ECONOMIC IMPACT ASSESSMENT

of the Malawian Accommodation Sector

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1 BACKGROUND

ECONOMIC IMPACT ASSESSMENT

of the Malawian Accommodation Sector

BACKGROUND

More Income and Employment in Rural Areas (MIERA)

Since 2015 the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH is implementing the "More Income and Employment in Rural Areas" (MIERA) programme in Malawi.

MIERA's goal is to enhance income and employment opportunities, particularly for poorer sections of the rural population, by supporting MSMEs and smallholder farmers to embrace new marketing approaches and make greater efforts to add value to their produce. The programme applies a value chain approach and has selected several agricultural and non-agricultural (tourism and eco-friendly construction) value chains for development. The aim is to link up small-scale producers and business entities with formal or structured market channels, which will enable them to access higher-value markets and thus increase their income. Particip GmbH, in association with mascontour GmbH, has been contracted by GIZ to implement the component "Support to the Tourism Value Chain" of the MIERA Programme.

BACKGROUND

Objectives of the Survey

For the successful implementation of the tourism component of MIERA and in respect of future GIZ programmes addressing the Malawian tourism sector, a baseline survey was undertaken with the primary objective of providing profound information about the economic impact of the accommodation sector.

The survey was planned to be conducted with all accommodation providers located in the tourism clusters of

- Cape Maclear,
- Mangochi and
- Salima.

The survey among others sought to establish statistics on the jobs created and incomes generated by the accommodation sector as well as on the levels of contribution to the community in terms of local procurement.

2 SUMMARY

SUMMARY

Capacity & Occupancy:

- 45% of total room capacity are counted among low budget segment, only 18% among high budget segment
- About two-thirds of the accommodation providers are small enterprises with less than 20 rooms available, on average each accommodation provider is equipped with 23 rooms
- Occupancy rate is 69%

Sales Revenue:

- On average each accommodation provider generates MWK 174 million sales revenue in 2017, each room MWK 7.68 million and each occupied room night MWK 30,884
- Sales revenue increased by 14.2% between 2014 and 2017

Staff:

- 28% of staff are female
- 67% of staff are young employees
- On average each room generates 1.44 jobs

SUMMARY

- On average salary per month amounts to MWK 33,477
- Salary increased by 15.9% between 2014 and 2017
- Staff increased by 8.9% between 2014 and 2017

Local Procurement:

- On average each accommodation provider generates MWK 4.15 million local procurement in 2017, each room MWK 183,000 and one occupied room night MWK 738
- Local procurement increased by 10.5% between 2014 and 2017
- Local procurement as a percentage of total sales revenue accounts for 2% only
- Food & beverage represents by far the highest share of local procurement (fish and vegetables are the most important products)

Potential for Local Procurement in the Future:

- In 2017 accommodation providers spent by far the highest share for meat (beef and pork) regarding products not yet procured locally, but showing high potential for local procurement in the future, followed by cheese, beverages, chicken, milk and honey

3 METHODOLOGICAL APPROACH

METHODOLOGICAL APPROACH

Overview

- Development of the questionnaire
- Sampling design
- Pre-test of the questionnaire in the tourism clusters Cape Maclear, Mangochi and Salima
- Development of an excel template for data entering
- Data collection and entering
- Data consolidation und preparation of the analysis (incl. plausibility checks)
- Data analysis
- Reporting

METHODOLOGICAL APPROACH

Questionnaire

- General **facts about the accommodation providers** (location, contact person, type of accommodation, etc.)
- Insights about the **holiday season 2017** (operation time, capacity, occupancy, etc.)
- **Sales revenues**
- **Staff** (structure regarding female/ young/ local employees, part-time/ seasonal employment, salaries, etc.)
- **Local procurement** (from local farmers/ producers, market/ shops, service providers etc. located within the tourism clusters)
- **Products/ services** not yet procured locally, but **showing high potential for local procurement in the future**

METHODOLOGICAL APPROACH

Questionnaire

- **Knowledge/ skills available at the accommodation providers** (possessed by owners, employees or suppliers) that could be shared with other accommodation providers or local suppliers/ service providers (agricultural production, food processing, crafts, production of curios, waste management, recycling, energy saving, wastewater treatment, sustainable construction methods, etc.)
- **Knowledge/ skills/ trainings needed by the accommodation providers** or local suppliers/ service providers in order to enhance offered products or services, sustainability performance, etc.
- Most important **challenges on local level regarding tourism development**

METHODOLOGICAL APPROACH

Sampling

- Desk research aiming at the identification of all accommodation providers in the tourism clusters Cape Maclear (incl. Monkey Bay), Mangochi and Salima (incl. Senga Bay), including analysis of data provided by the Department of Tourism (DoT), Google Maps research and alignment with information provided by “The Eye” magazine and Malawi Tourism Council (MTC)
- Making contact with **100 identified accommodation providers** (population) by email and phone or short massage in order to arrange appointments for the interviews
- **70 personal meetings** were realised on site with representatives of accommodation providers in the destination clusters
- **58 completed interviews** (at least 85% of the questionnaire)

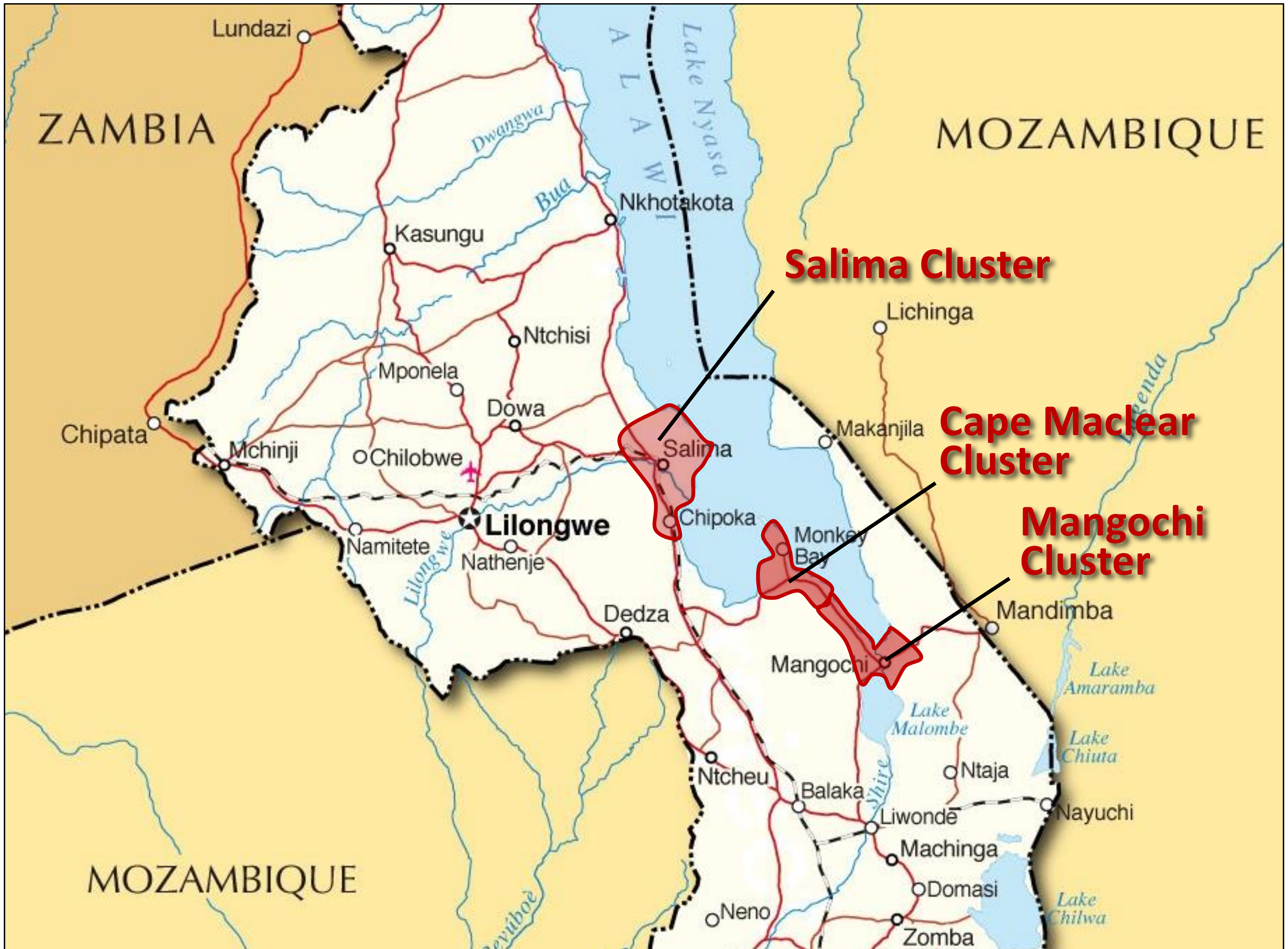
  → **58% of the population**

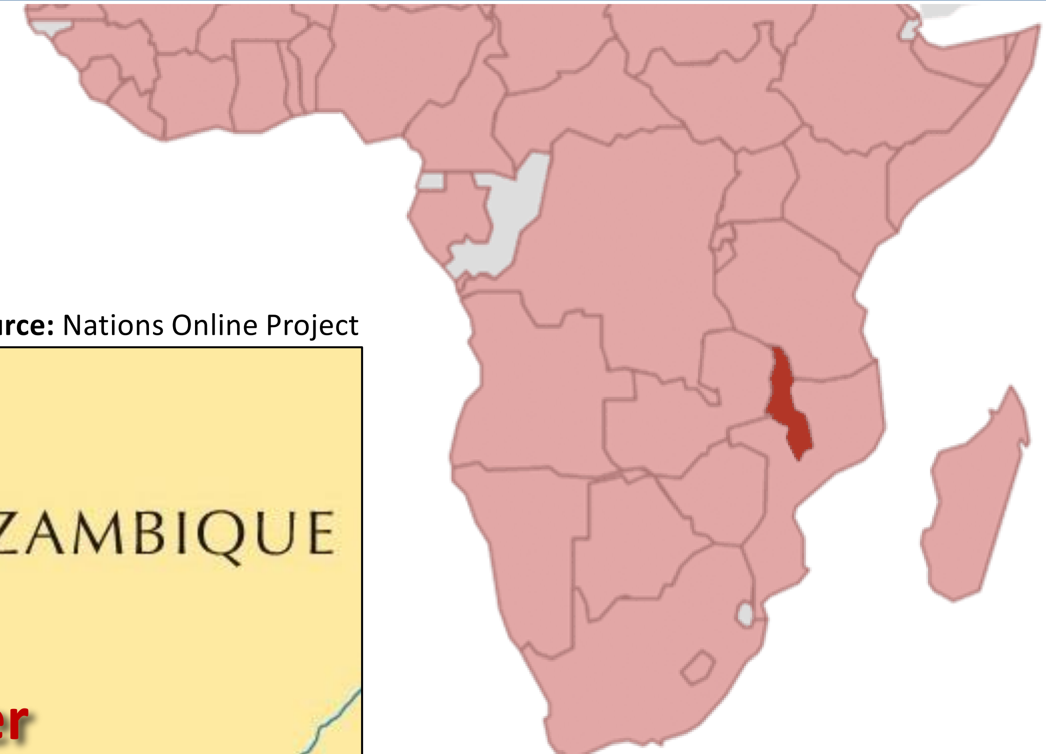
  → **Margin of error: 8.5%** (confidence level: 95%)

METHODOLOGICAL APPROACH

Tourism Clusters

Source: Nations Online Project

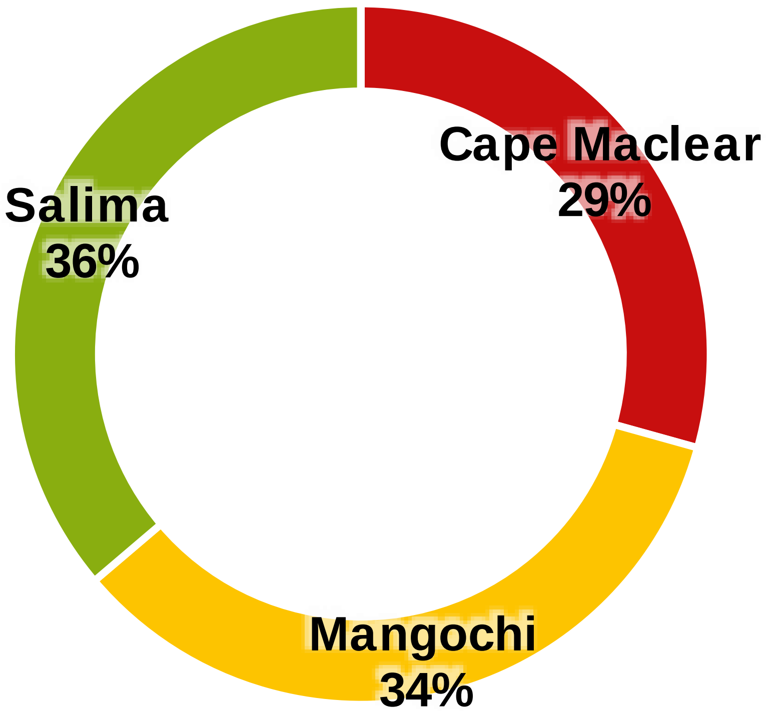


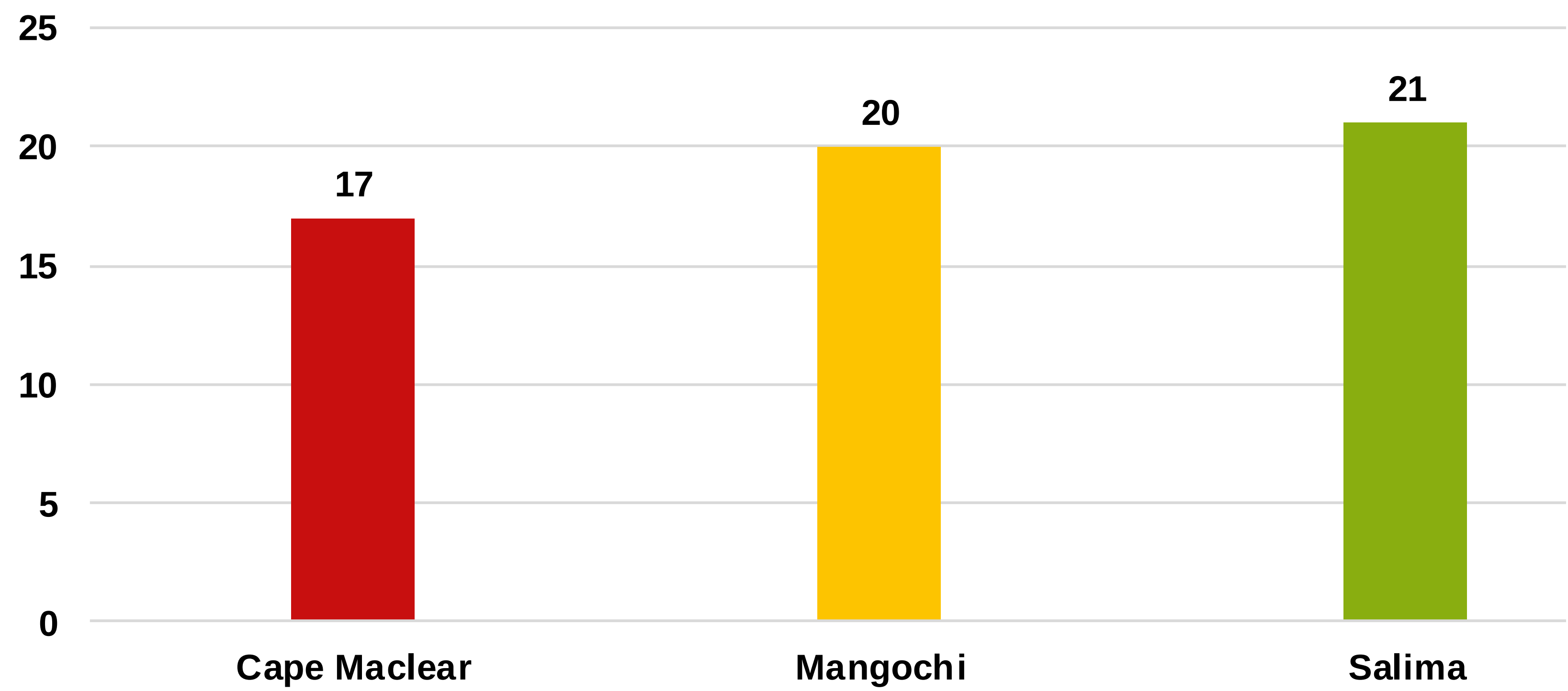


- **Cape Maclear Cluster:** Chembe, Masasa
- **Mangochi Cluster:** Chilombo, Chipoka, Makawa, Mangochi, Mbalamanja, Mdala Chikowa, Michesi, Mtalimanja, Mtayanthungo, Mtimbuka, Mwanyama, Namiasi, Nkopola
- **Salima Cluster:** Chigumukile, Chiutira, Lifuwu, Maganga, Malimba, Mchenga Wamoto, Mikute, Mnthiwatiwa, Salima

METHODOLOGICAL APPROACH

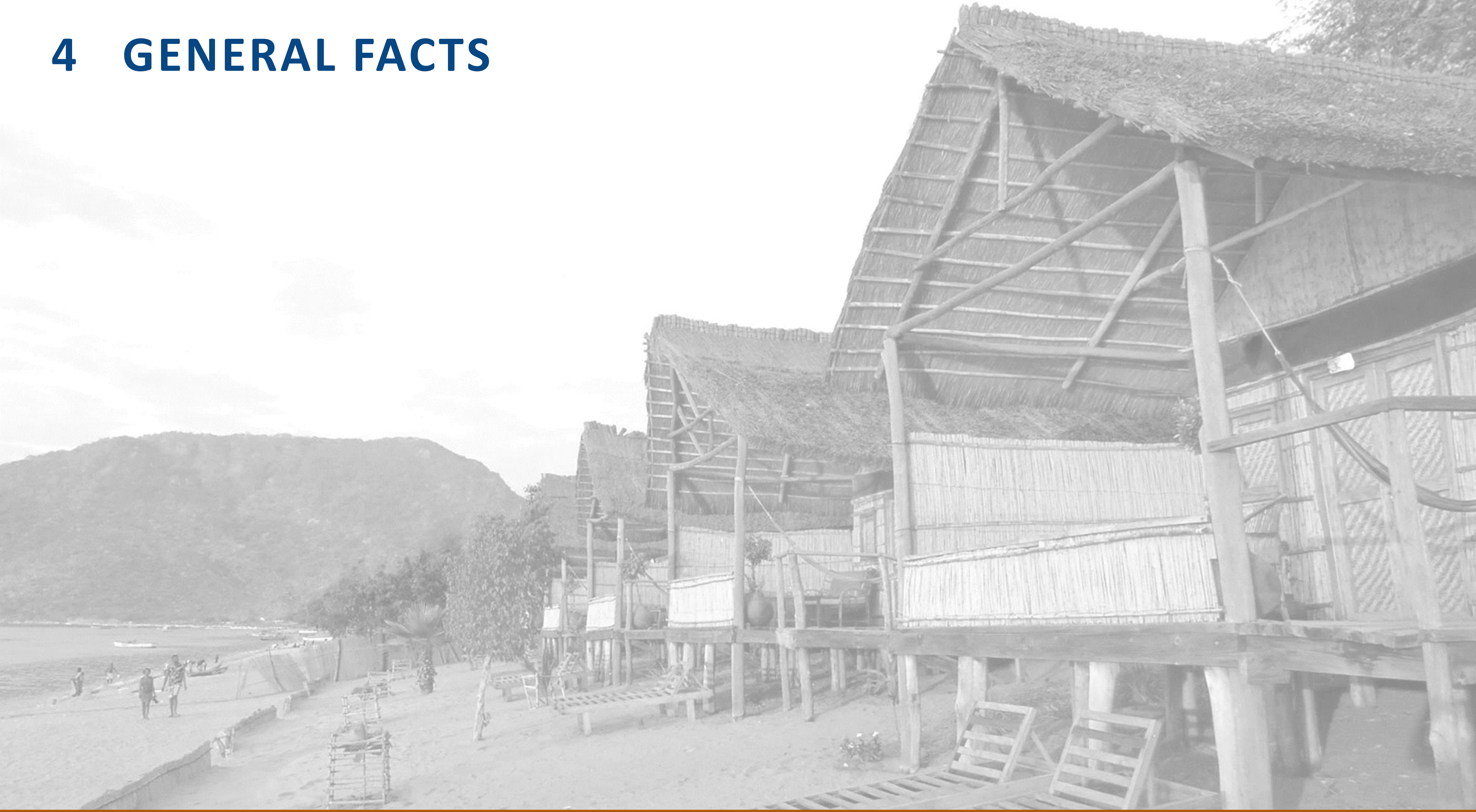
Location of Surveyed Accommodation Providers (n = 58)





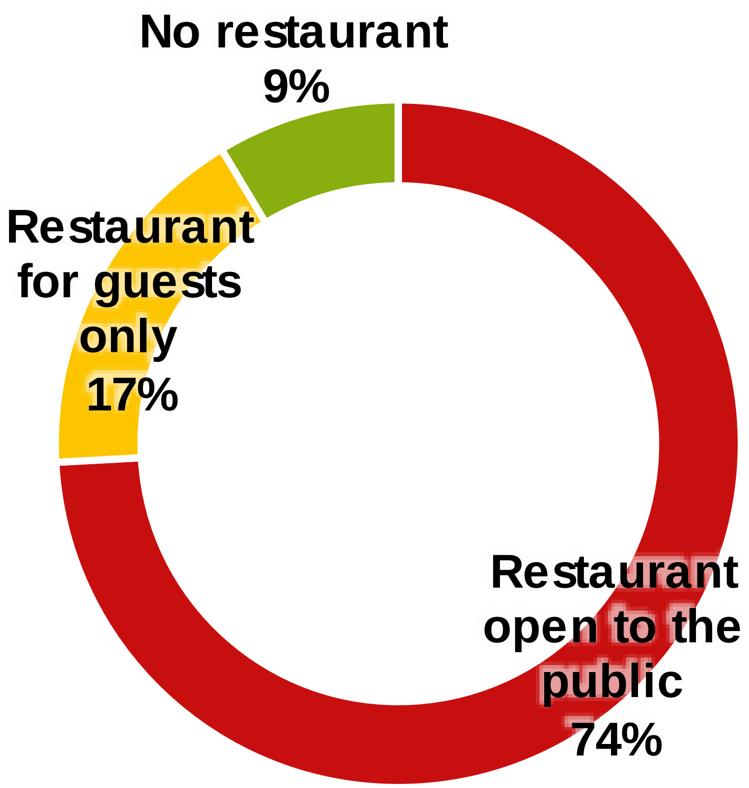
- **17 of the surveyed accommodation providers are located in Cape Maclear, 20 in Mangochi and 21 in Salima tourism cluster**

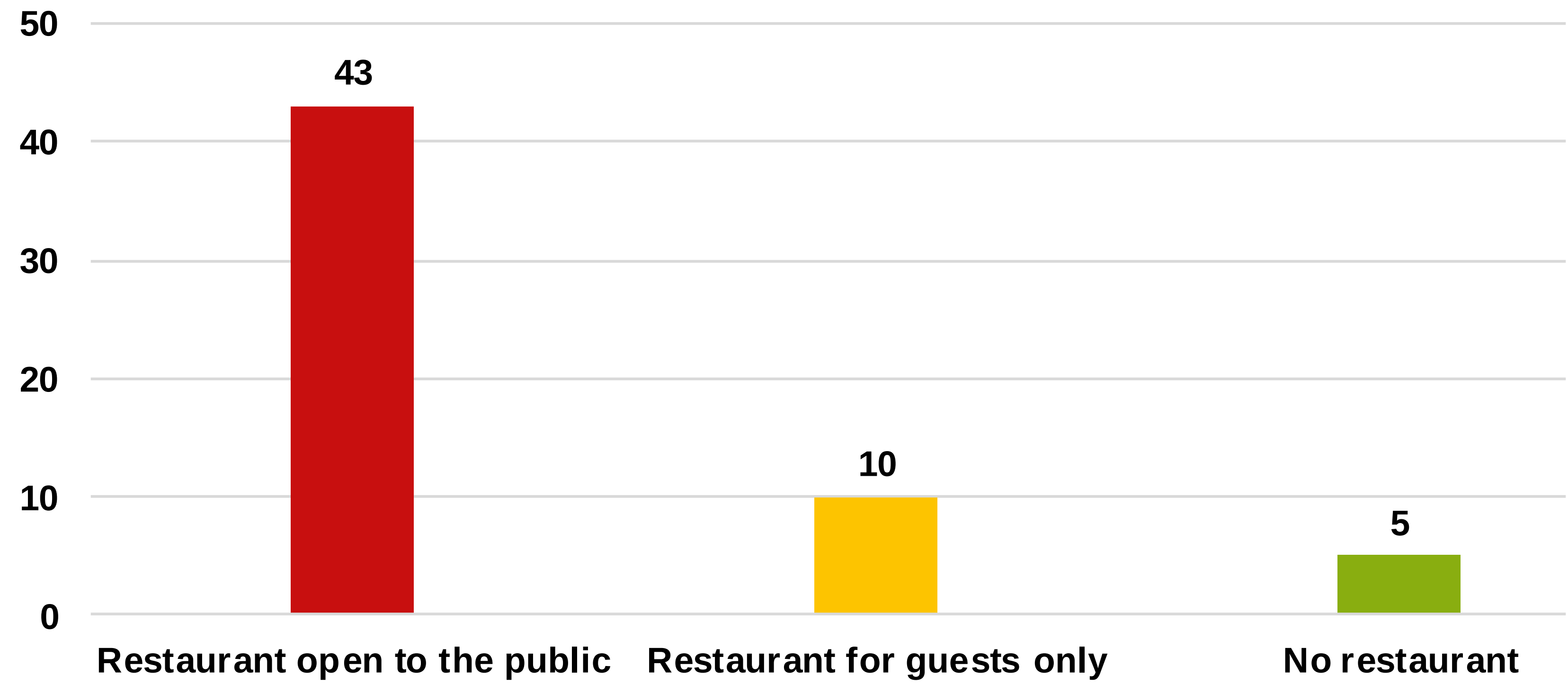
4 GENERAL FACTS



GENERAL FACTS

Type of Accommodation – Restaurant (n = 58)

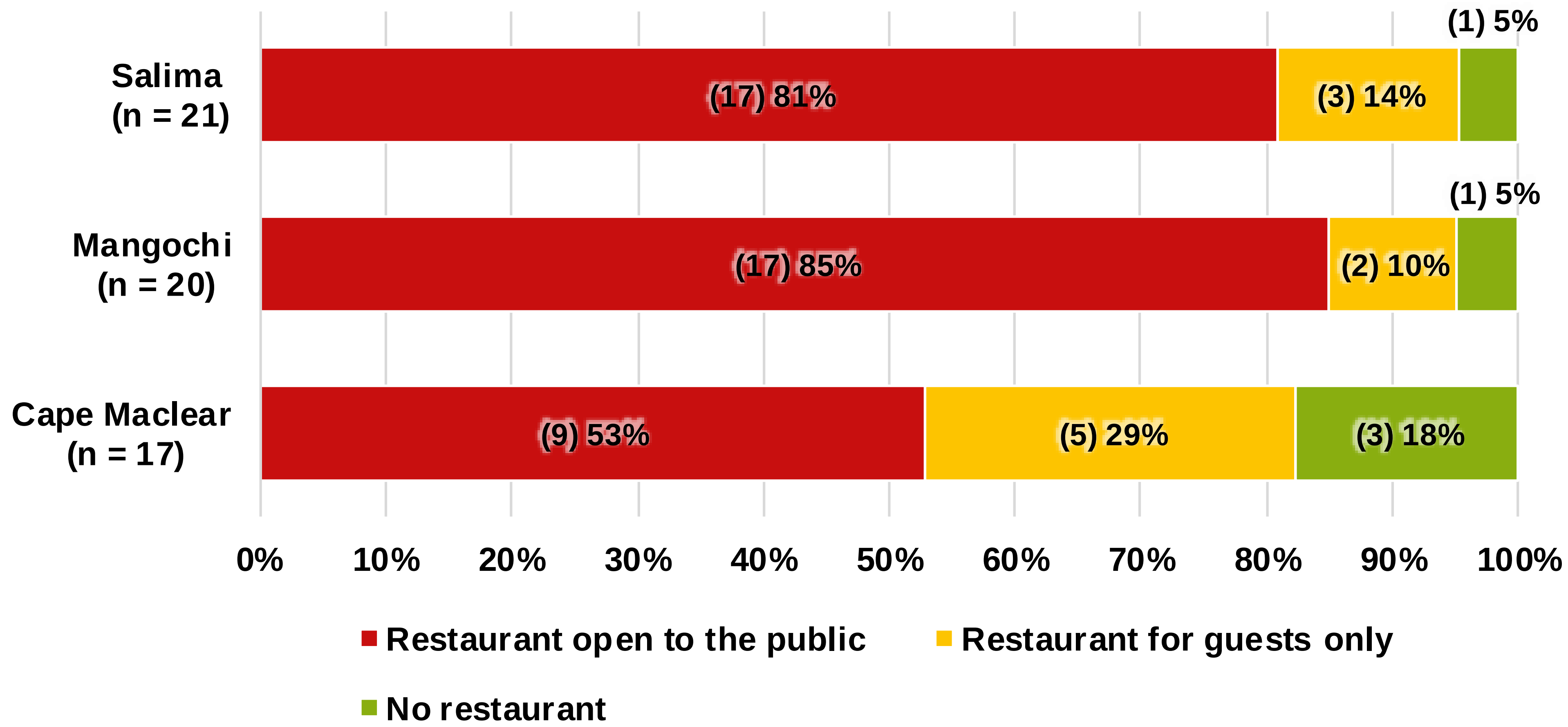




- **About 9 out of 10 accommodation providers are equipped with a restaurant**
- **Most restaurants of surveyed accommodation providers (about three-quarters) are open to the public**

GENERAL FACTS

Type of Accommodation – Restaurant

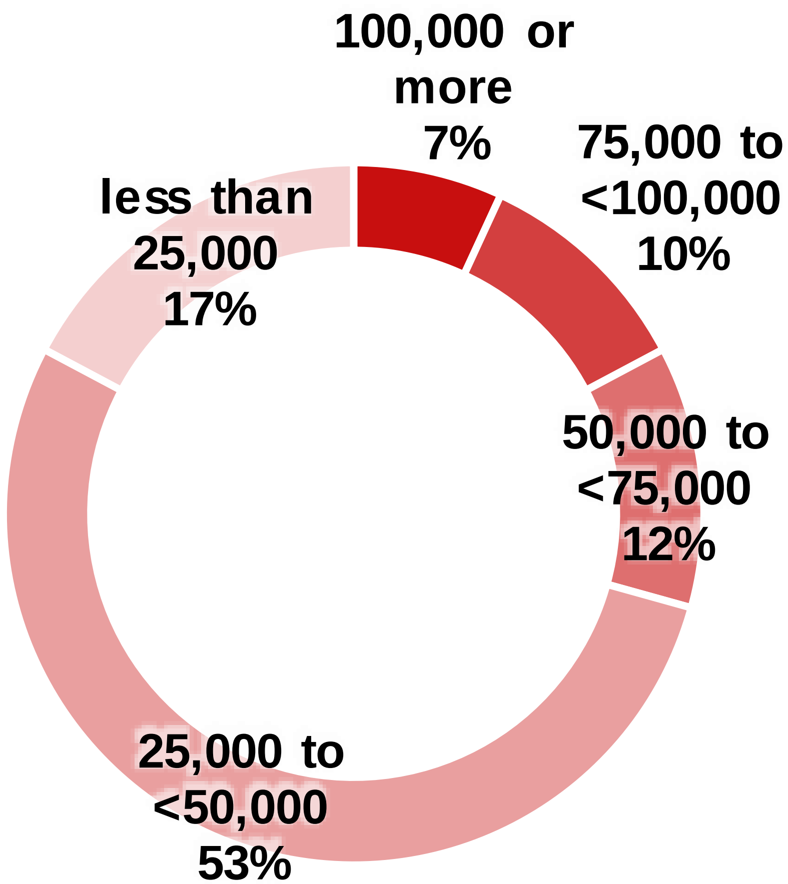


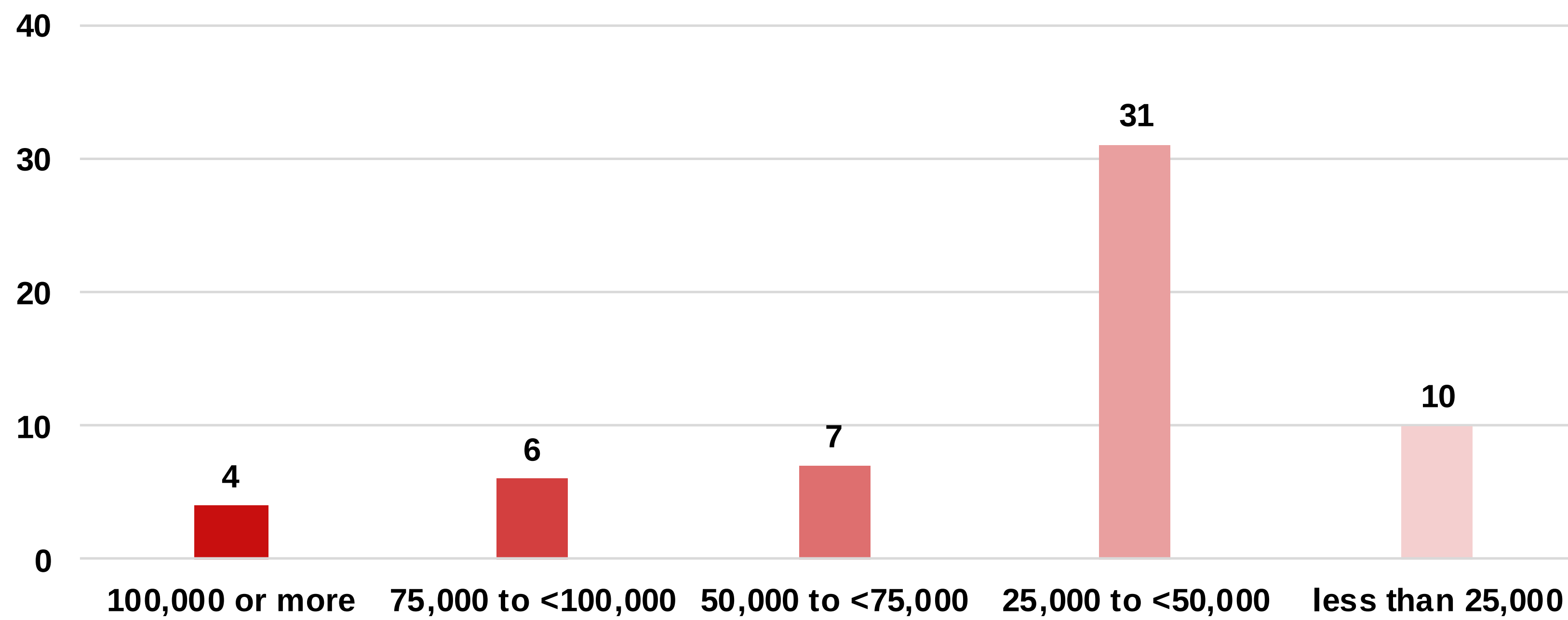
- **Especially in Cape Maclear cluster accommodation providers without restaurant or with restaurant serving own overnight guests only can be found**

GENERAL FACTS

Category of Accommodation – MWK for a Double Room/ Night 2017 (n = 58)

(ensuite, incl. breakfast)



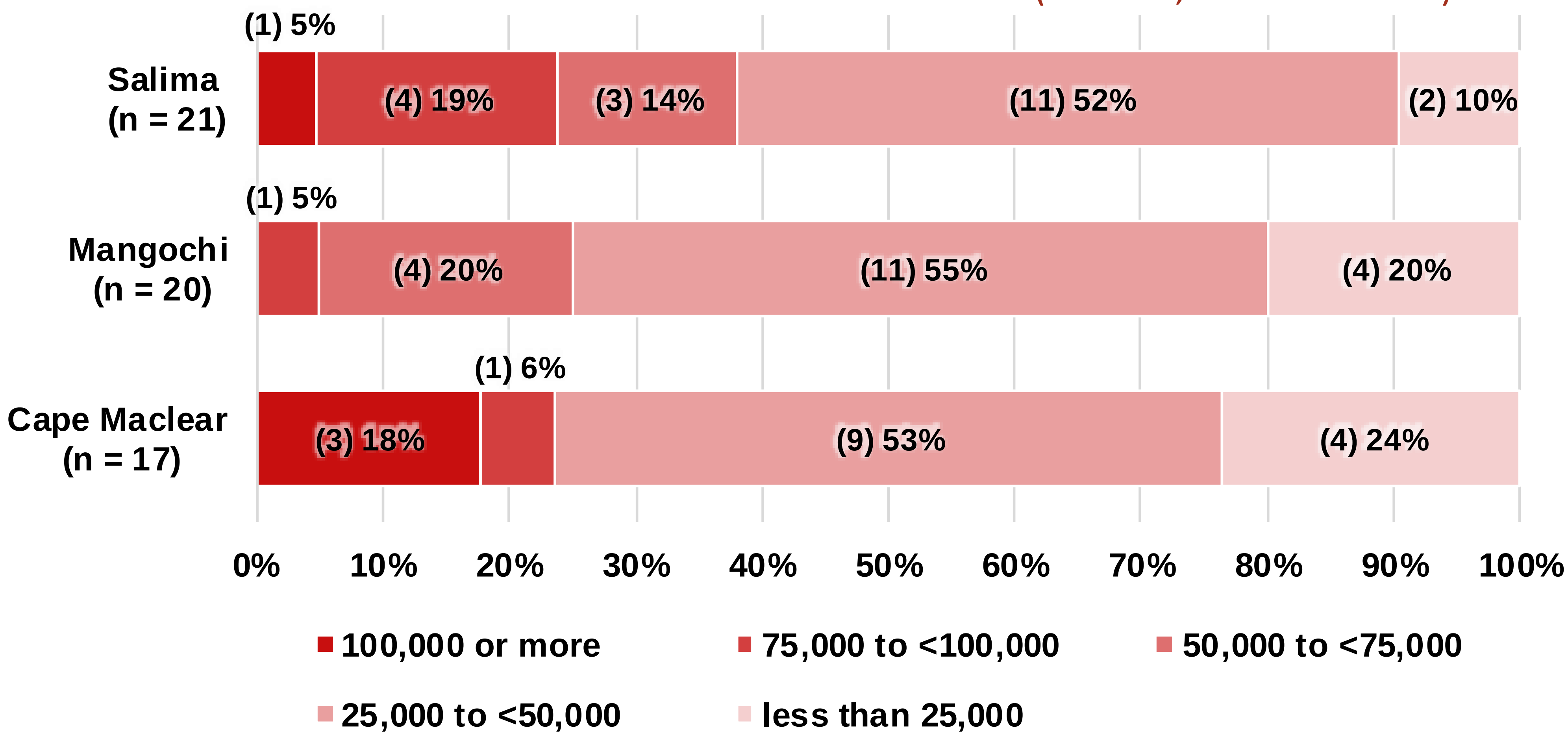


- **Due to the fact that most accommodation providers are not involved in the Malawian star grading scheme, categories are based on rack rates for a double room (with ensuite bathroom and including breakfast)**
- **About half (53%) of surveyed accommodation providers charge MWK 25,000 to 50,000**
- **Low budget segment (less than MWK 50,000 per night) accounts for 60%, high budget segment (MWK 75,000+ per night) for 17% only**

GENERAL FACTS

Category of Accommodation – MWK for a Double Room/ Night 2017

(ensuite, incl. breakfast)

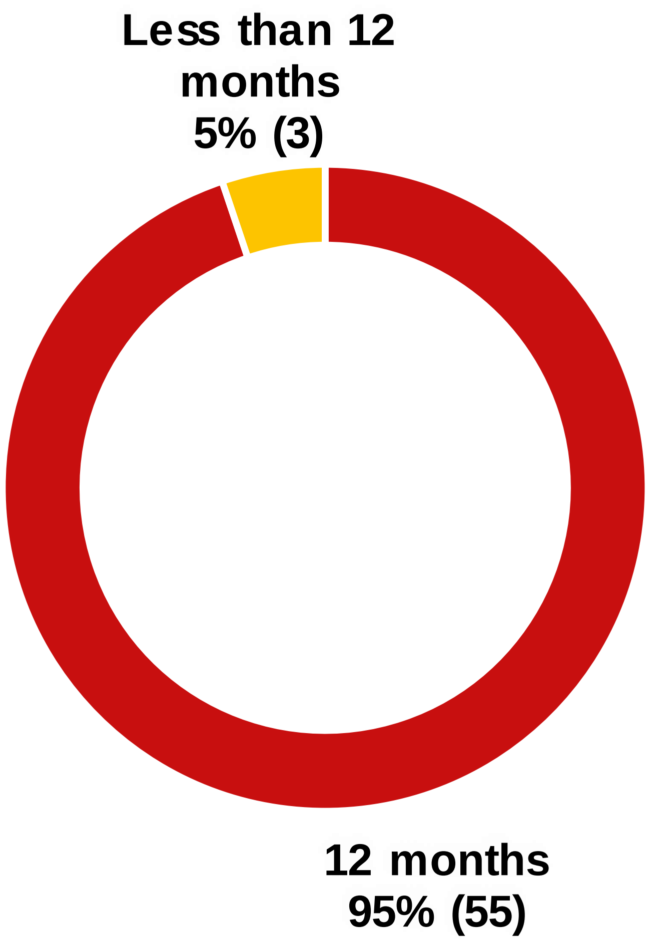


- Low budget segment is relatively strong in Cape Maclear cluster (77% of the accommodation providers charge less than MWK 50,000 per night)
- In comparison to Cape Maclear cluster, low budget segment in Salima cluster accounts for 62% only

5 CAPACITY & OCCUPANCY

CAPACITY & OCCUPANCY

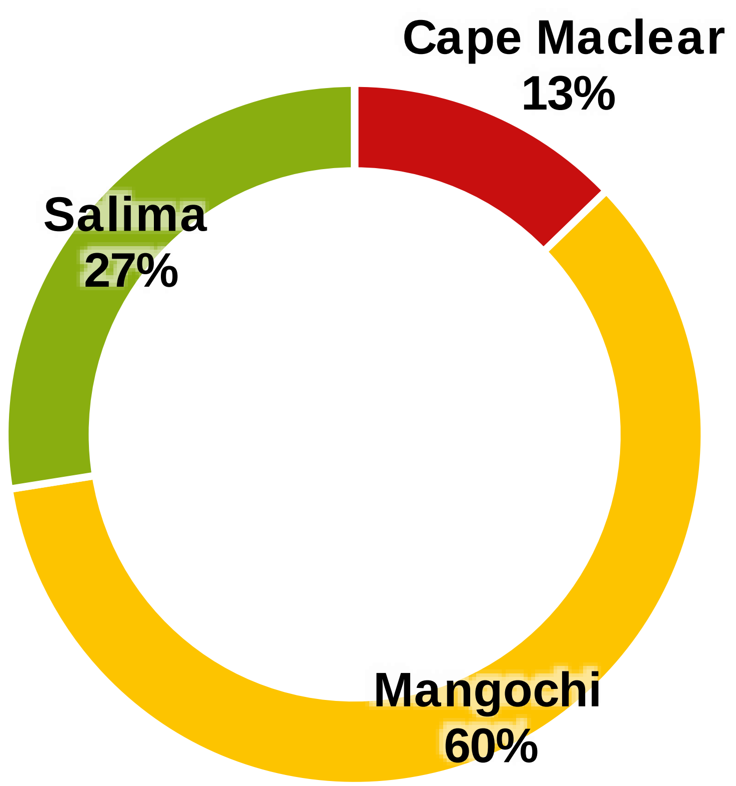
Operation Time 2017 (n = 58)

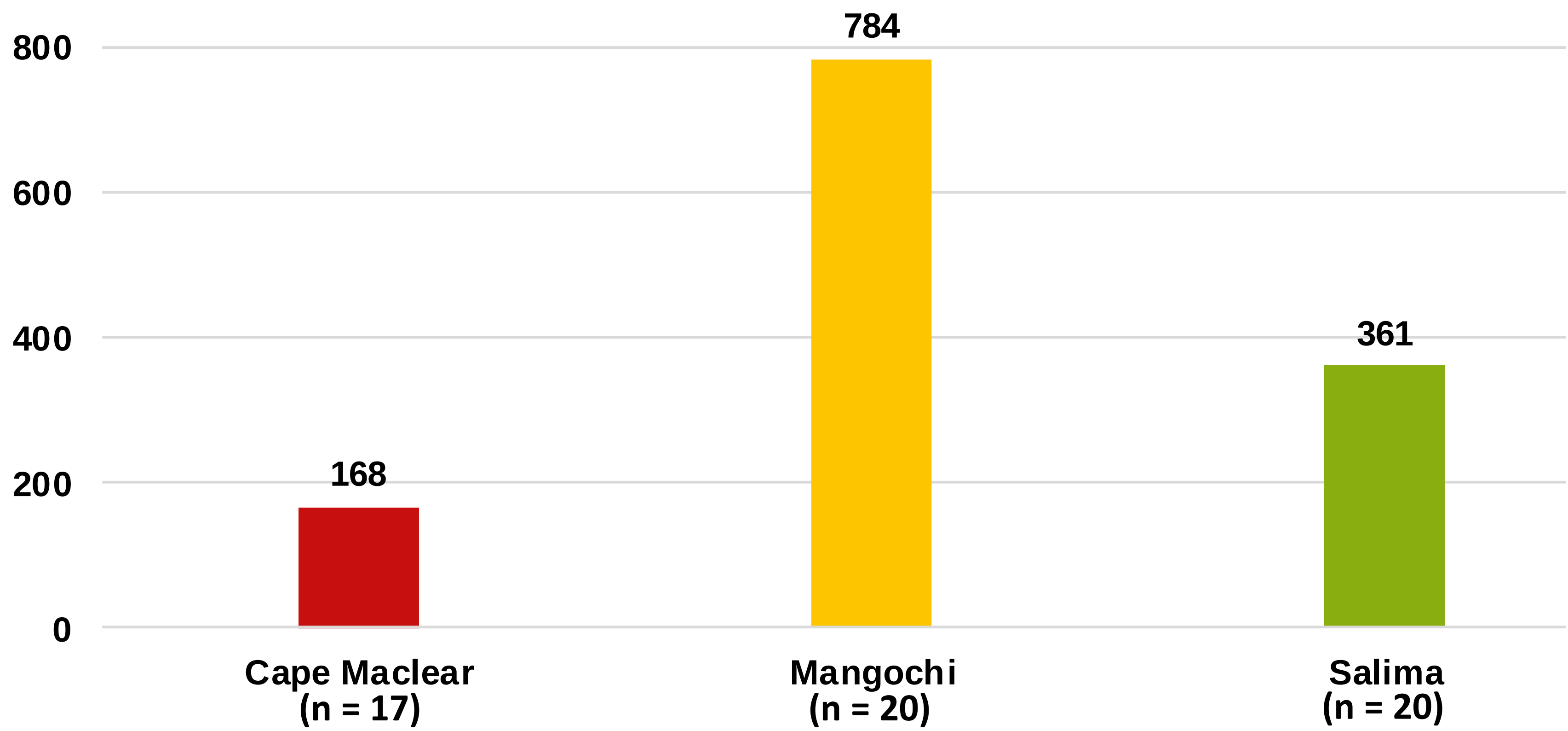


- Almost all accommodation providers operate year-round

CAPACITY & OCCUPANCY

Number of available Rooms 2017 by Cluster (n = 58)

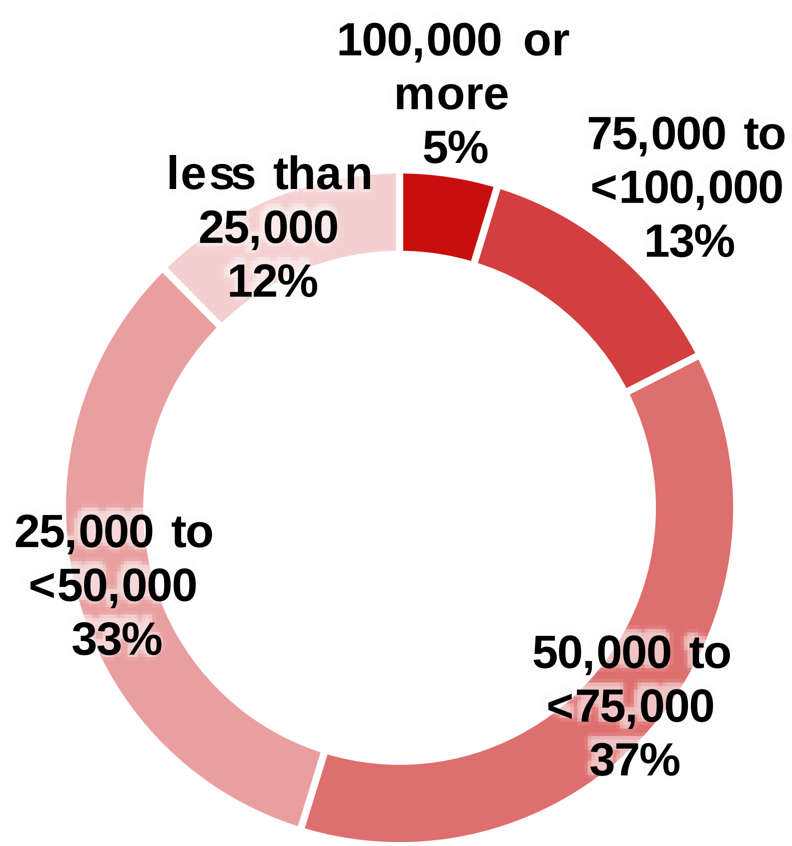




- **60% of total room capacity (784 out of 1,313) is located in Mangochi cluster**

CAPACITY & OCCUPANCY

Number of available Rooms 2017 by Category (n = 58)

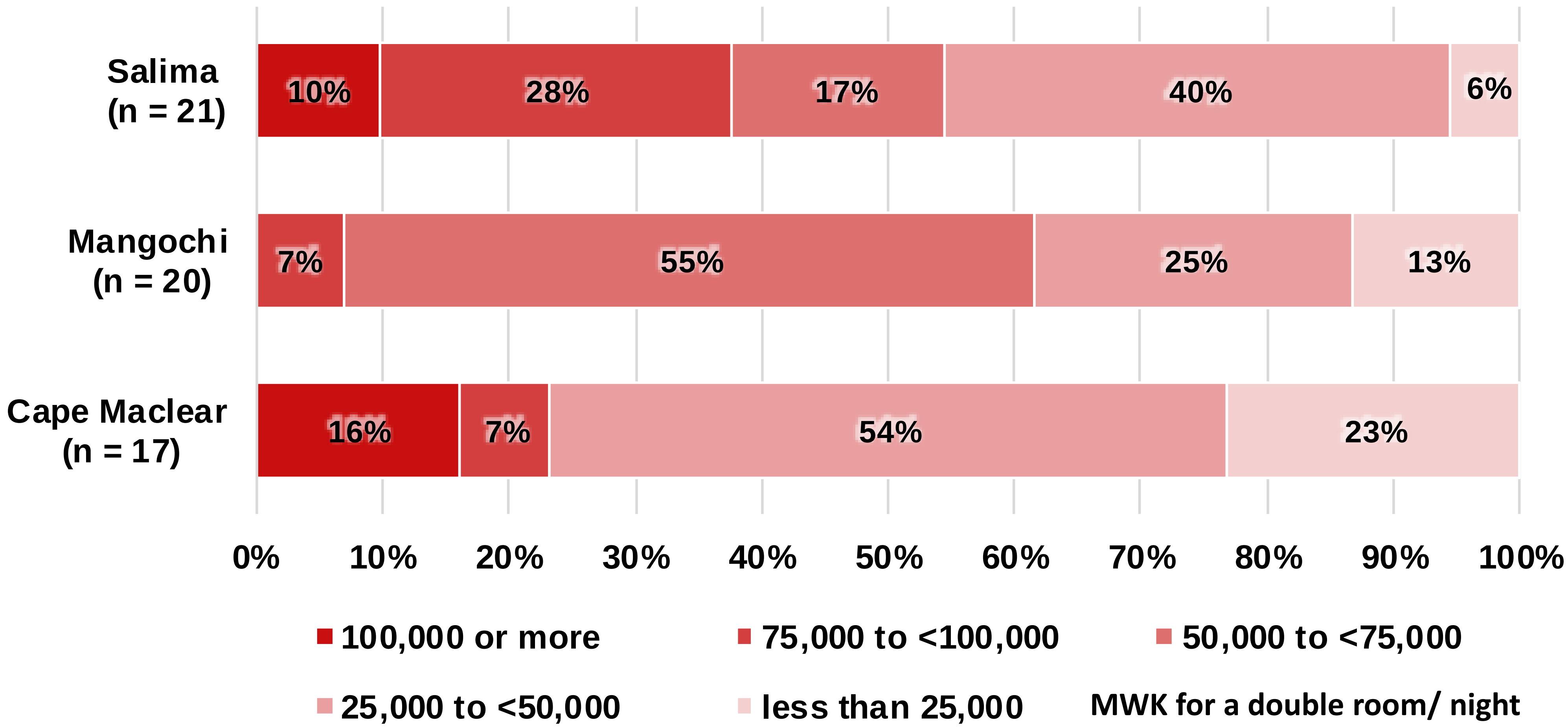


MWK for a double room/ night

- **45% of total room capacity are counted among low budget segment**
- **Only 18% of total room capacity are counted among high budget segment**

CAPACITY & OCCUPANCY

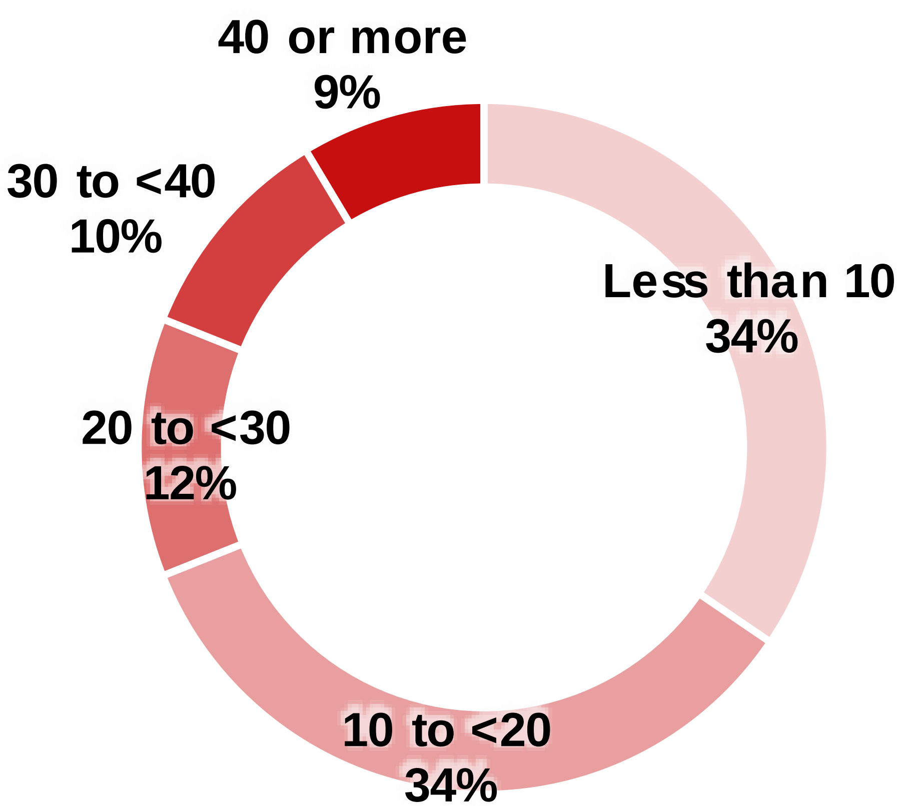
Number of available Rooms 2017 by Category and Cluster

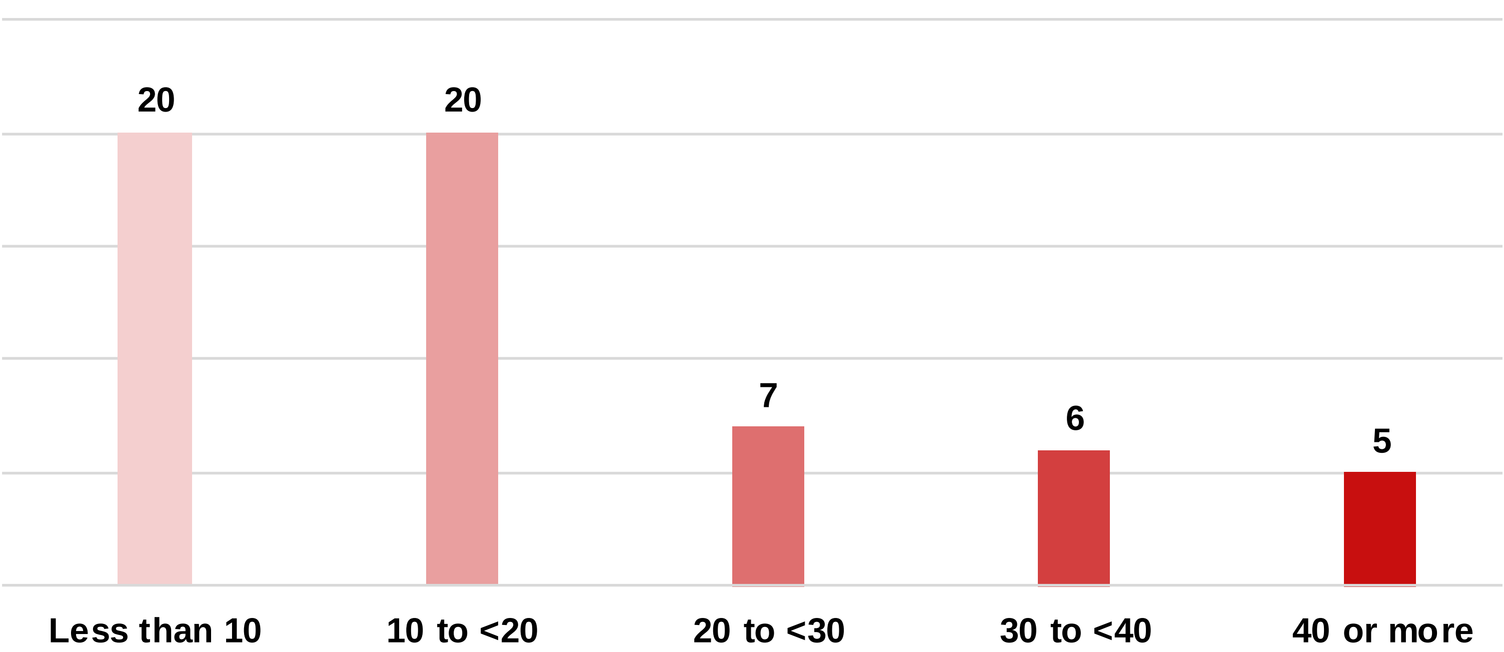


- High budget room capacity is relatively high in Salima cluster (38%)
- Moderate budget room capacity is relatively high in Mangochi cluster (55%)
- Low budget room capacity is relatively high in Cape Maclear cluster (77%)

CAPACITY & OCCUPANCY

Number of available Rooms per Accommodation 2017 (n = 58)

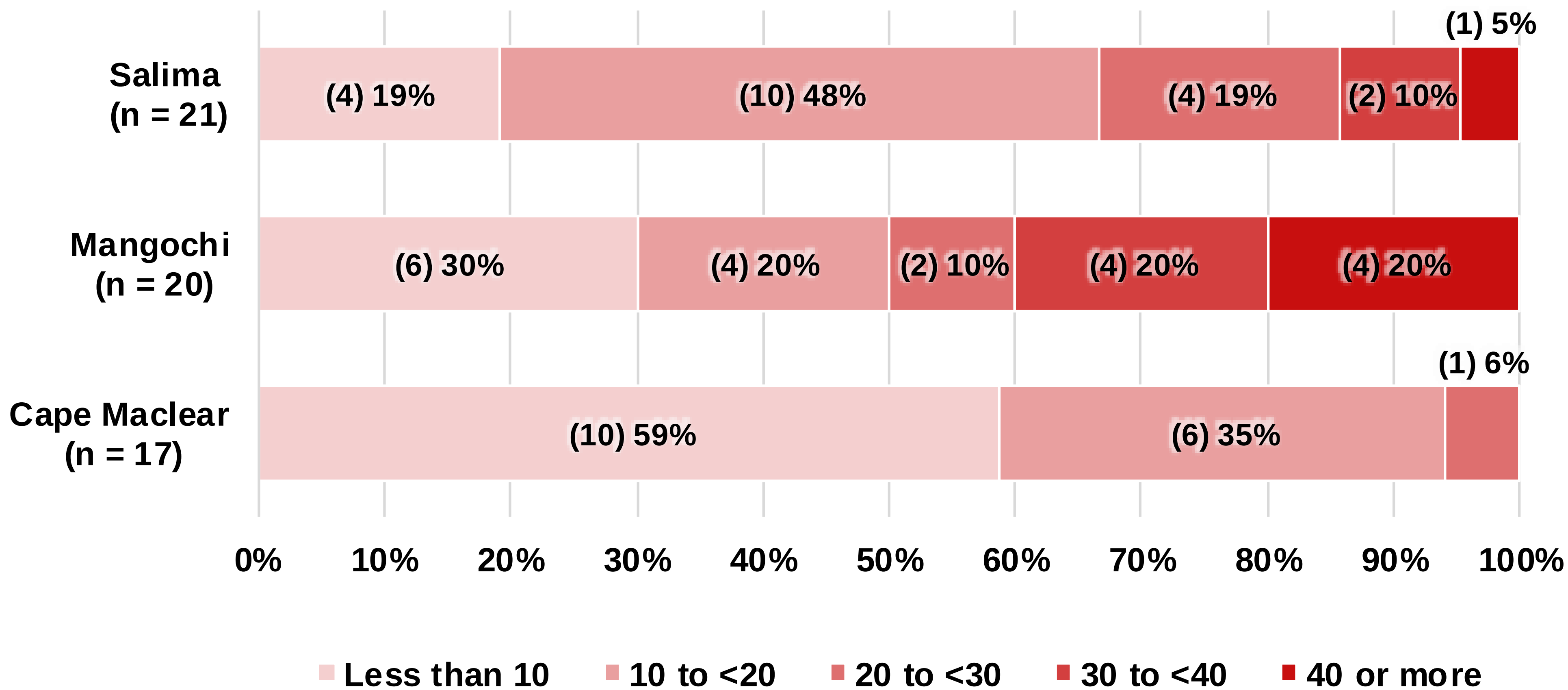




- About two-thirds (64%) of the accommodation providers are small enterprises with less than 20 rooms available
- Only 19% of surveyed accommodation providers provide 30 or more rooms

CAPACITY & OCCUPANCY

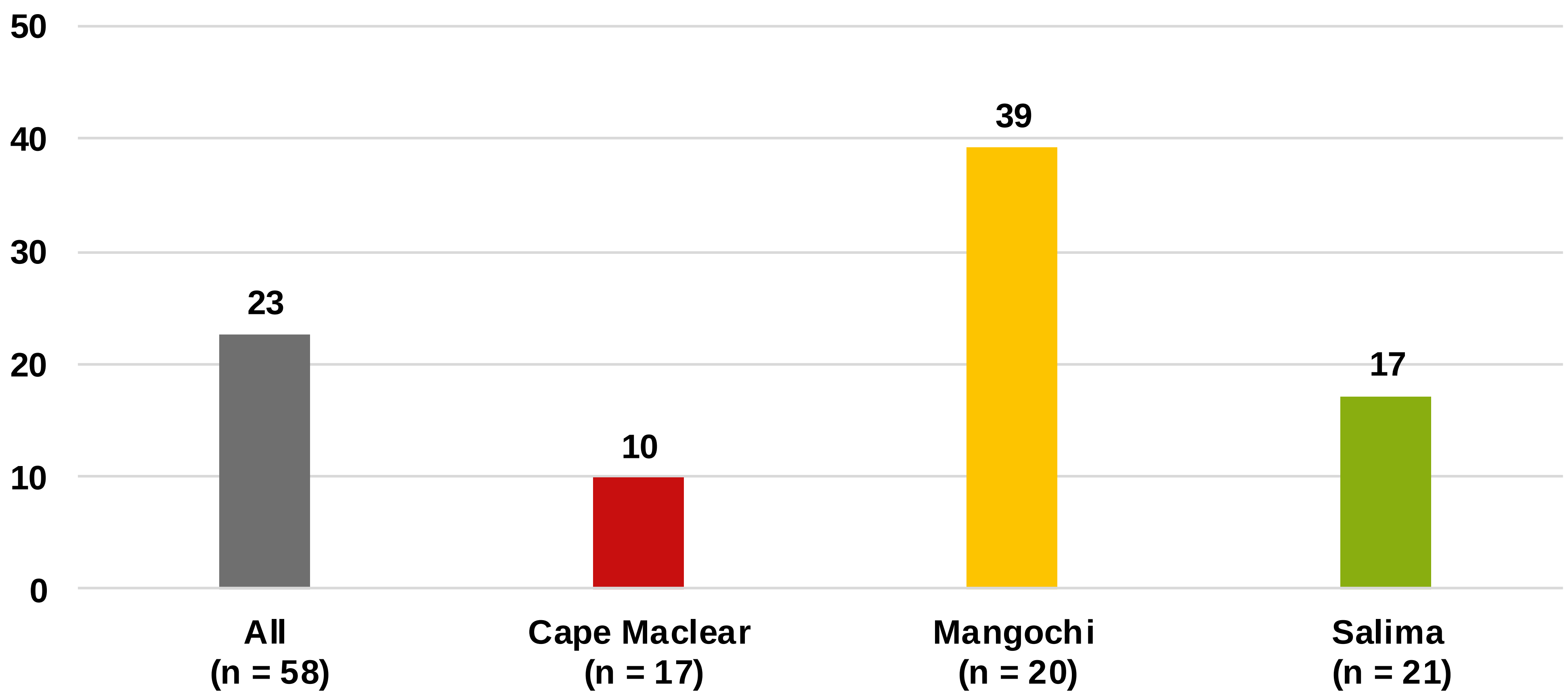
Number of available Rooms per Accommodation 2017 by Cluster



- **Almost all accommodation providers (94%) in Cape Maclear cluster are counted among small enterprises equipped with less than 20 rooms**
- **Accommodation providers providing 30 and more rooms can mainly be found in Mangochi cluster (40%)**

CAPACITY & OCCUPANCY

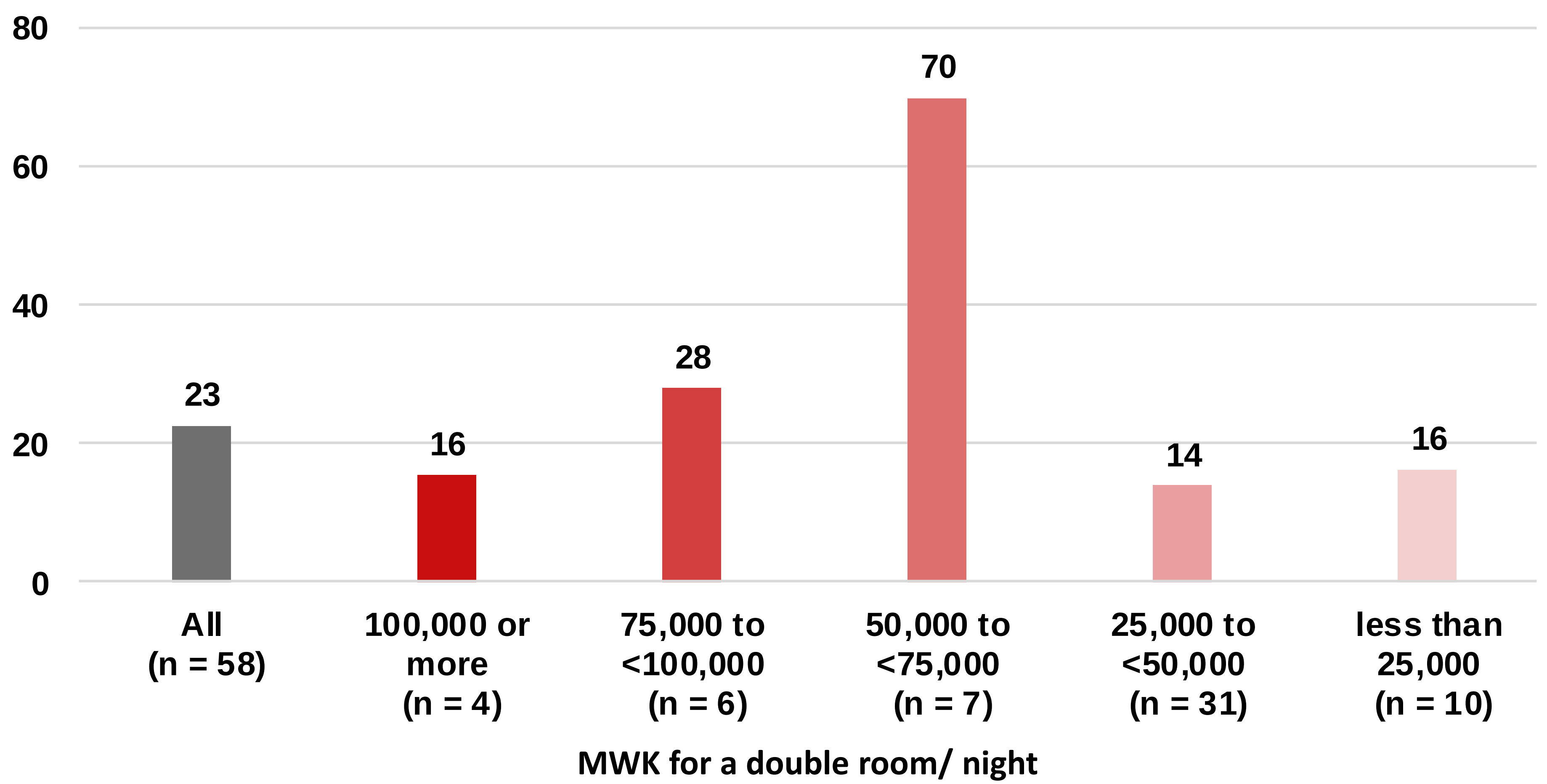
Average Number of available Rooms per Accommodation 2017 by Cluster



- **On average each accommodation provider is equipped with 23 rooms**
- **Mangochi cluster shows by far the highest figure regarding average number of rooms per accommodation provider (39), Cape Maclear cluster the lowest (10)**

CAPACITY & OCCUPANCY

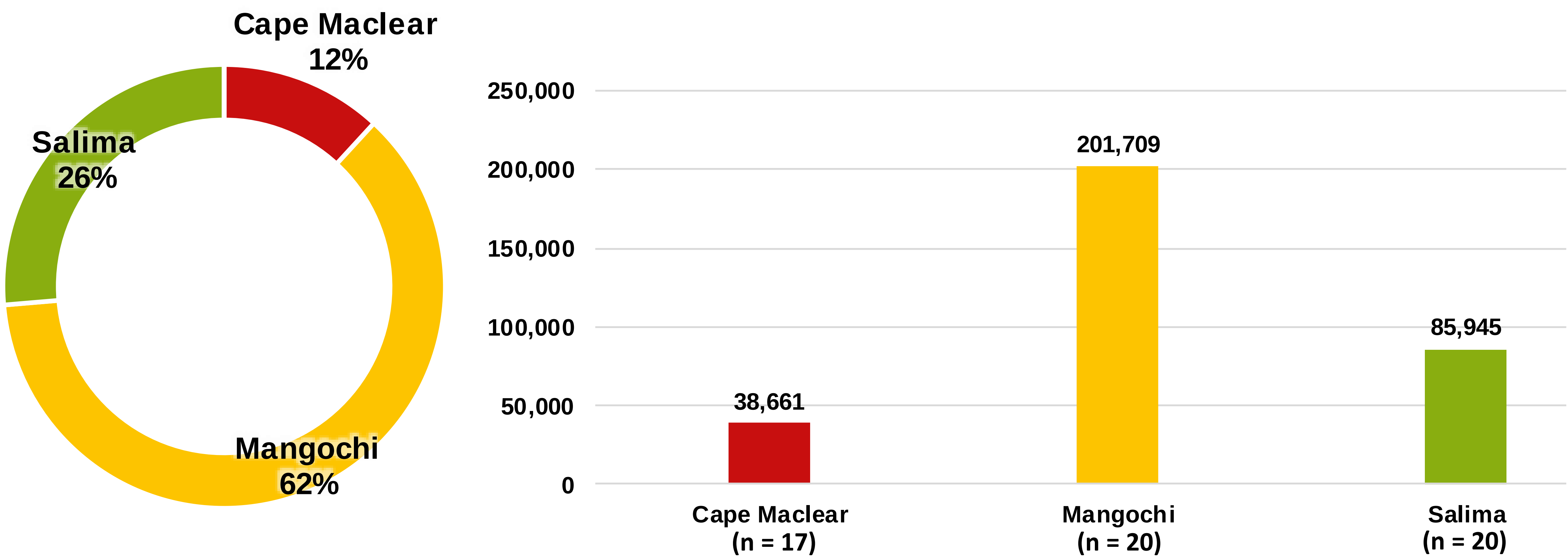
Average Number of available Rooms per Accommodation 2017 by Category



- **Moderate budget segment shows by far the highest figure regarding average number of rooms per accommodation provider (70)**

CAPACITY & OCCUPANCY

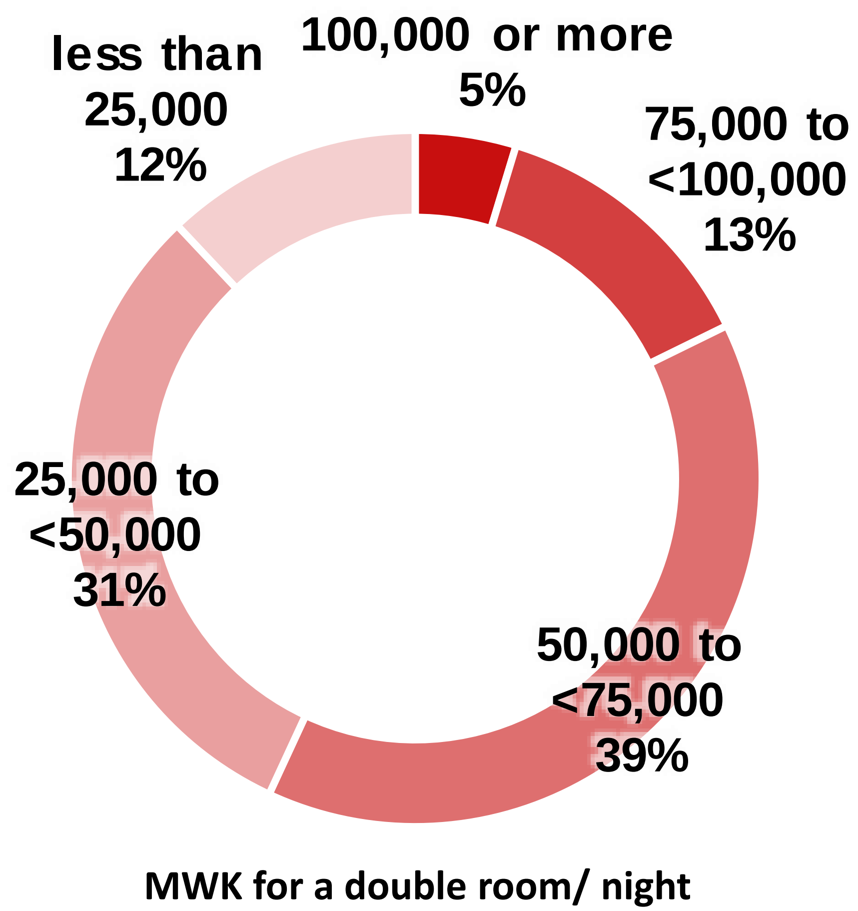
Number of Occupied Room Nights 2017 by Cluster (n = 58)



- **62% of total occupied room nights (201,709 out of 326,315) are registered in Mangochi cluster**

CAPACITY & OCCUPANCY

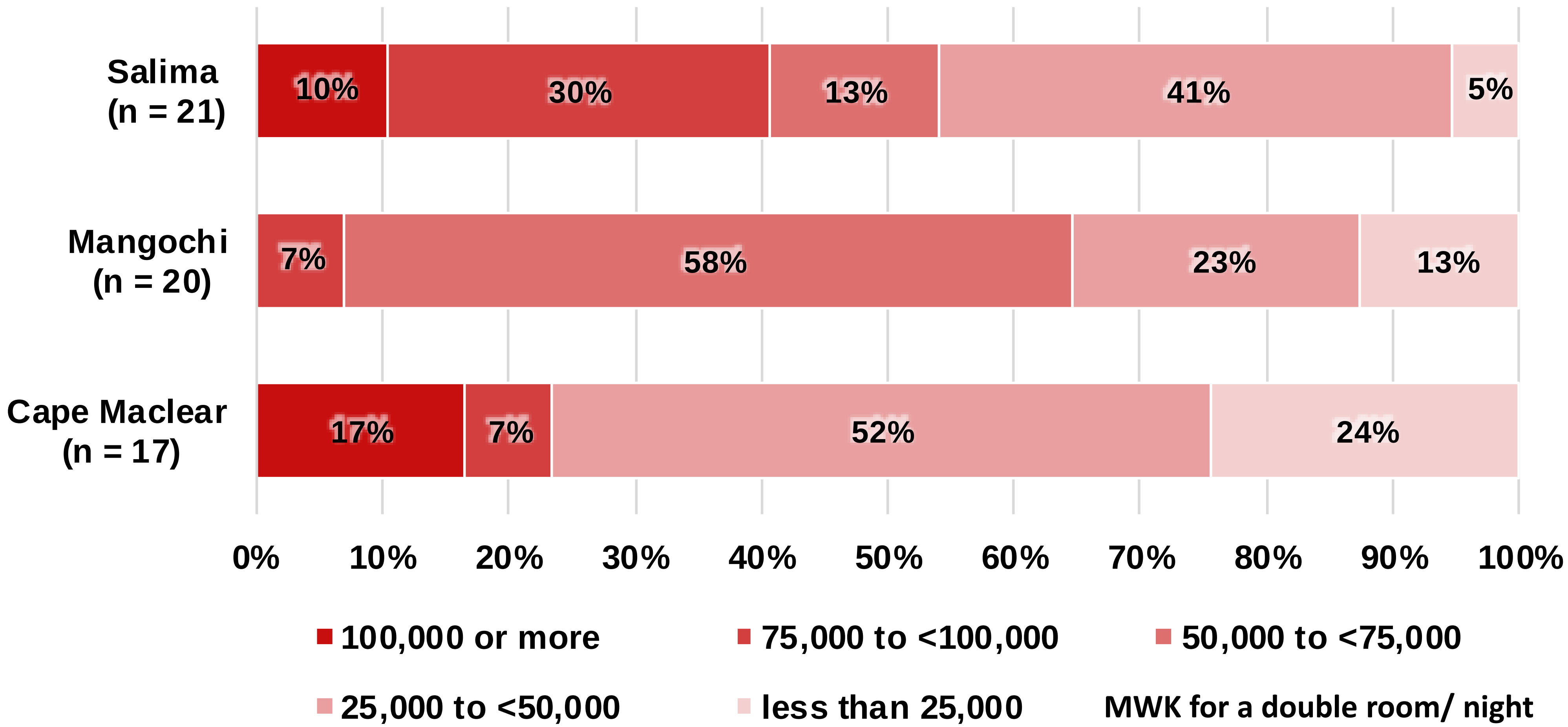
Number of Occupied Room Nights 2017 by Category (n = 58)



- **43% of total occupied room nights are registered in low budget segment**
- **Only 18% of total occupied room nights are registered in high budget segment**

CAPACITY & OCCUPANCY

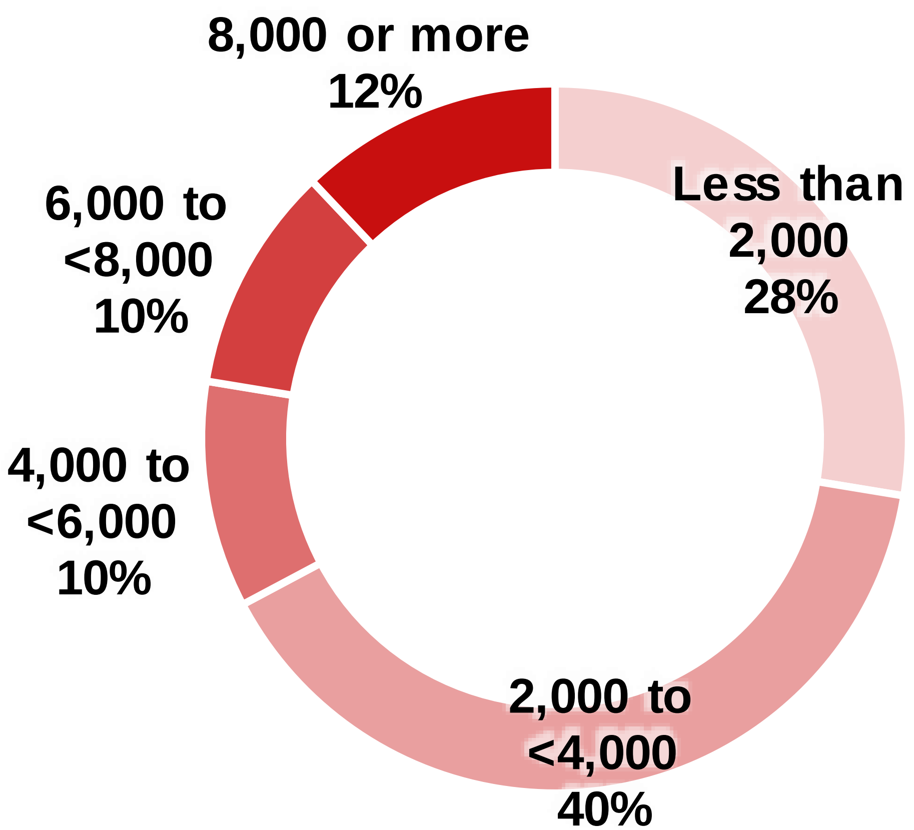
Number of Occupied Room Nights 2017 by Category and Cluster

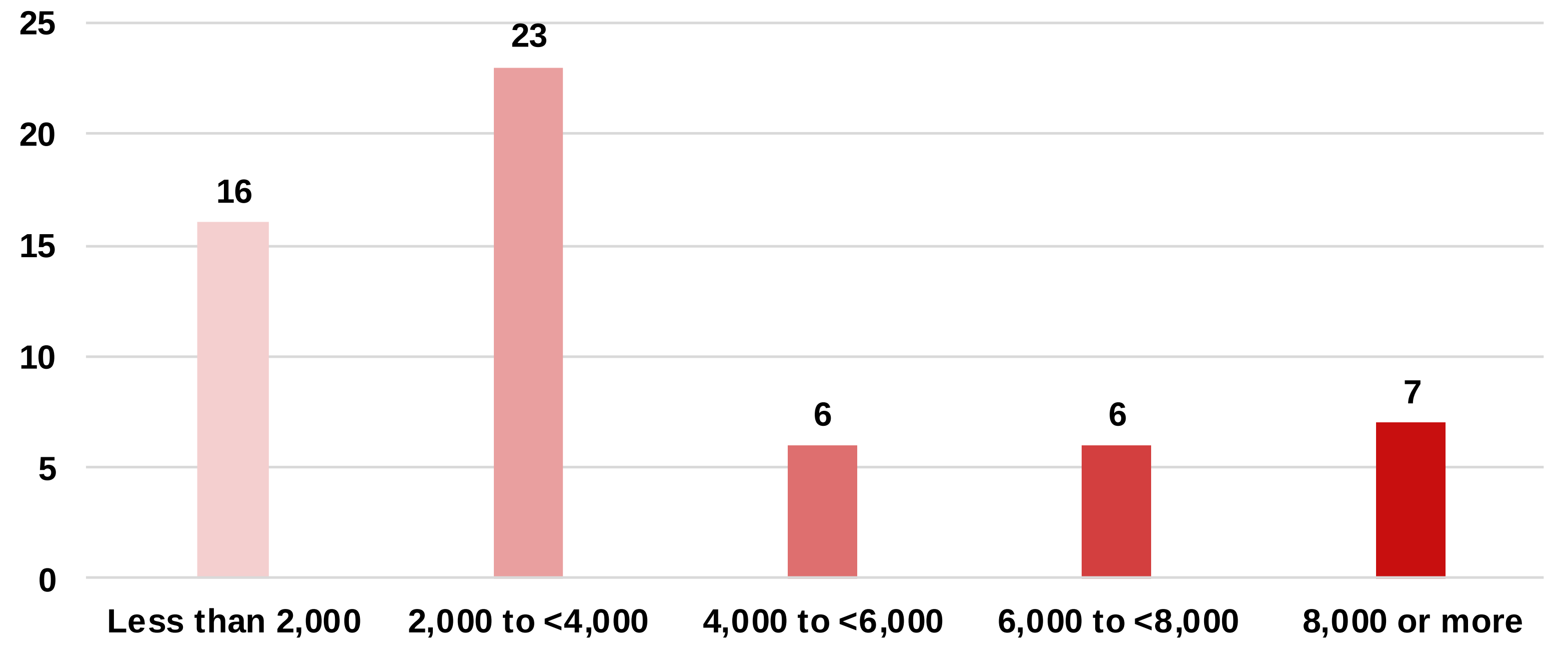


- **Number of occupied room nights in high budget segment is relatively high in Salima cluster (40%)**
- **Number of occupied room nights in moderate budget segment is relatively high in Mangochi cluster (58%)**
- **Number of occupied room nights in low budget segment is relatively high in Cape Maclear cluster (76%)**

CAPACITY & OCCUPANCY

Number of Occupied Room Nights per Accommodation 2017 (n = 58)

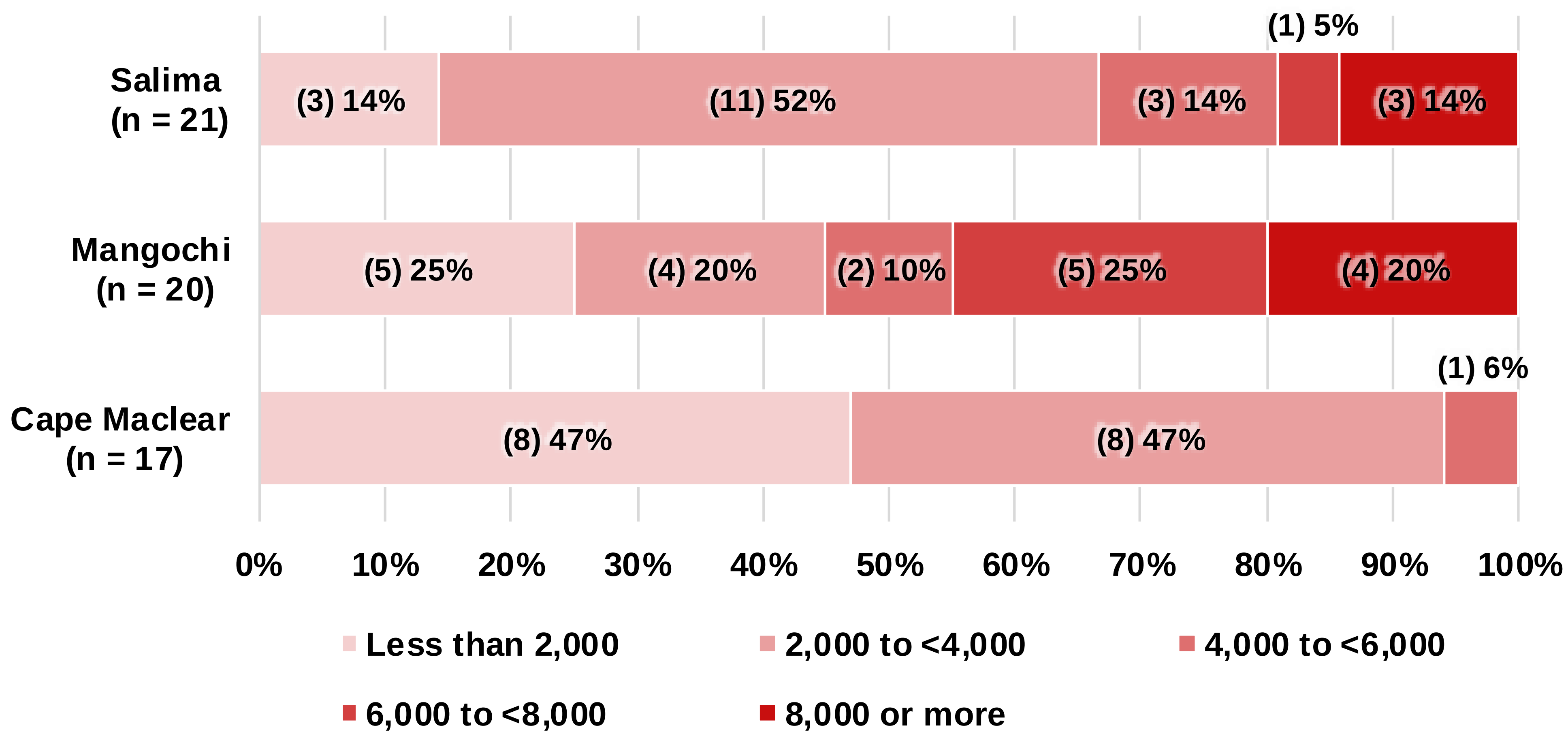




- About two-thirds (68%) of the accommodation providers register less than 4,000 occupied room nights
- Only 22% of surveyed accommodation providers register more than 6,000 occupied room nights

CAPACITY & OCCUPANCY

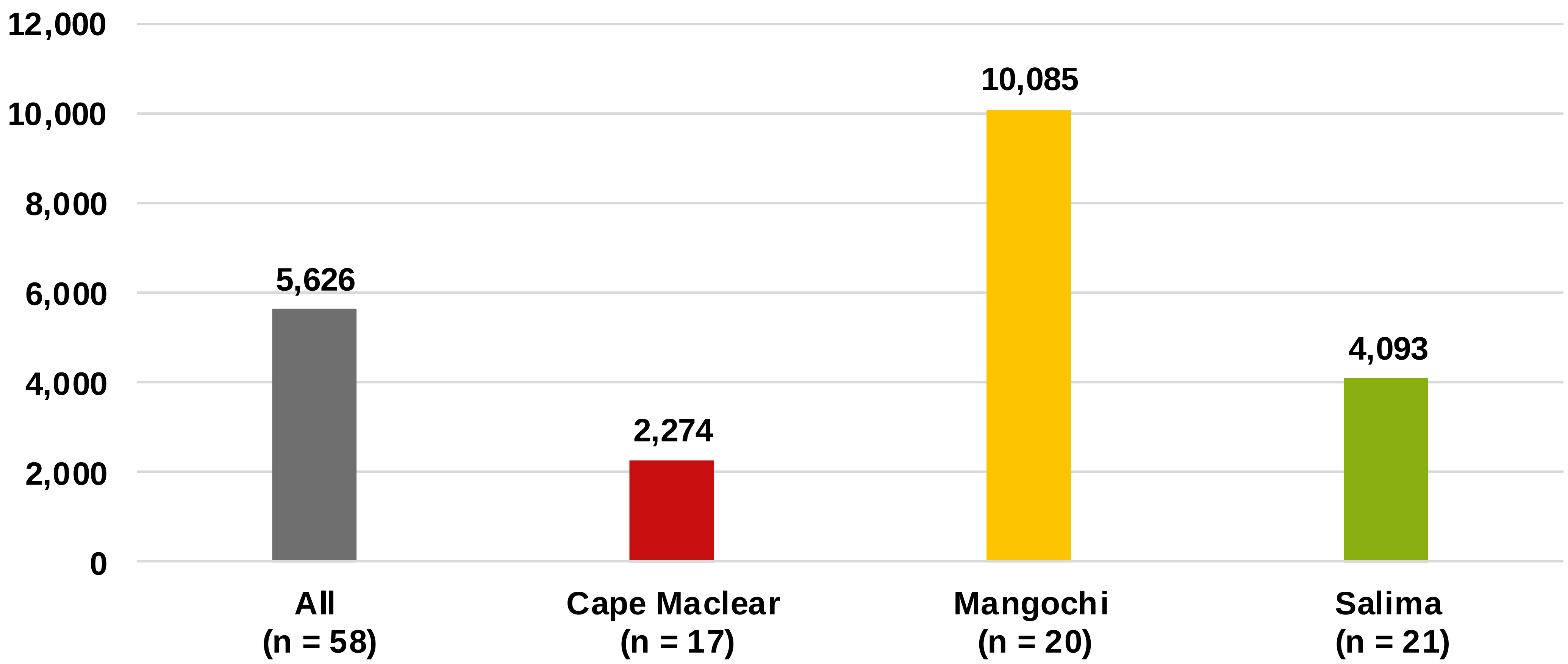
Number of Occupied Room Nights per Accommodation 2017 by Cluster



- **Almost all accommodation providers (94%) in Cape Maclear register less than 4,000 occupied room nights**
- **Accommodation providers that register more than 6,000 occupied room nights can mainly be found in Mangochi cluster (45%)**

CAPACITY & OCCUPANCY

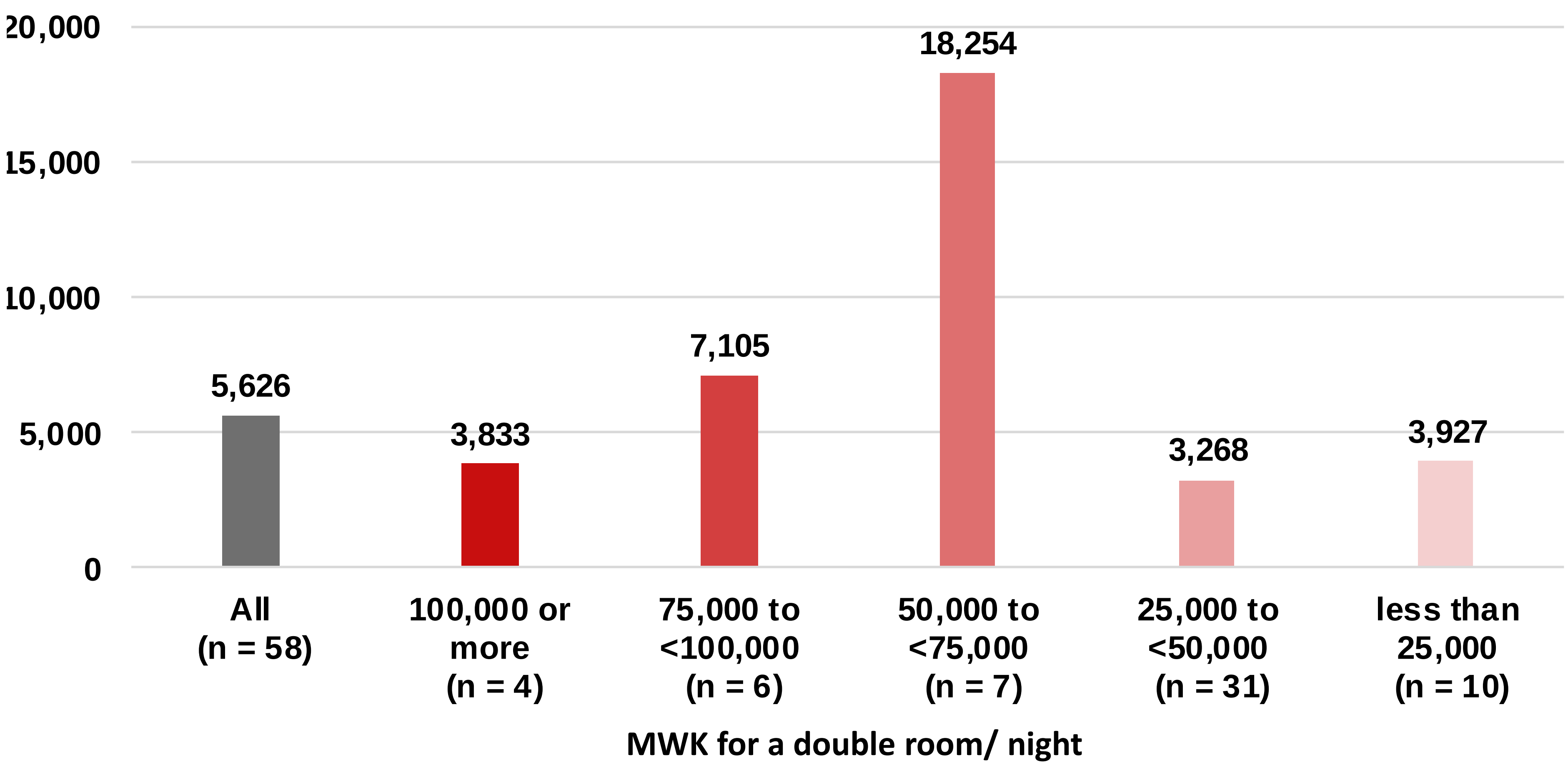
Average Number of Occupied Room Nights per Accommodation 2017 by Cluster



- On average each accommodation provider registers 5,626 occupied room nights
- Mangochi cluster shows the highest figure regarding average number of occupied rooms nights per accommodation provider (10,085), Cape Maclear cluster the lowest (2,274)

CAPACITY & OCCUPANCY

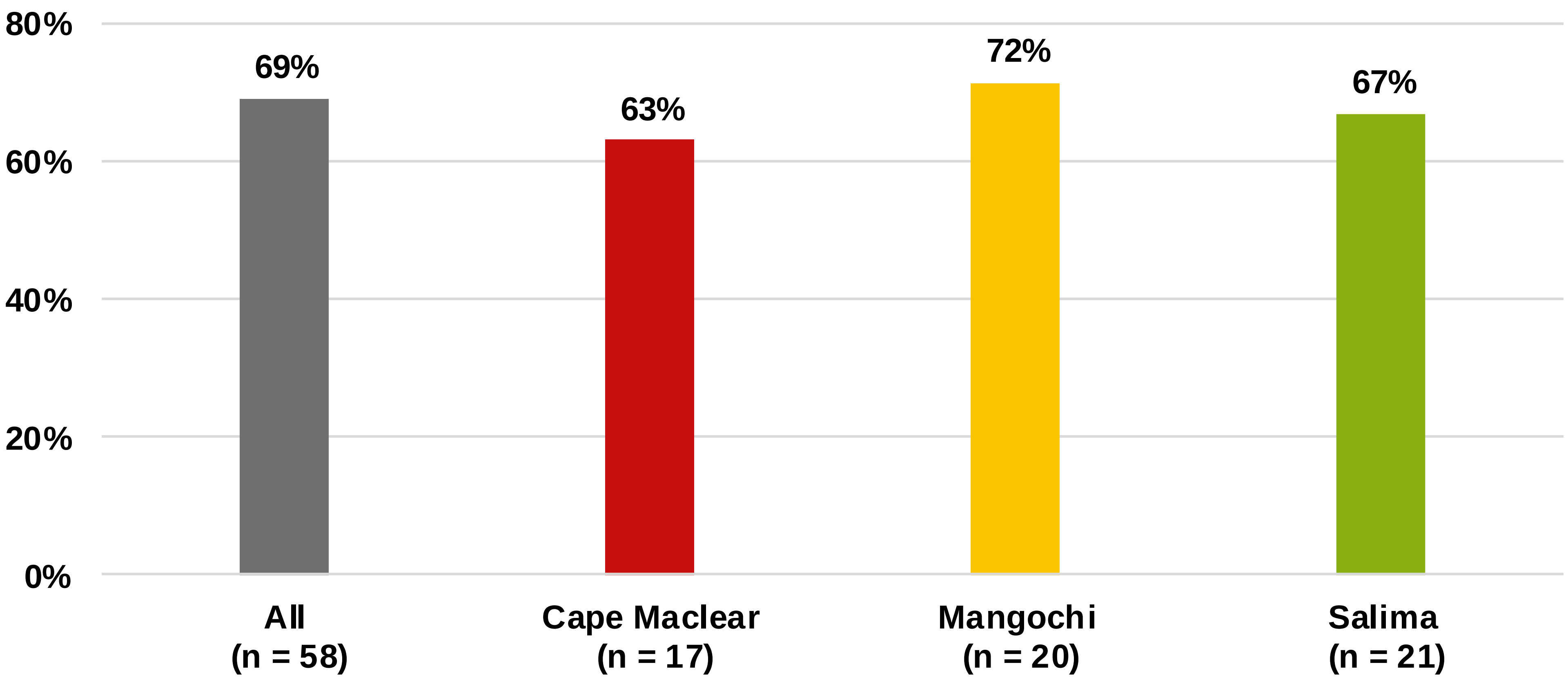
Average Number of Occupied Room Nights per Accommodation 2017 by Category



- **Moderate budget segment shows by far the highest figure regarding average number of occupied rooms nights per accommodation provider (18,254)**

CAPACITY & OCCUPANCY

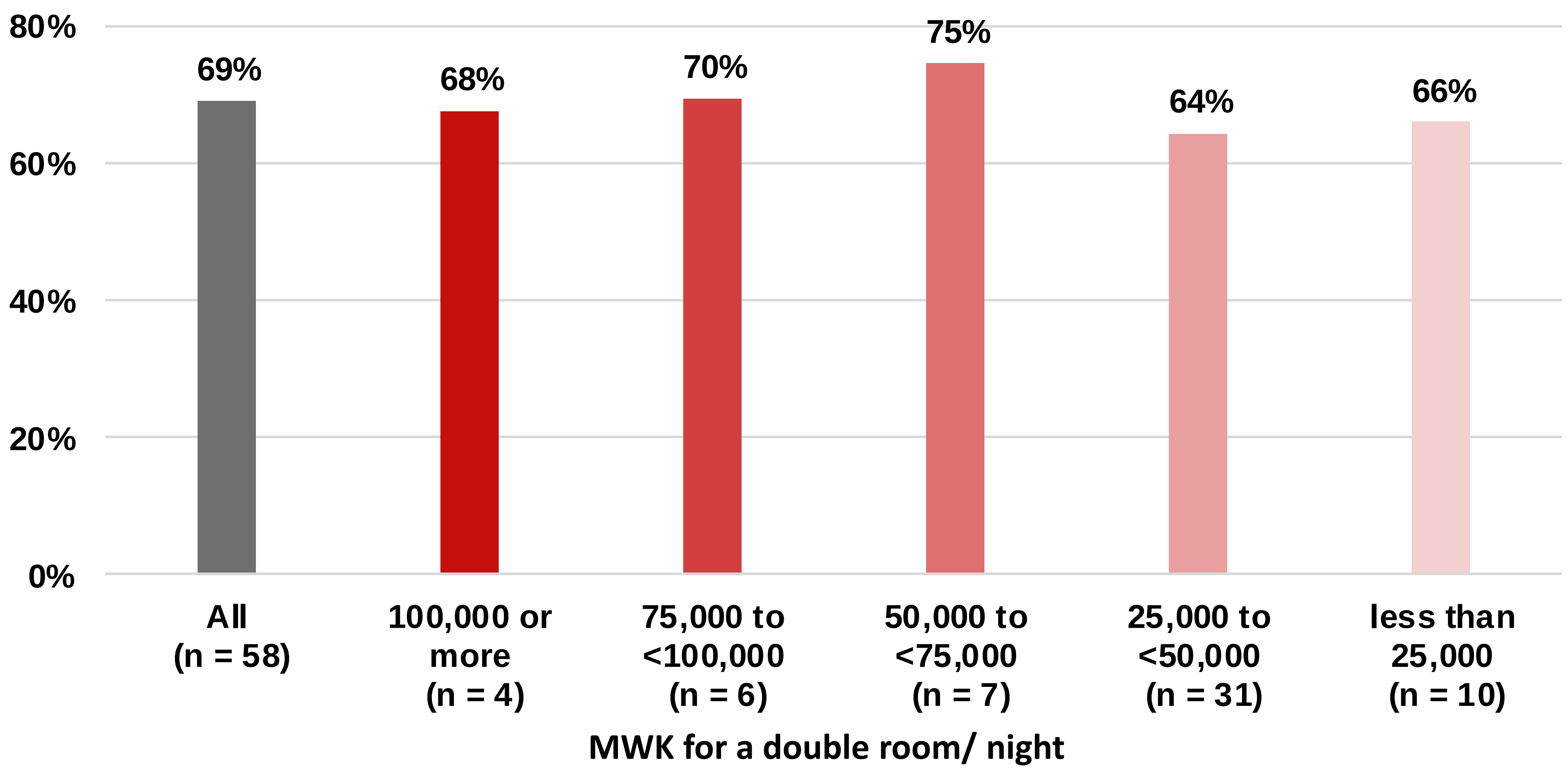
Average Occupancy Rate 2017 by Cluster



- On average occupancy rate is 69%
- Differences between the clusters are not substantial, but Mangochi cluster shows the highest figure (72%), Cape Maclear cluster the lowest (63%)

CAPACITY & OCCUPANCY

Average Occupancy Rate 2017 by Category

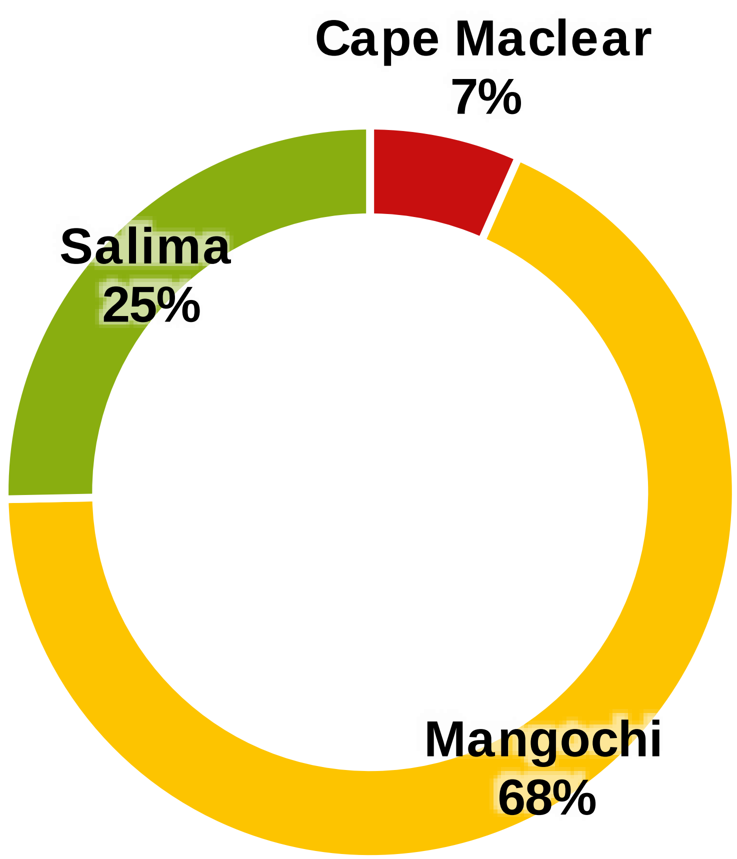


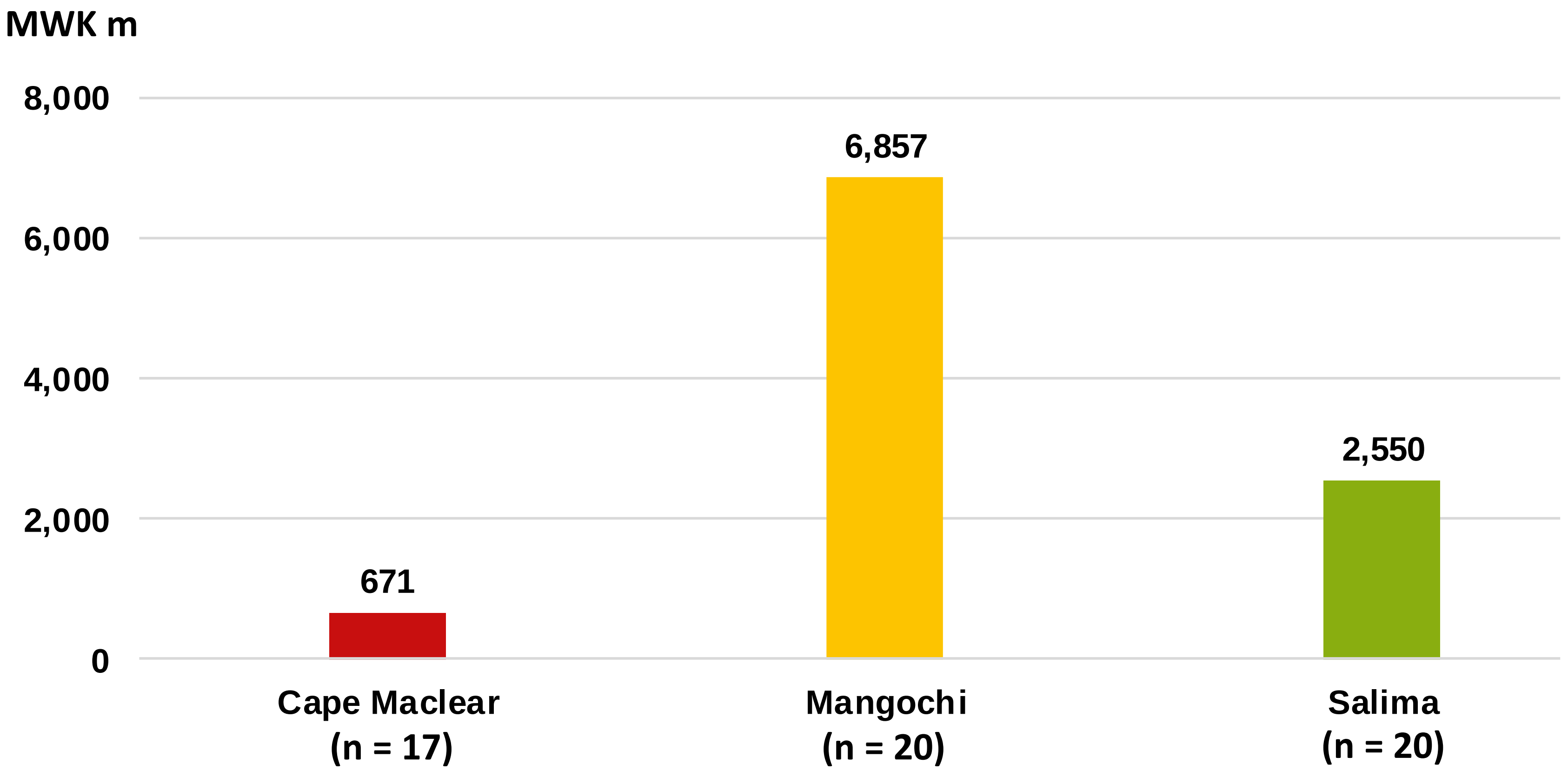
- **Moderate budget segment shows the highest occupancy rate (75%)**

6 SALES REVENUE

SALES REVENUE

Total Sales Revenue 2017 by Cluster (n = 58)

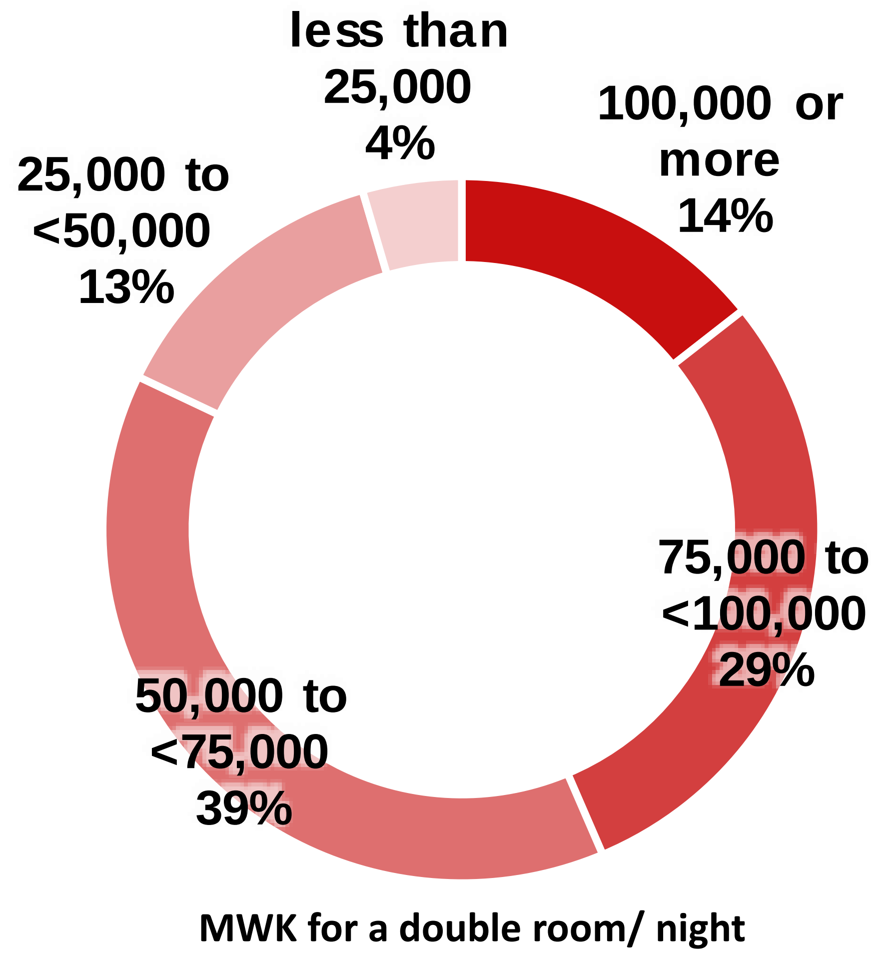




- **About two-thirds (68%) of total sales revenue (MWK 6,857 out of 10,078 million) is generated in Mangochi cluster**

SALES REVENUE

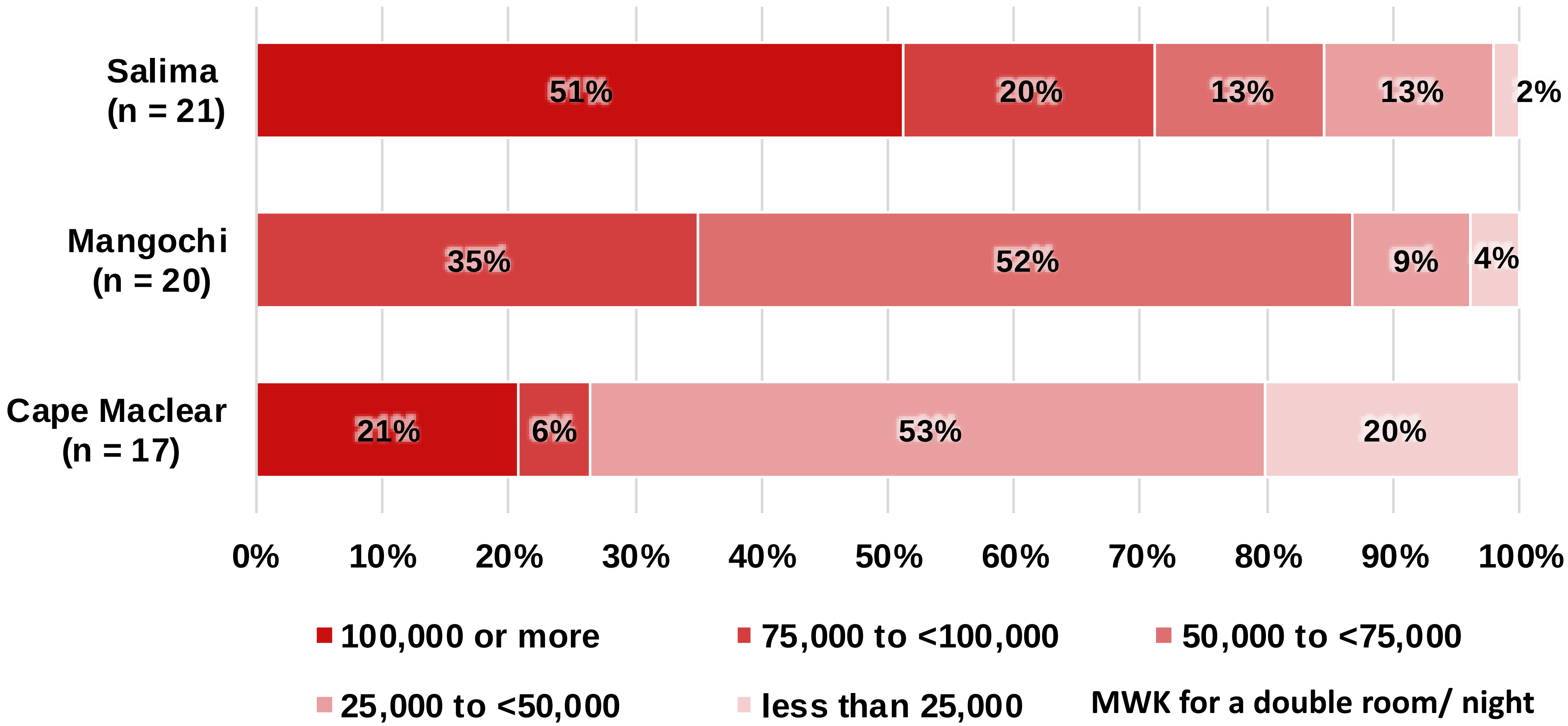
Total Sales Revenue 2017 by Category (n = 58)



- **Only 17% of total sales revenue is generated in low budget segment**
- **43% of total sales revenue is generated in high budget segment**

SALES REVENUE

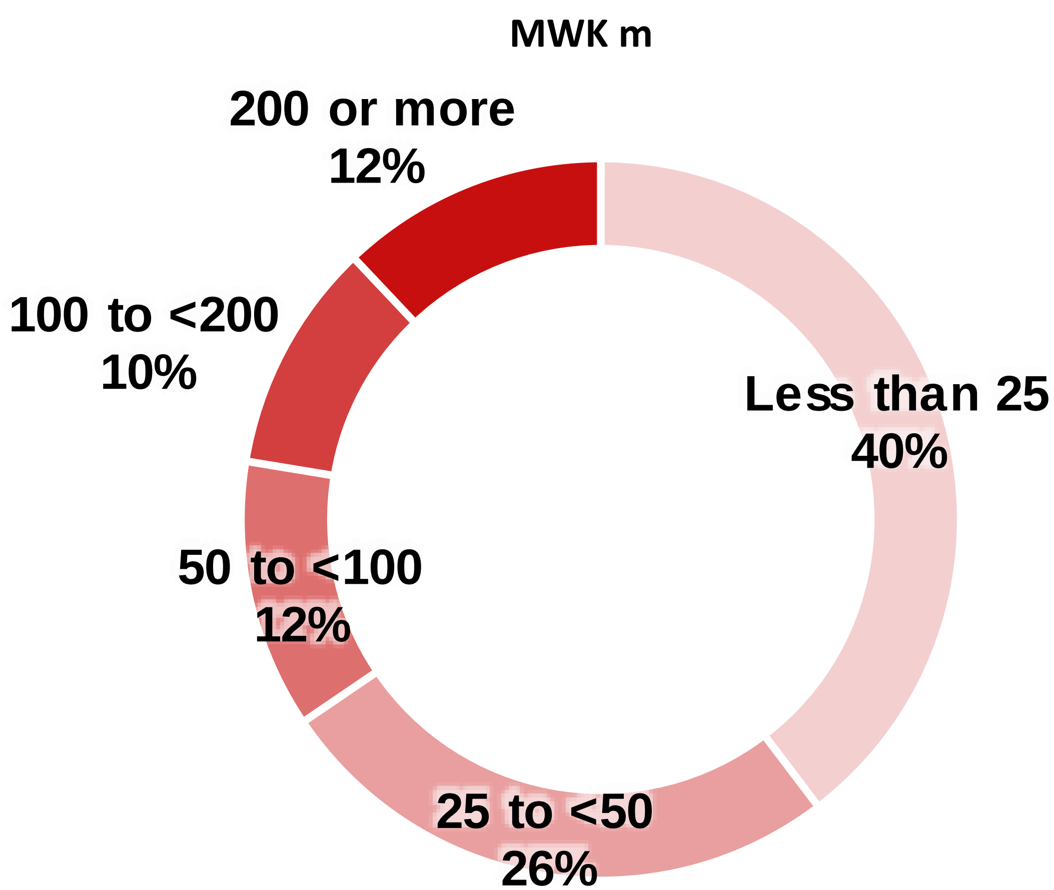
Total Sales Revenue 2017 by Category and Cluster

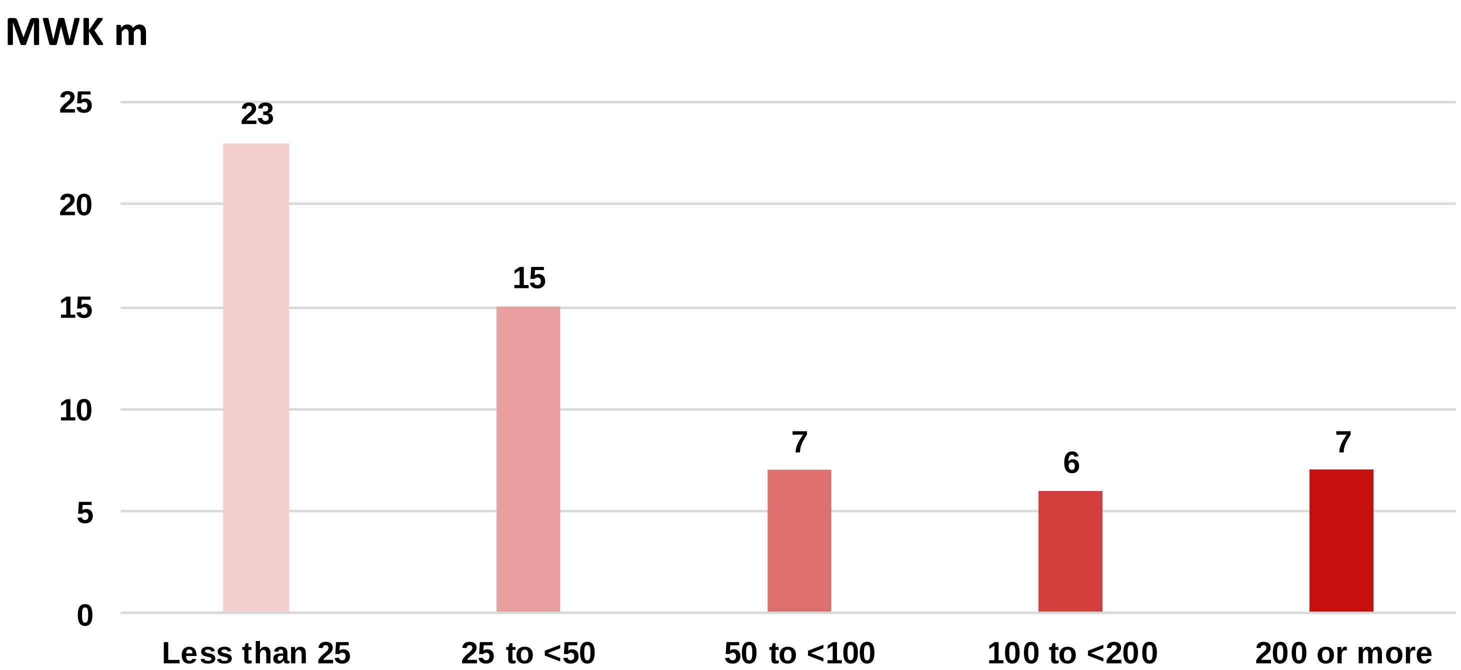


- Sales revenue in high budget segment is relatively relevant in Salima cluster (71%)
- Sales revenue in moderate budget segment is relatively relevant in Mangochi cluster (52%)
- Sales revenue in low budget segment is relatively relevant in Cape Maclear cluster (73%)

SALES REVENUE

Total Sales Revenue per Accommodation 2017 (n = 58)

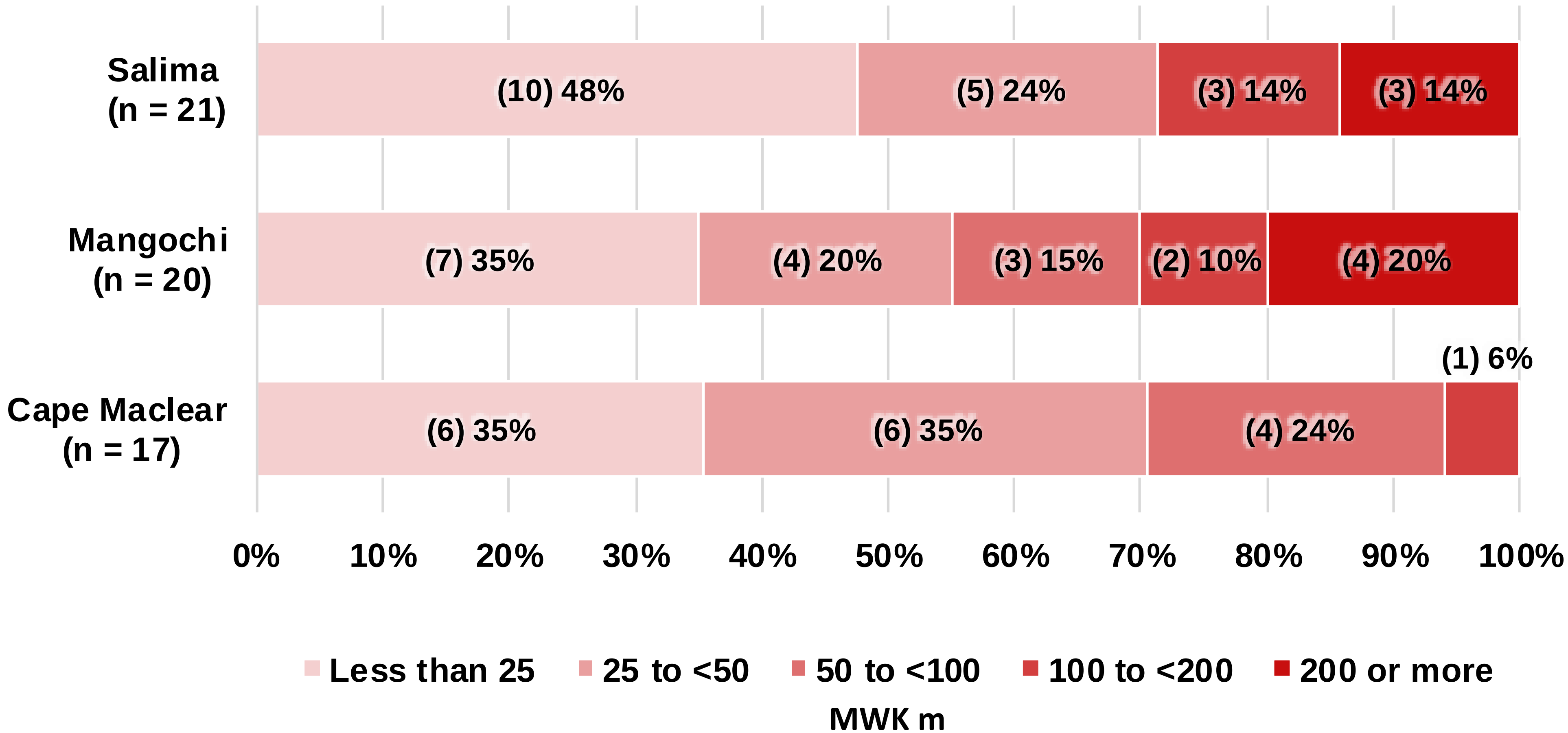




- Two-thirds (66%) of the accommodation providers generate less than MWK 50 million sales revenue
- Only 22% of the accommodation providers generate more than MWK 100 million sales revenue

SALES REVENUE

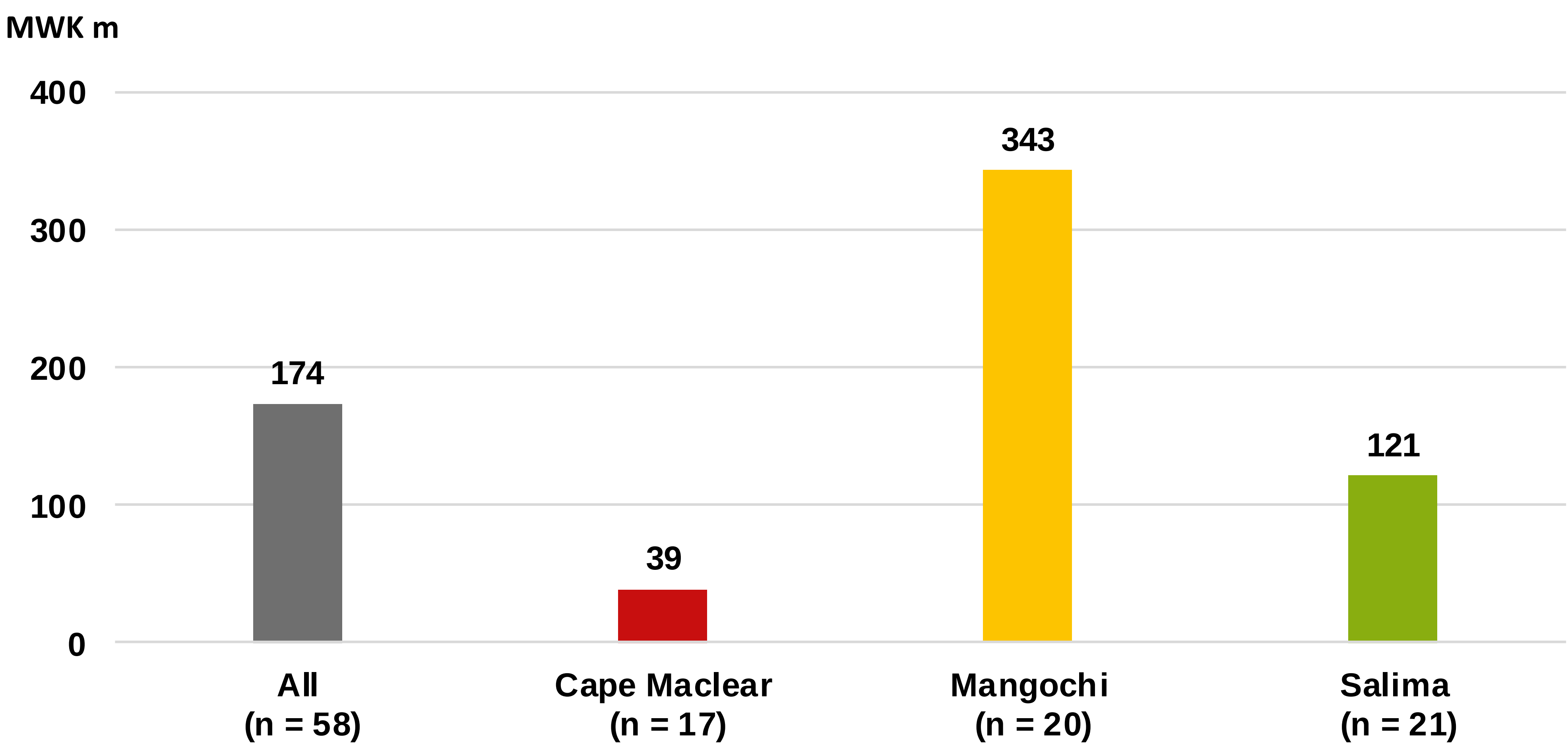
Total Sales Revenue per Accommodation 2017 by Cluster



- Accommodation providers generating less than MWK 50 million account for 72% in Salima and for 70% in Cape Maclear cluster, but for 55% in Mangochi cluster only
- Accommodation providers generating more than MWK 100 million account for 30% in Mangochi and for 28% in Salima cluster, but for 6% in Cape Maclear cluster only

SALES REVENUE

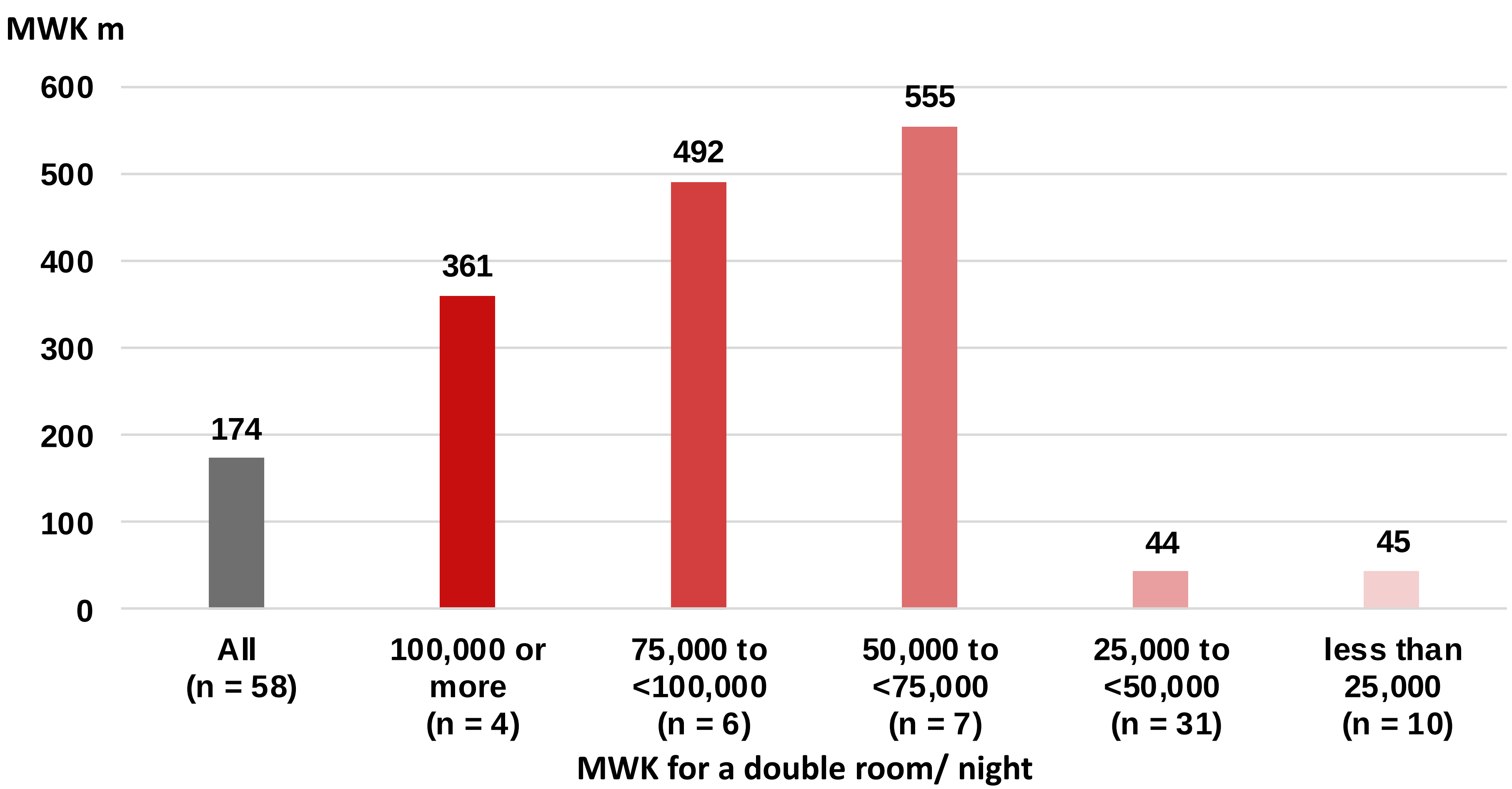
Average Total Sales Revenue per Accommodation 2017 by Cluster



- On average each accommodation provider generates MWK 174 million sales revenue
- Mangochi cluster shows by far the highest figure regarding average sales revenue per accommodation provider (MWK 343 million), Cape Maclear cluster the lowest (MWK 39 million)

SALES REVENUE

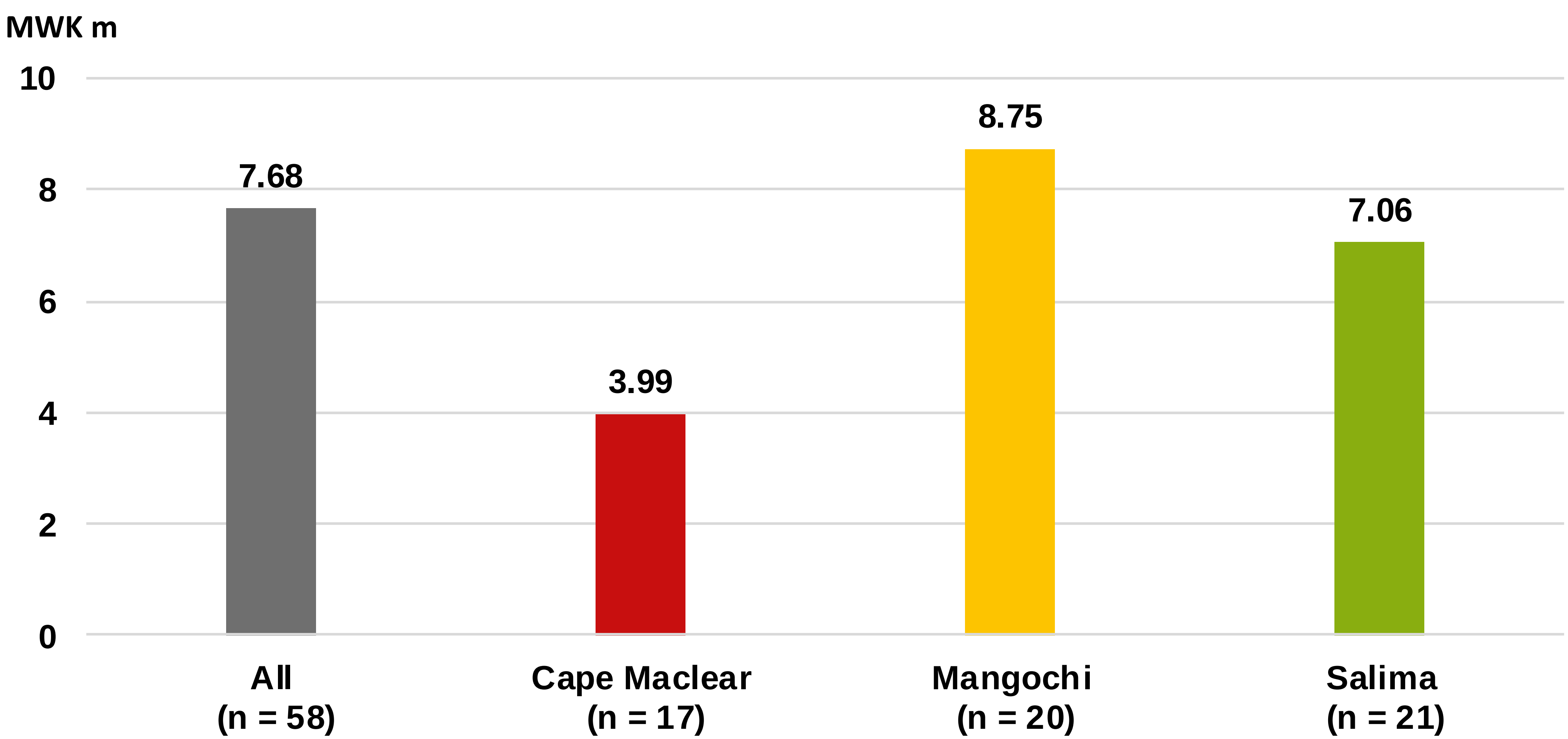
Average Total Sales Revenue per Accommodation 2017 by Category



- **Moderate budget segment shows the highest figure regarding average sales revenue per accommodation provider (MWK 555 million), followed by high budget segment (MWK 361 million at accommodation providers charging MWK 100,000+ respectively MWK 492 million at accommodation providers charging MWK 75,000 to 100,000)**

SALES REVENUE

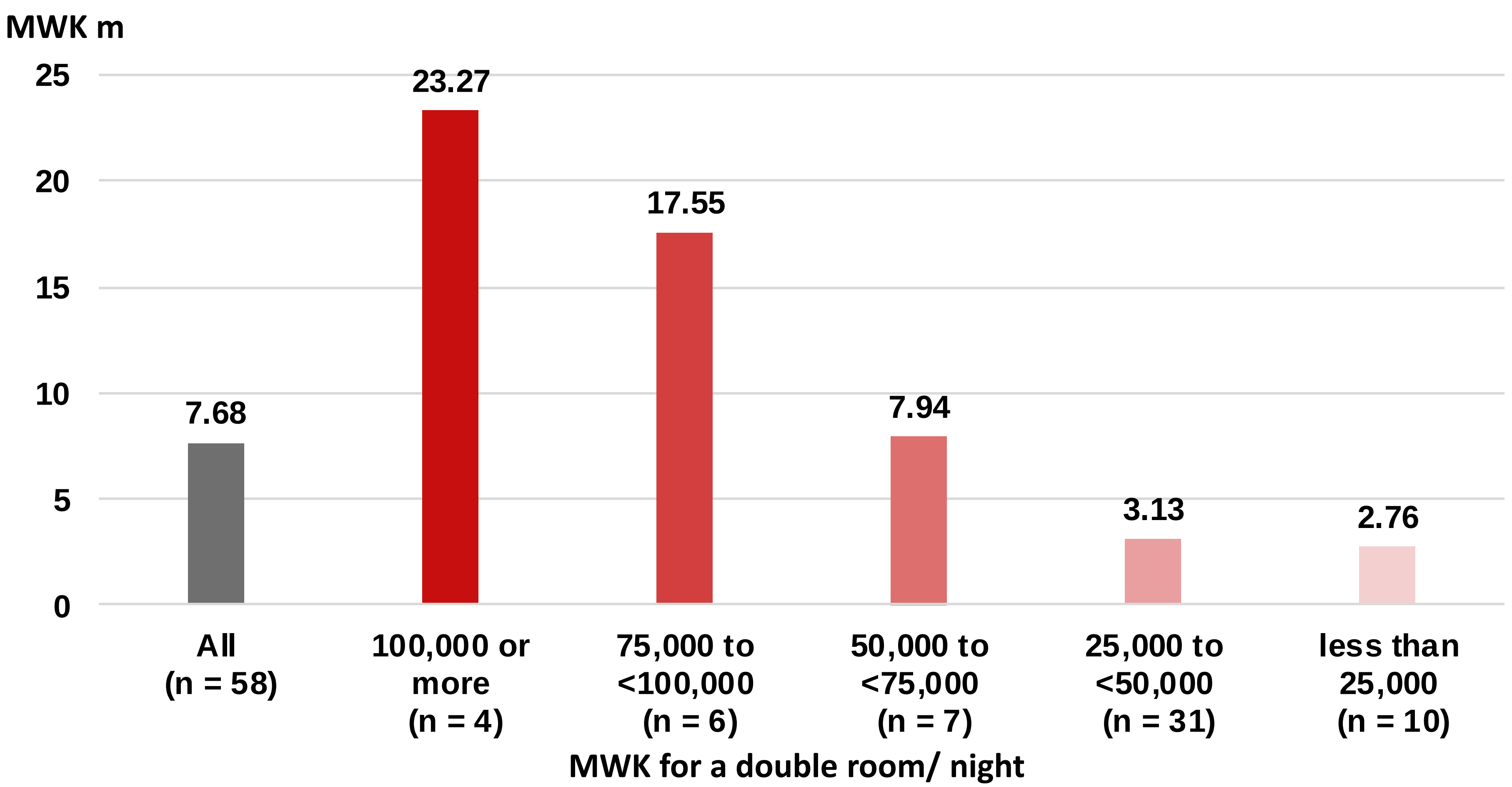
Average Total Sales Revenue per available Room 2017 by Cluster



- **On average each room generates MWK 7.68 million sales revenue**
- **Mangochi cluster shows the highest figure regarding average sales revenue per room (MWK 8.75 million), Cape Maclear cluster the lowest (MWK 3.99 million)**

SALES REVENUE

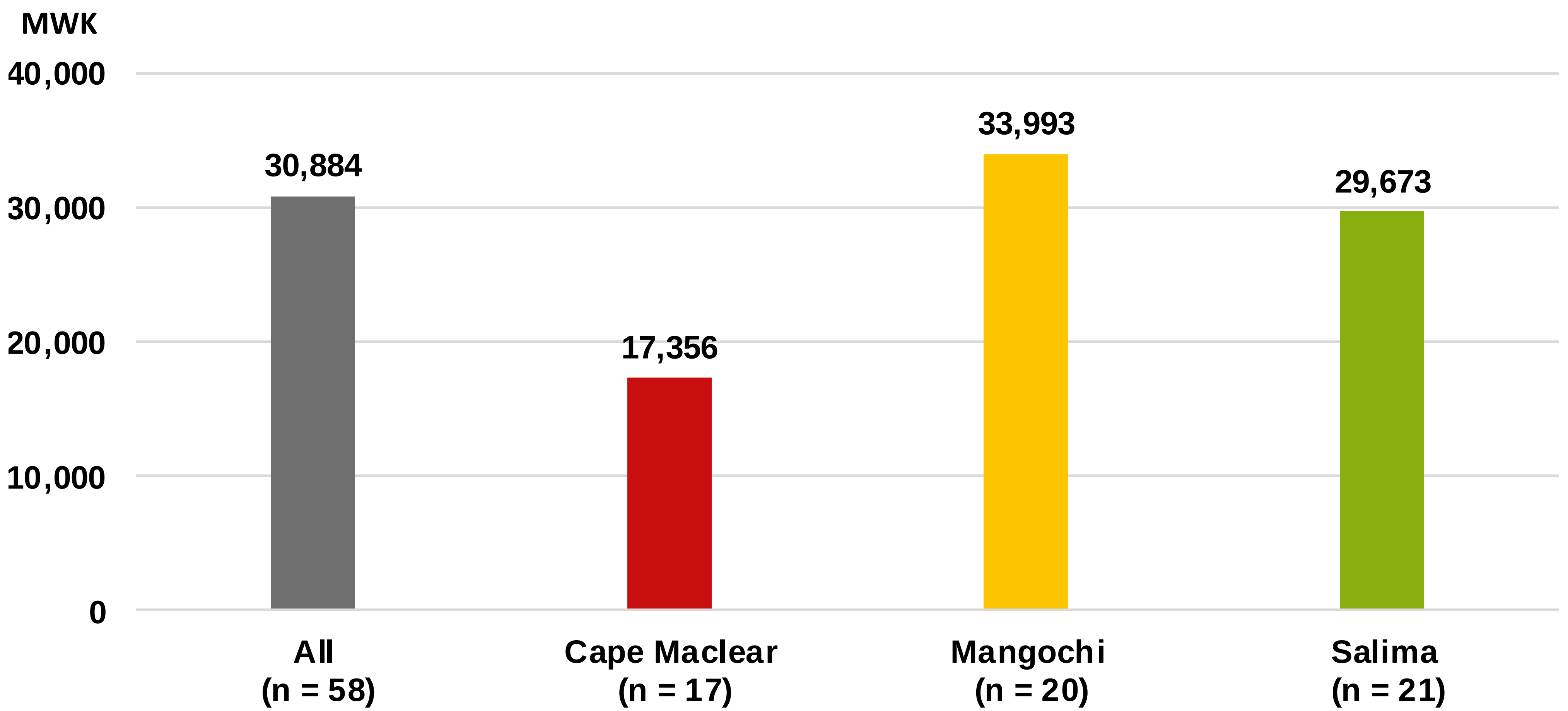
Average Total Sales Revenue per available Room 2017 by Category



- **High budget segment shows by far the highest figures regarding average sales revenue per room (MWK 23.27 million at accommodation providers charging MWK 100,000+ respectively MWK 17.55 million at accommodation providers charging MWK 75,000 to 100,000), followed by moderate budget segment (MWK 7.94 million)**

SALES REVENUE

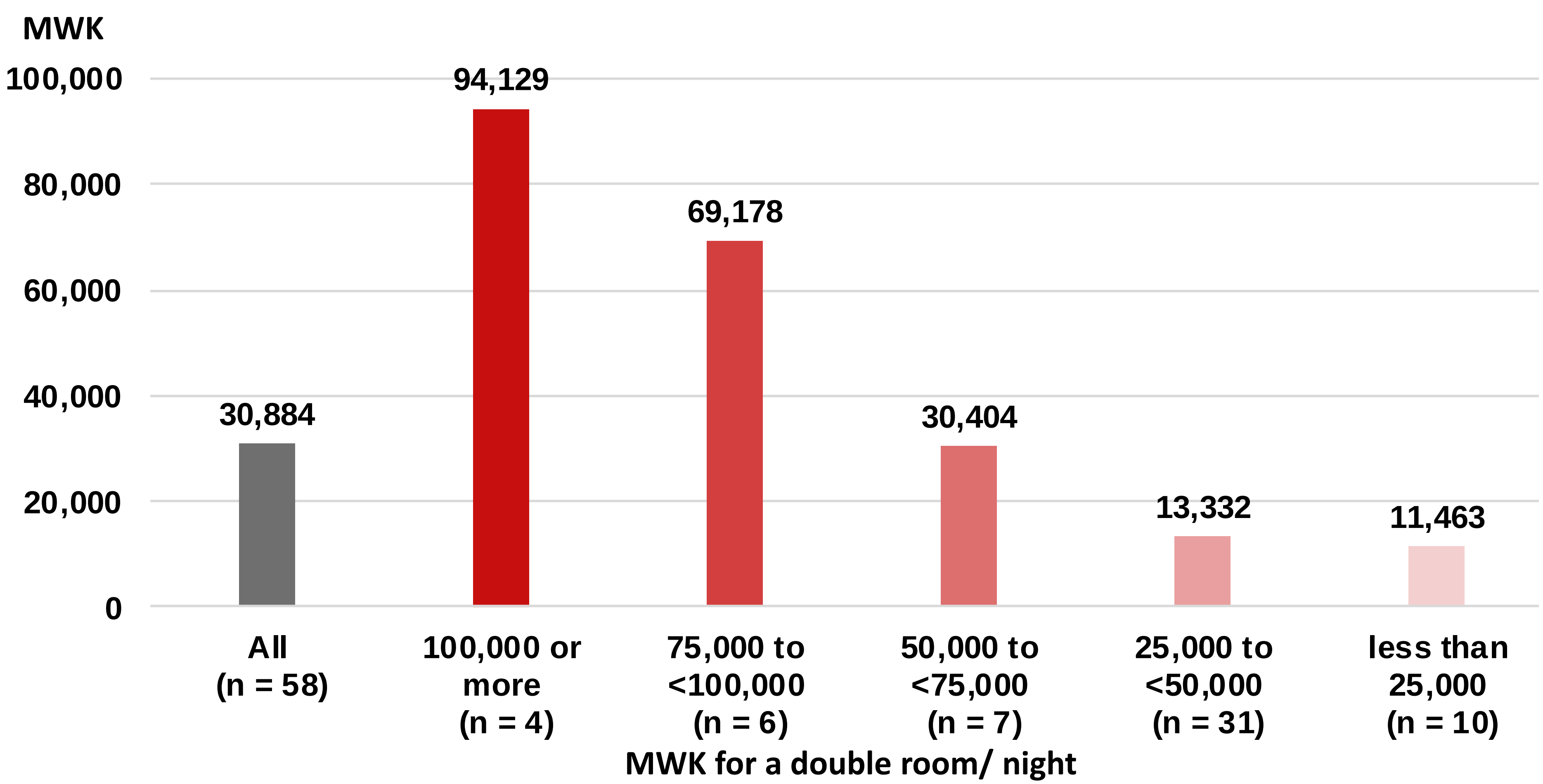
Average Total Sales Revenue per Occupied Room Night 2017 by Cluster



- **On average one occupied room night generates MWK 30,884 sales revenue**
- **Mangochi cluster shows the highest figure regarding average sales revenue per occupied room night (MWK 33,993), Cape Maclear cluster the lowest (MWK 17,356)**

SALES REVENUE

Average Total Sales Revenue per Occupied Room Night 2017 by Category



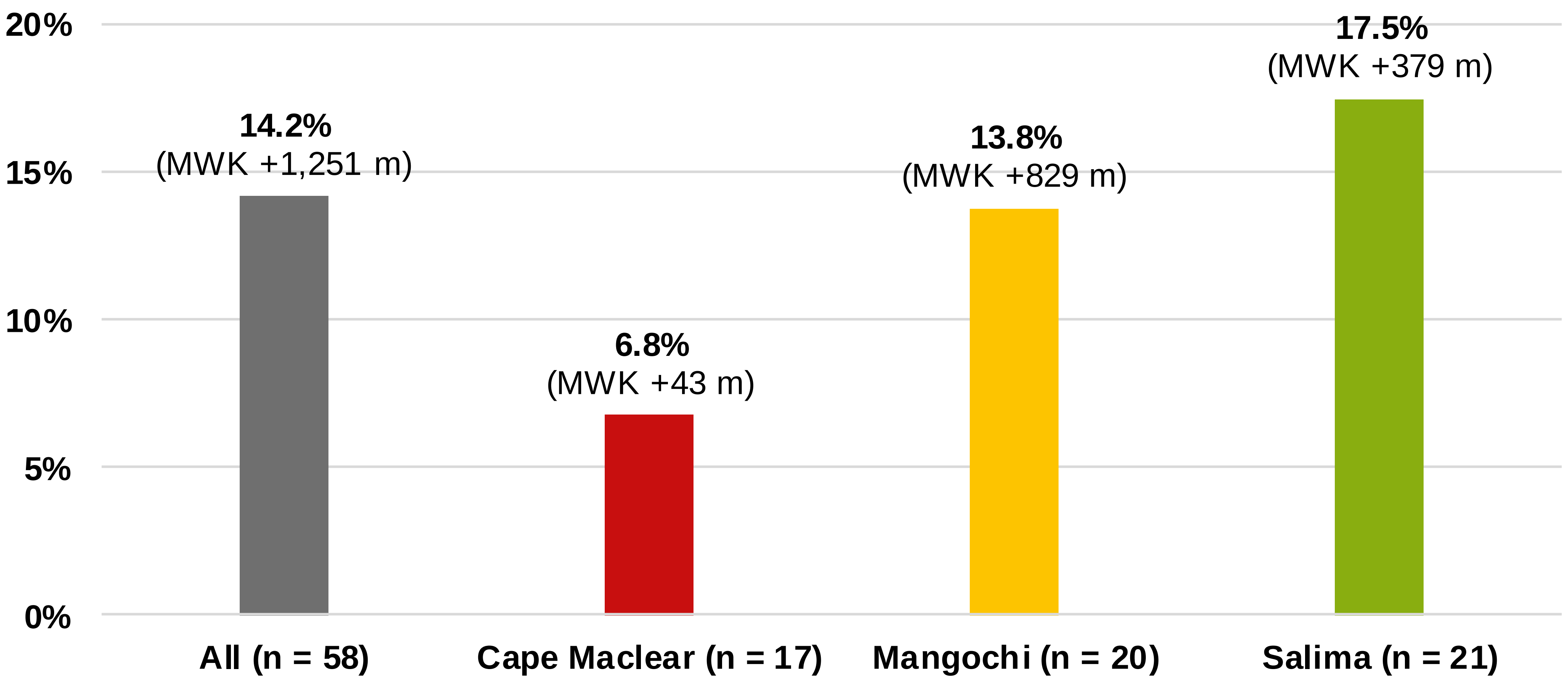
- Sales revenues per occupied room night are lower than corresponding rack rates (see categories, horizontal axis) due to given discounts or special offers

- **High budget segment shows by far the highest figures regarding average sales revenue per occupied room night (MWK 94,129 at accommodation providers charging MWK 100,000+ respectively MWK 69,178 at accommodation providers charging MWK 75,000 to 100,000), followed by moderate budget segment (MWK 30,404)**

SALES REVENUE

Increase of Total Sales Revenue 2014-2017

(inflation-adjusted)



- **Sales revenue increased by 14.2% between 2014 and 2017**
- **Salima cluster shows the highest growth (17.5%), followed by Mangochi (13.8%) and Cape Maclear (6.8%) cluster**

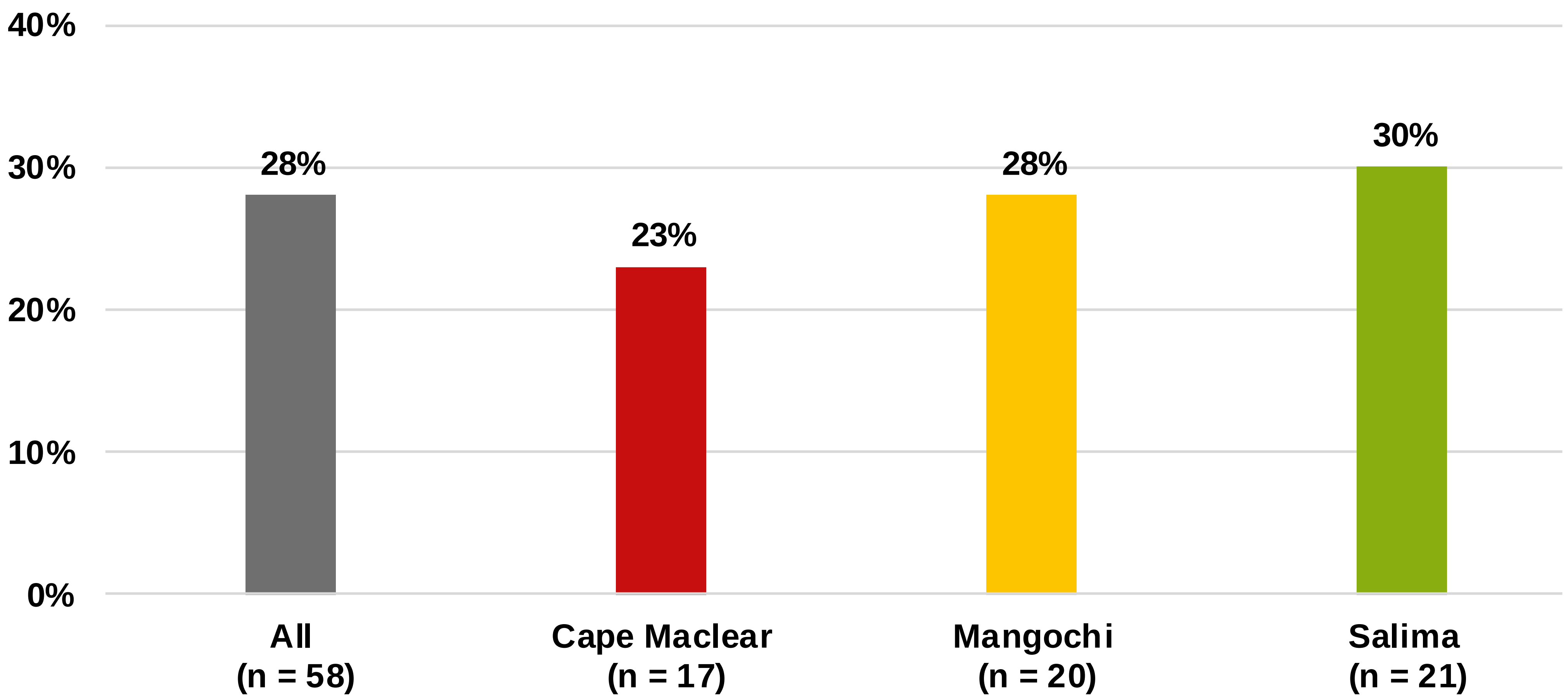
7 STAFF

ECONOMIC IMPACT ASSESSMENT

of the Malawian Accommodation Sector

STAFF

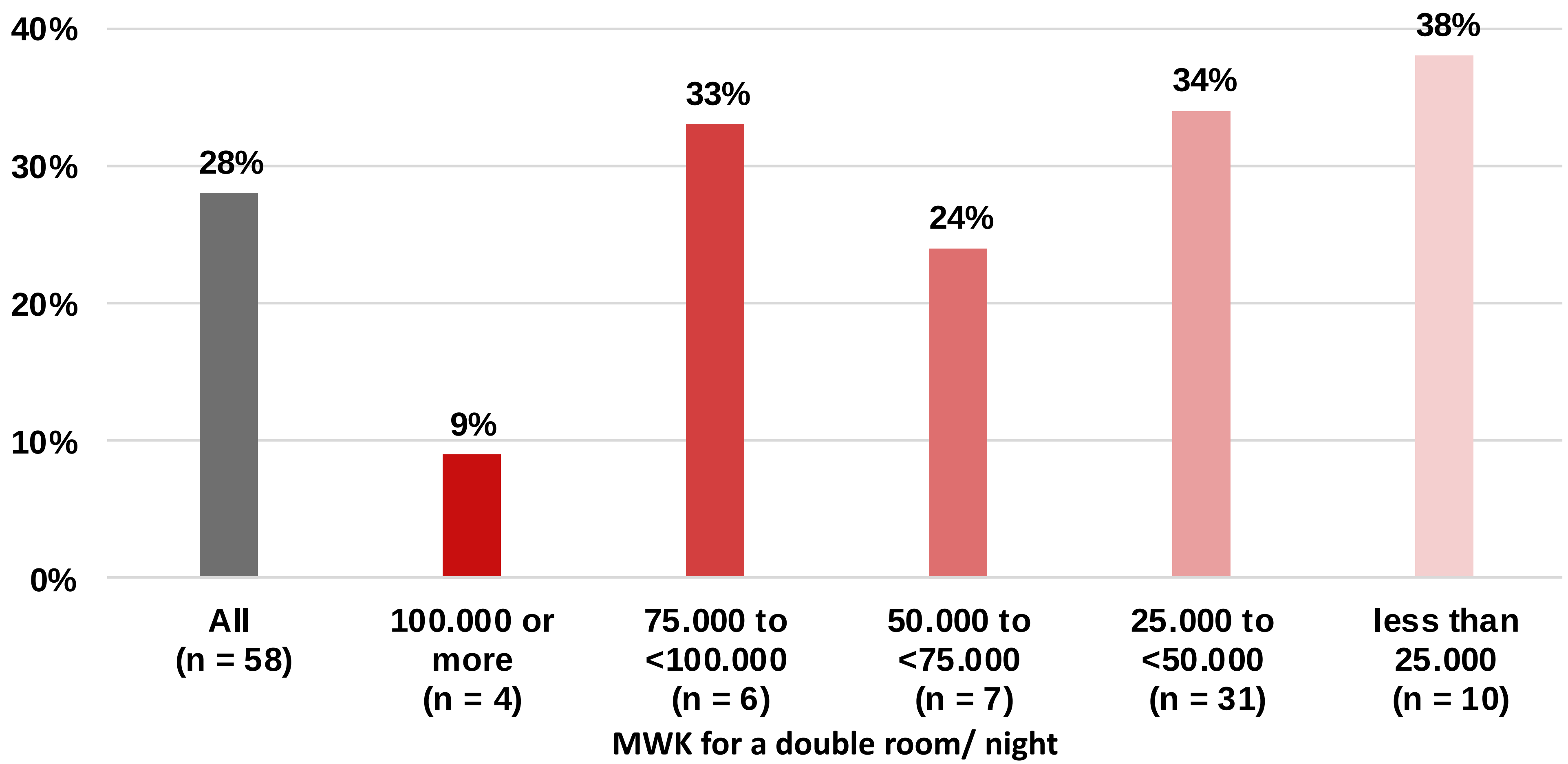
Percentage of Female Employees 2017 by Cluster



- 28% of staff are female
- Salima cluster shows the highest figure regarding percentage of female employees (30%), Cape Maclear cluster the lowest (23%)

STAFF

Percentage of Female Employees 2017 by Category

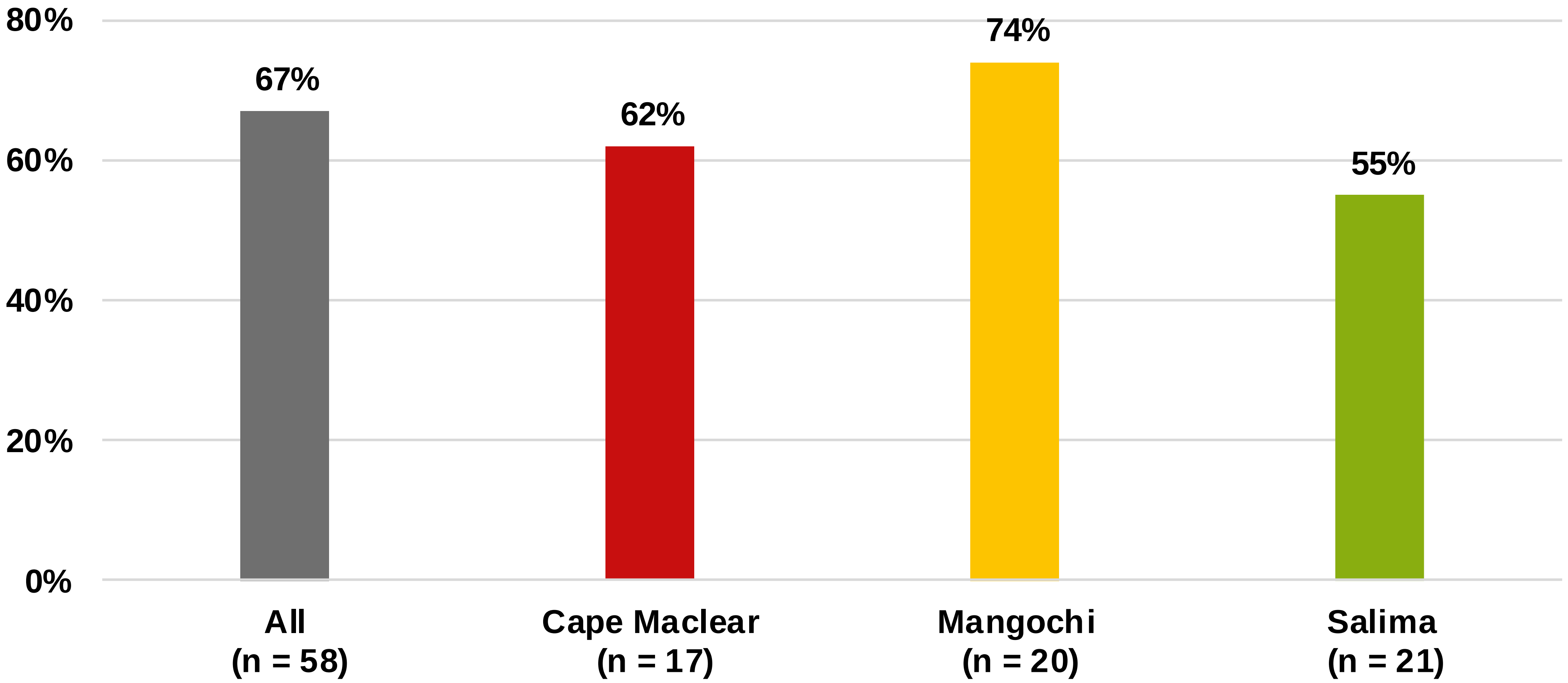


- **Low budget segment shows the highest figures regarding percentage of female employees (34% at accommodation providers charging MWK 25,000 to 50,000 respectively 38% at accommodation providers charging less than MWK 25,000)**

STAFF

Percentage of Young Employees 2017 by Cluster

(up to 35 years)

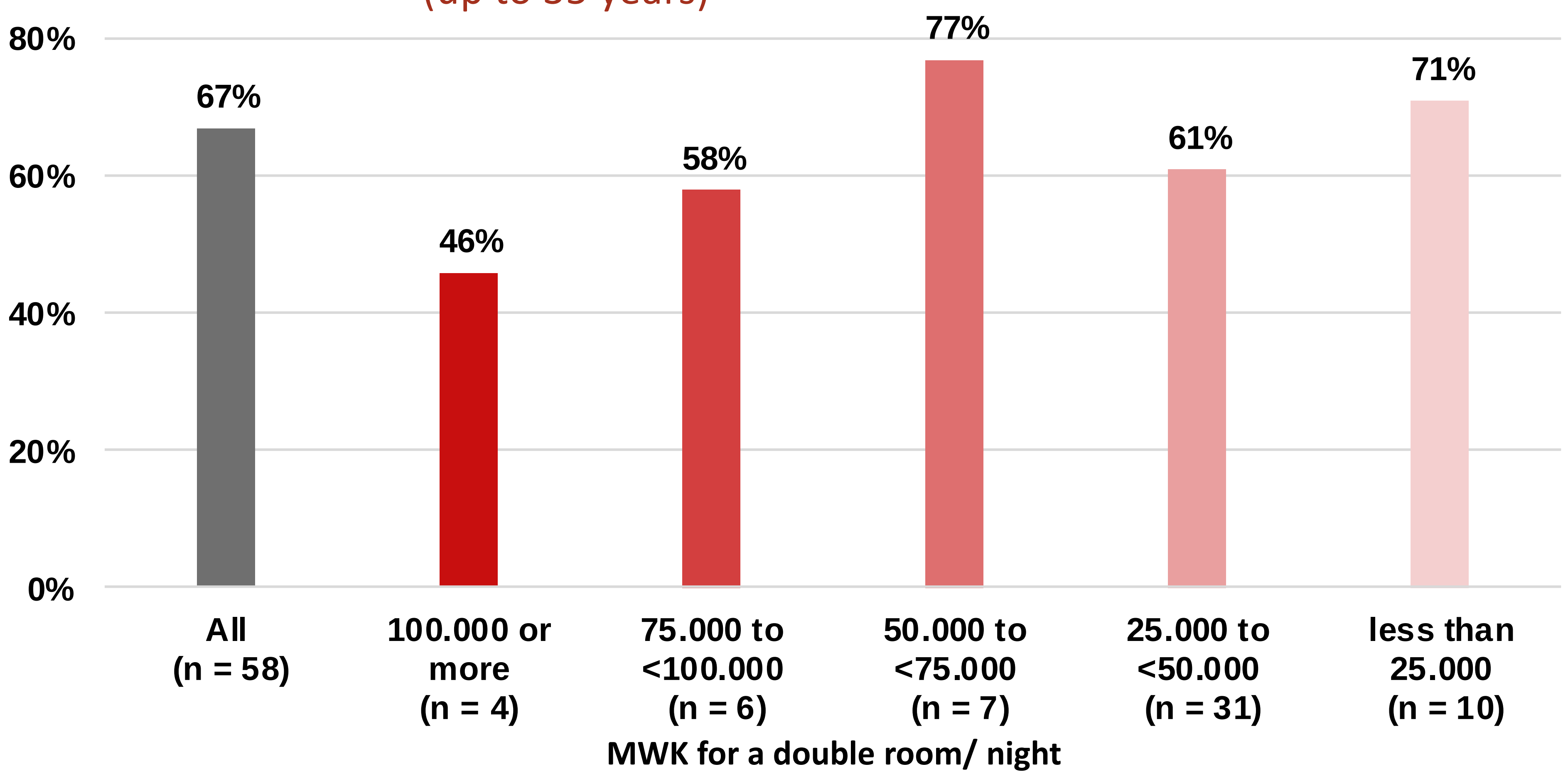


- 67% of staff are young employees
- Mangochi cluster shows the highest figure regarding percentage of young employees (74%), Salima cluster the lowest (55%)

STAFF

Percentage of Young Employees 2017 by Category

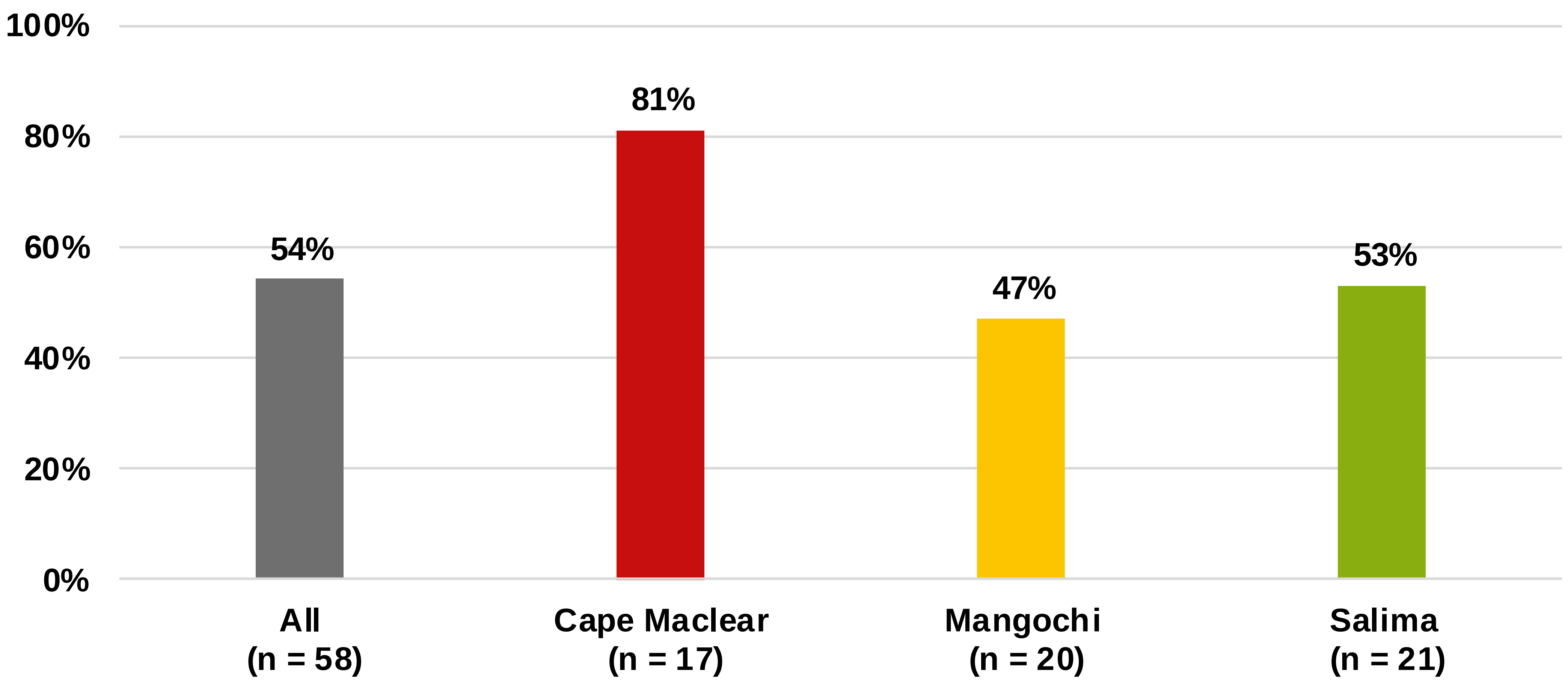
(up to 35 years)



- **Moderate budget segment shows the highest figure regarding percentage of young employees (77%), followed by low budget segment (61% at accommodation providers charging MWK 25,000 to 50,000 respectively 71% at accommodation providers charging less than MWK 25,000)**

STAFF

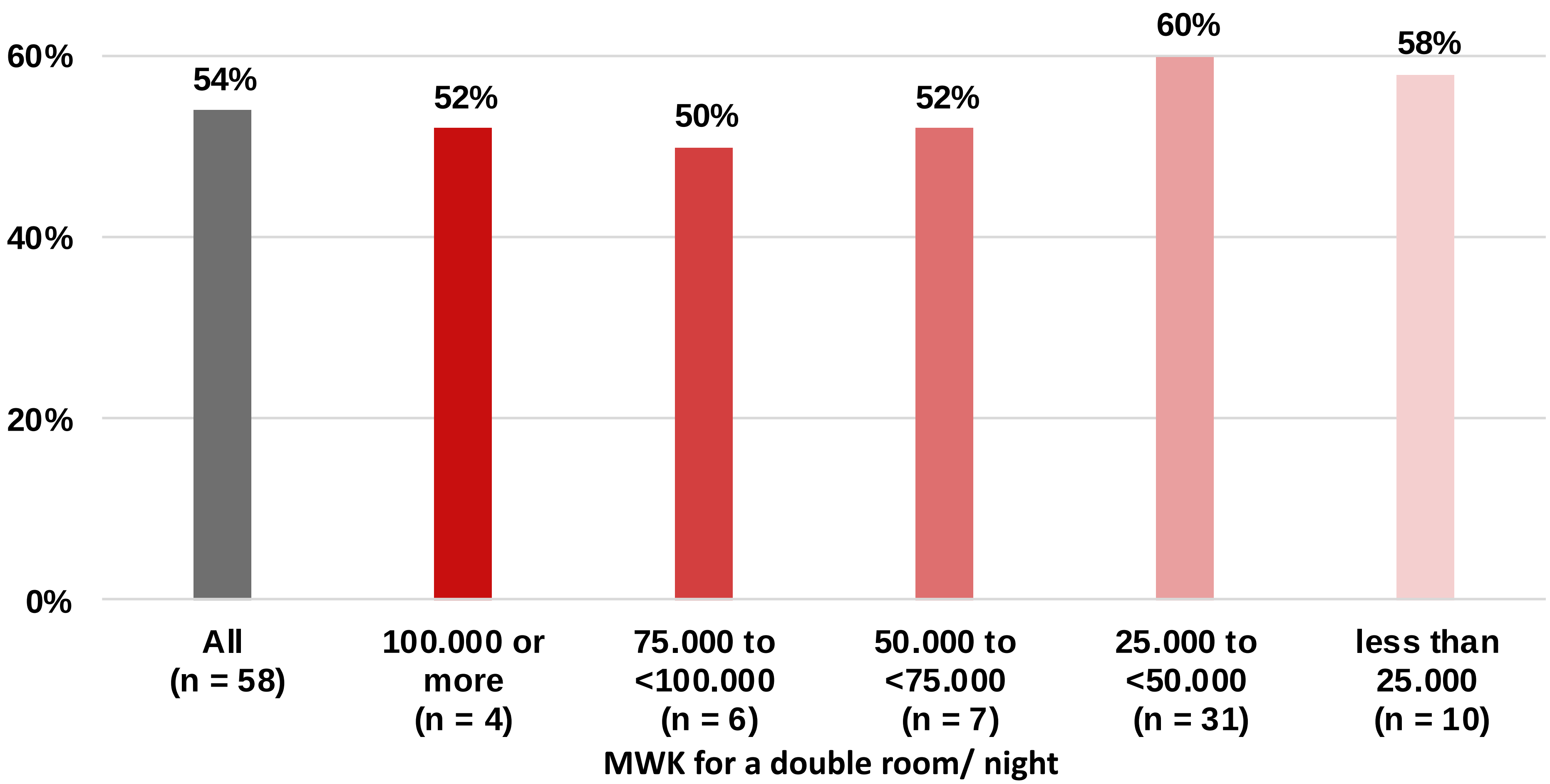
Percentage of Local Employees 2017 by Cluster



- **54% of staff are local employees**
- **Cape Maclear cluster shows by far the highest figure regarding percentage of local employees (81%), Mangochi cluster the lowest (47%)**

STAFF

Percentage of Local Employees 2017 by Category

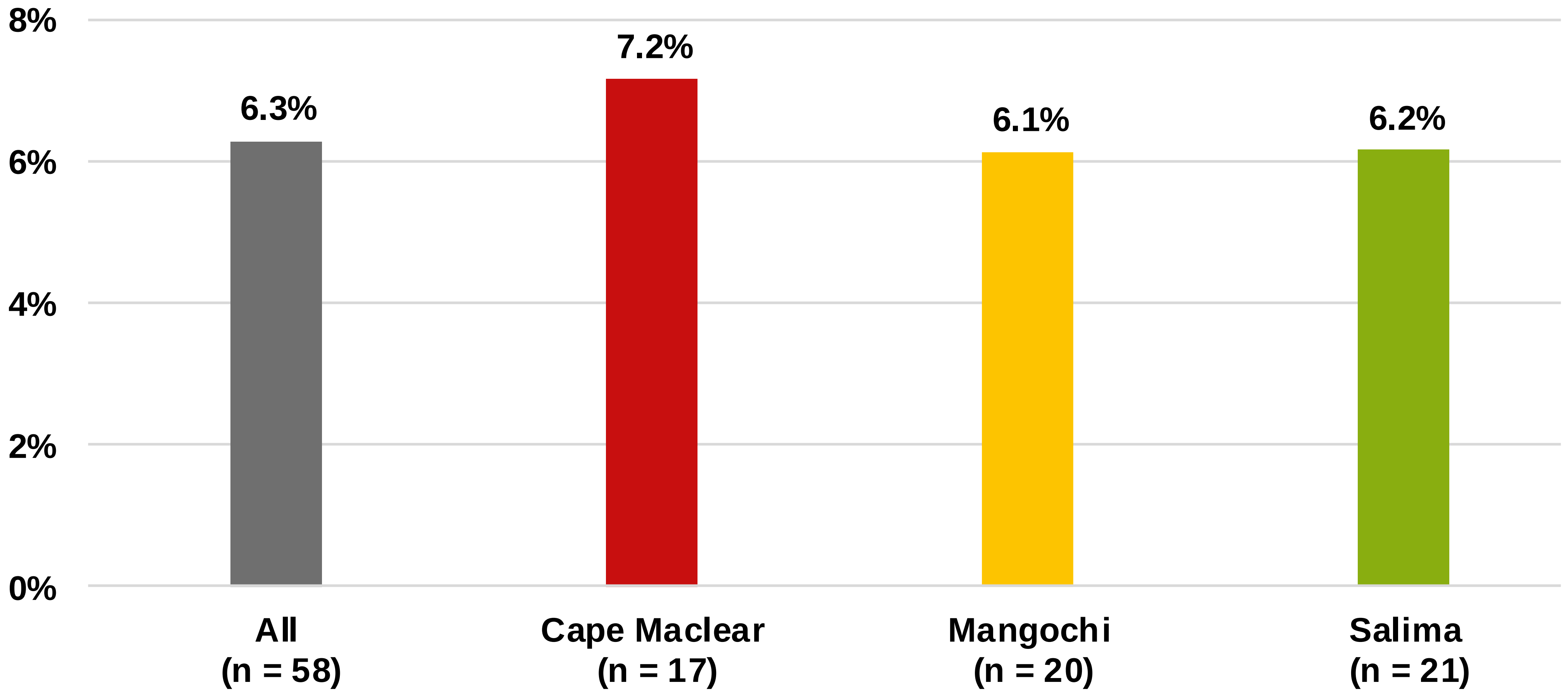


- **Low budget segment shows the highest figures regarding percentage of local employees (60% at accommodation providers charging MWK 25,000 to 50,000 respectively 58% at accommodation providers charging less than MWK 25,000)**

STAFF

Percentage of Staff affected by Part-Time Employment 2017 by Cluster

(not working full shift)

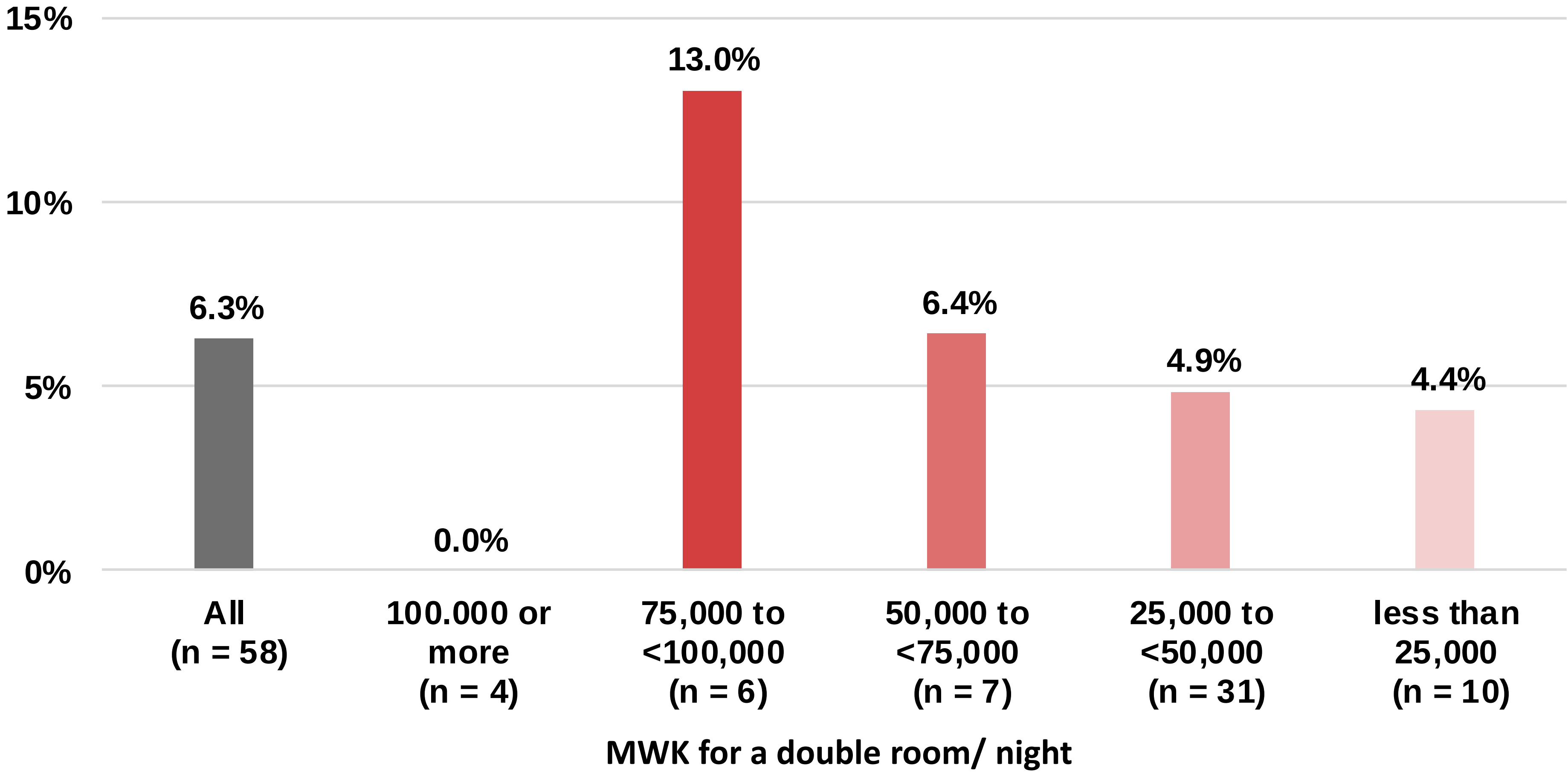


- **Only 6.3% of staff is affected by part-time employment**

STAFF

Percentage of Staff affected by Part-Time Employment 2017 by Category

(not working full shift)

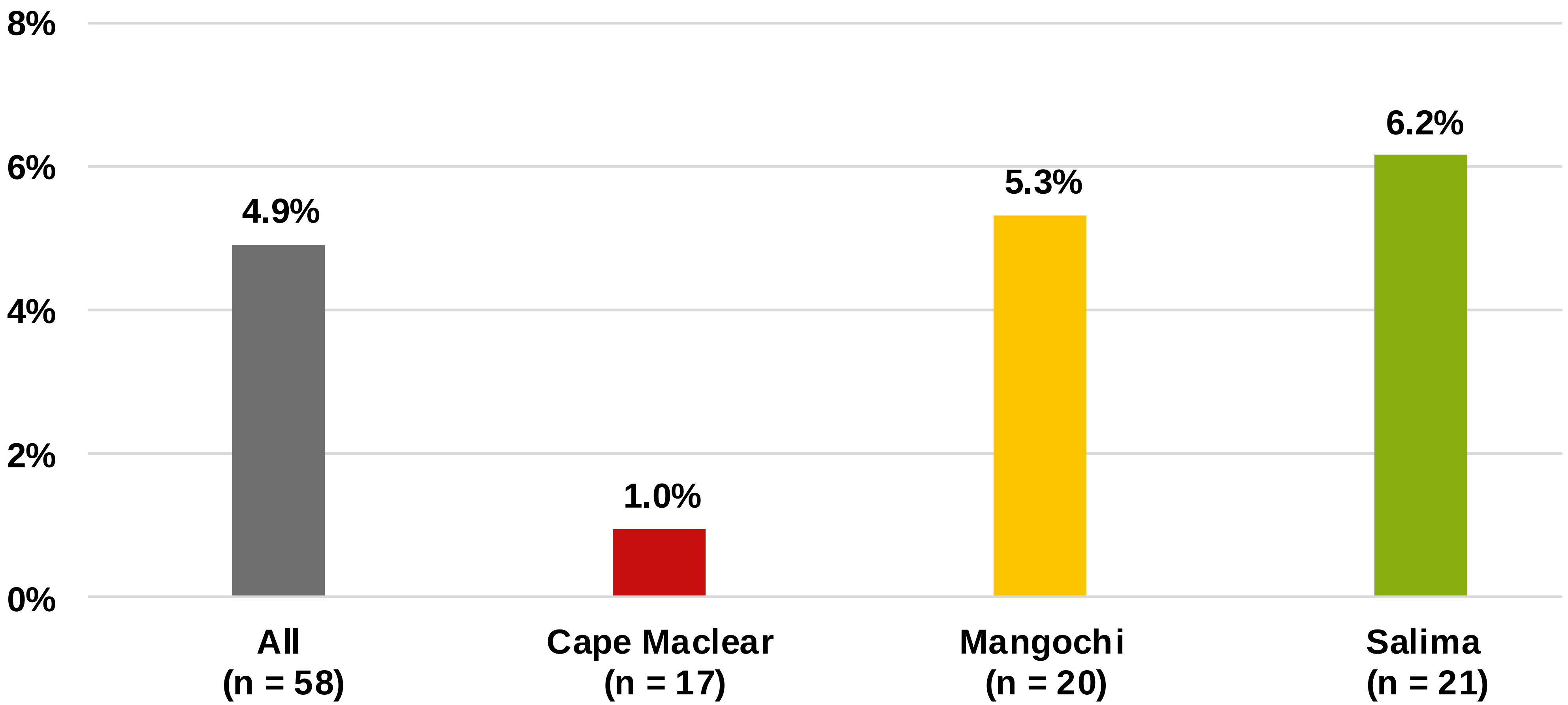


- **Category “MWK 100,000+” (0%) and low budget segment show the lowest figures regarding part-time employment (4.9% at accommodation providers charging MWK 25,000 to 50,000 respectively 4.4% at accommodation providers charging less than MWK 25,000)**

STAFF

Percentage of Staff affected by Seasonal Employment 2017 by Cluster

(not working year-round)

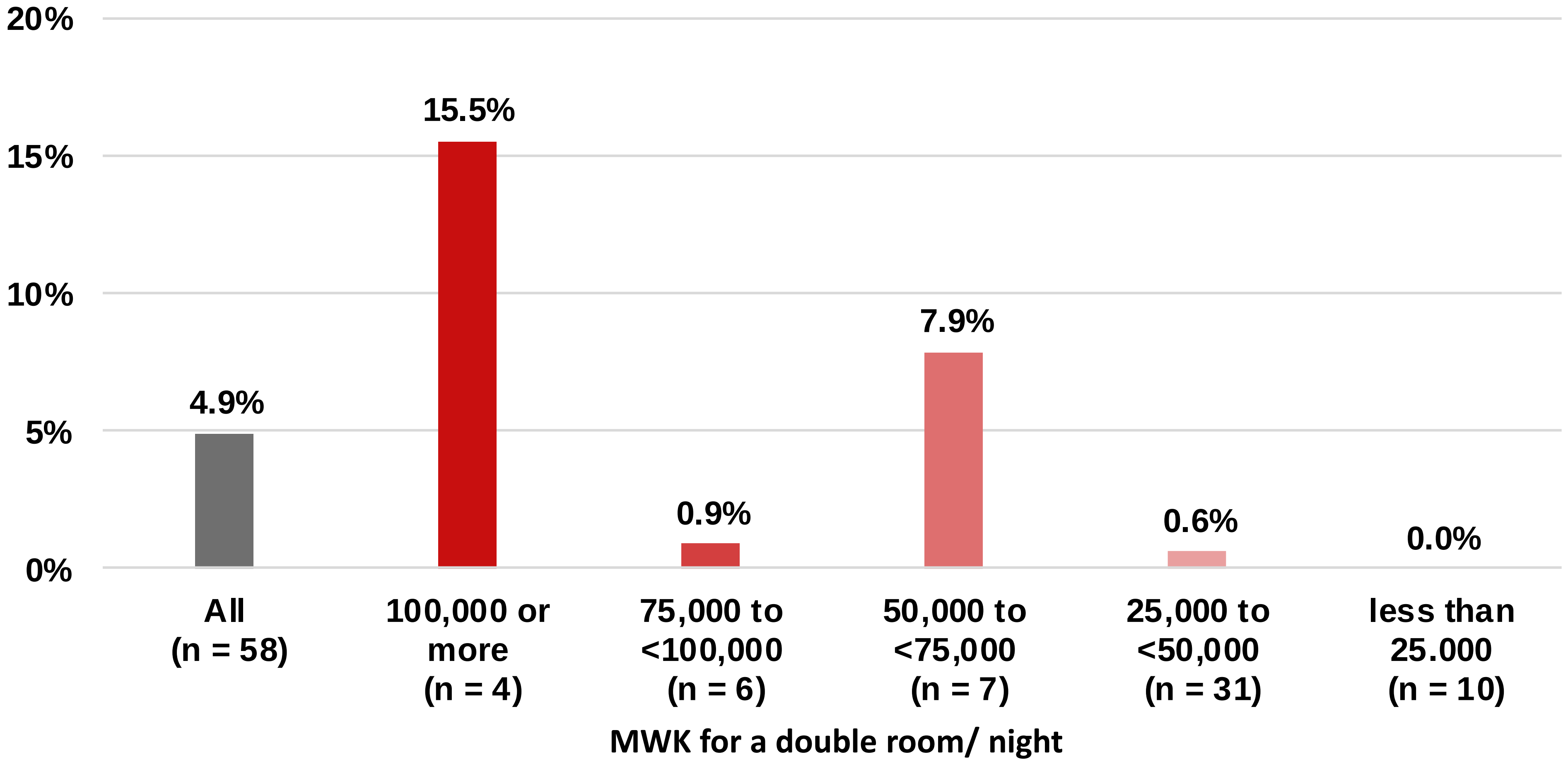


- **Only 4.9% of staff is affected by seasonal employment**
- **Cape Maclear cluster shows by far the lowest figure regarding percentage of staff affected by seasonal employment (1%)**

STAFF

Percentage of Staff affected by Seasonal Employment 2017 by Category

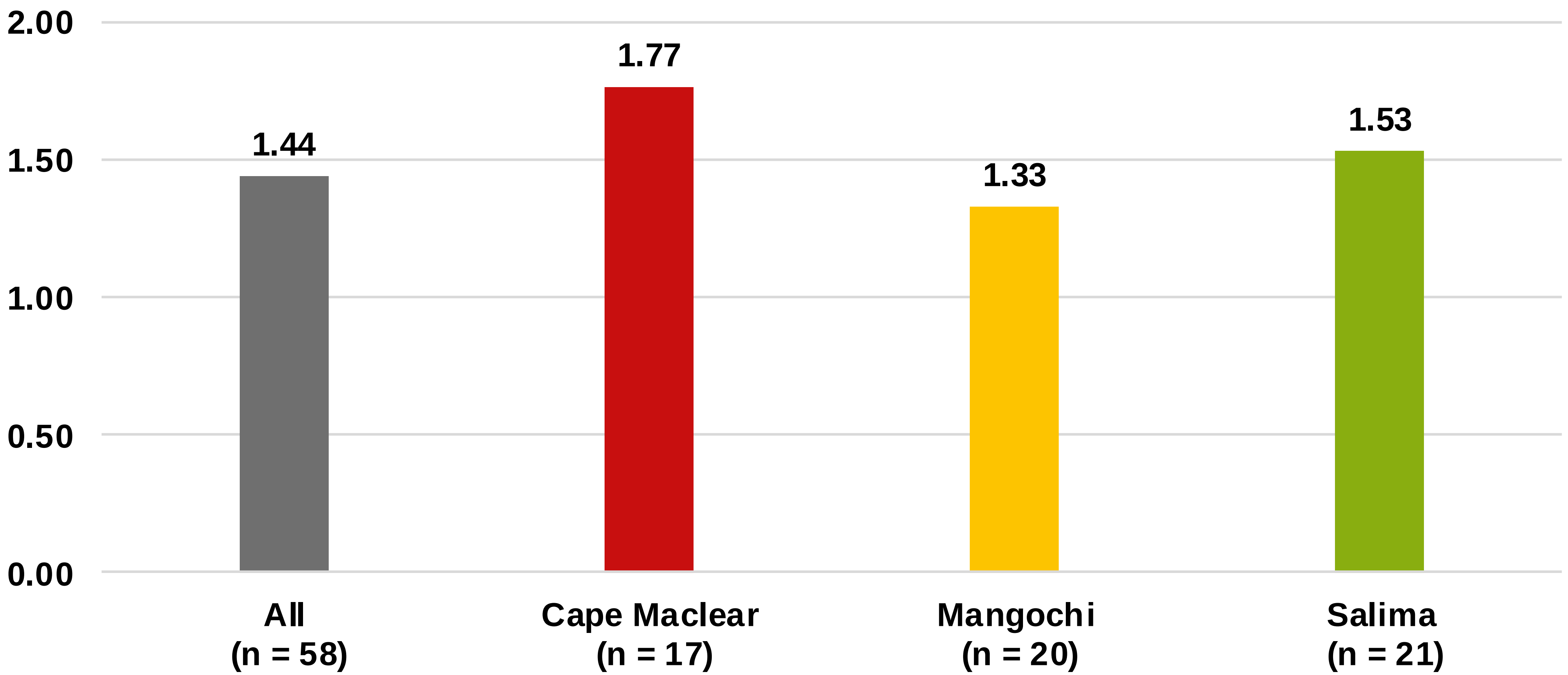
(not working year-round)



- Category "MWK 75,000 to 100,000" (0.9%) and low budget segment show by far the lowest figures regarding seasonal employment (0.6% at accommodation providers charging MWK 25,000 to 50,000 respectively 0% at accommodation providers charging less than MWK 25,000)
- Considering part-time and seasonal employment jointly they are relatively common in high budget segment and relatively uncommon in low budget segment

STAFF

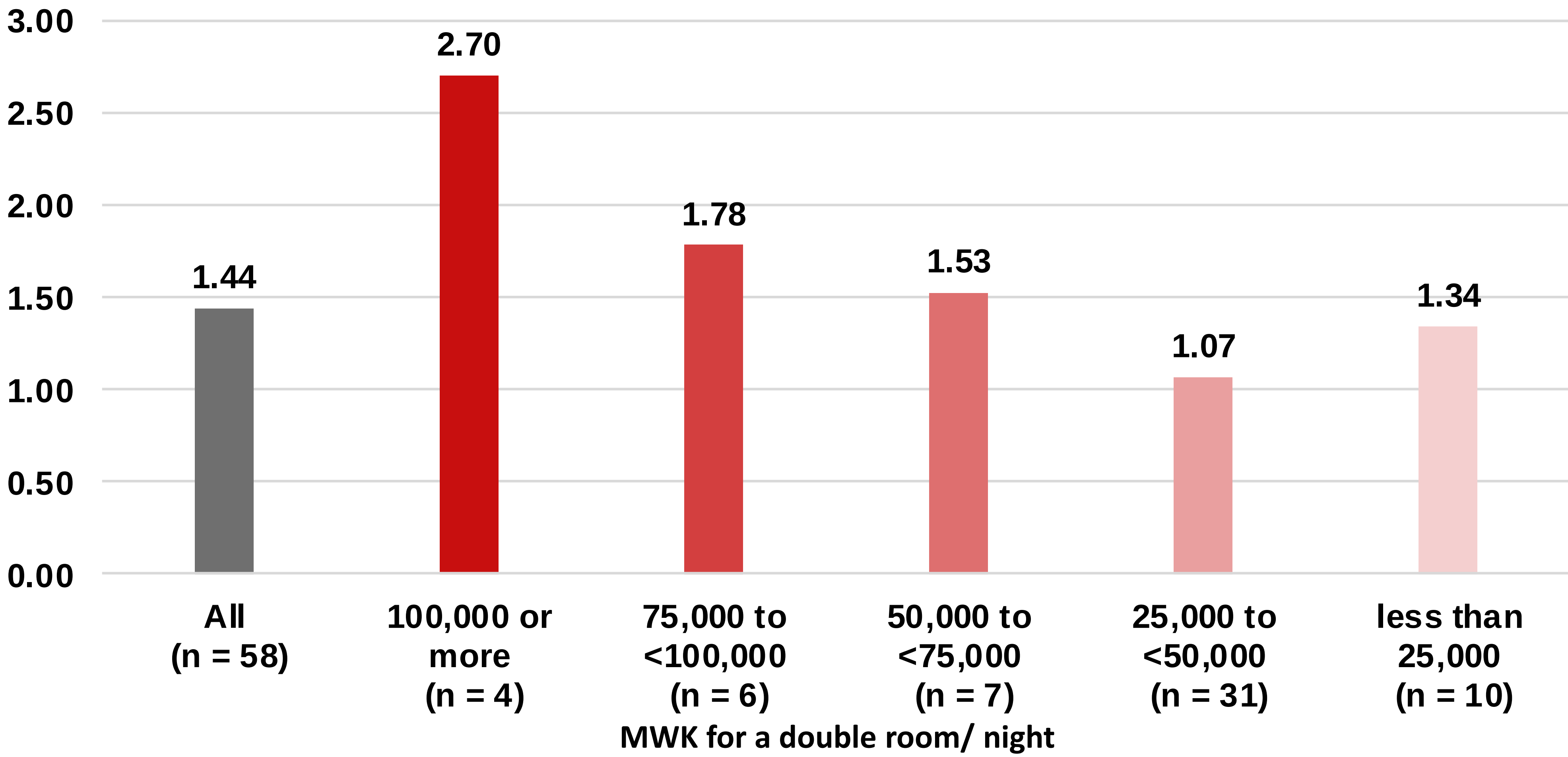
Average Number of Employees per available Room 2017 by Cluster



- On average accommodation providers are staffed by 1.44 employees per room (or from economic perspective: each room generates 1.44 jobs)
- Cape Maclear cluster shows the highest figure regarding average number employees per room (1.77), Mangochi cluster the lowest (1.33)

STAFF

Average Number of Employees per available Room 2017 by Category

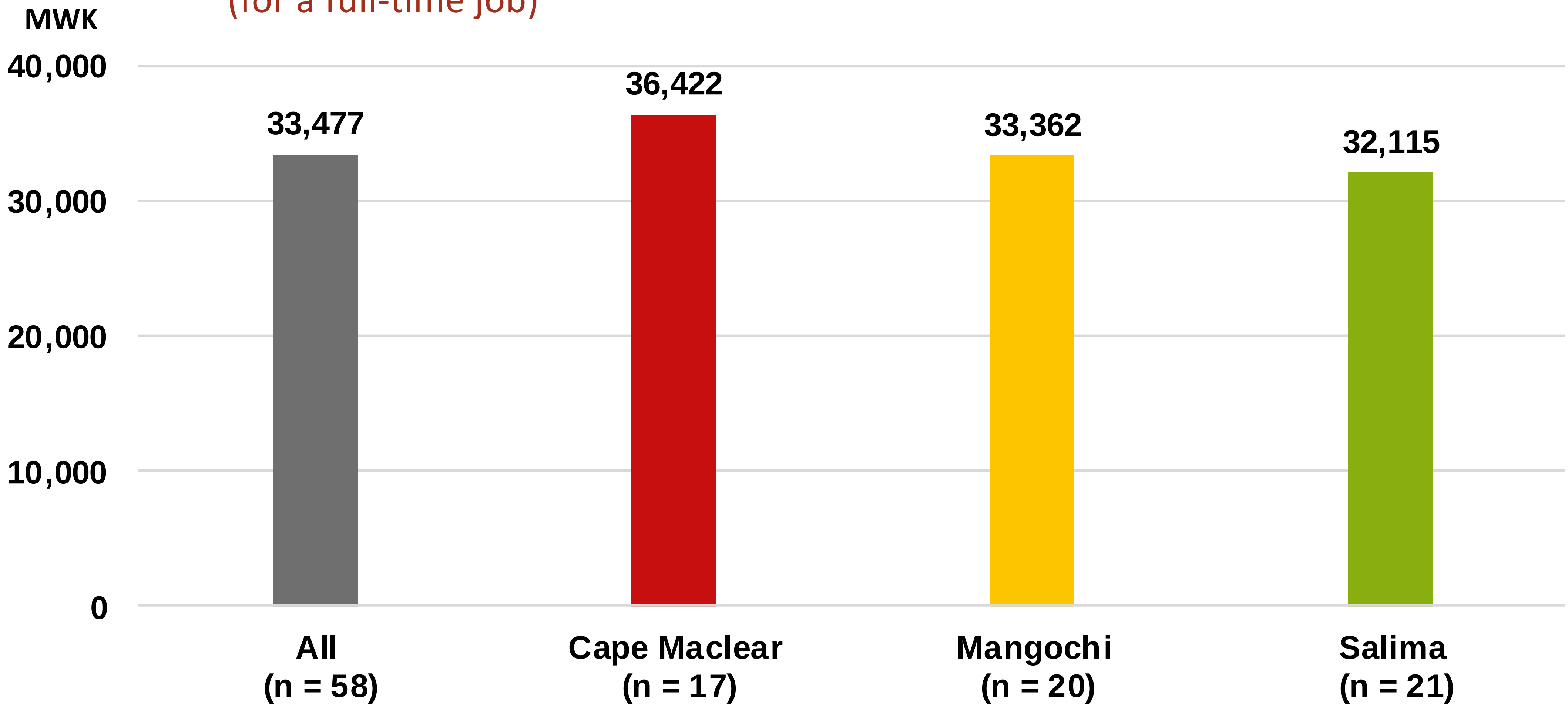


- **High budget segment shows the highest figures regarding average number of employees per room (2.7 at accommodation providers charging MWK 100,000+ respectively 1.78 at accommodation providers charging MWK 75,000 to 100,000), followed by moderate budget segment (1.53)**

STAFF

Average Salary per Month 2017 by Cluster

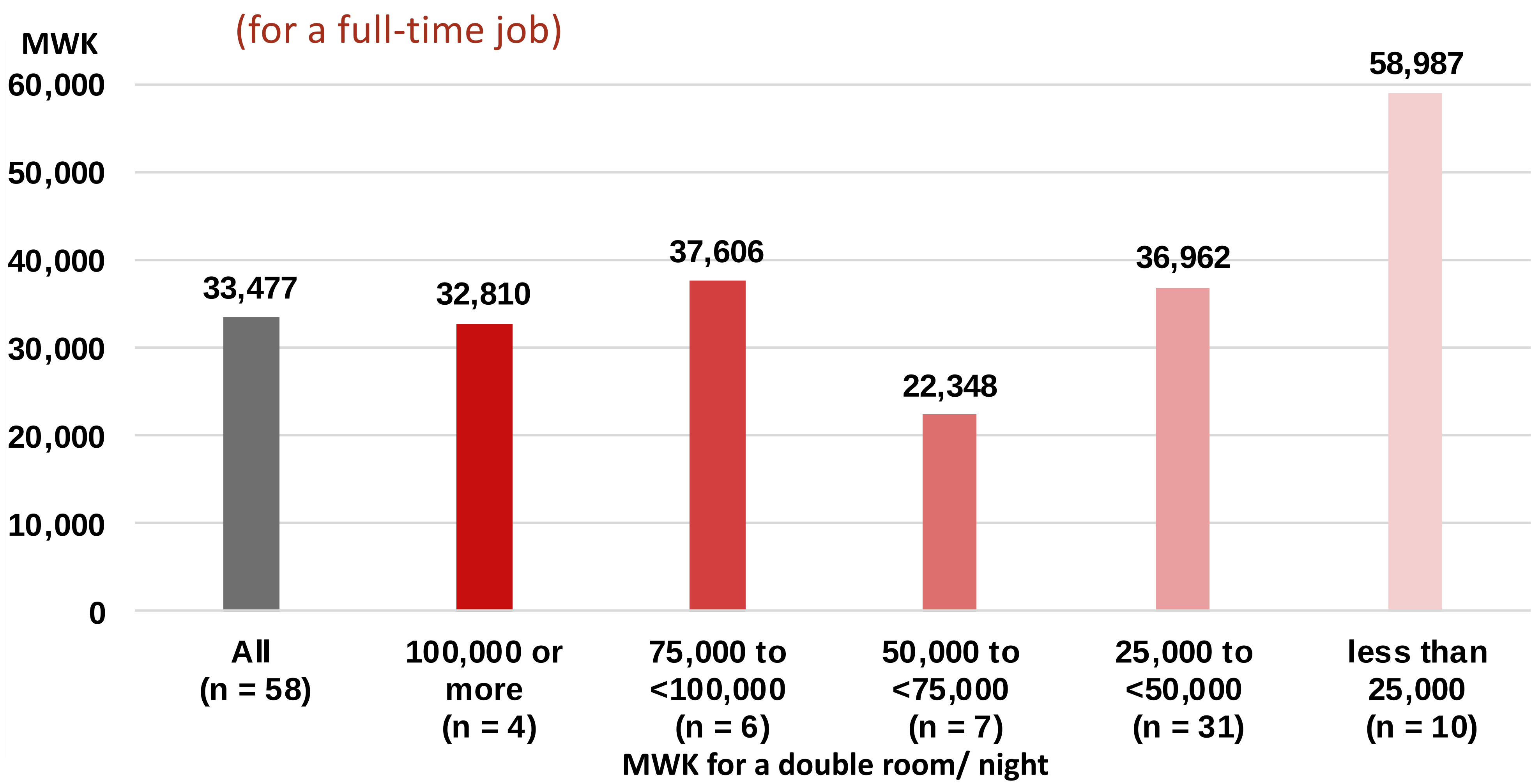
(for a full-time job)



- **On average salary per month amounts to MWK 33,477**
- **Cape Maclear cluster shows the highest salary per month (MWK 36,422), Salima cluster the lowest (MWK 32,115)**

STAFF

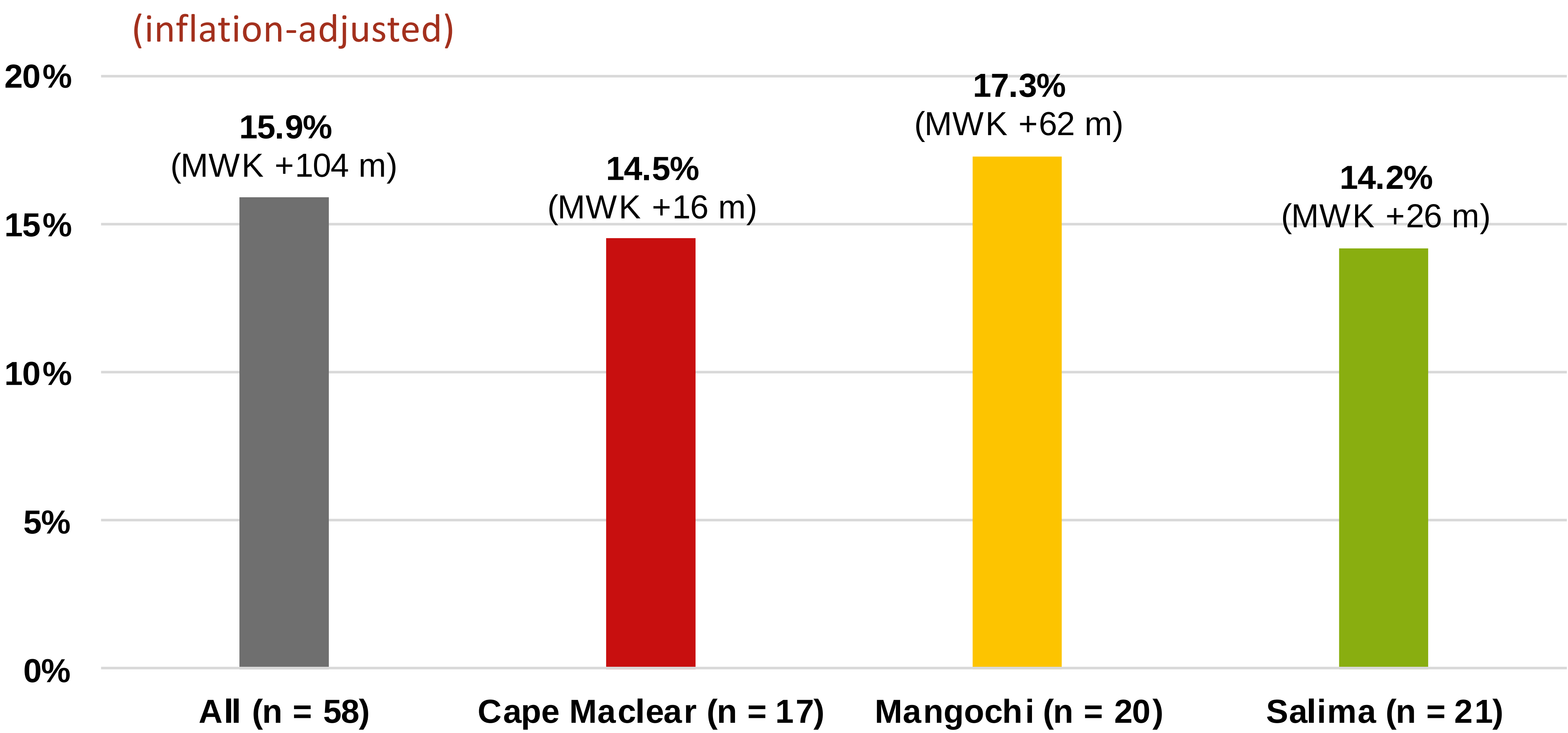
Average Salary per Month 2017 by Category



- **Low budget segment shows the highest salary per month (MWK 36,962 at accommodation providers charging MWK 25,000 to 50,000 respectively MWK 58,987 at accommodation providers charging less than MWK 25,000), followed by high budget segment (MWK 32,810 at accommodation providers charging MWK 100,000+ respectively MWK 37,606 at accommodation providers charging MWK 75,000 to 100,000)**

STAFF

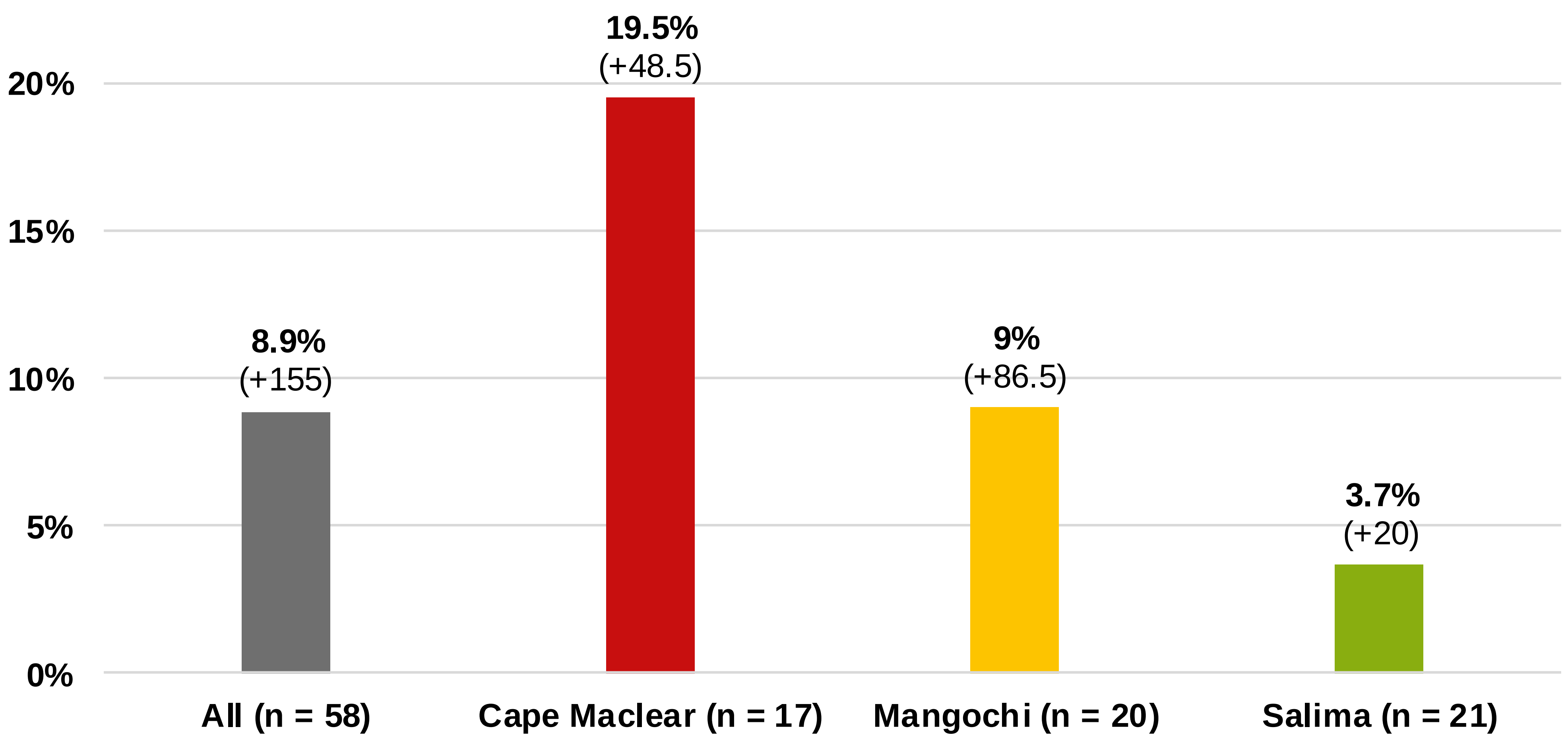
Increase of Salary 2014-2017



- **Salary increased by 15.9% between 2014 and 2017**
- **Mangochi cluster shows the highest growth (17.3%), followed by Cape Maclear (14.5%) and Salima (14.2%) cluster**

STAFF

Increase of Staff 2014-2017

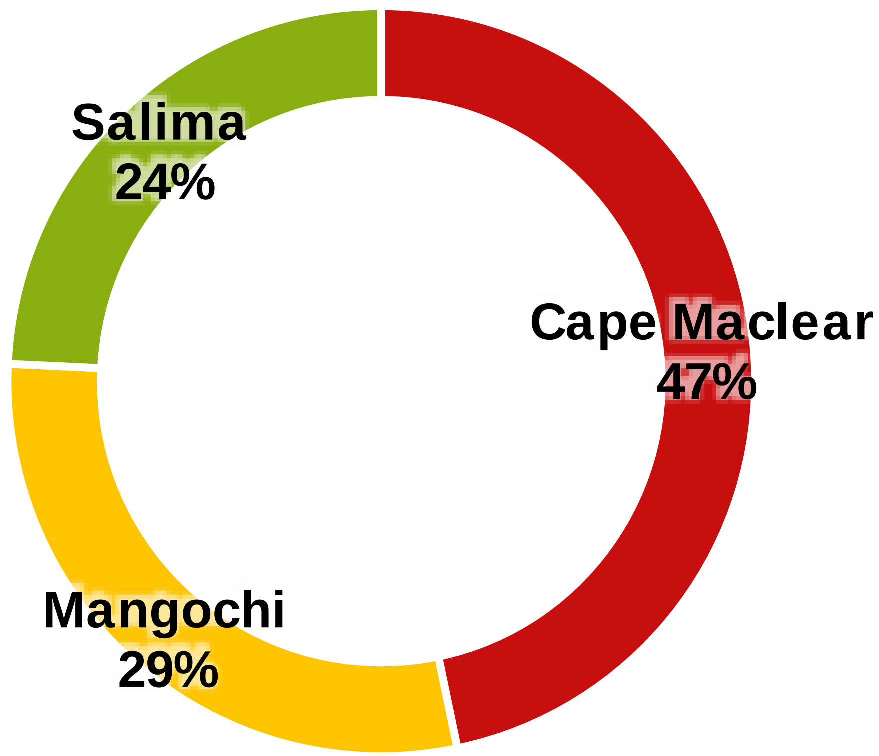


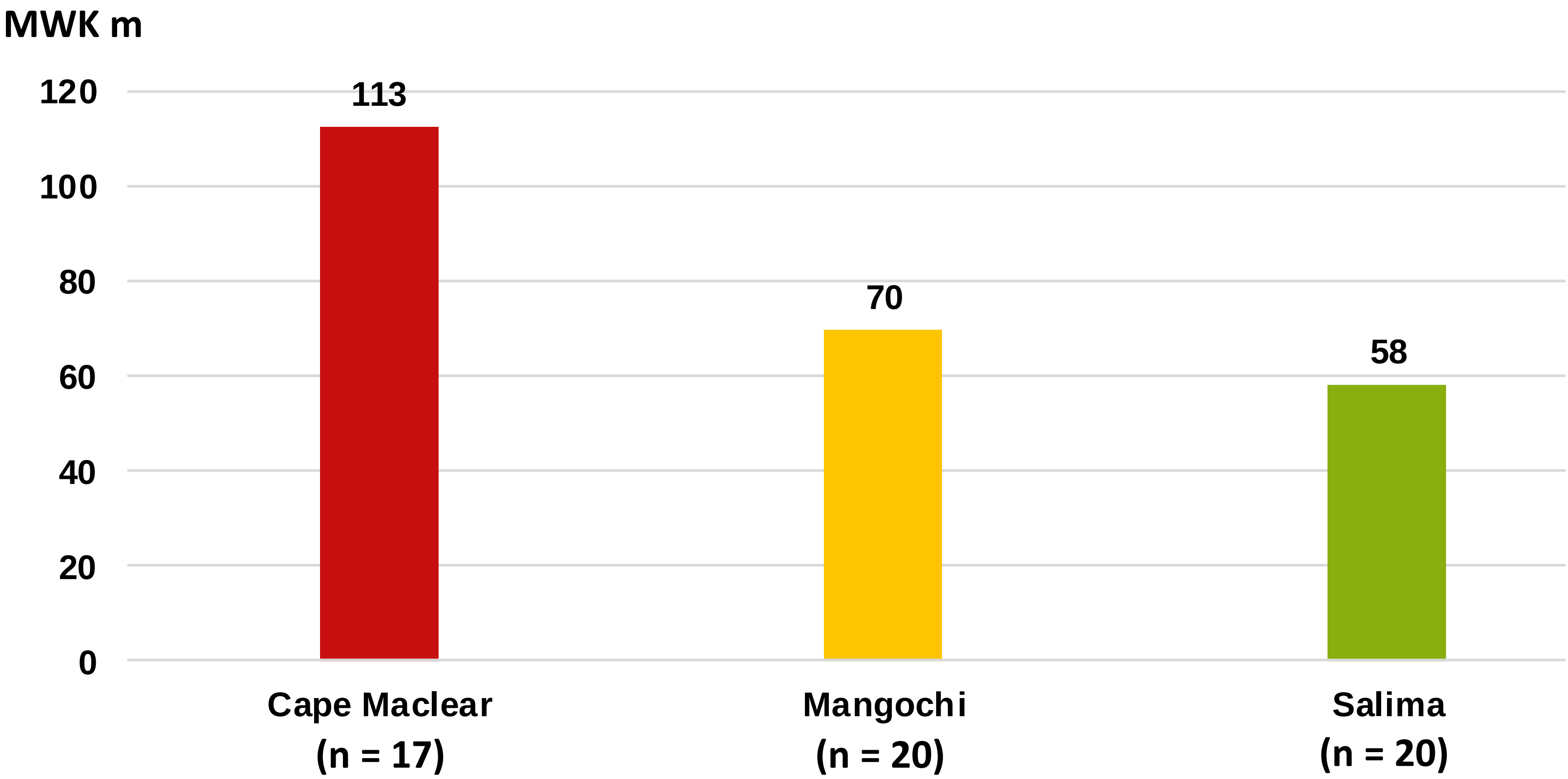
- **Staff increased by 8.9% between 2014 and 2017**
- **Cape Maclear cluster shows by far the highest growth (19.5%), followed by Mangochi (9%) and Salima (3.7%) cluster**

8 LOCAL PROCUREMENT

LOCAL PROCUREMENT

Local Procurement 2017 by Cluster (n = 58)

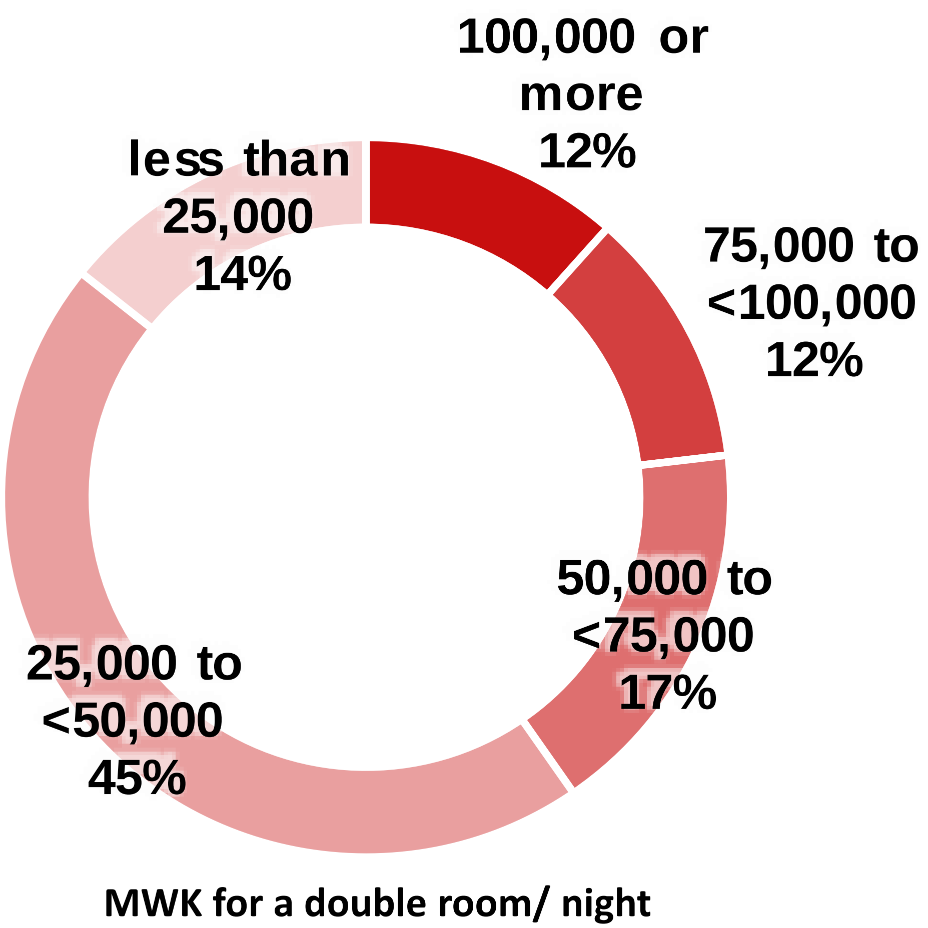




- **About half (47%) of total local procurement (MWK 113 out of 241 million) is generated in Cape Maclear cluster**

LOCAL PROCUREMENT

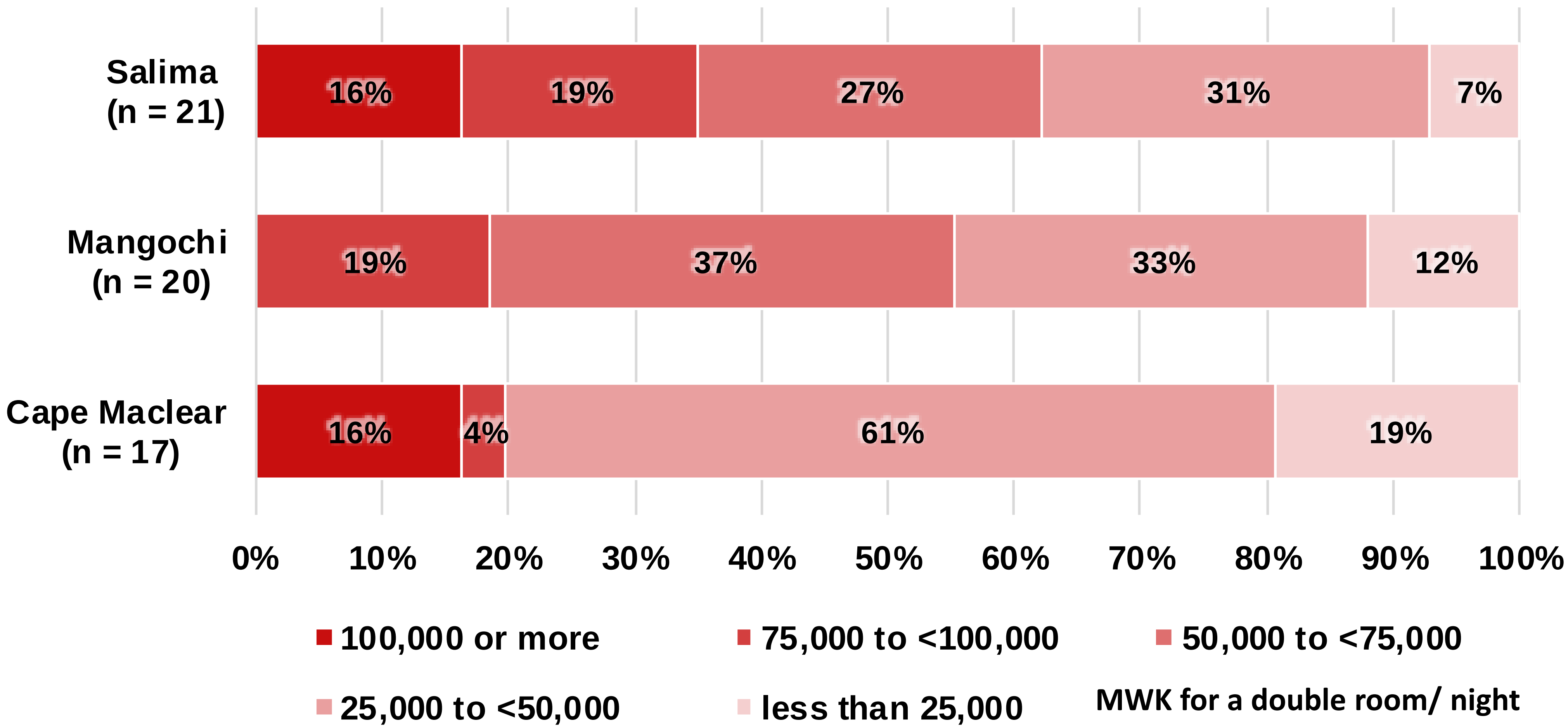
Local Procurement 2017 by Category (n = 58)



- **59% of local procurement is generated in low budget segment**
- **Only 24% of local procurement is generated in high budget segment**

LOCAL PROCUREMENT

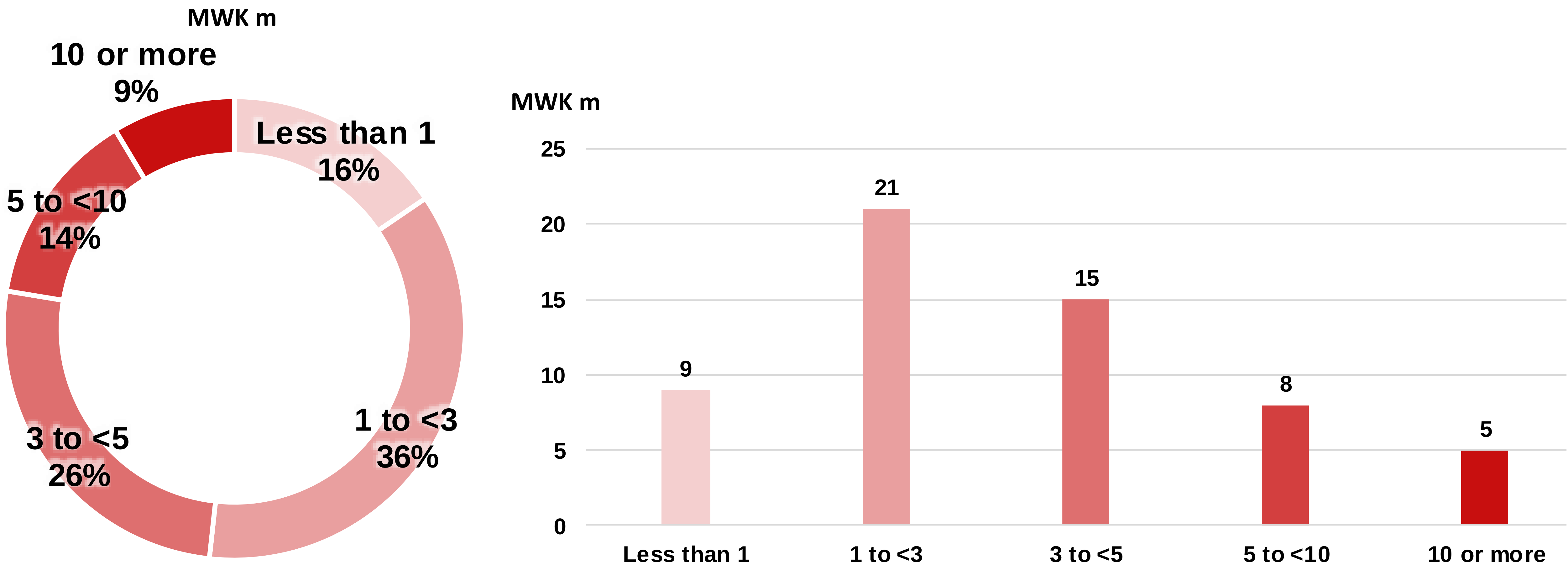
Local Procurement 2017 by Category and Cluster



- **Local procurement in high budget segment is relatively relevant in Salima cluster (35%)**
- **Local procurement in moderate budget segment is relatively relevant in Mangochi cluster (37%)**
- **Local procurement in low budget segment is relatively relevant in Cape Maclear cluster (80%)**

LOCAL PROCUREMENT

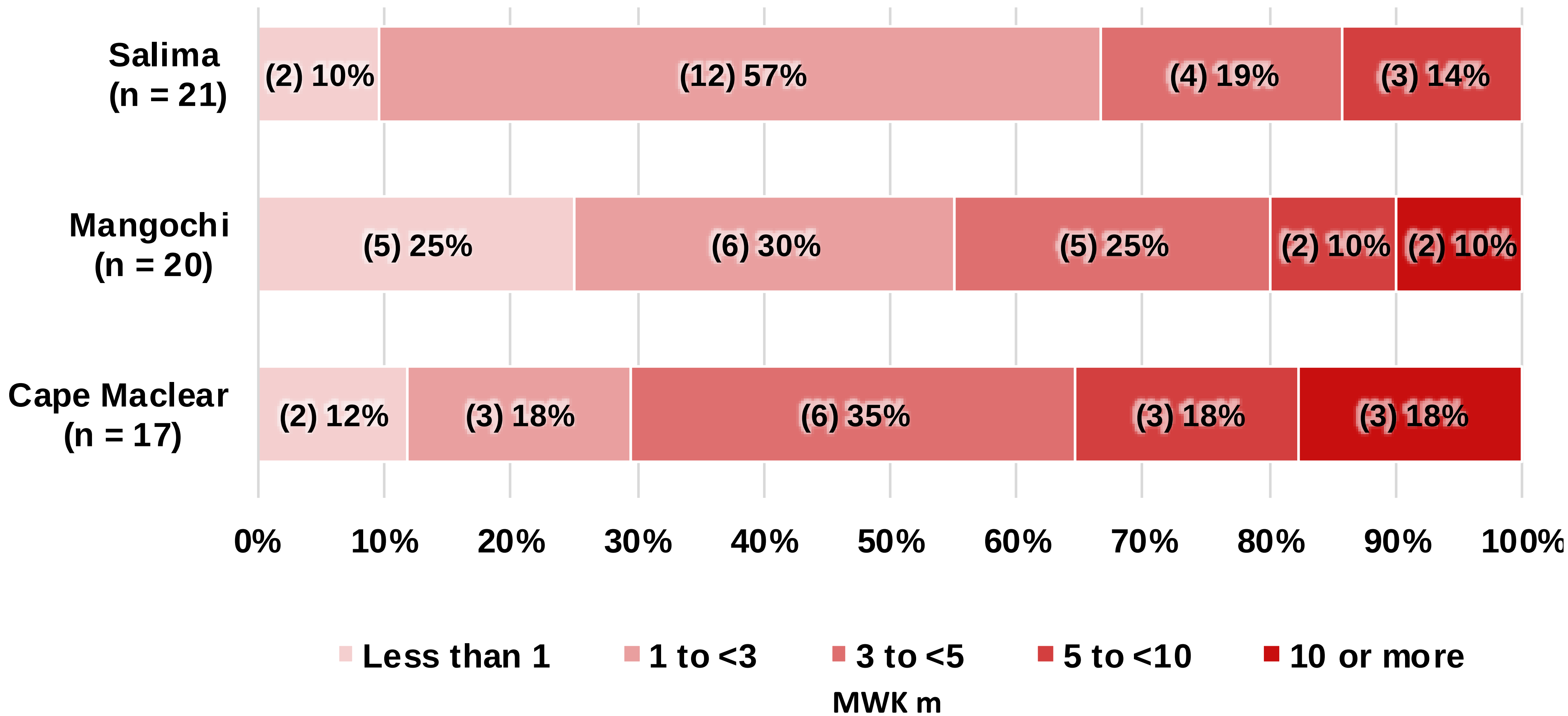
Local Procurement per Accommodation 2017 (n = 58)



- **About half (52%) of the accommodation providers generate less than MWK 3 million local procurement**
- **Only 23% of the accommodation providers generate more than MWK 5 million local procurement**

LOCAL PROCUREMENT

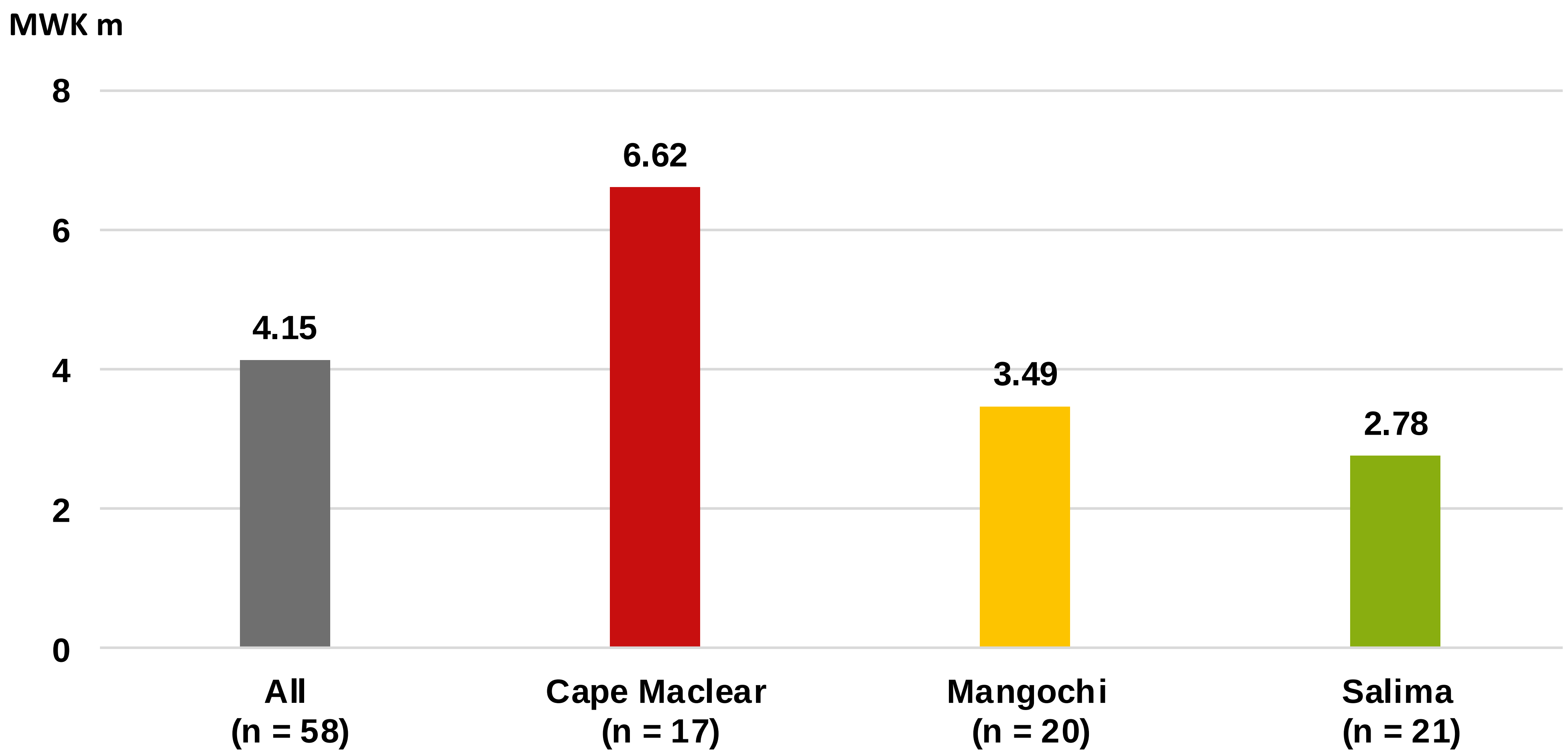
Local Procurement per Accommodation 2017 by Cluster



- Accommodation providers generating less than MWK 3 million account for 67% in Salima and for 55% in Mangochi cluster, but for 30% in Cape Maclear cluster only
- Accommodation providers generating more than MWK 5 million account for 36% in Cape Maclear cluster, but for 20% in Mangochi and for 14% in Salima cluster only

LOCAL PROCUREMENT

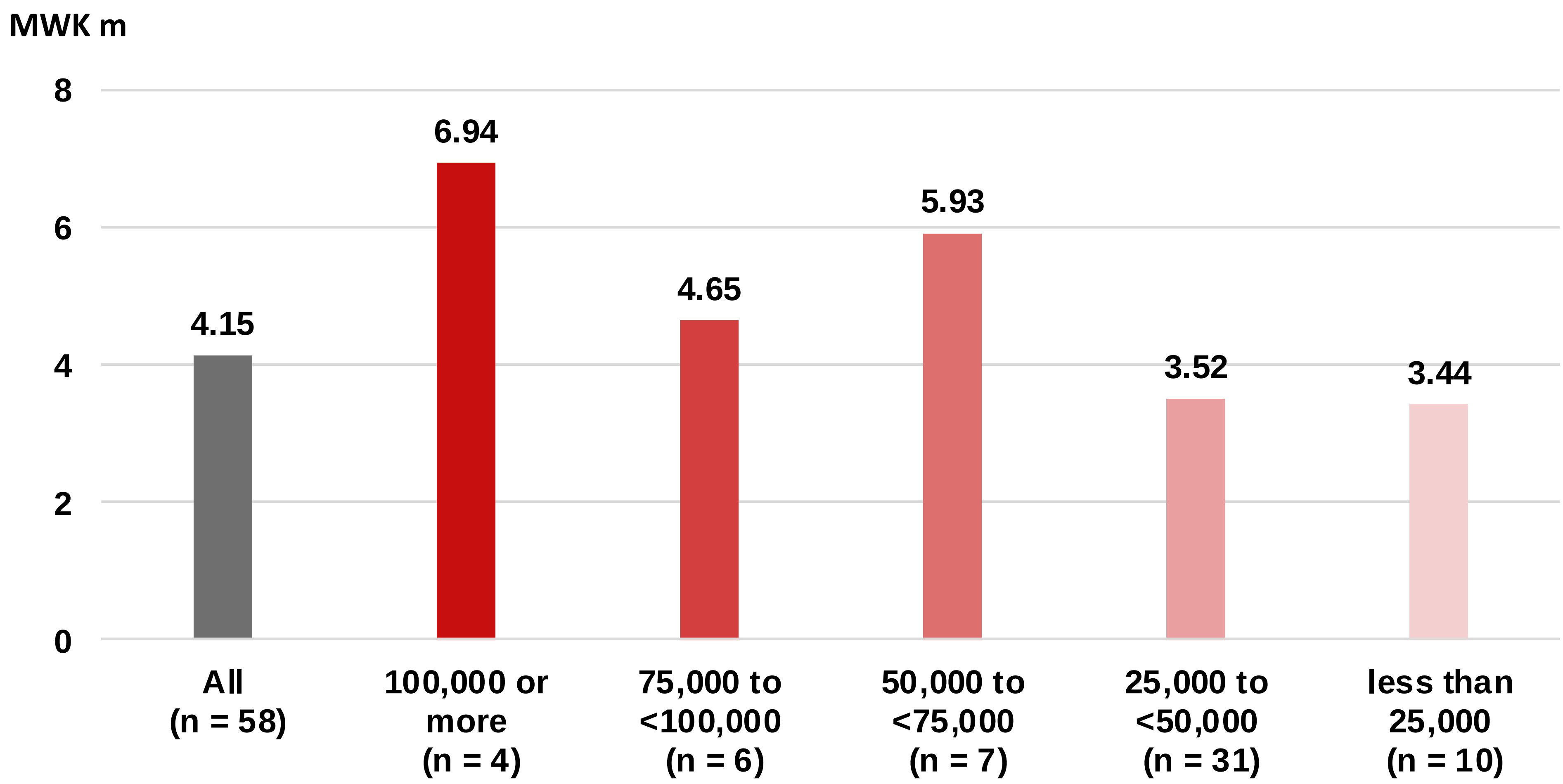
Average Local Procurement per Accommodation 2017 by Cluster



- On average each accommodation provider generates MWK 4.15 million local procurement
- Cape Maclear cluster shows by far the highest figure regarding average local procurement per accommodation provider (MWK 6.62 million), Salima cluster the lowest (MWK 2.78 million)

LOCAL PROCUREMENT

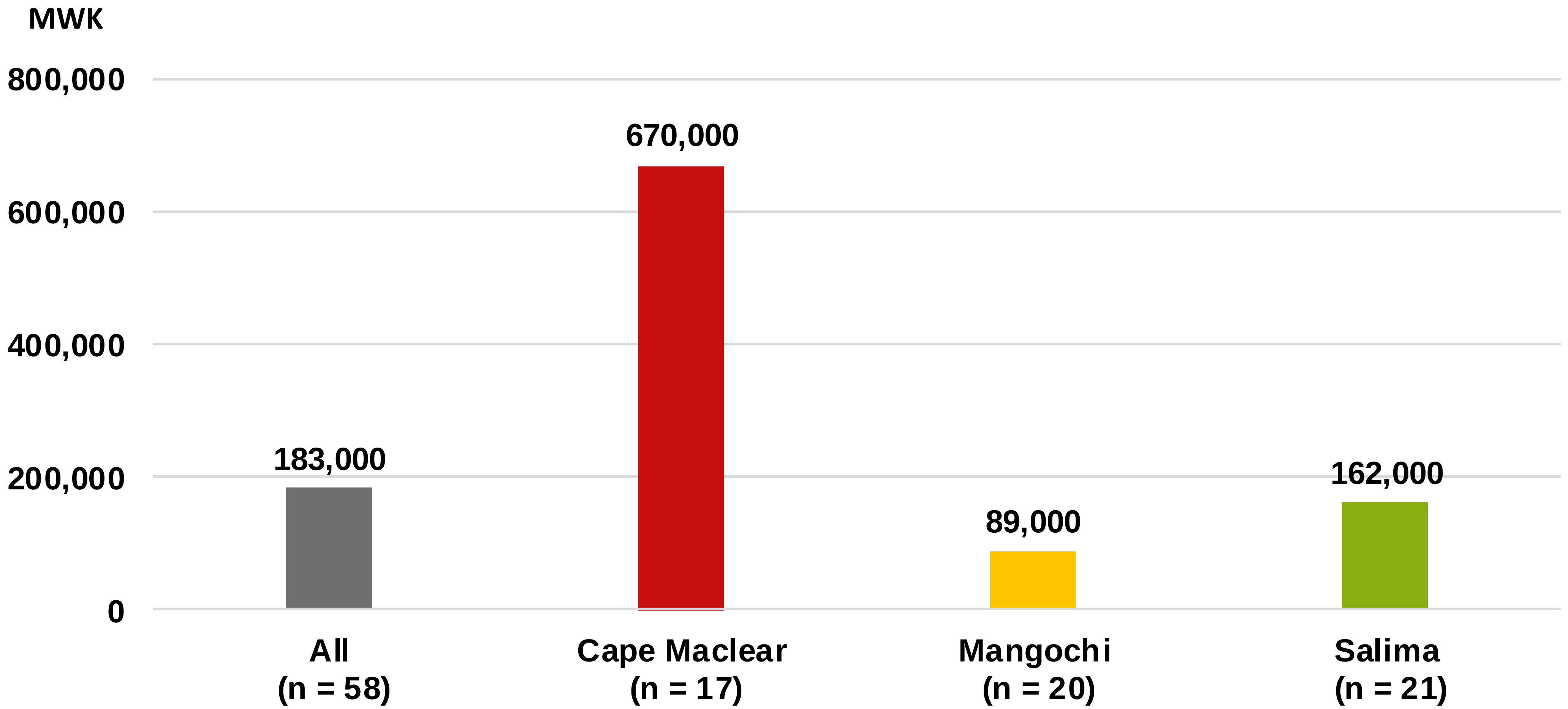
Average Local Procurement per Accommodation 2017 by Category



- **High budget segment shows the highest figures regarding average local procurement per accommodation provider (MWK 6.94 million at accommodation providers charging MWK 100,000+ respectively MWK 4.65 million at accommodation providers charging MWK 75,000 to 100,000), followed by moderate budget segment (MWK 5.93 million)**

LOCAL PROCUREMENT

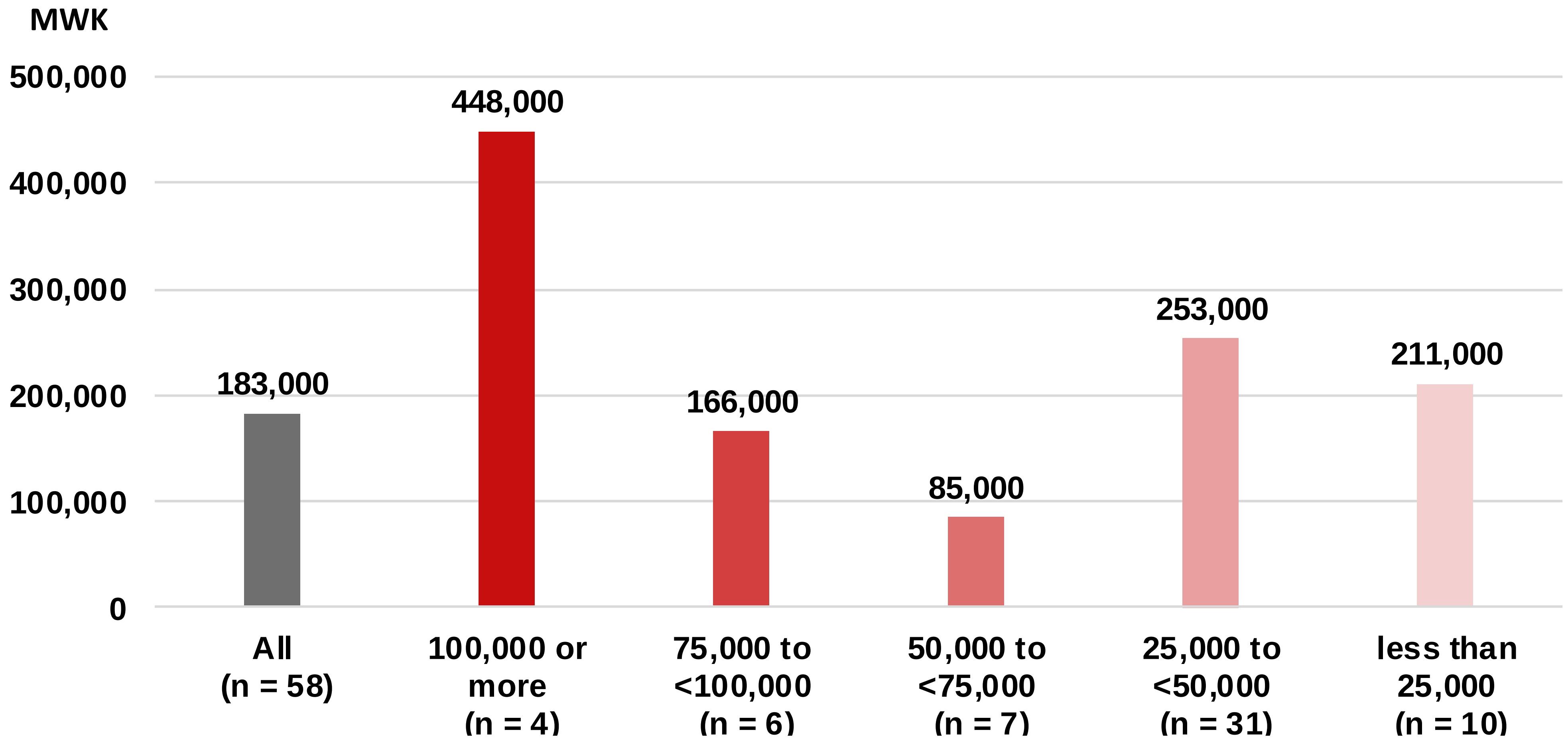
Average Local Procurement per available Room 2017 by Cluster



- **On average one room generates MWK 183,000 local procurement**
- **Cape Maclear cluster shows by far the highest figure regarding average local procurement per room (MWK 670,000), Mangochi cluster the lowest (MWK 89,000)**

LOCAL PROCUREMENT

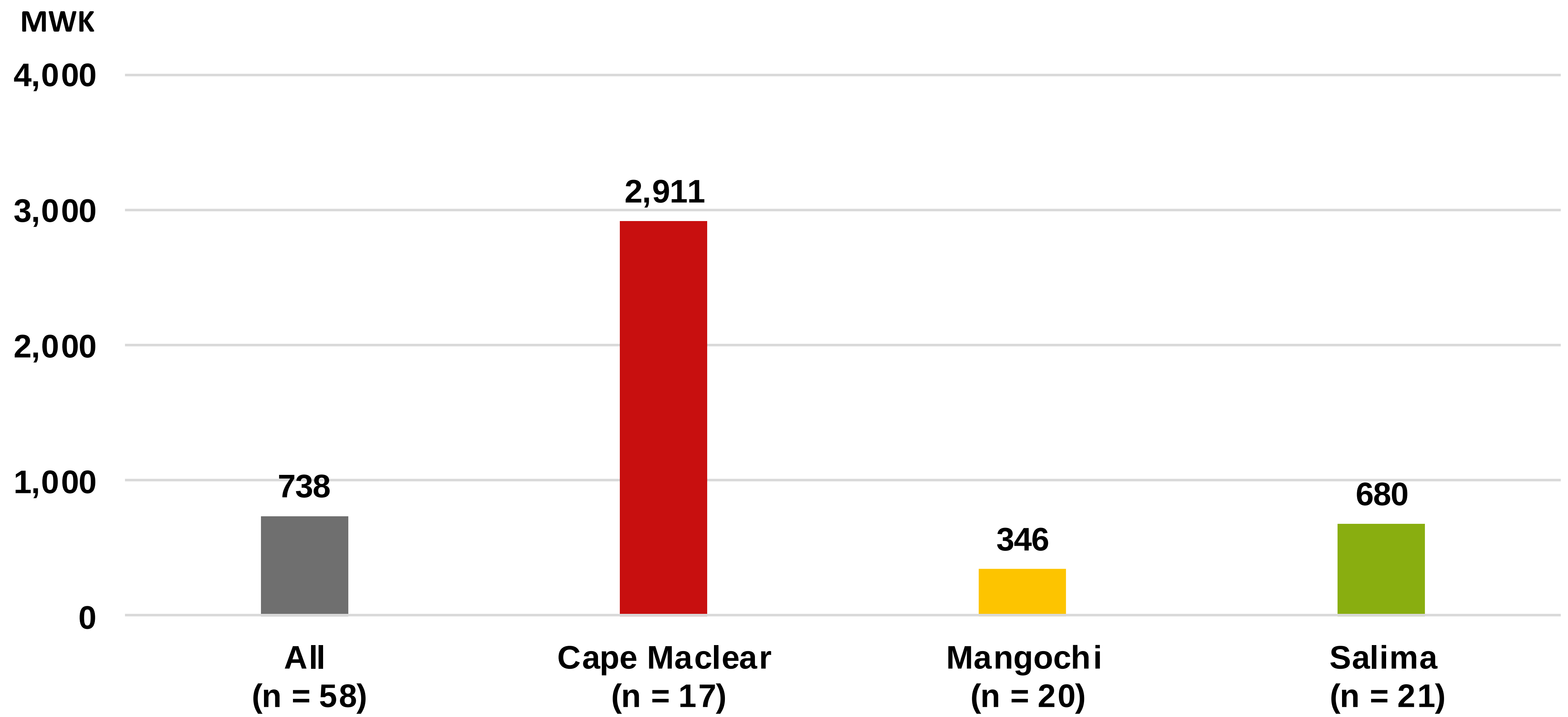
Average Local Procurement per available Room 2017 by Category



- **High budget segment shows the highest figures regarding average local procurement per room (MWK 448,000 at accommodation providers charging MWK 100,000+ respectively MWK 166,000 at accommodation providers charging MWK 75,000 to 100,000), followed by low budget segment (MWK 253,000 at accommodation providers charging MWK 25,000 to 50,000 respectively MWK 211,000 at accommodation providers charging less than MWK 25,000)**

LOCAL PROCUREMENT

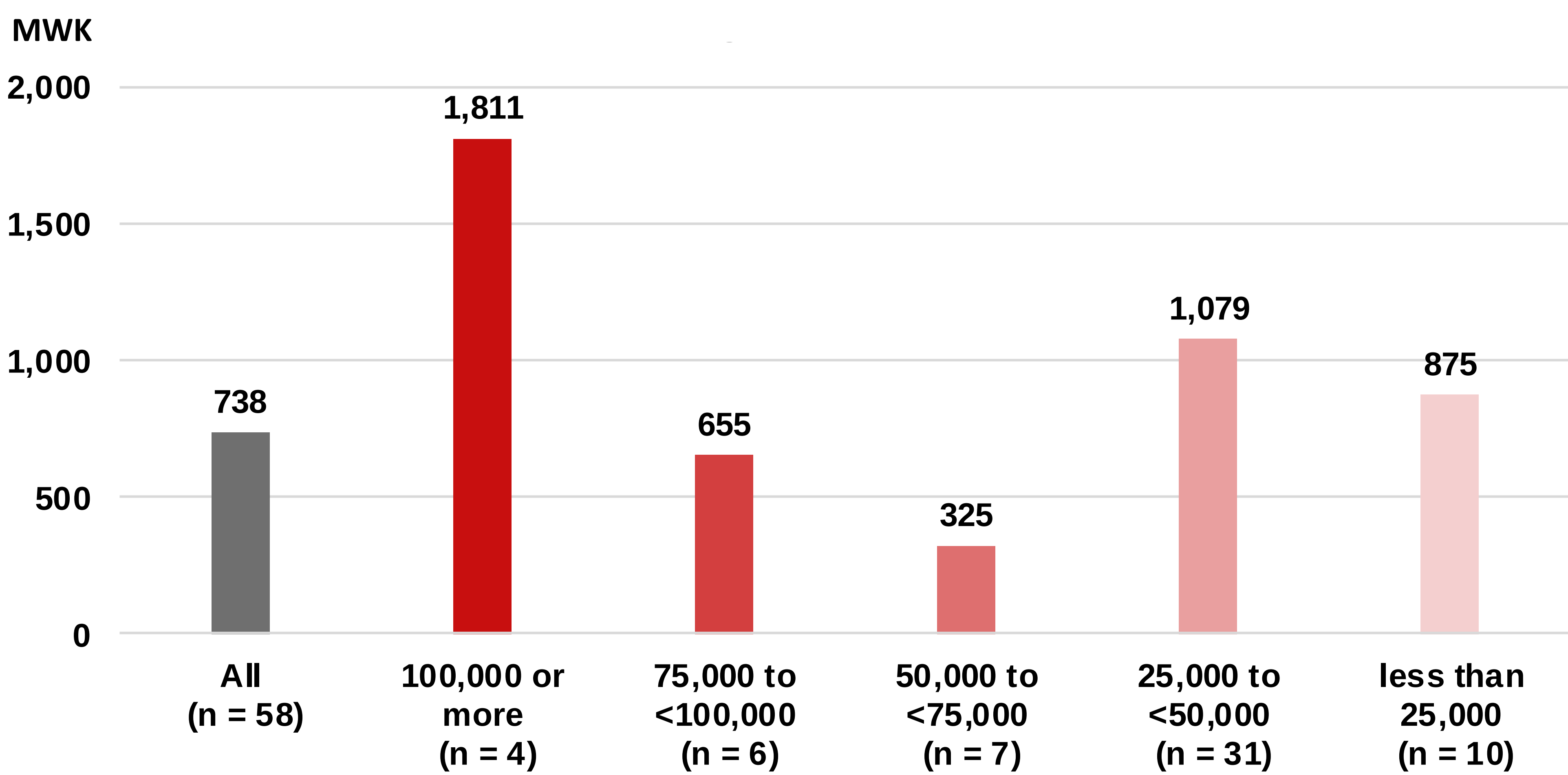
Average Local Procurement per Occupied Room Night 2017 by Cluster



- On average one occupied room night generates MWK 738 local procurement
- Cape Maclear cluster shows by far the highest figure regarding average local procurement per occupied room night (MWK 2,911), Mangochi cluster the lowest (MWK 346)

LOCAL PROCUREMENT

Average Local Procurement per Occupied Room Night 2017 by Category

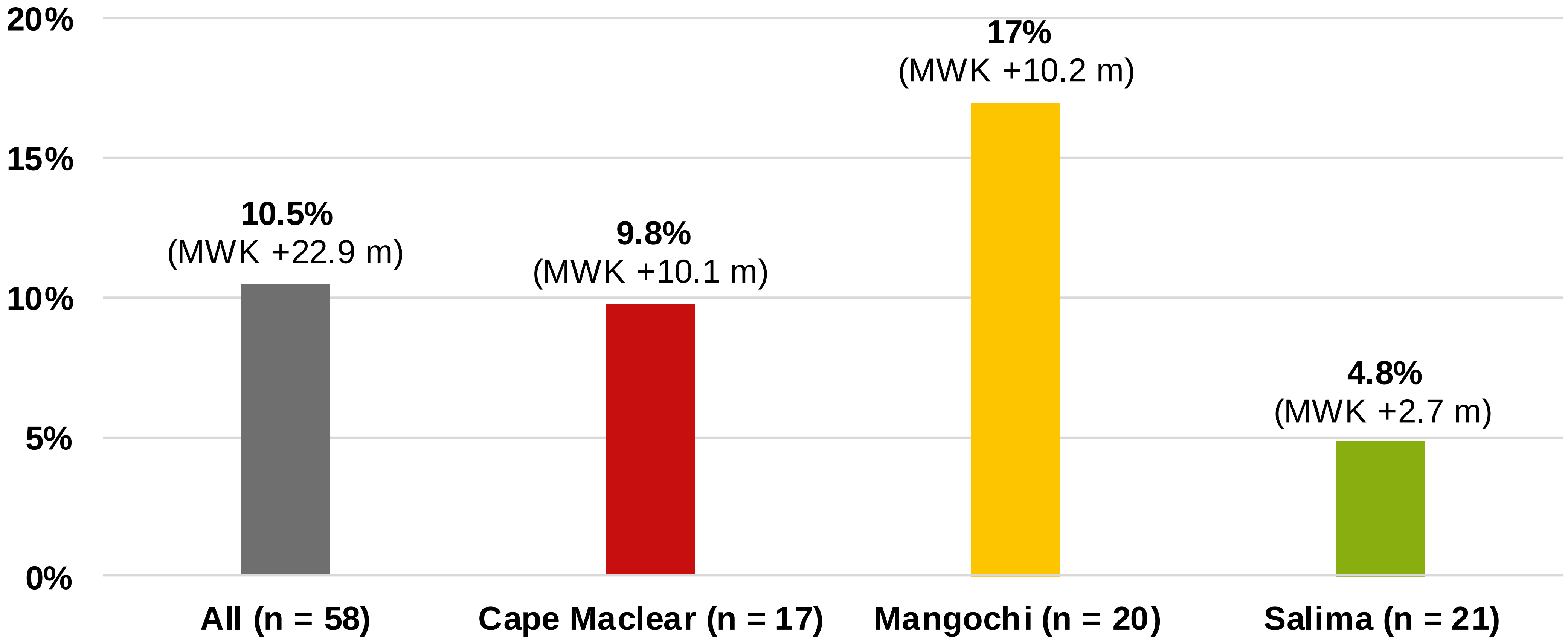


- **High budget segment shows the highest figures regarding average local procurement per occupied room night (MWK 1,811 at accommodation providers charging MWK 100,000+ respectively MWK 655 at accommodation providers charging MWK 75,000 to 100,000), followed by low budget segment (MWK 1,079 at accommodation providers charging MWK 25,000 to 50,000 respectively MWK 875 at accommodation providers charging less than MWK 25,000)**

LOCAL PROCUREMENT

Increase of Local Procurement 2014-2017

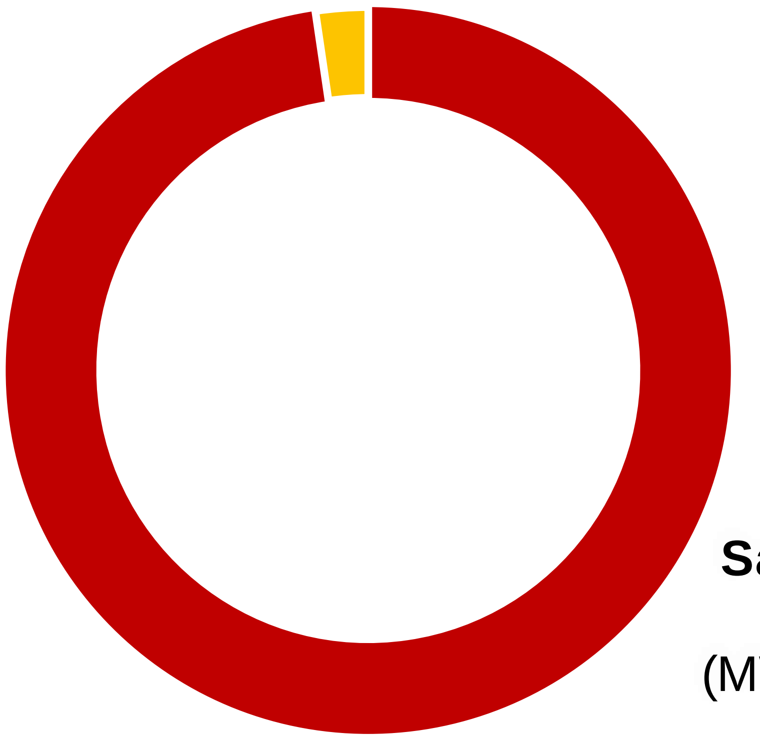
(inflation-adjusted)



- **Local procurement increased by 10.5% between 2014 and 2017**
- **Mangochi cluster shows the highest growth (17%), followed by Cape Maclear (9.8%) and Salima (4.8%) cluster**

LOCAL PROCUREMENT

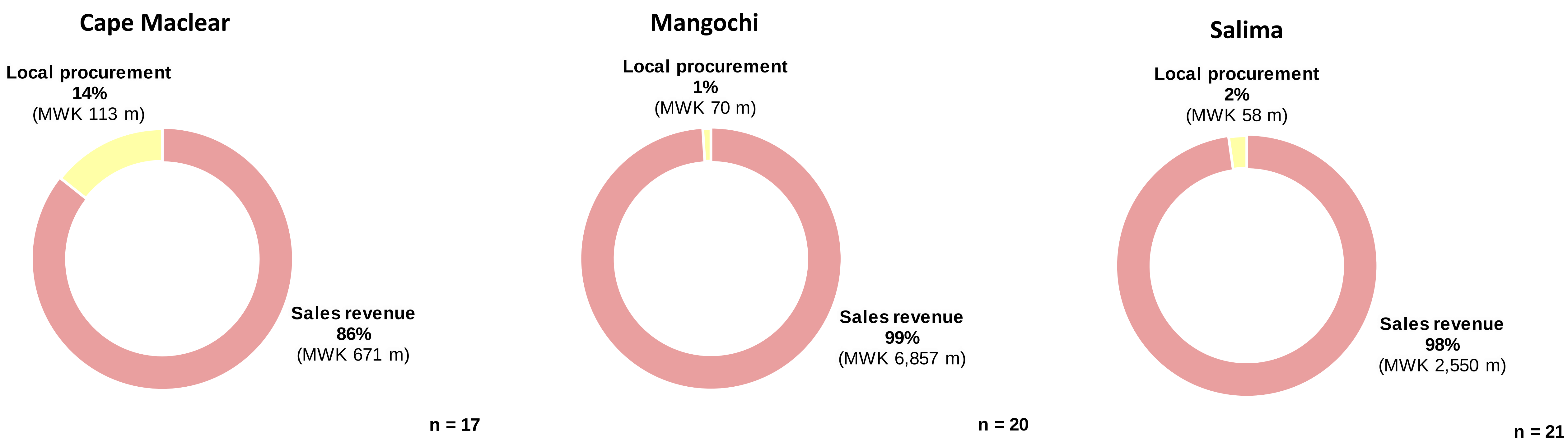
Local Procurement as a Percentage of Total Sales Revenue 2017 (n = 58)



- **Local procurement as a percentage of total sales revenue accounts for 2% only**

LOCAL PROCUREMENT

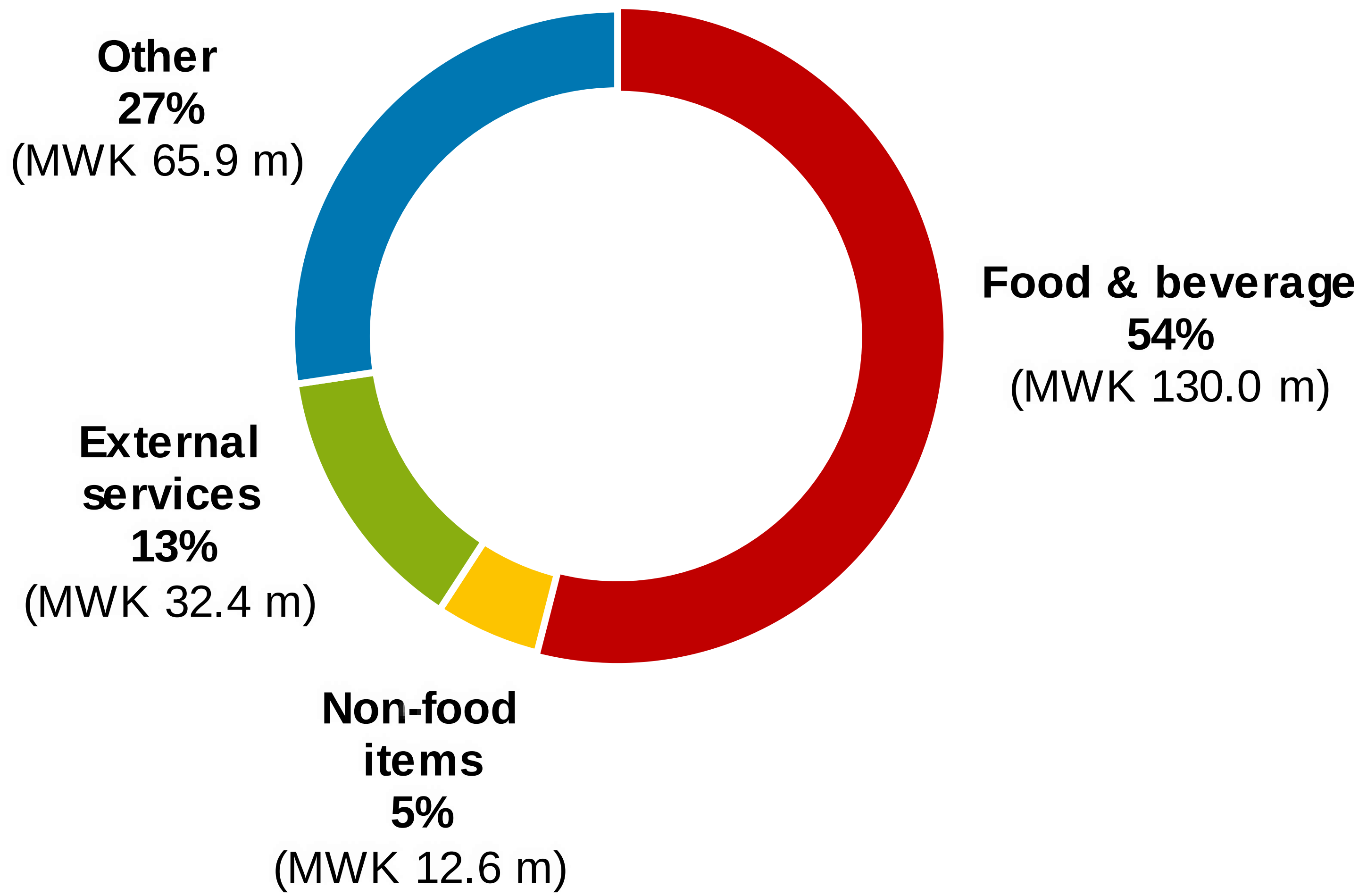
Local Procurement as a Percentage of Total Sales Revenue 2017 by Cluster



- **Local procurement as a percentage of total sales revenue is relatively high in Cape Maclear cluster (14%)**

LOCAL PROCUREMENT

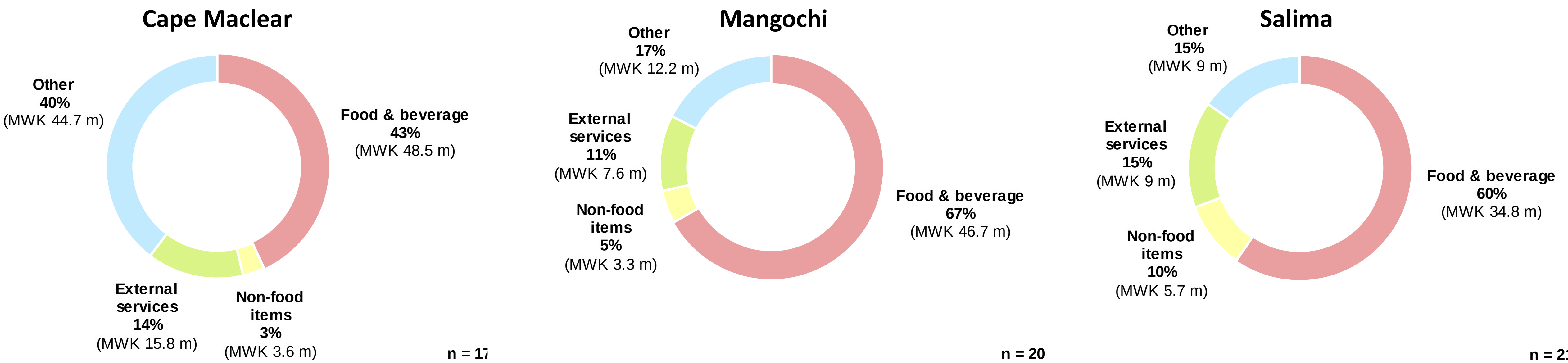
Local Procurement 2017 by Type of Procurement (n = 58)



- **Food & beverage represents by far the highest share of local procurement (54%), followed by other local procurement/ expenditures (27%), services (13%) and non-food items (5%)**

LOCAL PROCUREMENT

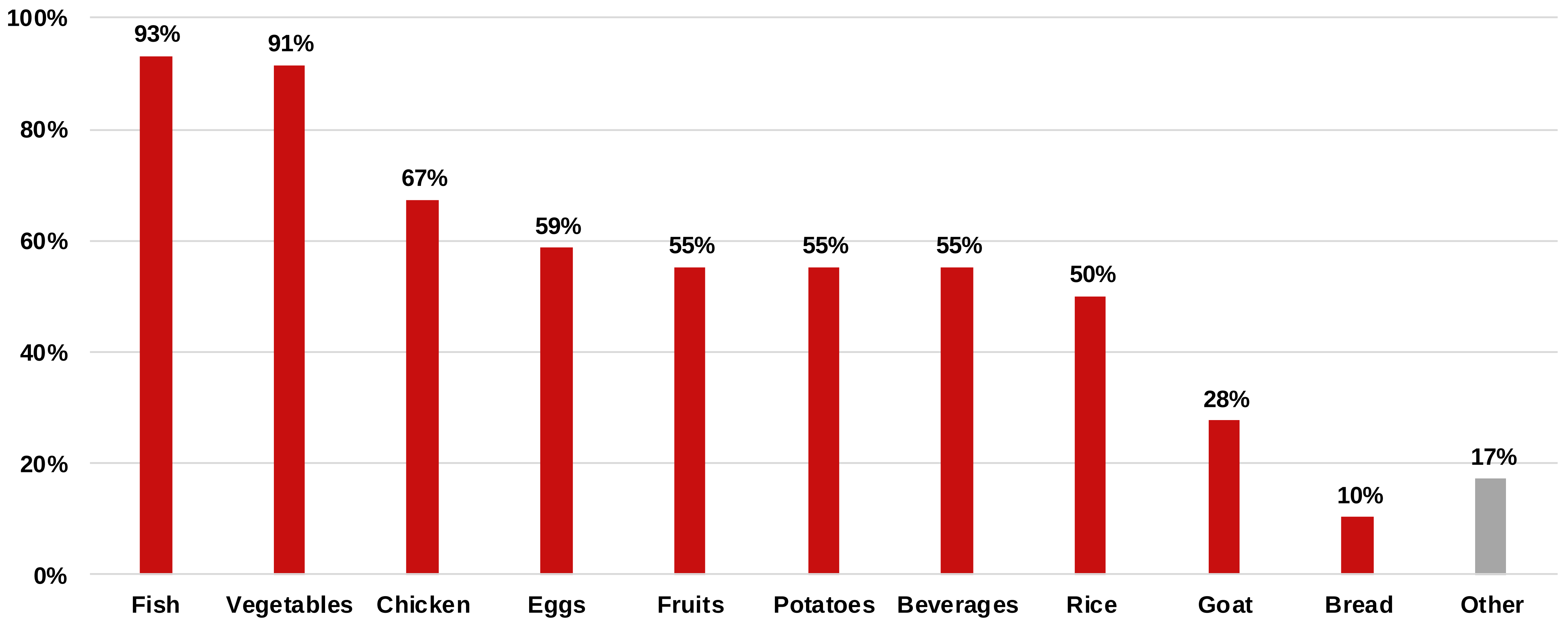
Local Procurement 2017 by Type of Procurement and Cluster



- The share of food & beverage is relatively small in Cape Maclear cluster, but the share of other local procurement/ expenditures is relatively high
- The share of food & beverage is relatively high in Mangochi and Salima cluster, but the share of other local procurement/ expenditures is relatively small in both clusters
- The share of non-food items is relatively high in Salima cluster

LOCAL PROCUREMENT

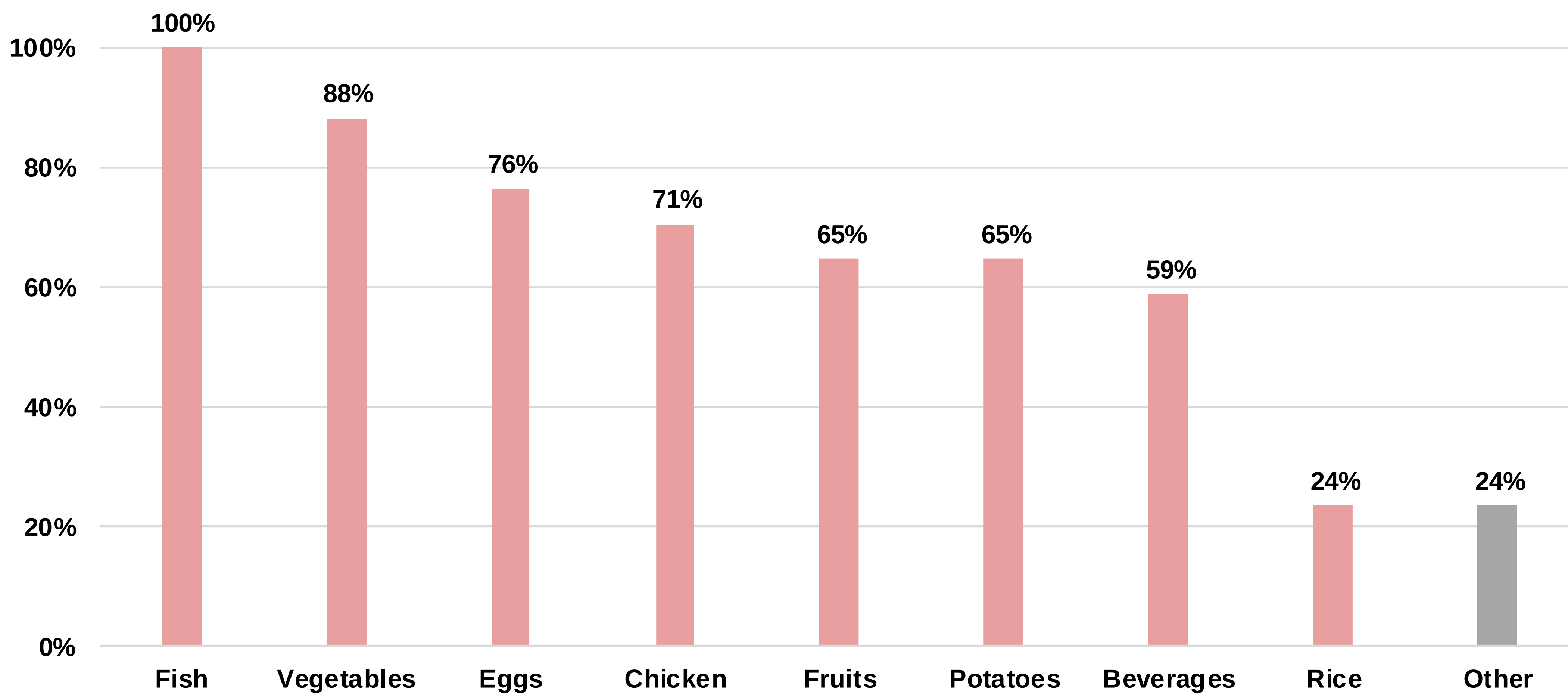
Local Procurement of Food & Beverage 2017 (n = 58)



- **Fish and vegetables are the most important products procured locally (93% and 91%)**
- **Local procurement of chicken, eggs, fruits, potatoes, beverages and rice is relevant to the majority of accommodation providers (67%-50%)**
- **Goat and bread are of minor importance regarding local procurement (28% and 10%)**
- **Figures for respective tourism clusters do not differ enormously**

LOCAL PROCUREMENT

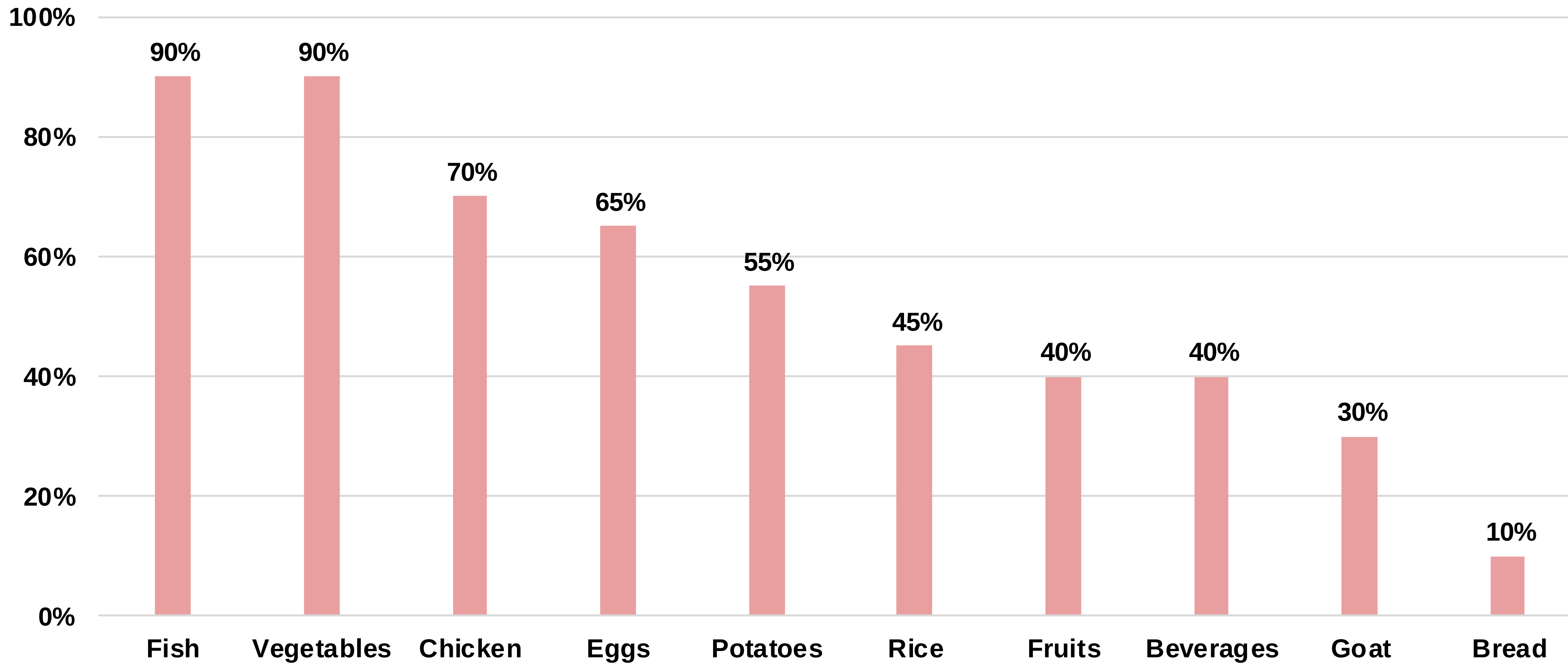
Local Procurement of Food & Beverage in Cape Maclear Cluster 2017 (n = 17)



- **Fish, vegetables, eggs and chicken are the most important products procured locally (100%-71%)**
- **Local procurement of fruits, potatoes and beverages is relevant to the majority of accommodation providers (65%-59%)**
- **Rice is of minor importance regarding local procurement (24%)**

LOCAL PROCUREMENT

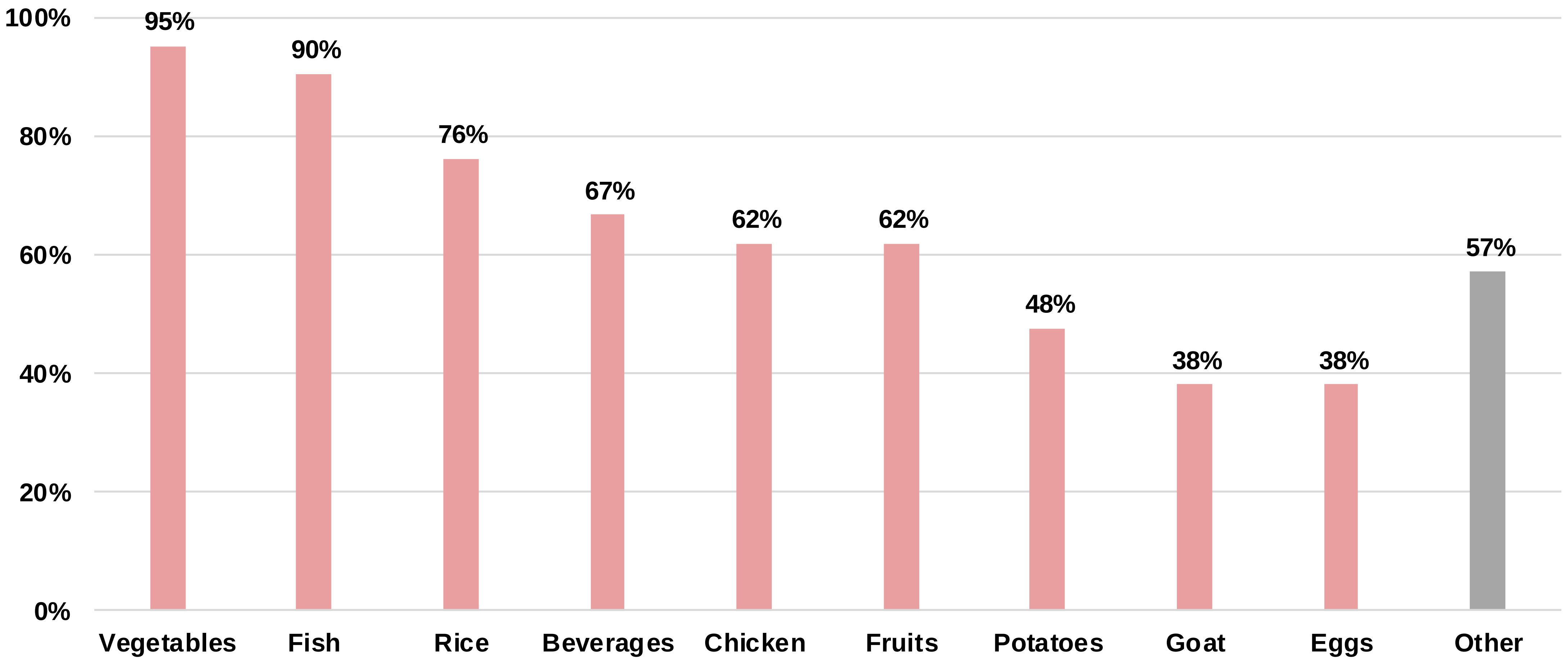
Local Procurement of Food & Beverage in Mangochi Cluster 2017 (n = 20)



- **Fish, vegetables and chicken are the most important products procured locally (90%-70%)**
- **Local procurement of eggs and potatoes is relevant to the majority of accommodation providers (65% and 55%)**
- **Rice, fruits, beverages, goat and bread are of minor importance regarding local procurement (45%-10%)**

LOCAL PROCUREMENT

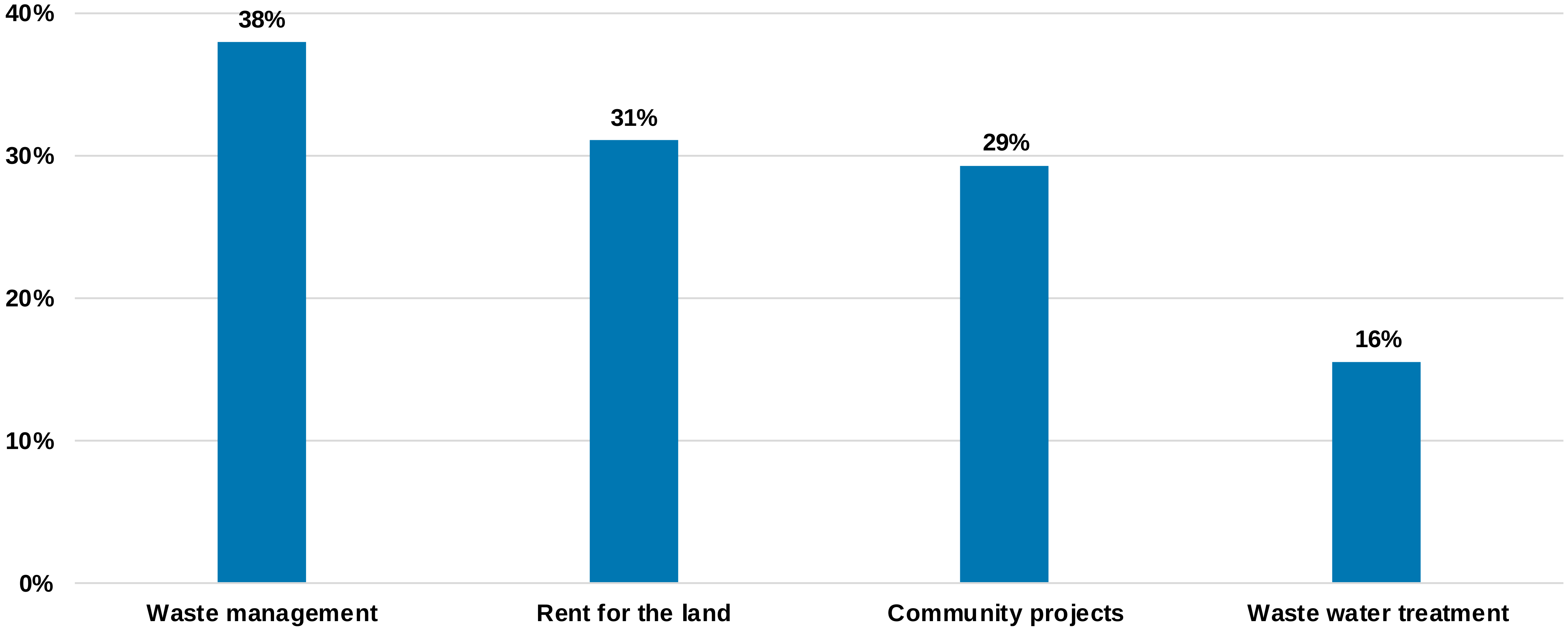
Local Procurement of Food & Beverage in Salima Cluster 2017 (n = 21)



- **Vegetables, fish and rice are the most important products procured locally (95%-76%)**
- **Local procurement of beverages, chicken and fruits is relevant to the majority of accommodation providers (67%-62%)**
- **Potatoes, goat and eggs are of minor importance regarding local procurement (48%-38%)**
- **Local procurement of rice is relatively high in Salima cluster**

LOCAL PROCUREMENT

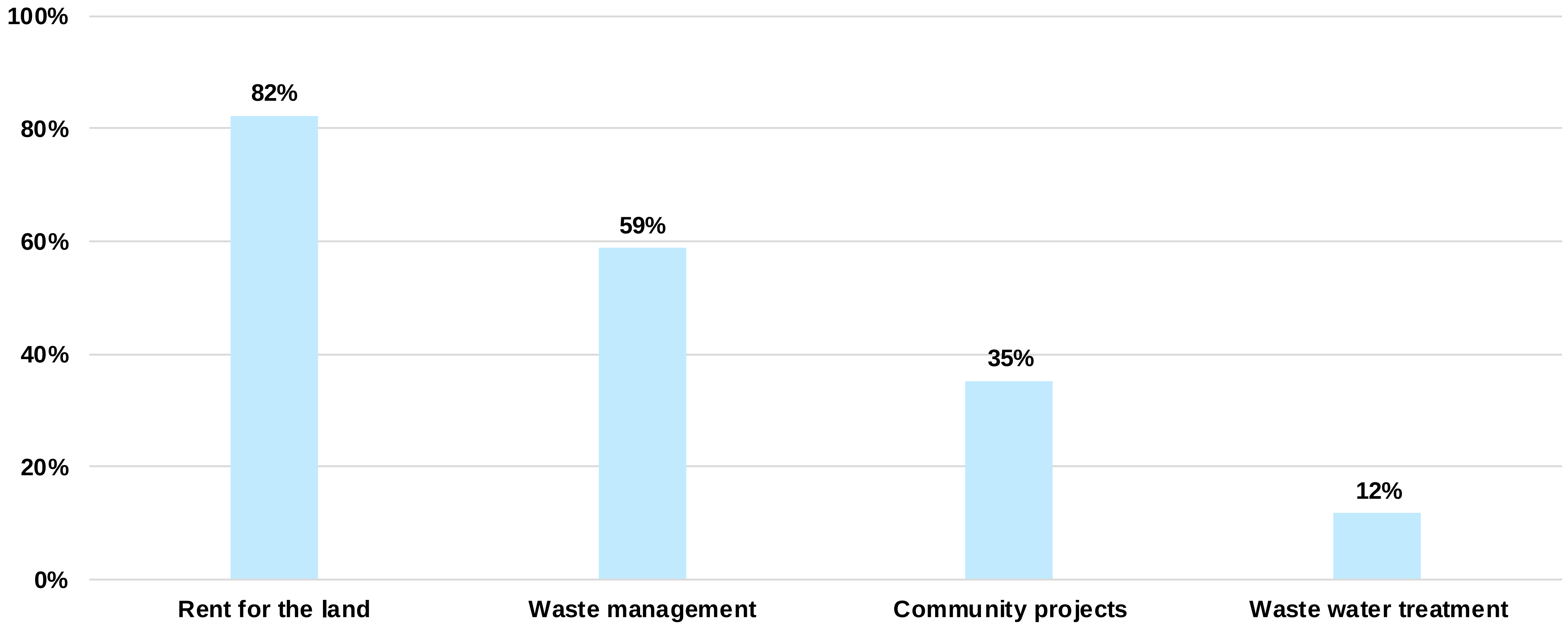
Other Local Procurement/ Expenditures 2017 (n = 58)



- **38% of the accommodation providers pay for waste management locally, about one-third (31%) pay rent for the property to local landowners, 29% support community projects financially and 16% pay for local waste water treatment**

LOCAL PROCUREMENT

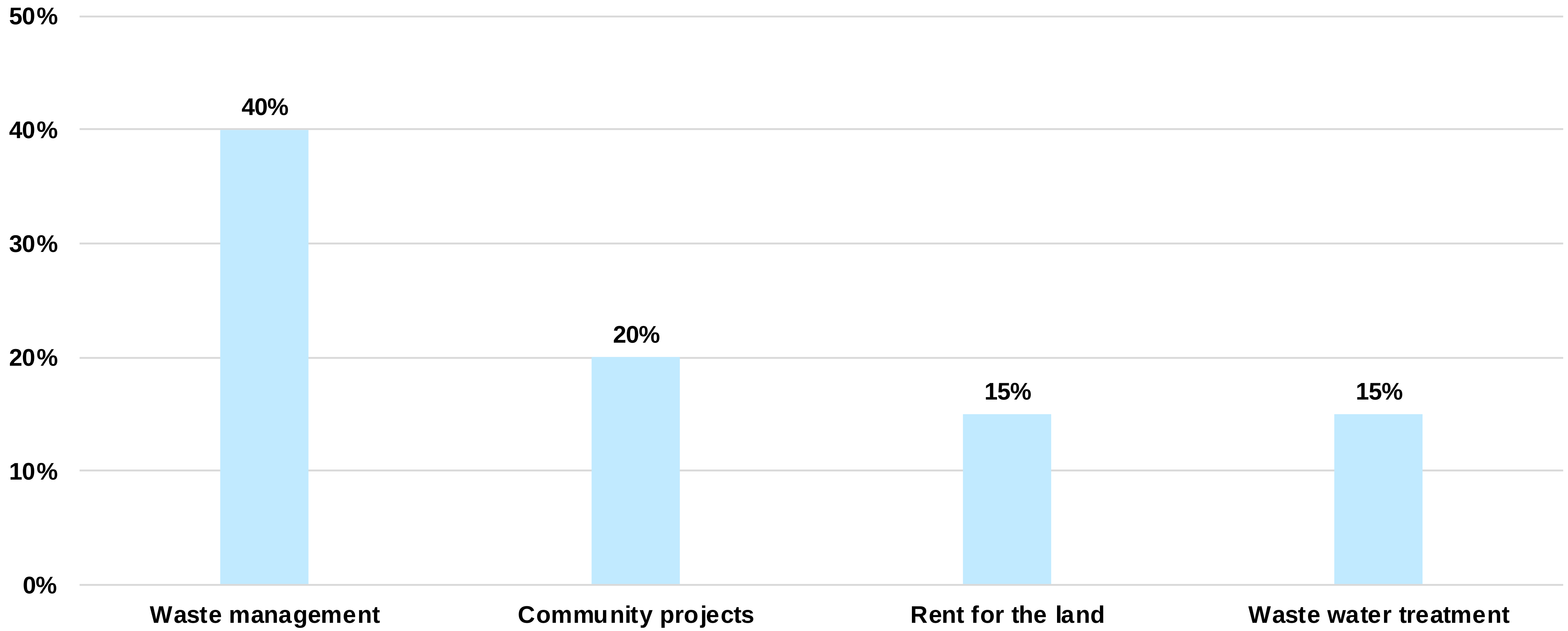
Other Local Procurement/ Expenditures in Cape Maclear Cluster 2017 (n = 17)



- **A huge majority (82%) of the accommodation providers pay rent for the property to local landowners, the majority (59%) pay for waste management locally and about one-third (35%) support community projects financially**
- **Cape Maclear cluster shows by far the highest figures regarding rent for the property and waste management**

LOCAL PROCUREMENT

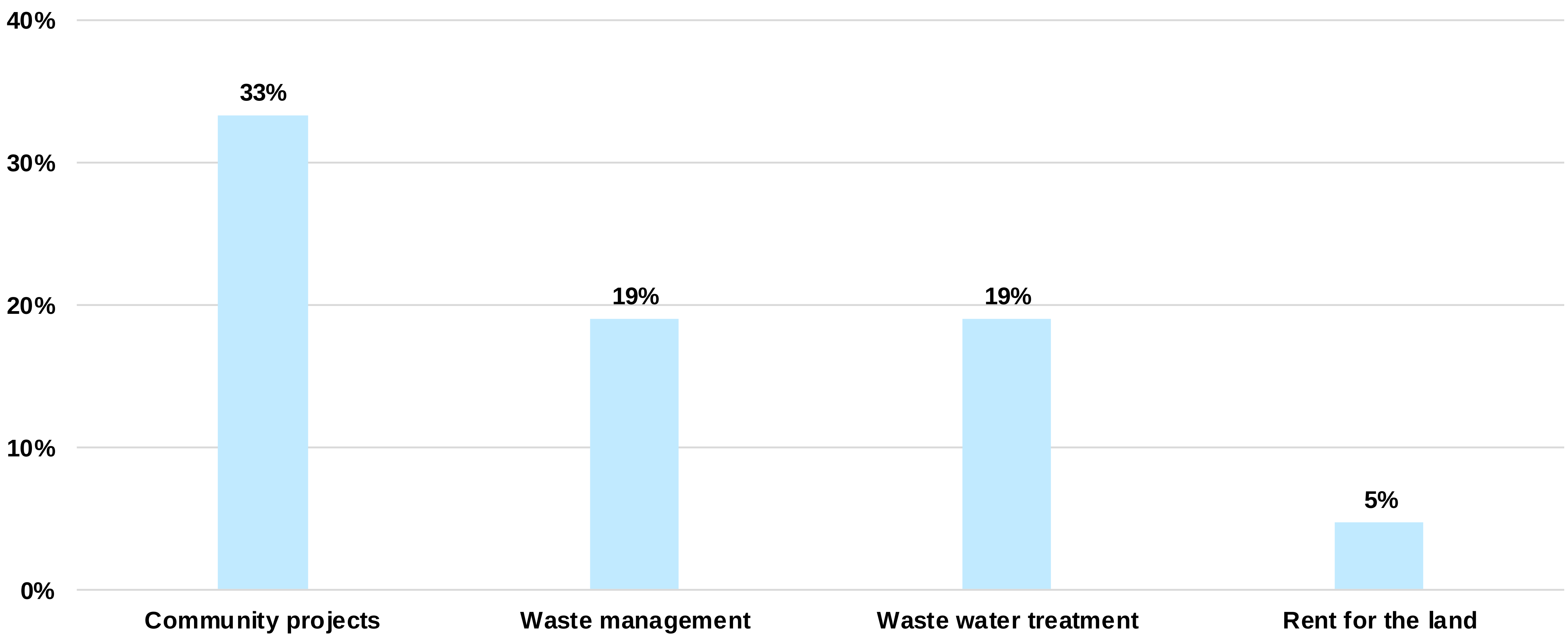
Other Local Procurement/ Expenditures in Mangochi Cluster 2017 (n = 20)



- **40% pay for waste management locally, but only 20% support community projects financially**
- **Paying rent for the property is not of relevance in Mangochi cluster (15%)**

LOCAL PROCUREMENT

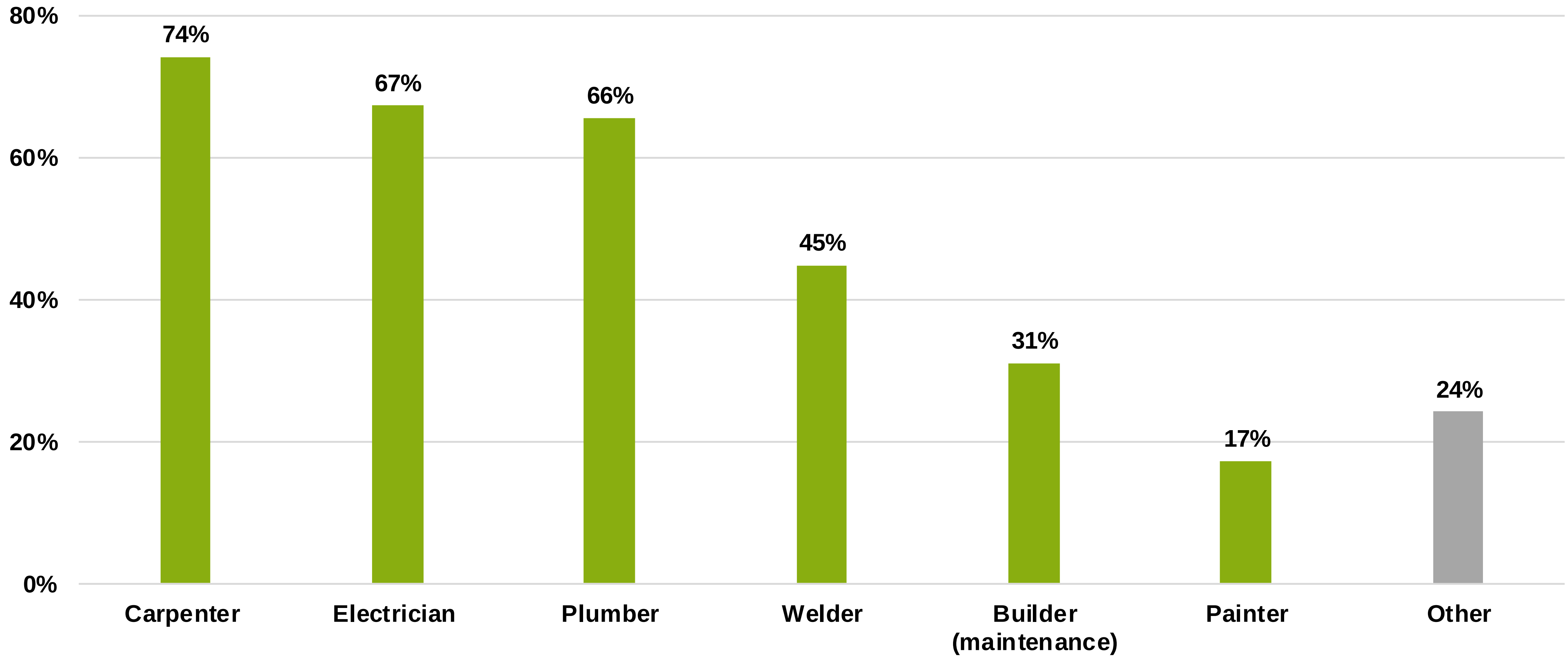
Other Local Procurement/ Expenditures in Salima Cluster 2017 (n = 21)



- One-third (33%) support community projects financially, but only 19% of the accommodation providers pay for waste management locally
- Almost none is paying rent for the property in Salima cluster (5%)

LOCAL PROCUREMENT

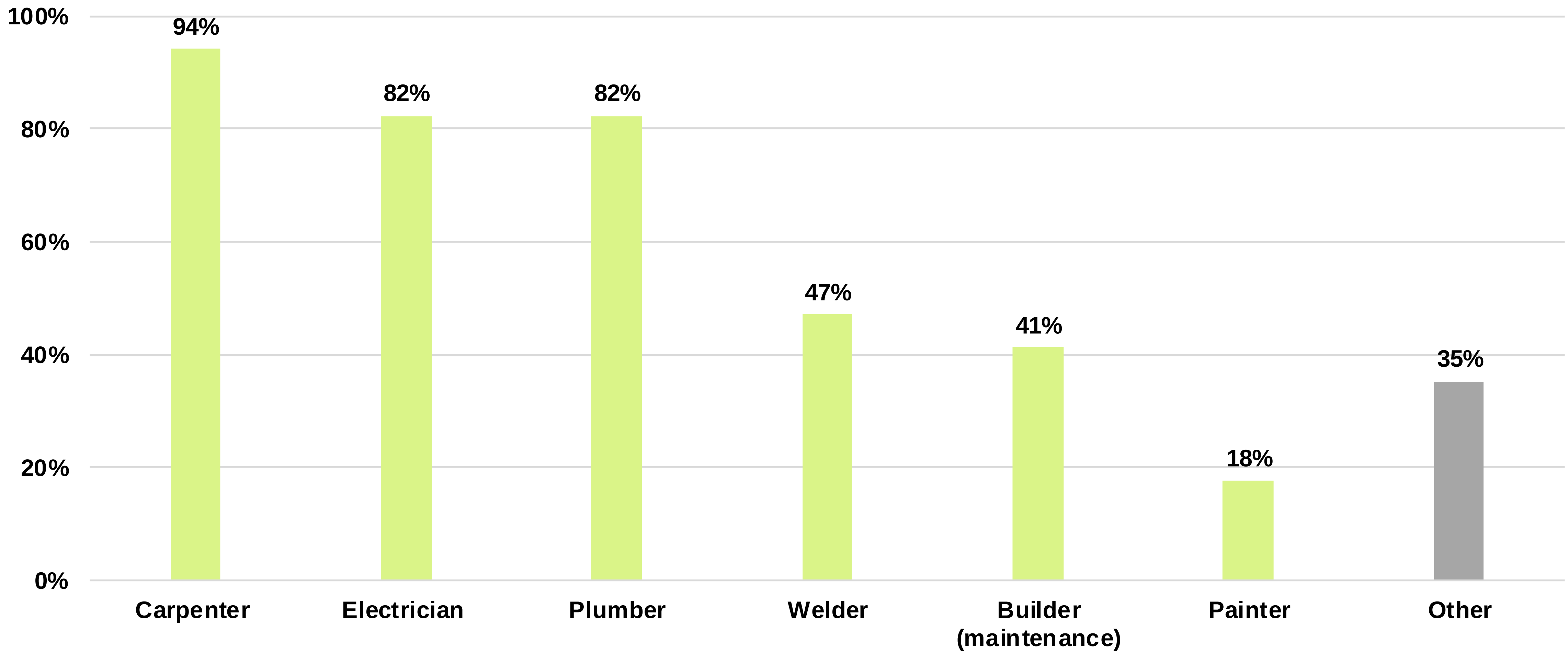
Local Procurement of External Services 2017 (n = 58)



- **Carpenter, electrician and plumber services are the most important services procured locally (74%-66%)**
- **Local procurement of welder, builder and painter services are of minor importance regarding local procurement (45%-17%)**
- **Except for the fact that local procurement of services is relatively common in Cape Maclear cluster, figures for respective tourism clusters do not differ enormously**

LOCAL PROCUREMENT

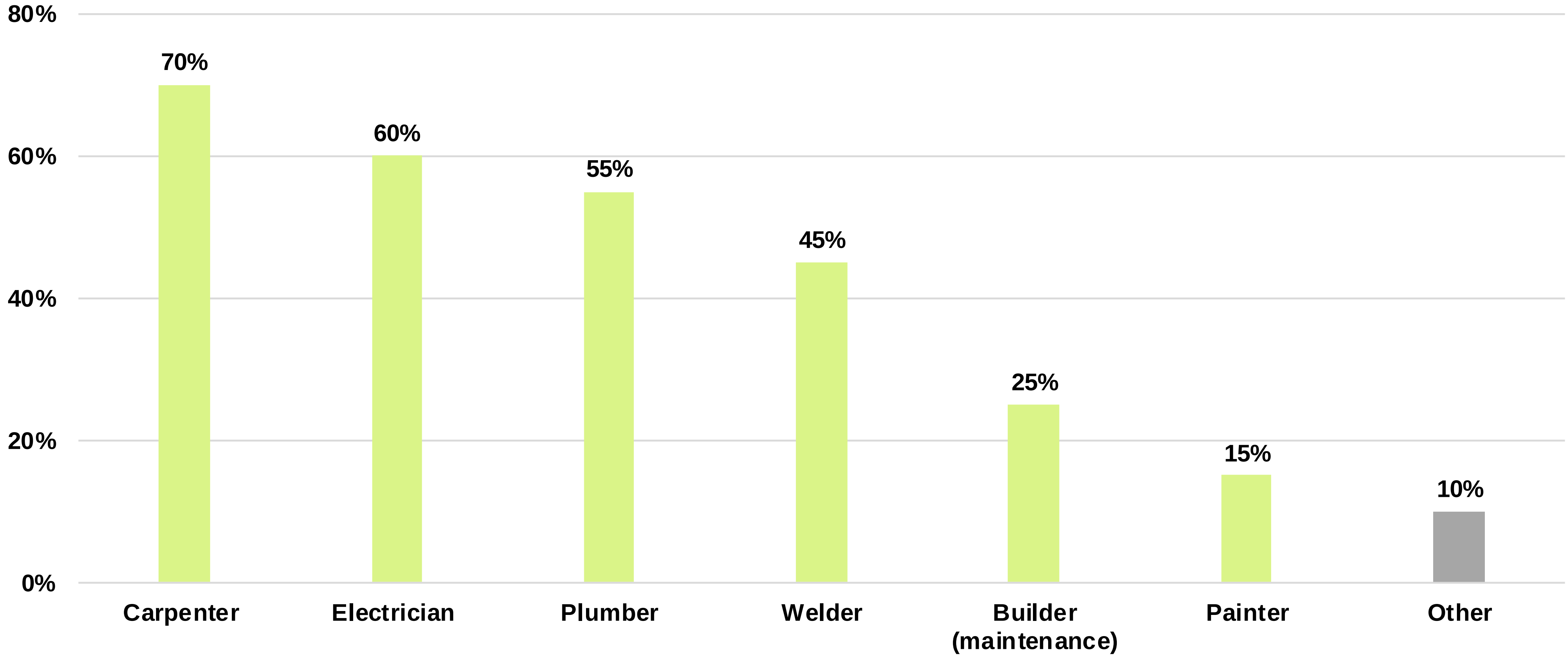
Local Procurement of External Services in Cape Maclear Cluster 2017 (n = 17)



- Carpenter, electrician and plumber services are the most important services procured locally (94%-82%)
- Local procurement of welder, builder and painter services are of minor importance regarding local procurement (47%-18%)
- Cape Maclear cluster shows by far the highest figures regarding local procurement of services

LOCAL PROCUREMENT

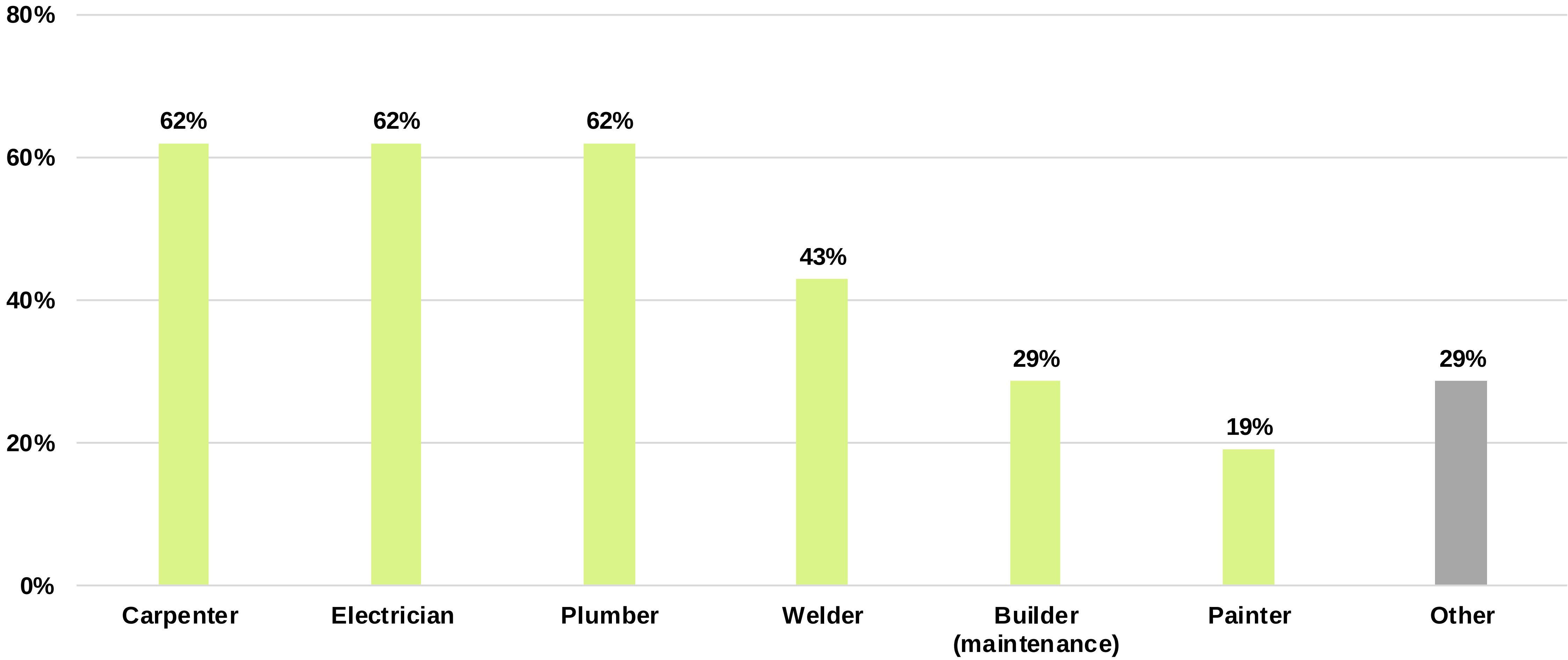
Local Procurement of External Services Mangochi Cluster 2017 (n = 20)



- **Carpenter, electrician and plumber services are the most important services procured locally (70%-55%)**
- **Local procurement of welder, builder and painter services are of minor importance regarding local procurement (45%-15%)**

LOCAL PROCUREMENT

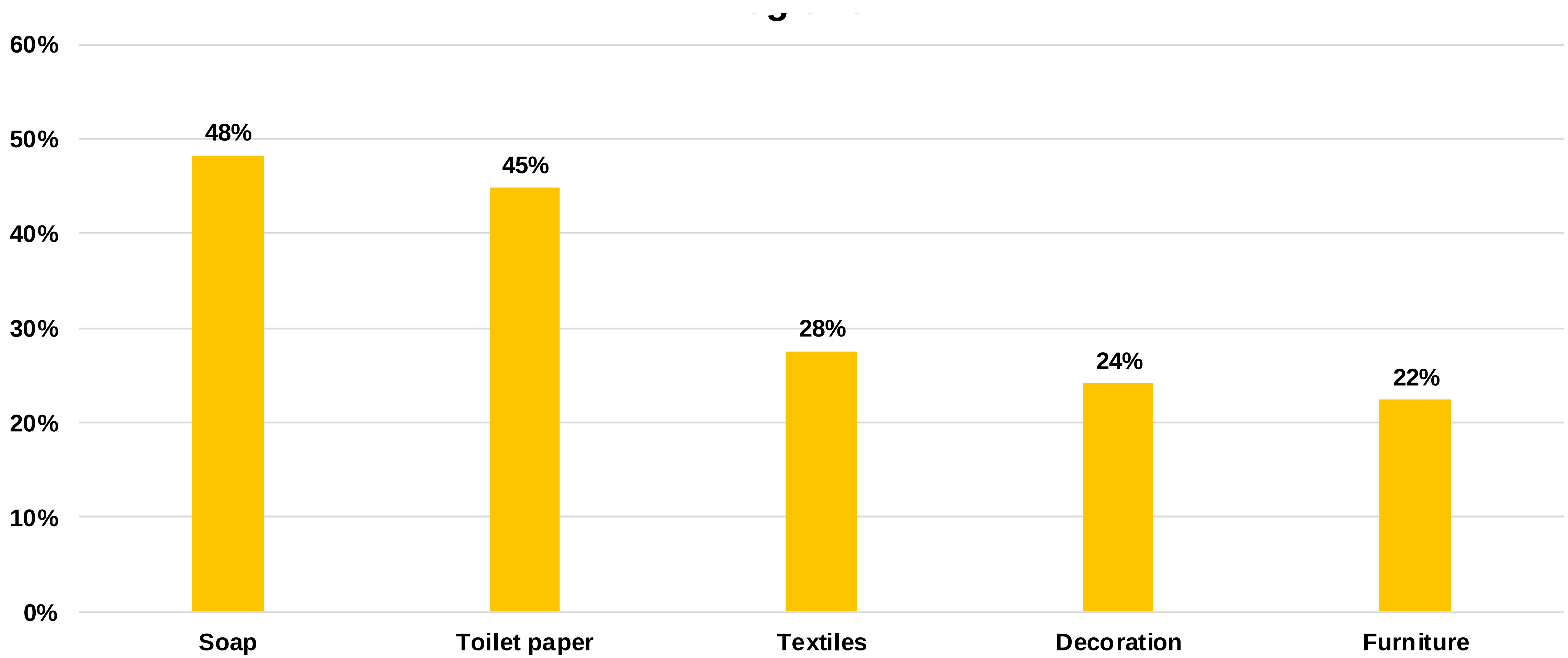
Local Procurement of External Services Salima Cluster 2017 (n = 21)



- **Carpenter, electrician and plumber services are the most important services procured locally (62%)**
- **Local procurement of welder, builder and painter services are of minor importance regarding local procurement (43%-19%)**

LOCAL PROCUREMENT

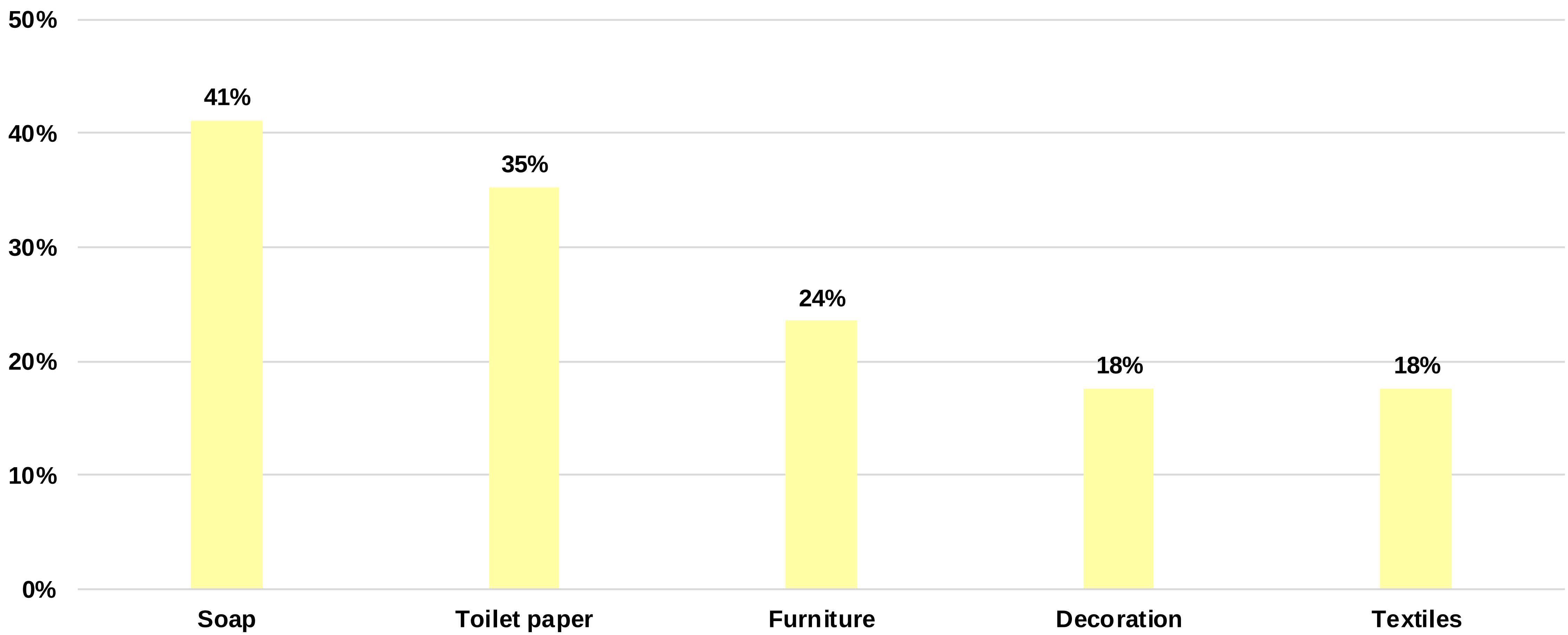
Local Procurement of Non-food Items 2017 (n = 58)



- Soap and toilet paper are the most important products procured locally (48% and 45%)
- Local procurement of textiles, decoration materials and furniture are of minor importance regarding local procurement (28%-22%)
- Except for the fact that local procurement of non-food items is relatively common in Salima cluster, figures for respective tourism clusters do not differ enormously

LOCAL PROCUREMENT

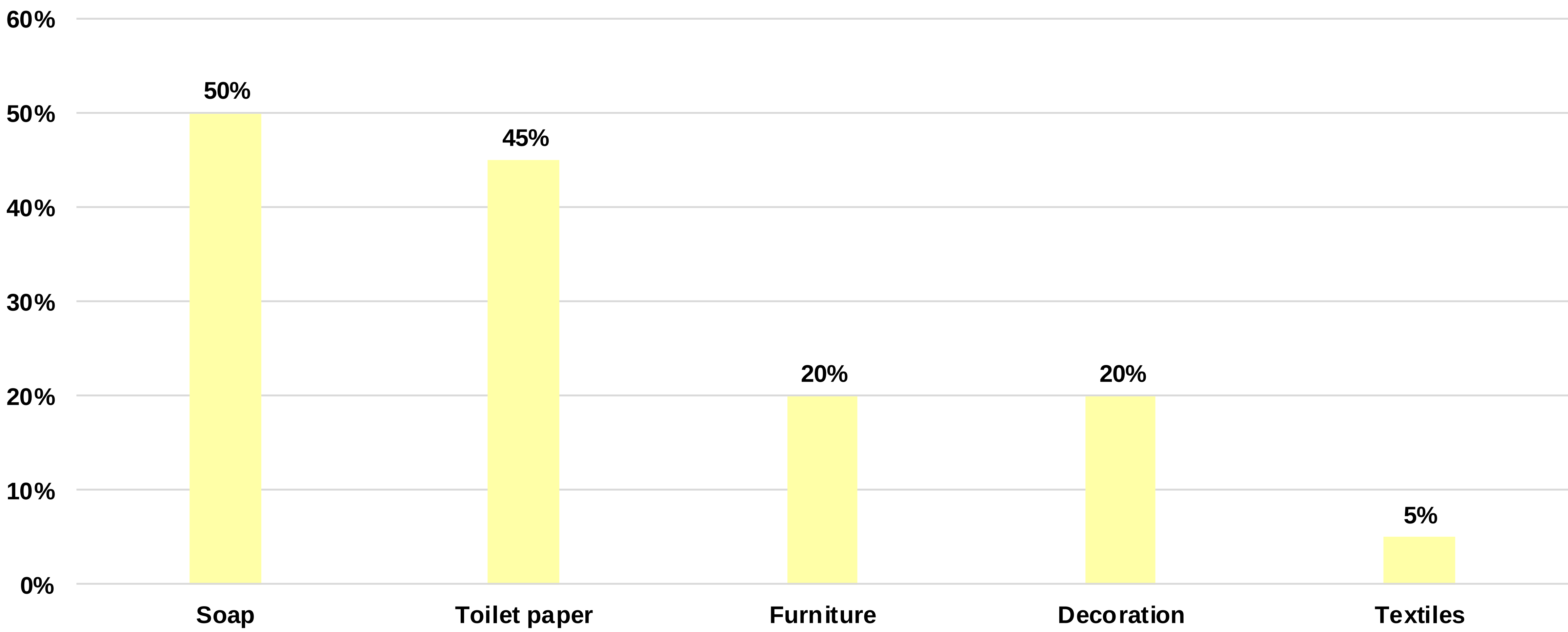
Local Procurement of Non-food Items in Cape Maclear Cluster 2017 (n = 17)



- **Soap and toilet paper are the most important products procured locally (41% and 35%)**
- **Local procurement of furniture, decoration materials and textiles are of minor importance regarding local procurement (24%-18%)**

LOCAL PROCUREMENT

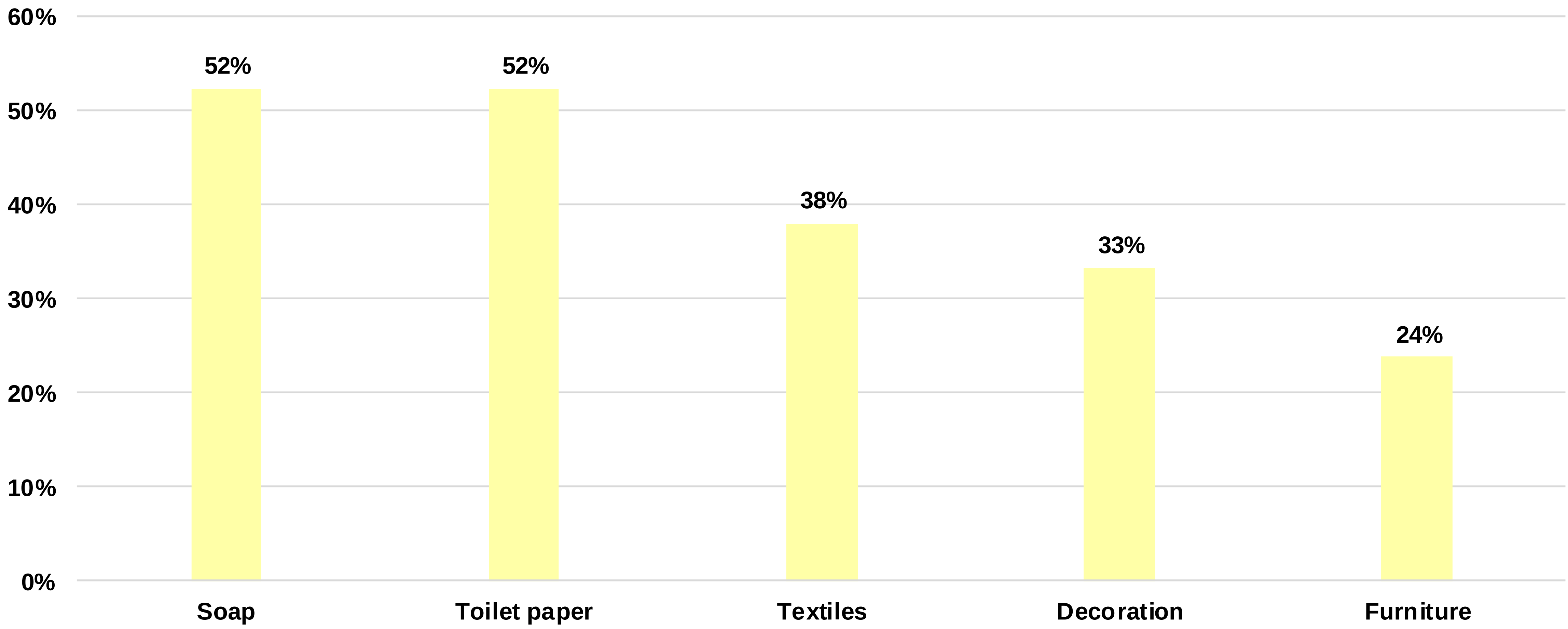
Local Procurement of Non-food Items in Mangochi Cluster 2017 (n = 20)



- Soap and toilet paper are the most important products procured locally (50% and 45%)
- Local procurement of furniture and decoration materials are of minor importance regarding local procurement (20%)
- Almost none is procuring textiles locally in Mangochi cluster (5%)

LOCAL PROCUREMENT

Local Procurement of Non-food Items in Salima Cluster 2017 (n = 21)

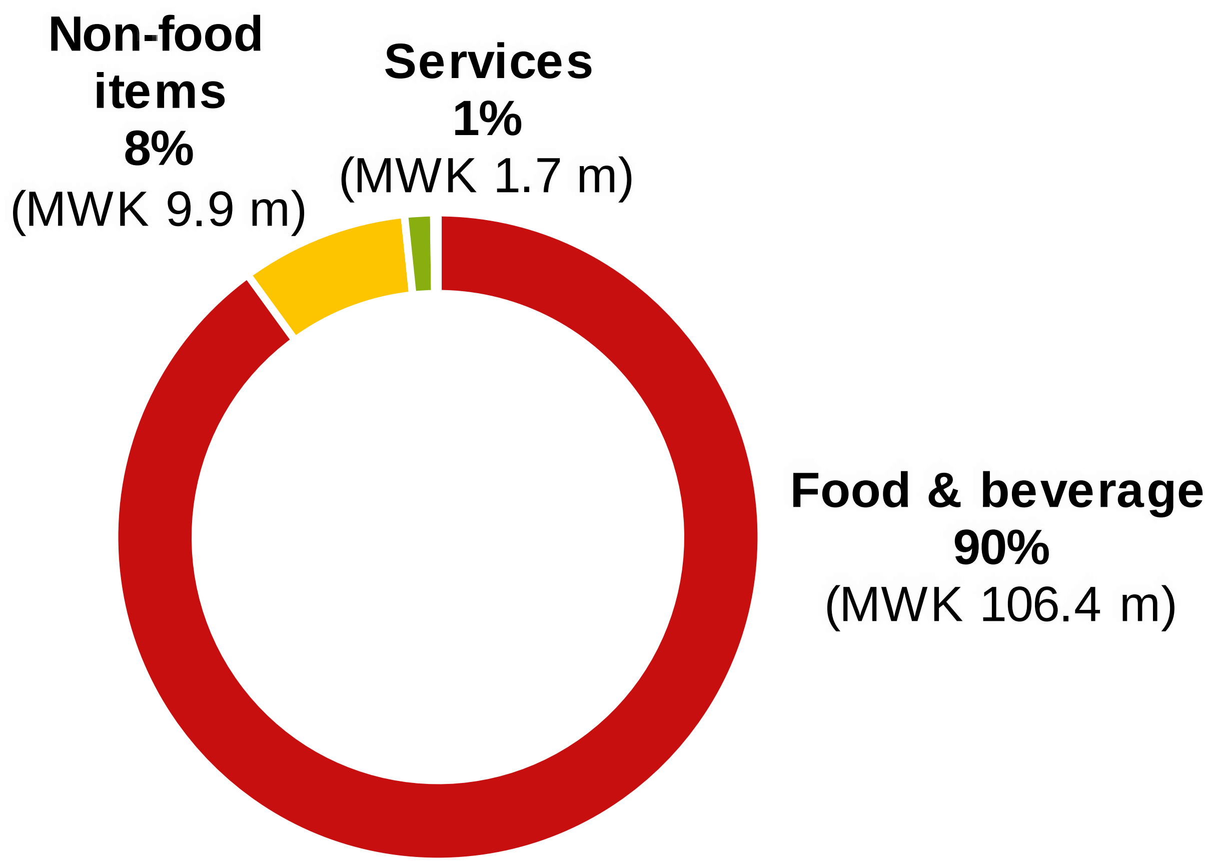


- **Soap and toilet paper are the most important products procured locally (52%)**
- **Local procurement of textiles, decoration materials and furniture are of minor importance regarding local procurement (38%-24%)**
- **Salima cluster shows by far the highest figures regarding local procurement of non-food items**

9 POTENTIAL FOR LOCAL PROCUREMENT IN THE FUTURE

POTENTIAL FOR LOCAL PROCUREMENT IN THE FUTURE

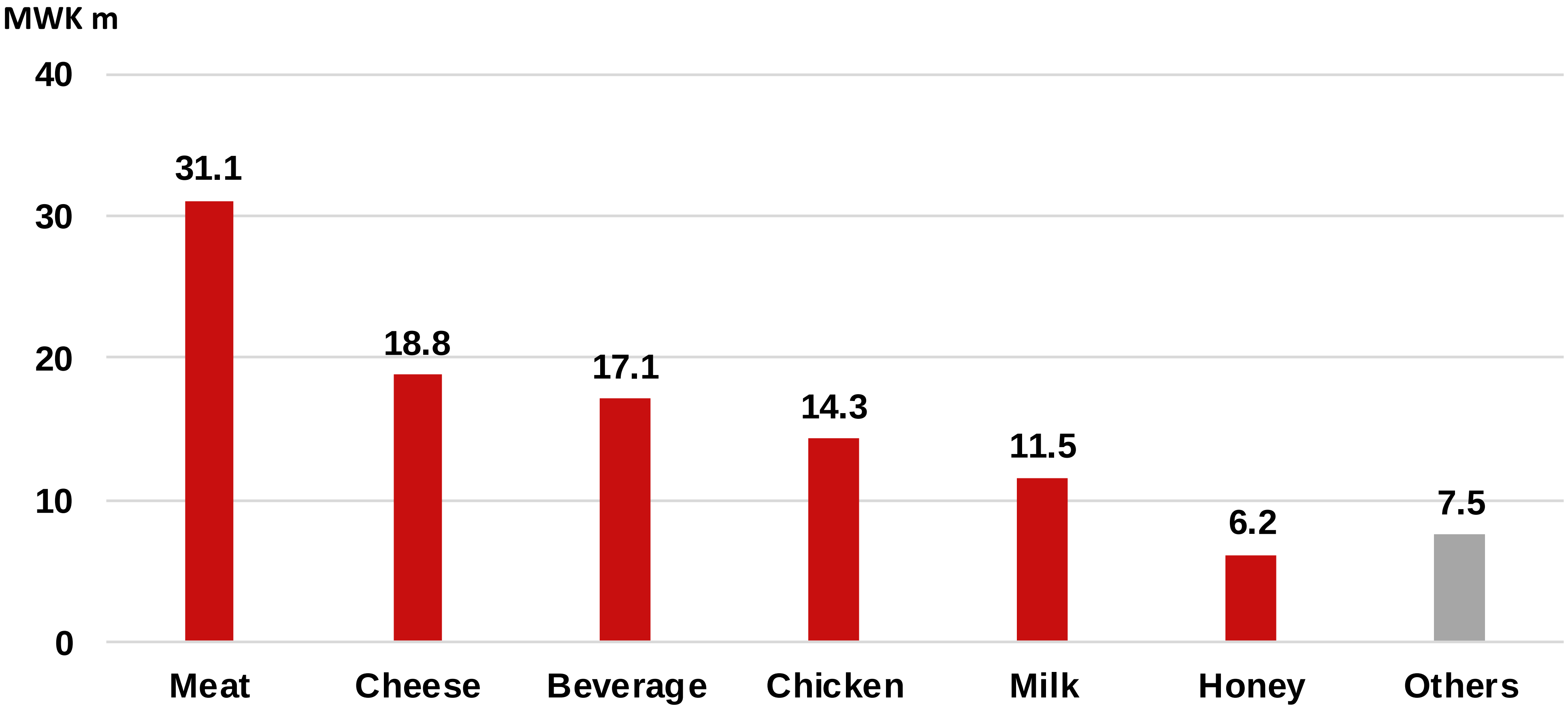
Expenditures in 2017 for Products/ Services not yet Procured Locally, but showing High Potential for Local Procurement in the Future (n = 58)



- **Food & beverage represents by far the highest share of expenditures for products/ services not yet procured locally, but showing high potential for local procurement in the future (90%), followed by non-food items (8%)**

POTENTIAL FOR LOCAL PROCUREMENT IN THE FUTURE

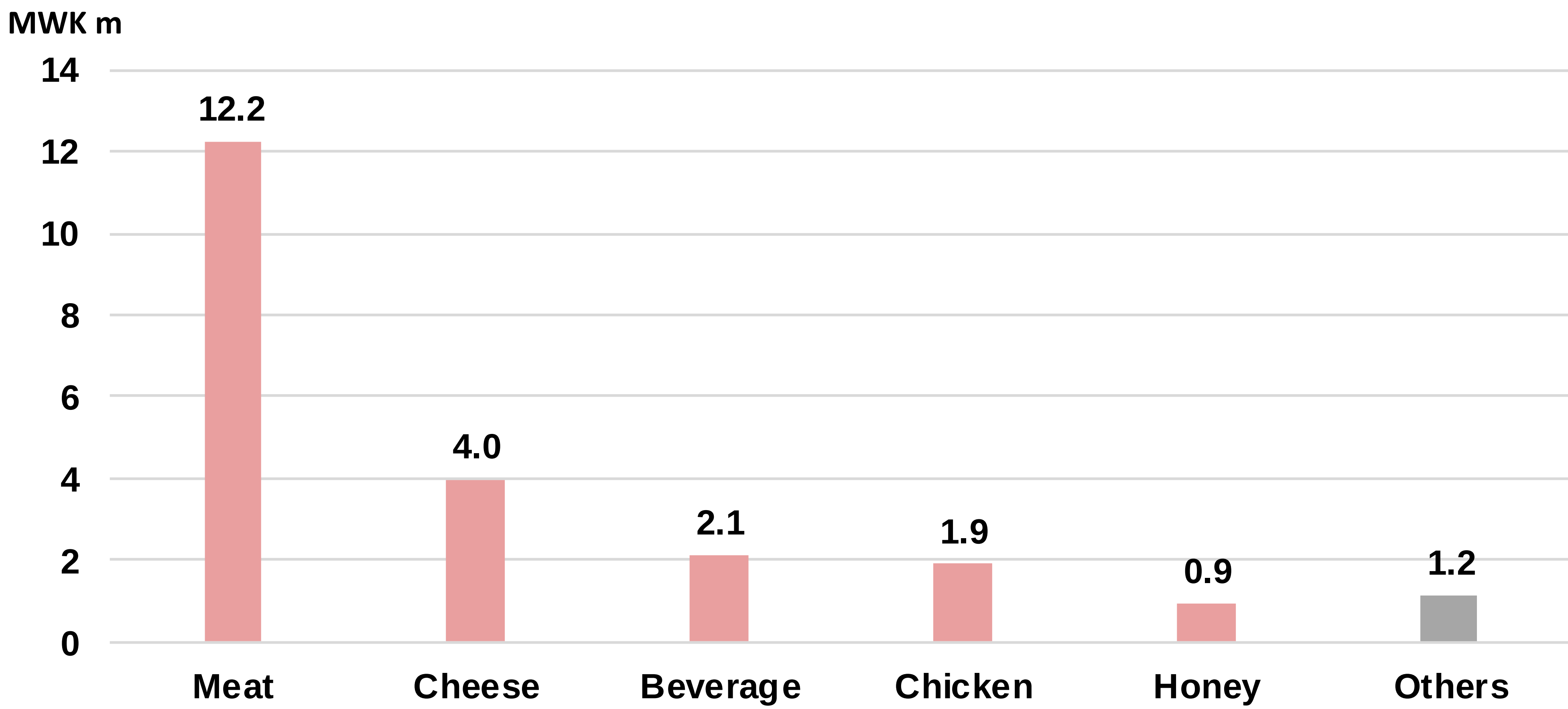
Expenditures in 2017 for Food & Beverage not yet Procured Locally, but showing High Potential for Local Procurement in the Future (n = 58)



- In 2017 accommodation providers spent by far the highest share for meat (beef and pork; MWK 31.1 million) regarding products not yet procured locally, but showing high potential for local procurement in the future
- Followed by cheese (MWK 18.8 million), beverages (MWK 17.1 million), chicken (MWK 14.3 million), milk (MWK 11.5 million) and honey (MWK 6.2 million)
- Figures for respective tourism clusters do not differ enormously

POTENTIAL FOR LOCAL PROCUREMENT IN THE FUTURE

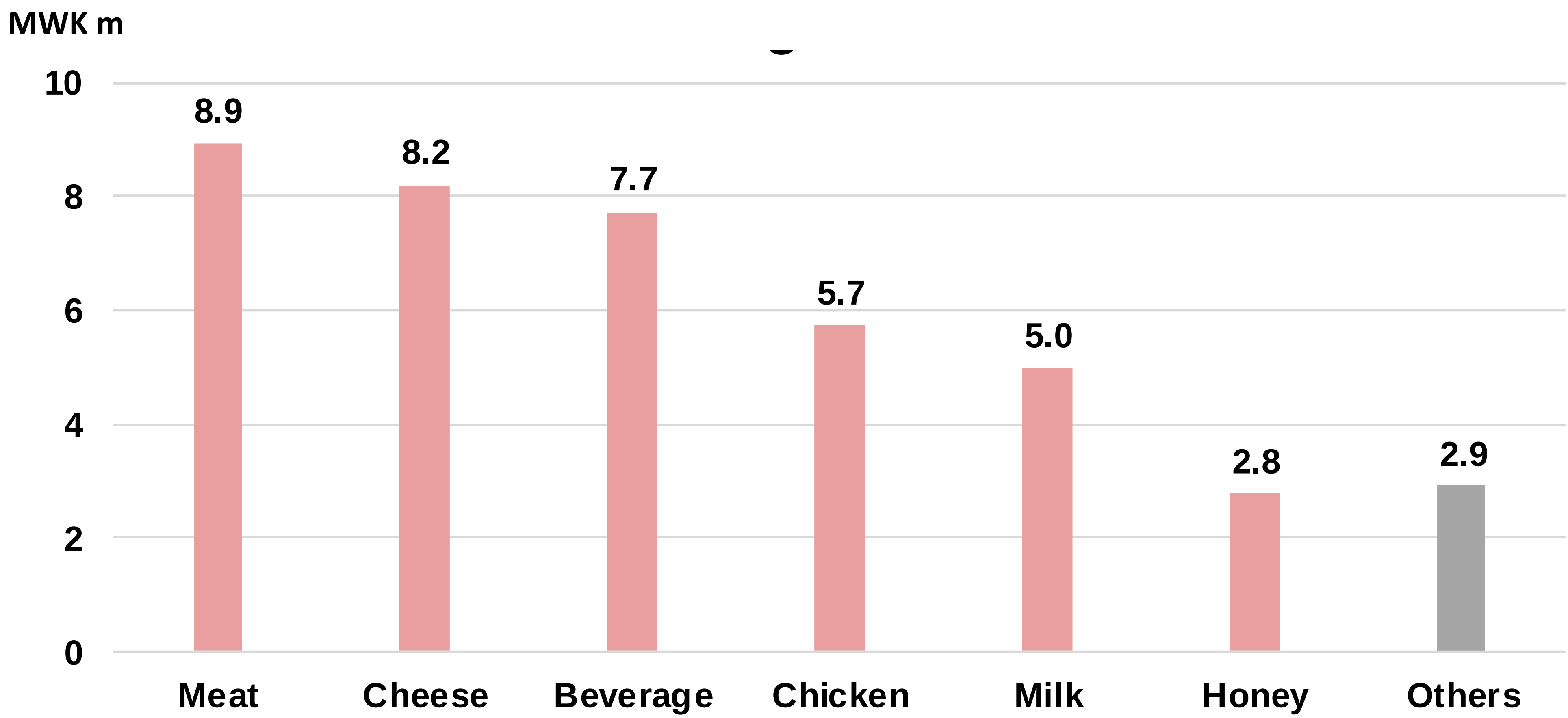
Expenditures in 2017 for Food & Beverage not yet Procured Locally, but showing High Potential for Local Procurement in the Future: Cape Maclear Cluster (n = 17)



- In 2017 accommodation providers spent by far the highest share for meat (beef and pork; MWK 12.2 million) regarding products not yet procured locally, but showing high potential for local procurement in the future
- Other products are of minor importance regarding their potential for local procurement in the future
- Milk is not of relevance in Cape Maclear cluster

POTENTIAL FOR LOCAL PROCUREMENT IN THE FUTURE

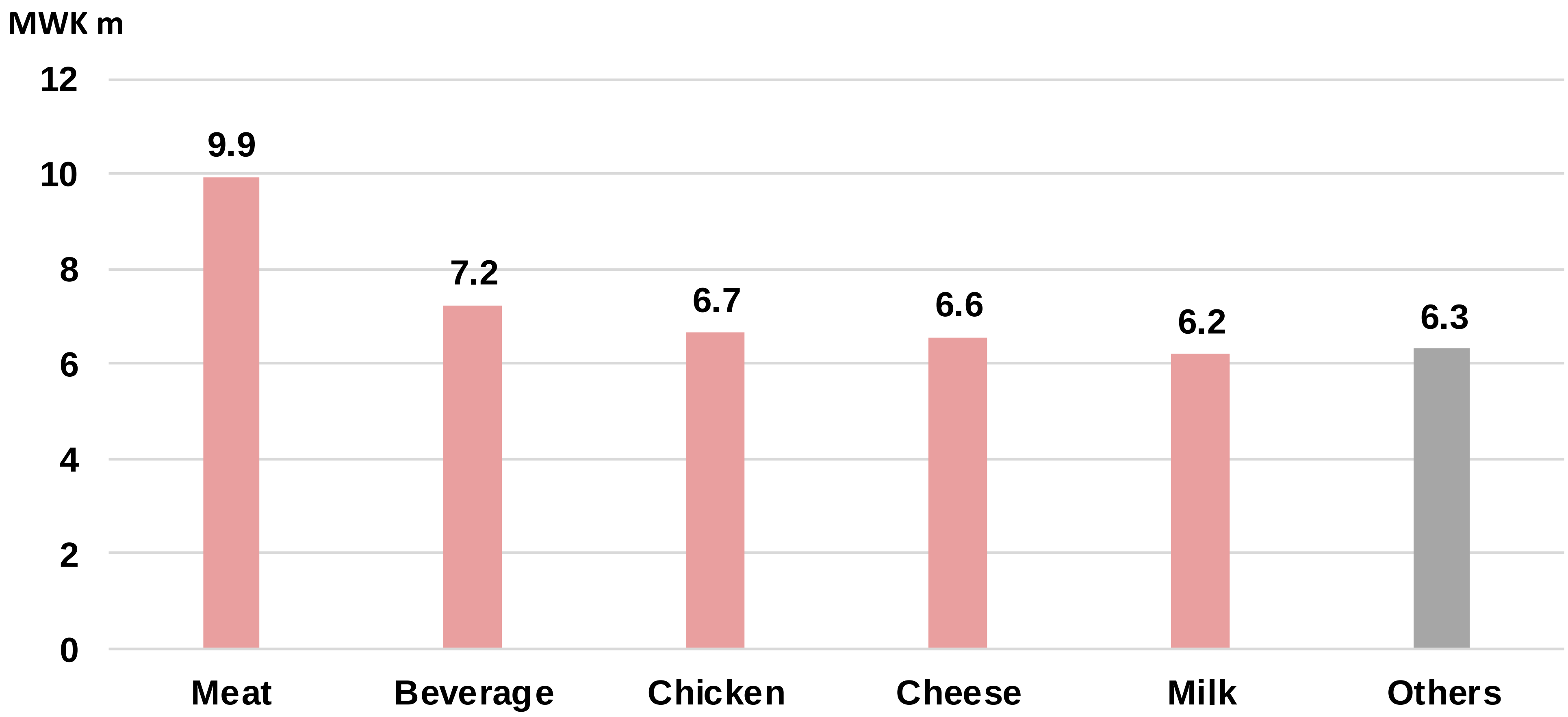
Expenditures in 2017 for Food & Beverage not yet Procured Locally, but showing High Potential for Local Procurement in the Future: Mangochi Cluster (n = 20)



- In 2017 accommodation providers spent the highest share for meat (beef and pork; MWK 8.9 million) regarding products not yet procured locally, but showing high potential for local procurement in the future
- Followed by cheese (MWK 8.2 million), beverages (MWK 7.7 million), chicken (MWK 5.7 million), milk (MWK 5 million) and honey (MWK 2.8 million)

POTENTIAL FOR LOCAL PROCUREMENT IN THE FUTURE

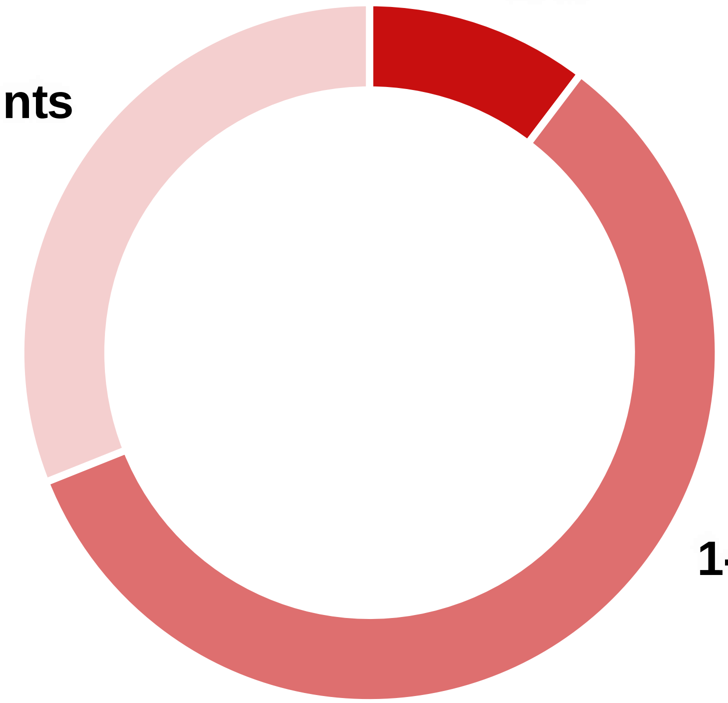
Expenditures in 2017 for Food & Beverage not yet Procured Locally, but showing High Potential for Local Procurement in the Future: Salima Cluster (n = 21)



- In 2017 accommodation providers spent the highest share for meat (beef and pork; MWK 9.9 million) regarding products not yet procured locally, but showing high potential for local procurement in the future
- Followed by beverages (MWK 7.2 million), chicken (MWK 6.7 million), cheese (MWK 6.6 million) and milk (MWK 6.2 million)
- Honey is not of relevance in Salima cluster

POTENTIAL FOR LOCAL PROCUREMENT IN THE FUTURE

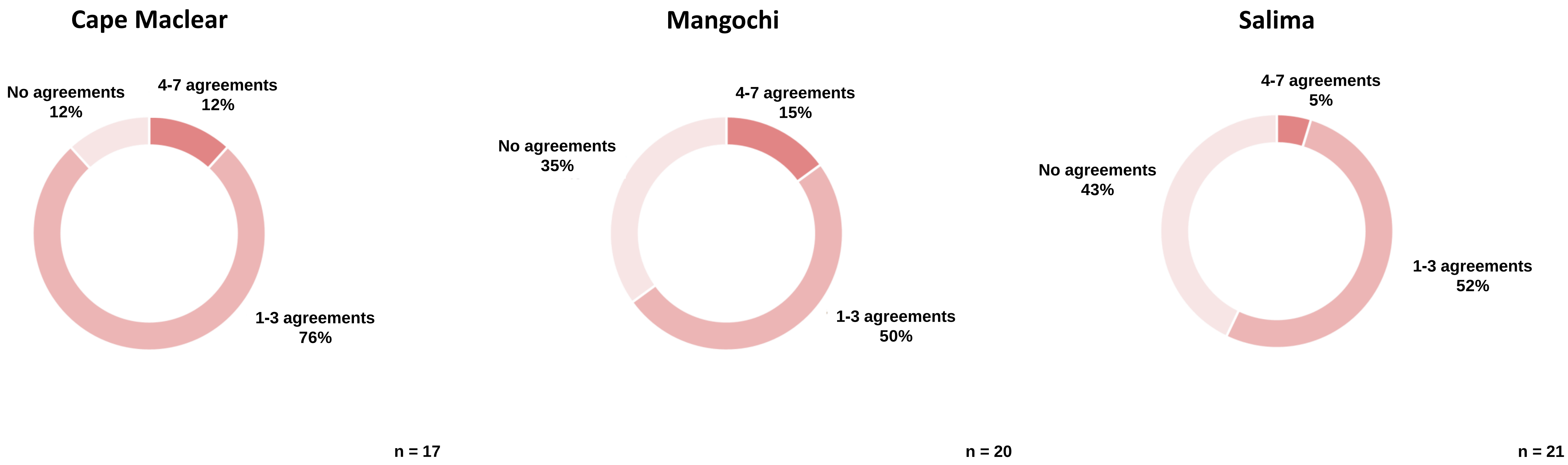
Contracts/ Signed Agreements with Local Suppliers/ Service Providers regarding Procurement on a Regular Basis (n = 58)



- Already two-thirds of the accommodation providers have contracts/ signed agreements with local suppliers/ service providers regarding procurement on a regular basis, 10% have even more than 3 contracts/ signed agreements

POTENTIAL FOR LOCAL PROCUREMENT IN THE FUTURE

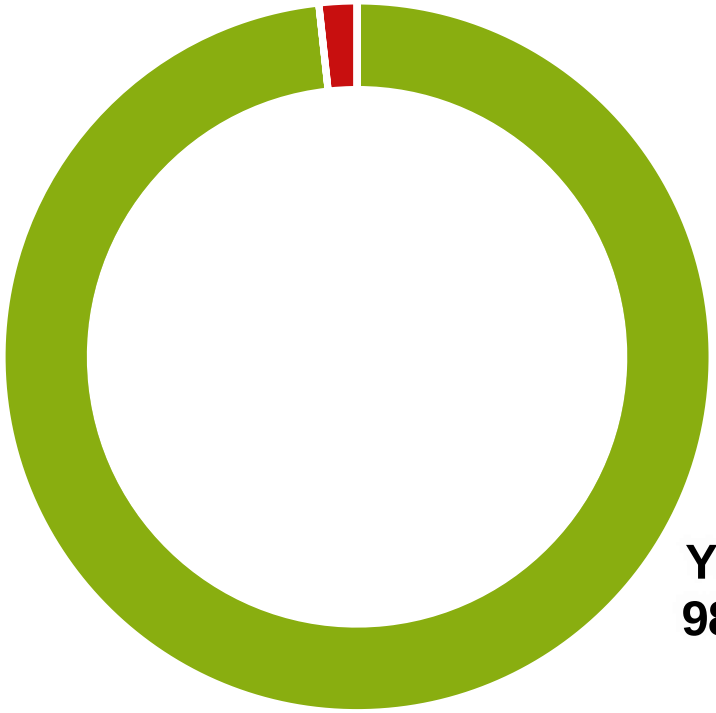
Contracts/ Signed Agreements with Local Suppliers/ Service Providers regarding Procurement on a Regular Basis by Cluster



- **In Cape Maclear cluster almost all accommodation providers already have contracts/ signed agreements with local suppliers/ service providers regarding procurement on a regular basis (88%), figures for Mangochi and Salima cluster notably lower (65% and 57%)**

POTENTIAL FOR LOCAL PROCUREMENT IN THE FUTURE

Willingness to Sign Contracts/ Agreements with Local Suppliers/ Service Providers regarding Procurement on a Regular Basis (n = 58)



- **Almost all accommodation providers are willing to sign (additional) contracts/ agreements with local suppliers/ service providers regarding procurement on a regular basis**

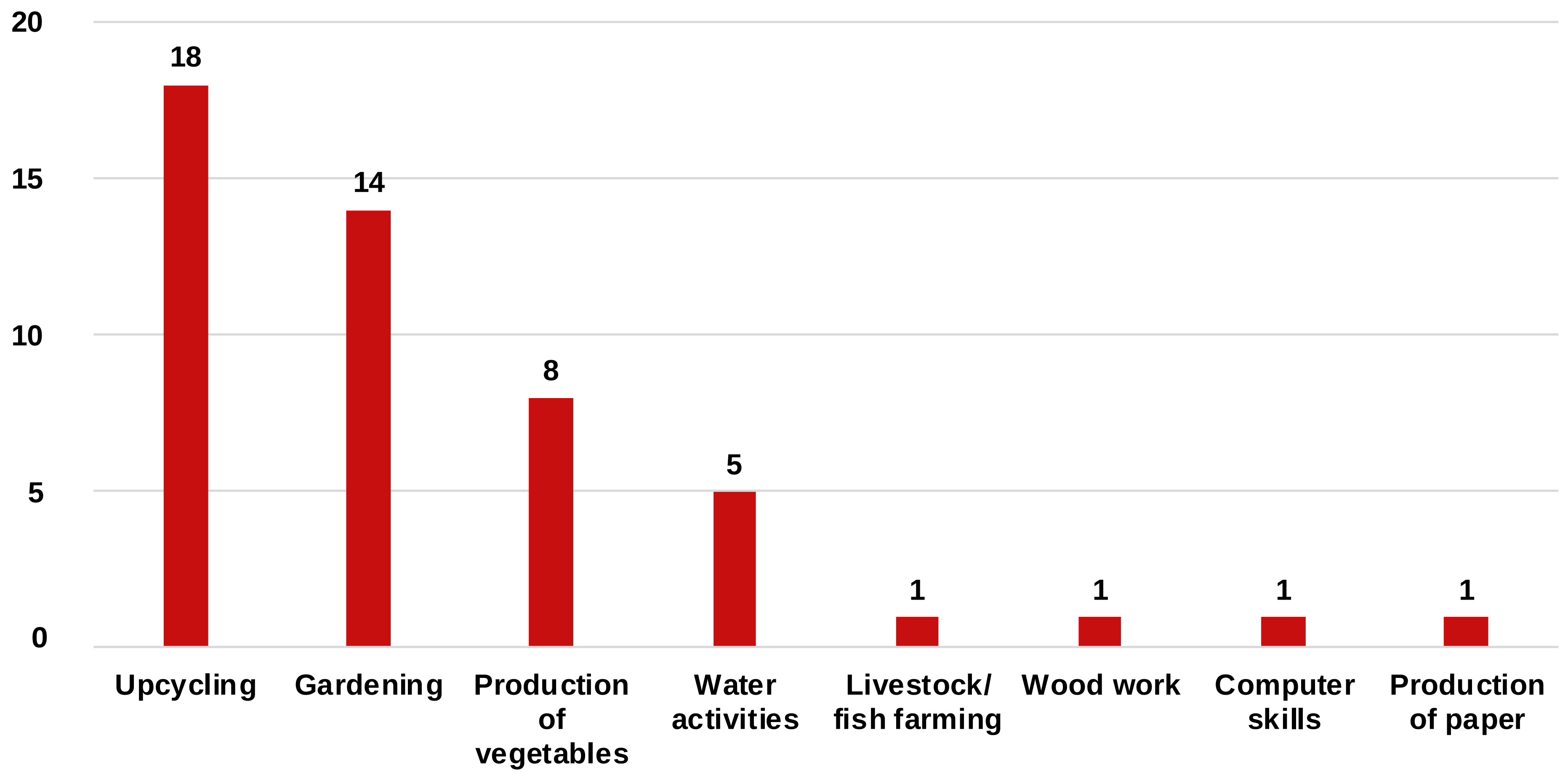
10 KNOWLEDGE & SKILLS

ECONOMIC IMPACT ASSESSMENT

of the Malawian Accommodation Sector

KNOWLEDGE & SKILLS

Available Knowledge & Skills that could be Shared with Others (n = 58)



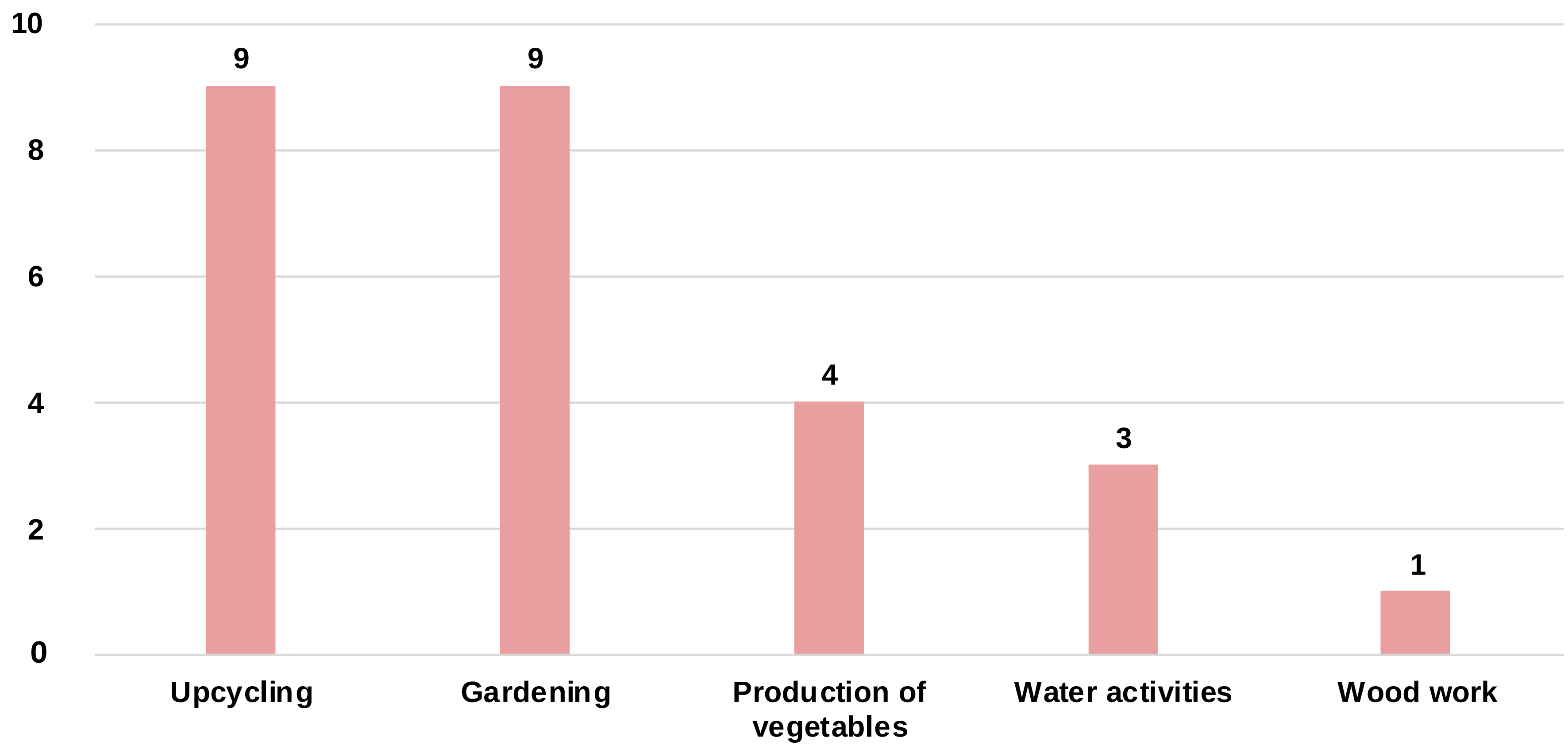
- **Knowledge and skills on upcycling, gardening, vegetable cultivation and water activities can be found several times within the tourism clusters**
- **Additionally, knowledge and skills on livestock/ fish farming, wood work, computer and the production of paper exist**
- **Except for the fact that only very few knowledge and skills are available in Cape Maclear cluster, figures for respective tourism clusters do not differ enormously**

KNOWLEDGE & SKILLS

Available Knowledge & Skills that could be Shared with Others in Cape Maclear Cluster (n = 17)

KNOWLEDGE & SKILLS

Available Knowledge & Skills that could be Shared with Others in Mangochi Cluster (n = 20)

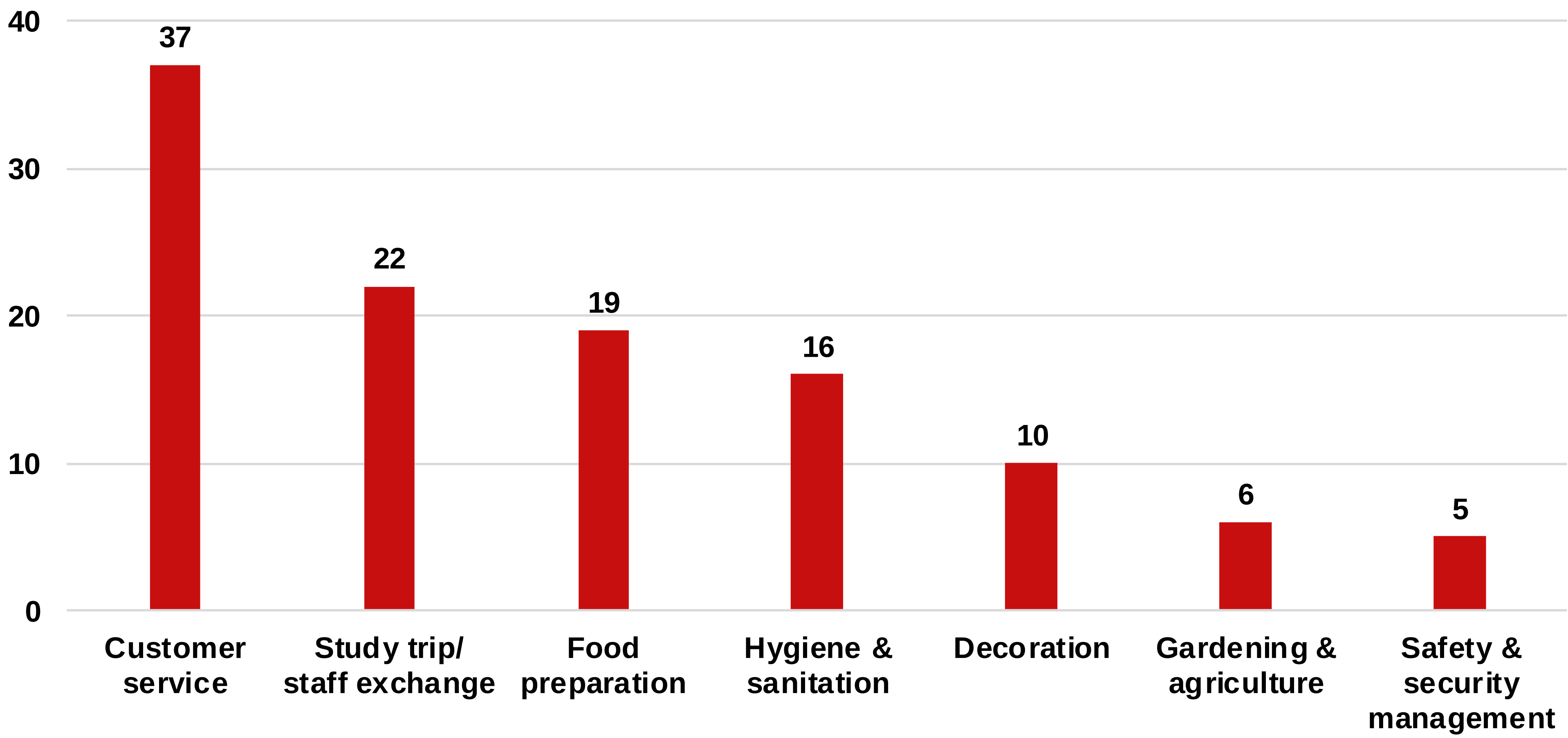


KNOWLEDGE & SKILLS

Available Knowledge & Skills that could be Shared with Others in Salima Cluster (n = 21)

KNOWLEDGE & SKILLS

Needed Knowledge & Skills (n = 58)



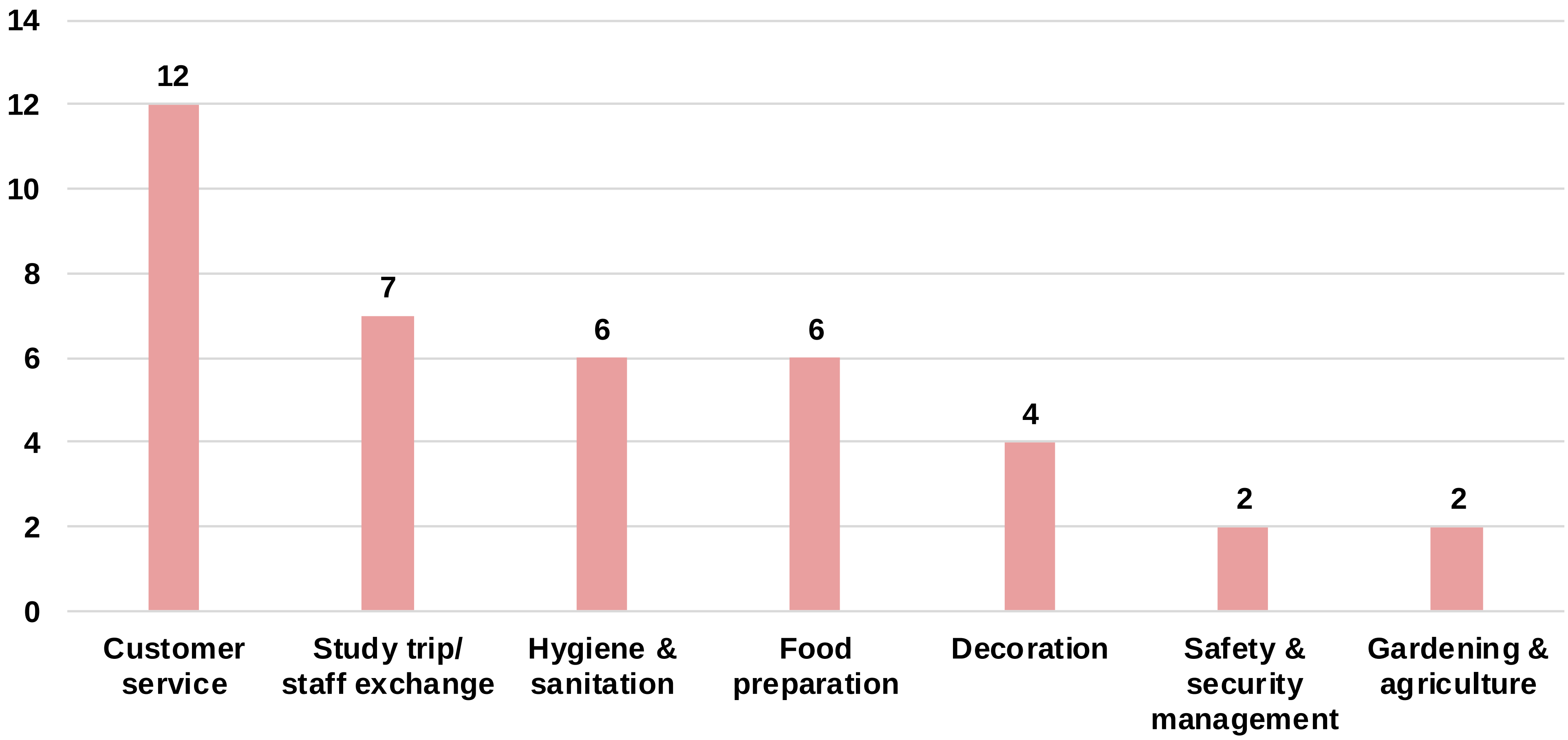
- **Customer service shows by far the highest figure regarding knowledge and skills needed by accommodation providers, followed by unspecific study trips/ staff exchange programmes (in order to obtain more experience), food preparation and hygiene & sanitation skills**
- **Decoration, gardening & agriculture and safety & security management are of minor relevance**
- **Figures for respective tourism clusters do not differ enormously**

KNOWLEDGE & SKILLS

Needed Knowledge & Skills in Cape Maclear Cluster (n = 17)

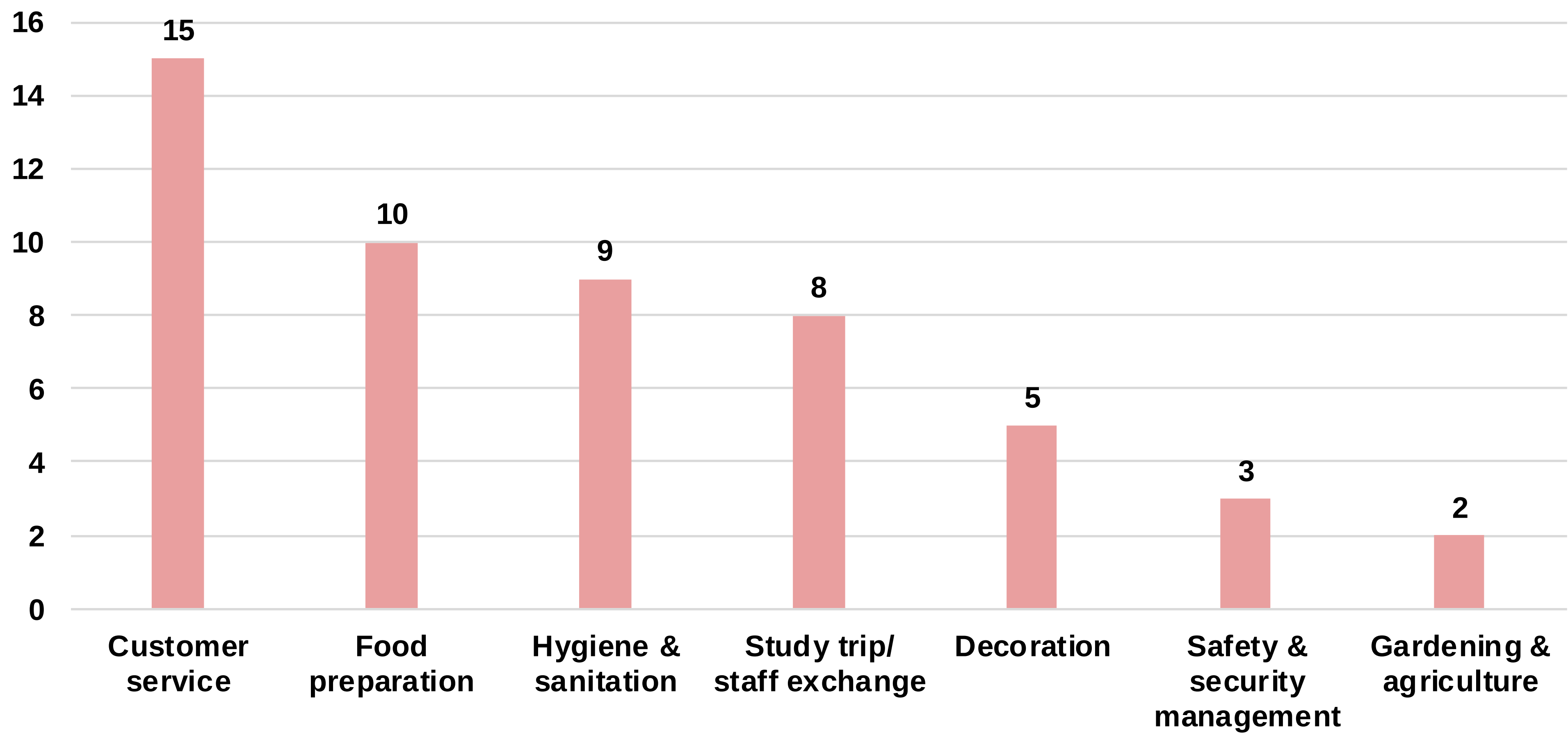
KNOWLEDGE & SKILLS

Needed Knowledge & Skills in Mangochi Cluster (n = 20)



KNOWLEDGE & SKILLS

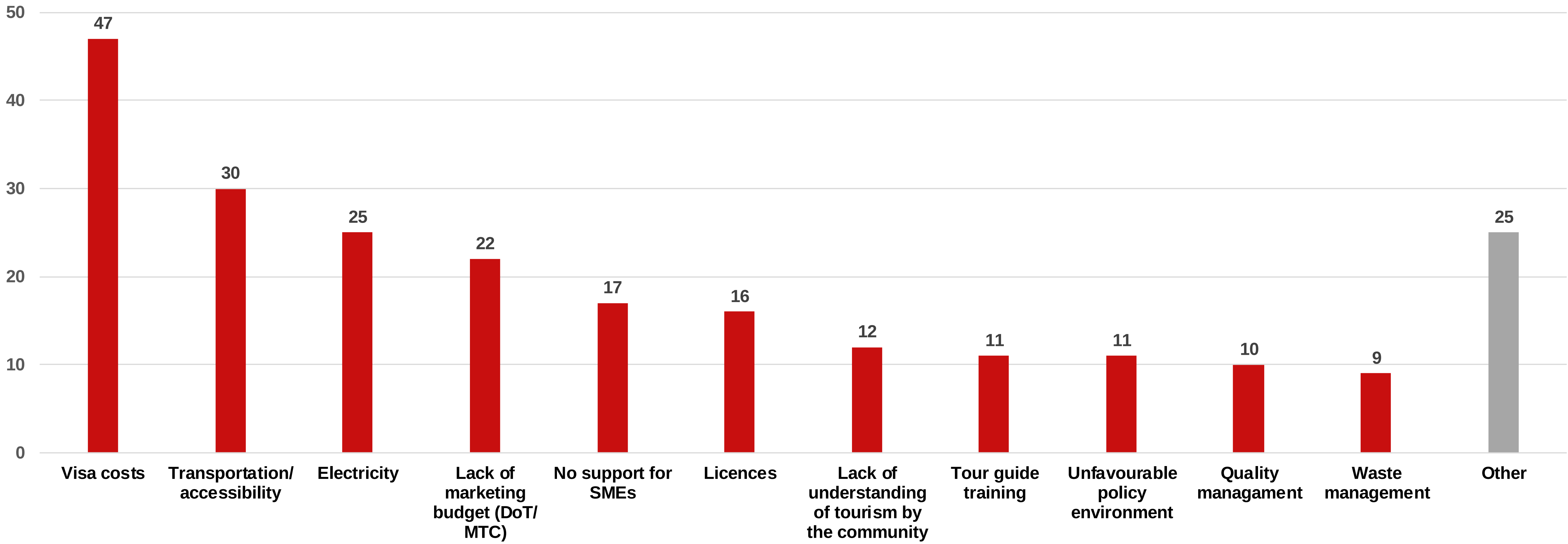
Needed Knowledge & Skills in Salima Cluster (n = 21)



11 CHALLENGES IN TOURISM DEVELOPMENT

CHALLENGES IN TOURISM DEVELOPMENT

Most Important Challenges on Local Level regarding Tourism Development (n = 58)



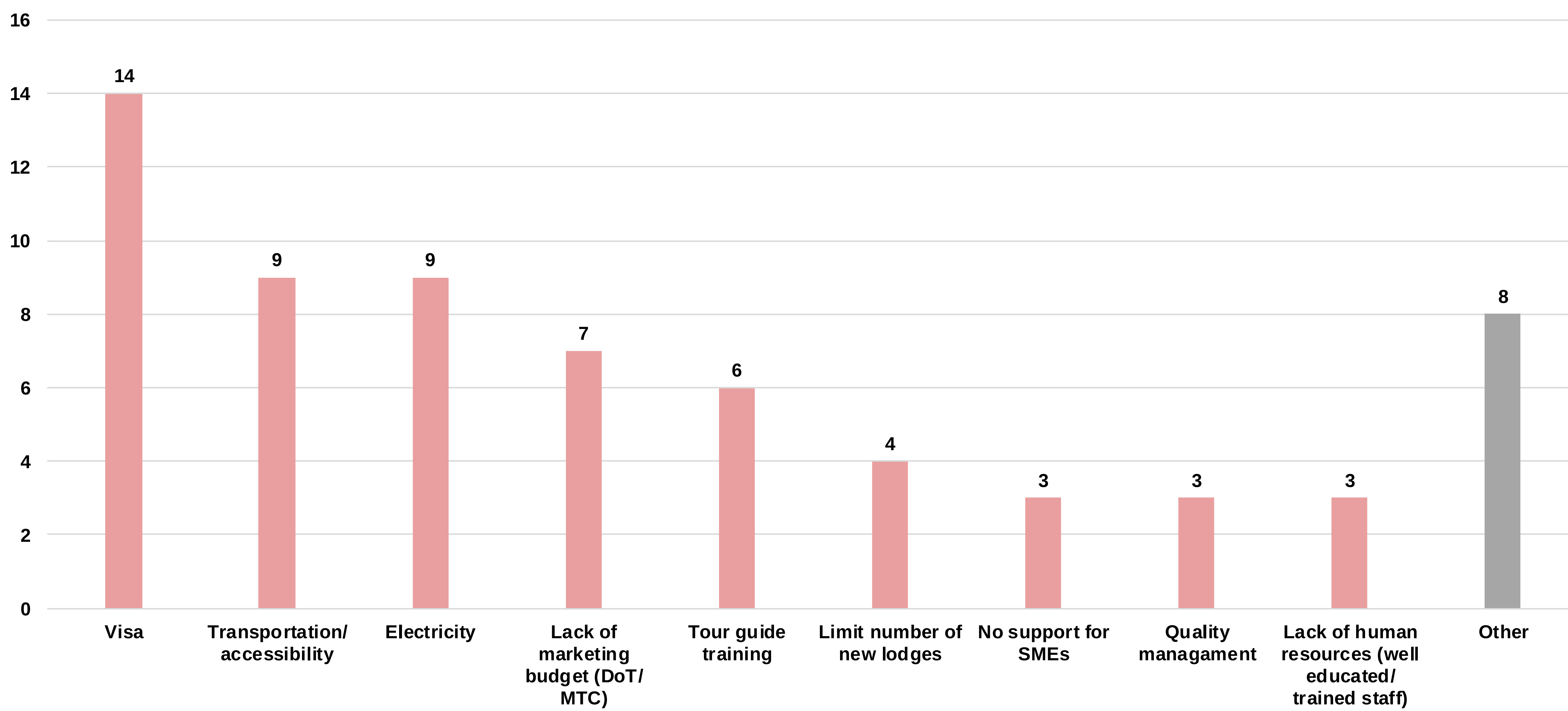
- **High visa fee, improvement of transportation/ accessibility, insufficient electrical supply and the lack of marketing budget (DoT/ MTC) are the most important challenges on local level regarding tourism development, followed by lacking support for SMEs and insufficient licencing procedures**
- **Figures for respective tourism clusters do not differ enormously**

CHALLENGES IN TOURISM DEVELOPMENT

Other Important Challenges on Local Level regarding Tourism Development (n = 58)

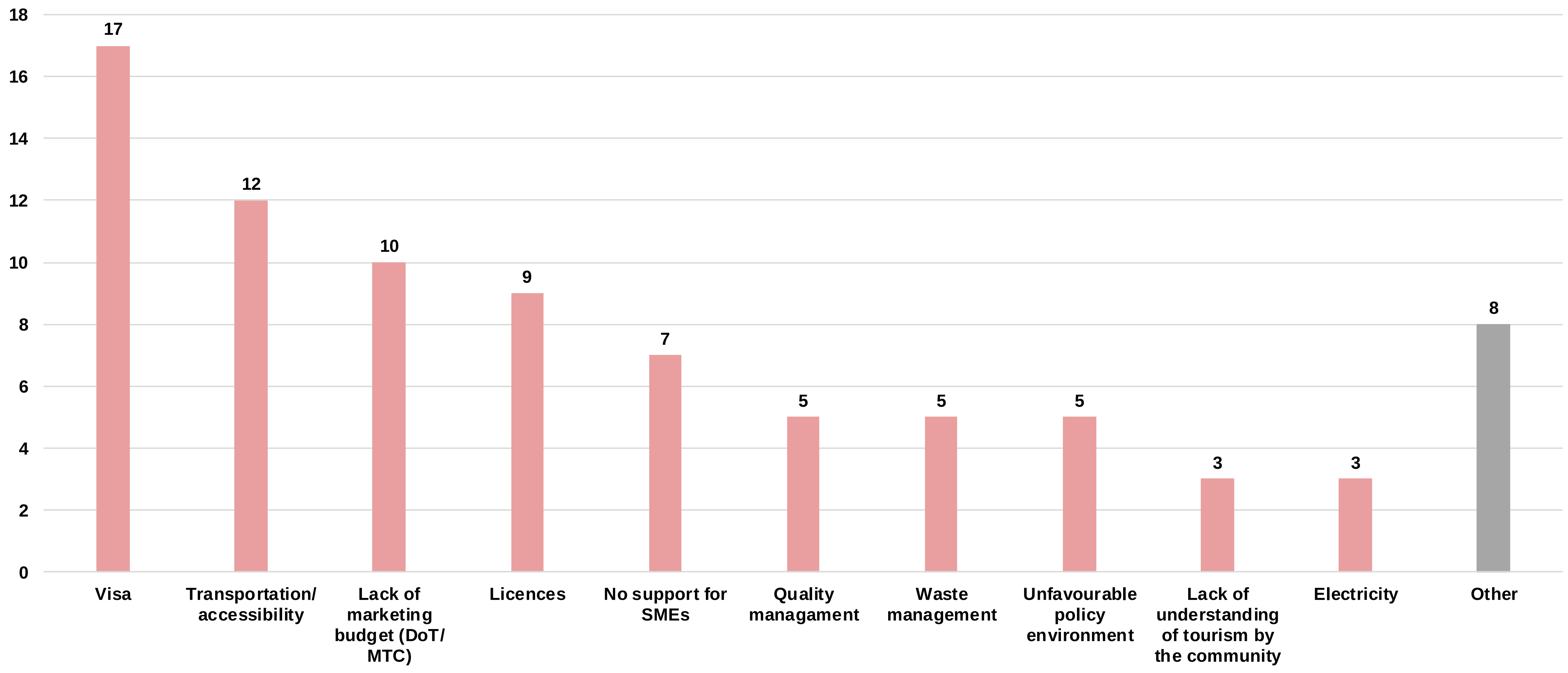
CHALLENGES IN TOURISM DEVELOPMENT

Most Important Challenges on Local Level regarding Tourism Development in Cape Maclear Cluster (n = 17)



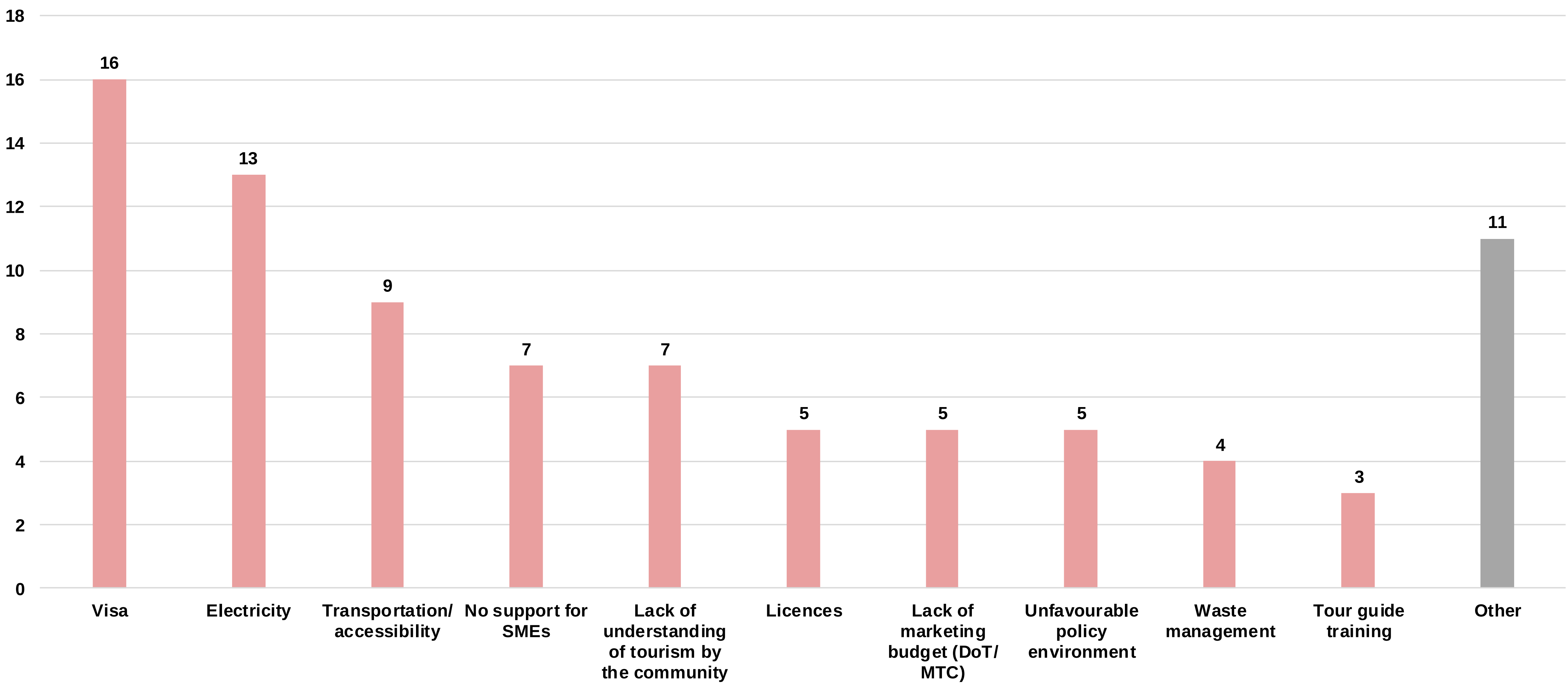
CHALLENGES IN TOURISM DEVELOPMENT

Most Important Challenges on Local Level regarding Tourism Development in Mangochi Cluster (n = 20)



CHALLENGES IN TOURISM DEVELOPMENT

Most Important Challenges on Local Level regarding Tourism Development in Salima Cluster (n = 21)



12 KEY RESULTS (ALL TOURISM CLUSTERS)

ECONOMIC IMPACT ASSESSMENT

of the Malawian Accommodation Sector

KEY RESULTS (ALL TOURISM CLUSTERS)

Capacity & Occupancy:

- **45% of total room capacity are counted among low budget segment, only 18% among high budget segment**
- **About two-thirds of the accommodation providers are small enterprises with less than 20 rooms available, on average each accommodation provider is equipped with 23 rooms**
- **Occupancy rate is 69%**

KEY RESULTS (ALL TOURISM CLUSTERS)

Sales Revenue:

- **Only 17% of total sales revenue is generated in low budget segment, but 43% in high budget segment**
- **Two-thirds of the accommodation providers generate less than MWK 50 million sales revenue annually, only 22% generate more than MWK 100 million**
- **On average each accommodation provider generates MWK 174 million sales revenue in 2017, each room MWK 7.68 million and each occupied room night MWK 30,884** – moderate budget segment shows the highest figure regarding average sales revenue per accommodation provider (MWK 555 million), high budget segment regarding average sales revenue per room (MWK 23.27; MWK 17.55 million) and per occupied room night (MWK 94,129; MWK 69,178)

- **Sales revenue increased by 14.2% between 2014 and 2017**

KEY RESULTS (ALL TOURISM CLUSTERS)

Staff:

- **28% of staff are female** – low budget segment shows the highest figures regarding percentage of female employees (34%; 38%)
- **67% of staff are young employees** – moderate budget segment shows the highest figure regarding percentage of young employees (77%), followed by low budget segment (61%; 71%)
- **54% of staff are local employees** – low budget segment shows the highest figures regarding percentage of local employees (60%; 58%)
- **6.3% of staff is affected by part-time employment** – category “MWK 100,000+” (0%) and low budget segment show the lowest figures regarding part-time employment (4.9%; 4.4%)
- **4.9% of staff is affected by seasonal employment** – category “MWK 75,000 to 100,000” (0.9%) and low budget segment show by far the lowest figures regarding seasonal employment (0.6%; 0%)
- **Considering part-time and seasonal employment jointly they are relatively common in high budget segment and relatively uncommon in low budget segment**

KEY RESULTS (ALL TOURISM CLUSTERS)

Staff:

- **On average each room generates 1.44 jobs** – high budget segment shows the highest figures regarding average number of employees per room (2.7; 1.78), followed by moderate budget segment (1.53)
- **On average salary per month amounts to MWK 33,477** – low budget segment shows the highest salary per month (MWK 36,962; MWK 58,987), followed by high budget segment (MWK 32,810; MWK 37,606)

- **Salary increased by 15.9% between 2014 and 2017**
- **Staff increased by 8.9% between 2014 and 2017**

KEY RESULTS (ALL TOURISM CLUSTERS)

Local Procurement:

- **59% of total local procurement is generated in low budget segment, but only 24% in high budget segment**
- **About half (52%) of the accommodation providers generate less than MWK 3 million local procurement annually, but only 23% generate more than MWK 5 million**
- **On average each accommodation provider generates MWK 4.15 million local procurement in 2017, each room MWK 183,000 and one occupied room night MWK 738** – high budget segment shows the highest figures regarding average local procurement per accommodation provider (MWK 6.94 million; MWK 4.65 million), per room (MWK 448,000; MWK 166,000) and per occupied room night (MWK 1,811; MWK 655)

- **Local procurement increased by 10.5% between 2014 and 2017**

- **Local procurement as a percentage of total sales revenue accounts for 2% only**
- **Food & beverage represents by far the highest share of local procurement (54%), followed by other local procurement/ expenditures (27%), services (13%) and non-food items (5%)**
- **Fish and vegetables are the most important products procured locally (93% and 91%), local procurement of chicken, eggs, fruits, potatoes, beverages and rice is relevant to the majority of accommodation providers (67%-50%), goat and bread are of minor importance (28% and 10%)**

KEY RESULTS (ALL TOURISM CLUSTERS)

Potential for Local Procurement in the Future:

- **Food & beverage represents by far the highest share of expenditures for products/ services not yet procured locally, but showing high potential for local procurement in the future (90%), followed by non-food items (8%)**
- **In 2017 accommodation providers spent by far the highest share for meat (beef and pork) regarding products not yet procured locally, but showing high potential for local procurement in the future, followed by cheese, beverage, chicken, milk and honey**
- **Already two-thirds of the accommodation providers have contracts/ signed agreements with local suppliers/ service providers regarding procurement on a regular basis**

KEY RESULTS (ALL TOURISM CLUSTERS)

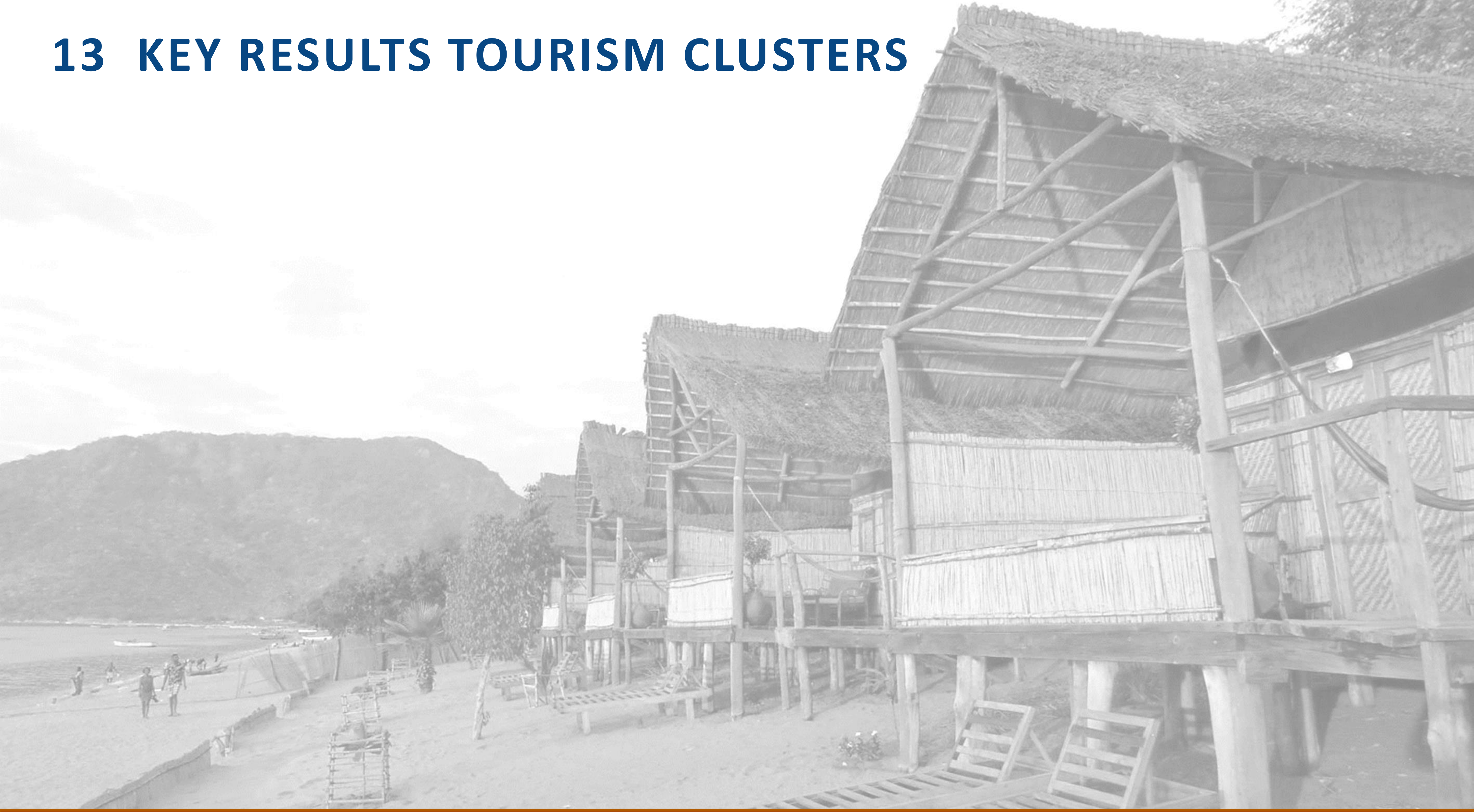
Knowledge & Skills:

- Knowledge and skills on upcycling, gardening, vegetable cultivation and water activities can be found several times within the tourism clusters; additionally, knowledge and skills on livestock/ fish farming, wood work, computer and the production of paper exist
- Customer service shows by far the highest figure regarding knowledge and skills needed by accommodation providers, followed by unspecific study trips/ staff exchange programmes (in order to obtain more experience), food preparation and hygiene & sanitation skills

Challenges in Tourism Development:

- High visa fee, improvement of transportation/ accessibility, insufficient electrical supply and the lack of marketing budget (DoT/ MTC) are the most important challenges on local level regarding tourism development, followed by lacking support for SMEs and insufficient licencing procedures

13 KEY RESULTS TOURISM CLUSTERS



KEY RESULTS TOURISM CLUSTERS

Cape Maclear Cluster

Capacity & Occupancy:

- Low budget room capacity is relatively high in Cape Maclear cluster (77%)
- Almost all accommodation providers (94%) in Cape Maclear cluster are counted among small enterprises equipped with less than 20 rooms, on average each accommodation provider is equipped with 10 rooms
- Occupancy rate is 63%

Sales Revenue:

- Sales revenue in low budget segment is relatively relevant in Cape Maclear cluster (73%)
- Accommodation providers generating less than MWK 50 million annually account for 70% in Cape Maclear cluster, but accommodation providers generating more than MWK 100 million annually account for 6% only
- On average each accommodation provider generates MWK 39 million sales revenue in 2017, each room MWK 3.99 million and each occupied room night MWK 17,356

- Sales revenue increased by 6.8% between 2014 and 2017

KEY RESULTS TOURISM CLUSTERS

Cape Maclear Cluster

Staff:

- 23% of staff are female
- 62% of staff are young employees
- 81% of staff are local employees
- 7.2% of staff is affected by part-time employment
- 1% of staff is affected by seasonal employment
- On average each room generates 1.77 jobs
- On average salary per month amounts to MWK 36,422

- Salary increased by 14.5% between 2014 and 2017
- Staff increased by 19.5% between 2014 and 2017

KEY RESULTS TOURISM CLUSTERS

Cape Maclear Cluster

Local Procurement:

- Local procurement in low budget segment is relatively relevant in Cape Maclear cluster (80%)
- Accommodation providers generating less than MWK 3 million annually account for 30% in Cape Maclear cluster and accommodation providers generating more than MWK 5 million annually account for 36%
- On average each accommodation provider generates MWK 6.62 million local procurement in 2017, each room MWK 670,000 and one occupied room night MWK 2,911

- Local procurement increased by 9.8% between 2014 and 2017

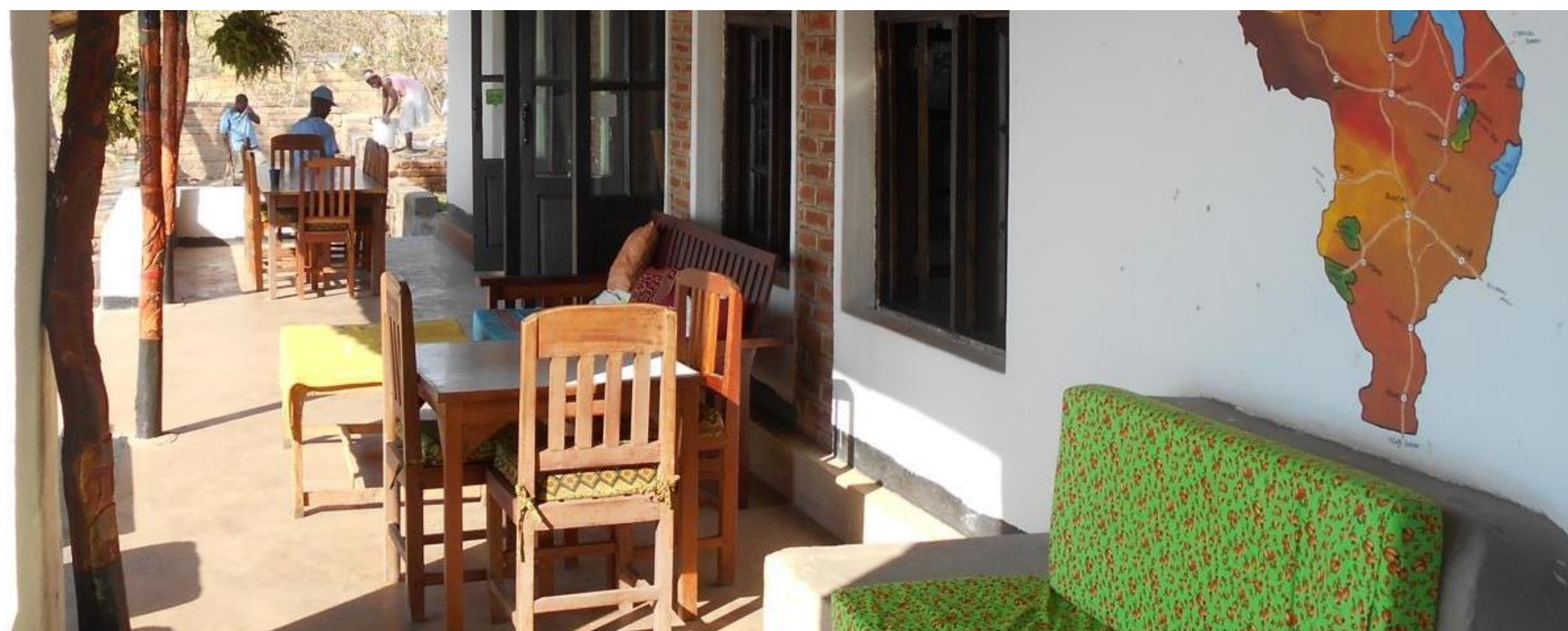
- Local procurement as a percentage of total sales revenue accounts for 14%
- The share of food & beverage is relatively small in Cape Maclear cluster, but the share of other local procurement/ expenditures is relatively high
- Fish, vegetables, eggs and chicken are the most important products procured locally (100%-71%), local procurement of fruits, potatoes and beverages is relevant to the majority of accommodation providers (65%-59%), rice is of minor importance regarding local procurement (24%)

KEY RESULTS TOURISM CLUSTERS

Cape Maclear Cluster

Potential for Local Procurement in the Future:

- In 2017 accommodation providers spent by far the highest share for meat (beef and pork) regarding products not yet procured locally, but showing high potential for local procurement in the future; other products are of minor importance regarding their potential for local procurement in the future; milk is not of relevance in Cape Maclear cluster
- 88% of the accommodation providers already have contracts/ signed agreements with local suppliers/ service providers regarding procurement on a regular basis



KEY RESULTS TOURISM CLUSTERS

Mangochi Cluster

Capacity & Occupancy:

- Moderate budget room capacity is relatively high in Mangochi cluster (55%)
- Accommodation providers providing 30 and more rooms can mainly be found in Mangochi cluster (40%), on average each accommodation provider is equipped with 39 rooms
- Occupancy rate is 72%

Sales Revenue:

- Sales revenue in moderate budget segment is relatively relevant in Mangochi cluster (52%)
- Accommodation providers generating less than MWK 50 million annually account for 55% in Mangochi cluster and accommodation providers generating more than MWK 100 million annually account for 30%
- On average each accommodation provider generates MWK 343 million sales revenue in 2017, each room MWK 8.75 million and each occupied room night MWK 33,993
- Sales revenue increased by 13.8% between 2014 and 2017

KEY RESULTS TOURISM CLUSTERS

Mangochi Cluster

Staff:

- 28% of staff are female
- 74% of staff are young employees
- 47% of staff are local employees
- 6.1% of staff is affected by part-time employment
- 5.3% of staff is affected by seasonal employment
- On average each room generates 1.33 jobs
- On average salary per month amounts to MWK 33,362

- Salary increased by 17.3% between 2014 and 2017
- Staff increased by 9% between 2014 and 2017

KEY RESULTS TOURISM CLUSTERS

Mangochi Cluster

Local Procurement:

- Local procurement in moderate budget segment is relatively relevant in Mangochi cluster (37%)
- Accommodation providers generating less than MWK 3 million annually account for 55% in Mangochi cluster, but accommodation providers generating more than MWK 5 million annually account for 20% in Mangochi cluster only
- On average each accommodation provider generates MWK 3.49 million local procurement in 2017, each room MWK 89,000 and one occupied room night MWK 346

- Local procurement increased by 17% between 2014 and 2017

- Local procurement as a percentage of total sales revenue accounts for 1% only
- The share of food & beverage is relatively high in Mangochi cluster, but the share of other local procurement/ expenditures is relatively small
- Fish, vegetables and chicken are the most important products procured locally (90%-70%), local procurement of eggs and potatoes is relevant to the majority of accommodation providers (65% and 55%), rice, fruits, beverages, goat and bread is of minor importance regarding local procurement (45%-10%)

KEY RESULTS TOURISM CLUSTERS

Mangochi Cluster

Potential for Local Procurement in the Future:

- In 2017 accommodation providers spent the highest share for meat (beef and pork) regarding products not yet procured locally, but showing high potential for local procurement in the future; followed by cheese, beverages, chicken, milk and honey
- About two-thirds (65%) of the accommodation providers have contracts/ signed agreements with local suppliers/ service providers regarding procurement on a regular basis

KEY RESULTS TOURISM CLUSTERS

Salima Cluster

Capacity & Occupancy:

- High budget room capacity is relatively relevant in Salima cluster (38%)
- On average each accommodation provider is equipped with 17 rooms
- Occupancy rate is 67%

Sales Revenue:

- Sales revenue in high budget segment is relatively high in Salima cluster (71%)
- Accommodation providers generating less than MWK 50 million annually account for 72% in Salima cluster and accommodation providers generating more than MWK 100 million annually account for 28%
- On average each accommodation provider generates MWK 121 million sales revenue in 2017, each room MWK 7.06 million and each occupied room night MWK 29,673
- Sales revenue increased by 17.5% between 2014 and 2017

KEY RESULTS TOURISM CLUSTERS

Salima Cluster

Staff:

- 30% of staff are female
- 55% of staff are young employees
- 53% of staff are local employees
- 6.2% of staff is affected by part-time employment
- 6.2% of staff is affected by seasonal employment
- On average each room generates 1.53 jobs
- On average salary per month amounts to MWK 32,115

- Salary increased by 14.2% between 2014 and 2017
- Staff increased by 3.7% between 2014 and 2017

KEY RESULTS TOURISM CLUSTERS

Salima Cluster

Local Procurement:

- Local procurement in high budget segment is relatively relevant in Salima cluster (35%)
- Accommodation providers generating less than MWK 3 million annually account for 67% in Salima cluster, but accommodation providers generating more than MWK 5 million annually account for 14% in Salima cluster only
- On average each accommodation provider generates MWK 2.78 million local procurement in 2017, each room MWK 162,000 and one occupied room night MWK 680
- Local procurement increased by 4.8% between 2014 and 2017
- Local procurement as a percentage of total sales revenue accounts for 2% only
- The share of food & beverage is relatively high in Salima cluster, but the share of other local procurement/ expenditures is relatively small; the share of non-food items is relatively high in Salima cluster
- Vegetables, fish and rice are the most important products procured locally (95%-76%), local procurement of beverages, chicken and fruits is relevant to the majority of accommodation providers (67%-62%), potatoes, goat and eggs are of minor importance regarding local procurement (48%-38%)

KEY RESULTS TOURISM CLUSTERS

Salima Cluster

Potential for Local Procurement in the Future:

- In 2017 accommodation providers spent the highest share for meat (beef and pork) regarding products not yet procured locally, but showing high potential for local procurement in the future; followed by beverage, chicken, cheese and milk; honey is not of relevance in Salima cluster
- 57% of the accommodation providers have contracts/ signed agreements with local suppliers/ service providers regarding procurement on a regular basis

IMPRINT

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