

TOURISM AND ECONOMIC DEVELOPMENT IN NIGERIA: AN EMPIRICAL INVESTIGATION

OKEY O. OVAT

(Received 8 October 2002; Revision accepted 29 October 2002)

ABSTRACT

This paper carries out an empirical investigation of the role of tourism in economic development in Nigeria. The investigation reveals that globally, tourism has become a sustainable revenue earner competing favourably with the manufacturing sector, especially in the developed countries. However, in spite of the enormous tourism potentials in Nigeria, the investigation shows that tourism's contribution to economic development in Nigeria, leaves much to be desired. For tourism industry to contribute significantly to economic development in Nigeria; just as it does in other economies, the paper suggests some promotional remedies for the industry by the government. These remedies among others include: the playing of an active role in tourist destination development by the government, government involvement in the planning and execution of marketing of tourism potentials, the invitation of travel agents to visit Nigeria by government agency (NTDC), from time to time with the aim of stimulating such travel agents' interest in marketing Nigeria; and the compilation of statistics on international arrivals – tourism expenditure with a view to measuring travel, recreational and tourism development.

KEY WORDS: Tourism, Economic development, empirical, investigation, Nigeria.

1. INTRODUCTION

Tourism has become a major sector of many economies in developed and some developing economies of the world. For instance, it features prominently in the Mediterranean, Bahamas, Egypt, Kenya and Tanzania among others. Apart from its contribution to the balance of payments, it also generates employment. The role of tourism on the economy lies in the tourist-community relationship in the receiving areas where the flow of funds generated are channeled into the overall development of the economy. In this regard, tourism is now regarded as "the world's largest business organization with a turnover of an average US\$4 billion per day and amounting to 25 per cent of the world's total gross national product" (Ukpanah, 1991:22).

The history of tourism as a viable economic sector in Nigeria is traced to three schools of thought. In the first instance, tourism

in Nigeria is traced to 1472 when the first Portuguese merchants visited Lagos on a mercantile mission (trade mission).

The second school of thought however traces the origin of tourism in Nigeria to 1962 when a group of Nigerians who had common interest and commitment to the promotion of tourism set up a body known as Nigerian Tourist Association (NTA). The NTA received some support from the then Nigerian government in terms of grants. This body also thrived hard and became a member of the International union of Official Travel Organization (IUOTO) in 1964 (Ukpanah, 1991). The IUOTO later metamorphosed to what is now known as World Tourism Organization (WTO).

The Tourism industry however suffered a serious setback soon after the Nigerian tourist Association's attainment of membership of the IUOTO. Consequently in 1971, government appointed African Development Bank (ADB) to conduct a feasibility study on the potentials and

viability of tourism in Nigeria. The feasibility report revealed that Nigeria possessed great potentials for development of tourism as a viable economic sector.

Against this background, government promulgated Decree No.54 of 1976, which established the Nigerian Tourist Board (NTB). The NTB replaced the privately motivated Nigerian Tourist Association.

The third school of thought therefore traces the development of tourism in Nigeria to the promulgation of Decree No.54 of 1976, which came into effect in 1978. This Decree empowered the NTB to:

- (a) encourage people living in Nigeria to take their holidays there in and people from abroad to visit Nigeria;
- (b) encourage the provision and improvement of tourist amenities and facilities in Nigeria including ancillary facilities;
- (c) provide advisory information services;
- (d) promote and undertake research in the field of tourism;
- (e) grade or classify hotels in such a manner as may be prescribed.

The appellation of the Nigerian Tourism Board (NTB) was later changed to Nigerian Tourism Development Corporation (NTDC). The objective of this paper is to undertake an empirical investigation into the role of tourism in economic development in Nigeria.

The paper is organized as follows: Section 1 has been the introduction. Section 2 examines theoretical arguments in favour of the nexus of tourism and economic development. The third section undertakes an overview of Nigeria's tourism potentials. Section 4 examines empirically the contribution of tourism to economics development in Nigeria. While section 5 summarizes and concludes the paper.

2. THEORETICAL FRAME WORK

The contribution of tourism to economic development of most economies of the world is well established. The theoretical frame work that

underpins the role of tourism in economic development is undertaken in the context of the following theoretical paradigms viz: the classical theory of international trade, the Malthusian theory and consumer theory of demand and supply.

The classical theory of international trade refers to Adam Smith's absolute advantage and the Ricardian comparative advantage theories.

(i) **THE THEORY OF ABSOLUTE ADVANTAGE:** This theory was propounded by Adam Smith in 1776 as a reaction against the mercantilists doctrine, which was based on nationalism and trade regulation. Adam Smith extolled the virtues of free trade (Jhingan, 1997). These are the result of the advantages of division of labour and specialization both at the national and international levels. Specialization at the International level requires the existence of absolute differences in cost. Adam Smith's principles of absolute advantages states that a country should export goods and services it can produce with less cost than its trading partner and import those goods and services its trading partner can produce at lower cost than herself. He contended that, there are gains from trade. Smith's "Absolute advantage" was improved upon by another classical economist, David Ricardo, when he postulated the theory of comparative advantage.

(ii) **THE THEORY OF COMPARATIVE ADVANTAGE:**

According to Ricardo, international trade is based on the principle of comparative advantage rather than absolute advantage. To him, it is not the absolute but the comparative difference in costs that determine trade relations between two countries. The theory of comparative advantage states that under conditions of free trade, a country will specialize in the production and export of those commodities it can produce with the

greatest comparative advantage or the least comparative disadvantage. Due to differences in climate, natural resources, geographical situation and efficiency of labour a country can produce one commodity at a lower cost than the other. In this way, each country specializes in the production of that commodity in which its comparative cost of production is the least.

Both the absolute and comparative advantage theories of international trade maintain that international trade is necessary to achieve the gains that international specialization makes possible. With trade each country can specialize in producing commodities for which it has some natural or acquired advantage. Therefore countries that are vastly endowed with many tourism resources, specialize in the production of tourism products and services. Since specialization and trade go hand in hand, these tourism products and services are then exported to generate foreign exchange which is used for economic development. In this way, tourism, viewed from the classical theoretical frame work of international trade, contributes to economic development of a nation.

The Malthusian theory of economic development was propounded by Thomas Robert Malthus in his book titled "The Principles of Political Economy", Published in 1917. His Primary concern was in the areas of population growth and means of subsistence. He posited that population was growing in a geometrical progression while food supply was growing in an arithmetical progression. He predicted that if this trend was not checked it was going to lead to some catastrophic consequences; such as famine, malnutrition etc. Malthus' prediction was however invalidated as it never saw the light of the day, due largely to improvement in modern farming methods and the world interdependence

made possible by international trade (Bassey, 1992:48).

In terms of economic development, the Malthusian views were centred on raising effective demand. Raising effective demand is a necessary condition for economic development (Edame, 2001:74). This can be achieved via various ways, which among others included tourism, expansion of internal and international trade and employment generation. In the case of tourism, as the tourists are attracted to the tourist destinations, they contribute to increase in population of such destinations and hence raise the effective demand of tourism products in such areas. The producers of such goods and services demanded by the tourists in the bid to maximize profit will demand for more labour to increase supply. In this way, employment is generated. Again, the income (profit) that accrues to the producers of these goods and services is reinvested in the economy. Increase in investment leads to increase in national income. The employed labour is paid wages, which also help in raising effective demand, reducing the level of poverty and increase the standard of living of the people in the economy. Thus the Malthusian theory of tourism through the multiplier effect it generates, contributes to economic development.

The extent to which tourism contributes to economic development is also viewed in terms of the nature of demand and supply of tourism products, as well as their determinants. Demand and supply are multivariate concepts; that is, they are determined by many factors simultaneously. The determinants of the tourism demand for example, among others include, a distinct tourist product that is maintained qualitatively over time, income levels in the country of origin of the tourists; and nearness of tourist destinations/attractions to tourism importing countries.

The supply of tourism products on the other hand is determined by the following factors, the price of the tourism products or services, the prices of factors of production, state of technology and goals of the firm producing the tourism products.

Assume that the supply curve for tourism products is elastic, an increase in both the foreign and domestic demand for tourism products, will lead to an increase in the supply of the products by fully developing the tourist attractions. If we further assume that producers are rational and the goal of the firm is profit maximization, they (ie producers of tourism products) will take advantage of the increase in demand (both domestic and foreign) to maximize total revenue and foreign exchange, which will be used for economic development.

3. OVERVIEW OF NIGERIA'S TOURISM POTENTIALS

Nigeria is vastly endowed with many tourism potentials. This can be seen in the number of tourism products it has to offer. These include, the beautiful beaches along its Atlantic shores, the sun, the famous Yankari Game Reserve in Bauchi, the rare animals like chimpanzee and Gorilla in Akwa Ibom and Cross River States. Others are, the historic monuments, the various warm springs like Wikki, Wana and Ikogosi in Ondo State and the varied cultures and cultural artifacts, to mention but a few. These tourism potentials are well located and evenly distributed across the length and breadth of the country. All these, qualify Nigeria as a tourist destination (Ukpanah, 1991). Most of these resources, however, are yet to be developed into marketable products.

In recognition of the fact that the tourism industry has come a long way, and has been a sustainable revenue earner for some nations, government

therefore in 1991 took a bold step in developing some of these tourism potentials by upgrading them to national parks. According to Lucky (1999), "money earned through tourism, come more easily than that earned by production of manufactured goods world wide'. Apart from the economic advantage, government also realized that tourism can also help in the image launching of a nation. To this end, the promulgation of the enabling Decree No. 36 of 1991 which established the national parks was just timely. What now follows is an examination of some of these national parks and their main attractions.

(1) YANKARI NATIONAL PARK

Yankari National Park has a land area of about 2,250 sq.km. (Lucky and Danladi, 1991). It is located in Alakarleri Local Government Area of Bauchi State, and lies between latitude 99035 and 100-SN and longitude 90.50 and 100.50E.

MAIN ATTRACTIONS

The park is a tourist delight. It also has a wide variety of attractions some of which include the following:

- (a) **FAUNA:** About fifty-two species have been identified. Some of which include: Elephant-Loxodonta Africana, Buffalo-Syncerus Caffer, Hippopotamus, Roan Antelope, Baboon and Nile Crocodile etc.
- (b) **BIRDS:** Three hundred and fifty species have been identified; some of which are, white backed vulture, Abyssinian Roller, cattle Egret, Guinea Fowl, etc.
- (c) **FISH:** One hundred and fifty species have been identified, these among others include: Tilapia, Clarian Cat-Fish etc.
- (d) **SPRING WATER:** Yankari National Park is blessed with five springs, namely Wikki Warm Spring, Dimmil, Gwan, Mawulgo, and Tungo Maliki. Among all these, Wikki is the largest with 1.9 metres deep and 13 metres wide, and flows at the rate of 21,000,000 litres per day. It has a

constant temperature of 310°C. While Mawulgo with a constant temperature of 330°C is the smallest spring in the park. Tungo Maliki is the only cool spring in the park, and is famous for buffalos and elephants.

(e) **HILLS:** A number of hills of interest exist in the park. Those worthy of mention perhaps include: Kalban hill which has a flat top and hence assist tourists to have the opportunity of a complete view of the park, Kanyo hill, Sha'amma hill others are the Paliyaran hill and the Salt-lick spot.

(f) **CULTURAL TOURISM:** Yankari National Park is endowed with so many archeological resources. According to Lucky and Danladi (1991) there had existed three phases of human occupation at the Yankari before the present time. These were the stone age, the iron age and the historical period. The existence of man-made caves (the first of its kind to be reported in Africa) and early man-made stone tools, iron smelting centers among others, buttress this claim.

(g) **MARSHALL CAVES:** These caves numbering fifty-nine were named after P.J. Marshall a research fellow who discovered them in 1980 while counting Hippopotamus at the Yankari. The caves are man made and the first to be reported in Africa. They are of various sizes but common in design. They have a circular entrance hole that opens into an inside round chamber with vertical walls at the bottom which curve to the top of the roof.

(h) **DUKKE WELLS:** Dukke was once a settlement of about 11km South-east of the main entrance gate to the park. These walls numbering one hundred and thirty-nine in all were found at Dukke. Accordingly to Lucky and Danladi (1991), Dukke used to be a resting place for traders in the past. These wells used to serve as sources of water supply for these early traders. The wells have a peculiar characteristic. A disturbance in one of them creates ripples in all.

In addition to the above, Yankari can boast of the best chalets in the country.

Yankari therefore is the ideal place for holiday making. It offers the best serene environment for tourists.

(ii) OLD OYO NATIONAL PARK

This park exist on the ruins of Old Oyo Empire. It is located in the Northern part of the present day Oyo State with Ibadan as capital.

Just like other national parks its natural eco-system accommodates wild animals and many species of birds. Like other national parks again, it shares the same objectives. Prominent among which is to cultivate the recreation culture among Nigerian and promote aesthetic and tourist values of our unique natural heritage for economic and cultural development.

MAIN ATTRACTIONS

In addition to the various wild animal and species of birds, lodging accommodation and catering facilities are available at the park permanent tourist chalet at Sepeteri, where comfortable lodging and feeding awaits adventures by competent and experienced caterers. Electricity supply is stable all day. The best time to visit the park is December to April, yearly when visibility and accessibility is generally good.

(iii) CROSS RIVER NATIONAL PARK

The park is located in the forest belt of South East, it has two sectors, namely, the Southern Oban Hills sector, which is one-hour drive from Calabar the State Capital and the Northern Okwangwo sector near Obudu. The two sectors cover approximately 3,500 km².

The area of Cross River National Park into the Gulf of Guinea, Cameroon, and Gabon differ from other African rain forests. The area has been a forest reserve since the 1930s. it became a national park in 1991.

MAIN ATTRACTIONS

Apart from the rich flora and many localized species of plants and animals, there is an amazing number of other species present in the

park. There are fifteen different species of primates, including lowland Gorilla and Chimpanzee; as well as buffalos.

Others are elephants, antelopes, warthogs and a host of other smaller animals.

The park has three camps with the overall headquarters at Akamkpa. The three camps are Akamkpa, the forest camp in Kanyang; and the Butatong Camp.

- (1) **AKAMKPA CAMP:** This camp has twenty well equipped guest chalets, restaurants and bar, crafts centre and electricity. Short treks into the rain forest from the camp can be organized with Ranger escorts, which provided an opportunity to view the tropical rain forest. The camp is close to Kwa River, where there are excellent sport fishing, swimming, boating etc. again, sight seeing tours can be organized to Calabar which is only 45 minutes drive from the camp.
- (2) **KANYANG FOREST CAMP:** This camp is Okwango sector and is about 3 hours drive from Akamkpa. It is at the foot of the Gorilla mountain. The camp is a forest camp with tents and no electricity. There is a reasonable population of Gorillas in this camp.
- (3) **BOUTATONG CAMP:** This camp has basic facilities. There are numerous trails for trekking and botanical garden. Treks are organized under the tutelage of Ranger escorts and porters. Places of interest among others include: Okwa, Balagete and Obudu Plateau, a tourist can take delight by straying to the Ranch Hotel to explore the fascinating surrounding. Obudu Plateau features the unique montane forest and a wide variety of bird species. Obudu Plateaus is indeed the repository of beauty of nature.

4.1 COSTS AND BENEFITS OF TOURISM DEVELOPMENT

(a) **COSTS:** The development of tourism, in spite of its envisaged benefits, is not devoid of costs. The extent to which tourism contributes to economic development has generated a great debate in the tourism literature. One aspect of the controversy stems from the doubt being expressed about the extent to which tourism expenditure generates secondary and tertiary incomes in a receiving country (Levitt and Gulati, 1970), since expenditure within the industry has high import content with import coefficient that ranged from 40-60%. Moreover, the industry is characterized by repatriation of profits by multinationals to their home country (Carey, 1989). Bryden (1973) and Dekadt (1979) questioned the social returns on tourism investment and emphasized on the adverse socio-cultural effects of tourism development.

The tourism trade is also being criticized on the basis of its susceptibility in breeding negative values such as homosexuality, prostitution, cheapening of local value and undermining the dignity of local populace. In addition, foreign tourists are usually arrogant, ostentatious and coarse in behaviour. According to (Taylor, 1973), the real value of tourism trade is affected by tourism-induced inflation, racism, seasonal unemployment and lack of appropriate conduit through which tourism benefits are diffused in the economy. Over-development of tourism can create problems like overbuilt hotels in which the cost of additional room exceeds its expected marginal benefit (Carey, 1989). Other problems or costs associated with the tourism sector are, the possible trade off between arable land for agricultural development and land for the development of tourist facilities especially in the rural areas, the problem of allocating scarce resources among

4. EMPIRICAL ANALYSIS OF THE CONTRIBUTION OF TOURISM TO ECONOMIC DEVELOPMENT IN NIGERIA

competing wants, and finally, the demand of tourists may conflict with the interest of domestic residents in terms of some inconvenience in the use of available facilities etc.

(b) **BENEFITS:** On the other hand, tourism is viewed as a potential source of foreign exchange earnings, employment, and investment spending (Mc Taggart, 1980). Especially in the advanced countries, tourism has emerged as a leading growth industry. It is gradually displacing manufacturing from its dominate position; and there is a gradual shift of emphasis to tourism which is service oriented. The tourism industry according to Ukpanah (1991): is a complex network of business engaged in transportation, lodging, feeding and entertainment of tourists and is today doing all that the manufacturing industry was, and is still doing, namely creating jobs, income, wealth, public revenues, encouraging in novation and satisfying human needs.

To most economies in the world today, tourism is performing a vital role as a foreign exchange earner.

In Nigeria, there is a consensus among tourism analysts that the sector has the potential of not only contributing to foreign exchange earnings but also can aid the reduction of the concentration of foreign exchange sources. Nigeria has been described as a land of variety

and contrast. These variety and contrast range from the thick mangrove swamps of the south to the scanty shrubs of the arid north, from the hot wet weather of the south to the semi temperate climate of the Jos Plateau and to the cold harmattan winds of the north. In addition, the country is abundantly blessed with a huge population of wild life in conjunction with fascinating African, villages with traditional festivals celebrated in different parts of the country on a regular basis.

These features of the Nigerian tourism industry, coupled with the warm-hearted and culturally active population make tourism in Nigeria full of pleasurable delights.

Table 1 shows a survey carried by the world tourism organization (WTO) on the receipts from international tourism, from 1977 to 1981 showing the contribution of tourism to the economic development of some African countries including Nigeria. In all the four selected African countries, the revenue from tourism that accrued to Nigeria was the lowest. While the revenue contribution of the sector that accrued to Kenya, Morocco and Tunisia stood at US\$240 million, US\$440 million, and US\$581 million respectively. The one that accrued to Nigeria only stood at US\$55 million (See table 1). In the same vein, the sectors percentage contribution to the total exports of Nigeria in the period under review was the lowest.

The extent to which tourism contributes to economic development is also viewed in terms of the nature of demand and the determinants of demand for the tourism products. In any economy, the number of tourists' attractions has a

TABLE 1: THE CONTRIBUTION OF TOURISM TO ECONOMIC DEVELOPMENT OF SELECTED AFRICAN COUNTRIES 1981 (US\$M)

	Kenya	Morocco	Tunisia	Nigeria
Revenue from tourism	240	440	581	55
Percentage contribution to Exports	20.2	17.9	26.5	0.3

Source: culled from Ukpanah, S.J. promoting and developing tourism in Nigeria (1991:22).

positive relationship with the supply of the tourism products. In Nigeria, we have a large number of tourists attractions spread over the length and breadth of the country. The determinants of tourism demand among others include, a distinct tourist product that is maintained qualitatively over time, income levels in the country of origin of the tourist, nearness of tourist destinations/attractions to tourism importing countries and a high level of domestic demand for the tourism industry.

Table 2 below shows domestic demand for tourism in Nigeria measured in terms of the distribution of household who visited tourist centers in 1996/97. In the household survey, 1.8% are males and 1.5% are females making a total of 3.3% household who visited a tourist

centre in the last six months of 1996/97. The survey also shows that tourists above 30 years of age are fewer while those with post secondary education are much fewer. The survey suggests further that Nigerian house holds visit festivals and zoos more than any other destination. In terms of ownership structure of the tourists attractions, the federal government accounts for 12.7%, state government and local government account for 31.7% and 12.5% respectively (see table 2). From the table, it is obvious that there is a disequilibrium between the domestic demand and supply of tourism products. The supply far outstrips the demand. For equilibrium to be attained in the tourism market, the disequilibrium will be corrected by tourism exports since there is a foreign demand for tourism.

TABLE 2 : DOMESTIC DEMAND FOR TOURISM: PERCENTAGE DISTRIBUTION OF HOUSEHOLD VISITING TOURIST CENTERS IN THE LAST 6 MONTHS IN 1996/97

Household Characteristics	%	Destination of Visit	%	Types of Ownership of Tourist Attraction	%	Purpose of Visit	%
Male	1.8	Museum	10.6	Federal Government	12.7	Business only	7.2
Female	1.5	Zoo	20.5	State	31.7	Sight seeing only	45.0
Below 30 years	2.1	Dams	6.3	Local Government	12.5	Business/sight	14.0
Above 30 years	1.2	Festival	38.4	Private	29.9	Leisure	30.3
No Schooling	0.9	Games Reserve	7.7	Federal/State	7.2	Others	3.5
Below Primary	0.1	Warm Spring	2.3	Federal/Private	0.6		
Secondary	1.0	Monument	3.7	State/Private	1.1		
Post Secondary	0.4	Others	10.9	Others	4.5		

Source: Federal Office of Statistics, *Statistical Bulletin*, 1998.

Table 3 derived from WTO compendium of Tourism statistics, 10th Edition, 1984, shows the relative performance of the sector in some selected developed and less developed countries (LDCs) vis-à-vis total export and gross national product (GNP).

TABLE 3: RECEIPT FROM INTERNATIONAL TOURISM, WORLD EXPORTS AND GROSS NATIONAL PRODUCT (GNP) OF SOME SELECTED COUNTRIES 1987 (US\$M)

Country	Tourism	Export	GNP	%	%
Receipt	I	II	III	I/III	I/III
Egypt	1,586	4,352	34,073	36.4	4.7
Nigeria	78	7,383	40,301	1.1	0.2
Morocco	933	2,827	14,363	33.0	6.5
Kenya	344	961	7,414	35.5	4.6
Spain	14,760	34,160	233,261	43.2	6.3
U.K	10,225	131,210	599,804	7.8	1.7
U.S.A	23,505	254,122	4,558,590	9.2	0.5
Italy	12,174	116,575	598,030	10.4	2.0

Source: WTO Compendium of Tourism Statistics 10th Edition, 1984 - 1988.

From table 3, it would be observed that Spain in 1987 earned US\$14.8 billion amounting to 43.2 per cent of her total exports and 6.3 per cent of her GNP. The corresponding figures for Egypt, Nigeria, Morocco and Kenya are US\$1.5 billion, 36.4 per cent and 4.7 per cent, US\$78 million, 1.1 per cent and 0.2 percent, US\$933

million, 33.0 per cent and 6.5 per cent, US\$344 Million, 35.5 per cent and 4.6 per cent respectively. In all the countries Nigerian's Tourism, figures as well as tourism percentage contribution to both exports and GNP are worrisome. Nigeria's figures are among the lowest. This clearly shows that tourism has not contributed significantly to Nigeria's economic development.

Furthermore, the value of tourism export for selected countries in US\$ billion for the periods 1989, 1994 and 1998 is analyzed. This is depicted in table 4 which also shows the magnitude of continental exports. The table indicates that while world value of tourism export is very large, Nigeria has a very small share of it. The world tourism exports increased from US\$265 billion in 1989 to US\$508.9 billion in 1998. While that of Nigeria made a very marginal

increase from US\$0.01 billion in 1989 to US\$0.1 billion in 1998. In all the countries depicted in this table, Nigeria's tourism export values are the lowest (see table 4). This shows that tourism is yet to make its impact on economic development in Nigeria. On the whole, industrialized countries have the largest value of tourism export, followed by Asia, Latin America and Africa.

In spite of the socio-economic importance of tourism to the world economies, the Nigerian experience from the foregoing analysis reveals that it has not contributed significantly to the economic development of Nigeria. The fact that government is desirous to diversify foreign exchange sources and expand its revenue base prompted government to formulate tourism policy in 1991 marking a renewal of government's interest and determination to develop and promote tourism. The focus of the policy inter alia is to make Nigeria a leading tourism destination in the African region; to make tourism generate foreign exchange and employment as well as encourage even development of the country. Clearly, going by the analysis of the table 4, neither has Nigeria assumed the status of a leading tourism destination in Africa nor has it generated the foreign exchange envisaged.

TABLE 4: TOURISM EXPORT IN US\$ BILLION (SELECTED COUNTRIES)

Country/Continent	1989	1994	1998	Country/continent	1989	1994	1998
Canada	6.5	8.1	11.0	Mexico	5.2	7.0	7.9
Austria	10.7	13.1	11.1	Cyprus	1.1	1.9	2.0
Denmark	2.4	3.3	3.3	Nigeria	0.01	0.03	0.1
Finland	1.5	2.0	2.6	Kenya	0.5	0.6	0.4
France	19.2	28.1	36.3	Tanzania	0.04	0.2	0.4
West Germany	14.1	20.3	23.9	Jamaica	0.7	1.1	1.4
Greece	2.0	4.0	0.0	Barbados	0.5	0.6	0.7
Italy	13.3	26.5	31.3	Fiji	0.2	0.3	0.3
Netherlands	5.0	9.0	12.9	Africa	6.2	8.9	11.5
Normay	1.9	2.5	2.5	Asia	28.3	54.1	61.1
UK	5.7	22.8	32.3	West Hemisphere	15.6	23.4	30.6
US	51.4	84.9	103.4	Ind. Countries	191.6	297.9	359.4
Spain	17.9	23.1	32.4	Total	265.0	407.8	508.9

Source: International Monetary Fund: *Balance of Payments Statistics Year Book* (1996, 1997, 1999)

Moreover, despite the seemingly infinitesimal contribution of tourism to economic development in Nigeria, government should not be despondent. The sector should be fully promoted and developed to exploit the vast tourism potentials abound in Nigeria. Government's support of tourism, if well planned can help achieve the set objectives of tourism as

contained in the 1991 government policy on tourism. What now follows are suggested promotional remedies of the sector by the government.

4.2 SUGGESTED PROMOTIONAL REMEDIES

- (1) Government should play an active role in tourist destination development. This can be achieved by being actively involved in general strategic tourism planning. Such strategies include, planning, choice of area of priorities for development of types of tourism sources and products that are desirable for various areas.
- (2) Another area of government involvement

should be in the area of planning and execution of marketing of tourism potentials. Such campaigns should be in the form of establishment of national tourist offices both in Nigeria and abroad to provide tourists with information on places of interest, transportation, accommodation and prices of various services. The overseas offices should provide both the travel trade and consumers in tourist generating countries with information, guide books, and sometimes photographs. Such offices should equally be aware of culture and travel patterns of people in the foreign country they are serving.

- (3) The Nigerian Tourism Development Corporation, should on behalf of the government invite travel agents in important tourist generating markets to visit Nigeria from time to time. Such visits should be characterized by marketing strategies like film shows, seminars and

cocktail parties. These familiarization tours are extremely necessary in stimulating travel agents' interest in marketing Nigeria.

- (4) The bane of the tourism industry in Nigeria is the dearth of accurate data that are cardinal in government decision-making. The Federal Office of Statistics (FOS) has not been able to collate travel data to develop and standardize travel research. To remedy this anomaly, therefore, the Federal Office of Statistics on behalf of the government should compile statistics on international arrivals – tourism expenditures, etc. with a view to measuring travel, recreational, and tourism development.
- (5) In order to boost the level of private sector investment in tourism, government should treat tourism like agriculture as a preferred sector. In this respect government should also introduce such incentives as tax holidays, tax rebate and soft loans with long period of moratorium to potential investors in tourism.
- (6) Legislations and regulations should be enacted to regulate the conduct of practitioners within the industry; example, hotels, travel agents, tour operators, car hire service, etc.
- (7) Government should develop appropriate information technology to counter any negative propaganda against Nigeria by any foreign organization or country. For example, the United States warning to its citizens through a consular information sheet for Nigeria, updated yearly on safety and security crime, traffic safety and road conditions impacts negatively on the Nigeria's tourism industry. The warning among other things states as follows:
The Department of States warns U.S Citizens of the danger of travel to Nigeria. Nigeria has limited tourist facilities and condition pose considerable risks to travelers. Violent crimes committed by ordinary criminals as well as by persons in police and military uniform,

can occur throughout the country.

Kidnapping for ransom of persons associated with the petroleum sector, including US citizens, remains common in the Niger Delta area. Use of public transportation throughout Nigeria is dangerous and should be avoided. Taxis pose risks because of the possibility of fraudulent or criminal operators and poorly maintained vehicles. Most Nigerian air lines have aging fleets, and there are valid concerns that maintenance and operational procedures may be inadequate to ensure passengers safety.

This warning serves as a serious constraint to the development of tourism in Nigeria. A similar admonition by the US for her citizens of lax security at Greek airports has had adverse effect on the development of Greek tourism industry after a terrorist incident involving the hijacking of TWA flight 874 on June 14, 1985 (Enders et al, 1992). In view of the foregoing, if Nigeria is conscious and desirous of reaping the benefits of tourism, appropriate matching mechanisms should be developed to counter such negative propaganda.

5. SUMMARY AND CONCLUSION

The tourism industry viewed globally, does not just exit on paper. The undeniable fact remains that when fully developed, it is a sustainable revenue earner. In addition to being a sustainable revenue earner, it creates employment opportunities for skilled labour and also contributes to the image launching of a country. However, empirical investigation into the role of the sector in economic development in Nigeria, negates the assertion above.

Three important findings from the foregoing sections need recapitulation. First, the domestic demand for local tourist attractions is low. Second, Nigerian demand for foreign tourism is inelastic. Third, foreign demand for domestic tourism is also very low. These findings suggest sub-standard tourism assets and the underdevelopment of Nigeria's tourism in general, whether in terms of Policy frame work and

uniqueness of these assets. For Nigeria not to be an exception in reaping from the windfall of the tourism industry, the paper suggested some promotional remedies for the sector by the government.

Today, there is no gainsaying that the tourism industry is competing favourably with the manufacturing industry in economic development of global economies. What we need do in Nigeria is for the government to accord it priority attention by pursuing the suggested promotional remedies among others. If this is done, the impact of tourism on economic development in Nigeria will be felt sooner than later.

REFERENCES

- Abiodun, S. B (unpublished). The Nigerian Tourism Sector: Contribution, constraints, and opportunities. A paper presented at the staff seminar of the Department of Economics, University of Ibadan.
- Basscy, S.U., 1992. Senior School Economics, Calabar. Wusen Press Limited.
- Bryden, J., 1973. *Tourism and Development: A case study of the common wealth Caribbean*. Cambridge: Cambridge University Press.
- Carey K., 1989. Tourism Development in LDCs: "Hotel capacity Expansion with reference to Barbados" *World Development*, Vol. 17 (1)
- Dekadt, E., 1979. *Tourism - Passport to Development?* Oxford: Oxford University Press.
- Edame, G. E., 2001. *Development Economics and planning in Nigeria*. Benin City. Harmony Books.
- Enders, W., Sandler, T. and Parise, G. F., 1992. An Econometric Analysis of the impact of terrorism on tourism, *KYKLOS*, 45: 531 - 554.
- Federal Office of statistics, 1998. *Annual Abstract of statistics*
- Federal Ministry of Information, 1991. *Tourism: know Nigeria Series 2*. A publication of the Federal Ministry of Information.
- International Monetary Fund, 1996. *Balance of Payments Statistics Year Book*. Washington D.C.
- International Monetary Fund, 1997. *Balance of Payments Statistics, Year Books*, Washington D.C.
- International Monetary Fund, 1999. *Balance of Payments Statistics, Year Books*, Washington D.C.
- Jhingun, M. L., 1997. *International Economics*. Delhi. Vrinda Publications (P) Ltd. Levitt, K. and Gulati, I. (1970), Income Effect of Tourist spending: mystification multiplied: A Critical comment of the Zinder Report, *Social and Economics Studies* 19(3): 326 - 343.
- Lucky, G. and Danladi, U., 1999. Supplement on Nigeria national Parks, In *travel and Tourism International Vol. 1. No.2*.
- Lucky, G., 1999. Role of Government in tourism promotion In: *Travel and Tourism International Vol. 1 No.2*
- McTaggart, W.D., 1980. *Tourism and Tradition in Bali* *World Development*, 8: 457 - 466.
- Nigerian Tourism Development corporation (NTDC) *Hand Book on National Registration of hospitality and Tourism Enterprises*.
- Taylor, F., 1973. *The Tourist Industry in Jamaica, 1919 - 1939*. *Social and Economic Studies* 22(2): 205 - 227.
- Ukpanah, S. J., 1991. *Promoting and Developing Tourism in Nigeria*. Lagos, Jah - Adson Ltd.
- World Tourism Organization, 1988. *Compendium of Tourism Statistics* 10th Edition.