Tourism Research Institute

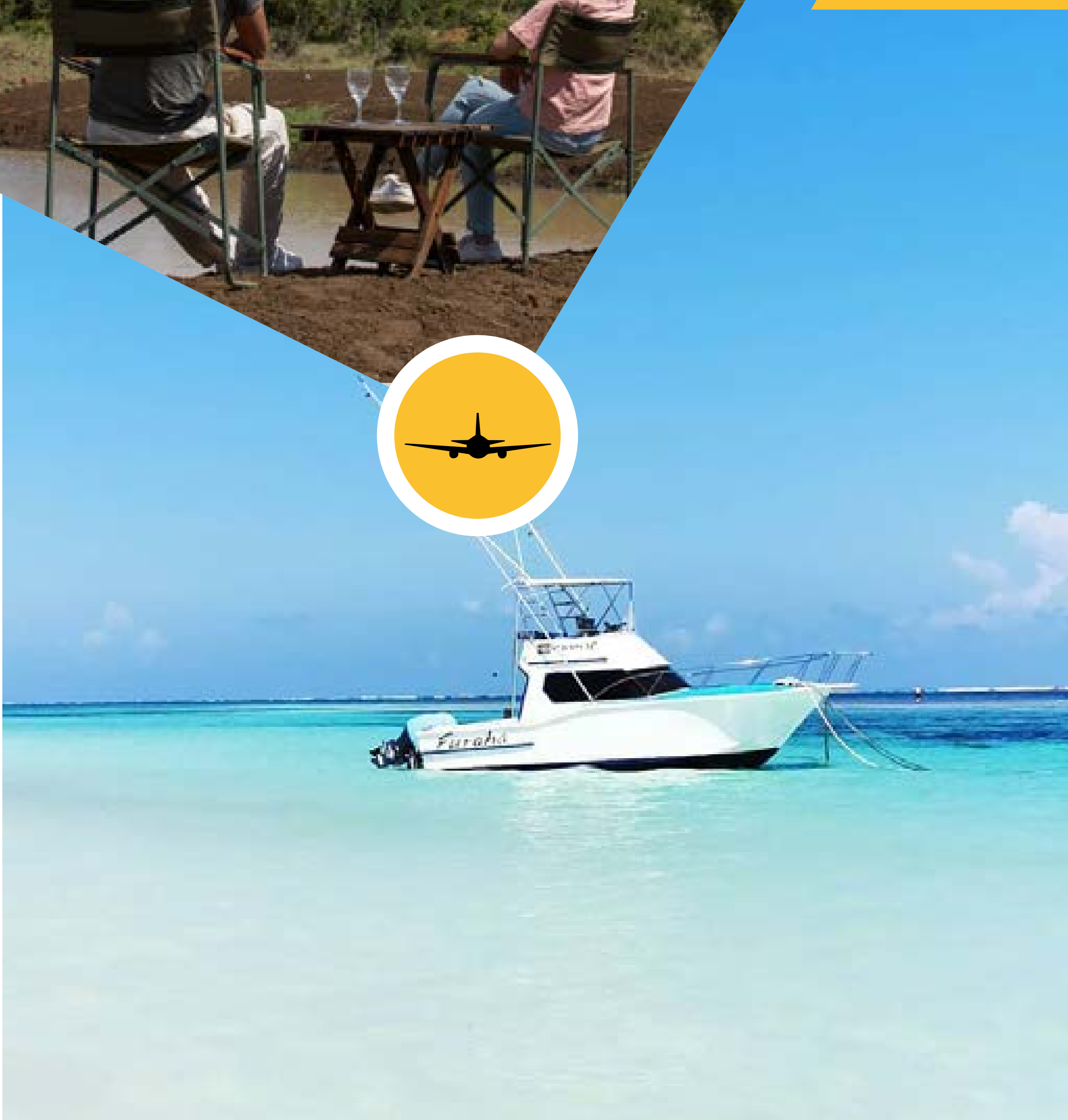
KENYA

TOURISM SECTOR

PERFORMANCE REPORT

2019

Magical Kenya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WHY I
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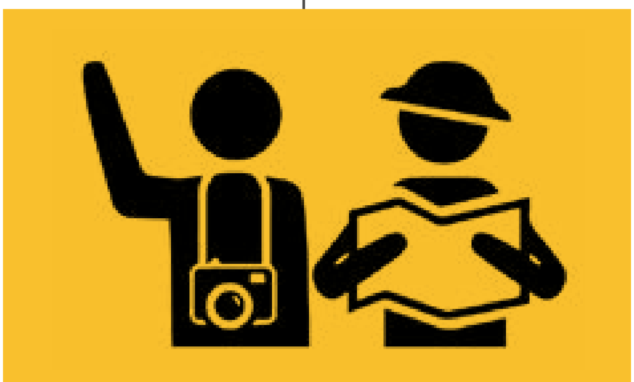
1 INTRODUCTION

Tourism Research Institute has compiled 2019 tourism sector performance report which highlights the following:

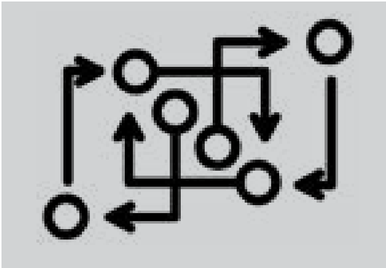
- International arrival statistics breakdown by nationalities
- International arrival statistics breakdown by points of entry
- International arrival statistics breakdown by purposes of visit
- International arrival statistics breakdown by age
- Top 50 source markets
- Top 30 source markets 2019 in comparison with 2018
- Regional markets performance for 2019 in comparison with 2018
- International arrivals receipts
- Drivers of tourism growth in 2019
- Global trends on inbound tourist arrivals
- Outbound travel trends from major source markets
- Domestic tourism performance

Tourist Defined

The United Nations World Tourism Organisation(UNWTO) defines a tourist as a person traveling to and staying in places outside his/her usual environment for at least 24 hours and not more than one consecutive year for leisure, business and other purposes. Therefore, this report analyses all visitors arrivals spending between 24hrs and one year within Kenya.



2 METHODOLOGY



The basic source of data for international tourist arrivals is the Department for Immigration and Border Management captured through the PISCES software (Personal Identification Secure Comparison and Evaluation System).

Tourist surveys and other statistical approaches are applied to compute and verify variables like tourist demographic characteristics and purposes of visit.

INTERNATIONAL TOURIST RECEIPTS/VISITOR EXPORTS

"Data on receipts and expenditure related to international tourism are generally gathered in the framework of the Balance of Payments under the items 'Services, Travel, Credit and Debit' (International Tourism Receipts and Expenditure)" UNWTO. The base for this is therefore the foreign exchange credit/balance of payment data from Central Bank of Kenya. UNWTO and WTTC guidelines/formulae are employed to estimate receipts that are not captured by CBK.

DOMESTIC TOURISM

This is reported by way of domestic bednights. Data on this is obtained from tourist accommodation facilities collaboratively with Kenya National Bureau of Statistics. It is validated through household expenditure surveys/domestic tourism surveys.

3 INTERNATIONAL VISITORS ARRIVALS

The total number of international visitors through all points of entry in the year 2019 was **2,048,834.** This represents a slight year on year increase of **1.167%** compared to 2018 when arrivals were **2,025,206.**

JANUARY

	2019	2018
JKIA	113,050	105,262
MIA	15,740	14,533
OTHER AIRPORTS	1,234	2,040
OTHER ENTRIES	43,280	48,846
TOTAL	173,305	170,681

FEBRUARY

	2019	2018
JKIA	106,198	98,532
MIA	12,761	12,792
OTHER AIRPORTS	1,477	2,538
OTHER ENTRIES	32,399	37,645
TOTAL	152,835	151,507

MARCH

	2019	2018
JKIA	93,571	100,441
MIA	20,159	11,024
OTHER AIRPORTS	1,399	2,162
OTHER ENTRIES	32,170	41,639
TOTAL	147,300	155,266

APRIL

	2019	2018
JKIA	103,522	94,236
MIA	4,769	5,205
OTHER AIRPORTS	708	2,338
OTHER ENTRIES	37,260	41,426
TOTAL	146,258	143,205

MAY

	2019	2018
JKIA	98,596	93,730
MIA	3,591	4,735
OTHER AIRPORTS	3,442	2,021
OTHER ENTRIES	33,909	42,195
TOTAL	139,538	142,681

JUNE

	2019	2018
JKIA	122,122	114,097
MIA	6,650	5,157
OTHER AIRPORTS	4,541	2,271
OTHER ENTRIES	33,379	42,932
TOTAL	166,692	164,457

JULY

	2019	2018
JKIA	149,994	141,763
MIA	8,520	9,025
OTHER AIRPORTS	5,304	3,242
OTHER ENTRIES	42,522	50,591
TOTAL	206,340	204,621

AUGUST

	2019	2018
JKIA	148,816	145,231
MIA	10,988	9,589
OTHER AIRPORTS	6,145	3,210
OTHER ENTRIES	47,642	52,313
TOTAL	213,591	210,343

SEPTEMBER

	2019	2018
JKIA	121,668	114,539
MIA	9,199	9,916
OTHER AIRPORTS	1,076	3,294
OTHER ENTRIES	37,631	44,672
TOTAL	169,574	172,421

OCTOBER

	2019	2018
JKIA	138,033	115,597
MIA	11,157	9,343
OTHER AIRPORTS	2,767	2,317
OTHER ENTRIES	51,161	42,844
TOTAL	203,117	170,101

NOVEMBER

	2019	2018
JKIA	108,755	103,229
MIA	12,315	8,391
OTHER AIRPORTS	703	2,337
OTHER ENTRIES	32,480	40,899
TOTAL	154,253	154,856

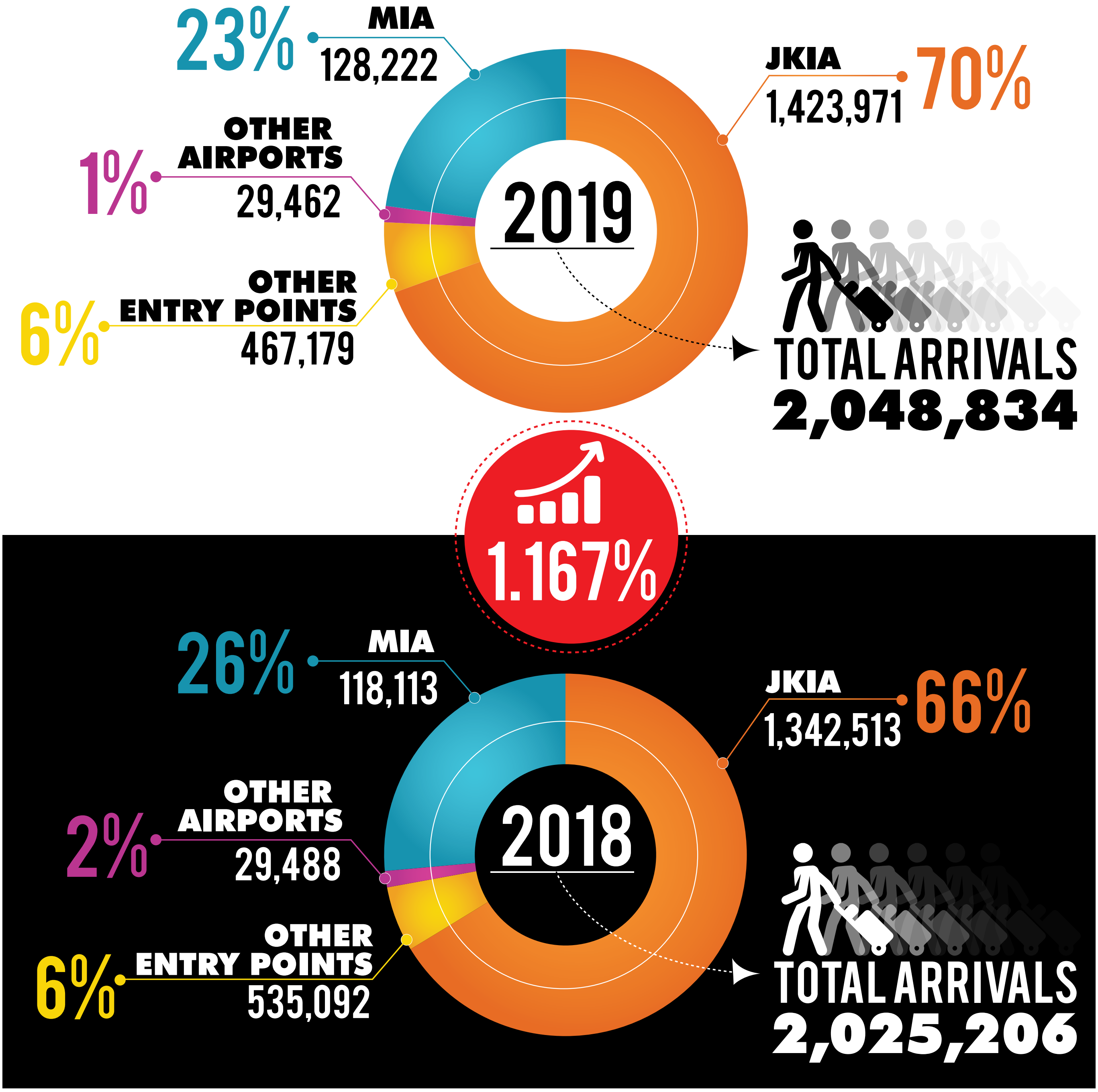
DECEMBER

	2019	2018
JKIA	119,646	115,856
MIA	12,373	18,403
OTHER AIRPORTS	666	1,718
OTHER ENTRIES	43,346	49,090
TOTAL	176,031	185,067

JKIA	1,423,971
MIA	128,222
OTHER AIRPORTS	29,462
OTHER ENTRY POINTS	467,179

2,048,834

TOTAL NUMBER OF INTERNATIONAL VISITORS



Entry through Jomo Kenyatta International Airport and Moi International Airport registered substantial growth of **6.07%** and 8.56% respectively compared with the overall growth of **1.167%.** The other entry points registered a decline most significantly the land borders at -12.69%. This is an indication that air connectivity will continue to be a major driver for growth of international arrivals.

4 TOP 50 SOURCE MARKETS

The table below gives a breakdown by nationalities of the top 50 source markets through all points of entry.

No	Country	Male	Female	Total
1.	United States of America	123,197	122,240	245,437
2.	Uganda	133,595	89,414	223,010
3.	United Republic of Tanzania	126,541	67,199	193,740
4.	United Kingdom	101,534	79,950	181,484
5.	India	84,161	38,488	122,649
6.	China	55,662	28,546	84,208
7.	Germany	39,488	33,661	73,150
8.	France	30,389	24,591	54,979
9.	Italy	28,993	25,614	54,607
10.	South Africa	30,955	15,971	46,926
11.	Rwanda	29,340	13,981	43,321
12.	Canada	20,672	20,367	41,039
13.	Ethiopia	26,986	13,234	40,220
14.	Netherlands	21,982	15,284	37,266
15.	Nigeria	22,898	10,008	32,906
16.	Somalia	17,615	14,653	32,268
17.	Burundi	23,419	7,799	31,218
18.	Australia	13,884	13,982	27,867
19.	Spain	13,143	13,254	26,398
20.	South Sudan	15,125	9,520	24,646
21.	Democratic Rep. of Congo	14,701	7,473	22,174
22.	Sweden	11,727	9,951	21,678
23.	Zimbabwe	10,118	5,885	16,003
24.	Norway	7,836	7,062	14,897
25.	Denmark	7,839	6,638	14,476
26.	Switzerland	7,488	6,748	14,235
27.	Japan	8,893	5,087	13,980
28.	Belgium	7,977	5,801	13,779
29.	Republic of (South) Korea	7,325	6,159	13,484
30.	Specialized Agency of UN	7,951	4,347	12,298
31.	Poland	5,945	6,047	11,991
32.	Ghana	8,019	3,487	11,506
33.	Pakistan	7,728	2,790	10,518

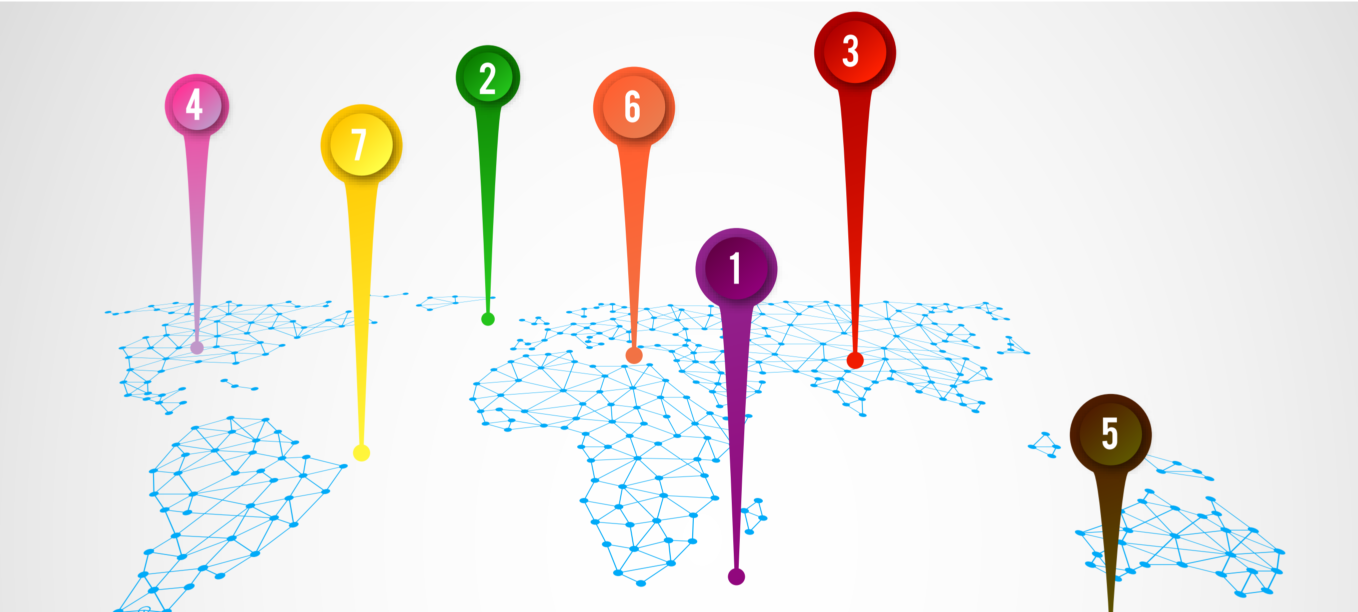
39. Austria	4,235	3,399	7,634
40. Sudan	5,195	1,846	7,040
41. Turkey	5,172	1,569	6,741
42. Finland	3,287	2,687	5,974
43. Russian Federation	3,127	2,743	5,870
44. Israel	3,873	1,311	5,183
45. Mauritius	3,221	1,866	5,087
46. Czech Republic	2,371	2,493	4,865
47. New Zealand	2,373	2,322	4,695
48. Portugal	2,789	1,832	4,621
49. Mexico	2,213	2,291	4,504
50. Philippines	2,452	1,870	4,322

5 TOP 20 SOURCE MARKETS FOR 2019 IN COMPARISON WITH 2018

	USA	UG	TZ	UK	INDIA	CHINA	GERMANY	FRANCE	ITALY	SA
	1	2	3	4	5	6	7	8	9	10
2019 Arrivals	245,437	223,010	193,740	181,484	122,649	84,208	73,150	54,979	54,607	46,926
2018 Arrivals	225,157	212,216	204,082	184,002	125,032	81,709	78,388	48,189	65,134	49,993
Variation	20,280	10,794	-10,342	-2,518	-2,383	2,499	-5,238	6,790	-10,527	-3,067
% Change	9.007%	5.086%	-5.068%	-1.368%	-1.906%	3.058%	-6.682%	14.090%	-16.162%	-6.135%

	RWANDA	CANADA	ETHIOPIA	NLD	NIGERIA	SOMALIA	BURUNDI	AUS	SPAIN	S. SUDAN
	11	12	13	14	15	16	17	18	19	20
2019 Arrivals	43,321	41,039	40,220	37,266	32,906	32,268	31,218	27,867	26,398	24,646
2018 Arrivals	34,758	41,859	40,322	37,703	35,552	34,317	27,680	27,656	25,027	20,383
Variation	8,563	-820	-102	-437	-2,646	-2,049	3,538	211	1,371	4,263
% Change	24.636%	-1.959%	-0.253%	-1.159%	-7.443%	-5.971%	12.782%	0.763%	5.478%	20.914%

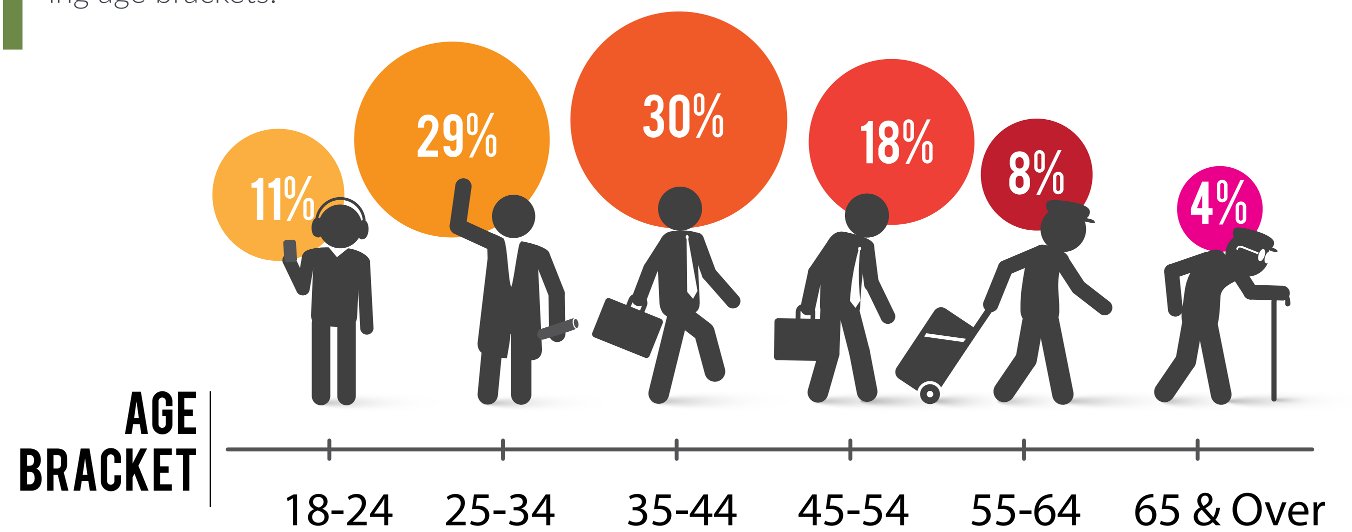
6 REGIONAL RANKING OF SOURCE MARKETS FOR 2019 IN COMPARISON WITH 2018



REGION	AFRICA AND INDIAN OCEAN	EUROPE	ASIA	AMERICAS	OCEANIA	MIDDLE EAST	OTHERS	TOTAL
2019	823,990	584,434	270,205	305,701	33,110	19,095	12,299	2,048,834
2018	825,489	611,969	282,624	247,530	35,231	20,648	1,7156	2,025,206
% CHANGE	-0.182%	-4.499%	-4.394%	23.501%	-6.020%	-7.521%	17.143%	1.167%

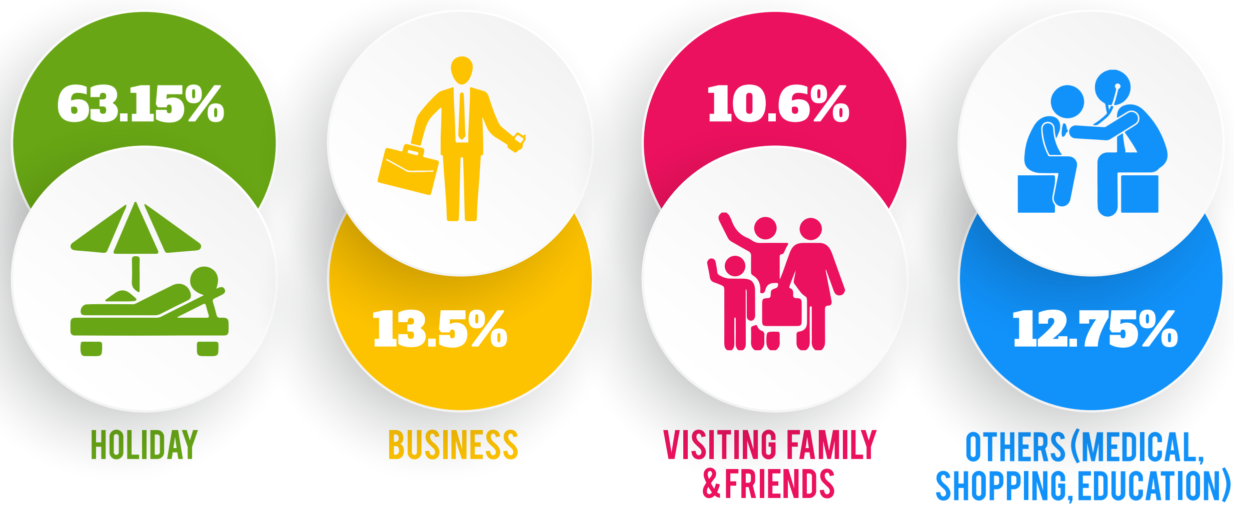
7 INTERNATIONAL ARRIVALS BY AGES

International visitors to Kenya during the year fell in the following age brackets:



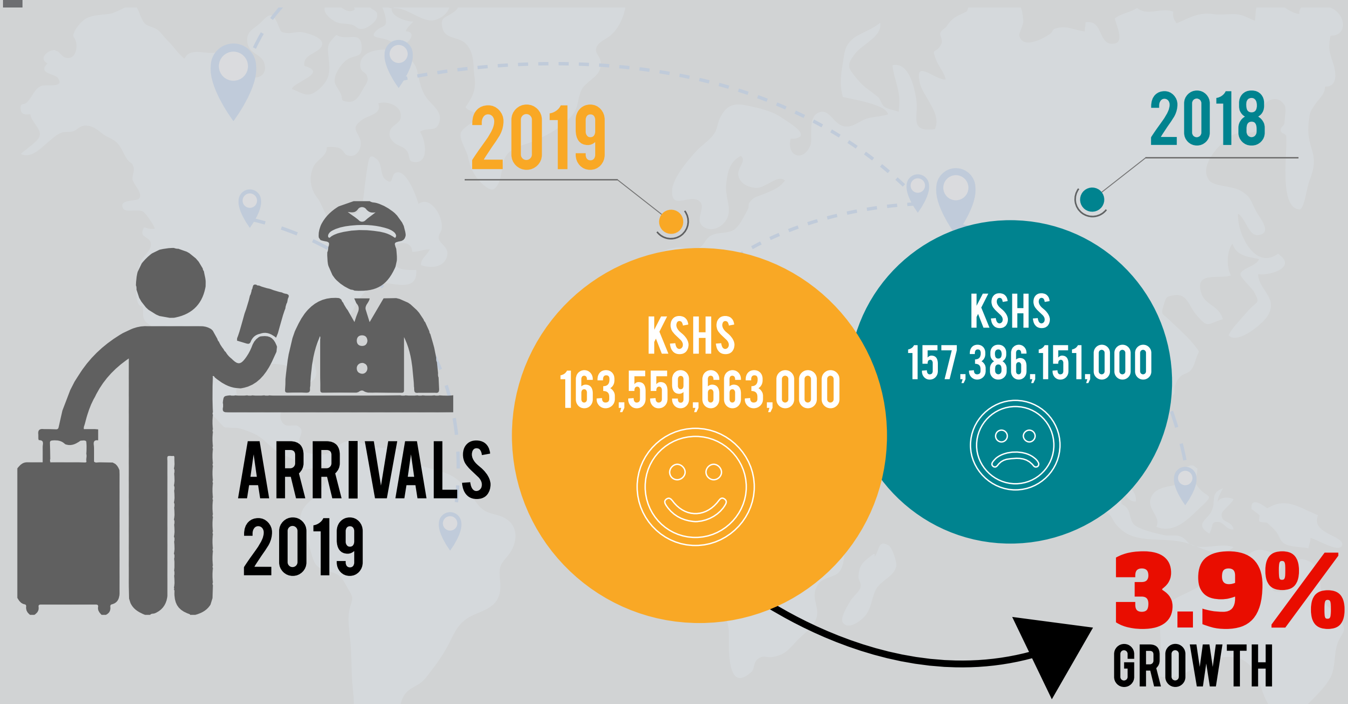
8 INTERNATIONAL ARRIVALS BY PURPOSES OF VISIT

Here below was the distribution by purposes of visit to Kenya in 2019:



9 INTERNATIONAL ARRIVALS RECEIPTS

International tourism earned Kenya Kshs.**163,559,663,000** in 2019. This represents a **3.9%** growth year on year since the earnings were Kshs.**157,386,151,000** in 2018.



10 DOMESTIC TOURISM

Domestic tourism activities in 2019 amounted to **4,955,800** bednights. This represents a **10.4%** growth from 2018 when it was **4,489,000** bednights.

11 DRIVERS OF TOURISM GROWTH IN 2019

Although the overall growth was marginal, some key markets recorded substantial growth. Amongst the overseas markets, the most significant growth was recorded from the following source countries; **France (14.09%)**, **USA (9.007%)**, **Spain (5.478%)** and **China (3.058%).** In addition, the two major entry points (JKIA & MIA) recorded noticeable improvement. The following are key drivers for the sector's sustained positive performance.

GROWTH IN THE AVIATION SECTOR

Positive developments on this front in 2019 include the following:

- After resuming flights between Paris and Nairobi in 2018, Air France in March 2019 increased its flights frequency from three to five weekly. The French market has also seen growth as others like UK decline.
- Qatar Airways started direct flights from Doha to Mombasa in December 2018. This was expected to serve various markets, Doha being a major connection hub.
- Ethiopian Airlines increased flights frequency to Mombasa from one to two daily in the year.
- TUI and Neos increased their charter flights to Moi International Airport further boosting arrivals to via MIA.
- The commencement of direct flights between Nairobi and New York by Kenya Airways in October 2018 has contributed to the sustained growth of the American market.

POLITICAL STABILITY

The country experienced continued political stability throughout the year. The tourism environment has enjoyed the stability and consequently contributed to the recorded growth.

SECURITY SITUATION

The security situation remained stable in the year with sustained investment in the same by the Government. Only one terrorist attack, the Dusit2 early in the year directly affected tourism.

EASE OF DOING BUSINESS AND INVESTOR CONFIDENCE

The latest World Bank Ease of Doing Business report shows that in 2019, Kenya improved five positions to 56 globally on attractiveness to investors up from 61 in 2018. This has been pegged on among others, automation of systems that have made starting business in Kenya easy and a commitment by the Government to continue adopting a robust regulatory framework and improve the business environment. The World bank praised Kenya as being "among top reformists in Africa and the World." The Travel and Tourism Competitive Report 2019 by the World Economic Forum also ranked Kenya highly in the Business Environment and Travel & Tourism Prioritization indices compared to competing destinations. The Hotel Chain Development Pipelines in Africa 2019 Report shows that Kenya had 27 hotels in various stages of development compared to 20 in 2018. Within the year, two major hotels operated by global hospitality brands opened namely Radisson Blu Hotel and Residences and Pullman by Accor.

MARKETING EFFORTS

- Global Online consumer campaigns on Google, Online Travel agencies such as Travel Zoo, on Aljazeera and CNN Online and Continuous Digital consumer advertising campaigns on Expedia and Tripadvisor as well as on Facebook, Instagram, LinkedIn, Twitter, Google search.
- Joint trade marketing campaigns with the travel trade including trade associations such as Association for Promotion of Tourism to Africa (APTA), SATOA, ATTA, in key markets.
- Travel trade road shows in the UK, India, USA and China markets. These presented an opportunity to showcase the experiences and conduct business by our local private sector players.
- Global travel trade exhibitions including MKTE in Nairobi, ITB Germany & ITB Asia in Singapore, WTM, OTM (India), and USTOA (USA)
- Domestic Campaigns themed “TembeaKenyaNaMimi” through TV, digital platforms, radio encouraging Kenyans to tour their country and sharing their experiences through various platforms.
- Destination Profiling events for global PR campaign to leverage on positives around the destination and global events that profile the destination e.g Kenya Golf Open, NY Marathon
- Launch of a new inspiring Brand with a rebrand campaign of “EmbraceMoreMagic” highlighting deeper engagement with the diversity of the destination.

The recorded growth was however slower than targeted and this can be attributed to factors key among them being:

1. Dusit d2 terrorist attack in January 2019 and subsequently reinstatement of some travel alerts where advisories had been lifted in 2018.
2. The financial years 2018/19 and 2019/20 saw a decline in budgetary resources available for tourism development and marketing.
3. Further there was generally slowed down growth globally. UNWTO reported that tourism in Sub-Saharan Africa overall was growing at 1% up to September of that year and globally, the rate of growth slowed down from 6% in 2018 to 4%.

12 GLOBAL TOURISM PERFORMANCE IN 2019

INTERNATIONAL ARRIVALS GLOBALLY

According to UNWTO Tourism Barometer, "International tourist arrivals grew **4%** in January-September 2019 compared to the same period last year. This represents a continuation of the **6%** growth recorded in 2018, though at a more moderate pace and in line with the annual average of **4%** of the last ten years (2008-2018). Growth was led by the **Middle East (+9%)**, **Asia** and the **Pacific and Africa (both +5%)**. International arrivals in **Europe (+3%)** grew slightly below the world average, while the **Americas (+2%)** saw moderate growth. By subregions, **North Africa (+10%)** showed the highest growth, followed by the **Caribbean** and **South Asia (both +8%)** and **South-East Asia (+6%)."** The Barometer further indicates that arrivals into Sub-Saharan Africa grew by +1% which is close to the actual growth in destination Kenya in the year.

GLOBAL AVIATION TRENDS

According to IATA "global passenger yields ticked up in October, reflecting modest improvements in both economy and premium class yields. In seasonally adjusted terms, air passenger demand maintained its moderate growth trend. North American airlines continue to lead the other regions in terms of free cash flow (FCF) performance. The European carriers showed a strong turnaround vis a vis a year ago, driven by higher cash flow generation from operating activities. Latin America also showed a marked improvement, as the increase in cash flow outweighed a rise in capital spending."

In Africa and Middle East, passenger traffic grew by **9.9%** year-on-year. The Americas recorded a **2.4%** decline in air passenger volumes fuelled by increasing uncertainty in the socio-economic and political backdrop in some of the region's key economies.

GLOBAL TOURISM RECEIPTS

According to UNWTO Tourism Barometer, data reported by 127 world destinations for January-September 2019 point to an increase in international tourism receipts across most regions, though results are uneven and slightly weaker than in 2018. Of the reporting destinations, **78% (99 destinations)** saw an increase in international tourism earnings (in local currencies) compared to the same period last year, while **22%** experienced a decrease. Results are mixed among the world's top ten destinations, with **Australia (+9%), Japan (+8%)** and **Italy (+7%)** posting the highest growth. France, Thailand and Spain also saw an increase in receipts, while growth was flat in Germany. Receipts declined in China, the United Kingdom and the United States.

13 TOURISM TRENDS FOR 2020 AND BEYOND

Some notable trends will shape the global tourism sector and impact on destination Kenya's performance in 2020 and beyond and the sector needs take note. These include:

GROWTH OF SOLO TRAVEL

Solo traveling is becoming a wonderful and self-rewarding experience and is now accounting for **36.1%** of international visitors to Kenya. People are aiming to travel solo for different reasons including:

- Some may want the freedom to do whatever they want, whenever they want, rather than be ''tied down'' to a group of friends, family or a partner.
- For personal growth, and seeking something deeper from their solo adventure.
- Wanting to maximize their ''me-time.
- It can be uplifting, eye-opening and fun
- Opportunity to meet new people and often make friends because approaching someone who is alone is much easier than approaching a group. Some are young singles looking for social activities or to find a partner.
- Some widowed seniors even use long-term hotel stays or cruises as a luxurious alternative to conventional elderly care facilities.
- Wanting personalized services.

Tourism service providers should take advantage of this by:

- Offering tourism packages for the solo travellers like professional, personalized one-on-one tours
- Ensuring safety, trustworthiness and destination reliability.

INCREASED CONCERN FOR VALUE FOR MONEY

This is fuelled by various factors including:

- The impact since the global downturn of 2009 on international' mind-sets that has not completely faded. Travellers got bargain deals.
- Last-minute offers on the internet.
- Vast array of price comparison tools at travellers' disposal.
- Reading former guests online reviews

It has resulted in a maximizing type of traveler. People take pride in finding a good value deal and are prepared to spend significant time looking for the best option. There is more sensitivity to value for money and destinations' price rating.

SEARCH FOR NOVEL EXPERIENCES

A taste for alternative destinations is on the rise. More people are going off the beaten track and seeking out new and unusual travel experiences. "Over a quarter (27%) of holidaymakers are planning to visit a country they've never been to before and almost a third (32%) are expecting to visit a new resort or city with more seeking for adventure" (ABTA, 2018). These are now seeking a leisure upgrade as they now prefer tourism products that combine fun and an opportunity for learning or self-improvement (Skill-seeking). Studies show risky adrenaline activities are now favoured 45% less than "experiencing a new culture" in the definition of adventure travel.

FOOD AS A KEY ELEMENT OF TOURISTS' EXPERIENCE

Gastronomy is increasingly becoming a central part of the tourist's experience as opposed to being a supporting experience where tourists' visit to a place is motivated by the search of novel, unusual food experience different from what they eat on daily basis. Gastronomic tourism also known as culinary tourism involves appreciation and consumption of local food, participating in preparation of the foods and attending food festivals.

Further, healthy diet is a concern by many travellers, with holidays traditionally representing a chance to break one's diet and indulge in foreign treats. Today's travellers know that delicious and nutritious are not exclusive concepts. Demand for excellent cuisine with a view to better nutrition is driving new tourism trends. The modern tourist wants to know that the food they're eating is as healthy as it is delicious. There is need for innovation in the area of gastronomy and food and accommodation facilities in Kenya also need to observe high levels of hygiene and offer organic and special diets.

SEARCH FOR GENUINE, AUTHENTIC TOURISM EXPERIENCES

This is being preferred while seeking to experience the destination like a local fuelled by the fear of missing out. Tourists want flexibility where they can book products while at the destination as opposed to rigid predetermined packages. They also do not want to be insulated from the places they visit inside a cultural bubble. They want to engage with and participate in the local culture within a destination. From enjoying local cuisine to celebrating regional festivals and holidays, local experiences are set to become some of the top tourist trends to watch. Today's consumers expect experiences that closely match their personal preferences, from destination features to accommodation and the kinds of activities they'll engage in.

The more closely an experience can be tailored to a client's desires and expectations, the more likely they are to return and to use the same service again.

CONVENIENCE THROUGH TECHNOLOGY, ARTIFICIAL INTELLIGENCE AND AUTOMATION

Artificial Intelligence is revolutionising travel and tourism and one of the more eye-catching examples of these particular tourism trends is Connie, the Hilton Hotel chain's robot concierge. Other hotels have also got in on the robot-staff trend, installing interactive robots to handle certain reception duties or even having them serve food and drink to visitors.

Further, many customers now book their travel and accommodation with the help of internet chatbots, specifically tailored AI who can handle queries and assist customers with useful information, reduce traffic and provide real-time feedback when human operators are unavailable.

ACCESSIBLE TOURISM

There are several definitions of accessible tourism, but the most important point is that it looks beyond the number of people with physical and intellectual disabilities, to encompass all those with mobility needs – including seniors and babies across the human lifecycle. Kenya's tourism sector needs to put this into consideration when curating tour packages by availing information on accessible facilities, services, equipment rentals and tourist attractions to ensure our products can be accessed by everyone regardless of their limitations.

SHORTENING THE BOOKING WINDOW

Social commerce is beginning to emerge for the travel industry, albeit slower off the mark than other sectors like internet retailing as the boundaries between communication, purchase and experience are increasingly blurring. This drive towards an omni channel presence is directing influencers from social media into the tour operator space, leveraging their communities to launch tours that are curated and more personalised.

Instagram launched s-commerce functionality in 2018 and has continued to roll out tools such as in-app checkout, all helping to shorten the booking window and enable more instant purchases directly with the consumer. Booking travel on Instagram is slowly emerging, with the launch of apps like the Instagram-only app called Six Travel, where you can book hotels directly on Instagram from influencers' stories or via a link in their bio.

CONTACT US

Utalii House, 7th Floor,
Utalii Lane, off Uhuru Highway.
P.O. Box 42131-00100,
Nairobi, KENYA

+ 254 20 - 33 178 50

info@tri.go.ke

www.tri.go.ke