



THE ECONOMIC IMPORTANCE OF TOURISM TO NATIONAL DEVELOPMENT

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ABSTRACT

The tourism industry is economically important and grows rapidly. The World Travel & Tourism Council calculated that tourism generated 6.4 trillion or 6.6% of the nation's GDP in 2016. It supported 39.5 million jobs, 7.7% of its total employment. The sector is predicted to grow at an average annual rate of 7.9% from 2013 to 2023. Nigeria's Tourism offers a

Introduction

Throughout the world, tourism brings money to cities and countries. Tourism also provides jobs for the local residents, further benefiting the destination. India has realized the profits available from this sector. Thanks to its growing economy and promoting itself as a culturally rich and diverse nation, Nigeria's tourism industry now brings billions of dollars into the economy each year. The growth in the tourism industry is due to the rise in the arrival of more and more foreign tourists and the increase in the number of domestic tourists (Morrison et al., 1999).

Government has established the Ministry of Tourism in order to boost Tourism. The Ministry of Tourism has undertaken many projects to showcase Nigeria as a perfect Tourist destination and create a visitor-friendly image of the country (Adora, 2010). The development of the tourism sector involves diverse actors ranging from governments - which influence its development through policy intervention, infrastructure development and regulations - to key players in the private sector. These include the numerous small and large, and local and foreign enterprises that provide supplies and services such as hotels,



restaurants, transport, local guides, and various leisure and entertainment services. This diversity presents a dilemma. On the one hand, it shows that unlike other sectors that are inherently enclaves, such as the extractive sector, tourism creates linkages across sectors in the economy and, therefore, is more likely to contribute to national development as well as economic diversification. On the other hand, the diverse range of actors and activities in the tourism sector adds to the challenge of creating a sustainable tourism sector, which requires that each area or activity be sustainable. A range of policies and regulations, investments and training are necessary to make all tourism-related activities sustainable and to contribute to national development (Godfrey and Clarke, 2000).

TYPES OF TOURISM

1. **Leisure tourism:** Leisure time can be defined as "free time", not doing any work. It is that time to do things that you normally have no time for in your daily life. Leisure tourism includes a holiday with the following:

potpourri of different cultures, traditions, festivals, and places of interest. There are a lot of options for the tourists. Nigeria is a country with rich cultural and traditional diversity. This aspect is even reflected in its tourism. The different parts of the country offer wide variety of interesting places to visit. This paper examines the importance tourism to national development. Tourism is considered to be an economic bonanza. It is a multi-segment industry. While gauging the positive economic effects of tourism, this paper study its importance to National development, expansion of employment opportunities, rising of tax revenue, generation of foreign exchange and transformation of regional economy. Tourism is an important economic activity in most countries around the world. As well as its direct economic impact, the industry has significant-indirect and induced impacts.

Keywords: Economic, Importance, Tourism, National, Development.



- Relaxation; Sleep, relax, reading, walk on the beach, taking a scenic drive or Sport activities: hiking, swimming, surfing, running.
 - Visit places of interest and local attractions Visiting friends and relatives
 - Shopping for goods that will be used by the tourist (Adora, 2010)
1. **Business tourism:** Business tourism can be defined as "travel for the purpose of business". Business Tourism can be divided into three sections:-
 - Trading for goods to be resold on a wholesale basis.
 - Conduct business transactions e.g. visiting a client, contract negotiations.
 - Attending a conference, exhibition or event associated with their business (Kolb, 2006).
 2. **Ecological tourism:** The rich diversity in the flora and fauna with a blessing of the beautiful natural attractions has encouraged Ecological Tourism in Nigeria. The forests cover, wildlife sanctuaries, the mountain ranges, the Hill Stations, the beautiful beaches and much more is nothing but a feast for all nature lovers.
 3. **Historical tourism:** Nigeria is a land which gave birth to many legendary rulers and warriors creating a glorious historical background. Ancient cities or place has a story to tell about its history. The common tourists' attractions for the same include the Zaria city wall, the Nock art site and Ogbunike caves in Enugu and many more (Adora, 2010).
 4. **Sports tourism:** Sports tourism refers to international travel either for viewing or participating in a sporting event. Examples include international sporting events such as the Olympics, world cup (soccer, beach soccer), Nations Cup, tennis, golf and Formula 1 Grand Prix.
 5. **Wildlife tourism:** Wildlife tourism is the observation of wild (non-domestic) animals in their natural environment or in captivity. It includes activities such as photography, viewing and feeding of



animals. This form of tourism offer tourists customized tour packages and safaris and is closely associated with eco-tourism and sustainable-tourism.

Other minor forms of tourism include Slum tourism, Luxury tourism, Agritourism, Geo-tourism, culinary tourism and many more. Tourism is also a profitable industry for the following sectors: accommodation venues, tour guides, recreation, attractions, events and conferences, food and beverage, transportation and the travel trade (Adora, 2010)

TOURIST ATTRACTIONS IN NIGERIA

Nigeria is a country situated in the western coastal region of the African continent. The country is rich in natural beauty like, long blue beaches, rivers and lakes, forests, breath-taking views of the waterfalls and soothing environment. The natural beauty is a main factor behind the up- gradation of Nigeria tourism. Nigeria is located in West Africa, with a population of over 150million people. (Lagos Live, 2006.)

Nigeria is blessed with natural resources, the beach resorts scattered all over the country, are popular tourist attractions in Africa, and also the first storey building in Nigeria. Nigeria has a wide range of tourist activities to offer. It is a coastal country and the main attraction for the tourists is the long beaches and the marine activities. Apart from this, the other attractions are the historical monuments, exciting trips to the tropical forests, exploring the wildlife, art and culture and the lifestyle of the country. Traditions and culture of the country represents the simplicity in the lifestyle of the dwellers. The markets of Nigeria showcase the handicrafts and sculptures, the hotels and other accommodation facilities represent the warm hospitality and local customs and the calm and peaceful environment enhances into the beauty of the country. These factors make the memories of Nigeria tour everlasting (Khuoje 2013).

Nigeria's tourism potentials is directly associated with the quality of life as it offers visitors the privilege to take a break away from the difficulties and stresses of everyday life from their original environment as it provides the context for relaxation and opportunity to do



something different and less stressful in Nigeria. Below is an overview of some tourist destinations in Nigeria (Khuoje 2013).

Lagos bar beach: Lagos Bar Beach, the most accessible and most visited beach in Lagos especially during festive periods, has somewhat lost most of its attractions due to the massive concrete works being done along the coastline. This is the main beach on Victoria Island, alongside Ah-madu Bello Way and one of the more popular beaches in the state. Bar Beach is the main (inner city) beach and runs from the Institute of Oceanography in the west to the Eko Hotel in the east. Bar Beach is named after the sand bars that characterized the coastline of Lagos (Okusipe et al., 1999).

First storey building in Badagry Nigeria: Founded in the early 15th century on a lagoon off the Gulf of Guinea, its protected harbour led to the town becoming a key port in the export of slaves to the Americas, which were mainly to Salvador, Bahia in Brazil. From the 1840s, following the suppression of the slave trade, Badagry declined significantly, but became a major site of Christian mission work. Badagry subsists largely on fishing and agriculture, and maintains a small museum of slavery. The town inhabits dwellers from all over the country doing different business in the town. Some trade in clothing, food items, used cars from overseas and other imported goods. The town is just few kilometres from Seme a border town to Republic of Benin and generates the highest Nigeria Customs duties income till date.

Badagry beach: This ancient town of Badagry was founded around 1425 A.D. Before its existence, people lived along the Coast of Gberefu and this area later gave birth to the town of Badagry. Badagry beach is another beach in Lagos known as a Tourist Resort. It is a private-run beach located on the same axis as the rest of the beaches; Badagry beach is blessed with state-of-the-art facilities such as well modernized chalets and a large conference hall to suit the tourists' need. It also has a restaurant which serves both local and international menus. Apart from being a modernized beach, the security of lives and property is assured (Hanna, 2006).

Lekki beach: It is presently the most sought after tourist destination by visitors because of its hygiene and privacy. It's a beach with two



different names. The two names of Lekki Beach and Maiyegun Beach are united in a single Beach, which has, in its relative short years of existence, proven to be a popular holiday resort and seaside retreat for individuals desirous of an escape and freedom from the chores of everyday living (Lagos live, 2006).

Others are the Obudu cattle ranch, Mambilla plateau, Zuma rock, Wukari game reserve, olumo rock, Gurara water fall, etc.

THE IMPORTANCE OF TOURISM IN NIGERIA

Tourism is a tool for economic growth and stability and also for job creation. Tourism is very important to Nigeria because it will help to improve her gross domestic product, by increasing production and creating a good environment for foreign investors. Tourism serves as a medium of culture exchange and mingling. Tourism can change the economy of Nigeria and making her a strong nation, by inflow of tourist and aids to the government in creating or putting into place all the necessary infrastructure required for a suitable economy (Nigerian Tourism Development Masterplan, 2006).

Another major benefit of tourism to Nigeria is its capacity to stimulate infrastructural development in the country. As a matter of fact, the authentic reason for most of the states in Nigeria to invest in tourism is the ability to benefit from the provision of infrastructural facilities.

THE IMPORTANCE OF THE TOURISM INDUSTRY TO NATIONAL DEVELOPMENT

The Global Perspective

With increasing globalization and disposable income, tourism has over the last few decades become one of the largest and fastest growing industries. In 2011 the industry generated an estimated 5 per cent of global gross domestic product (GDP) and between 6 and 7 per cent of the overall number of jobs worldwide. Demand is expected to be sustained due to rising household incomes in emerging economies fuelling leisure activities and growing international trade, which bolsters business travel. Given its size, the sector bears considerable potential



for economic growth, diversification and structural transformation of economies (Ateljevic and Page, 2009).

International tourist arrivals have shown virtually uninterrupted growth, rising from 25 million in 1950 to 435 million in 1990, 675 million in 2000 and 940 million in 2010. In 2012 it is estimated that one billion tourists travelled internationally. Only in 2008-2009 did the number experience a significant setback. According to the UNWTO, the tourism sector is among the first to show early recovery from the recent global financial and economic crisis. With an estimated growth rate of 3-4 per cent in 2012, international tourist arrivals have proved to be remarkably resilient, but sensitive, to economic instability. The recovery is expected to endure over the longer term with 4 per cent annual growth in international arrivals projected through 2020, when it should reach 1.6 billion - nearly 60 per cent above current levels. Europe, East Asia and the Pacific, and the Americas are projected to be the top three receiving regions, followed by Africa, the Middle East and South Asia (Ratze and Clarke, 2009).

Moreover, figures for 2008 indicate that about 51 per cent of all international tourist arrivals are associated with leisure tourism; 15 per cent with business travel; 27 per cent with other purposes, including family visits, religious pilgrimage, health and education; and 7 per cent are unspecified. Over half arrive at their destination by air transport (52 per cent), the remainder by surface transport (48 per cent).

The number of international tourist arrivals - around one billion - is relatively small, compared with the number of annual domestic arrivals, estimated to be nearly four billion. Domestic tourism is important for employment creation and domestic value chains, especially in developed economies. However, the economic development potential of the tourism sector is often associated with international tourism because of its capacity to generate foreign exchange and provide opportunities for the transfer of capital and knowledge.

International tourism is a key source of foreign exchange and thus a crucial contributor to the balance of payments and to macroeconomic stability, especially in developing countries. The tourism sector ranked fourth in global exports in 2011, accounting for 30 per cent of the world's



exports of commercial services, or 6 per cent of total exports (Ratze and Clarke, 2009).

Another striking feature of the tourism sector is that women make up between 60 and 70 per cent of the labour force, and half of the workers are aged 25 or younger. Entry into the tourism workforce is also comparatively easy for migrant workers. For many developing countries, tourism services provided by their nationals working abroad bring significant remittance inflows. Countries hosting migrant workers also benefit from tourism and travel services exports generated by the expenditure of migrant workers in their economies (Cooper et al., 2008). Concerns about the employment pattern of the industry relate to the seasonality and temporary nature of many jobs, together with the relative high share of unskilled and semi-skilled employment opportunities, and in some cases poor employment conditions. Efforts are being made by the International Labour Organization (ILO) and non-governmental organizations (NGOs) to create awareness of poor working conditions and to sensitize tourism employers and the relevant officials to the importance of encouraging decent work and decent wages in the tourism sector (Bolwell and Weinz, 2008).

ILO estimates that in terms of the sector's employment-generating capacity, one job in the core tourism industry creates about 1.5 additional or indirect jobs in tourism-related economic activities. The majority of tourism-related businesses in developing countries, particularly in least developed countries (LDCs), tend to be small, medium-sized and micro enterprises, many of which are operating in the informal economy (Blomme et al., 2009).

The National Perspective

The global picture naturally hides important heterogeneities among countries. The sector's direct contribution to GDP, employment, income and foreign exchange earnings is greatest in developing countries that are largely dependent on tourism, such as many small developing States. In absolute terms, however, the economic impact of tourism is most significant in large and diversified economies. UNWTO estimates that "in advanced, diversified economies, the contribution of tourism to



GDP ranges from approximately 2 per cent for countries where tourism is a comparatively small sector, to over 10 per cent where tourism is an important pillar of the economy" (Blomme et al., 2009).

Over the last two decades, the sector grew considerably faster in developing countries than in developed economies, due partly to increasing disposable income and the fact that travel is now relatively less expensive and easier. Today, developing countries account for over 45 per cent of world tourism arrivals and more than 35 per cent of international tourism receipts. The growing trend in intraregional travel has also contributed to the growth of the tourism sector in many developing countries.

In terms of contributions to GDP and employment, the role of tourism is particularly prominent in developing States. In some, tourism accounts for over 25 per cent of GDP. The sector is the principal source of export earnings. Among developing countries as a whole, tourism accounts for 12-15 per cent of total export receipts (Blomme et al., 2009).

The tourism sector has gained considerable importance at the global and national levels as a source of economic growth and employment. As a result, governments have been paying increasing attention to the development of the sector with an expectation that it will help generate employment and higher income, thereby contributing to poverty reduction.

The tourism sector's potential to stimulate and facilitate growth and development in the manufacturing, construction and transport sectors has also been the subject of much debate. The sector's direct effects on the demand for manufactured products. The expansion of the sector often boosts demand for the construction of tourism facilities such as hotels, ports, roads, and modern airport facilities and the provision of vehicles and other means of transport to tourist sites. This, in turn, generates multiplier effects along the value chain and in sectors as diverse as mining, energy, water supply, and the manufacture of products with higher knowledge content, such as inputs into the construction and transport sectors. Further, the construction of transport infrastructure benefits not only tourism but also facilitates



trade. In countries where tourist sites are located in remote areas, the construction of a transport network could have a beneficial impact on rural development. However, given the low level of industrial development and the weak production structure across sectors in a developing country like Nigeria, linkages are generally the weakest between tourism and key sectors such as agriculture, transport and manufacturing. Therefore, a large part of the inputs needed to build the basic infrastructure and to promote tourism is often imported (Buckley *et al.*, 2009).

Today's tourism industry creates additional demand for information and communications technologies (ICTs), providing another opportunity to deepen linkages. The availability of information and communications technologies has helped to make the tourism industry more productive and competitive and has made tourist services, such as flight and hotel room reservations, more accessible to potential travellers. Internet has radically changed the international tourism industry by shortening the distance between providers of tourist services and their clients. There are two main dimensions to this shift. First, all categories of firms, large and small, from anywhere in the value chain, can now communicate directly with their end customers. Second, whereas consumers used to be outside the value chain, they are now at the heart of it. Just as suppliers can reach consumers directly, so clients have direct access to the supply side.

The sector also has the capacity to integrate a large number of local entrepreneurs into its value chain, such as craftsmen/women or local guides. An important share of tourism out-of-the pocket expenditure is spent on buying local crafts and art, and this expenditure generally represents direct income to local communities. Moreover, the exchange between tourists and local entrepreneurs contributes to the positive image of the destination (Adler and Adler, 2004).

Beyond the more immediate benefits that tourism can generate, the industry offers another valuable asset, that is, knowledge and technology transfer. In a dynamic industry where client preferences tend to be diverse, acquiring certain intangible knowledge - knowledge of customer's needs, access to booking systems, brands and forms of



business organization - becomes key a competitive advantage and is crucial to capture global demand. In this respect, transnational corporations (TNCs) play an important role in facilitating knowledge transmission either through foreign direct investment (FDI) or other non-equity modes of investment, such as licensing or franchising, which are common forms of entry in the tourism industry. Attracting FDI remains a key requirement for the tourism sector in developing countries where domestic resources are limited. Investment requirements cover primary facilities such as hotels and recreational amenities, as well as supportive physical infrastructure and basic services.

Poverty Reduction

Tourism, on its own, may not be the answer to the elimination of poverty, but it can make a significant contribution. The impact of tourism on poverty reduction, however, depends on a number of factors. It depends, for example, on the type of tourism, in particular, whether it is large-scale tourism or specialized or exclusive tourism. The former is highly likely to generate more employment, including for semi-skilled workers, and to provide opportunities for direct sales of goods and services to visitors by the poor or small enterprises. However, large-scale tourism could pose its own problems in terms of pressure on domestic resources, the environment and the preservation of cultural heritage; therefore, it requires a strategy to mitigate any possible negative impacts (Aurelio, 2007).

Employment generation is key to poverty reduction. As a highly labour-intensive activity, the tourism economy tends to create a high proportion of employment and career opportunities for low-skilled and semi-skilled workers, particularly for poor, female and younger workers. It can be a major source of employment for many workers who have become unemployed during the financial crisis or are joining the workforce.

Economic Impact

The economic impact of tourism cannot be overlooked; the tourism sector contributes greatly to the economy globally. With tourism, the host community has a lot to gain by means of exhibiting their natural



resources, it also add value to the economy in terms of development and infrastructures, creates jobs and improves the lives of its citizen. Tourism and economics are inter woven, because tourism makes the host country sell its value to the rest of the world, in the process of attracting tourist and direct foreign investment. The impact of tourism in any economy is visible, for example when sporting games are organized, it allows the host country showcase its tourist potential, creating an avenue for foreign investor to add value to the economy (Shashi 2006).

Source of Foreign Exchange Earnings

Tourism is an important source of foreign exchange earnings in India. This has favorable impact on the balance of payment of the country. The tourism industry in India generated about US\$100 billion in 2008 and that is expected to increase to US\$275.5 billion by 2018 at a 9.4% annual growth rate.

Preservation of National Heritage and Environment

Tourism helps preserve several places which are of historical importance by declaring them as heritage sites. For instance, the Taj Mahal, the Qutab Minar, Ajanta and Ellora temples, etc. would have been decayed and destroyed had it not been for the efforts taken by Tourism Department to preserve them. Likewise, tourism also helps in conserving the natural habitats of many endangered species.

Developing Infrastructure

Tourism tends to encourage the development of multiple-use infrastructure that benefits the host community, including various means of transports, health care facilities, and sports centers, in addition to the hotels and high-end restaurants that cater to foreign visitors. The development of infrastructure has in turn induced the development of other directly productive activities (Veal, 2006).

Promoting Peace and Stability

Honey and Gilpin (2010) suggests that the tourism industry can also help promote peace and stability in developing country like India by providing jobs, generating income, diversifying the economy, protecting the environment, and promoting cross-cultural awareness. However, key challenges like adoption of regulatory frameworks, mechanisms to reduce crime and corruption, etc, must be addressed if peace-enhancing benefits from this industry are to be realized.



Having taken into consideration the importance of tourism to national development, it is mandatory to suggest and recommend possible solution for the improvement of tourism development:

CONCLUSION

The research shows how tourism is of great importance to national development and the benefits which is associated with it. Having said that, it is good to understand the benefits associated with tourism which includes economic development of host countries, and also source of internal revenue to the government.

Tourism needs to be marketed well enough to attract tourists from all over the world, by taken the necessary steps to solve the problem of insecurity and providing infrastructures. It is left for the government to help in making the tourism sector very vibrant in the country by making a policy that will improve the development of tourism, and compete with other countries. It can therefore be concluded that tourism is a valuable contributor to national development and therefore, the government should assist the tourism industry through partnership with host communities as a backup options for more intensive community participation in line with tourism development.

Finally, the government should rise up to their obligations by giving all necessary support to tourism and ensure rapid development. These measures would help the economy of Nigeria and the residents in general.

RECOMMENDATION

The government has a big role to play in developing tourism, by providing infrastructures and creating avenues for the security of tourists. The government should not allow only the private sector to invest in tourism but they should assist the private sector by granting soft loans and reduce the tax imposed on imported materials.

Inadequate security which is a major concern to tourists should be taken into consideration. With adequate security in check, potential tourist will be able to travel without fear of violence or stolen goods. Security is the key to success to national development. The government can put in place security agents at every point of entry on the country and also mobilize the use of community policing to help in making the country more friendly and safe for tourist and the host residents.

The coastline should be expanded. To avoid over-congestion on the coastal line, more development should be encouraged to other virgin coastline. An observation in this paper shows that there are some



coastline areas in other parts of the country which remain untapped. The government should extend development to these areas to serve as a tourist destination. Extension of development to such areas will directly reduce over-congestion on the already existing beaches in Lagos and Port Harcourt. Apart from that, the development will bring about job opportunities to the residents of such areas which signify an improvement in their socioeconomic well-being.

The media is a communication tool, which can be used to attract tourists from all over the world. The media can create a good image for the country by advertising the natural re-sources and the benefits one can achieve by visiting the host country.

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