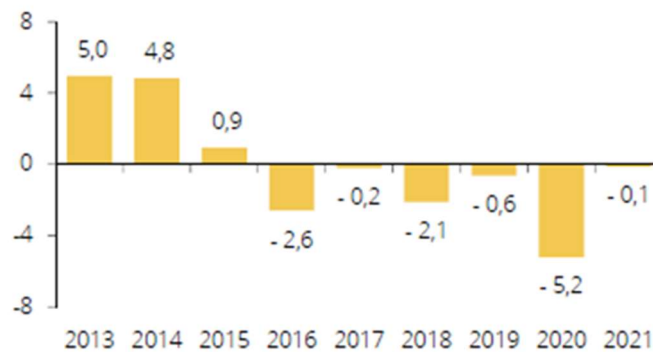


Figure 3: GDP (real) - annual change rates (%). Source: BP (2021).

GDP dropped 5.2% in 2020, which is the biggest fall since the end of the civil war in 2002. This situation has created several internal problems of poverty and inequality among the population over the country.

Despite this, government authorities maintained their commitment to economic consolidation policies. Monetary policy briefly sought to accommodate the impacts of the crisis by guaranteeing access to liquidity and by promoting credit, among other complementary aspects.

(—) Trade balance; (—) Global scale; (—) Current balance; (—) Average barrel price of oil

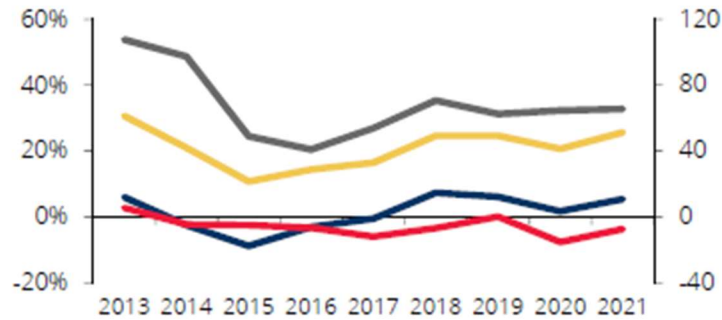


Figure 4: Balance of Payments and oil price (as a percentage of GDP, average price of a barrel of oil in USD). Source: BP (2021).

The exchange rate depreciation absorbed part of the shocks in the current account in 2020, mitigating the effect of the oil price variation on the respective balance.

Under this context, the dynamism of the non-oil sector and domestic demand both require the implementation of structural reforms, some of which are currently underway within the scope of PRODESI, but naturally the evolution of international dynamics and external support also has an important influence.

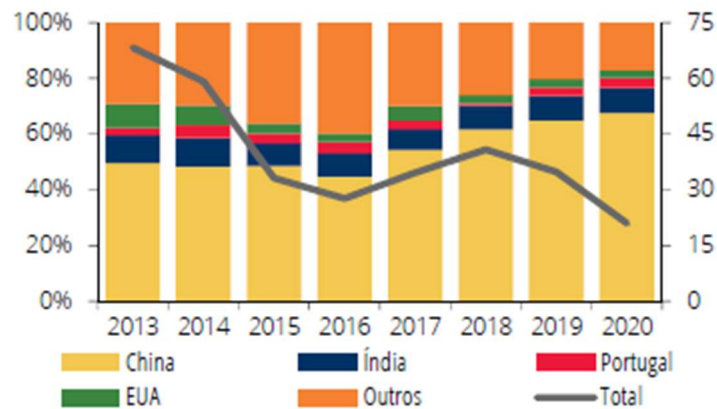


Figure 5: Crude oil exports, destinations in percentage, total in USD billion. Source: BP (2021).

The fall in oil exports over the years is essentially due to two main factors: on the one hand, the collapse of international prices, and on the other hand, the reduction in production itself.

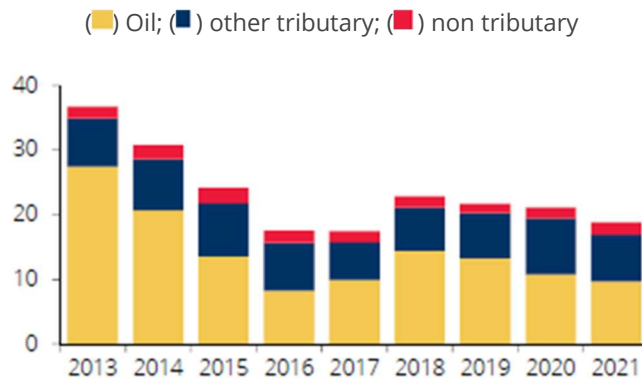


Figure 6: Public receipts (% GDP). Source: BP (2021).

As stated earlier, the fragility of the oil sector also affects fiscal receipts. In a timid way, the economic diversification taken by the Government has made some headway on the relative growth of the non-oil receipts. This has created the need to think about the development of other activities that can drive the country to prosperity. Accordingly, the PRODESI singled out tourism as one of the elected activities to reinforce the economic impacts.

### 3. WORLD TOURISM DIAGNOSIS

#### 3.1 GLOBAL VISION

Tourism has grown continuously over time up until the pandemic crisis, despite occasional shocks (naturally excluding here the global situation arising from the COVID-19 pandemic), demonstrating the strength and resilience of the sector.

In 2021, the world faced the devastating impact of the COVID-19 pandemic and the accompanying travel restrictions in the sector in 2020 and 2021. Thus, the total contribution to overall economy GDP, Asia-Pacific Travel & Tourism experienced its sharpest decline of 58.8%, followed by the Caribbean at 53.2%. In relation to the total jobs supported by Travel & Tourism, North America witnessed the steepest fall at 34.7% (WTTC, 2012).

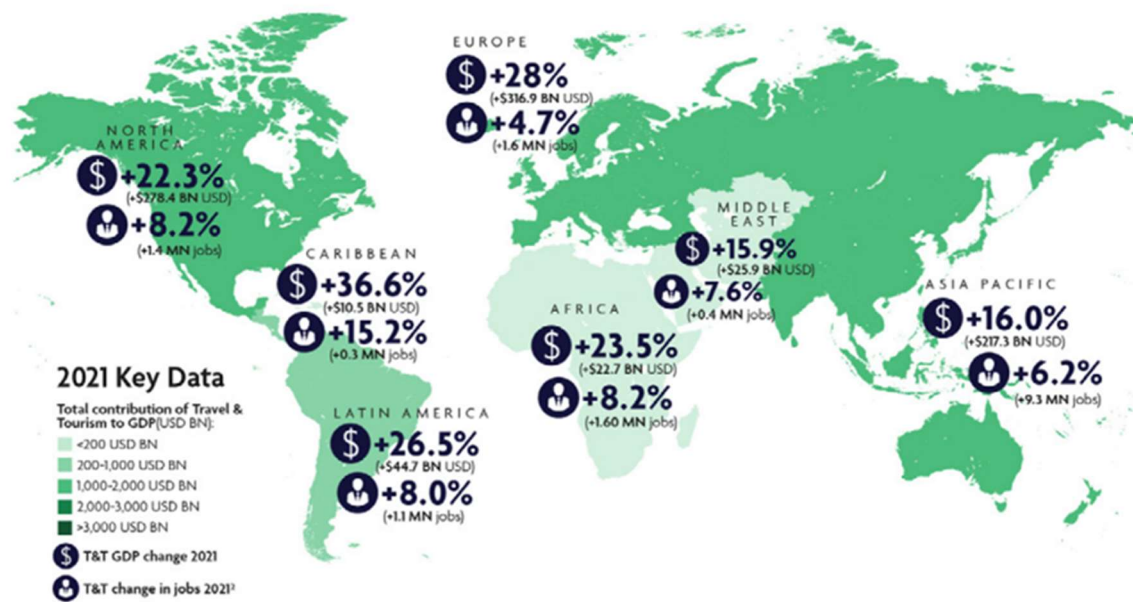


Figure 7: Regional Overview, 2021. Source: WTTC (2022).

Prior to the pandemic, Tourism (including its global effect: direct, indirect and induced impacts), the growth rate of the global Travel & Tourism sector outpaced the growth of the global economy for nine consecutive years.



Note: Blue line – international tourist arrivals; grey line – Tourism receipts

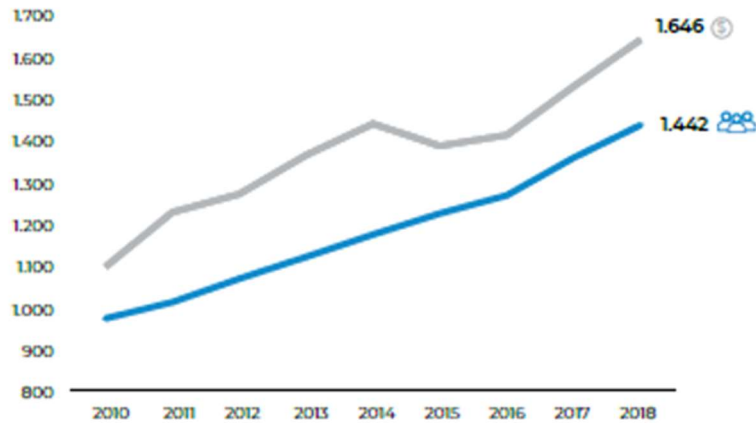


Figure 8: International tourist arrivals (in millions) and tourism receipts (in USD billions). Source: UNWTO (2019).

In the last decade, this sector accounted for 1 in 4 of all new jobs created across the world, representing 10.3% of all jobs (333 million), and 10.3% of global GDP (US\$9.6 trillion). Meanwhile, international visitor spending achieved a total of US\$1.8 trillion in 2019 (6.8% of total exports) (WTTC, 2022).

It is important to stress that tourism enables socio-economic development, job creation, and poverty reduction among other important impacts for destinations. This in turn drives prosperity and creates a potential significant positive social impact, providing unique opportunities to women, minorities, and young people. However, the benefits of tourism go far beyond its direct impacts in terms of GDP and employment, namely by means of indirect gains extending through the entire travel ecosystem, as well as the supply chain linkages to other sectors (Sarmiento, 2019).

The effect of COVID-19 emphasised the tremendous importance and positive contribution of Tourism. WTTC's latest annual research have shown some important issues (WTTC, 2022), namely:



- Following a loss of almost US\$4.9 trillion in 2020 (-50.4% decline), Travel & Tourism's contribution to GDP increased by US\$1 trillion (+21.7% rise) in 2021. However, the recovery was slower than expected, due in part to the impact of the Omicron variant, stringent and inconsistent border restrictions and the lack of coordination among governments to tackle the pandemic.
- In 2019, the Travel & Tourism sector contributed to 10.3% of global GDP; a share which decreased to 5.3% in 2020 due to ongoing travel restrictions. In 2021 it saw its share increasing to 6.1%.
- In 2020, 62 million jobs were lost, representing a drop of 18.6%, leaving almost 271 million employed across the sector globally, compared to 333 million in 2019. 18.2 million jobs were recovered in 2021, representing an increase of 6.7%, year-on-year.

This 18.6% decrease was felt across the entire sector, with Small and Medium Sized Enterprises (SMEs) – which make up around 80% of all global businesses in the sector – being particularly affected, alongside women, the young, and minorities. However, the future outlook is positive, and the tourism sector is once again showing resilience and ability to bounce back.

Consequently, the sector supported 1 in 11 jobs across the entire world economy in 2021. It is important to stress that the change in tourism's contribution to jobs is slower than the change in contribution to GDP, because jobs are less elastic and are thus less volatile. This is because the process of laying off existing staff and onboarding new personnel takes time (WTTC, 2022).

- Following a decrease of 47.4% in 2020, domestic visitor spending increased by 31.4% in 2021.
- Following a decrease of 69.7% in 2020, international visitor spending rose by 3.8% in 2021.

While the effect of the COVID-19 pandemic has been felt across the entire Travel & Tourism ecosystem, 2021 saw the beginning of the recovery for the sector.

The data reveals two major trends:

- Travel & Tourism GDP declined by 50.4% (USD 4.855 billion) in 2020 vs the overall economy's decline of 3.3%.

The following figure shows that globally tourism's recovery was supported more by the rise in the spending by domestic visitors, than by revenues from international visitors, since tourism domestic spending recovered strongly – by 31.4% globally – while international visitors spending recovered by only 3.8% as travel restrictions for foreign visitors remained in place across many countries. Consequently, domestic spending's share of total Travel & Tourism spending increased from 72% in 2019 to 85% in 2021, while tourism business spending and leisure spending grew at a rate of 30.9% and 25.1% respectively (WTTC, 2022).

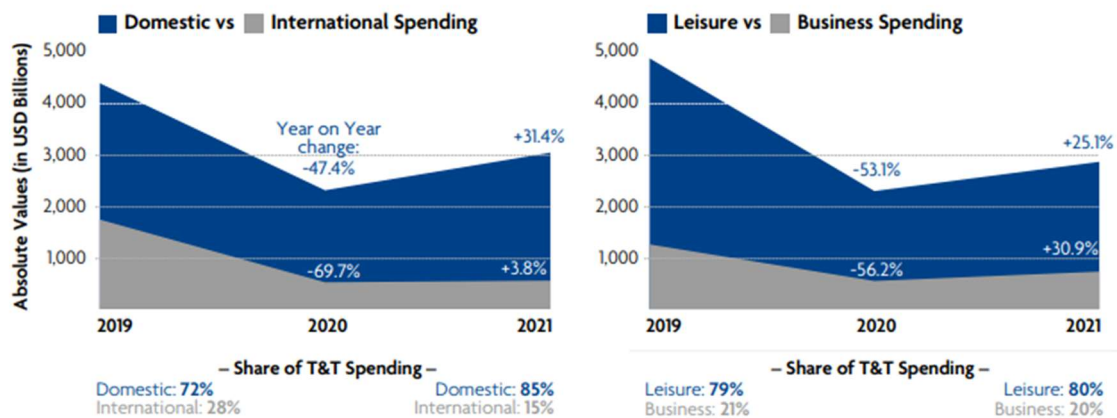


Figure 9: Tourism sector characteristics. Source: WTTC (2022).

- Travel & Tourism GDP grew by 21.7% (USD 1.038 billion) in 2021 vs the overall economy's growth of 5.8% (WTTC, 2022).

- Regionally, looking at the number of international tourist arrivals and tourism receipts by sub-region, Africa had one of the highest growths in tourism in 2018, soon preceded by Asia and the Pacific.

The growth of tourism in Africa represents an opportunity for several countries, especially Angola, to leverage economic growth and reduce poverty based on tourism.

Travel & Tourism in Africa started recovering in 2021 from the devastating impact of the pandemic, and as a consequence its contribution to the region's total economy grew by 23.5%, increasing from US\$ 97 billion in 2020 to US\$ 119 billion in 2021. This rate of recovery was faster than that of both the region's economy (5.8%) and the world's Travel & Tourism sector (21.7%). This growth resulted in an improvement in Travel & Tourism's share of economy GDP, which increased from 3.8% in 2020 to 4.4% in 2021 (WTTC, 2022).

This growth was faster in North Africa (26.8%) than in Sub-Saharan Africa (21.7%). The number of jobs supported by the sector also increased in conjunction with the rebound of the sector's contribution to GDP. In 2020, 5.8 million Travel & Tourism jobs were lost due to COVID-19-related travel restrictions. In 2021, Travel & Tourism jobs in the region increased by 8.2% — supporting 21.3 million jobs. The growth rate of spending by domestic travellers outpaced that of international travellers (39.4% vs 11.3%) and therefore, the share of international spending in the total internal Travel & Tourism spending for the region declined from 44% in 2019 to 28% in 2021 (WTTC, 2022).

### 3.2 TOURISM FORECASTS (2022 – 2032)

In order to achieve full recovery, government support is vital, as well as leaders and public officials working together to provide clear and consistent rules. Governments must be prepared for future crises, offering safe travel experiences, supporting equitable vaccine distribution, and continuing to ease the conditions of entry to destinations. Only with these measures will it be possible to build a clear path to a sustainable and inclusive recovery of the tourist sector (WTTC, 2022).

Despite all the difficulties that the sector has been facing, tourism projections point to a strong decade of growth. Travel & Tourism GDP is set to grow on average by 5.8% annually between 2022 and 2032, outpacing the growth of the overall economy (2.7% per year).

The next figure compares the contribution of Travel & Tourism to GDP against the 2019 level.

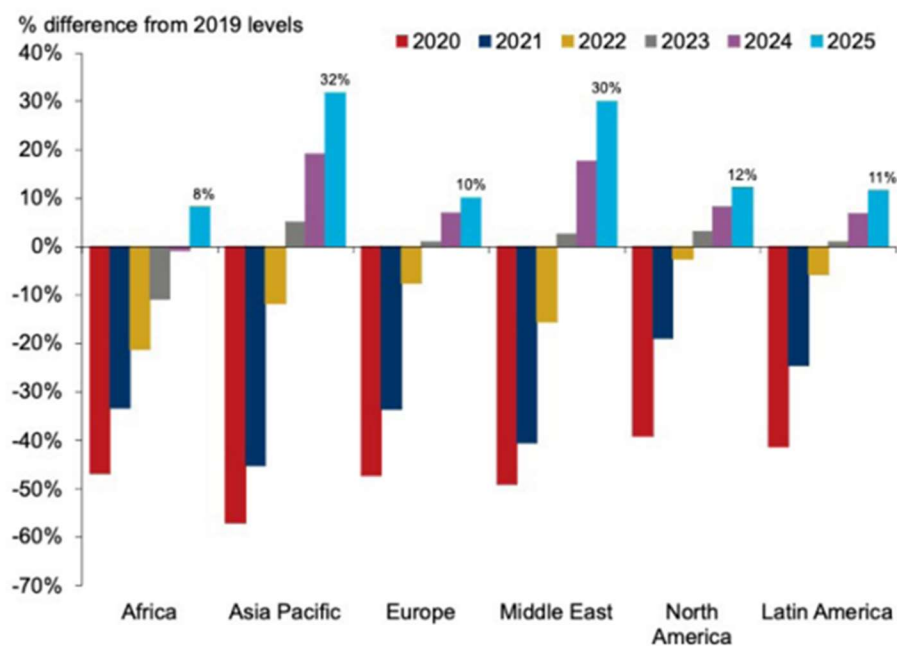


Figure 10: Travel & Tourism GDP for 2020-2025 - Forecast by region (% below 2019 level). Source: WTTC.

The tourism sector’s contribution to GDP in Europe was 47.1% below the pre-pandemic level in 2020, and this gap reduced to 32.3% below 2019’s level in 2021, showing a strong rebound. Statistics estimate that the sector’s performance in Europe may surpass 2019’s level in 2024 when the tourism contribution to the region’s GDP could reach 4.1% above the pre-pandemic amount. Asia-Pacific is forecasted to be the first region to

revert to the 2019 scenario (in 2023), while all the other regions are estimated to recover completely in 2024.

In 2022, while travellers' confidence improves, the tourism sector is estimated to hasten its pace of recovery to 43.7% compared to 2021 and to add a further 10 million jobs, as presented in the next Figure.

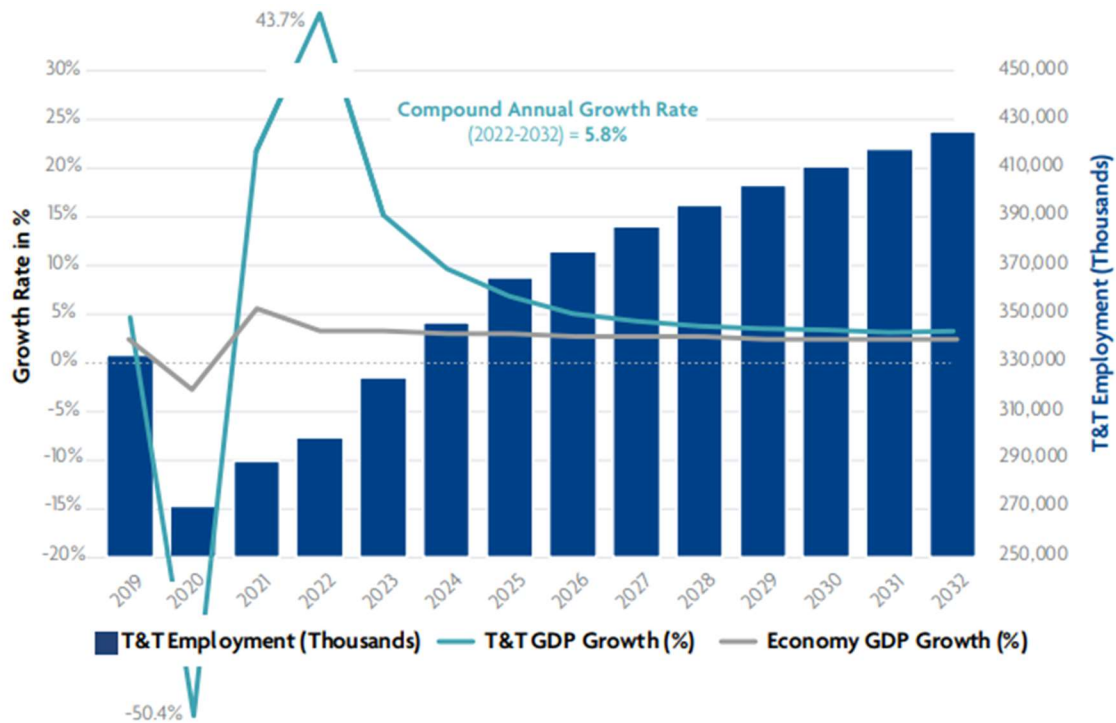


Figure 1115: Travel & Tourism Forecast in employment and GDP (2022-2032). Source: WTTC (2022).

The sector is likely to return to pre-pandemic levels around the end of 2023, with the preliminary data for the first half of 2022 supports this forecast (WTTC, 2022).

In a longer-term forecast, tourism's contribution to the global economy between 2022 and 2032 is expected to grow at an average annual rate of 5.8%, which is more than

double the 2.7% average annual growth rate estimated for the global economy. In that same period, the sector is forecasted to generate 126 million additional jobs.

Regionally, the next figure shows that many of these new jobs will be concentrated in the Asia-Pacific region (64.8%) in general, and in China (25.5%) and India (20.4%) in particular (WTTC, 2022).

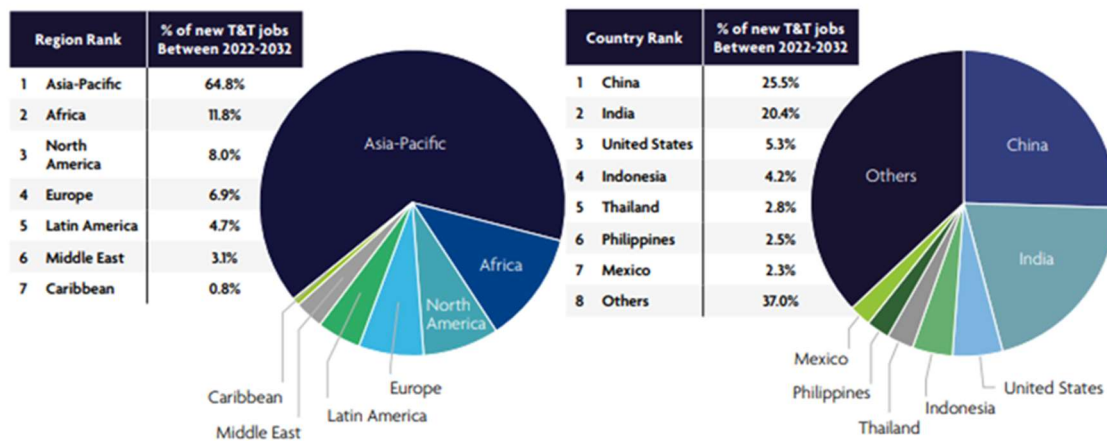


Figure 12: Where will 126 million new jobs between 2022 and 2032 be created? Source: WTTC (2022).

However, there are some emerging problems based on the fact that while projections are overall positive, there are some downside risks to recovery, such as the negative impacts of the conflict in Ukraine, including supply chain disruptions and rising energy prices which have all increased inflationary pressures and in turn reduced disposable incomes in important source markets. Finally, the effects of airspace restrictions and rising oil prices could feed into transport ticket prices, thereby making travel costlier.



## 4. ANGOLA

### 4.1 MAIN INTERNATIONAL CHALLENGES

The evolution of international tourism over time has generated strong impacts and changes in the economy, society, and exports of countries, as well as in the origin and profile of tourists.

In the following pages we will address the main five themes that affect tourism in a general way: (i) the economy; (ii) changes in society; (iii) change in tourist profiles; (iv) export capacity, and (v) main outbound countries, highlighting the main trends of each of them. These insights are essential for the characterization of international tourism and for understanding the path that Angola should follow in tourism over the next few years.

#### (i) Economy

Several aspects have contributed to the development and growing importance of tourism in the world economy as stated earlier.

##### **World economic recovery**

- Operating in a SARS - COVID/19 pandemic scenario, the GDP of all countries was drastically affected in 2020. As of the 1st Quarter of 2021, still under the effects of the health crisis, each country has presented a different trajectory in terms of the recovery of economic conditions, after major stoppages of production chains and lockdowns in different spheres and intensities.

As stated above, in global terms, Angola has experienced an average annual GDP growth of just over 3% p.a. since 2015. This trajectory was interrupted in 2020 with the pandemic, which resulted in a retraction of world GDP by 3.5%. Coming out of recession, world GDP is projected to grow by almost 6% in 2021 and return to a more normalized level of 4.4% in 2022 (WTTC, 2022).

- Lower interest rates.

### **Technological and digital advances**

- Artificial intelligence is transforming tourism. Companies are starting to offer experiences and “hyperpersonalized” services to increase business performance.
- Several destinations are controlling tourism flows in real time, in order to improve the flows of visitors.

### **Lower travel costs**

- Increase in passenger air traffic measured in terms of income per passenger in kilometers. The number of cities connected by air transport in the last two decades has more than doubled.

One of the main trends is related to the progressive facilitation of visas in an era where competition is global and forces to significantly lighten the obstacles to the movement of people.

### **Visa facilitation**

- Increase in visas on arrival or e-Visas, to the detriment of traditional visas. The percentage of the world's population requiring visas rose from 75% in 1980 to 53% in 2018. Despite this, 50% of the world's population still needs traditional visas.
- Angola has few visa-free nationalities when compared to other Sub-Saharan African countries.





Figure 13: World population affected by visas between 1980 and 2018 (% share). Source: World Tourism Organization (UNWTO), (2019).

## (ii) Changes in Society

Changes in society have led to the search for a sustainable strategy, presupposing the adoption of different measures, which will benefit not only tourism, but also the dynamism of the country.

### Sustainability and competitiveness

Societies can increase sustainability levels if there is:

- An efficient use of natural resources.
- Greater conservation of biodiversity.
- A promotion of actions to deal with climate change.

### **Sustainable tourism policies**

Among 101 the UNWTO Member States:

100% refer to sustainability as an objective.

67% refer to resource efficiency.

64% connect sustainability and competitiveness.

55% refer extensively to sustainability.

10 years average duration of tourism policies

### **(iii) Tourist Profile Changes**

The change registered in the behavior of tourists is significant and must be taken account of in order to be able to fully respond to their new motivations.

#### **Traveling to “Change”**

Living like a local, looking for authenticity.

#### **Traveling to “Show”**

Create “Instagram” moments, experiences, and destinations.

#### **Look for healthy lifestyles**

Wellness, health, and sports tourism.

#### **Increasing affordable economy and increasing concern for sustainability**

Zero plastic.

#### **Solo travel & multigenerational travel**

As a result of the ageing population and single families.

### **(iv) Export capacity**

Tourism has positioned itself as an activity that is not only resilient, but above all, has enormous capacity to generate income, being able to complement other sectors that may be in decline.

- Export earnings from international tourism are an important source of revenue in many countries.
- Tourism is an important diversification factor of exports, with the ability to reduce deficits and compensation of other weaker export earnings.
- Tourism ranks third in the world in terms of export, after chemicals and oil.
- Total tourism international export earnings have been growing for 7 consecutive years at a faster pace than that of merchandise exports (until the pandemic crisis).

## 4.2 THE TOURISM VALUE CHAIN IN ANGOLA

First of all, it is important to stress that Post - Covid tourism is an opportunity (a necessity) for entrepreneurs to adopt a new culture based on a technological model, which highlights the importance of Angola preparing for this leap.

The country's communication will have to be re-designed in terms of the attributes to be disclosed and the market segments to be captured.

However, given that tourism in Angola depends by around 70% on the internal market, this constitutes an enormous added value.

Proximity regional markets (Africa) must now be addressed more than ever.

All companies operating around and in tourism will have to take clear containment and prevention measures for the detection and control of Covid-19 in all places.

The tourism value chain was structured into six segments: (A) tourism resources – which represent the natural, cultural, artistic, historical and technological elements that

generate the demand; (B) infrastructures - buildings and tourism support equipment; (C) superstructures - responsible for the facilities to accommodate, maintain, and occupy tourists' free time; (D) reception and culture; (E) business and marketing.

The tourism value chain is structured on the composition of several strategic elements. The proposed methodology makes it possible to systematize in a more incisive way the limitations and opportunities of tourism in order to maximize its potential, and above all, to respond to the questions and concerns raised by the former Minister of the Economy and Planning, Dr. Sergio Santos.

In order to present a more structured analysis of the main weaknesses identified in the tourism value chain in Angola, five types of themes were considered.

1. Accommodation and tourist products - refers to the offer capacity of Angola regarding accommodation and tourist products for tourists. Poles and places with potential to become products of touristic reference are also considered here.
2. Electricity, water and sanitation - this block deals with topics related to basic infrastructure of electrical energy, water and sanitation. These infrastructures are fundamental for the development of tourism in Angola.
3. Tourist experience in Angola - we have identified a set of weaknesses that have impacted on the tourism experience in Angola (e.g., guides tourist, friendliness and service level, communications, security, and support structures for tourism, among others).
4. Accessibility - refers not only to the facility with which tourists arrive in Angola, but also how to move in and between provinces, whether via air, land, or sea.
5. Sectorial strategy, legislation and governance - in this block there are searched weaknesses for lack of strategy for some themes of tourism as well as in the elaboration/update of legislation and sector governance.

Therefore, the identification of weaknesses is organized by theme, since a weakness can be associated with more than one segment of the previously identified value chain.

For a characterization of the main weaknesses of the tourism value chain in Angola, it was necessary to carry out meetings and field visits to know in detail the reality of the various Angolan provinces.

### 4.3 TOURISM DEVELOPMENT POLES

The tourism development poles defined as priorities within the scope of PRODESI are the following: Calandula Pole, Okavango Basin Pole, Cabo Ledo Pole and Namibe/Huíla/Cunene Triangle.

Each pole can be characterized by their development potential, based on a particular tourist product, namely:

Product	Priority	Evolution
Cultural	M´Banza Congo	Luanda, M´Banza Congo, Muxima, Lubango, Soyo, Malange, Benguela and Cunene
Sun, sea & sand	Cabo Ledo and Futungo de Belas	Mussulo, Benguela/Lobito and Namibe
Nature	Mussulo, Benguela/Lobito and Namibe	Kissama

Table 7: Products development and priority.

### 4.4 MAIN WEAKNESSES AND IDENTIFICATION IN THE VALUE CHAIN

<b>Accommodation and tourist products offer</b>	
<b>Weaknesses</b>	<b>Chain value segment</b>
Coastal area of 1,600 km, most of which is unused in terms of accommodation infrastructure and support for tourist products.	A. Tourism resources
Despite the importance that the tourism sector has in Angola, it is a segment whose potential is not being fully utilized, due to lack of security felt in the country.	A. Tourism resources
Despite the possibility of developing a matrix tourism supported by various types of tourist products complementary, there is a lack of vision and strategy for the following tourist products: Nature Tourism; Tourism from Sun, Sea & Sand; and Cultural Tourism.	A. Tourism resources
There are weaknesses in the hotel offer, which is reduced if one considers its distribution across the different provinces of Angola. Even so, it registers very reduced occupancy rates.	B. Infrastructures
Angola has no capacity to attract cruise ships and has values much lower than most sub-Saharan countries. The average number of cruise arrivals per year in coastal countries of Sub-Saharan Africa is 38, with Angola registering an average of 15 arrivals per year.	B. Infrastructures
The island of Mussulo, faces several problems that can block the use of its potential as a tourist product, namely: lack of infrastructure adequate tourist support to catch	B. Infrastructures D. Reception and culture

<p>the boat; insecurity in car parking; construction of houses very close to the water line; pollution problems due to the lack of waste treatment and the garbage that comes on to the beaches and sea when it rains.</p>	
<p>In Luanda: museums with little diversity of cultural and in need of modernization; museums with inappropriate conditions for the visitor (too hot in the Natural History and Anthropology Museum in Luanda); and museums lacking information in foreign languages (Luanda and Moçâmedes).</p> <p>Few museums in the country and little diversity in terms of spoils taking into account the cultural potential of the country.</p>	<p>C. Superstructures</p>
<p>Although there is some quality accommodation and the rates of occupancy, in general, are low, they have been sufficient to meet demand. However, campsites are lacking (with bungalows). The Moçâmedes campsite is degraded and almost abandoned, not being possible to use it safely.</p>	<p>C. Superstructures</p>
<p>Absence of structured tourist routes and Angolan culture is little used for tourism.</p>	<p>C. Superstructures E. Business and marketing</p>
<p>Cabo Ledo has around 11,700 registered inhabitants, but there is a huge growth, without a management plan and land use planning, which makes it difficult to manage this perimeter, regardless of its valences and tourist potential. There are no financial endowments from the State to make this space a true national and international</p>	<p>E. Business and marketing</p>



reference in the medium and long term in terms of tourism.	
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Table 8: Accommodation and tourist products offer.

<b>Electricity, water and sanitation</b>	
<b>Weaknesses</b>	<b>Chain value segment</b>
Electrification problems across the country, making the use of generators constant. Sanitation problems and heavy pollution in the streets and coastal areas of Luanda and Mussulo Island, which are not only harmful to the environment and populations but also affect the tourist experience.	B. Infrastructures
No use of solar energy, despite its high potential. The few existing devices and devices (Mussulo and Namibe islands) have been stolen by foreigners.	B. Infrastructures
Absence of garbage separation and the insufficiency of places in sufficient number to dispose of garbage, which results in an increase in the pollution of streets and oceans, despite the enormous potential for its treatment.	B. Infrastructures C. Superstructures
Angola has very low competitiveness and infrastructure values at an international level.	B. Infrastructures

Table 9: Electricity, water and sanitation.

<b>Tourist experience</b>	
<b>Weaknesses</b>	<b>Chain value segment</b>
Existence of multiple places with “tourist monos” (unfinished buildings) built on the cliffs that ruin the landscape (Luanda, Cabo Ledo, Moçâmedes, etc.) and have an impact on the tourist experience. Failure to comply with distance rules for building houses on the beach in relation to the waterline, advancing their construction almost at the waterline.	B. Infrastructures
Territorial disorder with villages (in the case of Cabo Ledo, fishing villages, Mussulo Island, Namibe desert) scattered without any planning. Construction of houses without complying with land use plans and using materials that affect the tourist experience (e.g. use of sheet metal).	B. Infrastructures
Absence of border posts in the south of the country, making it necessary to enter Angola via Luanda, and thus not promoting tourism in the south of the country, namely with neighbouring countries (Namibe and South Africa).	B. Infrastructures
Very inefficient health services in case of need.	B. Infrastructures
Limited technological communications and difficulty in accessing the internet in the territory.	C. Superstructures E. Business and marketing

<p>In most of the various tourist attractions and in the centers visited, there were no adequate infrastructure to support tourists: sanitary facilities; tourist information (activities, prices, timetables, etc.); and restaurants/snack bars. Few restaurants and high prices for domestic tourists.</p>	<p>C. Superstructures E. Business and marketing</p>
<p>Some provinces are creating entrance fees (Huíla and Namibe), which should be abolished under penalty for all of them that started to create this fee, and, in addition, difficulties in changing prices were detected.</p>	<p>C. Superstructures</p>
<p>In many provinces there are buildings with great historical and patrimonial value that face highly condition neglect or lack of maintenance.</p>	<p>C. Superstructures</p>
<p>Few guides and professionals in quantity and quality. Very poor training of many employees who interact with the public/tourist. Pressure from locals to be “guides” for tourists without any training (for example in Malanje, Luanda, kwanza rapids, Calandula waterfalls and Namibe desert).</p>	<p>D. Reception and culture E. Business and marketing</p>
<p>Lack of a control system for the international tourist experience (can be done at the airport/hotel). Impossibility of using international credit cards, making it impossible for tourists to spend money.</p>	<p>D. Reception and culture</p>
<p>Distance between tourism and local communities.</p>	<p>D. Reception and culture</p>

<p>Children and adults begging tourists for money and food.</p>	<p>D. Reception and culture</p>
<p>Lack of information on tourist activities: timetable, duration, options and price of visits (for example, in the Quiçama Park the guard at the entrance mentioned a different price than the one at the sales point, and visitors were not informed about the type of visits possible, the times they departed, the duration), among others. By not presenting prices and the standard conditions, tourists often feel that their interests and expectations have been prejudiced.</p>	<p>D. Reception and culture E. Business and marketing</p>
<p>There is a negative international perception of the country, as it is considered to be dangerous and unsafe, which has a strong impact on attracting international tourists.</p>	<p>E. Business and marketing</p>
<p>Lack of careers and devaluation of manpower in the tourism sector. There are contracts made on a Friday, which end on a Sunday, with employees do not even knowing how much they will earn. This system distorts the labour market and prevents better service levels for tourists.</p>	<p>E. Business and marketing</p>
<p>Deficient education and training in tourism, both in quantity and quality.</p> <p>Despite the friendliness of the staff, most do not register qualifications to deal with the public due to lack of</p>	<p>E. Business and marketing</p>

technical knowledge; service techniques; and initiative in solving problems that arise.	
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Table 10: Tourist experience.

<b>Accessibility</b>	
<b>Weaknesses</b>	<b>Chain value segment</b>
The 4 de Fevereiro International Airport has several deficient conditions, e.,g.: airport air conditioning works with major deficiencies; sanitary facilities are very degraded; existing stores close too early and there are several shops without an owner giving an appearance of abandonment; and passing through customs is invariably done with long queues, due to the shortage of MEF staff.	B. Infrastructures E. Business and marketing
Airports in some provinces (Huíla, Malanje, Namibe) with very limited flight frequencies; without capacity/authorization to accept international flights; and without capacity for night flights.	B. Infrastructures
Angola has a limited number of airlines who fly to the country. Its average (11 airlines) is lower than the average of the group of countries that make up the Sub-Saharan Africa (12 airlines).	B. Infrastructures
Roads are in very poor condition in several provinces (e.g., Malanje and Cuanza Sul) preventing or endangering the movement of tourists.	B. Infrastructures E. Business and marketing
Lack of public transport that limits travel for tourists (this weakness was found in all places visited).	B. Infrastructures

<p>Difficulty in circulation within and between Provinces due to lack of options for renting vehicles (rent-a-car) and using taxis.</p> <p>Inability to travel between provinces by car rented (there is no chance of leaving it in another province).</p>	C. Superstructures
<p>Despite the existence of airports in all Provinces, there is little frequency of internal flights. There are no flights for international meetings for various provinces and there are no low-cost international flights to Luanda, or even to the other provinces.</p>	C. Superstructures
<p>Few support infrastructures (ports) for attracting cruise ships.</p>	E. Business and marketing

Table 11: Accessibility.

<b>Sector strategy, legislation and governance</b>	
<b>Weaknesses</b>	<b>Chain value segment</b>
<p>Angola does not have a stop-over strategy.</p>	B. Infrastructures
<p>High financial bureaucracy regarding the fees of visa receipts. Despite legislative changes made in issuing visas, complaints continue to be high.</p>	D. Reception and culture
<p>Tourist companies do not buy from national entrepreneurs because they do not issue invoices (with VAT). The national market is highly affected. The national capacity undervalued in the tourism value chain.</p>	D. Reception and culture E. Business and marketing

<p>The interest rates applied by the national banks, together with an excessive bureaucracy of the national administrative machine, have not been an incentive for the development of the sector.</p>	<p>E. Business and marketing</p>
<p>Inefficient system of national statistics on the entry and exit of tourists in the country.</p>	<p>E. Business and marketing</p>
<p>Absence of an efficient segmentation strategy for international markets to reach.</p>	<p>E. Business and marketing</p>
<p>Angolan tourism is based on the domestic market, as well as Namibia (Population 2.5 million) and Kenya (Population 46 million). However, these two countries have higher contributions of travel and tourism to their GDP, as well as to GDP per capita in terms of Travel &amp; Tourism.</p> <p>South Africa is also the largest in terms of GDP per capita in terms of Travel &amp; Tourism, with 26 million more people than Angola.</p>	<p>E. Business and marketing</p>
<p>Marketing strategies without great impact and practical results.</p>	<p>E. Business and marketing</p>
<p>Lack of Detailed Plans in tourist centres. In Cabo Ledo, in the Namibe desert, as well as in other regions, there are several housing villages which are growing in a disorderly way. Although there is a Master Plan for the occupation and development of the pole submitted in December 2018 for technical analysis by INOTU, it has not yet been approved.</p>	<p>E. Business and marketing</p>
<p>No licensing manual.</p>	<p>E. Business and marketing</p>



<p>Limitations in terms of environmental regulation regarding water (use and treatment), energy and transmission, transport and waste management.</p>	<p>E. Business and marketing</p>
<p>Angola has been inefficient in the international promotion of the country as a tourist destination and also in capturing and gaining the loyalty of tour operators. There is a need to check each reason for this situation, which results from the various factors mentioned above (see the table below for marketing effectiveness in terms of attracting international tourists from African countries).</p>	<p>E. Business and marketing</p>

Table 12: Sector strategy, legislation and governance.

## CONCLUSIONS

The outcome of this qualitative analysis will be discussed in this section as well as the main issues for managers and politicians.

This paper systematised the main restrictions of the tourism value chain and proposed a set of measures and recommendations to be implemented within the scope of PRODESI.

If we exclude the period of the pandemic, it can be seen that international tourism around the world was growing sustainably, both in terms of the number of tourists and in terms of revenue generated. However, Angola was not following this trend since the weight of tourism in the country's GDP is extremely reduced (less than 1% in 2018). This situation is even more serious as the countries in the region all have a contribution of tourism to GDP that is much higher than Angola.

Angola has a strong tourism domestic activity (which represents around 70% of this market). In the current post-pandemic state, this situation can represent a real added value for Angola as a way to quickly overcome the restrictions imposed by COVID-19.

Regardless of these aspects, Angola still has some advantages and faces some constraints, which can both enhance and limit the effects of this activity.

In terms of added value, we can systematise the following:

- The weight of domestic and expatriate tourism, which can still be strongly boosted. However, there is a huge margin of progress required to attract foreign tourism, especially at a time when Angola is already pacified.
- The variety of natural resources that can attract new types of adventure-oriented tourists.
- The existence of hotel infrastructures distributed throughout the country, with good levels of service.

- Angola also has great potential for the development of its beaches, as well as activities related to sport and adventure (it has rare species of animals and plants).
- There is a huge potential for tourism integration with local communities which would therefore benefit populations, maximizing the agricultural and fish sector as support sectors for tourism.

In terms of constraints, we can list the following:

- Little external dissemination of the destination, especially regarding social networks and other means of communication, which leads to a certain lack of knowledge on the part of many potential tourists about this destination. This means that Angola should invest in the diversification of international markets, strengthening, among others, the proximity markets, that is, the regional ones.
- Low capacity of the internet network in several provinces, limiting the attraction of the younger segments.
- Angola's culture (existence of museums for example) is little explored. Its development may constitute a strong differentiating factor in relation to other countries.
- Some Provinces mentioned that it was important to have more connecting flights between Luanda and them. International airports in these provinces should be strengthened and at the same time there should be more border posts along their border.
- A lack of information on accessibility to monuments and local history limiting the tourist experience.
- The absence of road signs as well as the existence of roads in very bad condition.
- Little use of street sales to support tourism, which is important to attract local guides to the formal market and integrate them into a tourism-supported development process. As a complement, as it already exists in a timid way, local guides can and should be trained.

- One of the biggest constraints stems from the visa policy, which is heavily bureaucratized and time-consuming, representing a disincentive to travel to Angola, to the detriment of other destinations.
- Angola should think about creating a destination with a “Sustainability” seal and should work towards that end.

Taking into account the visits carried out and other reports already presented by other entities, we can conclude that there are two main gaps in tourism in Angola: institutional gaps (capital limitations, low tourist training and limited support industries), and business gaps (shortage of operators and little innovation).

For each gap, we identified which area/tourist segment it referred to, as well as possible actions to be implemented to mitigate the fragility and enhance the growth of tourism in Angola.

### General gaps at the institutional level

The first area facing gaps concerns **strategy, structure, and rivalry of companies**. Possible actions to take are the following: (i) encourage customer-oriented collaboration business between different agents (public, private companies and NGOs) to provide coordination necessary to ensure the satisfaction of tourism experience; (ii) improve the institutions' public mandate to provide support to companies in the update of strategies (iii) update the use of technology regarding to new trends and best practices (iv) provide efficient network coverage internet across the country.

The second area concerns **demand conditions**. Possible actions to take are the following: (i) promote the tourism portfolio to high income expatriates and Angolans, as these residents can be used to define innovative tourism products.

The third area concerns **correlated industries**, which faces the limitation of low involvement of supporting industries and research applied to tourism, where the possible actions to take include the following: (i) support product development and high

quality services by suppliers locations (food and beverages, products manufactured, etc.); (ii) encourage the development of links as a common practice in the sector: (i.e., lodges with agricultural investments, spin-offs); (iii) promote focused research and R+D accordingly with the needs of the industry and oriented to the market.

### General gaps at a business-touristic level by province

There are different tourist segments that have potential:

1) **Short break** (Luanda - Cabo Ledo & Benguela). Proposed actions are: (i) encouraging investments in a variety of accommodation options (from low to high budget) as can happen with luxury resort business plans ecology, Eco Resorts and boutique hotels; (ii) project and build a clear image of a destination of short breaks, with based on a broad and diversified portfolio of accessible tourist products. Some examples of business plans are the tour operators, offering activities such as surf lessons, and boat trips, among others. Quiçama Park offers an opportunity to experience wildlife on a break approach short (for example, similar to the case of Madikwe Game Reserve in South Africa to expatriates located in the country and Botswana); (iii) develop local suppliers of goods and services. There is a need to integrate the industry support for the sector, e.g., new ventures in agriculture.

2) **Bird watching** (Malanje & Okavango). The main actions are: (i) support investments in Eco Lodges and Eco Resorts designed to maximize the experience; (ii) develop complementary tourism products related to nature enthusiasts: (a) encourage tour operators with strong relationships, with specialized partners abroad; (b) transport and logistics companies adapted for older generations.

3) **Sport fishing** (Luanda & Namibe). The proposed actions are: (i) foster the presence of specialized tour operators that help integrate the main business activities (boat rental and complementary services); (ii) encourage investment in additional services. Some of these include gastronomy (restaurants), marinas and technical support companies.

4) **Surf** (Luanda – Cabo Ledo & Benguela). The proposed actions are: (i) implement the variables designed for the specific service of surfers. As options may vary depending on returns and traveler expectations, for example, eco-resorts and campsites; (ii) foster the development of additional activities around the provinces' natural characteristics: (a) encourage tour operators to provide complementary services related to adventure (desert) and water sports; (b) transport and logistics companies - flexible with self-driving options and (iii) providers of technical services and merchandise (surfboards, diving photos, etc.).

5) **Wildlife** (Okavango). The proposed actions are: (i) encourage the development of specialty accommodations that enhance the wildlife experience. Provide accommodation facilities with the utmost respect for the environment and older generations. Possible business plans include: Luxury Eco Lodges, nature reserves, private and/or public; (ii) to assist in the development of complementary adventure and wild observation experiences, create companies that have camps and accommodations, design mainly activities with specialists around the world.

6) **Explorers** (Namibe & Malanje), since the main limitation is the insufficient players offering tourist products complementary and promotion of the destination some actions must be taken: (i) promote the presence of low to high budget accommodation options. The sense of adventure is indifferent to a traveler's income, which makes luxury an option.

On the other hand, the creation of an integrated tourism management system imposes the digitization in the tourism sector is extremely important. In this study six areas were identified that need to undergo a digital transformation: (i) licensing system for tour operators; (ii) tourism georeferencing system; (iii) inventory information management and registration of tourist resources; (iv) statistical data collection and treatment system; (v) tourism sector inspection management system; (vi) institutional portal.

Finally, the **three main strategic segments** identified as poles of adequate potential to intensify or strengthen in Angola are the following: short breaks; explorers; and special interests.

All these proposals are extremely important both for managers as well as politicians if the country is to implement a successful tourism strategy that can benefit tourists, stakeholders, and local populations alike.



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