



higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

N1350(E)(N18)H NOVEMBER EXAMINATION

NATIONAL CERTIFICATE

TOURIST DESTINATIONS N5

(22030115)

18 November 2014 (X-Paper) 09:00–12:00

OPEN-BOOK EXAMINATION

Candidates are allowed to take student portfolios, notes and assignment/projects, prescribed textbook(s), an atlas, maps, travel guides, brochures and a GSA (February 2014) into the examination venue.

Candidates are entitled to 15 minutes of reading time.

This question paper consists of 13 pages and a 12-page addendum.

DEPARTMENT OF HIGHER EDUCATION AND TRAINING REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE
TOURIST DESTINATIONS N5
TIME: 3 HOURS
MARKS: 200

INSTRUCTIONS AND INFORMATION

- 1. Read all the questions carefully before you begin to answer the questions of your choice.
- 2. The question paper consists of TWO (2) sections: SECTION A and SECTION B.
 - 2.2.1 SECTION A is compulsory and has a total of 40 marks.
 - 2.2.2 SECTION B consists of five questions of which FOUR (4) must be answered for a total of 160 marks.
- 3. Start each question on a new page.
- 4. Number the questions correctly according to the numbering system used in this question paper.
- 5. The question paper may be answered in English or Afrikaans.
- 6. Write each question number in CAPITAL LETTERS at the top of each page.
- 7. Write neatly and legibly.

SECTION A: COMPULSORY

QUESTION 1

1.1 INDIAN OCEAN ISLANDS SECTION

Choose a/an word/item from COLUMN B that matches a description in COLUMN A. Write only the letter (A–F) next to the question number (1.1.1–1.1.10) in the ANSWER BOOK.

	COLUMN A	COLUMN B
1.1.1	Consistently scoring high marks in measures of human development and good government, this island nation centres around the busy port city of Port Louis.	A Mauritius B Seychelles C Maldives
1.1.2	This island nation of 115 islands has many nature reserves and islands which are set aside as bird sanctuaries.	
1.1.3	This island is considered to be part of France and residents vote for representatives in the government in Paris.	J
1.1.4	Because of its recent volcanic origins, this island does not have the splendid white, coral sand beaches of as the surrounding islands.	
1.1.5	Stretching south of India, fishing is the main economic activity but tourism now contributes 28% of GNP.	
1.1,6	An active volcano, Piton de la Fournaise, is located on the island and can be visited by helicopter.	1
1.1.7	La Galawa Hotel and Casino is one of few casinos in a Muslim country.	
1.1.8	More than 100 hotels provide affordable family holiday packages for families mainly from South Africa and Europe.	
1.1.9	One of the largest islands in the world, it is known for its many species of endemic lemurs.	8
1.1.10	Since independence from France, this nation has had more than 20 coup d'etats or attempted coups, which reduces its tourism potential as it is considered to be unstable.	No.

 (10×2) (20)

1.2 AFRICAN SECTION

Refer to ADDENDUM 1 (attached) as well as your own prescribed references and match the countries below with the attraction listed in the second table. A country can be used more than once. Write only the correct letter next to the number of each question, e.g. 1.2.1 C

Choose ONLY TEN (10) questions from the list and write the letter representing the country (A–H) next the question number. Be careful to keep to the numbering below.

A Namibia	E Malawi
B Botswana	F Tanzania
C Zimbabwe	G Kenya
D Zambia	H Mozambique

- 1.2.1 Jomo Kenyatta was the first president of this East African nation.
- 1.2.2 Famous for the 15,000 km² water and wildlife paradise of the Okavango Swamps.
- 1.2.3 Lake Kariba is shared between this country and Zambia.
- 1.2.4 The largest national park, Kafue, is named after a river of the same name.
- 1.2.5 After 1965, this country was named after Cecil Rhodes for 14 years.
- 1.2.6 Many copper mines are found in the copper belt in the north of the country.
- 1.2.7 The Niassa Game Reserve is situated in the far north on the border of Tanzania.
- 1.2.8 The settled parts are wedged between two deserts, Namib and Kgalagadi.
- 1.2.9 Julius Nyerere was the leader of this East African country for 25 years.
- 1.2.10 This country is named after an enormous rift valley lake of the same name.
- 1.2.11 The first transfrontier park was established in 2000 together with South Africa.
- 1.2.12 The Luangwa River is a tributary of the Zambezi River and is known for wildlife.

1.2.13	A Portuguese settlement was built on an island on the north coast as early as 1507.
1.2.14	The son of Jomo Kenyatta, Uhuru Kenyatta, became the 4 th president in 2013.
1.2.15	This country is sometimes known as 'the warm heart of Africa.'
1.2.16	This country is named after Great Zimbabwe, one of the greatest ruins in Africa.
1.2.17	The most famous national park is named after the Etosha Pan.
1.2.18	Contains the 2 nd largest game reserve in Africa, Central Kalahari Game Reserve.
1.2.19	Most of this country's coastline is protected by an enormous national park.
1.2.20	The Caprivi Strip is a long finger of land that extends east to touch the Zambezi.
	(10×2)

 (10×2) (20) [40]

TOTAL SECTION A: 40

SECTION B

Answer any FOUR (4) questions in this section.

QUESTION 2

Indian Ocean Islands Section: Choose TWO (2) of the following islands:

Seychelles/Mauritius/Reunion and refer to the extracts from tourism brochures illustrated in ADDENDUM 2 A-C (attached) as well as your own prescribed references to answer the following questions:

SEYCHELLES

2.1	2.1.1	Which languages are spoken in the Seychelles?	(3)
	2.1.2	Do South African visitors require a visa?	(1)
	2.1.3	What is the currency of the country?	(1)
	2.1.4	How many hours ahead of South Africa are the islands?	(1)

		AND/OD	
		List THREE features or attractions of the island that will appeal to tourists.	(3) [20]
	2.2.10	lle aux Cerfs is a tropical island on the east coast of Mauritius.	
,	2.2.9	Name TWO attractions that will appeal to tourists at Chamarel in the south of the island.	(2)
	2.2.8	Which TWO museums will visitors enjoy visiting in the capital, Port Louis?	(2)
	2.2.7	What sporting event is held on the Le Morne Peninsular?	(1)
4		Describe the climate that they should expect during this month.	(2)
	2.2.6	A client wants to go to Mauritius during the July holidays.	
	2.2.5	At an exchange rate of R0.35 to the Mauritian Rupee, calculate the price of a soft drink in Mauritius.	(4)
	2.2.4	How many hours is the island ahead of South Africa?	(1)
	2.2.3	What is the currency of the country?	(1)
	2.2.2	Do South African visitors require a visa?	(1)
2.2	2.2.1	Which languages are spoken in Mauritius?	(3)
MAURI	rius		
		AND/OR	[20]
	2.1.9	List THREE items that can be bought at an outdoor market in the capital, Victoria.	(3)
		Name TWO activities that tourists can enjoy at this beach.	(2)
		Seychelles. This stretch of white sand is framed by granite boulders and shaded by coconut palms and takamaka trees.	
	2.1.8	Anse Lazio Beach on Praslin is regarded as the best beach in the	()
	2.1.7	For what reason is the World Heritage Site, Valle de Mai National Park, on Praslin famous?	(2)
		Describe the climate that they should expect during this month.	(3)
	2.1.6	A client wants to go to the Seychelles during the December holidays.	
	2.1.5	At an exchange rate of R14,50 to the euro, calculate the lowest price of a soft drink in the Seychelles.	(4)

	Sasa Breas	9 9	AI	1		A	į
2 3	2	R.S	8 18	*	8	* 1	ā

2.3	2.3.1	Which languages are spoken in Reunion?	(2)
	2.3.2	Do South African visitors require a visa?	(1)
	2.3.3	Why should euros be obtained at home before flying to Reunion?	(2)
	2.3.4	How many hours ahead of South Africa is the island?	(1)
	2.3.5	At an exchange rate of R14.50 to the Euro, calculate the price of a pizza in Reunion.	(4)
	2.3.6	A client wants to go to the island during the December holidays.	
		Describe the climate at the coast compared to the climate of the high mountains.	(3)
	2.3.7	What sporting event is held at Saint Paul?	(1)
	2.3.8	Why is Piton de la Fournaise a popular tourist destination?	(2)
	2.3.9	Reunion has three famous cirques or calderas.	
		Briefly describe what causes a caldera to form.	(2)
	2.3.10	Why would you recommend the drive to Cilaos to a client interested in scenery and nature?	(2) [20]
		TOTAL QUESTION 2:	[20]

QUESTION 3

AFRICAN SECTION

3.1 Refer to your own prescribed references and your GSA and answer questions on TWO of the following countries: Malawi, Zambia, Kenya, Morocco, Uganda.

Copy the table below into your answer book and enter the relevant information.

IATA code	Currency	Languages	Visa requirements for SA visitors
of Capital			
	We desired the second s		
	And the second s		

 (8×2) (16)

Referring to the TWO countries you selected, briefly describe FOUR attractions that a tourist can visit in the capital city of each country.

 $(4 \times 3) (12 \times 2)$

(24) [**40**]

QUESTION 4

Indian Ocean Islands Section: Read the material contained in ADDENDUM 3 (attached) as well as your own prescribed references to answer the following questions:

- 4.1.1 In how many towns on the island will tourists stay for at least one night based on the proposed itinerary? (1)
- 4.1.2 Vanilla is a widely grown crop on Reunion

How is it incorporated into the 7-night tour?

(2)

4.1.3 On arrival in a new country, such as Reunion, why do you think it is a good idea to spend the first night in the capital city, Saint Denis?

(3)

4.1.4 Briefly describe what the geographical feature known as a cirque (or caldera) is.

(2)

4.1.5 Why is the town of Hell-Bourg rather unique in terms of its location?

(2)

4.1.6 What would be the highlight on Day 4 for any tourist?

(2)

4.1.7 Why would you suggest to a client that it is well worth spending 4 nights in St Gilles?

(3)

4.1.8 Reunion is popular amongst tourists who enjoy active outdoor activities.

(3)

List THREE outdoor activities that can be enjoyed in the vicinity of Cirque Mafate.

4.1.9 As Reunion is a recent island formed by a volcano, it does not have the splendid, white, sandy beaches of islands such as Madagascar, Mauritius and Seychelles.

How do the beaches at St Gilles differ from the usual black sand beaches on Reunion?

(2) [**20**]

4.2 AFRICAN SECTION

Refer to ADDENDUM 4 A-B (attached) as well as your own prescribed references and answer questions on ONE of the following countries:

ZAMBIA

Zariai Pai La		
4.2.1	Much of Zambia is part of the drainage of the Zambezi River.	
	Name TWO large rivers in central and eastern Zambia that are important tributaries of the great river.	(2)
4.2.2	Kafue NP is the country's largest and offers 36 exclusive lodges for tourists.	
	How is this park ideally suited to become a major tourist destination in Zambia?	(3)
4.2.3	Kafue NP supports 21 antelope species in addition to elephant, buffalo, lion, hippo, zebra and so forth.	
	Why do you think that most of the park's lodges are located along the Kafue River?	(3)
4.2.4	Lower Zambezi NP has superb scenery and large herds of game.	
	With which park in neighbouring Zimbabwe can this park be developed into a transfrontier park?	(2)
4.2.5	South Luangwa and North Luangwa National Parks are the most famous parks in Zambia.	
	What popular outdoor activity was pioneered in these parks?	(2)
4.2.6	For which concentrations of animal is the small park 'Kasanka National Park' known?	(1)
4.2.7	Lake Kariba was formed after a dam was completed in a narrow gorge in the 1950s.	
	For what purpose was the dam built?	(1)
4.2.8	Three airports are shown on the map of Zambia.	
	Comment on the location of each of these airports and explain why they are located where they are.	(6) [20]

OR

ZIMBABWE

4.2.9	TWO of the country's largest national parks are situated in hot, dry areas on the edge of the country.	
	Given their location, how are these parks ideally situated to be part of transfrontier parks?	(2)
4.2.10	Hwange NP is the country's largest national park and offers three main rest camps for tourists.	
	How is this park ideally suited for any traveller driving from Bulawayo to Victoria Falls?	(3)
4.2.11	The hot and dry Zambezi Valley supports much of Zimbabwe's wildlife as farming is difficult in this region and there are no large towns.	
	Name THREE national parks of the Zambezi Valley.	(3)
4.2.12	Mana Pools NP is one of the most beautiful national parks in Africa as it includes a long stretch of the Zambezi River and large herds of elephant and buffalo etc.	
	With which neighbouring park in Zambia can this park be developed into a transfrontier park?	(1)
4.2.13	Apart from viewing the waterfall, name THREE popular activities that visitors to Victoria Falls can enjoy on the Zambezi River.	(3)
4.2.14	Great Zimbabwe is the greatest ruin in Africa south of the pyramids of Egypt.	
	Name TWO ways in which the ruins as an icon have been incorporated into the modern state of Zimbabwe.	(2)
4.2.15	Three airports are shown on the map of Zimbabwe.	
	Comment on the location of each of these airports and explain why they are located where they are.	(6) [20]

40

TOTAL QUESTION 4:

QUESTION 5

AFRICAN SECTION

5.1 Choose TWO of the following countries: Namibia, Botswana, Tanzania, Uganda, Morocco. Present the information required in table format and copy the table below in your ANSWER BOOK for each of the TWO countries you have selected.

Country	Capital city	National park or natural attraction within 300 km of the capital	TWO (2) outdoor activities that tourists can enjoy in this park/attraction	A souvenir item that can be bought by a tourist in the country

+1+2+4+2) (10 × 2) [20]

5.2 **Indian Ocean Islands Section:** Refer to ADDENDUM 5 (attached) as well as your own prescribed references to answer the following questions:

- 5.2.1 Apart from enjoying the hotel and the beach, what can a tourist do in the nearby town of Flic-en-Flac? (3)
- 5.2.2 What provision has been made for a tourist who is interested in sampling a variety of different food dishes? (2)
- 5.2.3 The five-star Hilton Mauritius Resort offers many activities.

Why would you recommend the hotel to a client who has two young children that are younger than 12 years old? (4)

5.2.4 Most of the activities on offer are included in the hotel tariff.

List any FOUR water-based activities that are offered for free. (4)

5.2.5 From the advert, explain to a client how the hotel offers enough to keep a family entertained for a week.

5.2.6 By which national park are the high volcanic mountains in the background protected? (1) [20]

TOTAL QUESTION 5:

(6)

40

OUESTION 6

AFRICAN SECTION

MALAWI

6.1 Refer to ADDENDUM 6 (attached) as well as your own prescribed references and answer the following questions: 6.1.1 Wilderness Safaris was founded 30 years ago and now operates luxury lodges in some of the best wildlife country in nine African countries, including Malawi. At an exchange rate of R10.50 to the US\$, calculate the cost in rand of a single night per person at Myuu Camp. (4)6.1.2 Describe the type of South African tourist who you would expect to find at Mvuu Camp. (2)6.1.3 Why does Wilderness Safaris want to keep its camps small? (2)6.1.4 What is the total number of beds available for tourists at Mvuu Camp? (2)Mvuu Camp offers game-viewing boat trips on the Shire River. 6.1.5 List THREE species of wildlife that tourists could expect to see on the river. (3)6.1.6 What has Wilderness Safaris done to maximise the natural features of a site such as the Shire River and the two baobab trees? (4)Briefly describe THREE highlights of any visit to Mvuu Camp. 6.1.7 (3)[20] **KENYA** 6.2 Refer to ADDENDUM 7 (attached) as well as your own prescribed references and answer the following questions: 6.2.1 Why would the attack on the Westgate Mall in Nairobi threaten tourism to the country? (2)6.2.2 How important is tourism to the economy of Kenya? (1) 6.2.3 What is Kenya's number one foreign-currency earner? (1)

Which TWO key attractions in Kenya are specifically mentioned in

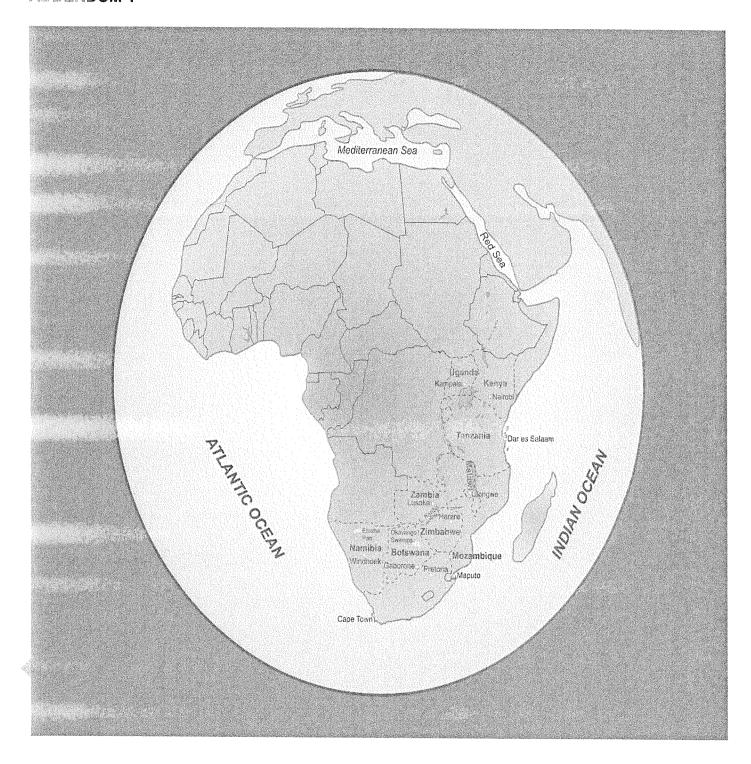
6.2.4

the article?

(4)

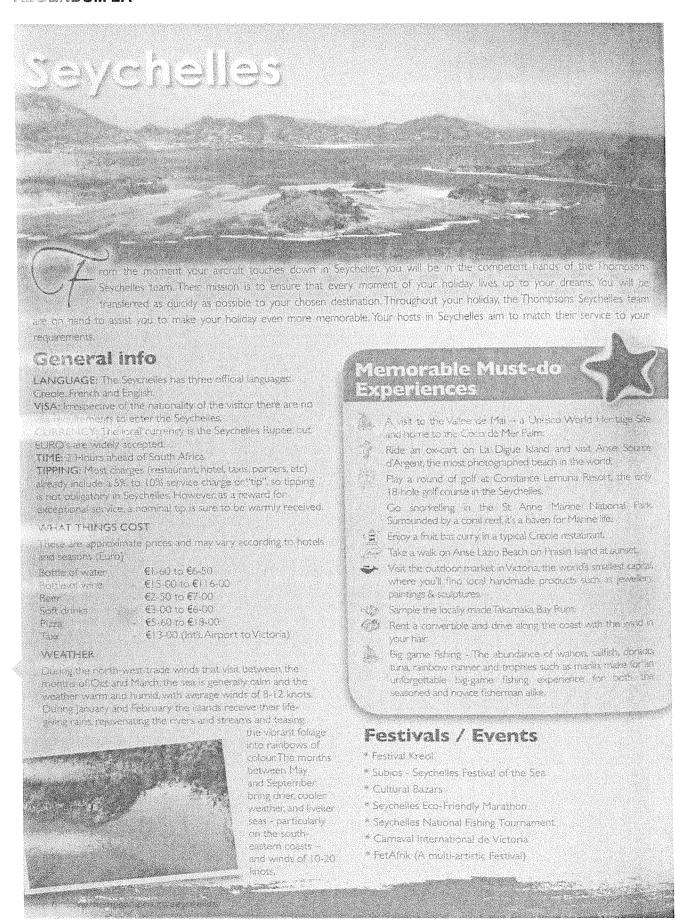
6.2.5	Which impact will the attack on the Westgate Mall have on expected economic growth in Kenya?	(2)
6.2.6	Which TWO events earlier in 2013 had already dented tourism arrivals in Kenya?	(2)
6.2.7	What impact did violence after the December 2007 elections have on the economy?	(2)
6.2.8	How has the hotel group, Marriott International, responded to the terror attack?	(3)
6.2.9	What does the article tell us about the relationship between law and order, good government and free-and-fair elections, on the one hand, and the strength of the tourism industry on the other?	(3) [20]
	TOTAL QUESTION 6:	40
	TOTAL SECTION B: GRAND TOTAL:	160 200

-13-

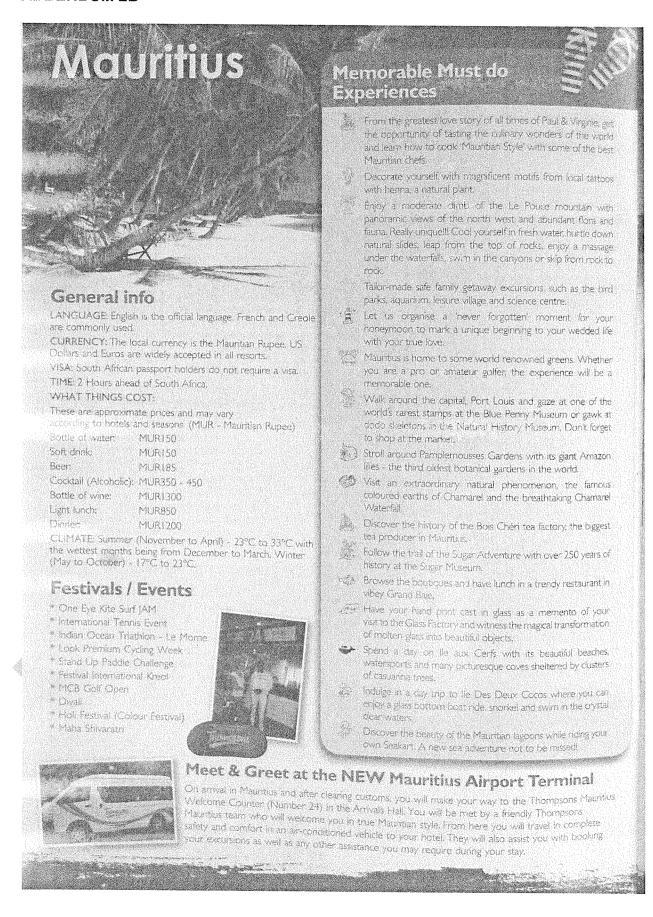


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ADDENDUM 2A



ADDENDUM 2B



ADDENDUM 2C



LANGUAGE French is the official language in Reunion. Reunion Crecie is also spoken, although not an official

CURPENCY The currency is the EURO. It is recommended to exchange South African Rands to Euro's prior to departing South Africa as it is difficult to exchange once in Reunion. This can only be done through the banks. ATMs do allow the holders of foreign bank cards (Visa, MasterCard or Cirrus) to wendraw Euros

VISA: South African passport holders no longer require a visa to enter Reunion.

TIME 2 Hours shead of South Africa.

WHAT THINGS COST.

These are approximate prices and may vary according to hotels and seasons.

3.5 Euro Salue of waters Some or local been 5 Euros Bottle of wine: 25-30 Euros 14 Euros Pizza: 2.25 Euros Litre of petrol: 15-20 Euros Light functions:

CLIMATE: The temperatures on the coast vary between is and 32 degrees, Summer, from November to April is not and numid with temperatures averaging 30 degrees. At higher altitudes the temperate varies between 15 and 24 degrees. Winter, from May to October, is the cool season with ter peratures averaging 20 degrees.

TIPPING: Where a service charge is not included on hotel and restaurant bills, a 10% gratuity is adequate.

DRIVING IN REUNION: Driving in Reunion is on the right hand side of the road. An International Driver's Licence is required when renting a vehicle.

Festivals / Events

- * Trophee H20 (St.Leu) Underwater photography competition
- * Dinavali celebrations (all over the island)
- * Megavalanche (St. Paul) Moontain bike race.
- * French Paragiding Championships (St Leu):
- Reupion Film Festival (St Paul / St Giles)
- Galling fortnight competition (St Giles Les Hauts).
- * Trais des Anglas mourtain bité race.
- * Sport and Mature Exo-Plaration (Le Tempon)
- * Academatic Film Festival
- Safiko Music Festival (St Pierre)
- * Grand Boucen Carrival (St Gilles)
- Final 974 Marainos

Sightseeing Experiences

INCREDIBLE VOLCANO

After an early departure the bus will heart for the "Piron de o Fournaise considered one of the most active volcanous on the planes. The first stop will be at the Nez de Boouf, an incredible viewpoint into the caldera at an attitude of 2070m. Afterwards, you will then reach Le Pas de Bellecombe at an altifude of 2311m overtooking the magnificent volcano of Le Piton de la Fournase.

Your next stop is at the Notre Dame Des Leves church that miraculously survived a previous enument. Lunch will be served at le joyau des Laves, Operates every Tuesday,

CILAOS LANDSCAPES AND RAMPARTS

Your tour starts with an early departure to the southern part of the island. The ascent starts with a drive through the village of Ta Rivers Seinchous: Before crossins the Saint coenne River on a road known. as the "400 turns". The vilage of Cilaos is at an altitude of 1300m, and is situated in one of three calderas on the island.

A caldera is a shallow valley formed by the collapse of the centre of a dormant volcano. This one is unusual as it has a town at its centre, On the return journey we will view the geysers or blowers along the shores of "L'Etang Sale" where the law nocks and black sand beaches. can be seen. Operates every Wednesday.

SALAZIE LUXURIANCE AND WATERFALLS

A memorable four which takes you to the north, through the capital "Saint Denis" and then on to the east of the Island, renowned for its sugar cane production. You will then make a stop at the Nagara. waterfall in Saint Suzanne, before visiting a vanilla farm to discover this amazing orchid and the process of hand pollination.

After this stop you will drive along the river. La Rivière du Mat. 10 the Cirque of Salazie, a valley on caldera formed by the collapse of a volcano which was inhabited only a century ago. After a Creole funch in a restaurant you will be able to visit the ancient thermals. Operates every Saturday,

Memorable Must do

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Crear that they do a reak individual state (60 turns). The rost may so the major of an arrow mazine scenery with high points costs and more

returns bloom consection can Church (Chirling) of the Lag.

Self-Drive: 7 Nights stanne · salazie · st gilles

HIGHLIGHTS

- Visit a local vanilla manufacturing plant.
- Salazie, the largest and greenest of the three Cirques.
- Drive to St Philippe to see the lava flows.
- · Visit the Turtle farm, Kelonia.
- Stroll through the beautiful village of Hell-Bourg

ITINERARY BASED ON:

- Night in St Denis Night in St Arne
- Night to Salazie
- 4 Nights in St Gilles 7 Days car hire

DEPARTS:

- Sundays and Thursdays*
 - * Excludes low season







CONTRACTOR

Personal Property of the Control of

DAY IS ARRIVE IN REUNION

On arrival at Roland Garros Airport you will be met by a Thompsons representative and directed to collect your rental car, it's just a short drive to St. Denis where you will spend the night.

Overnight in St Denis.

DAY 2 ST DENISH ST ANNE

Head off in an easterly direction along the picturesque coastal road to St Anne, with a stop in Bras Panon en-route to pay a visit to the local Vinilla manufactining plant. Here they'll explain the different stages in the process. Why not sample: some of its flavours with a light lunch at the onsite Le Van La Restaurant.

Overnight in St Anne.

DAY 3: ST ANNE / HELL BOURG (SALAZIE)

Today your journey takes you inland. to Salazie, the largest and greenest of the three circues, a caldera or pasis formed by a domiant volcano. Right at the bottom of the circue lies Hell-Roug often described as one of the most months Villages in France' with its neat 442 O colourful Creole houses. Take a lesserely stroll chrough the village and

see the L'eglise Saint-Martin à Grand Bet, a shingle church, and visit the old springs once popular with the wealthy.

Overnight in Hell-Bourg, Salazie.

DAY 4: HELL-BOURG (SALAZIE) / ST GILLES

We suggest that you make an early start. to visit the awesome sight of the only active Volcano on the island, Piton de la Fournaise, which is approximately a 2.5 hour drive away. Drive through to St. Gilles on the West Coast.

Overnight in St Gilles.

DAY 5: ST GILLES

Today you will drive inland to Le Maido. The drive takes you through dense dyptomena forests to this breathtaking view site overlooking the Cirque of Mafate, a caldera or basin formed by a dormant volkano. There are many activities on offer in the area including quad biking, horse riding, tree-dimbing as: well as various arts and crafts stalls along the way. Take time to visit the bustling market at Sami Paul (En & Sat).

Overnight in St Gilles,

DAY 6: ST GILLES

After a leisurely breakfast, enjoy a short drive to Saint Leu (+/- 20 minutes) to visit the turtle research institute at Kelonia. Suggestion for lunch: La Villa la Varille,

Overnight in St Gilles.

DAY 7: ST GILLES

At leaune in St Gilles to enjoy the magnificent white beaches and the many sporting activities on offer. Overnight in St Gilles

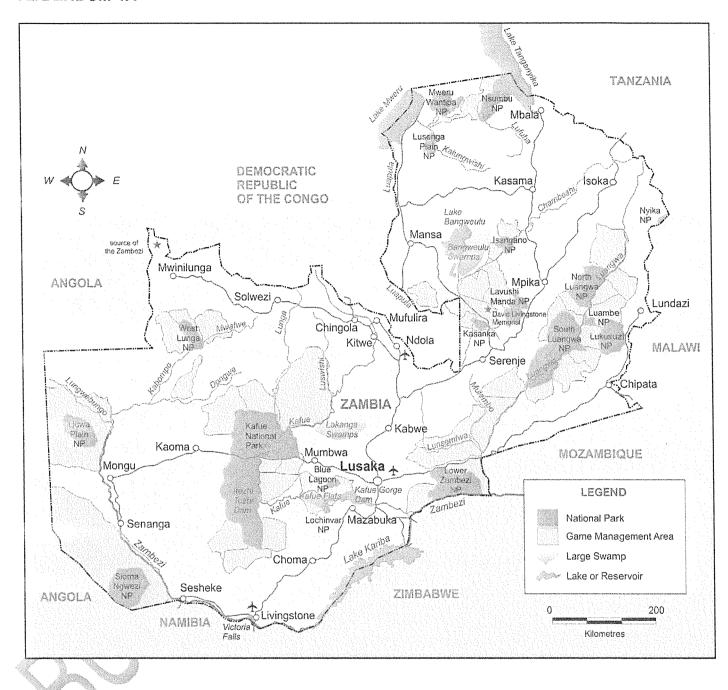
DAY 8: DEPART FROM REUNION

Drive through to St Denis and explore: this lovely town. Drive to Roland Gamos Airport and return your rental car. Depart for your return flight name.

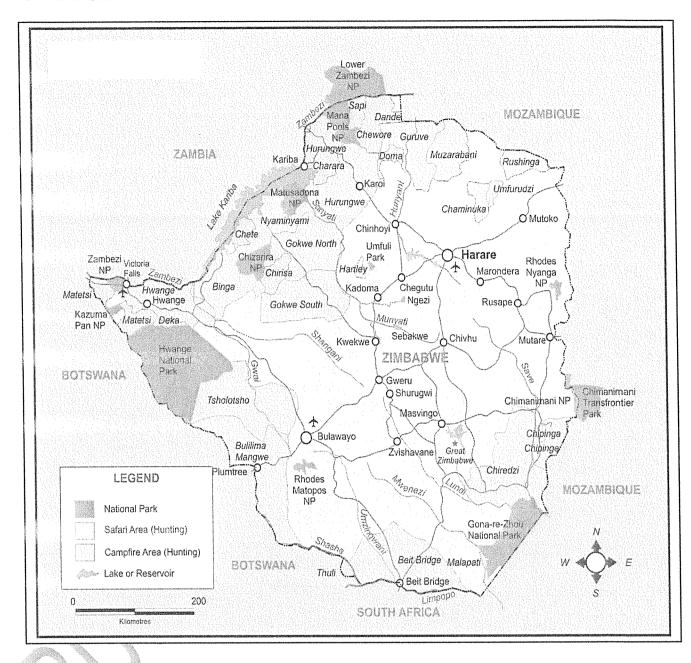


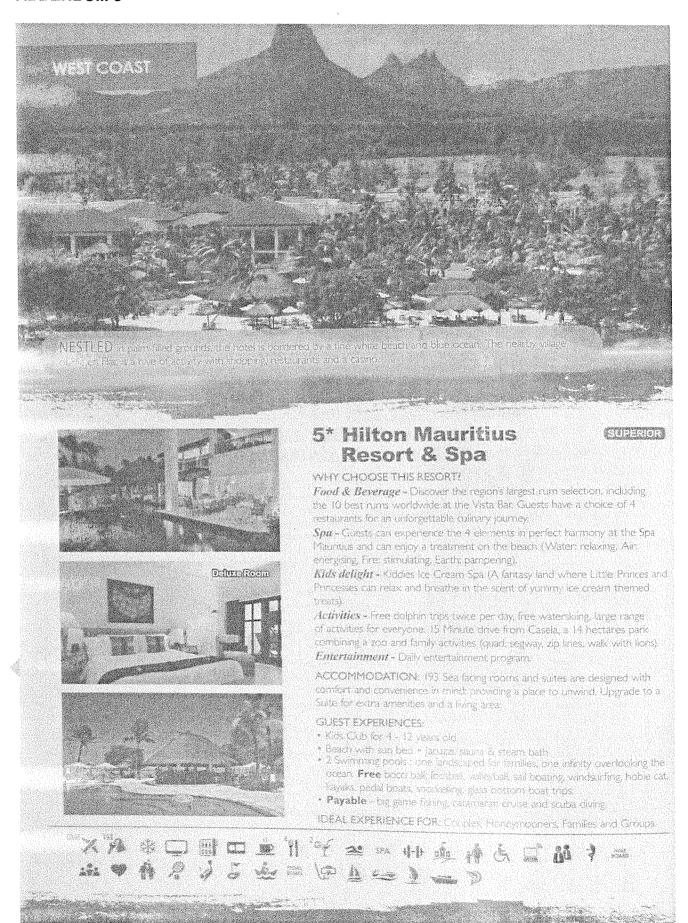
ADDENDUM 4A

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ADDENDUM 4B

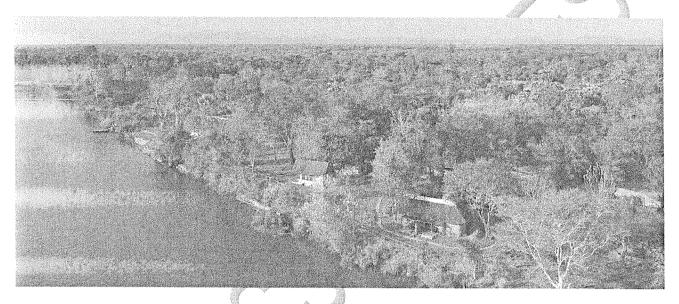




Wilderness Safaris' camps in Malawi

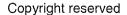
In Malawi our camps are typically small, intimate safari camps in superb locations, ranging in size from just four units (with a total of eight beds) to 12 units. Here we want our guests to be immersed in Africa: while lying in bed to hear the grunt of hippo, gaze over rolling hills or the lapping of waters.

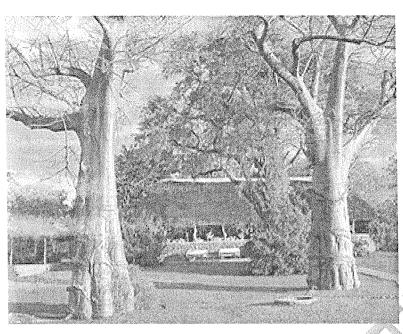
Of paramount importance to us is that our camps have as little impact on the environment as possible.



Non-stop hippo-ing and birding

Mvuu Camp overlooks a broad stretch of the Shire River in the Liwonde National Park. The camp is a clever mix of stone and canvas chalets and specially-designed family tents, which total 12 units or 48 beds. An impressive thatched dining and lounge area is situated between two enormous baobabs, and dinners are sometimes held under the stars in a specially constructed boma. A custom-built education and conference centre has facilities for up to 40 delegates or smaller corporate and teambuilding functions.





From US\$ 232 per person per night.

Highlights

- Liwonde is one few parks in Africa where game viewing from boats is the main visitor activity
- Mvuu Camp offers a wide range of options including camping, selfcatering and full board
- The view of the splendid Shire River which generally holds a profusion of hippo, elephant, crocs and amazing birdlife.

Kenyan Tourism Industry Threatened in Deadly Mall Attack

By Sarah McGregor

October 4, 2013

The deadliest attack by militants in 15 years in Kenya is threatening tourism, the nation's 2nd biggest source of foreign income, as the industry battles to rebound from a series of setbacks this year.

The 4-day raid by militants linked to al-Qaeda at an upmarket shopping complex in the capital, Nairobi, left at least 67 civilians and security personnel dead. Armed with automatic machine guns, as many as 15 gunmen of the Somali group, al-Shabaab, rushed into the mall on Sept. 21, spraying bullets and lobbing grenades as they moved through the building.

'Some of the images that have come out of Kenya are really harrowing and it's going to affect the perceptions in quite a negative way,' Shilan Shah, an economist at Capital Economics in London, said. 'The length of time it went on, the live coverage, the severity of the attack; it's definitely affecting perceptions.'

Tourism is the biggest foreign-currency earner in East Africa's largest economy after tea exports, with visitors flocking to Kenya's wildlife reserves, such as the Masaai Mara National Reserve where millions of wildebeest can be viewed in an annual migration, and Indian Ocean beach resorts at Mombasa, the country's second-biggest city. The industry accounts for about 10 percent of gross domestic product, generating more than \$1 billion a year according to the government.

Tourism Target

The violence will probably reduce tourism revenue by \$160 million this year, restricting economic growth in the \$41 billion economy to 5 percent, compared with an earlier estimate of 5.6 percent.

Shares of TPS Eastern Africa, the Kenyan holding company of the Serena Hotel chain, have dropped 5.7 percent since the violence to 45.25 shillings (\$0.53) at today's close in Nairobi.

The U.S. State Department on Sept. 28 re-issued an earlier advisory telling American tourists to be wary of the 'threats from terrorism' in Kenya. Tourism has already been dented this year as visitors held back on trips before elections in March and after a fire at the country's main airport in Nairobi in August gutted the international arrivals hall. The number of tourists dropped 12 percent in the first half to 495,978, compared with a year earlier, according to the government,

'Bounce Back'

While tourism may suffer, the economy is resilient and investors taking a long-term view won't be deterred, Shah said.

'The country has shown it has the capacity to bounce back previously,' he said.

Clashes between ethnic groups after disputed elections in December 2007 led to the deaths of more than 1,100 people and displaced thousands, causing economic growth to slow to 1.5 percent in 2008. A year later, the economy expanded by 2.6 percent, while tourist arrivals surged 24 percent, according to the Kenya National Bureau of Statistics.

The al-Shabaab attack won't dissuade Marriott International Inc. (MAR) from proceeding with the construction of two new hotels in Nairobi, Alex Kyriakidis, the hotel chain's president for Middle East and Africa, said in an interview on Sept. 25. This was an *'isolated incident'* and it's unlikely to have a long-term effect on Kenya's tourism industry, he said.

'We were immediately worried but we're seeing now, happily, that the impact may not be as big as we thought,' Mohammed Hersi, chief executive officer of Nairobi-based Heritage Hotels Kenya, a chain of 7 hotels and safari lodges, said in an interview yesterday.