

THE CONTRIBUTION OF DOMESTIC TOURISM TO THE DEVELOPMENT OF THE TOURISM INDUSTRY IN UGANDA ACASE STUDY OF JINJA CITY

BY NAJJUKO HASIFA BU/UG/2019/0103 1900400103

A RESEARCH REPORT SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF A BACHELORS DEGREE IN TOURISM AND TRAVEL MANAGEMENT, DEPARTMENT OF HOSPITALITY, FACULTY OF MANAGEMENT SCIENCES, BUSITEMA UNIVESIRTY

DECLARATION

I Najjuko Hasifa hereby declare that the work in this research report is original and has never been published or submitted to any institution of learning for any academic award.

Signature Date 1716 April 2023.

Najjuko Hasifa

BU/UG/2019/0103

APPROVAL

This research report titled, "the contribution of domestic tourism to tourism development in Uganda a case study of Jinja city "has been developed under supervision, review and is ready for submission for the award of a Degree of Bachelors of tourism and travel management of Busitema

University.

Signed:

Mariale Date: 1-464/23

Mr. Wampande Jowalie

(Academic Supervisor)

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DEDICATION

This work is dedicated to the family of My Nvuma family for their moral support, encouragement and understanding. To all my friends, course mates, lecturers, and the Almighty God for His unceasing blessings without which it is impossible to ensure the report submission a reality.

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LIST OF ACRONYMS

CNY: Chinese Yuan

COVID-19: Corona Virus Disease

FDI: Foreign Direct Investment

GDP: Gross Domestic Product

HMLC: Hierarchical Model of Leisure Constraints

NDP: National Development Plan

TTSC: Travel and Tourism Satellite Account

UGX: Uganda Shilling

UNWTO: United Nations World Tourism Organization

USD: United States dollar

WTTC: World Travel and Tourism Council

IGI: Global publisher of tourism knowledge

ABSTRACT

The study was about the contribution of domestic tourism on the development of the tourism Industry in Uganda. The geographical scope of the study was Jinja City and this was chosen among others because it has a number of tourist attractions and many tourists visit these sites on adaily basis. The researcher based on the theory hierarchical leisure constraints of Crawford & Godbey. The objectives of the study were; to examine the effect of Structural factors on the development of tourism industry in Jinja city, to examine the effect of intrapersonal factors on the development of tourism industry in Jinja city and also to examine the effect of economic factors on the development of tourism industry in Jinja city.

The targeted population of 55 people 48 respondents filled in and returned the questionnaires. This response was satisfactorily to make conclusions for the study. Different tools were used in data collection. That is, the questionnaires and interview guided questions. Data was collected and analyzed to draw conclusions about the study.

Basing on the findings from the study, domestic tourism is not an abstract phenomenon and thus, there is need to take drastic steps to promote the sector for its importance in economic development, employment creation and the other benefits that come with this particular sector.

There is also need to dig deeper into some of the factors that have been emphasized such as the structural, intrapersonal and economic factors that promote tourism, as the study has not been so clear about what constitutes these factors.

CHAPTER ONE

BACKGROUND OF THE STUDY

1.0 Introduction

This chapter entails the background of the survey, statement of the problem, purpose of the study, selected research objectives, research questions, scope of the study, significance of the study and conceptual framework respectively.

1.1 Background of study

Globally, tourism accounts for 10.4% of global GDP and supports 319 million jobs (UNWTO, 2017). According to World Travel and Tourism Council (2020) in 2018, the Travel & Tourism sector experienced 3.9% growth, outpacing that of the global economy (3.2%) for the eighth consecutive year. Over the past 5 years, one out of five jobs were created by the sector, making Travel & Tourism the best partner for governments to generate employment. Therefore, tourism is one of the world's largest economic sectors, supporting one out of 10 jobs (319 million) worldwide, and generating 10.4% of global GDP. However, domestic tourists took 2.3 billion trips in 2018, up 1.9% over 2017, with 1.7 billion overnight tourists and 632.1-million-day visitors hence being seen as a contributing factor to the development of tourism globally (Travel and Tourism Satelite Account, 2018).

Domestic tourism is the key driver of the tourism sector globally, accounting for 73% of total Travel & Tourism spending (US\$3,971 billion) according to (UNWTO, 2017) Governments use domestic tourism as a tool to eliminate local poverty, generate employment and economic growth, upgrade infrastructure and alleviate pressure from overcrowding through, for instance, discretionary pricing policies and the provision of non-wage tourism benefits. Revenues generated from domestic tourism contribute to the economic development of countries as a source of foreign exchange, employment and positive balance of payments. Because of these benefits, countries promote domestic tourism for job creation, diversification of household incomes and improvement of the local people's standards of living.

There are significant variations between countries for example; the revenues that are directly attributed to domestic tourism in China are estimated to be worth CNY (Chinese Yuan) more than 4.57 trillion in 2019, with an average growth rate of almost 15% per annum. The contribution of the tourism industry to the Chinese economy cannot be ignored as it is considered as one of the most important employers, directly hiring 28.25 million individuals and providing jobs for almost 80 million people indirectly. To put numbers into even more perspective, the Chinese tourism sector accounts for approximately 10.28% of the total Chinese job sector. In terms of expenditures for the development of tourism, China topped the ranking by spending

\$164.9 billion, which amounted to an increase of 27.14% relative to 2013. The second position is held by the US, with the expenditure levels reaching \$110.8 billion, amounting to a 6.4% increase from the previous year. These figures/statistics depict the role and importance of the Chinese and US economies in global tourism industry (Forje, 2020)

In Africa considering the Maghreb region, their economies used to depend on fluctuations in the oil and commodity trade, however; governments are investing in other areas such as tourism and hospitality in order to diversify economic activities in the region. In this respect, Morocco and Tunisia Mohamed and Aziz (2021) has been credited for creating a favorable tourism atmosphere by encouraging more travel within their countries. The success to domestic tourism in Morocco and Tunisia has been attributed to increased government investment in tourism and hospitality promotion coupled by improved level of living standards due to commodity trade and oil in the region.((Higgins-Desbiolles, 2020)

Uganda is endowed with a wide range of tourism resources, ranging from bio diversity, landscapes, cultural and religious heritage. Tourism is recognized as a key primary economic growth sector in Uganda's third National Development Plan (NDP), capable of alleviating poverty through job creation. For instance, in 2018 before the Corona virus disease (COVID-19) pandemic, tourism generated UGX 8.36 trillion in expenditure which translates to a 7.7% of the country's GDP and USD 1.6 billion in foreign exchange earnings. The growth in 2018 was mainly driven by international tourism arrivals which increased by 7.4% and a significant decrease in domestic tourism which accounted for about 3.2%. (Philip., 2018)

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