EABC POLICY BRIEF ON THE STATE OF PLAY OF THE TOURISM SECTOR IN THE EAC REGION

Issued: 25th May 2026

Theme: *Unlocking Structural and Operational Bottlenecks in the EAC Tourism Sector to Enhance Investment, Service Trade, and Regional Competitiveness*

Introduction

The East African Business Council (EABC) convened a high-level regional webinar on 14th May 2026 to deliberate on the State of Play of the Tourism Sector in the East African Community (EAC): Opportunities, Challenges, and Recommendations for Enhanced Investment. This high-level policy brief distills the urgent findings and critical strategic directives established by key regional tourism stakeholders, policymakers, tourism boards, tour operators, and development partners.

While a robust post-pandemic recovery is visible across eco-tourism, cultural safari markets, digital booking channels, and the Meetings, Incentives, Conferences, and Exhibitions (MICE) sub-sectors, structural and regulatory fragmentations continue to penalize the bloc. The EAC continues to lose its competitive edge to alternative global regional blocs.

This brief serves as a direct call to action for the EAC Secretariat and Partner States to eliminate persistent non-tariff barriers, fulfill commitments within the EAC Common Market Protocol, and rapidly operationalize East Africa as a single, unified tourism destination.

The webinar brought together policymakers, tourism boards, private sector associations, tour operators, investors, development partners, and regional tourism stakeholders from across the EAC Partner States to deliberate on the current performance of the tourism sector, emerging investment opportunities, key structural and operational bottlenecks, and strategic interventions necessary to enhance the competitiveness, sustainability, and resilience of the tourism industry in East Africa.

The Economic Stake: Tourism represents one of the EAC's primary drivers of macroeconomic resilience, structural diversification, and job creation.

- Macro Contribution: Prior to historical disruptions, international arrivals across the bloc scaled from 3.5 million to approximately 7 million, contributing an average of 9.5% to the total Gross Domestic Product (GDP) of Partner States, 17.2% to total regional exports, and 7.1% to total employment.
- Current Footprint: Today, the sector accounts for between 8% and 17% of total GDP across various Partner States, uniquely providing extensive livelihood support for youth and women and anchoring crucial foreign exchange earnings and ecological conservation funding.
- Regional Growth Dynamics: As of 2026, East Africa continues to lead the continent as the fastest-growing economic region, fueled strongly by service-sector expansion and sustained public investments.

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This brief, therefore, serves as a direct call to action for the EAC Secretariat and Partner States to eliminate persistent non-tariff barriers, fulfill commitments within the EAC Common Market Protocol, and rapidly operationalize East Africa as a single, unified tourism destination. The webinar further acknowledged the steady recovery of the sector following the COVID-19 pandemic, driven by increased investments in eco-tourism, MICE tourism, digital tourism platforms, cultural tourism, and regional tourism circuits. However,

This policy advocacy brief, therefore, presents the key recommendations and call to action arising from the webinar for consideration by the East African Community Secretariat, EAC Partner States, and regional policymakers.

2. Key Emerging Bottlenecks Affecting the Tourism Sector in the EAC

The webinar identified several priority policy, regulatory, infrastructural, and operational constraints that continue to hinder tourism growth and regional competitiveness within the EAC.

2.1 Fragmented Regional Tourism Marketing and Branding

Despite high-level declarations surrounding the "Visit East Africa" initiative, marketing operates under highly nationalistic, standalone paradigms rather than as a singular destination ecosystem. The participants observed that the Partner States largely market themselves independently rather than collectively as a single tourism destination.

The key concern is that the absence of a coordinated regional tourism branding and marketing framework continues to undermine the EAC's ability to compete effectively with other global tourism blocs. Granularly, this fragmentation leads to the following;

- The Cost of Disunity: Independent positioning dilutes the region's global weight, inflates institutional marketing outlays, and prevents operators from offering seamlessly integrated cross-border itineraries.
- The Revenue Gap: While sub-Saharan Africa experiences a strong resurgence in nature and safari tourism, historical patterns reveal that high-yield wildlife assets fail to optimize revenue generation when the broader destination facilities and marketing efforts lack unified cohesion.

2.2 Limited Air Connectivity and High Travel Costs

Intra-regional travel is actively stifled by restrictive aviation environments, weak intermodal linkages, and underdeveloped logistical infrastructure. The major concerns include;

- Aviation Taxes: Air travel within East Africa remains cost-prohibitive due to arbitrary, non-harmonized aviation taxes, high passenger landing charges, and protectionist bilateral air service policies.
- The Impact: These constraints severely impair tourist mobility across multiple domestic endpoints, increase cross-border destination package pricing, and limit broader investment velocity.

These challenges significantly increase the cost of travel within the EAC and negatively affect tourist mobility, investment flows, and multi-destination tourism packages.

2.3 Visa, Work Permit, and Mobility Restrictions

The cross-border movement of international travelers, local service providers, and specialized tour personnel remains highly restricted.

- Visa Barriers: Multi-layered visa protocols create administrative friction for long-haul international travelers seeking multi-state itineraries.
- Labor Friction: Pervasive national-level work permit fees, restrictive immigration controls, and nationality-based exclusions actively penalize local tourism operators and incoming investors. This directly undermines the foundational goals of the EAC Common Market Protocol regarding the free trade of services.

The webinar strongly emphasized that barriers affecting the movement of tourists, tourism professionals, and service providers remain among the most significant impediments to regional tourism integration. These barriers undermine the objectives of the EAC Common Market Protocol and negatively affect the trade of regional tourism services.

2.4 Regulatory and Policy Inconsistencies Across Partner States

The current business environment across Partner States features significant operational friction and regulatory unpredictability.

- **Taxation Parity Issues:** Tourism operators face overlapping licensing fees, multi-tiered national/municipal levies, and mismatched investment incentive structures.
- **Disparities in Capital Allocation:** Historic cross-border analyses show massive regional imbalances in direct state funding for sector development, ranging from multi-million dollar annual promotional allocations in some Partner States to negligible amounts in others. This lack of harmonized service standards and synchronized policy frameworks drives up the cost of compliance and deters long-term, institutional capital injections.

This fragmented regulatory environment increases the cost of doing business and discourages regional tourism investment.

2.5 Inadequate Investment in Tourism Infrastructure

The participants noted continued infrastructure gaps and the key highlights include;

- **Physical & Digital Deficits:** Connective highway corridors, regional secondary airstrips, waste management structures at eco-lodges, and reliable power access in emerging conservation zones remain critically underfunded.
- **Digital Inequities:** Rural and emerging tourist destinations frequently lack high-speed telecommunications infrastructure, which limits real-time inventory connectivity and digital booking opportunities.
- **Climate Stressors:** Severe weather events, ecosystem degradation, and biodiversity loss present structural risks to high-value coastal and savanna destinations, directly threatening community livelihoods and long-term conservation financing.

These gaps particularly affect emerging tourism destinations and limit equitable tourism growth across the region.

2.6 Skills Gaps and Service Quality Challenges

The webinar highlighted growing concerns regarding:

- Shortage of specialized tourism skills;
- Limited digital tourism competencies;
- Weak hospitality standards in some markets.
- Insufficient regional certification systems; and
- Inadequate investment in tourism workforce development.

Participants emphasized the importance of strengthening skills development to improve service quality and global competitiveness.

2.7 Climate Change and Sustainability Pressures

Tourism stakeholders expressed concern over increasing climate-related risks affecting:

- Biodiversity and wildlife conservation;
- Coastal and ecological tourism assets;
- Community livelihoods; and
- Long-term sustainability of tourism destinations.

Participants stressed the need for stronger regional sustainability frameworks and climate-resilient tourism strategies.

3. Key Policy Recommendations and Call to Action

The webinar generated a strong consensus on the urgent need for coordinated regional action to unlock the tourism sector's full potential within the EAC. The EABC, therefore, calls upon the EAC Secretariat and Partner States to prioritize the following actions:

1. Fast-Track the Operationalization of East Africa as a Single Tourism Destination

- Unified Brand Equity: Transition the "Visit East Africa" initiative from a passive marketing slogan into a fully operational, adequately capitalized regional marketing entity managed via a public-private partnership structure.
- Joint Market Interventions: Launch unified global marketing campaigns, coordinate joint presences at international travel exhibitions, and promote shared regional investment portfolios to pitch East Africa as a unified geographical circuit.

The EAC Secretariat should:

- Accelerate implementation of the "Visit East Africa" regional tourism brand;
- Develop coordinated regional tourism marketing campaigns;
- Promote joint tourism exhibitions and investment forums;
- Strengthen regional tourism circuits and cross-border tourism packages; and
- Establish a regional tourism promotion framework with clear implementation mechanisms.

2. Enhance Regional Air Connectivity and Reduce Travel Costs

- Liberalize Regional Airspace: Enforce the immediate liberalization of regional air transport services, moving toward an open-skies framework for all domestic carriers within the EAC bloc.
- Aviation Fiscal Reform: Harmonize and reduce air passenger taxes, security surcharges, and airport clearance fees on intra-regional routes to stimulate affordable, low-cost regional travel options.
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EABC Partner States are urged to:

- Liberalize regional air transport services;
- Reduce aviation taxes and non-harmonized charges;
- Strengthen regional aviation infrastructure;
- Improve cross-border transport connectivity; and
- Support low-cost regional travel solutions.

Improved connectivity is essential for enhancing tourist mobility and increasing regional tourism competitiveness.

3. Remove Restrictions Affecting the Movement of Tourism Services and Service Providers

- Work Permit Exceptions: Waive all restrictive, costly work permit requirements for accredited EAC-citizen tourism and hospitality professionals to maximize regional labor mobility.
- Standardized Professional Recognition: Implement binding Mutual Recognition Agreements (MRAs) to standardize professional certifications across tour guiding, hospitality management, and agency operations throughout the bloc.
- Immigration Simplification: Accelerate the full adoption of uniform cross-border visa regimes and automate immigration checkpoints to ensure friction-free transits for multi-destination travelers.

The EAC Secretariat and Partner States should:

- Eliminate restrictive work permit requirements for EAC citizens.
- Harmonize visa and immigration procedures;
- Operationalize free movement commitments under the Common Market Protocol;
- Facilitate mobility of tourism professionals and investors; and
- Develop mutual recognition frameworks for tourism and hospitality professionals.

4. Harmonize Tourism Policies, Standards, and Regulatory Frameworks

- Tax Code Rationalization: Harmonize tourism-related corporate tax brackets, capital repatriation policies, and investment incentives across all Partner States.
- Regulatory Simplification: Consolidate duplicate municipal and national licensing requirements into a digitized, single-window cross-border registration platform.
- Uniform East African Grading: Mandate a uniform East African hotel and facility classification system to ensure service consistency and elevate global consumer trust across all member states.

The EAC Secretariat and Partner States should:

- Harmonize tourism licensing and accreditation systems;
- Align tourism taxation and investment incentive regimes;
- Develop regional tourism service standards;
- Simplify business registration procedures; and
- Reduce duplicative regulatory requirements affecting tourism enterprises.

This will significantly improve the regional business environment and investment climate.

5. Strengthen Investment in Regional Tourism Infrastructure and Digital Adoption

- Blended Finance Frameworks: Mobilize public-private partnerships (PPPs) alongside international conservation grants and blended financing mechanisms to build resilient roads, sustainable energy systems, and modern aviation infrastructure.
- Integrated Data Ecosystems: Build an EAC-wide digital intelligence database to track accurate traveler inflows, expenditure patterns, and sector performance metrics.
- Unified Digital Payment Rails: Facilitate secure cross-border digital payments and smart multi-currency transaction networks to increase local capture of visitor spending.

The EABC recommends:

- Increased public and private investment in tourism infrastructure;
- Development of regional tourism corridors;
- Expansion of digital infrastructure supporting tourism innovation;
- Improved accessibility to emerging tourism destinations; and
- Mobilization of blended financing mechanisms for tourism infrastructure projects.

6. Promote Sustainable and Inclusive Tourism Development

The webinar strongly emphasized the importance of:

- Mainstreaming sustainable tourism practices;
- Protecting biodiversity and natural heritage;
- Supporting community-based tourism;
- Enhancing participation of women and youth in tourism value chains; and
- Developing climate-resilient tourism policies and investment frameworks.

7. Accelerate Digital Transformation in the Tourism Sector

The EAC Secretariat and Partner States should:

- Support digital tourism platforms and innovation;
- Enhance regional digital marketing capabilities;
- Strengthen digital skills development.
- Promote tourism data systems and market intelligence; and
- Facilitate digital payments and smart tourism solutions.

8. Strengthen Public-Private Dialogue and Regional Coordination

Participants emphasized the need for institutionalized engagement between governments and the private sector in tourism policymaking and implementation.

The EABC therefore recommends:

- Establishment of structured regional tourism public-private dialogue platforms;
- Inclusion of private sector associations in tourism policy processes;
- Regular regional tourism policy review forums; and
- Stronger collaboration between tourism boards, investors, tour operators, and regional institutions.

4. Strategic Call to Action

Tourism remains an indispensable pillar for advancing regional integration, economic diversification, investment attraction, and broad-based social development. However, unlocking this multi-billion dollar potential requires an immediate transition from isolated national policies to coordinated regional governance by removing barriers affecting tourism trade, investment, and mobility across Partner States.

The East African Business Council, therefore, calls upon:

- The EAC Secretariat: To fast-track the creation of structured, regional public-private dialogue platforms and integrate private sector tourism associations directly into the statutory policy review processes.
- EAC Partner States & National Authorities: To align domestic tax laws and immigration policies with the commitments made in the Common Market Protocol.
- Regional Policymakers & Development Partners: To mobilize capital toward building climate-resilient infrastructure, supporting community-based tourism enterprises, and upskilling women and youth throughout the tourism value chain.

Through close, sustained collaboration, the EAC can eliminate these persistent operational bottlenecks and secure East Africa's position as a premier, investment-ready, and globally competitive tourism destination.

The EABC remains committed to supporting regional dialogue, policy advocacy, and public-private collaboration aimed at unlocking the full potential of the tourism sector in East Africa.

Issued by:
East African Business Council (EABC)
25 May 2026

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