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## THE POSSIBLE IMPACT OF TOURISM INDUSTRY ON NIGERIA ECONOMY

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### Abstract

*Tourism is one of the fastest growing industries in the world. It embraces areas of Physical attractions like falls and rocks and so on; Manmade like amusement and holiday resorts; Wild life based attractions like games, gardens and fishing grounds; Cultural attractions like festivals, arts and crafts; Sports like local, regional and international; and Business tourism like seminars conferences and meetings. Scholars have argued even with models to justify that tourism is the best option for rapid socio-economic development of any nation, though still require much attention. The Harrold-Domar model, confirmed to the fact that international arrivals and receipts expanded at an average of 7% annually. Thus, it is obvious that it is the growth of 21<sup>st</sup> century which has brought about rise in employment, elimination of social barriers, cultural revival, health therapy improved balance of payments, and so on. Although, inadequate funding, investment and political will have been a constraint to tourism industry, it has bright prospects if its policies are well articulated to develop it in a sustainable, equitable and responsive manner to raise the living standard of Nigerians.*

### 1.0 Introduction

Tourism is believed to be the fastest growing industries across the world. Facts and figures have shown that it has an annual growth rate of 4% in countries like USA, Italy, France, Spain, UK, and Caribbean and of recent, African countries like Kenya, South Africa, Morocco, Tunisia,

Gambia, Egypt, and so on, earned substantially from tourism as analyzed by Mani (2003). He further explained that both receipts and tourist arrivals have been on an increase, which implies the growth trend of the industry. In fact, according to ILO (2001), globally the World Tourist Organization (WTO) predicts that the number of international tourists will reach almost 1.6bn by the year 2020 (as opposed to 565mn in 1995). Similarly, international tourism receipts will exceed US \$2,000bn.

Thus, this development and indeed the mono-cultural nature of Nigerian economy leave no one in doubt as to the need to develop and sustain our tourism industry. Nigeria is a vast and fascinating country with varying geographical regions and ecological zones. It has diverse and amiable climatic variables rich in biological diversity. Cascading water systems, rolling links, pleasant and distinctive sceneries. Accordingly the Nigeria government has to diversify the economy to incorporate the tourism sector with the launching of Nigeria Tourist Association (NTA) in September, 1962.

The dwindling mono-cultural oil economy in 70's though rising in recent time still require Nigeria to develop its tourism sector because oil is vulnerable to fluctuations in demand and price in the international market.

So, for the sector to contribute to the wealth of the nation and the well-being of Nigerians, the Nigerian Tourist Association (NTA) metamorphosed into Nigeria Tourist Board (NTB) which now changed to Nigeria Tourist Development Corporation (NTDC) by the virtue of decree 81 of 1992 under the supervision of Ministry of Culture and Tourism.

According to Omotosho (2000) the NTDC has the following responsibilities:

*Encourages people living in Nigeria to take  
Holidays in the country and People abroad to  
Visit Nigeria; Encourage the provision and  
Improvement of tourism amenities and  
Facilities in Nigeria like development of  
Hotels and ancillary facilities; Development  
Of sites to assist tourist agents; offer  
Technical and information advice to state and  
Tourism entrepreneurs on tourism joint  
Ventures and promotion.*

Thereafter, the rest of the paper is organized as follows: part 2 dealt on the theoretical and conceptual issues in tourism. In part 3, growth, potentials and socio-economic impacts of tourism were examined while part 4 discusses problems and prospects of tourism. Part 5, is on Summary, Conclusion and Recommendations.

## **2.0 Theoretical And Conceptual issues In Tourism**

The concept of tourism has been defined by so many experts and Scholars. For instance, Dada (1986) defined tourism as "Migration of people, families and groups to places outside their normal residential areas for a limited period of time and their personal choice. While Ikwu (1992) defined it "as a temporary short movement of people to destination outside the place where they normally live and work". However, a clear definition adopted by the International Association of scientific Experts in Tourism (IASSET) reads

“Tourism is the sum total of the phenomenon and relationship arising from the travel and stay of non-residents, in so far as they do not lead to permanent residence” (Ladan, 2003).

From these definitions given, it is quite apparent that tourism involves eating, sleeping and moving around both at domestic and international levels, however, this all important sector could not grow in Nigeria. Although it has celebrated or observed its 30<sup>th</sup> Anniversary, people still wonder if there is anything to celebrate. But DA’ Silva (1992), feels we have a lot to celebrate since a high level of National Tourism Consciousness and Mobilization has been put in place such as establishment of Nigerian Tourist association (NTA) which has finally metamorphosed into Nigerian Tourist Development Corporation (NTDC) in 1992; also is private and public awareness in Nigerian Airways, Nigerian Railways, Dempster line; there is also professional and trade associations in hotels and travels, government has also put in place tourism policies e.g. DFRRI, MAMSER, NOA, Cultural Policy, Economic Diplomacy, BLP, WOTCLEF, strengthening of local governments, and so on.

However, DA’ Silva (1994) argued for the need to reactivate tourism, thus in his words out of 450mn international tourist arrivals, Africa accounted for 13mn which Nigeria belongs. This situation is unacceptable, he therefore, urge Nigerian government to place emphasis on promotion and marketing of tourism industry. To this end Goyang (1994) argued for an appraisal of 1990 National policy for tourism in Nigeria which is crucial in developing the moribund industry. He explained that a new National Policy was timely, though prior to this, Lagos and Plateau States have their policy but this cannot create a well articulated socio-economic ideology for the nation. This idea was equally buttressed by Sani (1990), in which he presented a private sector’s view of what tourism policy should be and who should control tourism policy. He then argued that a National tourism policy must be dynamic, responsive and reflect current trends and development in the environment.

Goyang (1994) maintained that the national policy would develop our viable natural resources in a joint effort as opposed to each state on its own. This procedure being adopted in education and health sectors, therefore, tourism should toe the same line. Accordingly, he called for an institutional arrangement where tourism will develop from the grassroots level to the federal level. This view was shared by Ladan (2003), in which he argued that development can only be sustained if grassroots development of tourism is always imbibed on. He explained that artisans would remain and be encouraged at the expense of modern industrialization. So, also when a cultural event is prepared for tourism consumption however good, the original often- spiritual meaning is lost. In fact, tourism development must be vigorously pursued as observed by Ojo (1994). Because Nigeria has the resource potentials and he identified some economic circumstances of the post-colonial era, conducive to the development of tourism like rapid industrialization which has engaged many workers; phenomenal rise in real income levels; reduction of number of working days; increased ownership of mobility, and so on. Coupled with pride of rich diversity of physical, wildlife and human resources, varying from spectacular land from sceneries to populated game reserve, and from impressive historical monuments to captivating cultivating cultural festivals, all of which can become first-class tourism resources assuming effective and forward looking management, this position was quote in line with Ogbemudia (1991) when he recognized the economic potentials of tourism; particularly foreign exchange earnings. Nevertheless, Atutu (2001) believed that for a successive tourism development to be achieved there is the need to draw up a comprehensive tourism plan.

In other words, the overall national planning should take into

account tourism planning, such that a detailed environmental analysis is carried out identifying areas of agriculture, ecological, geographical, mythological, lands are surveyed to capture industrial areas, airports, historic interests, towers, forts and palaces, traditional village cores and clusters, beaches as well as design and development programmes made available to visitors. Ikwu (1992) therefore emphasized that the tourism plan should also encapsulate marketing and product improvement programme if tourism was to be properly developed. He however, argued that this again depends on the technical and social conditions, such as good road networks, portable water, electricity, telephone, hospitality services, security, and patriotism like local patronage. etc. The promotional aspect should be geared towards enhancing the existing tourist facilities and developing new areas; control over factors that adversely affect the environment; ensuring the adequate provision of transport and communication systems. Awoseyin (1991) and Adejuwon (1986) asserted also that another major potentials required in developing tourism is the need for the hospitality industry to play major role which has been estimated at about 50% of all other potentials. Therefore, they argued for the hospitality industry to re-orientate its development towards tourist needs, such as models, structures, technology, and management skill.

Although, views and opinions continued, on the need to develop Tourism by providing the necessary infrastructures coupled with the available potentials but these has not been realized. The constraint in realizing them is what Awoseyin (1990) termed as the lack of methodology for financing tourism projects. He thus suggests the need to identify the projects and the method required in financing it.

Furthermore, a cross analysis of the views revealed that much is required in the tourism industry of which think the theory of Big Push and Harrold-Domar model may become expedient. In the sense that, while Harrold-Domar requires not only the growth of the savings and investment but to ensure growth rate of GDP at the least rate of 7% On the other hand, Big Push theory will argue that a viable industry like tourism all over the world requires a huge and substantial amount to be invested in such sector if at all we want to develop it.

### **3.0 Growth, potentials and Socio-economic Impact of Tourism in Nigeria**

The tourism sector has witnessed phenomenal growth across the world which has had a symbolic impact on Nigeria; with the launch of 1990 National tourism Policy in a bid to develop its tourism industry. More so, every year substantial percentage of the world population travel on unrestricted movements both within the country and outside it. Indeed, this growth has brought about high employment worldwide, increasing wealth of nations, improving balance of payments and as a veritable tool of human development.

An acceptable index for measuring growth of tourism is usually in term of international arrivals and receipts, thus, over the past forty years, global tourism has expanded at an average of 7% a year in arrivals and 12% a year in receipts, a growth record unmatched by any other economic sector (Omotosho, 2000). This can be analysed within the framework of Harrold - Dormarmodel, who saw growth and development as dependent on capital formation.

More so, WTO forecast shows that, international tourist arrivals worldwide is predicted to reach 1bn by the year 2010, also receipts are predicted to reach US\$1,550. Between 1950 and 1999, movement of person across frontiers exceeded 664mn, while receipts from tourism which does not include fares paid to corners is also in excess of \$455bn representing per annual receipt of US\$685.

There has been a remarkable expansion in tourism activities aided modern by transportation, growth in human activities and international politics. It has become the source of wealth and economic diversification to Asia, North Africa, Latin America and the Caribbean nations. Although, Europe and America were initially topping the regions, Asia and the Pacific region have dominated for the past 15 years. Recent developments by tourists to discover new grounds for fun and excitement would have made Africa and indeed Nigeria very relevant but this is not so and thus, Europe and America has taken over the dominance of this industry again.

For many centuries, international tourism is an indispensable source of foreign currency earnings. According to the World Tourism Organisation, tourism is one of the top five export categories for 83% of countries and the main source of foreign currency for at least 38% of them. Appendix 3.2 and 3.3 show the growth rates in receipts from international tourism in the different regions of the world as defined by the WTO (see Appendix 3.1.) and their respective market shares. Thus, Appendix 3.2 shows that in 1985 when the world total receipts was 118.1b. Africa received 2.5b of the figure, Americas received 33.3b, Asia got 15.6b, Europe 63.5b and Middle East 4.2b. The trend continued in 1990, with Europe maintaining a steady growth of 143.5b receipts and a share of 54.4% of world receipt flow, followed by Americas and then Asia with more than double the 1995 figure. However Africa and Middle East marginally increased 1995 to 1998 however, from Appendix 3.2 to 3.3 we can see a remarkable change in the trend of tourists flow. For instance, in 1998, when world receipts were 441.0b, Africa's share was 9.8b, which was 2.22%. However, the shares of other regions have continued to dwindle. Approximately 15 years, percentage receipts in America declined from 28.2% in 1985 to 26.2% in 1998 and European share also reduced from 53.8% to 52.3% in the same period. This decline in their share was quite unbelievable because most crowd-pulling major world events took place in either of the two regions.

Atlanta 1996 Olympic games, USA '94 World Cup finals, France '98 World Cup finals are examples of those events, which boosted the regional receipts without significant flow over previous years of significance is the average growth rate of the six regions within the period. The Middle East, Asia and Africa got the biggest boost with growth rate of 6.9%, 7.0% and 7.02% respectively. Although, the other three regions growth were not bad but Europe and Americas from Appendix 3.3 have shown the world's leading earners of tourism spending considering individual countries within the regions.

Again, Appendix 3.4 have shown the world top earners from international tourism leading by United States, followed by Spain, etc. This is reflecting the fact that closeness to origin of the travelers still matters and the fact that countries in these regions have had the time, resources and demand needed to develop their tourism industry. From Appendix 3.5 the Americas clearly the unchallenged leader with about 4.8% share of tourism receipts, while Africa's earning from tourism same year exceeded that of the Middle East (23.2b)

The significance of these statistics is that it is much cheaper to visit Africa in view of the very weak currencies at the destinations. The North, East and South Africa have remained the primary destinations. For example, North Africa countries, notably Algeria, Morocco, Sudan and Tunisia took 35.3% of Africa's share in 1999 whereas 13 countries in West Africa shared only 9.7%. East Africa shared 22.6% and South Africa 30.4%. Thus, these figures portend that Africa is the region of the future world Tourism in Nigeria cannot be an exception. The reasons justifying the statement are as follows;

- The average international tourists are seeking new natural grounds and endowment devoid of man-made as the case in the western world.

- Conflicts and political uncertainties, which have constrained Africa tourism, are beginning to fade away.
- Countries are achieving independence, absence of apartheid and military dictatorship; and
- In fact Western Tourist destinations have reached the points of satiety in which the marginal utility of tourism tends to negative both on humans and environment. Therefore, Why not turn to Africa tourist destinations which are largely unused.
- Nigeria has all the above advantages, hence the need to explore the following tourist attractions in Nigeria.

### **Potentials of Tourism**

Tourism has been growing since the 70's and 80's but at this time Nigeria's hopes, dreams and thought were not matured enough to pursue that sector of the economy until the 90's. By this time factors or potentials which are prerequisite for tourism development were very much there, and are still there and will most probably be there for a long time to come, for instance, the Gurara Water Falls, Ikogosi and Wikki warm springs, Mambilla Plateau, Riyom rock formation, Idanre Hills, Zuma Rock, Olumo Rock, Ikom Water Falls, etc.

- Ikeja water parks, Snake Island, Ibadan Amusement Centre, Abuja parks and Amusement, Lagos bar beach, Obudu Cattle Ranch, Nicon and Sheraton Hotels, Zaranda Hotels. Etc.
- Yankari, New Bussa and Bauchi Game Reserves. Plateau Gardens and Monuments, Kano and Ibadan zoo's, Cross river boat and fishing regatta, Argungu fishing festival etc.
- Atilogu Dancers, kuntigi and kalangu local guitarists, Yam festival, Gale and GboyaNupeTraditon, Eyo masquerades, Ekwechi Festival in Ebira Bronze Statutes from Benin, local fan and hat from North, local cloth dyers from China etc.
- Dambe and Langa Traditional from North, Circus from China etc.
- Varieties of Seminars, conferences, meetings and Workshops in hotspot tourist locations across Nigeria.

### **3.3 Social-economic Impact of Tourism**

From the foregoing explanations of potentials or opportunities of tourism in Nigeria, the following socio-economic impacts are clearly indentified.

First and foremost, the economic impact of tourism is the income and wealth it creates for the people and the nation. This is further heightened by the concept of Tourism income multiplier (TIM) meaning that a demand by a tourist to an area implies spending some money with the people in those areas who in turn spend in other places, this continues on and on.

Again, it is gravifying to note that the percentage of jobs that depends directly or indirectly on tourism demands average at 5 to 7%. These employment are found in tourism sites, hotels, airlines, travel agencies and other associated products to tourism. In fact, the growth of tourism would not have been possible without a vibrant labour.

Also, another economic impact of tourism is that it it increases foreign exchange earning to provide the investment necessary so as to finance economic growth, while rectifying our balance of payment deficit. Figures have shown the increasing number of international tourist arrivals and receipts thereby ensuring that balance of payment always balance.

Economic impact of tourism could be in terms of investment and development. That is, once the business of tourism is booming in an area then investors are poised to invest while the area develops rapidly e.g. industries, infrastructures (road, water, etc.)

On the other hand, social impact in terms of public awareness and information flow. For instance, WAI.MAMSER.NOA.Etcwerelaunched to equally create social awareness and the need to warmly received visitors.

Another social is that tourism visits enable one to meet people from different backgrounds, thereby creating understanding, peaceful co-existence, exchange of ideas, Pleasantries and promote unity.

Social impact of tourism could be in form of cultural revival or reawakening, promoting natural arts and crafts, health therapy, etc. Another social impact of tourism is creating a good relationship between man and his natural environment, conservation and protection.

More so, social impact could create positive international image, cultural exchange and enrichment.

#### **4.0 Problem and prospects of Tourism in Nigeria**

Despite the potentials and opportunities available for tourism development in Nigeria, it is still bogged with the following problems:

The major problem facing the tourism industry is the lack of political will on the part of the government which give rise to the numerous problemsfacing the industry. Again, is the urgent need for the review of national policy on tourism so as to make it more encompassing, broad based proper planning and dynamism, such as giving tourism its rightful place in the constitution, offering tourism courses in universities, standardization of hotels, funding, zoning etc.

Also, the model and structure couple with technology and management still of the hotel in Western Europe is not peculiar to our environment. That doesn't mean that we shouldn't transfer such ideas but they should be monitored, tailored and adopted to our tradition and cultural inclinations.

Another problem of tourism is that of funding. It is not advisable and not the case in place, where tourism has developed to have too much government involvement but rather government provide the guidelines then allow the private sectors and financial institutions to take up the development of tourism industry. In fact, tourism is a product of sectoral cooperation and governmental backing.

More so let us not lose the sight of developing infrastructures. This is a very big problem in Nigeria. A situation where roads are in bad shape, inadequate and in some cases absence of portable water, erratic power supply, poor communication networks and other aspects of social amenities required to support tourism are not in existence will not augur well for tourism industry.

Political instability, conflicts, insecurity and poor attitudinal changes among Nigerians will tend to scare away genuine tourists. Nevertheless, from the catalogue of problems plaguing the prospects of this viable industry cannot be overemphasized due to the following reasons.

Nigeria has all the potentials of tourist attractions from rocks and falls cut through wildlife parks and gardens down to hotels and conference centres. Though we have observed tourism policy as a problem but the launch of the first tourism policy is an indication of government intention to that sector, coupled with the so many awareness and campaigns to instill discipline and respect by Nigerians towards visitors.

Also, a relative political stability with the young democracy put in place has been achieved. Intensified effort to develop infrastructures, creation of tourism ministry and corporation are all indication towards developing a prosperous tourism industry.

## **5.0 Summary and Conclusion**

The paper has made it clear that the place of tourism industry in any economy including Nigeria, which is endowed with so many potentials, cannot be overemphasized. Because we have seen the growth in the sector couple with the need to comb all aspects of tourism industry as well as constraints and prospects of the industry. In fact, this is the only sector that experiences forward and backward linkages. Therefore, it is my conclusion that effort should be geared towards increasing the political will, funding and all the investment required to fully develop the industry.

## **Recommendation**

There is the need to develop an encompassing tourism policy if it has to be sustainable, equitable and responsive so as to contribute to Nigeria's economic development and in effect raise the quantity of life of all her people.

Government should intensify vigorously the marketing and promotion of Nigeria cultural, historical and archaeological treasures.

Funding of tourism should be tackled. To this end, government should provide all the enabling environment to support private sectors in tourism development. Much attention should be given to environmental aspects of tourism i.e. Ecotourism which consists of wildlife tourism and natural parks. Thus, the federal Ministry of commerce and Tourism as well as Tourism Corporation be strengthened.

The collection and collation of tourism statistics and the establishment of tourism satellite accounts as is done across the world be vigorously pursued. Tourism information should as a matter of significance be available on Internet for users and investors.

There is the need to embark on aggressive manpower development required in the tourism industry, such as in hotels and catering, training schools and institutions should be established.

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