

Annex E: Calculation of Gambian Tourism Value Chain

Calculation of Gambian Tourism Value Chain

October 18th 2006

ASSUMPTIONS:

| | |
|---|---------|
| Length of stay (days) | 10.8 |
| 2005 tourist arrivals | 110,815 |
| % package | 84.0% |
| % of package during peak | 73.0% |
| Cost high season package (£) | £650.00 |
| Cost low season package (£) | £530.00 |
| Cost high season flight (£) | £265.00 |
| Cost low season flight (£) | £285.00 |
| Cost of flight for non-package tourists | £400.00 |
| Landing & pax handling fee (£) | £17.00 |
| High season ground handler fee (£) | £15.00 |
| Low season ground handler fee (£) | £7.00 |
| High season room rent (£) | £19.00 |
| Low season room rent (£) | £9.00 |
| Tour operator, admin, insurance, marketing £/Pax) | £30.00 |
| Tour operator, destination support (£/Px) | £10.00 |
| Tour operator sales commission (% on sales) | 10% |
| Tour operator gross surplus low season | 4.5% |
| Tour operator gross surplus high season | 3.6% |
| Tourist tax | £5.00 |

| Out of Pocket Expenditure | Package | Non-Package |
|---|---------|-------------|
| F&B | 51.8% | 39.9% |
| Shopping | 14.0% | 9.3% |
| Excursions | 13.1% | 4.0% |
| Accommodation | 3.0% | 25.2% |
| Local passenger transport | 3.5% | 4.2% |
| Guides | 3.7% | 1.2% |
| Recreation / entertainment | 2.9% | 4.8% |
| Cultural activities | 0.1% | 1.7% |
| Car hire | 0.5% | 1.2% |
| Other | 6.5% | 8.4% |
| Total | 99.1% | 99.9% |
| Average daily out of pocket expenditure (D) | 1400 | 1850 |
| D/£ rate of exchange | 56.20 | |

Financial inputs to value chain

| | £ | D |
|------------------------------|-------------------|----------------------|
| Package tourists | | |
| High season package | 44,168,643 | 2,482,277,720 |
| Low season package | 13,320,406 | 748,606,832 |
| Non-package air travel costs | 7,092,160 | 398,579,392 |
| Out-of-pocket package | 25,043,401 | 1,407,439,152 |
| Out-of-pocket non-package | 6,303,441 | 354,253,392 |
| Total | 95,928,051 | 5,391,156,488 |

Components of expenditure

International tour operators

| | | |
|---------------------------------|-----------|-------------|
| (a) admin, insurance, marketing | 2,792,538 | 156,940,636 |
| (b) destination support | 930,846 | 52,313,545 |
| © sales commissions | 5,748,905 | 323,088,455 |
| (d) gross surplus | 2,467,124 | 138,652,343 |