

Research and policy

Although the ComMark Trust is not a research organisation all of its projects are underpinned by research. This is because the Trust needs a clear understanding of the sectors in which it is working to implement the making markets work (MMW4P) approach to development.

Some of ComMark's research has been action based. This has been used to put together interventions that aim to make a specific market work for the poor and demonstrate the value of the MMW4P approach.

A number of ComMark's other research projects fall into the category of strengthening the enabling environment.

ComMark's experience of working at this policy and regulatory level is that research alone is not enough to bring about change. However, good research is essential when engaging in policy issues in a sector, and is most effective when stakeholders are already in the process of

negotiating change. With good timing, research can be a catalyst.

In recent months ComMark has launched three advocacy reports, which we believe have shed light on how the tourism sector in the region can be strengthened. This research was conducted with the participation of relevant government and industry bodies and includes recommendations for making these markets work more effectively.

This edition of Catalyst looks at this work in more detail.

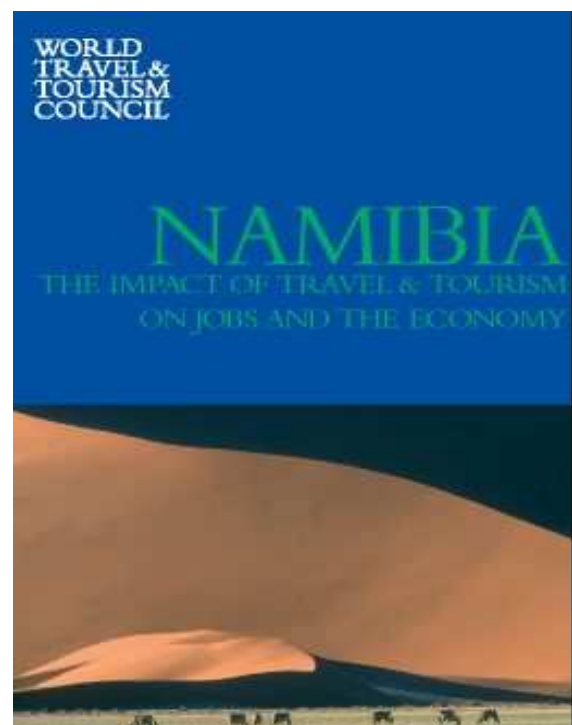
The three reports are *Namibia: The Impact of Travel & Tourism on Jobs and the Economy*, released in Windhoek in September; *Clear Skies over Southern Africa – The importance of air transport liberalisation for shared economic growth*, launched in Johannesburg in October; and *Counting the Cost of Red Tape for Tourism in South Africa*, launched in Johannesburg this month.

Hidden treasure

Sometimes research sets the matter straight, and in so doing provides a tool for reform or change in policy direction. An example of research designed to change attitudes was the World Travel & Tourism Association's tourism satellite accounting exercise in Namibia, which ComMark co-funded.

This research was the culmination of a number of other initiatives that ComMark had been involved with in Namibia over the past three years. During this time it became clear that a major constraint to the growth of the tourism sector was a misperception in certain sectors of government that tourism does not benefit ordinary Namibians.

The tourism satellite account was championed by the Ministry of Environment and Tourism and the Namibian Tourism Board, and supported by



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by the Federation of Namibian Tourism Associations (FENATA), which is working to transform the industry and bring more blacks in.

The results of the report, *Namibia: The Impact of Travel & Tourism on Jobs and the Economy*, were released in Windhoek in September. This included formal presentations of the findings to the Namibian Cabinet and the parliamentary standing committee on the economy, natural resources and public administration – and a public launch to industry, media and other governmental officials

Tourism – fastest growing sector

The research found that tourism is worth twice as much to the Namibian economy than what was previously thought. In 2006, the broader tourism economy will contribute 16% of the country's Gross Domestic Product, and should

account for 72 000 jobs, representing 18% of total employment. These estimates are double previous ones. Namibia is the 13th fastest growing tourism destination in the world – and the country has the potential to become one of Africa's leading travel and tourism economies.

The research has economic projections for the growth of travel and tourism in Namibia and policy recommendations to realise the potential for economic development and job creation.

FENATA and the Namibian Tourism Board are now driving the growth and development of the sector. By quantifying the economic benefits to the economy of tourism, they now have the necessary information to lobby for more public funding and backing for industry moves to make the industry more transparent and also to prepare for the FIFA-SA World Cup.

A copy of the report can be found on the ComMark website Research Archive

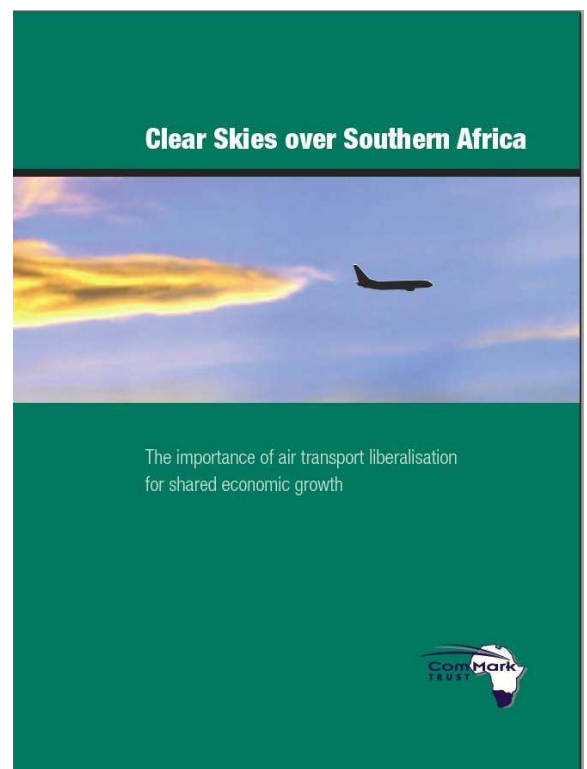
Creating jobs in the region

Restrictions on air traffic between Southern African Development Community (SADC) countries are slowing down the growth of both the tourism and business sectors of member countries. According to *Clear Skies over Southern Africa – The importance of air transport liberalisation for shared economic growth*, opening up the air transport market in the SADC region to competition would give economic growth and job creation a massive boost.

The report, which was produced by Genesis Analytics for the ComMark Trust, is a far-reaching analysis of the economic costs and consequences of air transport market regulation. It found that complete liberalisation would mean 500,000 more tourists would visit the region every year. They would spend half a billion dollars, and this would raise economic activity as measured by Gross Domestic Product by R1.5-billion or half a percent. More than 70 000 new jobs would be created - 35 000 in the travel and tourism industry alone and a further 37 000 spun off in the wider SADC economy.

The results of this report will be used to inform and support reforms by a number of government and industry players.

Air transport deregulation is a core aim of the



South African government's AsgiSA (Accelerated Shared Growth Initiative for South Africa) strategy. The South African Department of Transport has had access to the material and also provided information for the study.

A copy of the report is available on the ComMark website Research Archive.

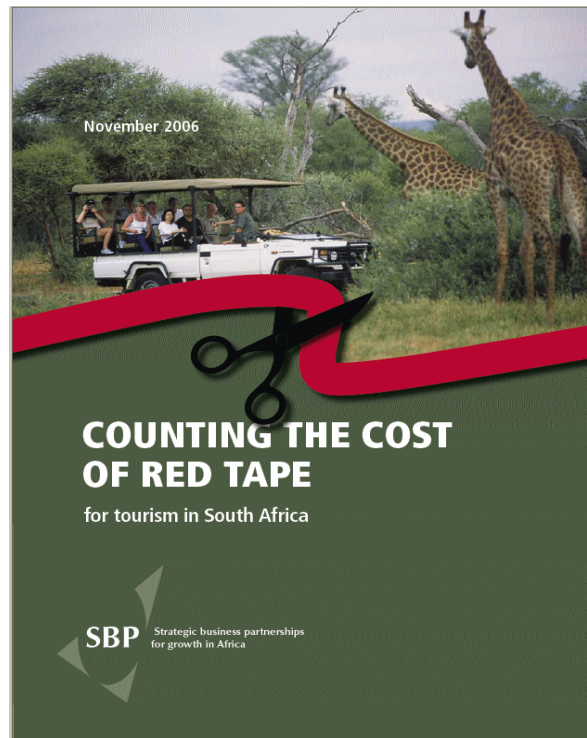
Obstacles to growth

ComMark's decision to fund research to determine the costs of regulation to the South African tourism industry was based on the belief that it would provide a foundation for constructive debate between government and industry stakeholders.

Counting the Cost of Red Tape for Tourism in South Africa is a follow-up to the study undertaken in 2005 by development and research organisation SBP. That report found that tourism has one of the highest compliance costs.

The findings of the new study confirm that the South African tourism sector bears a disproportionate regulatory burden. The average recurring compliance costs per firm in this important sector was found to be R323 280 a year compared with the average compliance costs per firm in the general economy of R105 174.

Industry players and the South African Department of Environmental Affairs and Tourism (DEAT) actively participated in the research and, as a result, indications from DEAT suggest that it will support and nurture this debate, particularly within the context of the government's commitment to encouraging the growth of small business and reducing the costs of doing business for South African firms.



The findings are to be incorporated into a report that will be taken to Cabinet.

A copy of the report is available on the ComMark Trust website Research Archive.

Bringing emerging farmers into mainstream markets

Agriculture is another sector identified in the South African government AsgiSA strategy for intervention. ComMark is working with the National Agricultural Marketing Council, which falls under the national agriculture department, on a joint programme to improve emerging farmers' access to information and marketing infrastructure.

This involves a review of nine agricultural sub-sectors and assessing the constraints to their growth: citrus, wine, rooibos tea, honeybush tea, wool, potatoes, beef, goats and deciduous fruits.

If you would like to be kept informed of these agricultural studies, please let us know by return email.

**For information about ComMark Trust's other projects see www.commark.org
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