

TOURISM MARKET TRENDS IN GHANA, 2006

EXECUTIVE SUMMARY

BACKGROUND

In this report, data from the country's tourism industry are used to analyse the recent tourism market trends in the country. The data cover the period 1995 to 2004. They include data on international tourist arrivals and receipts, visitor arrivals and revenue accruing to the country's tourist sites, international air passenger and aircraft movements and accommodation capacity in Ghana.

International Tourists Arrivals and Receipts, 1995-2004

International Tourist arrivals to the country has continued to increase from the recorded figures of 286,600 in 1995 to 583,821 in 2004, registering 104.1 percent increase, at an average annual growth rate of 8.0 percent during the period.

From 1995 to 1999, international tourist arrivals into the country had grown at an average annual rate of 6.5 percent while from 2000 to 2004, arrivals increased at a rate of 9.4 percent a year. International tourist receipt increased from 233.2 million US dollars in 1995 to 694.4 million US dollars in 2004, registering 197.8 percent increase, at an average annual growth rate 113 percent. During the first half of the decade, tourist receipts grew at an average annual rate of 6.0 percent i.e. from 1995 to 1999 while from 2000 to 2004, it grew at an average annual rate of 16.5 percent.

Ghanaians living overseas formed the largest proportion of international tourist arrivals into the country followed by Nigeria and United Kingdom. The Americas, Germany and Cote D'Ivoire followed in that order.

Trends of international Tourist Arrivals in Ghana by Region, 1996-2003

Africa topped international tourist arrivals by region, followed by Europe, the Americas, East Asia/Pacific and Middle East. However, Middle East showed the highest growth followed by the Americas, Africa, Europe and East Asia/Pacific.

International Tourist Arrivals by Purpose of Visit, 1996-2004

Holiday/Vacation tourism arrivals, accounting for one-third of the total arrivals. It was followed by business tourism (23.2 percent), visiting family and friends, (19.9 percent), official/government, (10.7 percent) and sports tourism, (30.5 percent) in 2004.

International Tourist Expenditure, 1996-2003

Expenditure on accommodation was the highest, recording 31.2 percent, followed by expenditure on entertainment, (16.2 percent), food and beverages, (16.2 percent), formal shopping (10.1 percent), informal shopping (10.1 percent) and local transportation, (8.1 percent) in 2003.

Visitor Arrivals and Revenue accruing to Selected Tourist Sites

The annual trends in arrivals and revenue accruing to the country's tourist site showed a reliable indicator of industry growth. The 8.4 percent annual increase in arrivals to selected major tourist sites in the country, from 1996-2004, shows that the population is showing interest in domestic tourism. In 1996, 205,300 visitor arrivals were recorded in the selected major tourist sites while in 2004, arrivals to the sites were 353,400 registering 72.1 percent increase, during the period. Revenue from these sites increased from 220.4 million cedis in 1996 to 2.6 billion cedis in 2004, registering 1,079.2 percent increase, at an average annual growth rate of 62.6 percent.

In 2004, Accra Zoological Gardens registered the highest number of tourist arrivals followed by Kakum National Park, Aburi Botanic Gardens, Elmina Castle, Kumasi Zoological Gardens, Cape Coast Castle and Shai Hills Resource Reserve. However, for revenue generation, Kakum National Park recorded the highest revenue, followed by Aburi Botanic Gardens, Elmina Castle, Cape Coast Castle, Accra Zoological Gardens and Shai Hills Resources Reserve.

Visits to selected community based eco-tourism sites also experienced some modest increases from 2002 to 2004. In 2002, 26,500 visitors were recorded; this number increased to 27,400 in 2003, but dipped to 25,600 in 2004. Revenue from these sites showed the same trend as for arrivals. Nearly 230 million cedis was recorded in 2002, 570 million cedis in 2003 while 212 million cedis was realized in 2004, a decline in revenue.

Boabeng Fiema Monkey Sanctuary topped visitor arrivals to community-based eco-tourism sites followed by Paga Crocodile Pond then Liate Wote. Tafi Atome Monkey Sanctuary recorded the highest revenue from the community based eco-tourism sites and Boabeng-Fiema Monkey Sanctuary took the second position.

International Air Passenger and Aircraft Movement, 1995-2004

In 1995, 187,600 International Air Passenger arrivals were recorded in the country. By 2004, the number had risen to 351, 500, registering 87.4 percent increase, at an average annual growth rate of 7.0 percent.

International air passenger departures also recorded 180,600 in 1995, and the number grew to 366, 900 in 2004, accounting for 103.2 percent increase, at an average annual growth rate of 8.8 percent.

The country recorded 2,900 aircraft arrivals in 1995, and this increased to 5,283 in 2004, accounting for 82.2 percent increase, at an average annual growth rate of 6.6 percent during the period. For aircraft departures, the country recorded 2,900 in 1995 and the number increased to 5,327 in 2004, registering 83.7 percent increase, at an average annual growth rate of 6.7 percent during the period.

Hotel Capacity in Ghana, 1995 – 2004

The number of accommodation establishments in the country increased from 580 in 1995 to 1,313 in 2004, registering 126.4 percent increase, at an average annual growth rate of 9.2 percent. Similarly, the number of accommodation rooms grew from 7,618 in 1995 to 18,022 in 2004, registering 136.6 percent increase, at an average annual growth rate of 7.7 percent.

The country's capacity for accommodation expressed in number of bed-places increased from 11, 938 in 1995 to 25, 430 beds in 2004, registering 96.3 percent increase, at an average annual growth rate of 6.8 percent.

Greater Accra region recorded the greatest number of accommodation establishment, rooms and bed-places during the period. It was followed by the Ashanti Region, Eastern Region, Central Region, Western Region, Brong-Ahafo, Volta Region, Northern Region, Upper East Region and Upper West Region.

Classification of Hotels, 1995-2004

Five & Four-star hotels increased from 3 in 1995 to 5 in 2004. three-star hotels increased from 7 in 1995 to 23 in 2004. two-star hotels increased from 49 in 1995 to 133 in 2004 while Guest Houses grew from 41 in 1995 to 156 in 2004. Budget and One-star hotels increased from 480 in 1995 to 950 in 2004.

Number of Rooms by Category, 1995-2004

In 1995, Five & Four-star hotels provided 451 rooms, and this number increased to 762 rooms in 2004. Three-star hotels recorded 196 rooms and this rose to 1,212 rooms in 2004. Two-star recorded 1,286 rooms and this increased to 2,729 while Guest Houses recorded 305 rooms and this increased to 1,145 in 2004. Budget and One-star hotels provided the bulk of the rooms, recording 6,280 rooms in 1995, and this almost doubled in 2004, totaling 12,194 rooms.

Number of Bed-places by Category 1995-2004

Five & Four-star hotels in the country recorded 964 bed-places in 1995 and this number reduced to 953 bed-places by 2004. Three-star hotels recorded 297 bed-places in 1995 and this number rose to 1,505. Two-star hotels provided, 1,936 bed-places in 1995 and the number increased to 3,867 in 2004 while Guest Houses recorded 380 bed-places in 1995 and the number rose to 1,400 in 2004. Budget and One-star hotels recorded the bulk of the bed-places, recording 8,371 bed-places and this increased to 15,290 in 2004.

Hotel Room Occupancy Rates, 1996-2004

Considering the demand for accommodation in this country by domestic and international tourists, the highest level of utilization of hotel rooms occurs in the Five-star hotels, (80.8 percent) followed by Four-star hotels (80.6), Three-star hotels, (69.2 percent) and Two star hotels (65.1 percent).