

Cross Sector Value Creation: Tourism & Hospitality Interdependence



UN Tourism Affiliate Members Corner – Cross-Sector Value
in Tourism

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Tourism and Hospitality: An Integrated System (Zanzibar Context)

- Tourism attracts visitors to Zanzibar for its beaches, heritage, and culture.



- Hospitality converts this demand into destination value through hotels, guesthouses, restaurants, and tourism services that allow visitors to stay, move, and experience the island.

Tourism and Hospitality: An Integrated System (Zanzibar Context)

- For example, without adequate accommodation, restaurants, and transport services, Zanzibar's natural and cultural attractions alone could not support sustained tourism growth.

Tourism Attractions



Visitor Demand



Hospitality System



Destination Value

Hospitality Capacity and Visitor Growth in Zanzibar

- In earlier years, limited road access to coastal areas, constrained airport capacity, and inconsistent utilities restricted hospitality operations and tourism volumes.
- As access roads, airport facilities, electricity, and water services improved, hospitality investment expanded along the coast and in Stone Town, increasing the destination's ability to host more visitors and support longer stays.
- This improvement in hospitality readiness has been reflected in steadily rising visitor arrivals.

Hospitality Capacity and Visitor Growth in Zanzibar

Several New Infrastructures



New Ferry Boat



New Fly-Over



New Local Market

How Hospitality Creates Economic Value in Zanzibar

- A single hotel stay activates multiple local value chains.
- Accommodation and restaurants rely on food suppliers, fishers, transport providers, laundry services, maintenance technicians, and construction workers.
- For example, hospitality demand supports local drivers, guides for Stone Town and spice tours, and suppliers serving hotels in beach destinations such as Nungwi, Kendwa, Paje, and Jambiani.

Employment and Livelihoods Enabled by Hospitality

- Hospitality is one of the largest sources of tourism employment in Zanzibar.
- Hotels and restaurants employ staff across housekeeping, food and beverage, reception, maintenance, and management, while also sustaining indirect livelihoods.
- For example, beach hotels support taxi drivers, boat operators, tour guides, artisans, and small businesses that depend on visitor presence.

Hospitality Shaping Tourism Products and Experiences

- Hospitality development in Zanzibar has shifted toward experience-led models.
- Hotels increasingly integrate Swahili cuisine, local architecture, cultural elements, and nature-based experiences into guest stays.
- In Stone Town, boutique hospitality responds to heritage constraints, while coastal areas offer beach, marine, and wellness experiences shaped by location and access.

Hospitality as a Driver of Destination Development

- Hospitality investment influences where tourism develops on the island.
- As access and services improved, new tourism nodes emerged beyond traditional hotspots, supporting spatial diversification.
- For example, improved connectivity enabled hospitality growth in multiple coastal zones, reducing pressure on a single area and strengthening overall destination resilience.

Collaboration and Shared Destination Value

- Hospitality operators collaborate with local suppliers, communities, and destination stakeholders.
- Examples include sourcing food locally where possible, working with guides and cultural groups, and engaging training institutions to improve service standards.
- These collaborations strengthen local economies, enrich visitor experiences, and support more resilient tourism development.

Sustainability as an Outcome of Hospitality-Led Development

- When hospitality development is aligned with destination needs, sustainability follows.
- Balanced spatial development reduces congestion, reliable infrastructure improves efficiency, and local sourcing supports economic resilience.
- In Zanzibar, these outcomes emerge from coordinated hospitality, infrastructure, and destination planning rather than isolated sustainability projects.

Best Practice: Z-Summit as a Cross-Sector Platform

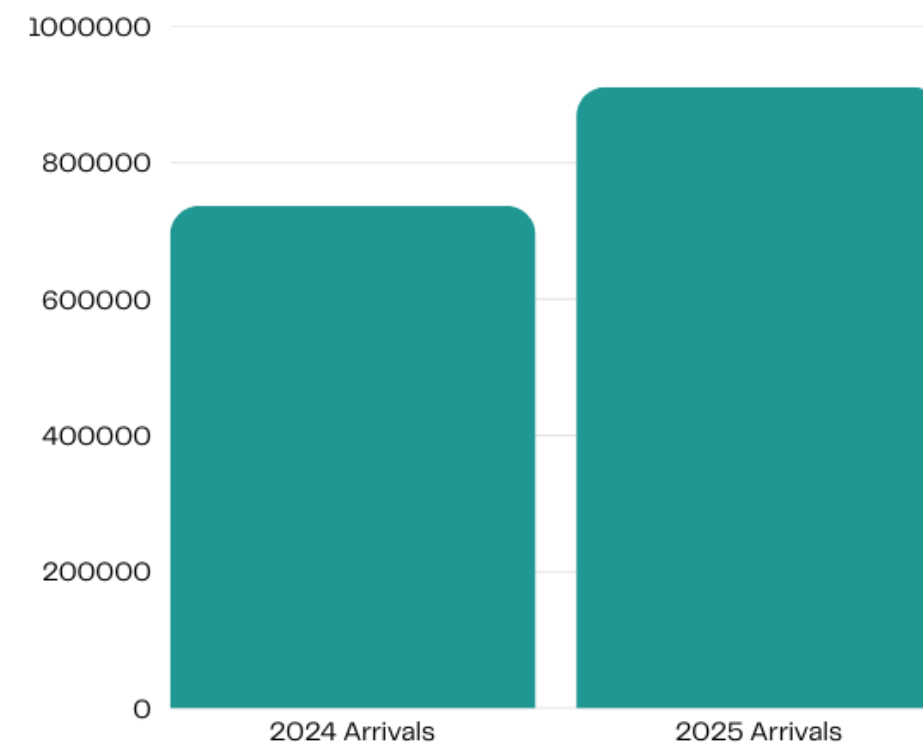
- Z-Summit is a cross-sector dialogue platform convened by the Zanzibar Association of Tourism Investors (ZATI) to align tourism growth with hospitality readiness and destination development.
- The platform brings together hospitality investors, tourism operators, government institutions, infrastructure providers, financiers, and training institutions to address how tourism demand can be supported through adequate accommodation capacity, service quality, skills development, and infrastructure readiness.
- By facilitating structured public–private dialogue, Z-Summit strengthens coordination across sectors, supports informed investment decisions, and reinforces hospitality’s role as the backbone of destination development.

Best Practice: Z-Summit as a Cross-Sector Platform



Tourism Growth Evidence: Zanzibar (2024–2025)

- International visitor arrivals to Zanzibar increased from 736,755 in 2024 to 910,682 in 2025, representing an approximate 24% year-on-year increase.
- This growth reflects improved destination readiness, including expanded hospitality capacity, enhanced services, and better infrastructure enabling Zanzibar to absorb higher tourism demand.



Why Visitor Arrivals Increased (2024–2025)

- The increase in international visitor arrivals reflects improved destination readiness rather than demand alone.

Key contributing factors include:

- Expansion of hospitality capacity across Stone Town and coastal tourism zones
- Improved access and transport connectivity supporting visitor mobility
- More reliable utilities and services enabling consistent hospitality operations
- Enhanced service quality and skills development within the hospitality sector

Together, these factors enabled Zanzibar to absorb higher tourism demand while maintaining destination quality.

Source: Office of the Chief Government Statistician (OCGS) Zanzibar Association of Tourism Investors

Key Messages

- Tourism demand alone does not create destinations.
- Hospitality transforms demand into destination capacity, employment, and value.
- Zanzibar's experience shows that improved infrastructure and hospitality development enable tourism growth, diversification, and resilience.