Economy Diversification: A Potent Tool for Tourism Development in Nigeria

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Abstract
Nigeria economy has depended mainly on proceeds from the sales of crude oil to execute most capital projects, recurrent expenditures and funding for various sectors for several years. Studies revealed that most sectors of the economy are currently inert. The emphasis on the alternatives to the use of crude oil in the advanced economies has reduced oil demands and prices, which has further weakened Nigerian earnings and naira value, leading to reduction in crude oil revenue and excess crude oil receipt. Thus, diversification is not just a choice, but a necessity. On this vain, this work reviewed the current state of some sectors in Nigeria, highlighting the effect of dependence on mono-product economy and emphasize tourism potential as a tool for economy diversification. This paper also reviewed tourism development in Nigeria, as a potent tool for economy diversification. Nigeria’s tourism sector has the potential to generate $4 billion yearly. The future for tourism in Nigeria is dependent on the opportunities and challenges being exploited and addressed. The diversity of cultural attractions, the friendly disposition of the people, revamped National Tourism orientations are key...
advantages in getting the best out of this sector, which would aid in economy boost in this frail time. Therefore, the opportunities and potentials in Nigeria should be exploited, substantial investment planned and strategic marketing of Nigeria as a desirable tourist destination must be in place.

**Key Words:** Economy diversification, Tourism Development, Tourism contribution, Gross Domestic Product, Mono-economy

**Introduction**

The renewed emphasis on the production of Shale oil in the United States and other alternatives to fossil-fuel energy, such as solar, wind and bio-energy in the advanced economies, has reduced oil demand and price and further weaken Nigerian earnings. Thus, in the absence of concerted efforts to shore-up and widen the revenue base, there will be reduction in crude oil revenue and excess crude oil receipts savings in the coming years with grave macroeconomic implications. A review of the Federal Government revenue profile in the last half-decade showed that oil earnings accounted for over 80% of the foreign exchange earnings, while the non-oil sector, despite its improved performance, contributed 20% (CBN, 2010), thus revealing the extent of the vulnerability of the economy to swings in the price of oil in the international market.

Economy diversification is a process which provides an economy with a number of different revenue streams, and provides nations with the ability for sustainable growth. There is no reliance on one particular type of revenue that would provide a nation with security and reliability in time of economic revenue fall (Najaf, 2016). The policy concern over the years has been to expand non-oil export in a bid to diversify the nation’s export base (Adedipe, 2004). The diversification of the Nigerian economy is necessary for important reasons. First, the volatility of the international oil market with the attendant volatility of government revenue gives credence to any argument for diversification of exports. Secondly, the fact that crude oil is an exhaustible asset makes it unreliable for sustainable development of the Nigerian economy (Utomi, 2004). Nigeria revenue from oil is the major growth factor in her economy because it funds virtually all capital expenditure. Thus, the frail nature of Nigeria economy is attributed to its dependence on the mono product “petroleum”. In this case, the global oil plunges, the economy begins to shiver and wobble (The sun, 2016). The whole nation is in a state of disarray because of the situation in which we have found ourselves which the economists call ‘recession’, because the demand and price of our oil has fallen. The United Nations in 2013 reported that “Travel & Tourism’s total contribution to the global economy stood at $7 trillion representing 9.5% of global GDP, not only out pacing the wider economy, but also growing faster than other significant sectors such as financial and business services, transport and manufacturing.” It is also noted that one out of every eleven new jobs created in the world is in tourism (Abam, 2016). Tourism is one of Africa’s greatest but most under-invested assets, with market worth of $50 billion. It has $203.7 billion of untapped potential which is four times greater
than any industry (WHO, 2014). The projected International tourist arrivals to Africa will be 77.3 million visitors in 2020, which represents an annual growth rate of 5.5% over the decade, which is above the global growth rate of 4.1% (WTO, 2014). In line with the economy diversification drive, the Minister of Information, Culture and Tourism, Lai Mohammed, has underscored the commitment of this present administration towards exploiting the full potentials of tourism sector. He believes that it is glaring that oil revenue could no longer provide resources to meet the growing and competing demands of the nation, hence, government is currently exploring tourism as a catalyst for economic growth and job creation (The Economy, 2016). The uniqueness of tourism as an important economic sector is evident in its ability to employ the skilled, semi-skilled and unskilled manpower, while its resilience is proven by the fact that despite wars, political turmoil, natural disaster, terrorist attacks as well as economic and energy crisis in various parts of the world, trade in tourism services has grown spectacularly since 1980s by exploring tourism as catalyst for economic growth and job creation (The Economy, 2016; WTO, 2016). The employment reach of tourism is not limited to urban areas but also rural communities that host tourist sites and monuments. It has the potentials to create more jobs per unit of investment than the oil sector, which is non-renewable, at best employs less than 2% of the population. - according to Adekunle (2012). Therefore, there is the need for Nigeria to look inwards amidst the abundance of its untapped natural resources to diversify the economy of the nation, and increase export with a view to checkmate the insidious impact of the oil price fall on the economy. This paper reviewed tourism development in Nigeria, as a potent tool for economy diversification. The specific objectives are to review the current state of some sectors of the economy, highlight the effect of mono-economy dependence on oil and emphasize tourism potential as a tool for economy diversification.

The Competitiveness of Nigeria’s Economy

On the 28th of September 2016, the World Economic Forum (WEF) released the 2016/2017 Global Competitiveness Index (GCI) report. The index measures the set of institutions, policies, and factors that set the sustainable current and medium-term levels of economic prosperity. The 12 pillars of the WEF GCI consist of static and dynamic components that collectively determine the level of productivity and competitiveness of an economy. The Global Competitiveness Index 2016-2017 measured and ranked competitiveness of 138 economies.
Figure 1: Global competitive index for Nigeria for 2012-2017

Source: Adapted from GCI, (2016)

Nigeria’s ranking deteriorated from 124th in 2015-2016 to 127th in 2016-2017 similar to 2014-2015 rank. This three-place deterioration corresponds to a five-place drop in ranking when 2015-16 rank is common-sized to reflect differences in sample sizes for both years. The drop-in ranking is attributed to two core pillars, the macroeconomic and financial market efficiency (WEF, 2016). Nigeria’s macro-economic pillar dropped from 81st in previous year’s report to 108, down by 21 places. Financial market efficiency pillar ranking dropped 10 places from 79th to 89th and this continued a downward trend in this pillar for the past 3 reports. Nigeria’s Macroeconomic pillar drop can be associated with the fall in commodity prices worldwide and with greater significance: low oil prices. Low oil prices reduced the level of macroeconomic activity through the mechanisms of lower forex supply and reduced government revenue. The shortage in the demand of oil from the international market had a knock-on effect on other pillars especially Nigeria’s financial market efficiency pillar which dropped due
to the uncertainty and lack of confidence in the financial markets. Uncertainty on policy stances, currency volatility and lower sovereign ratings led to an exodus of foreign direct investments, local investor apathy and seismic foreign portfolio reduction in the stock markets (WEF, 2016). Nigeria’s foreign exchange revenue relies heavily on crude oil exports accounting for 90% of foreign exchange earnings, of the country, lower oil prices coupled with reduced output due to militant activity in the Niger Delta have had a magnified effect on foreign reserve depletion and a fiscal shock, which has not just crippled the entire economy, but left in comatose. Nigeria’s best performing pillar remains its market size where she ranks 26 in this year’s report (2017). When common sized to the previous year figure, ranking remains unchanged. Infrastructure (132nd), Health and primary education (138th) and Higher education and Training (125th) remains a challenge to promoting Nigeria’s competitiveness as this year’s report says it will affect the future human capital needs of Nigeria (WEF, 2016).

THE ‘MINT’ Economy (Mexico, Indonesia, Nigeria, Turkey).

An acronym coined by the major investment firm, Fidelity, in 2011 for a group of four countries- Mexico, Indonesia, Nigeria and Turkey- that are expected to show strong growth and provide high returns for investors over the coming decade. The MINTs have been grouped together because of their large populations, favourable demographics and emerging economies. The MINTs have smaller economies than the BRICs- Brazil, Russia, India and China; a group of emerging-market economies that enjoyed strong growth for a number of years—but as the BRICs’ growth slowed (with the exception of China), investors turned their attention to MINTs, which analysts expected to be the next big thing (www.investopedia.com). MINT countries are still troubled by corruption and political instability, and may have experienced significant problems in the not-so-distant past. MINTs also have large, young populations, which make for a strong work force; have legal systems favourable to business growth; have governments that are pro-economic growth; are geographically well-positioned for trade; and aren’t overly dependent on a single industry. Nigeria is included because of its natural resources, large population, well-regulated and well-capitalized banks, and opportunities to expand retail credit (www.investopedia.com). Irrespective of the fact that Nigeria is among the MINT economy countries because of its natural resources and large population, the country still lags behind some other countries that were not even given such positive projection for 2050. The MINT countries average score is 4.18 higher than Nigeria’s score of 3.4 (www.investopedia.com). Nigeria is not listed among the top 20 economies in Sub-Saharan Africa. Sub-Saharan Africa average score is 3.5, 0.1 higher than Nigeria’s score (GCR, 2016). The figure below shows the ranking of Sub-Saharan Africa countries among 138 economies in the world.
Table 1: The Global competitive ranking among top 10, sub-Saharan Africa countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Global rank</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mauritius</td>
<td>45</td>
<td>4.49</td>
</tr>
<tr>
<td>South Africa</td>
<td>47</td>
<td>4.47</td>
</tr>
<tr>
<td>Rwanda</td>
<td>52</td>
<td>4.41</td>
</tr>
<tr>
<td>Botswana</td>
<td>64</td>
<td>4.29</td>
</tr>
<tr>
<td>Namibia</td>
<td>84</td>
<td>4.02</td>
</tr>
<tr>
<td>Kenya</td>
<td>96</td>
<td>3.92</td>
</tr>
<tr>
<td>Cote d’ Voire</td>
<td>99</td>
<td>3.86</td>
</tr>
<tr>
<td>Gabon</td>
<td>108</td>
<td>3.79</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>109</td>
<td>3.77</td>
</tr>
<tr>
<td>Cape verde</td>
<td>110</td>
<td>3.70</td>
</tr>
</tbody>
</table>

Source: Global competitive Report 2016-2017 rank out of 138 economies

Mauritius is sub-Saharan Africa’s most competitive economy according to the latest ranking of ‘The Global Competitiveness Index,’ by the World Economic Forum (WEF). The country however ranks at number 45 on the global ladder of 138 countries with a score of 4.49, a step from their ranking last year. Mauritius is sandwiched by Italy and Portugal. South Africa, Rwanda, Botswana and Namibia completed the top 5 places for sub Saharan Africa (http://www.africanews.com, 2016). According to the ranking, Nigeria is placed in the poorest pool of economic development possible. Nigeria ranked as a “factor driven” economy with the likes of Liberia, Lao, Mali and Yemen (GCR, 2016). Nigeria’s economy is struggling to keep up despite overt advantages over other African countries. For instance, the report noted that Nigeria, due to its population, enjoys a large market size (32nd position) “which has the potential for significant economies of scale and is an important factor for attracting investors.”. It identifies weak institutions (ranked at 129th out of 148), engrained corruption, undue influence, weakly protected property rights, insecurity (ranked at 142nd), poor infrastructure (ranked at 135th) and poor primary education (ranked at 146th) as the reasons for the country’s abysmal rating. It also points to the overreliance on oil and the poor penetration of ICT as the other reasons for the country’s poor showing. Meanwhile Mauritius has overtaken South Africa as the most competitive country in Sub-Saharan Africa. Ranked at 45th position the country moved up nine places this year, the country’s enviable showing is bolstered by “transparent public institutions (ranked at 39th) with clear property rights and strong judicial independence and an efficient government (29th),” the report noted. South Africa is ranked at 53rd position while Switzerland, ranked at number one is the most competitive country in the world (Premium Time, 2016).
Nigeria GDP Annual Growth

The GDP in Nigeria shrank 1.3 percent year-on-year in the fourth quarter of 2016, following a 2.24 percent decline in the previous period. It was the fourth consecutive quarter of contraction as lower oil prices keep hurting the oil sector. Considering full 2016, the economy contracted 1.5 percent, following a 2.8 percent growth in 2015, the first annual contraction in 25 years. GDP Annual Growth Rate in Nigeria averaged 3.99 percent from 1982 until 2016, reaching an all-time high of 19.17 percent in the fourth quarter of 2004 and a record low of -7.81 percent in the fourth quarter of 1983 (www.tradingeconomics.com).

Figure 2: Nigeria GDP Annual growth rate from 2014-2017.

The non-oil sector decreased slightly by 0.33 percent after being flat in the previous period (0.03 %); production continued to fall for real estate (-9.27 %from -7.37), manufacturing (-2.54 % from -4.38 % in the third quarter); construction (-6.03 % from -6.13 %), trade (-1.44 %from -1.38 %) and electricity, gas, steam and air conditioning supply (-5.16 % from -6.68 %). In addition, output rose less for agriculture (4.03 % compared to 4.54 %). The non-oil sector accounted for 92.85 % of the GDP up from 91.94 % in the fourth quarter of 2015 (NBS, 2017). Industrial output drove the


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contraction (down 8.53 %), followed by services (down 0.82 %) while agriculture sector expanded (up 4.11 %). The oil sector shrank 13.65 %, following a 5.45% drop in 2015, reducing the oil sector share in GDP to 8.42 % from 9.61 %. The country produced 1.833 million barrels a day in 2016, down from 2.13 mbpd in 2015 (http://www.tradingeconomics.com). In addition to lower oil prices, Nigeria faced several constraints including pipeline vandalism, fuel shortages and lower electricity generation that dragged oil and industrial production down. All these could happen because an economy depended so much on a sector to cater and furnish all other sectors. The figure below shows the fluctuation in oil prices from 2002 -2016.

**Figure 3: OPEC CRUDE OIL PRICE:2002-2016**

Source: adapted from OPEC crude oil price, 2016.

Current States of Some Sectors of the Economy

The Health Sector

The country’s health system now ranks 197th of the 200 nations covered by WHO (WHO, 2015). Nigeria bears witness to some of the worst health-care statistics in the world and comes close to the bottom of virtually every development index
Most of other countries that are ranked higher than Nigeria have suffered significant internal conflict and have considerably lower per capita gross domestic products. In 2000, the World Health Organization ranked the Nigerian health system in 187th place out of 191 countries evaluated (WHO, 2000). In 2010, it ranked 197 out 200 nations covered by World Health Organisation (WHO, 2010), with Ghana, Togo and Mali ahead of Nigeria with 135,152 and 163 respectively. Shockingly, Chad republic ranked 178, which Nigerians are virtually the key players in their health sector. According to UNDP, life expectancy in Nigeria has declined to 43 years (2006) from 47 in 1990. Nigeria needs 237,000 medical doctors against 35,000 if we have to meet WHO Standard (ACMN, 2015). Nigeria accounts for 11% world’s population, 25% of world diseases is in Nigeria, the capital of diabetes in Africa is also in Nigeria (Folashade, 2016). Malaria kills 30,000 per 100,000 persons, against world average of 4000 persons (The Nation, 2016). Due to poor financing of our health sector, N120 billion is spent on medical tourism by Nigerians, with estimated 5000 patients travelling to India and Turkey on monthly basis. (NMA, 2014). In 2015, Nigeria spent 28 billion Dollars on medical tourism (NBS, 2015) The Medical Association, according to its annual report in 2014, disclosed that according to the Indian High Commission, Indian hospitals received 18,000 Nigerians on medical visas in 2012, and about 47 percent of outbound medical tourism from Nigeria go to India, spending about $260 million USD. Estimations show that by 2015, India will receive about half a million medical tourists annually (www.medicalworldnigeria.com, 2015). Recently Nigeria is said to be at the top of the medical tourism list of Africans going to India for medical attention. The country leads by 42.4 percent, while other African countries among those involved in this trend are South Africa, Tanzania, Egypt and so on. While there is no law that states that Nigerians cannot go on medical tourism, or be treated in their preferred hospitals/medical facilities, we have to diversify our economy, to fund sectors like this that could also generate revenue to the government.

The Education Sector

The dearth of top quality tertiary institutions in Africa has been laid bare in a new report which cited only ten schools on the continent in its ranking of the best 1,000 universities in the world, which Nigeria, the giant of Africa has no university among the selected 10 (CWUR, 2016). The annual ranking is compiled by the Centre for World University Rankings (CWUR), a Saudi Arabia-based education consulting organization. CWUR bases its ranking on a range of indicators, with quality of education, quality of faculty and alumni employment making up 75% of its criteria. CWUR also takes into the account factors such as patent filings, publications and citations. Based on these criteria, only 10 universities in Africa, spread across South Africa, Uganda and Egypt, made it into the 2016 rankings. Five universities in South Africa were named, including the University of the Witwatersrand in Johannesburg, which was the continent’s highest ranked university. Egypt had four universities listed,
while Uganda had one. Of Africa’s listed universities, only four featured in the top 500 (http://cwur.org/2016.php)

Table 2: Centre for World University Ranking of top 10 African countries among the 1000 in the world.

<table>
<thead>
<tr>
<th>University</th>
<th>Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of the Witwatersrand, South Africa</td>
<td>176</td>
</tr>
<tr>
<td>University of Cape Town, South Africa</td>
<td>256</td>
</tr>
<tr>
<td>Stellenbosch University, South Africa</td>
<td>329</td>
</tr>
<tr>
<td>University of KwaZulu-Natal, South Africa</td>
<td>468</td>
</tr>
<tr>
<td>University of Pretoria, South Africa</td>
<td>697</td>
</tr>
<tr>
<td>Makerere University, Uganda</td>
<td>846</td>
</tr>
<tr>
<td>Cairo University, Egypt</td>
<td>771</td>
</tr>
<tr>
<td>Ain Shams University, Egypt</td>
<td>960</td>
</tr>
<tr>
<td>Mansoura University, Egypt</td>
<td>985</td>
</tr>
<tr>
<td>Alexandria University, Egypt</td>
<td>995</td>
</tr>
</tbody>
</table>

Source: (http://cwur.org/2016.php)

Noticeably missing from the rankings was Nigeria, Africa’s largest economy, which has over 150 universities (NUC, 2017). The country’s educational system has suffered decades of decay occasioned by a lack of funding and development. Nigeria currently spends over $2 billion annually as capital flight on education abroad (www.vanguardngr.com, 2016). The country spent 14 billion pounds for education in UK alone, predicted to rise to 21 billion pounds in 2020. (The Sun, 2016).

Effect of Dependence on Mono-Product Economy in Nigeria

A mono-product economy, from the fore-going, implies an economic system that is essentially based on the existence of only one major economic product; depended upon for the economic sustenance of that economy. The implication is that the economic life and existence of that economy revolves around the existence, relevance and currency of that product. That economy remains a potentially buoyant one only if such product does fine in the international market. The reverse though would be the case, if it’s showing at that level is poor (Robert, 2012). Falling oil prices is good news for oil importers, such as Western Europe, China, India and Japan; however, it is bad news for oil exporters, such as Venezuela, Kuwait, Iraq and Nigeria. For a mono-product
economy like Nigeria, it is not unprecedented, therefore, that a sudden and sustained decline in the price of the product will impact the country’s revenue negatively. No wonder the former Central Bank Governor, Sanusi Lamido Sanusi, in 2011 stated that: “Our major concern is that a major decline in the price of oil or (domestic output) would lead to a massive depreciation of the currency, a collapse in reserves and a huge growth in deficits and some of the states outside of the oil-producing regions, might find themselves in a situation where they are not able to pay salaries”(http://sweetcrudereports.com). The price of oil has dropped and the economy has been thrown into a state of deficits, with the effects reverberating across other sectors of the economy. This has caused adverse effect in the economy, thus bringing us to a state which the Federal Government officially declared on 31st of April 2016 “Recession”. It is that period when the economy begins to experience a down-ward trend. It is a “slowing in economic growth”, over a sustained period of time (Biafore, 2009). Economists thus argue seriously that during recessions, many macroeconomic indicators vary in a similar way. Hence, production as measured by Gross Domestic Product (GDP), employment, investment spending, capacity utilization, household incomes and business profits all fall during recessions. On the effects of recession on the state of a nation’s economy, Biafore (2009) noted that while compounding the problem of the economy, “recessions lead to lower interest rates on savings because the Federal Reserve Board cuts the federal funds rate to boost the economy. According to Robert (2012), layoffs are common during recession. Other effects are naira devaluation, depletion of governments revenue in the international market which portends negative implications, thereby increasing the requirement for borrowing and debt service (as debt servicing is expected to gulp about 26 percent of the 2015 aggregate revenue), thus impacting the funds available for capital expenditure (http://sweetcrudereports.com). Addition to these are, high inflation, unemployment, increase in social and political unrest in the society, National dept on the rise and depression, which is caused as a result of sustained recession for a long time.

**Diversifying the Nigerian Economy through Tourism**

The need for the diversification of the Nigerian economy from over-dependence on oil to tourism cannot be over emphasized, especially going by the unstable and fluctuating global oil prices in order to minimize the country’s vulnerability to macro-economic risks, such as production fall, fall in demand and price, and also a run out of reserves (Olorunfemi, 2008). Tourism, if well harnessed and well understood, would greatly ameliorated and also the problems of unemployment in Nigeria. and other economic issues. Making a case for economic diversification, (IMF, 2012) argued that service industries such as tourism need to be developed so that economy could diversified into it, for the income and foreign exchange it generates to the economy, which is needed to support local business development, and improve the standard of living of the people. Tourism has been identified as a veritable option for sustainable development, as
Nigeria grapples with the challenges of the revenue depletion. For the fifth successive year, the growth of the Travel & Tourism sector in 2015 (2.8%) outpaced that of the global economy (2.3%) and a number of other major sectors such as manufacturing and retail. In total, Travel & Tourism generated US $7.2 trillion (9.8% of global GDP) and supported 284 million jobs, equivalent to 1 in 11 jobs in the global economy (WTO, 2016). The outlook for Travel & Tourism in 2016 remains robust, despite economic fragilities and other sources of volatility in the wider market. The sector’s GDP growth contribution is expected to accelerate and again outpace growth of the wider economy. The stronger growth in 2016 was underpinned by an improving global economy. The lowest oil prices in more than a decade has continued to boost demand through lower transport costs, whilst household finances and disposable income will benefit from reduced energy costs (WTO, 2016). Travel & Tourism generated 107,833,000 jobs directly in 2015 (3.6% of total employment) and this is forecast to grow by 1.9% in 2016 to 109,864,000 (3.6% of total employment). By 2026, Travel & Tourism will account for 135,884,000 jobs directly, an increase of 2.1% pa over the next ten years as shown in the figure below (WTO, 2016).

**Figure 4:** Direct Contribution of Travel & Tourism to Employment

![Direct Contribution of Travel & Tourism to Employment](image)

*Source: Adapted from (WTTC, 2016).*

The direct contribution of Travel & Tourism to GDP in 2015 was USD 2,229.8bn (3.0% of GDP). This forecast is to rise by 3.3% to USD 2,304.0bn in 2016. This primarily reflects the economic activity generated by industries (WTO, 2016) such as hotels, travel agents, airlines and other passenger transportation services (excluding commuter services). But it also includes, for example, the activities of the restaurant and leisure...
industries directly supported. As shown in the figure below, the direct contribution of Travel & Tourism to GDP is expected to grow by 4.2% pa to USD3,469.1bn (3.4% of GDP) by 2026 (WHO, 2016).

Figure 5: Direct Contribution of Travel & Tourism to GDP

Source: Adapted from (WTTC, 2016).

The sustained demand for Travel & Tourism, coupled with the sector’s ability to consistently outperform the wider global economy and be resilient in the face of shocks, continues to underline its great significance and value as a key sector for economy diversification, development and job creation throughout the world (EIR, 2016. The World Tourism Organization reports the following destinations as the top ten tourist receipt earners for the year 2015 in Africa, with the South Africa by far the top earner (WTO, 2016), while Ghana made the least of the top ten in Africa.

Table 3: International Tourism Receipt in Africa, 2015

<table>
<thead>
<tr>
<th>Country/ Destination</th>
<th>Rank</th>
<th>International tourism receipt(Million$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa</td>
<td>1</td>
<td>8,235</td>
</tr>
<tr>
<td>Morocco</td>
<td>2</td>
<td>6,003</td>
</tr>
<tr>
<td>Tanzania</td>
<td>3</td>
<td>2,231</td>
</tr>
<tr>
<td>Mauritius</td>
<td>4</td>
<td>1,432</td>
</tr>
<tr>
<td>Tunisia</td>
<td>5</td>
<td>1,354</td>
</tr>
<tr>
<td>Uganda</td>
<td>6</td>
<td>1,149</td>
</tr>
<tr>
<td>Sudan</td>
<td>7</td>
<td>949</td>
</tr>
<tr>
<td>Botswana</td>
<td>8</td>
<td>948</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>9</td>
<td>886</td>
</tr>
<tr>
<td>Ghana</td>
<td>10</td>
<td>819</td>
</tr>
</tbody>
</table>

Source: WTO Tourism Highlights 2016
Tourism in Africa has significant potential, notably due to richness in natural resources and the potential to further develop cultural resources. However, it is still mostly in the early stages of development and strongly connected with more general and longstanding development challenges, including infrastructure as well as health and hygiene. While improvements have been achieved in these areas, especially at the local level, they remain important hurdles to attracting international tourists. As the region’s average GDP per capita is less than 4,000 PPP USD, the industry’s growth depends heavily on attracting tourists from other continents (TTCR, 2015). Tanzania, Gambia, Kenya and South Africa are all putting significant efforts into advancing Travel and Tourism development, trailing behind only the Seychelles and Mauritius, where the tourism sector’s share of the economy is particularly large. Also related to political and institutional issues, the business environment varies widely, with South Africa, Botswana, Rwanda and Mauritius among the region’s leaders and Angola, Zimbabwe and Chad among those performing less well (TTCR, 2015).

Travel and Tourism Competitiveness Report of Nigeria

In 2015, TTCR showed that Nigeria attained the 131st position overall (TTCR, 2015). Tourism does not play a very important role in the economy, accounting for only approximately 1.5% of GDP and employment, and it is not high on the government agenda, ranking 131st in terms of T&T prioritization. Given Nigeria’s cultural resources (57th) and natural assets, the country’s limited development of the tourism industry appears to be a missed opportunity for diversifying the economy and creating employment opportunities. However, significant challenges constrain the potential development of the T&T sector in Nigeria. Firstly, improving the safety and security (141st) situation remains arguably the highest priority, as highlighted by low scores for both the survey and statistics measuring the incidence of violence and terrorism. Secondly, infrastructure is inadequate, hindering economic competitiveness beyond the T&T sector. Nigerian business leaders consider lack of infrastructure as the most problematic factor for doing business, and Nigeria ranks only 127th on ground transport, 111th on air transport and 114th on tourism services infrastructure. Improving on these aspects is complex and requires time, but would bring long-term benefits not only to T&T competitiveness but also Nigeria’s development path (TTCR, 2015).

Nigeria: A Home of Tourism

Selected Attractions in Nigeria

Abuja (Aso Rock, Obudu Gurara Falls), Akwa Ibom (Ibeno – Pkerete Beach, Nwanibo Hills), Bauchi (Yankari Games Reserves), Anambra (Udi Hill), Cross River (Zuma Rock, Kwa Falls, Ranch Resort, Oban Hills and Olumirin Water Falls), Ekiti (Ikogosi Warm Spring), Jos (Watse Rock), Kogi (Owu-Water Falls), Lagos (Lekki Beach), Ogun (Olumo Rock), Ondo (Idanre hills), Plateau (Assopt Water Falls, Wildlife

**Selected Built Attractions**

Cross River (Mary Slessor’s House, Marina Resort and Ekpo Ekpo Bassey House in Calabar), Kebbi (Traditional Architecture) and Lagos (First Storey Building, National Museum and Slave House), Rayfield Holiday Resorts in Jos, the Bower’s Tower in Ibadan and various amusement parks that dots the length and breadth of Nigeria's major towns and cities.

**Selected Social and Cultural Attraction**

Akwa Ibom (Ekpo, Ekpri Akata and Raffia City), Cross River (Edele Dance – Itigidi, Mary Slessor Play – Akpap Okoyong, Mgbe Cult, Mnikom Dance, Ekeledi Dance and New Yam Festivals). Others are Plateau (Vwana Dance and Ngaraguta Leather Work) the Osun-Oshogbo festival, Osun State, Eyo festival in Lagos, Kano/Katsina Durbar, Argungu in Kebbi State and Mmanwu festival in the South-Eastern Nigeria (Ekut et al, 2012).

**Impediments to Tourism Development in Nigeria**

**Inadequate Infrastructural Bases:** Nigeria is battling with social infrastructure such as good motor-able roads, constant electricity, pipe and portable water, constant communications supplies, good health facilities and other social forces that are prerequisites for better tourism. Most tourist centres are suffering from scarcity of these social infrastructures while those that have them are operating at very exorbitant costs; thereby, discouraging tourism and tourists’ patronage.

**Lack of Awareness among the Local Communities:** Some of the local communities in Nigeria where some of the tourist attractions are located are still ignorant of the importance of tourism and its benefits to them, the government and the tourists (existing and potential). To them, they are the ‘things’ created by God and nothing more and as such, could do little or nothing to develop and promote them for their own benefits or partner with those investors who may be willing to do so. To some of the communities, such “natural centres” are forbidden to be touched or seen by outsiders or females as they are regarded as spirits, shrines, sacred places and events and should only be respected. Tradition and cultural ideologies or beliefs are, therefore, anti-development to tourism in Nigeria.
Negative Image of Nigeria Internationally: Tourism thrives in a friendly environment for both the tourists themselves and investors in tourism business. It is unfortunate that the international image of Nigeria is still dwindling faster due to cases of insecurity in the country. Examples of the insurgencies are those created by the Niger Delta militants, kidnapping in the entire country, Boko Haram attacks, and other crime waves throughout the country. Religious crises in the country, ethnic or community conflicts, crises and violence and inconsistent government policies and regulations are driving many tourists and investors in tourism business away from the country. In addition are cases of corruption, fraud (‘419’ cases), armed robbery attacks and police/security check-points here and there with various degrees of bribery and molestation of visitors or tourists are added obstacles as no person or business firm will like to invest in an unhealthy environment (Obioma, 2013).

Possible Solution for Tourism Development in Nigeria

For tourism to be sustainably developed in Nigeria as observed by Butler et al., (1993), it should be developed and maintained in an area (community, environment) in such a manner and at such a scale that it remains viable over an indefinite period and does not degrade or alter the environment (human and physical), in which it exists to such a degree that it prohibits the successful development and wellbeing of other activities and processes. Arising from this perspective is that sustainable development and its, should offer a way forward that simultaneously consider the economic, environmental and socio-cultural dimensions of development of any nation, of which Nigeria is one. For the tourism industry to be sustainable, promote the socioeconomic development of the Nigerian nation, and benefit all the stakeholders in the business (the investors, communities, government, financiers and all other interest groups), the recommendations made by the World Tourism Organization (WTO, 1999), should be considered and adopted in Nigeria (Obioma, 2013). With emphasis on the Sub-Saharan Africa, the WTO suggests that special considerations that must be made by local authorities in developing tourism in the region should include the following:
1. Improving the conservation and interpretation of natural areas and their associated biodiversity and of paleontological / archaeological / historic sites in many places.

2. Giving more emphasis to developing urban tourism.

3. Improving tourist facilities, services, public health, safety and infrastructure in many places.

4. Encouraging more involvement and participation in tourism in local communities.

5. Ensuring that land is available where and when needed in an equitable manner for tourism development.

6. Providing more education and training of personnel to work effectively in all aspects of tourism and achieving greater public awareness about tourism, and

7. Improving the institutional framework for financing tourism development and managing the tourism sector, (WHO, 1999). If all these could be adopted, and implemented, the benefit tourism would accrue to the economy would include the following, and not limited to them are:

   i. Creation of jobs directly or indirectly through tourism sectors such as, hotels, airlines, travel agencies and other associated products to tourism. In fact, the growth of tourism would not have been possible without a vibrant labour. Also, another economic impact of tourism is that it stimulates local industries and crafts in addition to increasing foreign exchange earning to provide the investment necessary to finance economic growth.

   ii. It could serve as a source of poverty reduction in Nigeria through the employment opportunities it provides for the people. Offering of social infrastructure like good motorable roads to the communities hosting, tourist attraction centres, school and health facilities, electricity and other social amenities could add life to the people and thus reducing drastically the poverty rate in the places involved.

   iii. Tourism is one of the major sources of increase in the nation’s GDP and economic growth as shown in the previous tables above. GDP being the total final output of goods and services produced by the country’s economy, within the country’s territory, by residents and non-residents, regardless of its allocation between domestic and foreign claims, and economic growth being the steady process by which the productive capacity of the economy is increased over time to bring about rising levels of national output and if properly
harnessed would contribute in absorbing the shock effect of our current depletion of foreign reserves income.

iv. In addition to income creation and employment opportunities according to (Fagbile, 2001) tourism equally helps a country to overcome balance of payment problem. This is because international tourists who buy tourism services add value to the receiving country’s revenue accounts in that nation’s invisible transaction. Bullen et al (2011) noted that Barbados in the West Indies and Hawaii in the Pacific draw more than 50% of their national revenues from tourism. Nigeria can benefit from this same sector, if properly developed and managed.

v. Tourism equally fosters inter-cultural awareness and personal friendship between the tourists and the people, the communities and nations.

Conclusion

Nigeria would be a better country if we do not solely depend on the oil sector as the mainstay and the largest contributor to the Total government revenue and GDP. Oil will continue to be important as a source of revenue, but we need to drive the economy away from where we have 70 per cent of revenue in oil and 30 per cent from other sources. “We should drive it to where a third of our revenues come from oil and two-thirds from the non-oil sector. That should be the vision for this economy. That is when we can see and say that we are capitalizing on our diversified base. The horizon is clear to see: Shale oil has come to stay and will keep crude price low. In single source economies like Nigeria, dependent on just one commodity for her foreign exchange, the shortage of forex will create inflation and economic hardship for the average citizen. To cushion these harsh economic storms, Nigeria can develop and invest in tourism, of which she has an upper hand. Tourism is one of the key sectors that provide unrivalled opportunities for Nigeria’s accelerated growth. It shares linkage with virtually all the sectors of the economy with proven multiplier effect on the economy. It remains Nigeria’s surest most strategic and competitive way to secure her rapid industrialization and future. It creates employment more than any other sector of the economy, earns foreign exchange. Most part of the country with great tourism potentials still witness low-level of inflow of tourist due to the fact that most of potentials within their environment have not been provided with adequate facilities and attention. Besides, the high levels of political instability, crime rate and terrorism have discouraged numerous number of tourists to these locations. It should be well developed by following those recommendations suggested by the World Tourism Organisation on how to develop the tourism potentials in sub-Saharan Africa, which Nigeria is among. It is believed that when these and other suggestions earlier made are
put in their proper perspectives and all the other stakeholders in the tourism business
do the right thing, at the right time, and at the right place, everything being equal,
tourism will actually improve the socio-economic development of Nigeria and add
more value to the GDP or National Income (NI) of the country.

Recommendations
Nigeria has rich tourism potentials capable of attracting tourists to the country. Today,
the political situation which is full of crisis, and the prevailing ethnic differences in
Nigeria has hampered the rate of tourists inflow to Nigeria. It is on this note that the
following are recommended:

➢ Private investors should be encouraged to take up the responsibility of the
development of the site so it can reach a globally accepted ecotourism site but
this should be subject to the community opinions and suggestions through
adequate consultations and engagement. This is important as lack of
community acceptance can have a negative effect on the development.

➢ The government should ensure a conducive atmosphere that would encourage
and guarantee tourist safety in Nigeria. Security, electricity, transportation,
communication and other supporting infrastructure are key factors that attract
tourists to a country. If they are in a comatose, visitors will search for
alternative destinations. Therefore, it is pertinent to provide these supporting
infrastructures.

Adequate attention should be given especially to destinations with great interest to
tourists by the presentation and packaging of festivals and tourism related events. Great
efforts should be made to put together fantastic events. In addition, aggressive media
campaigns should be carried out. For example, buying spaces in international media
platforms to sell these sites. The aim is to highlight reasons why tourists should make
Nigeria their preferred destination in Africa.

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