Effect of Value-Added Tax (VAT) on the Demand for Tourism Services: Evidence from Tanzania

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Abstract

This study examines the influence of Value-Added Tax (VAT) on the likelihood of tourists visiting Tanzania. The study employed a mixed approach by collecting and analyzing both quantitative and qualitative data. The study applied simple random and judgmental sampling techniques to select 110 respondents from the targeted population. The research used questionnaires, interviews and observation to collect primary data. The study conducted descriptive and regression analysis (binary logit model) to estimate the likelihood of tourists visiting tourist sites in the country. Descriptively, the findings reveal that 83 per cent of the respondents were affected by the high prices charged on tourism services like transport, accommodation and meals. 95 per cent of the respondents perceive the 18 per cent VAT charged on various tourism services as relatively high. The findings imply that a considerable number of visitors are sensitive to the rate of VAT imposed on tourism services. 90 per cent of the respondents were comfortable with the infrastructure in different tourist sites (national parks and game reserves) in the country. 69 per cent of the tourists are attracted to visit Tanzania due to the peace and security status in the country. Moreover, 97 per cent of the tourists visited the country because of environmental

conservation and fighting against poaching efforts. As per the findings of the binary logit regression analysis, the study found that VAT, education level, price, infrastructure, peace and security, and destination marketing have significant effects on determining the likelihood of tourists visiting Tanzania.

1. Introduction

Developing countries have focused on natural resources as one of the ways to reduce poverty through the creation of jobs (Kyara et al., 2021). Tanzania is rich in natural resources like mountains, wildlife and forests, which act as the main base of the tourism industry (Wamboye et al., 2020). According to Kweka et al. (2003), tourism became an important sector of the Tanzanian economy after economic liberalization in the 1990s. The tourism service sector contributes significantly to the economic growth. It is among the three major growing sectors and the second largest source of foreign exchange after the agricultural sector (Wamboye et al., 2020). Tanzania accrues several direct benefits from the sector, including employment, foreign exchange earnings, and government revenue through taxes and levies charged on tourism and associated services.

Despite various inhibiting factors in recent times, including the emergence of the COVID-19 pandemic, tourism has been one of the fastest-growing service industries in the world. Most world economies, especially developing countries, largely depend on tourism for economic development. According to Bagambilana (2022) and Mwamwaja et al. (2020), more than one billion tourists travel to different destinations of interest around the world. Tourism accounts for 10% of the global GDP and 6% of the world's total exports. Such statistics signify the enormous potential of the tourism industry in addressing some of the world's most persistent constraints, such as inclusive development, environmental preservation, and socio-economic growth.

Besides these direct benefits, tourism activities accelerate other economic sectors, including but not limited to the financial, insurance, transportation, hotel and accommodation, carving, and clothing sectors. The total earnings from the tourism sector amounted to USD 2.25 billion in 2017. In 2019, the Tanzania tourism sector contributed 10.7% to the GDP and 11.1% of total jobs countrywide (Kyara, 2021; Kyara et al., 2022). Also, the sector contributed 8.7 per cent of total export earnings and 21.4 per cent of investments (Wamboye et al., 2020). Such statistics signify that tourism is among the top five sectors in economic contribution in Tanzania. Due to its rich tourist attractions, Tanzania has been receiving a considerable number of tourists annually. Most visitors come for leisure and holidays, while others come for other purposes. As per NBS (2018), visitors who come to Tanzania for leisure and holidays (62.9%), visiting friends and relatives (15.8%), business (8.9%), meetings, and conferences (6.4%). Other reasons include volunteering (2.3%), scientific and academic (1.5%), religion (0.8%), and other (1.5%). The top five sources of the tourism market in Tanzania are the United States (14.4%), the United Kingdom (9.8%), Kenya (9.1%), the Netherlands (4.7), and Germany (4.5%).

As one of the lucrative sectors in the country, the government of Tanzania has constantly been regulating the sector for maximum socioeconomic benefits. As a result, after learning from other countries, i.e., Kenya and Uganda, in June 2016, the government introduced 18% VAT on all tourism and associated services, e.g., game driving, water safaris, supplies of tourist

chaperons, animal or bird watching, park fees, and ground transport. However, many practitioners believe little was done initially to establish the impact of introducing VAT on the growth of tourism services in the Tanzanian context. Investors believe imitating other countries does not justify the introduction of the same in the country. As a result, Tanzania lags behind Kenya and Uganda when considering the number of visitors and the contribution of the sector to the economy (Wamboye et al., 2020).

Despite being one of the significant contributors to the national economy, Tanzania's tourism sector has not reached maturity. There are still abundant untapped opportunities in the sector. Many factors inhibit this sector from growing further, including poor infrastructure, inadequate marketing and promotion, an unfriendly regulatory framework, and weak institutional capabilities (Anderson, 2017). The concern of this paper dwells on the effect of a tourism regulatory framework that is dominated by multiple taxes, levies, and an open collection system distributed among several local and central government agencies (Mahangila & Anderson, 2017). The changes in the regulatory framework present a considerable challenge to tourism and increase tourists' associated costs (Charles, 2019).

As tourism expands, naturally, it should contribute its fair share of taxation and support the public sector. On the other hand, poorly conceived and implemented taxation can cause a sharp fall in demand for tourism services. The fall in demand for tourism is detrimental and can result in job losses and worsen the economy (Icoz & Icoz, 2019). High taxation on tourism services is believed to raise prices for various services, including accommodation, food, and transportation. The price rise is believed to discourage tourists from visiting or revisiting different tourist destinations. This may put Tanzania disadvantaged against competing nations like Kenya, Uganda, Rwanda, South Africa, and Egypt. In this regard, taxes on tourism services should stimulate and promote prosperity instead of harming the sector. As a labour-intensive sector, a decline in the tourism sector can dramatically lead to negative impacts on the economy when considering the number of employees in the sector. As a result, in 2017, Tanzania was ranked 103 out of 136 countries in terms of easy destinations to conduct tourism business despite having plenty of attractions. Among other things, Tanzania is lowly ranked because of its unfriendly regulatory system, including taxation (Charles, 2019).

The tourism industry of Tanzania thrives and remains among the key areas that produce remote trade throughout the year. In 2023, tourist arrivals to Tanzania increased by 24.3% to 1,808,205 from 1,454,920, 922,692, and 616,491 in 2022, 2021 and 2020, respectively. In 2020, revenue dropped to 1 billion USD as it was affected by the COVID-19 pandemic from USD 2.6 billion and 1.5 million arrivals in 2019. This led to a fall in industry contribution to GDP from 10.6% in 2019 to 5.3% in 2020 and rose to 5.7% in 2021 (Wamboye, 2022).
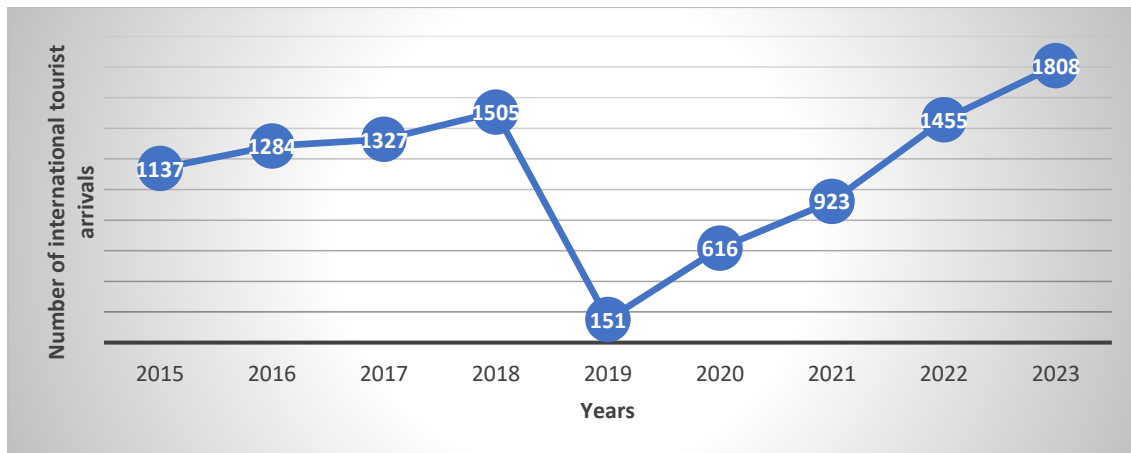
Figure 1: International tourist arrivals in Tanzania from 2015 to 2023 (in '000)

Consequently, practitioners and scholars are debating whether such changes may harm the sector in the long run. Many practitioners believe the government will collect considerable revenue in the short run but compromise the growth of the tourism sector in the long run. Many practitioners suspect VAT will increase the cost of tourism services and position Tanzania among the world's most expensive tourist destinations. Building on such debates, this paper wanted to:

i.   Determine the perceptions of tourists and service providers regarding the introduction of VAT on tourism services.

ii.   Assess the effect of VAT on the probability of tourists visiting or revisiting Tanzania.

2. Literature Review

The following section presents the theoretical and empirical review of the literature.

2.1 Theoretical review

The basic demand theory states that, as the price of a commodity increases, the demand for the specific quantity of the commodity also decreases as well and when the price of the commodity decreases, the quantity of commodity demanded increases, holding other factors constant (Rozi et al., 2023). The theory is also applicable in the tourism industry, where the prices of tourism services are high, which reduces the desire of a tourist to visit that destination, and when the prices of tourism services are relatively low, they attract tourists to visit the destination, when other things remain constant. The high prices of tourism services are caused by high taxes and levies charged on tourism services, which leads to decreased competitiveness of the destination compared to other destinations that have lower prices. On the other hand, this can lead to a decrease in foreign currency revenues of the destination.

The tourism sector is vital for Tanzania's economy, which calls for close monitoring to ensure its growth and increase its competitiveness with other well-performing states such as Rwanda, Kenya, and South Africa. Conversely, VAT exemption could harm the economic growth of the country. By turning value signs, expenses can diminish monetary proficiency and welfare. The harmony cost and amount that wins in the market for the tourism item or administration is dictated by the crossing point of the market demand and supply curves. This is delineated by the utilization of free-market activity curves shown in Figure 2 below.
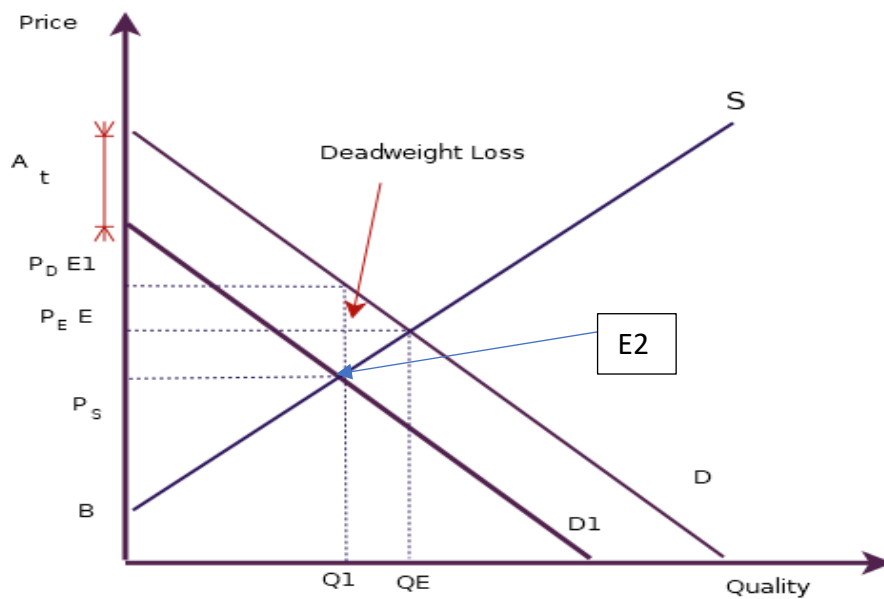
Figure 2: Free-market activity curves

The demand for tourism products is represented by the curve D, while the supply of tourism services is represented by the supply curve S. Therefore, the equilibrium price and quantity of tourism products are determined when D intersects with S at point E. That is before tax was imposed. Now, suppose the government levies tax at a rate t on the consumption of tourism products. So, every time a purchase is made, a tourist is entitled to pay tax. Thus, along the demand curve D, a combination of maximum prices that tourists are able and willing to pay at different required quantities is shown. When there is an imposition of a unit tax t, the maximum price that tourists are able to pay will remain unchanged. Therefore, as perceived by suppliers, each tourist's demand decreases since all individual demand curves are shifted down by t as suppliers perceive it. From here, the new demand curve D1 shows how much suppliers receive for each unit sold and after the unit tax is imposed, there is a new market equilibrium at E2 where the supply equals the demand as perceived by suppliers.

From this scenario, tax-induced price changes, quantity changes, tax income and deadweight loss can be further elaborated. When tax is levied on tourism products, a new equilibrium E2 is formed whereby there are two prices: the price paid by tourists and the prices received by tourism suppliers. Thus, the prices paid by tourists have increased to P_D, and the prices paid by tourism suppliers have decreased to P_S. Therefore, a wedge is created between the price paid by the tourist and the price received by the supplier of tourism services (From P_E to P_S). Therefore, both tourists and tourist service suppliers are made worse off by the unit tax levied.

From this scenario, there is evidence of two diverse effects of a unit tax: the generation of deadweight loss and changes in quantity. However, a tax-induced price increase has decreased the equilibrium quantity from QE to Q1 at point E2. The other adverse effect is the deadweight loss or welfare loss, which is explained by the use of tourist surplus or consumer surplus and the suppliers' surplus. Therefore, before the imposition of tax, consumer surplus is given by the triangle.

Based on the tourism context, if the suppliers are more price-sensitive than the tourists, the burden of tax will basically be passed to the tourists. Also, if the tourists are more price-sensitive, then the burden of tax will fall on tourist service suppliers. From this context, the partial equilibrium effects of a tourism tax can be categorized into price changes, quantity changes and changes in consumer welfare. So, based on the above explanations, a tax on

tourism can lead to an increase in the price paid by tourists and a decrease in the income received by the tourism service suppliers, which in turn creates a wedge between the two prices. The increased price paid by the tourists leads to a decrease in demand for tourism services and thus reduces the equilibrium quantity of tourism demanded. From the context, it implies that both consumer surplus and producer surplus on tourism would decrease. These kinds of changes are termed welfare changes, but they cannot be considered as total welfare loss since part of the reduction is transferred to the government as tax revenue.

2.2 Empirical review

Previously, literature focused on the impact of tourism on economic growth. Little has been investigated regarding the effect of taxation on tourism growth in Tanzania. Even studies that have assessed the impact of tourism focused on the sector's growth. On the contrary, this study concentrates on finding out tourists' perceptions after the introduction of VAT and estimates the probability of tourists visiting or revisiting Tanzania. The following part presents a critical review of the present literature on the impact of taxation on tourism services.

Lyimo & Mzindakaya (2021) assessed the influence of VAT on tourism growth in Tanzania. The study reveals a lack of VAT understanding among small tourism enterprises and detrimental consequences on their performance after VAT implementation. This finding supports Sulle et al. (2017), who investigated the effects of taxes on tourism activities in Wildlife Management Areas (WMAs) on communal lands. The study found that high tax rates on grassroots tourism enterprises reduced community earnings and highlighted issues with the current revenue-sharing mechanism in WMAs. Mfumu (2017) examined the consequences of VAT imposition on the tourism sector. The study indicated stakeholders' frustration with unnecessary bureaucracy and VAT's failure to fulfil its stated goals. Those studies collectively argue that VAT implementation in Tanzania's tourism sector poses challenges, particularly for small businesses and local communities.

Anderson et al. (2017) investigated the impact of tax rates on the tourism industry, revealing that a robust tax system could harm the industry, particularly through high tax rates, which were found to hinder competition and revenue. This finding was complemented by Mahangila & Anderson, (2017), who explored the tax administration burden in the tourism sector of the Zanzibar Islands. They found that uncertainty surrounding VAT laws and other tax regulations created challenges for tourism businesses. Similarly, Barati et al. (2017) analyzed the price effects of VAT reform in the tourism industry. The study revealed that taxes have varying impacts on tourism development and the overall economy. Collectively, these studies agreed that tax policies and regulations significantly impact the tourism sector. High tax rates and administrative complexities can hinder industry growth and competitiveness. This implies that policymakers and stakeholders need to consider tax reforms and streamline tax administration processes to support the sustainable development of the tourism industry.

Ellis et al. (2017) recognized tight regulations and multiple taxes as major impediments to Tanzania's tourism sector development, emphasizing the difficulties placed on service providers. Mato et al. (2022) and Saikia & Buretta (2022) discovered that high tax rates, unfavourable service charges, and a lack of understanding of tourist sites all impede domestic tourism growth. (Charles, 2019) reported a significant decline in hotel demand in Arusha following the introduction of an 18% VAT on tourism services, despite attempts to postpone implementation. Collectively, these studies highlight the obstacles that Tanzania's tourist industry faces as a result of regulatory complexities and tax burdens, emphasizing the importance of policymakers streamlining laws and tax policies to build a more conducive business environment for long-term tourism sector growth.

3. Material and Methods

This study used both quantitative and qualitative methods, whereby a quantitative method explained, estimated and created data depending on the theories existing (Creswell et al., 2006) and a qualitative study was used to understand exposure, institutions, social development, connections as well as definition in them. The study focused on a sample of 100 tourists (selected using simple random sampling) and 10 tourism service providers (selected using an equally judgmental sampling technique) in Arusha, where sightseers and the tourism specialist were taken to answer a few inquiries in the polls. The binary logit model is used to estimate the probability of a tourist to re-visit a country. The dependent variable Yi can be observed if Y > 0, which signifies tourists re-visit the country, and Y=0 implying they will not re-visit the country

$$Yi = Xi\beta + \varepsilon \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots \text{(i)}$$

"Yi" speaks to the probability of a visitor visiting; this d independent variable "Xi", with its obscure coefficient "β" and the blunder term ε. Therefore, the probability of a visitor visiting a nation "Yi=1/Xi" may be a result of various free factors, i.e., "Xi" such as instruction level, age, conjugal status, wage level, sex, impose, the status of the security nation and political soundness, vocation, goal-promoting and ecological protection arrangements.

Assuming a total appropriation is strategic, the vacationer's probability to visit (overhaul tourism industry's introduction) shall be ascertained utilizing the calculated likelihood expressed as.

$$P(Y = 1/X) = F(X\beta) = {e^{X\beta}}/{1 + e^{X\beta}} \ldots\ldots\ldots\ldots\ldots\ldots \text{(ii)}$$

Whereby the logistic cumulative distribution function is represented by "F"

4. Results and Discussion

In this section, descriptive statistics and the results of the Logistic regression model are presented in Tables 1 and 2 below. The logistic regression model shows the magnitude of how the explanatory variables affect Tourism demand in Tanzania (the likelihood of a tourist revisiting Tanzania).

Table 1: Descriptive Statistics

Variable (Obs. 100)	Mean	Std. Dev.	Min	Max
Gender (Male:0 and Female:1)	0.85	0.359	0	1
Age	30.12	12.382	17	73
Marital (Married:0 and Not Married:1)	0.64	0.482	0	1
Employment (Not Employed:0 and Employed:1)	0.76	0.429	0	1
Income	1094.91	954.071	0	5000
First time visit (Yes:1 and No:0)	0.92	0.272	0	1
Expenses for services	478.97	188.141	148	1500
Price opinion (Cheap:0 and Expensive:1)	0.83	0.378	0	1
VAT (Low:0 and High:1)	0.95	0.219	0	1
Infrastructure (Bad:0 and Good:1)	0.9	0.302	0	1
Peace and security (Absent:0 and Present:1)	0.69	0.465	0	1
Marketing (No:0 and Yes:1)	0.65	0.479	0	1
Environment conservation (No:0 and Yes:1)	0.97	0.171	0	1
Willing to Revisit (No:0 and Yes:1)	0.87	0.338	0	1

The descriptive statistics in the table above show that 83 percent of tourists think that prices charged on tourism services like transport, accommodation, and meals are very high, i.e., it is expensive to visit Tanzania. Moreover, 95 per cent perceive that VAT is very high. The good news is that 87 percent of the tourists are willing to revisit Tanzania in the same condition.

Table 2: Results from the Binary Logit Model

Explanatory Variables	Coefficient	Marginal Effect (dy/dx)
Age	-0.02192 (0.070)	0.0006242*** (0.002)
Gender#	1.259 (1.290)	0.057 (0.110)
Education	1.542** (0.740)	0.053** (0.037)
Employment	0.909 (1.168)	0.033** (0.055)
Income	0.001 (0.001)	0.003*** (0.000)
Expenses for services	0.003 (0.002)	0.001*** (0.000)
Price opinion#	-3.013** (1.341)	-0.046** (0.025)
VAT#	3.305* (1.723)	0.386* (0.063)
Infrastructure#	4.200*** (1.067)	0.550 (0.177)
Peace and security#	-2.935*** (1.107)	-0.065** (0.034)
Marketing#	1.456* (0.750)	0.054** (0.029)
Environment#	1.497 (1.450)	0.086 (0.137)
Constant	-6.071*** (2.804)	
Number of observations	100	
Log likelihood	-25.545	
Wald chi2(12)	35.10	
Prob> chi2	0.0005	
Pseudo R2	0.3389	

Note:

- *Base category for the probability for the tourists to re-visit Tanzania is "No"*
- *Base category for VAT is Low.*
- *Standard errors (for coefficients) and p-values (for marginal effects) are in brackets; *, **, and *** imply significance levels at 10%, 5%, and 1%, respectively.*
- *(#) dy/dx is for discrete change of dummy variable from 0 to 1.*

The results of the Logit model (Column 2) suggest that the probability of a tourist revisiting Tanzania increases with the tourist's education level, infrastructure, the presence of peace and security in the country, VAT, price opinion, and marketing.

The logit model parameters are estimable up to a scaling factor. The coefficients of the logit model give the change in the mean of the probability distribution of the dependent variable associated with the change in one of the explanatory variables, but these effects are usually not of primary interest. The marginal effects on the probability of possessing the characteristic can be of more use. The marginal effects (column 3) vary across individuals and, in this case, indicate by how much the probability of a tourist revisit Tanzania measures alters with changes in the explanatory variables. The marginal effect shows that the education level of a tourist can increase the likelihood of a tourist visiting by 5.3%. This implies that visitors or tourists who are well-educated are most likely to visit Tanzania. Most times, educated people are the most likely group of people who can set some time for leisure and also visit other places for research.

Findings from this study show that a negative price opinion decreases the likelihood of a tourist visiting Tanzania by 4.6%. When prices for services are relatively expensive, people tend to be

cautious and not visit an area because of the relatively high prices. KPMG (2016) argued that after the burden of VAT on tourism administrations, the business feels the squeeze, for example, visit managing, amusement jumping, water safaris, creature or flying creature watching, stop fees in addition to road transport administrations, whereas this intends to build impose base, it appropriately will make the tourism bundle in the country more costly. In any case, the tourism administrations swung to be less expensive. In this manner, most visitors tend to select the most moderate goal. This can diminish the goal's value aggressiveness. This may prompt diminish the tourism capacity and thus decrease remote trade profit, work openings and the neighbourhood yield (Myers et al., 1997).

Results show that VAT leads to an increase in the likelihood of a tourist visiting Tanzania (improving the performance of the tourism industry) by 38.6%. In basic terms, VAT always contributes to increasing the prices of different goods and services, so if the VAT increases, it will relatively decrease the purchasing power of people due to the high price. This was supported by Rugimbana (2016), who commented that the relative mind-boggling expense of tourism administrations is caused somewhat by over directions and tax collection, which thusly, powers visit administrators and other specialist co-ops to charge higher costs, keeping in mind the end goal to procure a few benefits. Thus, the increase in VAT can lead to increased prices for services (transport, accommodation and meals), which will relatively fend away visitors due to high prices.

On the other hand, VAT is vital as it contributes to the revenues of the country, which can be injected to develop various projects in the tourism industry. This was highlighted by Ndumbaro (2016), who commented on the compliance to the laws. The author argued that the tourism sector is not supposed to enjoy tax exemption since tax is among the main sources of government revenue in a developing economy, and the law encourages nations to have a broader tax base. Charging value added tax on tourism is important for improving people's welfare in the economy. The country attracts Foreign direct investments (FDIs) when there is an easy and conducive business environment in a country but not tax exemptions alone. Improvement of infrastructure, promoting of peace and security, efforts to fight against poaching, environmental conservation efforts, capacity building to the tourism service providers, better destination marketing beyond the national parks and improvement of visa processing time should be financed by tax revenues obtained from the tourism sector (Stabler et al., 2009).

The findings further indicate that improvement of Infrastructure can increase the probability of a tourist visiting by 55%. This implies that better infrastructure increases the probability of a tourist visiting (improving tourism performance in Tanzania). Tourists always get to respond according to the present transport and communication systems. When the transport and communication means are of a better quality, people are attracted and confident to visit an area compared to when an area has poor infrastructure. According to Ndumbaro (2016), the tourism sector needs to improve its infrastructure so as to make it convenient for people to get to different places easily. Through better and more reliable transport and communication systems, tourists will always choose to visit such destinations since it ensures them to reach the most desired areas easily.

The results show that peace and security can lead to a decrease in the probability of a tourist visiting by 6.6%. This indicates that, as peace and security status are improved, it decreases the probability of a tourist visiting. In normal situations, people prefer to visit a well-protected place. This was empirically highlighted by Ndumbaro (2016), the tourism division needs to enhance peace and security, assurance of creatures (particularly jeopardized species from

poachers), investigate the law to enhance biology, and regulate pulverization of regular resources. This implies that people will visit areas that have peace and security.

According to the findings, marketing activities for tourism products can lead to an increase in the likelihood of a tourist visiting Tanzania by 5.4%. This means that, the more marketing efforts (advertisement) are being established, the more they increase the possibility of a tourist to visit. It is advised that improvement of the capacity building of the tourism service providers, thus branding Tanzania's tourism industry that goes beyond the big national parks. Here, the author has highlighted how tourism performance can be improved through marketing by proper branding and advertisement of the available tourist attractions in Tanzania. This will help to boost the likelihood of a tourist visiting since people will be attracted to the details that are advertised and branded.

5. Conclusion and Recommendations

The results from the logistic regression model show that Education, Price opinion, VAT, infrastructure, peace and security, and destination marketing significantly affected the probability of a tourist visiting. Age, gender, marital status, income, expenses for services, first-time visits, employment, and environmental conservation efforts were not significant factors in affecting tourists' decision to visit Tanzania.

Despite the results obtained from this study, some tourists commented on the high prices due to a high VAT on tourist services, poor infrastructure, payment systems for taxes, fees and other charges, and poor destination marketing, which should be addressed immediately.

The tourist service providers complained that VAT on tourism services forced them to increase the prices of services, which fends off visitors. The VAT has also reduced their annual turnover. They also complained about poor government support in providing the tourism industry with some experts to timely train them on how to develop the quality of their services so as to be efficient in the competitive market; the government has focused more on the collection of taxes and fees rather than highlighting issues to develop the tourism sector. Health support training and facilities also are short from the government due to their frequent eruption of diseases. Another complaint was that the tourism development levy revenues had never been returned or re-injected in the tourism sector so as to influence its development.

Policy implication and Recommendations.

As findings from this study have been presented in chapter four, this section will present and explain a number of policy implications and recommendations to the government, tourism service providers, and further studies to be undertaken on the effect of value-added tax on tourism demand in Tanzania (Probability of a tourist visiting Tanzania).

Recommendations to the Government

The government should at least try to reduce the taxes and fees to be paid by a visitor who visits the country for tourism purposes; this will help to raise the competitive advantage for Tanzania in terms of prices of services and hence capture more visitors. For instance, there is a $ 100 discrepancy between fees airport fees and visa processing fees for tourists between Kenya and Tanzania. This gives room for tourists to choose between landing at Jomo Kenyatta International Airport and taking a shuttle to Tanzania so as to save the $ 100 that is to be charged. However, the government of Tanzania should also be flexible on reducing the VAT for a wide range of tourism services so as to gain competitiveness through lower prices, which will result in higher demand, production and consumption of tourism services that will lead to earning more revenues in the country.

The government of the United Republic of Tanzania, through TANAPA and the Tanzania Tourist Board (TTB), in collaboration with tourist service providers, should focus on marketing their products through advertisement and brand development on the available tourist services in the country to capture more tourists. Proper advertisement through Television programs, radio shows, Air Tanzania (through fliers and magazines) and social media platforms will help the tourism sector to expect more clients from different parts of the world. Tanzania has to go further, to invest in advertisements on things or sports that people follow the most or watch the most, like football (England's premier league) or the NBA in the USA. This will broaden the spread of information about the attractive sites found in Tanzania, which might attract a tourist to visit the country. Infrastructure improvement in wildlife reserves for effective management of wildlife population. Most tourists and tourism service providers complained that, in rainy seasons, most of the roads in the national parks are unreliable, hence causing some problems like sleeping in the national parks or game reserves, which in turn force them to incur extra costs from their original budget. The government should focus on developing the transport and communication systems on the game reserves and national parks. Furthermore, the government should establish effective law enforcement, which is essential to ensure the corrupt are punished and break the cycle of impunity or freedom from punishment or loss. This will help to rescue considerable funds that would be used to grow the tourism sector, hence attracting visitors to Tanzania.

Recommendations to Tourism Service Providers

Placement of awards on overall employee behavior mainly based on hospitality towards the tourist. This will help to boost the efficiency of workers in an organization. However, it will build an atmosphere whereby every worker would want to be as efficient as the winner so as to attain the reward for the worker with the best hospitality services.
The tourism service providers should also invest in frequent training of their employees (at least once per month) in collaboration with the government, so as to go with the current competitive market of hospitality. This will build a high capacity for workers to take care of customers in a more professional and friendly manner. Despite the professional trading, there should be some language classes, which will at least make the workers be able to speak more than 3 languages, which will be vital for communication with the non-English speaking visitors.

Establish awareness programs for the workers and the residents around the organization on hygiene and proper ways to prevent diseases. This will help prevent the spreading of communicable diseases like cholera. The tourism service providers through the Ministry of Health, gender, elderly and children, and community development, should work with the government on training and providing them with the necessary materials to use in preventing the outbreaks of diseases. This will provide awareness about the possible diseases to outbreak and what are the steps to be taken so as to eliminate the threat. This will at least help to mitigate the risk of spreading and outbreak of communicable diseases.

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