



TOURISM RESEARCH INSTITUTE



TOURISM SECTOR PERFORMANCE REPORT

— 2018 —



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Tourism Sector Performance for 2018

Tourism Research Institute is mandated to undertake and coordinate tourism research and analysis.

This report gives the overall performance of Kenya's tourism sector in 2018 highlighting the key parameters mainly on international tourist arrivals, domestic tourism performance and tourism receipts.

International Tourism Arrivals - January to December, 2018

Tourism arrivals for the year 2018 are at **2,025,206**. The arrivals data were captured from the State Department of Immigration's PICSES system, that captures total arrivals at all gazetted and active points of entry with the various modes of entry which include:

- all international scheduled flights into the country;
- all international commercial charter flights (particularly significant at MIAM);

- all private charters originating from outside of the country;
- entry through all the land borders connecting Kenya to its neighbors;
- all entry through the Indian Ocean along the Coast and through Lake Victoria.

There is significant growth of **37.33 %** compared to 2017 where there were **1,474,671** international arrivals.

Tourism Receipts

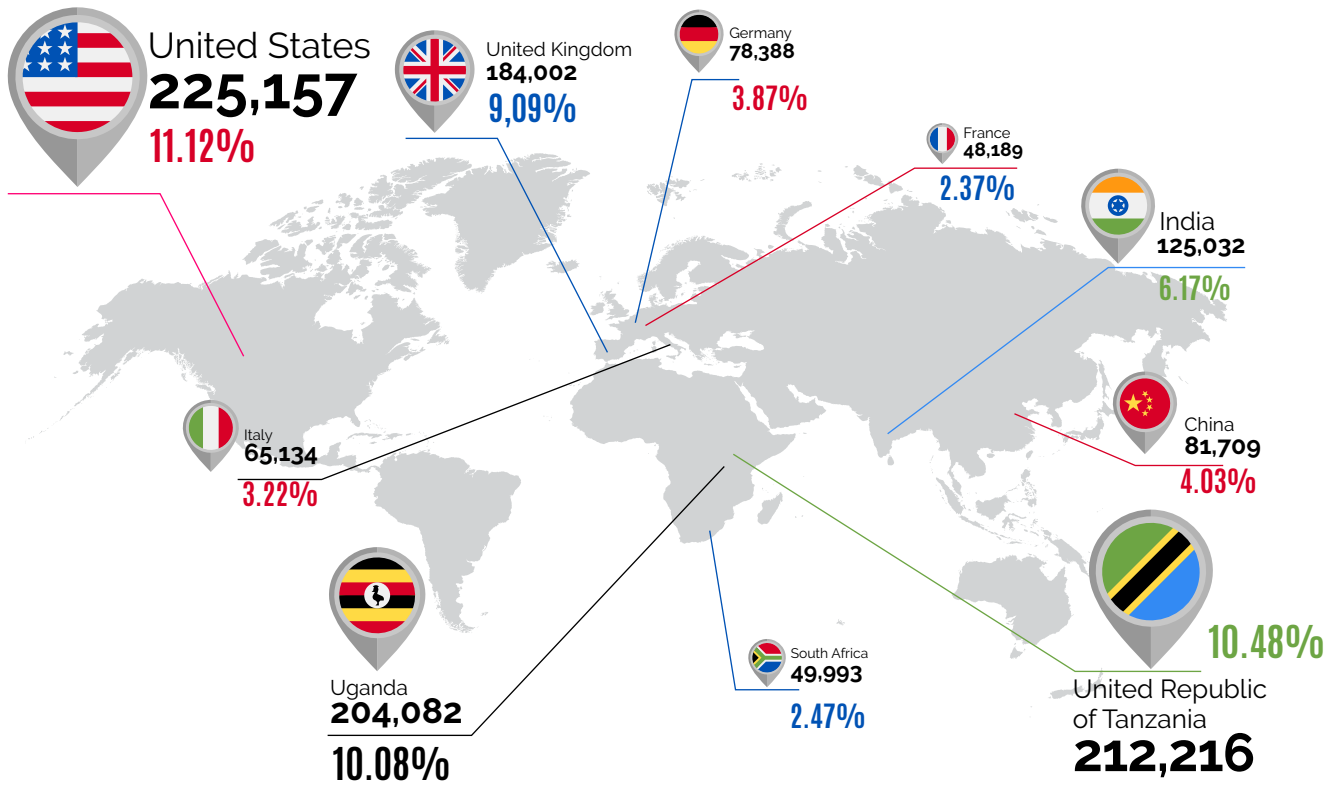
Estimated tourism receipts for 2018 are Kshs. **157,386,151,000**. The receipts have increased by **31.2%** compared to 2017 receipts of Kshs. **119,900,000,000** to record the highest earnings.

Domestic Tourism

Domestic bed nights for the year 2018 were estimated at **3,974,243**. There was **9.03%** increase compared to 2017 data of **3,645,243**.



Top 10 Source Markets with % Market Share



Source: Tourism Research Institute

United States of America (USA) took lead with **225,157** travellers accounting for **11.12 %** market share. Second is Tanzania with **10.48 %** market share.



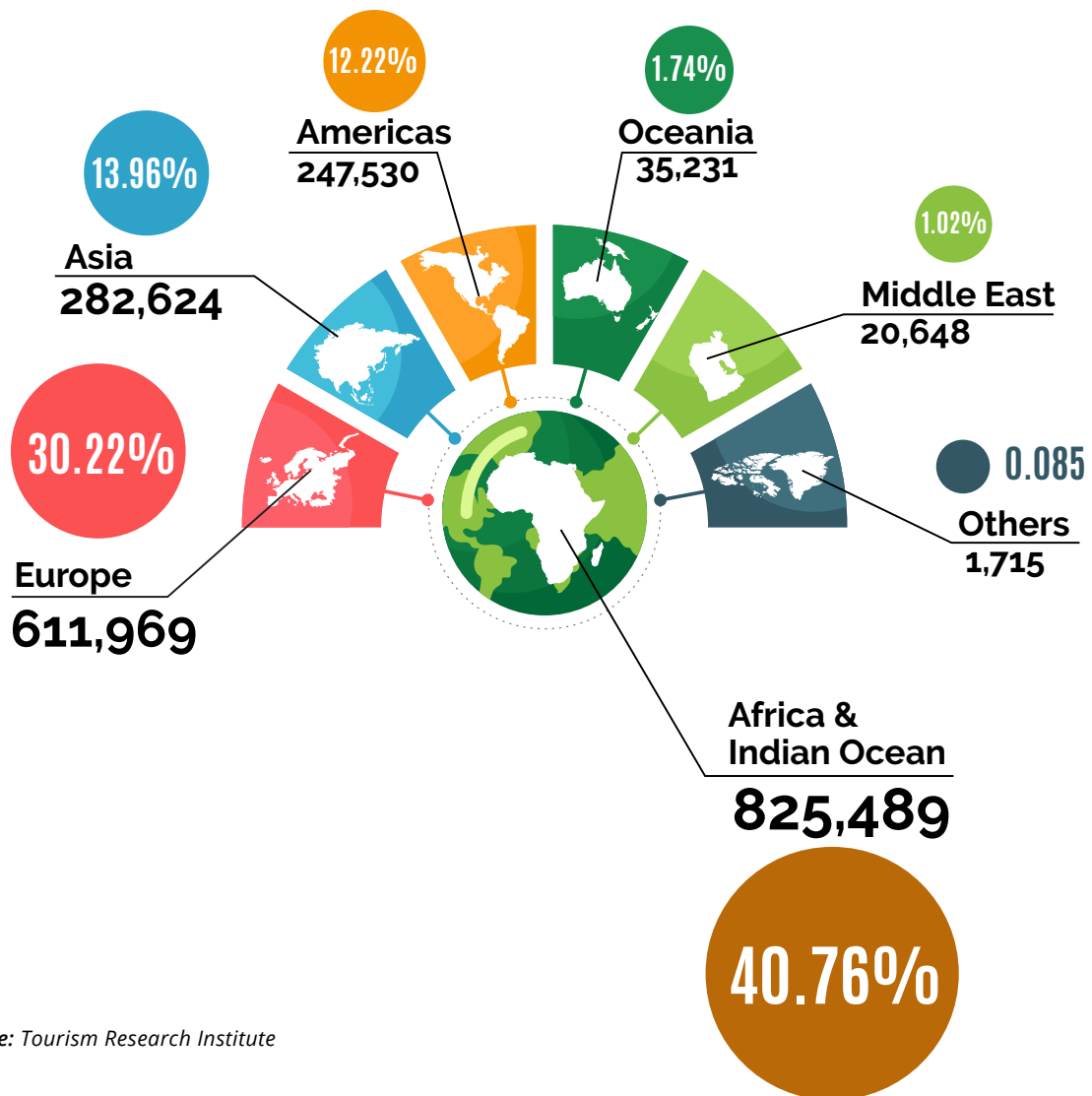
Top 100 Source Markets

	COUNTRY	MALE	FEMALE	OTHER	TOTAL
1	United States	113,953	111,203	1	225,157
2	United Republic of Tanzania	141,507	70,690	19	212,216
3	Uganda	123,556	80,524	2	204,082
4	United Kingdom	103,964	80,038	0	184,002
5	India	86,760	38,269	3	125,032
6	China	54,211	27,498	0	81,709
7	Germany	42,313	36,075	0	78,388
8	ITA Italy	34,269	30,864	1	65,134
9	South Africa	33,562	16,431	0	49,993
10	France	27,308	20,881	0	48,189
11	Canada	21,714	20,145	0	41,859
12	Ethiopia	28,330	11,992	0	40,322
13	Netherlands	22,400	15,303	0	37,703
14	Nigeria	25,864	9,688	0	35,552
15	Rwanda	23,237	11,520	1	34,758
16	Somalia	19,735	14,581	1	34,317
17	Burundi	17,835	9,844	1	27,680
18	Australia	13,987	13,668	1	27,656
19	Spain	12,627	12,400	0	25,027
20	Sweden	11,896	10,132	0	22,028
21	SSD South Sudan	12,702	7,680	1	20,383
22	Democratic Republic of Congo	13,453	6,327	0	19,780
23	Norway	8,220	7,208	0	15,428
24	Zimbabwe	9,859	5,498	0	15,357
25	Poland	7,458	7,705	0	15,163
26	Denmark	8,140	6,735	0	14,875
27	Switzerland	7,254	6,434	0	13,688
28	Republic of Korea (South Korea)	7,505	6,052	0	13,557
29	Belgium	7,933	5,548	0	13,481
30	Japan	8,334	4,647	0	12,981
31	Ghana	8,603	3,421	1	12,025
32	Pakistan	8,270	2,840	0	11,110
33	Specialized Agency of United Nations	6,413	3,436	0	9,849
34	Sudan	6,863	2,554	0	9,417
35	Egypt	7,795	1,603	0	9,398
36	Ireland	5,561	3,640	0	9,201
37	Zambia	5,734	3,401	0	9,135
38	Austria	4,457	3,482	0	7,939
39	Malawi	5,274	2,585	1	7,860
40	Cameroon	5,019	2,455	0	7,474
41	Turkey	4,949	1,450	0	6,399

42	Finland	3,348	2,738	0	6,086
43	Russian Federation	3,273	2,680	0	5,953
44	Israel	4,503	1,403	0	5,906
45	New Zealand	2,591	2,255	0	4,846
46	Czech Republic	2,223	2,218	0	4,441
47	Portugal	2,729	1,649	0	4,378
48	Eritrea	3,332	930	0	4,262
49	Comoros	2,429	1,795	0	4,224
50	Philippines	2,497	1,717	0	4,214
51	Djibouti	3,085	1,100	0	4,185
52	Sierra Leone	2,480	1,363	1	3,844
53	Sri Lanka	2,993	814	0	3,807
54	Mexico	1,878	1,924	0	3,802
55	Mauritius	2,556	1,234	1	3,791
56	Brazil	2,000	1,720	0	3,720
57	Madagascar	1,871	1,825	0	3,696
58	Mozambique	2,257	1,312	0	3,569
59	Taiwan	1,556	1,821	0	3,377
60	Cote dlvoire	2,219	870	1	3,090
61	Liberia	1,793	1,174	0	2,967
62	Nepal	1,939	510	0	2,449
63	Malaysia	1,373	1,046	0	2,419
64	Senegal	1,681	723	0	2,404
65	Yemen	1,570	753	0	2,323
66	Oman	1,485	794	0	2,279
67	Argentina	1,200	1,032	0	2,232
68	Bangladesh	1,812	412	0	2,224
69	Romania	1,145	1,066	0	2,211
70	Botswana	1,061	998	0	2,059
71	Thailand	1,007	1,031	0	2,038
72	Greece	1,349	676	0	2,025
73	Ukraine	1,159	770	0	1,929
74	Singapore	971	842	0	1,813
75	Hungary	1,016	759	0	1,775
76	Colombia	817	926	0	1,743
77	Islamic Republic of Iran	1,119	608	0	1,727
78	Morocco	1,066	569	0	1,635
79	Benin	1,195	438	0	1,633
80	Saudi Arabia	1,309	316	0	1,625
81	United Arab Emirates	1,000	561	0	1,561
82	Lebanon	1,186	350	0	1,536
83	Jordan	1,106	279	0	1,385
84	Seychelles	752	613	0	1,365

85	Slovakia	671	690	0	1,361
86	Indonesia	751	581	0	1,332
87	Congo	834	454	0	1,288
88	Chile	644	636	0	1,280
89	Burkina Faso	926	329	0	1,255
90	Mali	816	436	0	1,252
91	Namibia	670	577	0	1,247
92	Angola	824	412	0	1,236
93	Tunisia	847	339	0	1,186
94	Central African Republic	821	334	0	1,155
95	Bulgaria	664	485	0	1,149
96	Viet Nam	509	558	0	1,067
97	Serbia	659	361	0	1,020
98	Croatia	577	437	0	1,014
99	Togo	727	279	0	1,006
100	SRB Serbia	659	361	0	1,020

Source Markets Regional Ranking



Source: Tourism Research Institute

Arrival Statistics by Point of Entry

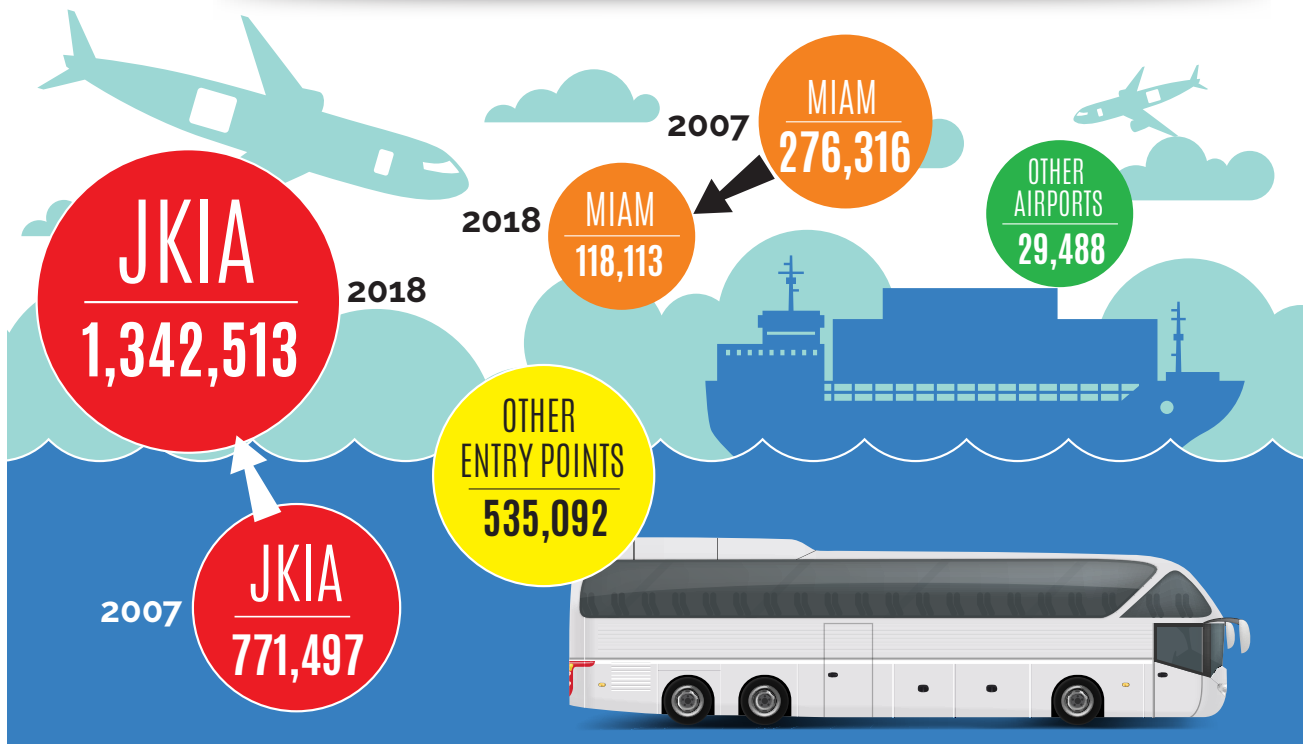
AIRPORTS

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
JKIA	105,262	98,532	100,441	94,236	93,730	114,097	141,763	145,231	114,539	115,597	103,229	115,856
MIAM	14,533	12,792	11,024	5,205	4,735	5,157	9,025	9,589	9,916	9,343	8,391	18,403
Others	2,040	2,538	2,162	2,338	2,021	2,271	3,242	3,210	3,294	2,317	2,337	1,718

OTHER ENTRY POINTS

(Sea port and land borders)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
	48,846	37,645	41,639	41,426	42,195	42,932	50,591	52,313	44,672	42,844	40,899	49,090
MONTHLY TOTALS	170,681	151,507	155,266	143,205	142,681	164,457	204,621	210,343	172,421	170,101	154,856	185,067

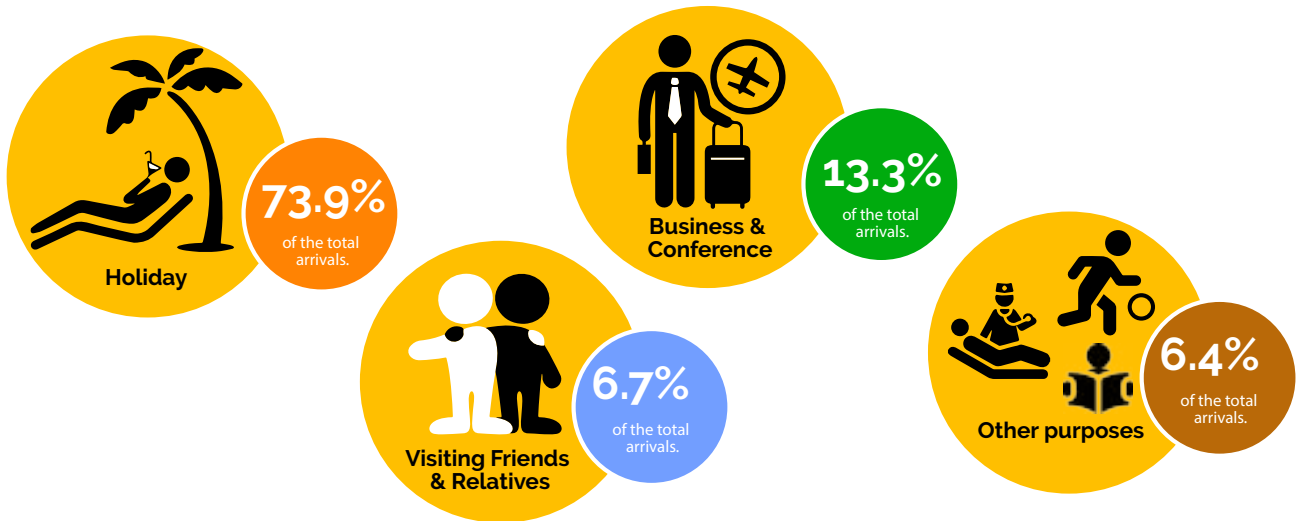


2,025,206

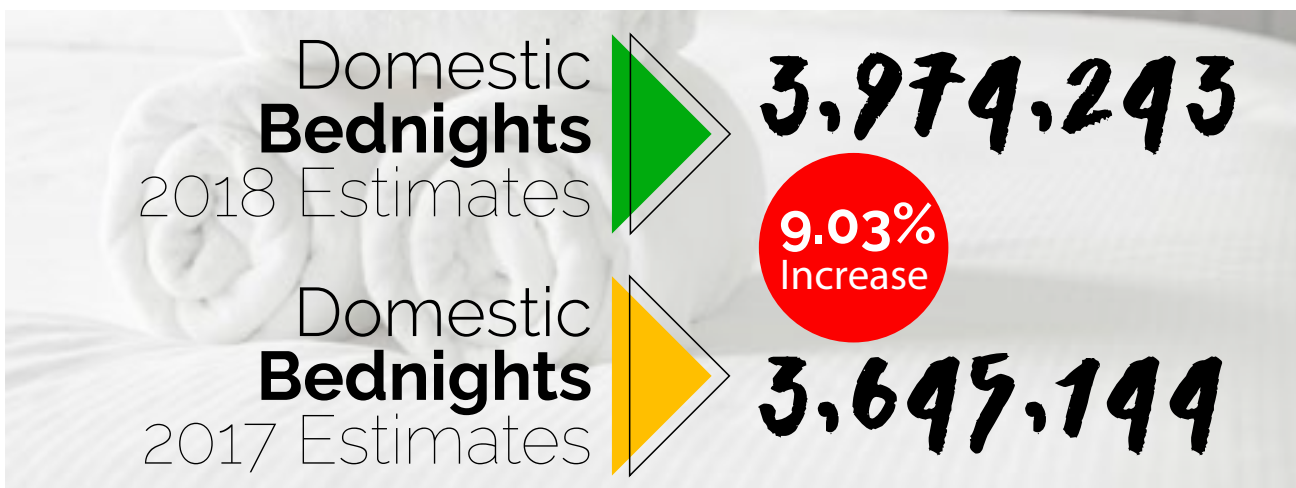


Source: Immigration Department

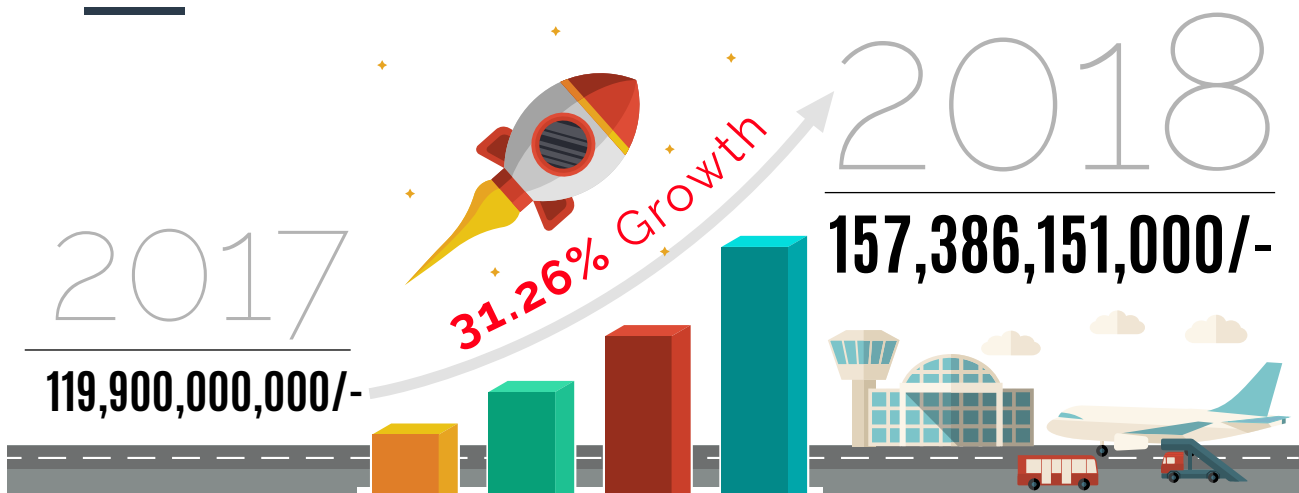
Purpose of Visit



Domestic Tourism



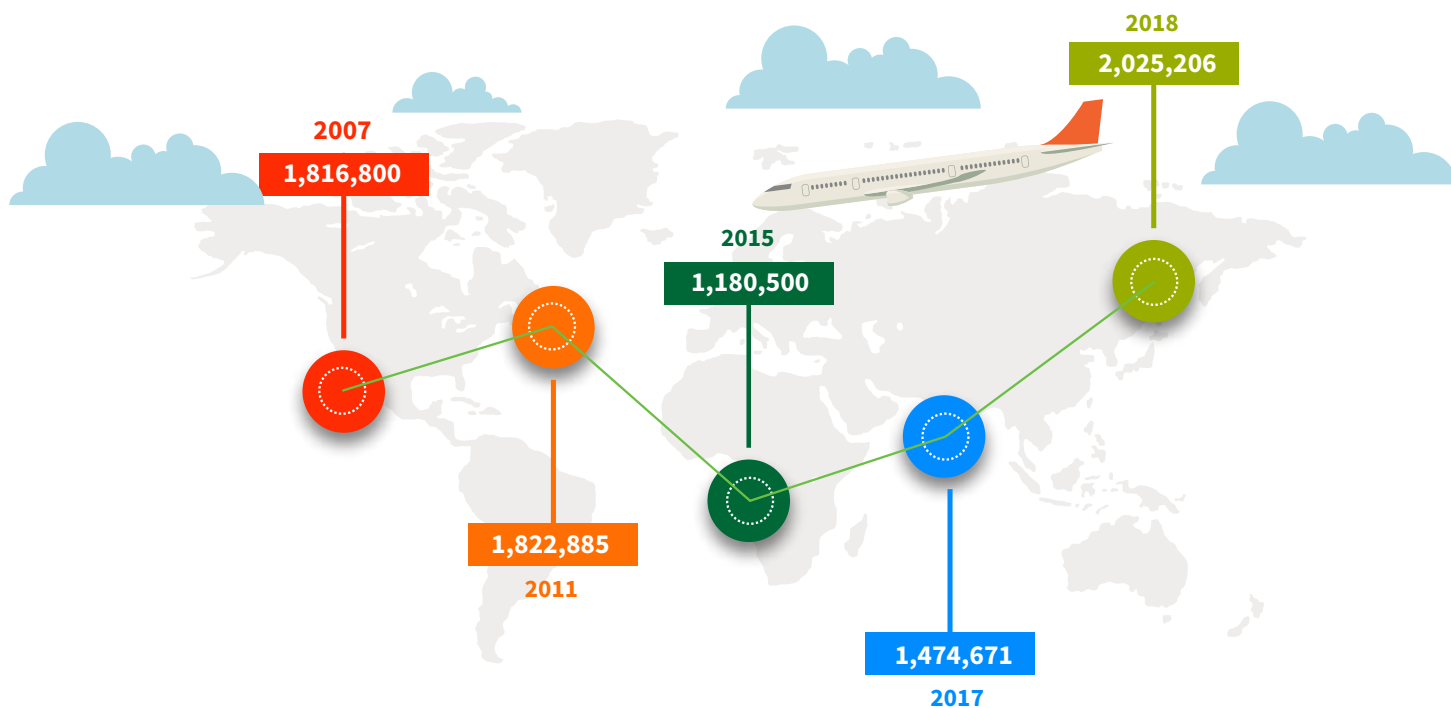
Tourism Earnings



An over view of Kenya Tourism Performance 2011 to 2018

Tourism performance in 2011 was at **1,822,885** international tourism arrivals the country`s best performance after 2007 election violence. Over the next years, the performance declined due to election cycle, terrorist threats, instability in Somalia hitting a low of **1,180,500** in 2015.

Between 2015 to 2017 the performance started growing gradually to record **1,474,671** tourism arrivals in 2017. 2018 tourism performance indicates that the sector has bounced back to its best performance in 2011 and hit the **2M** mark.



Drivers for Tourism Growth in 2018

Kenya's tourism performance for the year 2018 has seen a substantial improvement compared to 2017 in both tourism arrivals, domestic

tourism performance and earnings. This can be attributed to the following factors:

1. Political Stability



Over the years, politics have always had an impact on the country's stability negatively affecting the tourism industry. Following the events of 2017 electioneering period, the

reconciliation of 9th March 2018 diffused political tensions and brought peace and stability into the country. The resultant calm worked well to encourage tourists to visit.



2. Improved Security Situation



The Government continues to invest more in the security sector with innovations in security management and this has improved the safety of both tourists and Kenyans. In addition, the security situation in Somalia continues to improve. This can be attested to by some recent developments like the introduction of

flights by major airlines eg Kenya Airways and Ethiopia Airlines and re-opening of the Embassy of USA in Mogadishu. Improvement of the security situation in Somalia translates to a decline in the threat that has always hitherto faced Kenya as a neighbour.



3. Growth in The Aviation Sector



Positive developments on this front in 2018 include:

- Commencement of direct flights between Nairobi and New York by Kenya Airways
- Air France made a comeback flying 3 times per week from Paris to Nairobi
- Tui Fly charter airline started flying from Netherlands to Moi International Airport Mombasa
- Qatar Airways started flights from Doha to Mombasa.



4. Investor Confidence



According to World Bank Report 2018 on Ease of Doing Business, Kenya is ranked No. 80 up from No.92 in 2017 and it is projected to rise No. 62 in 2019. The tourism industry is a major beneficiary of this positive ranking both in attracting foreign and local investments as well as actually growing arrivals for leisure and business travel. According to Knight Frank 2018 Hotels report, Kenya has a total of 68 global hotel brands. According to 2018 Pipeline Report

by W Hospitality Group, 20 major international brands are planning to set up in the country in the next five years, 14 of the hotels are scheduled to open next year. The pipeline report ranks Nairobi 3rd on the continent after Lagos and Abuja. International hotel brands benefit the destination due to their global marketing and sales networks as well as globally recognised service standards and a resultant client loyalty base.

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5. Withdrawal of Travel Advisories



In 2017 there were travel advisories by key source markets owing to the fact that it was an election year in addition to the situation in neighbouring Somalia. The nullification and repeat of the presidential election worsened the situation. It prolonged the electioneering period particularly into the tourism peak season and created a sense of uncertainty on the country's stability. In 2018, the key source markets lifted the advisories. USA lifted their

blanket travel advisory and introduced a four level travel advisory programme where Kenya is rank in the 2nd tier – exercise increased caution, highlighting a few areas that should not be visited. UK similarly has only highlighted some locations that its citizens should not visit. This year's performance proves that lifting of travel advisories has positive effect on the sector.

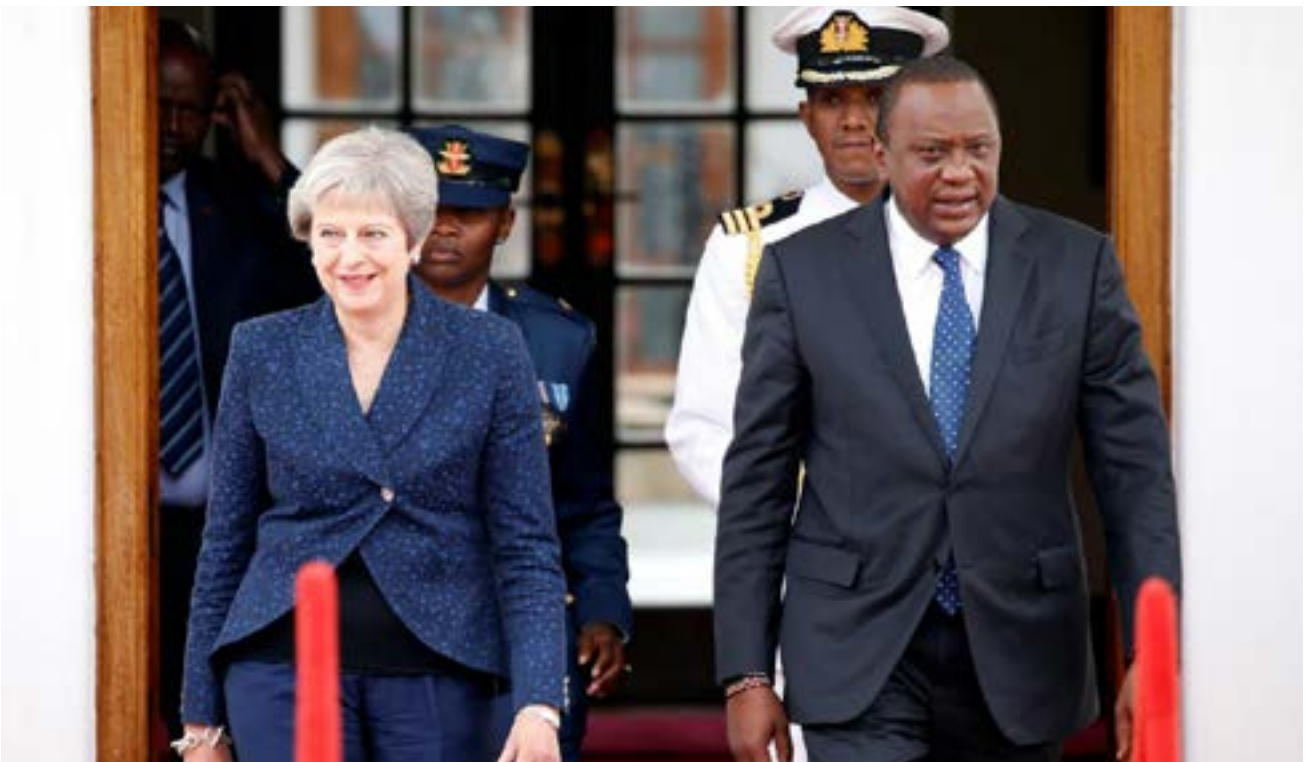


6. Visits by Foreign Dignitaries



In 2018, dignitaries from leading source markets visited the destination. These include the Former President of USA Barrack Obama, UK Prime Minister, Theresa May and USA First Lady Melania Trump. Such visits create interest and confidence on the destination not only in their countries but even in other source countries due to their global following. This aids

holiday travel as well as business travel since the visits are mainly meant to open up business relations and there is follow up activities by business people from those countries. Similar visits in other recent years (2015-2017) also continue to generate similar gains.



7. Open Border Policy



The open border policy for Africans where they get visa on arrival has also helped boost intra-Africa travel. It was a positive step to encourage

movement of people, ideas and capital into Kenya.



8. Revitalised Marketing Efforts



Innovative Marketing Strategies

- The branding partnership with Kenya Airways has helped in popularising magical Kenya brand with the growing network of KQ routes. It includes branding Head Rest, Desk Boarding Passes, Inflight Entertainment(IFE) Advertising and Documentary, Msafiri Magazine Editorial, and Aircraft (Dreamliner) as well as Premier 'Pride' Lounge Branding, Buses.
- Partnership with Kenya Railways (KR) by branding and providing tourism information at terminals. Also branding of the train wagons to strengthen the positioning of Tembeakenya in the domestic market.
- Branding of Equator crossing points
- **Digital marketing** – this has been an element of key focus for KTB in the last two years. It is broken into two components:

1. Tactical Implementation - Installation of online tools to deliver the strategy. These included; Social Bakers, Agora Pulse, Stackla and acquiring of resources to enable implementation – a digital team.

2. Strategic Implementation - Development of Magical Kenya App, Digital Consumer and Global Campaigns, Re-development of Magickkenya website to assist in implementation of the digital strategy, Facilitation of Digital Trade Training through regional forums in the Country Global Channel Campaign with Expedia and TripAdvisor, Magical Kenya Social Media Accounts Management

3. Live the Magic Campaign - the Magic campaign (<https://www.youtube.com/watch?v=VAqOxM8qeOo&t=15s>) was aimed at showing Kenya and generating an iconic feel of a tourist destination that could touch travellers coming to the destination.

- GLOBAL CAMPAIGNS – BBC & ALJAZEERA: Between 2017 to 2018, KTB ran campaigns on BBC and Aljazeera.



9. Hosting of International Conferences



2018 also saw a number of international conferences held in the country. Major ones included:

- 1st ordinary session of the African Union Ministerial Sub-Committee on Tourism
- 79th International World SKAL Congress held in Mombasa where over 40 countries participated

- Sustainable Blue Economy Conference that had over 11,000 participants
- Africa Hotel Investment Forum (AHIF) which saw over 500 delegates from across the globe participate.

Such meetings continue to profile Kenya as a leading MICE destination and also stimulates repeat visits by the delegates and their families for leisure and even business.



Trends That Will Drive Tourism In Kenya In 2019

Some notable trends will shape destination Kenya's performance in 2019 and the sector needs take note. These include:

01

Growth in Shared Economy

This is particularly in tourist accommodation. According to a report by Airbnb released in 2018, since its founding 3.5 million guests have arrived at listings across Africa. In Kenya guest arrivals have grown by 68%. Airbnb supported by World Bank Group have committed US\$1 million to boost community – led tourism in Africa. Part of the money was used to establish an Airbnb Africa Academy in South Africa to encourage healthy tourism and entrepreneurship in rural and under resourced communities across Africa. Kenya has been earmarked for training of community based organizations starting with Masai Mara, Nairobi and Mombasa, this will be a great opportunity for Kenyans to tap into this growing trend.

02

Africa Open Skies

The Single Africa Air Transport Market (SAATM) is a flagship project of the AU agenda 2063. 26 African countries have so far made a commitment to establish the SAATM, Kenya being amongst them. This will boost connectivity between African states including the fact that low cost carriers will be able to operate across countries. This will greatly ease intra-Africa travel and this is also a key agenda of the proposed Africa Tourism Organisation. 2018 arrival figures already show marked growth in arrivals from other African countries and with eased air travel, the African market will be even more significant going forward.

Conclusion

The statistics and particularly the tremendous growth in all leading markets show a growing popularity of destination Kenya. This is contributed to by the improved image of the destination and growing confidence in all key markets.

The renewed co-operation between various State agencies in collecting and analysing tourism statistics has helped improve on the quality of the data. Of particular importance is

the working arrangement between Department of Immigration Services and the Tourism Research Institute to electronically and timeously share the international arrivals data for improved accuracy and prompt reporting. The two agencies are expected to make further improvements including activating more data lines so as to ease reporting on vital variables like purpose of visit and length of stay.



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