

THE FUTURE OF TOURISM IN AN EMERGING ECONOMY

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Introduction

Tourism and emerging markets are interrelated concepts; they propel and complement each other, though effort and work have to be done to harness the potentials of each one. In discussing this topic, it would be imperative that we first define the word Tourism, and the concept of Emerging Market, it is in understanding these words that we can appreciate their relevance to one another and importance to Nigeria. Tourism has been defined as travel that can be for pleasure or business, utilizing the opportunity to enjoy the hospitality, environment, ecosystem, culture and beauty of a place or country (Wikipedia). It is a catalyst for social and economic growth that promotes national development. It is the business of providing facilities and services to people who travel for recreation, health, education and business.

An emerging market economy is the economy of a developing nation that is becoming more engaged with global markets as it grows, a market that is transitioning from low income, less developed often pre-industrial economy towards a modern industrial economy with a higher standard of living (Wikipedia). One that attracts high capital inflow especially international capital as such experiences high and fast growth. About 80% of the world population today is in emerging economies, and they represent about 20% of the world economy and are expected to grow about three times faster than the developed economies, within the next few years. (UNCTAD) They include China, Russia, Kenya, Nigeria, India, Tunisia, Morocco, Malaysia, Rwanda, Thailand etc.

Tourism attracts foreign capital into an economy which helps in generating income for the host economy, and in strengthening the value of a currency. An emerging economy must therefore integrate tourism into its development plan because the two focus on stimulating GDP growth, increased international trade, boost international investment, supports low-income economies create jobs efficiency and promote inclusive growth

Developing Tourism

To develop our tourism potentials, examples abound in the world that we can emulate; taking a cue from other nations, we must first develop the

concept, then the context which will then be translated into content, from which a brand can be created the brand thus becomes the identity that draws tourist to the brand, this must include huge investment in advertising. Different countries adopted different models that are in tandem with their environment. The Dominican Republic and other Caribbean countries like Barbados, Trinidad and Tobago, Jamaica, exploited their natural endowment, their beautiful eco-system which is the fine beaches, coral reefs and fine coastal lines filled with beautiful sands to create amongst the world best destination point for holiday getaways. These countries rely almost 85% on tourism for their foreign earnings and have very strong GDP.

With the emergence of globalization, which became the major driver of emerging markets, movement of capital around the world accelerated investable opportunities, many countries invested heavily in human capital development; they became the backbone of industrial manufacturing and production to many corporations from the industrialized developed nations. India was one of such countries, leveraging on her huge population, she built institutions that became the powerhouse of India's economic drive and development, creating manpower resources for corporations; it was the idea behind the **Indian institute of technology**. Outsourcing and customer care service became the driving force of India rise as an emerging economy. She also invested heavily in medical services taking advantage of the shortfall in such services around the world especially third world countries, creating a medical tourism service, which has been attracting millions. India is the pharmaceutical manufacturing centre of the world. This has helped India manpower development and technology transfer and made her a force in world commerce.

Tourism boosts hospitality, but not limited to it alone, it is an all-inclusive concept that embraces every aspect of human lives, in-services, education like the United Kingdom, California and Massachusetts. They attract resources for being centres of learning. Many countries harnessed the potentials in their historical sites, architectural designs, monuments and cultural heritage and converted them into centres of attractions and tourism. Religion has created an opportunity for tourism for some countries. Saudi Arabia, Israel, Iran, India, Vatican, Ethiopia and Spain, enjoy huge patronage and human traffic through the provision of religious pilgrimage services. They have been able to leverage this religious service to develop other sectors and expanding their tourism content.

Kenya with the Massai and Brazil with the Amazon tribes have been able to create interest of tourists by preserving their traditional primitive ways without integrating them into modern ways of living. They have become centres of attraction and part of the broader tourism content of their countries.

By preservation of their ecosystem, Costa Rica and Brazil have been able to attract tourism interest in the rain forest; the forest is home to most of the rare species of floras and faunas in the world most of which are now endangered species nearing extinction. The game reserves of Kenya, Rwanda,

Zimbabwe, Australia, Tanzania Namibia, attracts millions yearly for safari, especially the great migration, this has become an annual ritual for animal lovers, thus bringing huge resources into the economy of host nations.

Tourism is everywhere around us, the individual can be an object of tourism, like Elvis Presley, Michael Jackson, the Beatles. ABBEY ROAD is one of the most popular roads in London; this is because the Beatles, the studio and the zebra crossing that was used for the cover of the album ABBEY ROAD is popular amongst tourists. Human mannerism, language, culture, and way of life etc can be exploited and made into tourism. The natural landscape, ecosystem, can all be specimens of tourism, what makes the difference is the ability to identify them and the ability to market them

Most people create and build what can become an attraction while most develop what is in existence into something of an attraction. Tourism can be created just as in natural objects, manmade objects have gained interest in humans, monuments like the statue of liberty, the sphinx, pyramid, Eiffel tower, little mermaid, big Ben, the statue of Christ in Brazil and many others have become industries generating billions in visitations and memorabilia to the host country. And most have become symbols of identity in their countries.

The Hollywood walk of fame, sports walk of fame etc and the various movie studios like MGM, WB (Warner Brothers) etc have all become objects of tourism, Waltz Disney, amusement centres have continued to attract families during weekends and holidays from around the world, and they continue to develop new contents that appeal to all age brackets. By creating all this content people are given a reason to visit almost yearly and most of the characters in Disneyland have become recognizable brands with patented rights, they are found in many homes around the world. They have even become movie characters that appeal to children. They even have their costume clothing brands that are equally lucrative amongst people especially children.

African Tourism Development

In Africa Morocco, South Africa, Tunisia, Cape Verde, Seychelles, Kenya, Egypt, Tanzania and Namibia have developed their tourism potentials and are reaping the benefit. Recently Rwanda has joined as a tourism destination because of the investment by the government in building tourism infrastructure and promoting the capacity of Rwanda by highlighting the potentials of the country.

Today she is attracting investment in export services and the real sector making her one of the emerging economies in the continent. Small island countries like Seychelles has 52% of her GDP, Cape Verde 43%, Mauritius 27 % of their GDP from tourism, between 2011 and 2014 international tourism and travels accounted for 50.5% of Africa's GDP (UNCTAD REPORT)

From UNTAD data, the African tourism sector has shown growth from 6% in 1995-1998 to 13% in 2005- 2008. 2011-2014 recorded the highest

average number of international arrivals, in EGYPT 9.9 million, Morocco 9.8 million, South Africa 9.2 million, and Tunisia 6.8 million. Four countries accounted for 64% of international tourist arrivals in Africa in the year 2011-2014 which saw 54 million tourists to Africa. Morocco surpassed 10 million international arrivals in 2015.

Africa in 2015 held a 4.4% share in worldwide tourism arrivals and accounted for a 2.3% tourism receipts. 2011 -2014 North Africa was the main tourism destination in Africa registering 47%, South Africa 22% and East Africa 20%. The number of international tourist arrivals is expected to rise to about 134 million by 2030 at an annual growth rate of 5%, within 2010-2030. And domestic tourist is expected to greatly outnumber international tourist.

Tourism total contribution to Africa's gross domestic product (GDP) includes direct and indirect contributions, increased from an average of \$69 billion in 1995-1998 to \$116 billion in 2011-2014 which is about 6.8% of the GDP to 8.5% of GDP, which is though still below the global average of 10% of GDP.

Tourism direct contribution to GDP primarily reflects in the economic activities generated by industries such as hotels, travel agencies, airlines and other passenger transportation services and restaurants and related leisure industries. A direct contribution is \$73 billion expected to rise to \$121 billion by 2026.

Courtesy of SAGE journal, Rwanda GDP from tourism rose from 4.7% in 2000 to 15.1% in 2019, growing at an average annual rate of 7.02%. The economic impact to the Rwandan economy is that tourism created 29% of all jobs, generated 9.7% of labour incomes, 11.1% of total value addition and 12% of national output in 2014.

Comparative Foreign Direct Investment (FDI) and the Challenges in Nigeria as an Emerging Economy

When we compare FDI between Nigeria and some African countries it will be observed that Nigeria has not utilized her potentials sufficiently, she is lagging behind most countries especially countries with smaller populations and economies. Culled from UNCTAD, in 2018 South Africa attracted \$5.3 billion FDI, in the same year Ethiopia had \$3.3 billion, Uganda \$1.3 billion. And Nigeria had \$6.4 billion, Egypt \$4.6 billion. In 2019 out of \$70 billion committed to new projects in Africa Nigeria was only able to attract between \$3-\$4 billion, she has been losing investors to Ghana and other African countries, even most oil investments are now only in offshore, this has been attributed to many factors,

1. Instability in license renewal in the oil sectors by the oil majors.
The recent crisis between ADDAX PETROLEUM in OML 124, 126 AND 127, against KAZTEC global engineering services, is a case in point.
2. Nigeria no longer fund joint ventures, oil majors sold what they had because of community issues

3. Litigation cases, like AITEO AND TRANS NIGER PIPELINE and federal government and oil majors over \$62billion debts. Also, the problem between the federal government and MTN and HSBC over money laundering issues
4. New sources of oil and gas, the shale oil boom in the united states by the oil majors
5. Transition to green energy
6. The continuous failure to pass the Petroleum industry bill (PIB) has also taken its toll on the oil and gas sector. (UNCTAD)

Nigeria's drive to achieving sustainable development and making herself the leading economy for international capital and a force in emerging markets has been suffering from a perception of lack of trust and lack of consistency in policy framework and implementation. This has portrayed the country as an unserious place to do business.

The multiple tax systems, federal, state and local government; frustrates investors and causes uncertainty in planning and projections. Corruption remains the most dangerous obstacle to investment and foreign capital flow into the country, about 2010 virgin Air closed and exited Nigeria business scene and gave corruption as the reason for ending their investment in Nigeria, Richard Bronson even said no serious investor should ever dream of coming to Nigeria that the people are pathologically fraudulent and corrupt. The prime minister of England David Cameron sometimes ago equally said that Nigeria was fantastically corrupt. Corruption is an endemic disease that has driven investors and potential investors out of Nigeria it has become a way of life

Our power system has become an embarrassment and national shame, we have put in more resources and achieving nothing in terms of output, we have continued to hover between 3000 megawatt and 6000 megawatts for a country of 200 million people, 16 billion dollars was spent between 1999 to 2003 without any result since then more resources have been expended in the sector with no result.

Currency volatility and multiple exchange rates is another drawback that investors frown against, we have been unable to stabilize our exchange rate window, and currently, we have about three windows, the parallel market the official rate by CBN and the rate by the BDC (bureau de change).

Insecurity has caused Nigeria's tourism sector to grind to a near halt, even the domestic tourism which ought to have benefited from the expanding middle class have remained nonexistent, the little progress made has been reversed. Rather Nigerians travel to other destinations like London, Dubai, the USA etc for their vacation causing a further capital flight to an already comatose economy.

Tourism in Nigeria

Nigeria tourism outlook has been at best abysmal, Nigeria in 1998 was 5th in tourism destination in Africa but dropped to 11th position in 2016 (tourism data 2017) tourism contributed 1.494 billion Naira in 2017 to the GDP, revenue dropped to 1.232 million Naira in 2018, which represented about 3.3% of GDP. (National hospitality report 2018) 2008 was Nigeria's best year in the tourism industry she recorded about 2.4% of the GDP, since then it has been a downward slide, fluctuating between 1.8% and 1.5% of GDP.

When we compare Nigeria to other African countries like Egypt, Tunisia, Kenya, Cape Verde and Tanzania, Nigeria can be said to be in infancy as regards tourism development, she is yet to harness the potentials inherent in the sector, rather than focusing on tourism by using the benefit of the oil resources to develop the tourism sector, she is yet to come to grip with the understanding of the benefit of tourism as a means to enhancing GDP, currency stability, create jobs and develop and maintain infrastructure.

Nigeria's diverse culture and cultural heritage and natural ecosystem landmarks give her tremendous opportunity to be one of the major tourist destinations in the world, the Yankari game reserve, the Mambila plateau, Obudu cattle ranch, the Zuma rock, Olumo rock, the various waterfalls like the Gurara, Mfamusin etc, the various cultural activities like the Argungu fishing festival, EYO festival, the Durban, Ofala festival in the south-east etc. government have to invest in the sector, the government has to build the critical infrastructure, the government has to develop the citizens' consciousness to tourism and help to advertise the tourism potentials of the country, the size of population alone can help galvanize the sector while we build the confidence for international tourist to follow. But to do that the entire problem highlighted above must be tackled especially security and building of investors' confidence in policies.

Cross River Tourism and Development

Cross river state is seen and known as the tourism capital of Nigeria, when it comes to tourism her greatest asset is in the development of her eco-tourism, harnessing the potentials in this sector can create booming eco-tourism in the state. And tourism means jobs and wealth. The Donald Duke administration realized this opportunity, they invested heavily in developing the infrastructure to support the eco-tourism, built the canopy walkway, identified the drills and gorilla habitat, brought world recognition to them by bringing the Duke of Edinburgh through WWF (Worldwide fund) which was a fantastic opportunity for the state to leverage on his star power to create international awareness to the rare species and initiate funding for their sustainability and protection from poachers and ignorance of the host communities. It also allowed the state to attract tourists to the state and raise its eco-tourism status to a world-class level. It has been an opportunity missed, though it can still be created with either Prince William or Prince Harry and wife Megan the Duke and Duchess of Sussex.

The government further conceptualized and actualized the carnival, which has remained one of its kind in Nigeria and added the Obudu mountain race, this were all done to create varieties and keep the Cross River as a centre of destination for domestic and international tourists. The government further revived the boat regatta, the Nsibidi festival designed to increase content and flavour showcasing African culture and cross river culture in particular to the world. It was the incorporation of eco-tourism, the western style carnival and the African cultural heritage into the tourism concept of the state. The state was popular during his administration, people came in droves all over the world for the carnival, and the hospitality sector was booming and helped to create jobs and would have helped to accelerate the infrastructural development of the state. Calabar was the place to be during Christmas

However, the development has been halted, all the fundamental gains that Governor Duke achieved disappeared or got rolled back, the Obudu mountain race today is gone a race that had become an international event. This affected Obudu ranch a recreation resort built to support the tourism initiative of the state, the ranch experienced significant upgrading during this period, the cable car was added to help people go up the hill, as the first of its kind in this part of the hemisphere, it attracted people who wanted to experience a ride on a cable car, the Swedish village and African village cottages were constructed as aesthetical addition to the issue of accommodation.

The greatest threat to eco-tourism in Cross River today is logging, within the next 4 years, Cross River will be barren of her forest the savanna will take over. Logging is becoming the worst existential threat, in a period when the world is talking about renewable energy and climate change, forest and forest resources are going to be the gold of the future, with carbon sequestration and new argument by countries like Costa Rica and Brazil making a case for the commoditization of oxygen, we risk missing out because of short term benefit caused by ignorance, greed and lack of initiative and reason beyond the known. We face losing the primate either to extinction or migration to Cameroun if logging is not halted and sustainable measures put in place; in the case of Boki, unfortunately, their sons are the ones depleting an asset that would have made Boki the pride of the state and the country.

Content Development for Cross River

The tourism sector in Cross River has a lot of opportunities for investors, Many contents can be added, like the boat regatta, this can be opened to include other south-south states like Delta, Bayelsa and Rivers that have similar cultures, the Ekpe carnival can be internationalized to include other Ekpe countries like Brazil Cuba etc. The Ekpe is a masquerade that can be made a national symbol, this can be done by building a 50 meters statue of the Ekpe, this can make her the pride of the country and her symbol, there are very few masquerades in the world that are as beautiful, it is a blend of beauty

and strength merged to form a product of entertainment, it is unique and aesthetically appealing.

Why is Tourism not Developed in Nigeria

With all her potentials Nigeria tourism sector remains weak, this is due to many reasons, which includes, cheap oil revenue, lack of sufficient technical capacity, poor understanding by the government on the potentials which is causing a lack of incentive to invest in the sector, weak infrastructures. And the general attitude of the citizenry towards tourism assets, most of which are perceived as fetish and deities, or witchcraft. This limits ability of investors to access the sites and develop them for tourist needs. The greatest threat to tourism development has remained security; the situation in the country is so bad that Nigeria security situation has reverberated globally. Kidnapping, banditry, insurgency, sectarianism and high rate of crime are a daily occurrence, making various missions to post warnings to their citizens on the risk of them travelling to Nigeria or some states in the country.

Nigeria as an Emerging Economy and Tourism

Nigeria is an emerging economy in retreat, in the 1960s and early 1970s, Nigeria was the darling of investors not just in the oil and gas but in every other sector, she was assembling vehicles, and involved in other forms of manufacturing her health care delivery was first class, her educational system attracted students and researchers from other African countries. She was the pride of Africa and the world; she was ahead of most of the Asian tigers today unfortunately all got fritted away due to bad choices and judgment. And wrong policy options and policy flip flops.

Nigeria has all the requirements that interest an investor, she has the natural resources, active population, and she is one of the countries with the largest demographic between the ages of 15 to 45. And a growing middle class, with these qualities investors are attracted

Most FDI has been in the oil and gas sector, the financial and capital market, but with the increasing security challenges she has been attracting portfolio investments, this is a quick investment in hedge funds, stock market, treasury bills and bonds. Since the return to democracy in 1999, more than 1500 major companies folded up or moved their operations to other countries, like Dunlop, Michelin. Many of the textile companies folded up, Volkswagen, Peugeot, and many other automobile companies closed operations, and this closure had a great dent on the system, increasing unemployment, and disposable capability of the people and affected her ability to generate resources to develop other sectors like the tourism sector.

Nigeria potentials lie in her status as an emerging economy and the size of her population is an attraction that must be exploited for tourism. She must develop her tourism sites and provide world-class services, fix collapsed or collapsing infrastructure, the criminal disposition of the average Nigerian must be eliminated.

An emerging economy and a centre of tourism must have good medical facilities, it must have good, power, roads, and communications systems and policy consistency Nigeria's attraction to portfolio investors is a result of lack of confidence in the economy, to attract investment in the real sector stability must be brought to the system

Ease of doing business was recently implemented by the government reducing, eliminating and changing some of the hindrances to business transactions in the country, this has however not helped in assuaging potential investors because some bureaucratic bottlenecks still exist which fuels corruption, like visa and passport racketeering that was recently exposed, so eliminating all bottlenecks inimical to investment must be the focus to create an investment-friendly atmosphere or environment. Nigeria has the quality and desired manpower to be a top emerging economy in the world, but challenges like security have prevented her from tapping her full potentials that are why countries like South Africa, Rwanda, Ghana, Morocco, and Botswana are taking advantage. Twitter, Hyundai and kai recently announced that they are opening regional offices in Ghana; Amazon is going to South Africa. Nigeria lost out in these boom investments. If she had attracted the investments to herself it would have cemented her place as the destination point for international capital and foreign investment, the multiplier effect would have been the surge in tourism interest.

Nigeria also has the problem of policy, laws and taxes Inconsistencies, every administration comes with new policies, no continuity, this has been difficult for investors, it creates confusion and unnecessary burden on them, and local government, state and federal taxes need to be streamlined for ease of payment and understanding. Arm twisting through community picketing irrespective of local content laws affects investor's confidence and psychology.

The endemic corruption that has become a way of life and institutionalized is a setback, fighting corruption has been daunting and challenging, efforts of the government have failed in addressing the corruption in the system. For the government to succeed in the fight against corruption, she must take the problem holistically, we must reform our institutions, reform our attitude, the government must develop the social safety net, like the pension scheme which must be made progressive and appealing to the retirees, until such confidence is built people will continue to steal, the stock market, the bond and treasury markets must be made accessible to those in service, the insurance system must be overhauled for better service and made safer to build confidence for those interested. Government must make services like education, health care delivery, rent affordable and available. Government must invest in reducing the size of the informal sector, the sector must be integrated into the formal sector, this will help improve service delivery and expansion of the GDP which sector output is currently estimated.

The psychology of the Nigerian man is the I, THE ME AND THE EGO; these rules our every other consideration, no sense of citizenship or sense of

sacrifice, the future generation is abandoned to their fate; thus, driving a culture of criminality and crime amongst the young, yahoo, yahoo plus and yahoo-yahoo, a get rich quick syndrome and willingness and readiness to do anything including human sacrifice to achieve wealth has become the new normal and the society will celebrate the wealth without regards to the source.

With all the challenges the future of tourism in an emerging economy remains very promising and bright especially in Nigeria, countries like Ghana, Rwanda Egypt etc are seeing a surge in growth of their GDP, although the pandemic has slowed things for now.

Nigeria can still become the destination point for investors and tourists, once she can eliminate her security challenges and build investors confidence by tacking all the inhibitions earlier enumerate, Waltz Disney can come to Nigeria, she has all it takes to be a centre of attraction to investors. For now, everything is being frozen out, the narrative from Nigeria is scary to investors and capital. Though the future looks promising, the present is not comforting for tourism, not even domestic tourism can survive under an atmosphere of daily killings, kidnappings and general insecurity in the country.