

# Uganda: Tour firms want VAT, Visa charges revised

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As Uganda Tourism Board (UTB) celebrates its award-winning triumph at Africa's premier Indaba tourism expo, held recently in Durban, South Africa, private sector players in the country's tourism industry have asked government to scrap the 18 per cent levy on tourism services.



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Through their umbrella body, the Association of Uganda Tour Operators (AUTO), at least 150 firms have also appealed to policymakers and government to abandon the proposed increment of tourist visa fees to \$100 per single entry from \$50.

While in Uganda, tourists have to pay 18 per cent Value Added tax on upcountry lodging services, on top of routine charges such as visa and entrance fees to national parks. For gorilla trackers, a permit costs up to \$600.

It's against such background that Babra Adoso Van Helleputte, the chairperson of AUTO, argues that government should consider scrapping VAT as one of the incentives to boost the tourism industry, which is now Uganda's foreign exchange top earner.

In her remarks on May 14, as UTB presented the Indaba Tourism Fair awards to the media in Kampala, Adoso noted that neighbouring Tanzania has already scrapped VAT on tourism services, while South Africa refunds VAT at airports as the tourists leave the country.

Both Tanzania and South Africa are among the top tourist destinations on the continent. Adoso also emphasised that doubling the visa fees, a move that is already in advanced stages, could further hurt the tourism sector by discouraging more tourists from visiting Uganda. She noted that the country could become an expensive destination for tourists, yet there are cheaper options.

According to 2013/14 statistics, Uganda's revenue from tourism services amounted to \$1.4 billion, the highest earnings from a single sector. Tourism industry officials estimate that 130,000 out of 1.4 million people who visited Uganda last year,

were tourists.

In her rallying call for softer terms for the tourism sector, and sufficient budget allocations, Adoso said: "Government should appreciate that we are now an export."

In the current financial year, government allocated Shs 5bn for tourism promotion. While experts lauded the move, private actors felt more money should have been spent on the sector.

## **Awards**

Speaking about Uganda's performance at Indaba, UTB chief executive officer Stephen Asiimwe, said the country's marketing efforts had begun bearing fruit.

Uganda picked up the 'Best Africa Exhibitor' award after beating Rwanda and Kenya in second and third places respectively.

Asiimwe explained that the award was deserved because Uganda's stand at the event illustrated the diversity and natural beauty of the country. Noting that 14 private tour operators participated in the show, Asiimwe said the public and private sectors could work together to promote Uganda's tourism to the highest levels.

## **Pineapple Bay is fast becoming a popular destination for tourists**

Uganda earned another gong from the Durban expo after Bigodi Wetlands Sanctuary, managed by Kibale Association for Rural and Environmental Development (KAFRED), won silver for 'African Responsible Tourism' accolade.

Located in Kamwenge district, Bigodi swamp boosts of papyrus vegetation and other aquatic plants, and is also famed for chimpanzee viewing. With KAFRED's eco-tourism promotion efforts, the chimps and surrounding communities live in harmony and benefit from each other.

Asiimwe says winning the awards has not only raised the bar in marketing Uganda internationally but also gives UTB more impetus to advance domestic tourism.

He disclosed that UTB is organising a local exhibition set for July, during which available services will be showcased and the best performers rewarded. To advance gains on the international stage, Asiimwe added that UTB will participate in the forthcoming tourism fairs in London, Nigeria, Japan and China later this year.

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