Competitiveness Assessment of Tourism in Sierra Leone: 
A Cluster-Based Approach

1. Tourism in Sierra Leone

Tourism is arguably the largest industry in the world today, and one which continues to grow at an enviable rate. Tourism is estimated to represent over 4 trillion dollars, or 10 per cent of the World’s GDP. The industry supplies over 230 million jobs and over $800 billion in tax revenues internationally (UN/WTO Stat). It is a major generator of foreign exchange revenues and facilitates regional and international trade and investment linkages.

Sierra Leone has strong potentials for tourism industry. It has excellent beaches and islands, mountains and rich biodiversity, interesting wildlife, friendliness and rich social capital among people and its special place in the world history of anti-slavery movement as ‘the land of the free.’ However, the violent conflict of the late 1990s has taken its toll, and tourism-related revenues declined from 57mn$ in 1995 to an all low 6mn$ in 1999 before rising again to 64mn$ in 2005. After a sharp negative dip of 17 per cent in the 1990s decade, tourism sector grew by 20 per cent in between 2000 and 2005 once the conflict was over. In 2005, tourism comprised 24% of total exports, albeit marked by a very high volatility in tourism-related revenues. (UN/WTO Stat.)

According to World Bank’s DTIS (2006), the tourism industry in Sierra Leone has the potential of growing up to 105mn$ by 2015 provided that beach subsector – once uprooted by the conflict – is re-established by opening of sizeable beach resorts and building hard and soft infrastructure necessary for sustaining them. It is true that mass tourism involving tour operators runs the risk of high ‘import leakage’ ratio out of the host country because of the high import, foreign investment and foreign transaction contents of the industry. However, research shows that local labor and capital benefits are reasonably high and it is estimated that approximately 60 per cent of the revenue generated by tourism in Sierra Leone can be retained within the country (The World Bank, 2006: 71).

Tourism industry may serve as an income equalizer if handled properly. Sierra Leone has long suffered from lopsided growth heavily concentrated in the mining sector, which can be attributed to some degree to the violent insurgency that engrossed the country between 1991 and 2001. Tourism can have direct impacts on the poor through direct employment or indirect linkages with the tourism supply chain. In fact, Sierra Leone is going to need to reduce its dependence on minerals and develop one or more labor-intensive industries to be able to rebuild the social fabric and a sustainably equitable economy after recovering from the havoc wreaked by the conflict.

The impact of the civil war on tourism sector is not to be underestimated. A cluster of beach resorts which accounted for over 80 per cent of the tourists from outside West Africa region was literally torn down in the late 1990s. The decade of ruthless war was
responsible for the sheer destruction of the basic infrastructure, disintegration of institutions, and human and capital flights away from the country. On reconstruction, the country has had to start with the most basic needs – re-establishing food supply, ensuring peace and security, rebuilding essential infrastructure and government services, etc.

After the finalization of the peace agreement, progress has been rapid and steady in Sierra Leone, assisted by the donor community and by the significant inflow of cash from the artisanal diamond sector. But it is important to remember that nothing can be taken for granted in analyzing the current state of tourism and developing any strategy for tourism development in Sierra Leone.

2. Tourism potentials in Sierra Leone

The tourism industry, defined broadly to include all travel, lodging, restaurants and supporting services, already represents 10 per cent of the world’s GDP. While there are many significant trends within this broad definition, the following are a few that were identified by most cluster actors in Sierra Leone as especially relevant for realizing its tourism potentials (see below).

FIG 1: CURRENT AND POTENTIAL TOURISM SEGMENTS

- Sun and beach resorts without crowds: Potential tourists for Sierra Leone are mainly those seeking tranquility, a sense of discovery and cultural stimulation in addition to the usual requirements of beach tourism, i.e., sun, sea and sand. The
Western Peninsula and nearby islands in Sierra Leone are the most important tourism asset for Sierra Leone in this regard. Within 5-6 hours by air from the capitals of Europe, with a comfortable, tropical dry season precisely during the European winter – this beach destination is arguably the best in West Africa. In addition to usual qualities such as climate, surface, ocean temperature and beauty, Sierra Leone has the advantage of being relatively pristine and uncrowded compared to its regional rival, The Gambia which has been a popular European destination for mass tourism.

- **Eco-tourism:** There is potentially a strong attraction to a wide range of interests for ecotourism within beach tourism as well as rainforest hiking, fishing, wildlife and bird-watching. The Government of Sierra Leone has lately expressed interest to develop Tiwai Island (biodiversity conservation area), Outamba Kilimi (rivers, wildlife and savannah), Tacugama (Chimpanzee sanctuary), and few others. Ecotourism needs to follow a different business model than those aiming for luxury or mass beach tourism.

- **Business tourism:** Of the 40,000 tourists visiting Sierra Leone, only 10 per cent were for leisure purposes (SL/NTB, 2008) while the remaining 90 per cent were business visitors. Consultations revealed that, with exception of three beach resorts, all other accommodation providers were catering primarily to business visitors. Although ‘business tourism’ may not specifically fit into the standard definition of tourism, it has to be acknowledged that Sierra Leone has high business travel by NGOs and development organizations. Its mining and agribusiness sectors also attract a fair deal of regional and inter-regional business travelers who may very well contribute to developing the first tier of tourism industry and the products and services required for tourism. Lately, some hotels are developing business plans to market Sierra Leone as a business conference destination in neighboring countries like Nigeria, although it has to be emphasized that there is no conference facility in Sierra Leone right now.

- **Specialized tourism:** Sierra Leone’s positive historic image of ‘the land of the free,’ somewhat tarnished during the civil war. However, with some efforts, its historical place can be reinstated. The Government of Sierra Leone (GoSL) has lately expressed interest to develop Bunce Island, Banana Island and Plantain Island (sites that have remnants of former slave forts and barracoons), African-American heritage trails (including freedom-related sites like Connaught hospital – site for freed slaves’ first free steps, Cotton Tree, etc) and Graham Greene walking trails (focusing on the colonial history). Other specialized interests have included archaeological trails, guided tours to plantations and mines, rock climbing, etc.

Recently, 4 of the 16 world records on tarpon fishing (three in conventional tackle and one in fly rod technique) were set by Sierra Leone and it is beginning to gain
considerable recognition as a world class destination for specialized fishing. The
decade of conflict which saw the decline of generic fishing industry in Sierra
Leonean coasts may have contributed to replenishment of fish stocks.

**FIG 2: SWOT Analysis**

<table>
<thead>
<tr>
<th>STRENGTHS</th>
<th>WEAKNESSES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>internal</strong></td>
<td><strong>extremely unfavorable (and unfair) country image</strong></td>
</tr>
<tr>
<td>Pristine and high quality beaches, hills and biodiversity</td>
<td>Self-imposed isolation due to limited air, water and land transport</td>
</tr>
<tr>
<td>Geographic proximity to market</td>
<td>Lack of connectivity within country among various tourist sites</td>
</tr>
<tr>
<td>Pleasant weather during peak season</td>
<td>Lack of basic physical infrastructure (water, electricity, emergency health services)</td>
</tr>
<tr>
<td>Historical importance related to slavery</td>
<td>Historical legacies unpreserved due to encroachment or indifference</td>
</tr>
<tr>
<td>Historical emblem for freedom of slaves</td>
<td>Absence of even a basic supply chain</td>
</tr>
<tr>
<td>Navigable rivers for water-based exploration</td>
<td>Somewhat disconnected from the feedback from clients and markets</td>
</tr>
<tr>
<td>Low cost of locally available goods and services.</td>
<td>Low capacity to market regionally or internationally</td>
</tr>
<tr>
<td>Unique ethnic cultures</td>
<td>Lack of coordination among entrepreneurs and government</td>
</tr>
<tr>
<td>Higher security and social capital</td>
<td>Lack of technical manpower</td>
</tr>
<tr>
<td>Hospitality and service culture as an asset</td>
<td>Lack of an overall critical mass</td>
</tr>
<tr>
<td>Very low HIV/AIDS ratio compared to other African countries</td>
<td>High costs due to lack of competition and low value added from local businesses</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OPPORTUNITIES</th>
<th>THREATS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>external environment</strong></td>
<td>Regional image due to drug-trafficking and petty crimes</td>
</tr>
<tr>
<td>Successful peace-building process and sustained political stability that is slowly being recognized internationally</td>
<td>Government and market failures related to specific goods and services</td>
</tr>
<tr>
<td>Global interest in the histories of anti-slavery movement originating from the United States, or Obama-mania</td>
<td>Price levels too high compared to comparable tourist destinations</td>
</tr>
<tr>
<td>Recent recognition among the sportsmen about the excellence of specialized fishing potentials in Sierra Leone</td>
<td>Adverse environmental and social impacts if tourism is mismanaged, as has been the experience with mining industry</td>
</tr>
<tr>
<td>Opportunity to shape image as a newcomer especially with pristine and unspoiled tourist sites</td>
<td>Mis-marketing without being backed by authentic quality control which may destroy its opportunities</td>
</tr>
<tr>
<td>Saturation of neighboring tourist destinations, e.g., The Gambia</td>
<td></td>
</tr>
<tr>
<td>Strong developmental interest locally and internationally, contributing towards the public goods and infrastructure</td>
<td></td>
</tr>
<tr>
<td>Formation of a new hotel owners’ association and other business forums</td>
<td></td>
</tr>
</tbody>
</table>

3. **Competitive position of Sierra Leonean tourism**

The competitiveness analysis team applied a number of diagnostic tools to ascertain competitive position of Sierra Leonean tourism. Most of the data were obtained either through individual consultations or informal focus group discussions in Freetown,
Western Peninsula and an upcountry destination Kenema known as the gateway to the mining towns. Use of the tools included cluster mapping, product and market segmentation, SWOT analysis, and an initial value chain analysis. It has to be remembered however that this is only an initial assessment done to test potentials of a full-fledged cluster initiative in Sierra Leone, and need to be complemented by more rigorous analyses if policy implications are deduced from this report. Below are the analyses obtained from primary and secondary information.

**Figure 3**

Tourism competitiveness in West Africa (2001-04)

Overall, the Sierra Leonean tourism industry is currently positioned as a relatively difficult destination which is yet to be ‘discovered’ by potential tourists. The chart above (see ………) demonstrates competitive position of Sierra Leone vis-à-vis its rivals within West Africa. To give credit where it is due, post-conflict Sierra Leone has had the highest growth rate in tourism-generated receipts between 2001 and 2004. But one must remember that it faced a sharp downturn due to the violent conflict in the late 1990s during which a negative growth of 17 per cent was marked in the tourism sector. It sent a wave of pessimism among the international tour operators as the pioneer enterprises and infrastructures – most prominently the Tokey beach resort housing over 200 tourists largely from France, UK and the Scandinavia – was physically torn down to pieces.

Sierra Leone continues to have the lowest tourism receipt despite its impressive growth in this sector since 2001. In 2004, it earned only 50 million dollars from tourism, which is much lower than a much smaller country Gabon. When normalized by population, per capita tourism receipt in Sierra Leone is only 11 dollars, compared to 58 dollars in Gabon.
and 32 dollars in The Gambia. Larger countries Ghana and Senegal have per capita tourism receipts of 22 and 25 dollars respectively.

In case of West Africa where almost all countries attract only low scale tourism from the destination countries of Europe and the United States, tourism receipt is a direct function of the number of tourist arrival. The chart above shows that this is lowest for Sierra Leone. In 2004, only about 44 thousand tourists visited Sierra Leone as compared to 90 thousand in much smaller beach destination The Gambia, 222 thousand in Gabon, 363 thousand in Senegal and 584 thousand in Ghana. It is clear that there is great potential to triple or quadruple tourism arrivals and revenues without having to worry about reaching a saturation point.

Among the current tourists in Sierra Leone, overwhelming proportions are those who come on business purposes and few who come for personal adventure or humanitarian reasons. Given the geographic challenges and market isolation as well as its history of political instabilities, Sierra Leone should focus on select few niches within the market which would bring high-value tourists in smaller numbers, thus putting little pressure on its inadequate infrastructure and posing less threat to its fragile environment. Starting off with the captive audience of business travelers may as well turn out to be a good option which may lead to construction of the basic infrastructure and development of a skilled workforce conversant with the international service standards which are mandatory preconditions for any high-class tourism industry to take off.

**Figure 4**

![Tourist arrival from targeted market, US/EU (% total)](chart)

Source: Calculated from UNWTO stat
Analyses show that European and American tourists have the highest per capita outbound expenditures (i.e. how much they spend when they travel abroad), and this is the market Sierra Leone has appropriately tried to target. But it has not been very successful. Figure 2 above shows that only about 36 per cent of the tourists come to Sierra Leone from its targeted market, as opposed to The Gambia which receives 95 per cent of its tourists from this market. Gabon and Senegal with similar attractions as Sierra Leone have been more effective in attracting tourists from the higher-spending markets. This is primarily because Sierra Leone lacks good information on markets and effective market development skills. This in turn points to the limitations of the Sierra Leonean tourism cluster.

4. Cluster mapping

The cluster mapping exercise revealed a small and non-diverse set of industry participants who form the tourism cluster. At the nucleus of the tourism cluster in Sierra Leone lay: (i) the hotel and restaurant owners, (ii) airlines representatives and agents, and (iii) transport operators who connect tourists from airport to town and on to few upcountry destinations (see green boxes in figure 3). What was missing was the participation of those who operate and maintain tourist attraction sites such as the curators and owners of museums, operators of sports, cultural and entertainment activities, etc. The choice of food, accommodation and logistics itself was rather limited and there was very little competition among the service providers.

Figure 5

Tourism in Sierra Leone: An Initial Cluster Mapping

Source: Fieldwork
It was also notable that there was a full set of national and international formal institutions to regulate and advise the tourism sector (see blue boxes in figure 3). A separate Ministry of Tourism and the National Tourist Board carried out a series of regulatory and supervisory tasks. Ministry of Tourism was a relatively small ministry with only 22 staff and resources only sufficient for administrative tasks. Currently, National Tourism Board (NTB) has been offering most of the regulatory and facilitators services to the tourism industry, including standards certification, grading of tourism-related services, technical assistance on selected policy matters, etc.

The government was being assisted by international donors and NGOs on tasks ranging from strategy formulation to conservation and linkages-building. In principle, a vocational training institute had been in place for several years to develop tourism-related manpower while a Hotel Restaurant Owners’ Association had been formed only few months ago. What was striking while comparing the Sierra Leonean tourism cluster with other countries was that despite strong presence of these formal institutions, essential public goods and private services needed for tourism industry were still short in supply (see brown boxes in figure 3). For example, use of media and use of internet-based platform for tourism and investment promotion was almost rare. Sierra Leonean tourist websites were one of least visited websites both locally and globally and e-booking was still not an option for overseas visitors. When important campaigning events were organized, they were done with little engagement of the tourism cluster members in Sierra Leone. A good example is the recent ‘Hull Freedom Trail’ organized independently by a group of English academics and students which raised awareness against modern slavery and recognized Freetown’s historic role in slavery abolition.

It was not only frills like specialist food supply, event organization, development of extended tourist itineraries and destinations, souvenir and other shopping opportunities that were missing, but the cluster lacked even a basic health and security measures such as travel medicines, emergency rescue services or tourist police.

Sierra Leone is a country that is one of the least integrated to the global economy which means that its tourism sector is rather isolated and introspective at the moment. Entrepreneurs find it hard to mobilize finance for investment in Sierra Leone and the lack of basic public goods such as infrastructure, health and education services mean that investments are bound to be trapped in a cycle of low returns.

5. A Porter Diamond Framework

A comparative assessment of the cluster’s factor and demand conditions against its strategies revealed a very weak current competitiveness for the Sierra Leonean tourism industry. Few Sierra Leonean tourism firms are linked directly with the target markets of the EU and the US, not to mention the higher end clientele within those markets. Respondents stated that over 90 per cent of their customers are either the residential expats from within West Africa or business travelers who visit Sierra Leone because their businesses compel them. Quite a few hotels have been established post 1997 conflict, but
they were established largely to cater the need of the humanitarian workers who came to
Sierra Leone on the peace-building and reconstruction projects led by the United Nations.
As a result, most of the hotels and restaurants are located within the business districts and
there are very few tourist enterprises in prime leisure tourist sites like the Western
Peninsula or the islands and regions of biodiversity conservation.

Figure 6 below will show that receipt per tourist is one of the highest in Sierra Leone, and
compares very favorably with a prime tourist destination of the region, Seychelles. But
that assumption will be a misleading one. First, the length of tourist stay is much higher
in Sierra Leone than Seychelles, not because of its tourist attractions but merely the fact
that majority of tourists who come to Sierra Leone are business travelers and that requires
them to stay longer. Second, it has to be remembered that a bulk of the tourist
expenditure in Sierra Leone is spent in airfare which is one of the highest in the world.
This is largely because travelers to Sierra Leone are captive clients since the market is not
big enough for multiple operators. Currently, BMI/Astraues and SN Brussels are the
only two carriers connecting Freetown with all of Europe. The same is true for airport to
town transfer, which is currently done either on a helicopter, a hovercraft or a speed boat
because of the absence of reliable public transport. Finally, added to this is the problem
that Sierra Leone lacks a complete absence of a value chain of goods and services offered
to tourists. Everything has to be imported which soar unit prices enormously. Unless
these issues are addressed properly, the economic impacts of tourism are going to remain
very low within Sierra Leone

**Strategies for firms within the tourism industry are very basic.** Since there is lack of
the basic infrastructure such as reliable electricity, telephone and internet services,
business strategies for marketing are based on personal networking and individual
customer loyalties. In fact, the industry is so primitive at this stage that there is hard to
find even a price-based competition among firms and most of the businesses are currently
running at the minimum of their capacities.

While there are dedicated government and private sector organizations working on
tourism, not many of them have yet come together effectively to forge a common vision,
agree upon a joint strategy and implement strategic initiatives to enhance the
competitiveness of the entire industry. For example, there is no coordinated strategy to
bring tourists directly from the upper ends of the target markets. Nor it has lately
undertaken joint actions to organize major conferences in Freetown to develop its brand
as a conference destination. Yet these would be one of the surest ways to improve the
returns from tourism without overcrowding natural or historic sites. The financial sector
has a weak participation in the cluster as most of the businesses have very limited access
to formal credit; hence, most of them end up mobilizing their personal finances. Further,
collateral systems for credits have their inefficiencies and landowners have complained
that they find it hard to develop tourism-related properties on their own land even when
they are occupying prime tourist sites simply because banks do not give sufficient credit
on their land-based collaterals. Business partnerships are deemed risky because laws are
unclear and there are no reliable arbitrators.
There is a complete lack of a local supply chain for most of the goods and services being offered to Sierra Leonean tourists, ranging from construction materials for building hotels to food and entertainment being provided. These make customs management very complex where businessmen spend endless time and efforts claiming their eligible duty drawbacks.

**Figure 7: Porter Diamond: Policy Implications for the Tourism Cluster**

**Tourism in Sierra Leone is entirely based on basic factor conditions and advanced factors are almost nonexistent.** Sierra Leone has excellent natural tourist potentials in terms of sites, histories, culture, market proximity and climate. Local labour is cheap but not well trained in services. The availability, skills, knowledge and service delivery of all tourism-related personnel are poor although this is improving with time. There is a public vocational school and few private training institutes offering related training, but both graduating students and local businesses agree that it is currently not providing the skills needed by the industry. Capable higher level management is very scarce, and typically imported. The Phorah Bay College offers masters programs in management but not in tourism. Certainly not that are accredited internationally. Top hotels must send their employees abroad for training.

Land is uniquely a problematic issue in Sierra Leone when it comes to tourism. There are severe policy issues in determining and interpreting land titles. First, Sierra Leone has never truly addressed the colonial legacies of two parallel land ownership systems, one that operated in Western Peninsula and the second elsewhere in the country. There are several ambiguities and misconceptions both among the government officials and land owners regarding the new policies issues on land use in potential tourist sites as well as conservation areas. FIAS is already commissioning a comprehensive study on land titles and transfer of property rights, and the findings of that study will be important in the tourism cluster development process.
**Business environment constraints:** In essence, there is very little competition among the key firms because of the prevalence of strong monopolies especially in the transport business. Re inter-country air transport, Europe-Freetown is a captive air segment which is not large enough to sustain multiple carriers. The past 1.5 years saw two major private sector restructuring in this segment whereby British Airways withdrew its London-Freetown flights while the British Midland Airways (BMI) now operates through another English company Astraeus. The other intercontinental carrier Delta Airways exclusively targets the American market. For these reasons, intercontinental airfare for Sierra Leone is one of the highest in the world.

The case of in-country transport is not very different. The costs of airport-town transfer in Sierra Leone are probably the highest in the world and it has been segmented into three modes of transport. The combination of ferry and bus takes between 4-8 hours and is not used by tourists. The second and third options are the hovercraft or the helicopter, both of which are monopolies who have set their prices at par. A new option has been added recently in the form of water taxis, which is currently monopolized by another private company because of the lack of public docks. While the geographic conditions compel Sierra Leone to continue all diversified forms of transport for airport-transfer, there is room for a strategy that would look into coordination among various modes and develop guidelines on concession and competition policies for entrepreneurs.

**An Example – The Association of Small Scale Enterprises in Tourism (ASSET), The Gambia**

ASSET could be a proxy cluster model for Sierra Leone tourism because this is a familiar case for many policymakers and entrepreneurs in Sierra Leone which had delivered some good results. ASSET was established in April 2000 in order to bring together, advocate for, and promote a large number of small enterprises that were active in the tourism industry in The Gambia. These businesses include craft market vendors, tourist taxi drivers, official tourist guides, juice pressers and fruit sellers as well as a number of small hotels, guest houses and ground tour operators.

Within five years ASSET has attracted more than eighty organizations into membership, has hosted an international conference on Fair Trade in Tourism, has been recognized by the Gambia Tourism Authority (GTA) as an important voice for the previously voiceless and has become a leading player in the Gambian Responsible Tourism Partnership program that is being led by the GTA. This program brings together the principal stakeholders in the tourism industry (government, tour operators, ground handlers, hoteliers and small scale businesses) in order to ensure that the adverse impacts of tourism are minimized and that maximum benefits are gained by local people and their communities.

ASSET’s future goals include the training of large numbers of personnel working in tourism, the development and implementation of industry wide standards and the marketing of the diverse and excellent services that are provided by ASSET members.

ASSET won the Best for Poverty Reduction award during the First Choice Responsible Tourism Awards 2005 held at the World Travel Market in London. The event was sponsored by First Choice Holidays PLC in association with responsibletravel.com, The Times, World Travel Market and Geographical Magazine.

Abstracted from NTB Tourism Strategy for Sierra Leone 2008

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6. **Key Recommendations for Repositioning the Sierra Leonean Tourism Industry**

It is recommended that the Government of Sierra Leone takes leadership in undertake necessary consultations with the private sector entrepreneurs to test possibility of a cluster development program to develop a framework for strengthening the
competitiveness of the tourism sector and achieving goals through inter-linkages with competing and supporting institutions. The following areas could receive priority during this endeavour.

6.1 Development of a cluster formulation process

The cluster mapping (Fig. 5) showed that Sierra Leone tourism has several formal organizations, currently most of them reporting to the public sector, while a gamut of private sector operators, service providers and supporting institutions are missing. Where such firms are in operation, availability and quality of products and services suffer acutely. It is advisable that the government develops a Plan of Action in active partnership with the hotel and restaurant owners and transport operators, and identifies key potential collaborative initiatives that could increase the competitiveness of the Sierra Leonean tourism sector. This will entail implementation of several action steps where the latter should draw on the former.

- **Low hanging fruits**: facilitate workshops, training and other learning events to initiate dialogue among the industry leaders and policymakers to identify common issues and strengthen social capital base.

- **Joint actions** on selected collaborative initiatives among cluster members on a cost-sharing basis which may include: (i) development of communication materials such as city maps, brochures, commercial ads, websites, etc; (ii) organization of local or regional competitions to open source designs for logos, banners and promotional materials which may help awareness-raising and improve country brand as well as market outreach.

- Once the cluster takes roots as a joint entity where members are willing and able to carry out joint actions, undertake **rigorous cluster competitiveness analyses**. This should have two components. The sector-specific analyses should include market trend analyses and competitive position analyses for the identified product/market segments. They may also include tourism revenue and public expenditure analyses. The cross-sector analyses should include key areas such as transportation facilitation and logistics, property rights regime, factor mobility, competition policies, etc.

6.2 Addressing the infrastructure and public service deficiencies

The initial cluster analysis showed yawning gap between the infrastructure required and is currently there in Sierra Leone for tourism cluster to efficiently function. The airport is in poor shape, the transfer to Freetown is problematic, the road network has badly deteriorated during the conflict, power and water utilities are unreliable and expensive, and even basic health facilities are lacking. It will take a long time to tackle all the infrastructure problems, and in the meantime, priorities have to be set. Government should clearly endorse promotion of tourism sector while the private sector should match government endorsement with quick flow of investment and entrepreneurial undertaking. For this to happen, the two sectors should work jointly and develop a platform where detailed discussions and negotiations can be undertaken. This is where a cluster-based approach may be especially handy instead of economy-wide approaches.
6.3 Stimulating investment, strengthen skills and services

Investment, skills and services are other key problems faced by Sierra Leone tourism. While there is considerable natural endowment in the form of good location, weather and hospitable culture, there is a lack of policies and mechanisms that facilitate capitalization of the endowment. On the one hand, access to finance should be improved for entrepreneurs and on the other hand, legal provisions should be strengthened for foreign investors to have confidence in investing in Sierra Leone.

Once investments flow in and business ventures are kicked off, considerable support will be needed in the form of skilled human resources, sound quality regulation practices, reliable service providers functioning supply chains, etc. The cluster should develop a sensible order to tackle some of these issues and sound business plans and joint actions that help overcome the bottlenecks.
## Annexes

### Product and Customer Segmentation

<table>
<thead>
<tr>
<th>Beach tourism</th>
<th>Beach entertainment (cultural shows, bars)</th>
<th>Multiple beach destinations</th>
<th>Fishing tours</th>
<th>Water sports</th>
</tr>
</thead>
<tbody>
<tr>
<td>Town beach (Lumley)</td>
<td>✓ LE</td>
<td>✓ LE</td>
<td>✓ LE</td>
<td>X</td>
</tr>
<tr>
<td>Isolated beaches (Western Peninsula)</td>
<td>✓ LE</td>
<td>✓ BT</td>
<td>✓ AOT</td>
<td>✓ LE</td>
</tr>
<tr>
<td>Current product segment</td>
<td>✓ LE</td>
<td>✓ BT</td>
<td>✓ AOT</td>
<td>✓ LE</td>
</tr>
<tr>
<td>Potential product segment</td>
<td>✓ LE</td>
<td>✓ BT</td>
<td>✓ AOT</td>
<td>✓ LE</td>
</tr>
</tbody>
</table>

### Ecotourism

<table>
<thead>
<tr>
<th>Biodiversity (Tiwai)</th>
<th>Wildlife (Outamba Kilimi)</th>
<th>Animal sanctuary (Tacugama)</th>
<th>Cultural tours</th>
<th>Hiking, Rowing, camping</th>
<th>Artifacts/handicrafts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current product segment</td>
<td>X</td>
<td>X</td>
<td>✓ LE</td>
<td>✓ BT</td>
<td>✓ AOT</td>
</tr>
<tr>
<td>Potential product segment</td>
<td>✓ LE</td>
<td>✓ BT</td>
<td>✓ AOT</td>
<td>✓ LE</td>
<td>✓ BT</td>
</tr>
</tbody>
</table>

### Specialized tourism

<table>
<thead>
<tr>
<th>African-American heritage</th>
<th>Graham Greene trails</th>
<th>Colonial heritage/architecture</th>
<th>Archaeology trails</th>
<th>Tarpon fishing</th>
<th>Mining and plantation tourism</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current product segment</td>
<td>✓ ATD</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Potential product segment</td>
<td>✓ LE</td>
<td>✓ BT</td>
<td>✓ AOT</td>
<td>✓ LE</td>
<td>✓ BT</td>
</tr>
</tbody>
</table>

### Business tourism

<table>
<thead>
<tr>
<th>INGOs/donor events</th>
<th>Events for govt</th>
<th>Business events (mining/agribiz)</th>
<th>Activism, sports, creativity</th>
<th>Long-term (courses, internships)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current product segment</td>
<td>✓ LE</td>
<td>✓ BT</td>
<td>✓ LE</td>
<td>✓ LE</td>
</tr>
<tr>
<td>Potential product segment</td>
<td>✓ LE</td>
<td>✓ BT</td>
<td>✓ AOT</td>
<td>✓ LE</td>
</tr>
</tbody>
</table>

Note: LE: local expatriates (approx 35%); BT: business tourists (approx 30%); AOT: all other tourists including domestic and diaspora tourists (approx 35%).
### 1. Name of your firm:
(optional – but if you give us your name, we can engage you better in follow up activities):

### 2. Is your organization partly or fully government-owned?

- Yes
- No

### 3. Do you have any foreign investment in your organization?

- Yes
- No

### 4. How many people do you employ in total?

- Less than 25
- 26-50
- More than 50

### 5. Which subsector are you operating in? (Please tick all that apply)

- Accommodation
- Ground transportation – local
- Water/air transportation – local
- Transportation – to provinces
- Transportation – international
- Tour operations
- Restaurants and catering
- Entertainment (beach/casino/performances)
- Supplier of inputs to any of the above
- Marketing/advertising
- Tourist information (guidebooks, maps, consulting services)
- Regulation and grading evaluation
- Other:
  (please describe)

### 6. What is the average level of spending by your customers per day in tourism-related goods and services in Sierra Leone during their trip?

- Less than US dollars 50
- US dollars 51-150
- Over USD 151
7. Who are your clients? (Please indicate all that apply)

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resident expatriates (approximate %)</td>
<td></td>
</tr>
<tr>
<td>Business travelers (approximate %)</td>
<td></td>
</tr>
<tr>
<td>Regional and diaspora tourists (approximate %)</td>
<td></td>
</tr>
<tr>
<td>Group tourists through tour operators (approximate %)</td>
<td></td>
</tr>
<tr>
<td>Independent tourists from abroad (approximate %)</td>
<td></td>
</tr>
<tr>
<td>Others: (please describe)</td>
<td></td>
</tr>
</tbody>
</table>

8. Which are the tourism themes you are currently operating in? (please tick all that apply)

- Beach within Freetown
- Western Peninsula beach
- Other beaches outside Freetown
- Ecotourism (wildlife and birdwatch, homestays and local culture tours)
- African-American heritage; colonial history tours; arts and crafts, and other specialized trips (for researchers, scientists, sportsmen, artists, etc)
- Business trips (for locals, expats and foreigners)
- Others: (please list)

9. How many of your customers visit Sierra Leone as part of their broader Africa trip?

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tourists visiting only Sierra Leone (in %)</td>
<td></td>
</tr>
<tr>
<td>Visiting SL as part of West Africa trip (%)</td>
<td></td>
</tr>
<tr>
<td>Visiting SL as part of other Africa trip (%)</td>
<td></td>
</tr>
<tr>
<td>We do not know (%)</td>
<td></td>
</tr>
</tbody>
</table>

10. What are the average vacancy rates in the goods and services that you sell? (eg occupancy in hotel rooms, usage of restaurant, usage of transportation and catering services, etc.)

<table>
<thead>
<tr>
<th>Period</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>During your peak season (in %)</td>
<td></td>
</tr>
<tr>
<td>During your slack season (%)</td>
<td></td>
</tr>
</tbody>
</table>

11. Do you have contracts (6 months or more) to supply services to an international firm
or corporation, e.g., tour operators, airlines and other organizations, etc?

| No international contracts | Yes – with West African firms/corporations | Yes – with other African firms/corporations | Yes – with other international firms/corporations |

12. What are the three key things tourists are especially happy about during their trip?

(a) 

(b) 

(c) 

13. What are the three key things tourists complain about?

(a) 

(b) 

(c) 

14. Which countries are your key rivals and/or potential allies for business expansion?

| Key competitors (please list 3 countries) | Key allies with whom you may partner (please list 3 countries) |

15. What are your key problems?

| Major | Moderate | Minor | Any remarks (How urgent or relevant is it?) |

- Land law for buying, selling, leasing, utilizing land
- Import tariff/restrictions on your inputs
- Time it takes to import your inputs (paperwork and customs clearance, transportation of goods, etc)
- Availability of basic infrastructure (roads)
15. **What are your key problems?**
   (Please tick only one for each. If possible, please write remarks.)

<table>
<thead>
<tr>
<th>Major</th>
<th>Moderate</th>
<th>Minor</th>
<th>Any remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>(How urgent or relevant is it?)</td>
</tr>
</tbody>
</table>

- and ferries, water, electricity, telephone, health services

- **Other unpaid public goods** (country image-building and promotion, tourist site development, services by public institutions)

- **Costs of paid services** (electricity and water tariffs, transportation costs, fees for business services, fees for medical services, etc.)

- **Local availability of qualified professionals** (firm employees, government employees for regulating hotels, airlines, etc.)

- **Local availability of specialized service providers** (business strategy development, architectural, landscape designing, interior decorations, nutritional and culinary expertise, public relations, marketing)

- **Availability/quality of training providers** (private or public training of tour operators, cooks and waiters, designers, etc)

- **Contacting and connecting with international operators and markets**

- **Contacting and connecting with international standards certifiers and specialized service providers** (eg environmental, quality and safety standards for hotels, air and water transportations, etc)

- **Others**: (please describe)
Annex 3: People and Institutions Consulted

- Hotel and restaurant owners and workers (20)
- Travel agents and tour operators (3)
- Transport operators (3)
- Business association (1)
- Providers of support services (4)
- Government officials and donor representatives (10)